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This annual report is a free English translation of the original Dutch version.

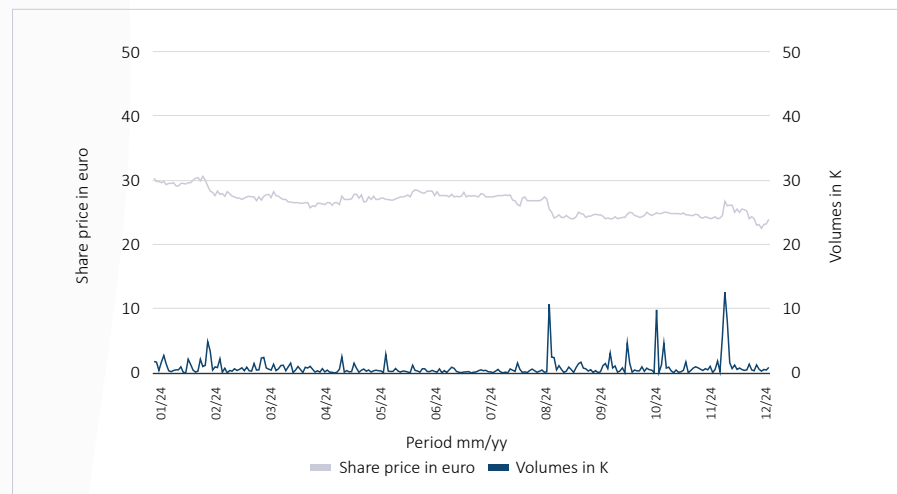
The English version is available in PDF format only; the official version is the Dutch version in ESEF format..



INFORMATION ABOUT THE SHARE

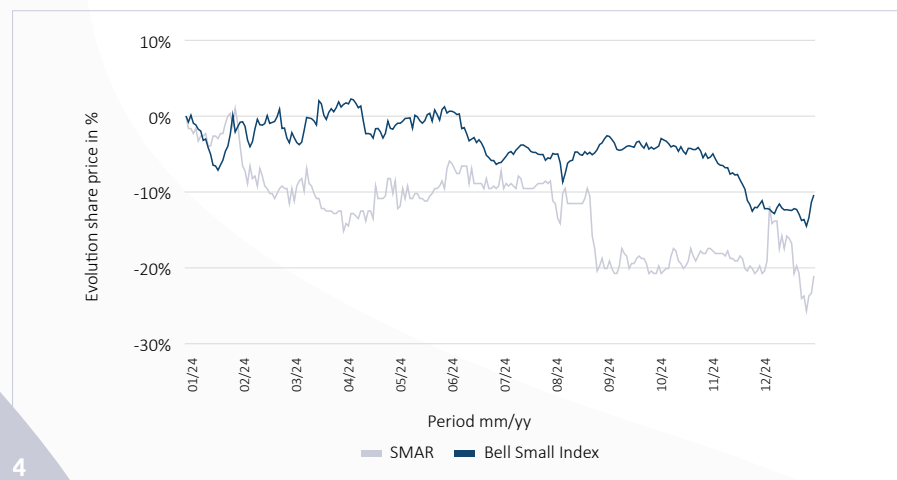
Evolution share price and traded volumes smartphoto group

January - December 2024



Evolution share price in % smartphoto group/BEL Small Index

January - December 2024



Relevant figures relating to the share

	2023	2024
Closing price at the end of December	29.60 euro	23.90 euro
Average closing price	28.48 euro	26.50 euro
Highest closing price	33.00 euro	30.60 euro
Highest intraday notification	33.40 euro	31.00 euro
Lowest closing price	25.50 euro	22.50 euro
Lowest intraday notification	25.00 euro	22.50 euro
Total traded volume in units	264 855	210 046
Average daily volume traded in units	1 055	830
Total turnover	7 678 867 euro	5 533 704 euro
Average daily turnover	30 593 euro	21 872 euro
Rotation ⁽¹⁾	20.88%	17.54%

⁽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

30 April 2025	at 24H00	Registration date for depositing shares to participate at the Annual General Meeting of Shareholders
14 May 2025	at 14H00	Annual General Meeting of Shareholders
26 August 2025*	After trading hours	2025 half-year results and half-yearly financial report
5 February 2026*	After trading hours	2025 trading update
4 March 2026*	After trading hours	2025 annual results

* 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: 529900EKGNL8HWTMT081

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⁾	3 525 307

⁽¹⁾ The weighted average number of treasury shares purchased in 2024 amounts to 25 100. This is calculated as follows: the total number of outstanding days is multiplied by the number of treasury shares purchased, and divided by 366. The total weighted average number of shares entitled to dividend amounts to 3 525 307.

The shareholders' structure as at year-end can be found on page 60 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

While worldwide pressures continue to rise, the past year(-end) has proven once again that we at smartphoto are all together a great team!

With the acquisition of Topfanz BV in the month of May, we now have another strong player in our group. Indeed, we are now also the market leader in Belgium in merchandising for the sports sector.

And recently, on 13 January 2025, System Insight Holdings Ltd and its subsidiaries joined our group. System Insight Holdings Ltd, a UK-based company, specialises in photography for events and attractions, operating under the commercial name Image Insight.

Both acquisitions, joining naYan in the B2B segment, offer a lot of opportunities for the smartphoto group with synergies towards customers and increase in volumes at our production sites.

In terms of sustainability, we were recognised by VOKA as an SDG pioneer, and in the autumn we also received the Customer-Centered Organisation Awards in recognition of our tremendous customer focus. A big thumbs up to all our employees who give their best each and every day!

The year 2025 promises to be another dynamic and promising year.

NaYan continues steadily to secure a number of new contracts, as it did in 2024. With TopFanZ, we already have big plans to grow both with existing customers as well as in the Netherlands, because with its strengthened team, TopFanZ is ready to roll out the proven concept even further beyond the country's borders.

Available space was freed up in Vantegem, Wetteren, so that naYan's Gifts department could be relocated from Ardoois. From now on, personalised gift packages, including drinks, chocolates and flowers, will be assembled and dispatched at our premises in Wetteren.

At smartphoto, we are going for more moments and more segments, and we will do this by launching specific shops on the smartphoto websites (including birth, marriage, ...), with products that are even more inspiring: think, for example, of a keychain with a photo and the QR code for an ultrasound video for expectant mums and possibilities with AI in the editor for our consumers.





Our achievements are only possible thanks to the dedication of our employees, the cooperation with our customers and our suppliers, and the trust of our shareholders. We deeply appreciate their contribution and wish to thank them wholeheartedly.

This confidence of our shareholders was also reflected in the press release of 4 March 2025 announcing that Alyrick BV, an entity controlled by Midelco NV and Alychlo NV, has bought all 719 000 shares (or 18.24%) of smartphoto group NV from Shopinvest NV and De Vleterbeek NV, and as such they have exceeded the threshold of 30% of the voting securities in the company. In accordance with the Takeover Law, they are therefore obliged to launch a public takeover bid for all securities. This is a clear sign of confidence in both management and all employees, with a view to a successful future for the company.

Stef De corte,
Permanent representative of Acortis BV,
CEO

Philippe Vlerick
Chairman of the Board of Directors

“

In terms of sustainability, we were recognised by VOKA as an SDG pioneer, and in the autumn we also received the Customer-Centered Organisation Awards in recognition of our tremendous customer focus.

2024 CONSOLIDATED KEY FIGURES

Audited figures

Statement of profit or loss for the period

(in K euro)	2023	2024	Δ in % 2024
Revenue	77 346	80 450	4.0%
Profit/loss (-) from operating activities (EBIT)	9 207	7 212	-21.7%
Depreciation, amortisation, write-downs, impairment and provisions from operating activities	3 923	4 204	7.1%
Profit/loss (-) from operating activities, corrected for depreciation, amortisation, write-downs, impairment and provisions (EBITDA)	13 130	11 415	-13.1%
Financial result	- 383	-27	-93.1%
Profit/loss (-) before taxes (EBT)	8 824	7 185	-18.6%
Income taxes expense (-)/income	-1 896	-1 761	-7.1%
Profit/loss (-) for the period	6 928	5 424	-21.7%

Statement of financial position for the period

(in K euro)	2023	2024	Δ in % 2024
Total assets	81 383	85 989	5.7%
Cash and cash equivalents	25 179	24 873	-1.2%
Gross financial debt (-)	-5 495	-4 343	-21.0%
Net financial debt (-)/Net cash	19 683	20 529	4.3%
Total equity	49 294	49 143	-0.3%
Solvency ratio	60.6%	57.2%	-5.6%
Current ratio	133.7%	121.7%	-8.9%

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)	2023	2024	Δ in % 2024
Non-current interest-bearing financial liabilities	-1 409	-1 075	-23.7%
Non-current lease liabilities	-2 809	-1 812	-35.5%
Current interest-bearing financial liabilities	- 478	- 588	22.8%
Current lease liabilities	- 798	- 869	8.9%
Gross financial debt (-)	-5 495	-4 343	-21.0%

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)	2023	2024	Δ in % 2024
Cash and cash equivalents	25 179	24 873	-1.2%
Non-current interest-bearing financial liabilities	-1 409	-1 075	-23.7%
Non-current lease liabilities	-2 809	-1 812	-35.5%
Current interest-bearing financial liabilities	- 478	- 588	22.8%
Current lease liabilities	- 798	- 869	8.9%
Net cash	19 683	20 529	4.3%

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)	2023	2024	Δ in % 2024
Current assets	35 058	38 349	9.4%
Current liabilities	26 231	31 513	20.1%
Current ratio	133.7%	121.7%	-8.9%

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)	2023	2024	Δ in % 2024
Total equity	49 294	49 143	-0.3%
Total assets	81 383	85 989	5.7%
Solvency ratio	60.6%	57.2%	-5.6%

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 Wetteren, 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.

Additionally, smartphoto group, through naYan, which is active in B2B e-commerce, is one of the market leaders in e-commerce distribution. NaYan is a full-service e-commerce agency that, worldwide, helps ambitious brands 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 Belgium's market leader in merchandising products and services in the sports and entertainment sector, ranging from product procurement, support in e-commerce activities and logistics, to full-service partnerships, including marketing advice (www.topfanz.com).

As of the acquisition on 13 January 2025, smartphoto group, through Image Insight, the commercial trading name of System Insight Ltd, specialises in bespoke photo solutions for visitor attractions, events, and venues globally.



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.
- 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.
- 2024:** Expansion of the operating activities through the acquisition of fanshops.be BV, operating under the brand name TopFanZ.
- 2025:** Name change of fanshops.be BV to Topfanz BV. Expansion of the operating activities through the acquisition of System Insight Holdings Ltd, and its subsidiaries, operating under the brand name Image Insight.

THE SMARTPHOTO SEGMENT





Happiest Valentine's Day
With love from Thomas
Will you be my Valentine?

THE SMARTPHOTO SEGMENT

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.

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.

Equal to 2023, smartphoto was also in September 2024 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.

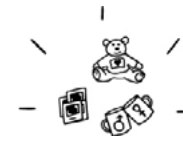
We also make it as easy as possible for our customers to enjoy their pictures by making sure that designing a product on our website is as simple as possible. For example, we pay a lot of attention to the speed of our websites, their accessibility from all kinds of devices (smartphone, tablet, laptop, 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, numerous 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.

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.

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. And in November 2024, smartphoto won the 'Customer-Centered Organisation Awards'. A recognition for our tremendous customer focus. The jury especially praised our culture where everyone is committed to giving our customers a 'smile' every day.

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 Wetteren, 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. Meanwhile, mobile purchases in some countries already 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. We will continue to look further to make all this as optimal and cost-efficient as possible.

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 colleagues in production.

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. In the past years, investments were made in new printers and machines to print, package and deliver your products to your home; in machines to offer products with new capabilities, such as lasering, engraving and embroidery; and 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.



In the meantime, smartphoto group has already been allowed to call itself a Great Place to Work® for the third time! This certification shows that smartphoto group 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.

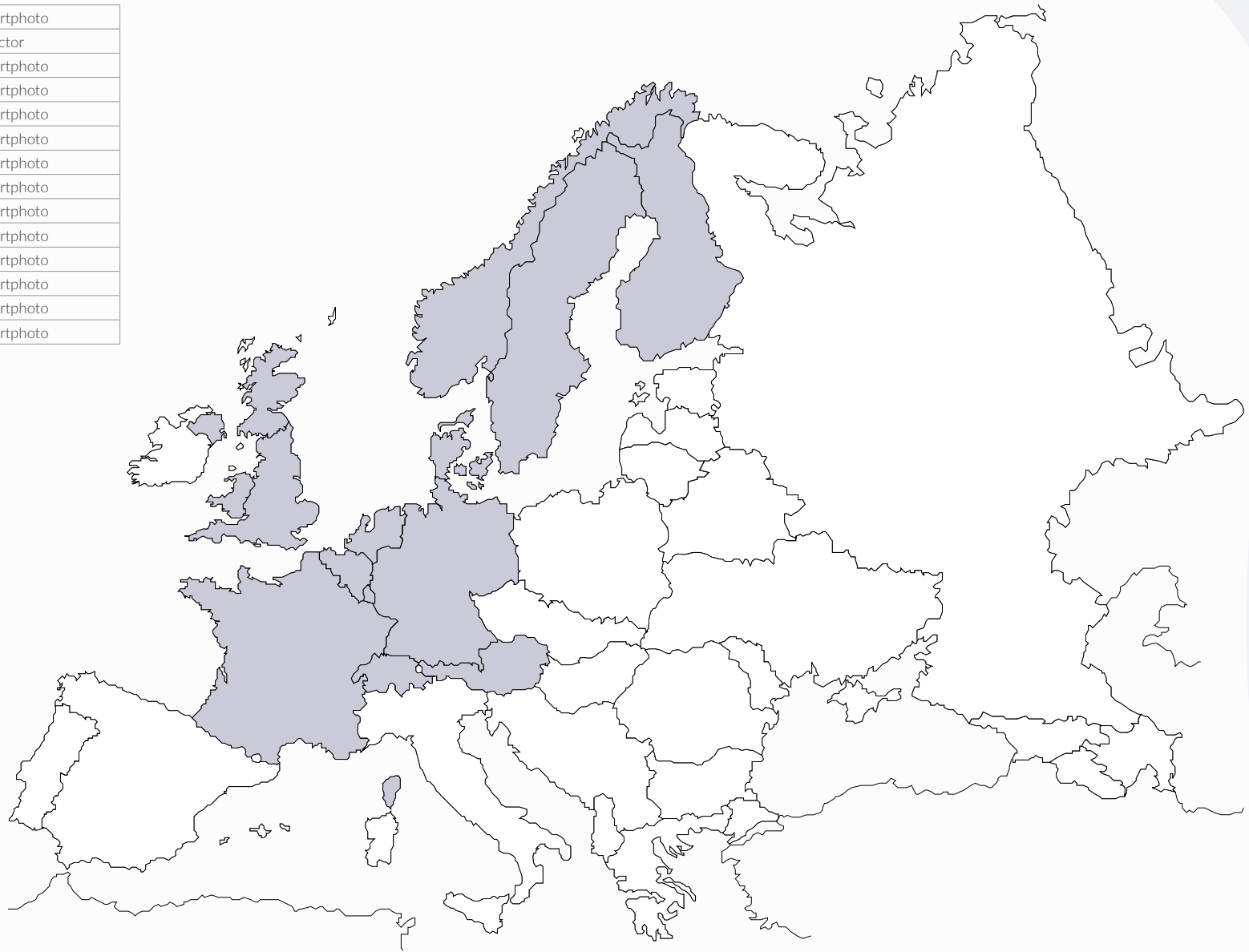
By analysing our NPS (Net Promoter Score), we measure what you, as our customer, really want, and we know where we can go the extra mile. We carefully read all your feedback, so we can do something about it. This is the real power of improvement!

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.



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



THE B2B SEGMENT





THE B2B SEGMENT

The B2B segment, an aggregated segment by merging the operational segments naYan, TopFanZ, and - since the acquisition on 13 January 2025 - Image Insight, has the common goal of unburdening their customers in their e-commerce activities.

naYan
SCALING YOUR ECOMMERCE

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 about 75 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.



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

Creating inimitable fan experiences is TopFanZ's core responsibility. This is achieved by supporting professional sports clubs in merchandising and brand activation. TopFanZ increasingly uses the group's production facilities in Wetteren to supply its customers with specific products in a quick way.

Productrange

With our in-depth market knowledge, we guide clients in the selection of merchandising products and support them in increasing their sales. Our consultants, with years of experience in sports merchandising procurement, help clubs and organisations put together a strong product range.

To ensure the quality of our products, we only work with carefully selected suppliers. New suppliers are thoroughly examined through site visits, audits and test orders. We also ensure that all our partners comply with European legal obligations.

We do not believe in ordinary supplier relationships, but strive for long-term partnerships. By entering into exclusive collaborations, we can offer unique merchandising products that are not available anywhere else. Our global network makes it possible to achieve both quick deliveries in small quantities, and large-scale orders at more competitive prices.

Thanks to our extensive knowledge of the market, we can optimally advise clubs and organisations on their merchandising strategy. We identify trends and opportunities and help select the right products to maximise sales.

As the market leader, we join forces with several clubs by organising group purchases for popular items. This enables us to guarantee competitive prices and make exclusive products accessible.

E-fulfillment: efficient and scalable webshop management

In recent years, TopFanZ has developed a powerful and efficient basic platform for webshops. This solid foundation enables us to set up and expand new webshops quickly and cost-effectively.

With our flexible basic system, the customer determines which additional functions and links are added, so that the webshop fully meets the wishes and needs of our customers. Our services include reliable hosting for optimal performance and availability, continuous maintenance of the basic platform, regular updates of functionalities and links, professional guidance during the start-up of a webshop, basic texts and images to support the look and feel, etc. In short, we provide a future-proof e-commerce solution that grows with the customer.

Depending on the wishes and needs, there are various options, ranging from a full-service online fan shop platform, a standalone online fan shop, to a dynamic state-of-the-art online fanshop.

Marketing

TopFanZ provides inspiring marketing advice and, as a brand activator, markets the client's merchandising in an effective and impactful way through strategic and creative support in online and offline communications.

We develop original designs and effective marketing campaigns that strengthen the client's brand and appeal to the right target group. We also offer professional support for both small and large-scale events.

With inspiring tailor-made marketing advice, we think strategically and help our clients to successfully promote their merchandising.



Furthermore, smartphoto group, through **Image Insight**, the commercial trading name of System Insight Ltd, specialises in bespoke photo solutions for visitor attractions, events and venues globally (www.imageinsight.com).

System Insight Holdings Ltd, and its subsidiaries, was acquired by smartphoto group on 13 January 2025.

Image Insight provides complete instant photo solutions for visitor attraction organisers worldwide. With a combination of on-site printing capabilities and a digital platform, visitors can instantly take away a tangible memory of their experience. In addition, digital integration allows easy sharing of photos on social media.

Visitors enjoy capturing and preserving memories of their trip. The photos we take are tangible reminders

of their adventure, something they can look back on and reminisce about. A souvenir photo offers visitors the chance to take these memories home, while at the same time creating an additional revenue stream for the attraction.

The images taken can also be used via our own cloud solution to have those unforgettable moments delivered home via an order on 1 of our smartphoto sites in different countries as well.

At Image Insight, we know that a photographic solution should enhance the visitor's experience, maximise commercial opportunities, and be fast, efficient and fun for the visitor.

Our systems are used at various attractions, such as football clubs, theme parks, exhibitions, zoos and other experiences. What makes us different is our broad expertise in souvenir photography. With our VEGA photography solution, we continue to constantly innovate to optimise the photo experience and revenues for our partners in a variety of sectors. VEGA is our easy-to-use, efficient and automated solution for attraction parks and theme parks. The system has been developed internally and optimised over the years using advanced and thoroughly tested technology.





REPORT OF THE BOARD OF DIRECTORS





REPORT OF THE BOARD OF DIRECTORS

2024 annual results

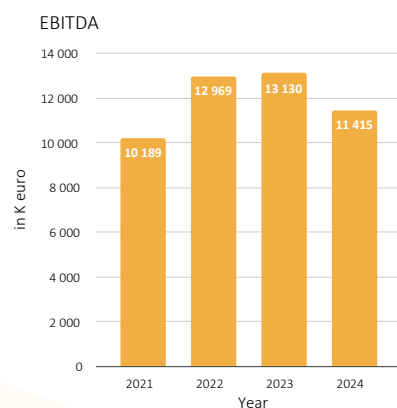
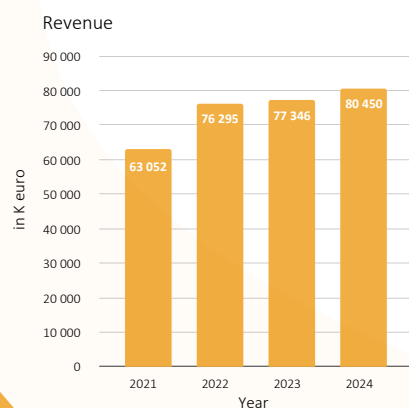
Smartphoto group further invests in growth

- Increase in revenue from 77 346K euro in 2023 to 80 450K euro (+4.0%) in 2024, driven by a strong second semester and an even stronger final quarter.
- EBITDA amounts to a solid 11 415K euro in 2024, a decrease of 13.1% compared to 2023 (13 130K euro). This decline reflects targeted investments in people and marketing, which already contributed to accelerated turnover growth and strong performance in the second half of the year.
- Increase in net cash of 846K euro (+4.3%) from 19 683K euro in 2023 to 20 529K euro in 2024, and this notwithstanding the increased dividend payment, the additional buyback of treasury shares, and the acquisition of TopFanZ at the end of May 2024.
- The Board of Directors will propose to the Annual General Meeting of Shareholders not to pay a dividend for the financial year 2024.

Notes to the annual results

Smartphoto group, the innovative e-commerce group from Wetteren, realised an increase in revenue to 80 450K euro in 2024 thanks to a strong second semester and an even stronger last quarter. This growth of 4.0% (or 3 104K euro) was achieved in a challenging economic environment, with continued pressure on consumer spending and market uncertainties.

EBITDA is 11 415K euro in 2024, compared to 13 130K euro in 2023 (-13.1%). The decrease in EBITDA is the result of investments in people and marketing to support further long-term growth.



The smartphoto division managed to limit the increase in operating costs by implementing strict cost control and smart price increases, which allowed margins to be further increased. Targeted investments in marketing brought growth in the second half of the year.

The product range was also further expanded in the second half of the year. Over 2024, mainly the product categories photo books and calendars experienced a nice growth. In the gifts product category, the personalised puzzle, which is available in different sizes and has variants from 24 to 1 000 puzzle pieces, and the personalised fleece blanket made of recycled material proved to be the star products. Compared to 2023, the overall customer database remained stable.

The B2B division showed a positive evolution in revenue, both organically, by attracting new clients, and through growth from the existing client portfolio, as through the acquisition of TopFanZ. Within naYan's agency component, the teams were further expanded to provide an even better service to our clients. The production activities of the Gifts department within naYan will be relocated to the Gift Factory in Wetteren from spring 2025. This relocation will ensure increased efficiency and better utilisation of available space, which will ensure higher productivity in the second half of 2025.

TopFanZ, market leader in Belgium in merchandising products and services in the sports and entertainment sector, is also part of this division. TopFanZ is included in the consolidated figures as from the acquisition date on 31 May 2024, contributing 7 months of revenue and earnings.

System Insight Holdings Ltd and its subsidiaries will also be included within this division as of 2025 (see press release dated 13 January 2025). System Insight Holdings Ltd, a UK-based company, specialises in photography for events and attractions, operating under the commercial name Image Insight. An initial cash consideration of GBP 8 million was paid for this acquisition, for which the acquisition price, given the positive growth forecast for the future, was determined using a valuation based on an EBITDA multiple of 6. As at 31 December 2024, cash on the balance sheet amounted to 1.5 million GBP. In addition to the initial purchase price, the seller is entitled to an additional consideration, the final price of which will depend on future results.

Increase in net cash of 846K euro (+4.3%) from 19 683K euro in 2023 to 20 529K euro in 2024, and this notwithstanding the increased dividend payment, the additional buyback of treasury shares, and the acquisition of TopFanZ at the end of May 2024. Net cash, excluding lease obligations in accordance with IFRS 16, amounts to 23 210K euro as at 31 December 2024, compared to 23 291K euro as at 31 December 2023 (-0.3%).

In July 2024, we already received the third consecutive Laureate recognition for translating our sustainability strategy into concrete actions. These actions are developed within the VOKA Charter Sustainable Business ('VCDO'), and are linked to the United Nations' Sustainable Development Goals (SDGs).



This led to the award of the UN Sustainability Certificate 'SDG Pioneer 2024', in recognition of the United Nations for investing in knowledge building, implementation and communication on the SDGs.

Thanks to the dedication of our team, we were able to achieve this recognition. Also in 2025, we remain fully committed to make sustainable improvements in all areas.

As in 2023, smartphoto was also recognised in September 2024 by 'Test Aankoop' as the best and cheapest online service for photo prints, based on comparative and independent test results and analyses. For smartphoto, this is a confirmation of the quality of our services and products.

In the month of November 2024, smartphoto won the 'Customer-Centered Organisation Award'. A recognition for our great customer focus. The jury especially praised our culture in which everyone is committed to giving our customers a 'smile' every day.

Financial result

The financial result evolved positively from -383K euro in 2023 to -27K euro in 2024. This increase of 356K euro is mainly due to the increase in financial income from cash investments and the increase in the result from exchange rate movements.

Income taxes expense (-)/income

The balance of income taxes expense (-)/income evolved from -1 896K euro in 2023 to -1 761K euro in 2024.

Income tax 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 current income tax expense of 1 099K euro. Income tax expense of -1 761K euro in 2024 consists, on the one hand, of the net decrease in deferred tax assets of 852K euro, and, on the other hand, of the current tax expense on profit of 909K euro.

Profit and loss and other comprehensive income

At 31 December 2024, the net profit amounts to 5 435K euro, a decrease of 21.7% compared to the net profit of 6 905K euro at 31 December 2023.

This evolution of the realised profit for 2024, with a decrease of 1 470K euro, is mainly explained by:

- a negative evolution of profit from operating activities of 1 995K euro;
- a positive evolution of financial result of 356K euro; and
- a positive impact of income tax income/expense of 135K euro.

Other comprehensive income after tax amounts to 10K euro in 2024, and relates, on the one hand, to the revaluation of the net defined benefit liability (asset), also taking into account the income taxes payable, for a net amount of 86K euro; and, on the other hand, to translation differences for a net amount, after income taxes, of -76K euro.

Other comprehensive income after taxes amounted to -23K euro in 2023. Comprehensive income and other comprehensive income amount to 5 435K euro as at 31 December 2024, compared to 6 905K euro a year earlier.

Dividend

The Board of Directors will propose to the Annual General Meeting of Shareholders not to pay a dividend for the financial year 2024.

Statement of financial position

The balance sheet total increased by 4 606K euro, amounting to 85 989K euro as of 31 December 2024. Mainly the following elements contributed to this:

Property, plant and equipment

The net book value of property, plant and equipment increased by 572K euro. This increase can be explained by:

- the investments for 2 147K euro, mainly consisting of the investments in production machinery;
- acquisitions through business combinations, following the acquisition of TopFanZ for 138K euro; and
- depreciation of tangible fixed assets for 1 707K euro.

Right-of-use assets

The carrying amount of the right-of-use assets amounts to 2 609K euro as at 31 December 2024, compared to a carrying amount of 3 555K euro as at 31 December 2023. The decrease of 946K euro consists, on the one hand, of investments for 1 025K euro relating to new agreements concerning vehicles and acquisitions through business combinations, following the acquisition of TopFanZ, mainly concerning the building in Halen, for 493K euro. On the other hand, depreciation for the period amounts to 955K euro, and, there is a decrease in assets corresponding to a right-of-use asset following the termination of the lease agreement of the building in Ardooie (naYan), amounting to 1 484K euro.

Goodwill

Goodwill increased from 17 220K euro in 2023 to 18 895K euro in 2024. This increase of 1 675K euro is due to the acquisition of TopFanZ in the month of May 2024.

The amount by which the consideration transferred of 2 230K euro exceeds the net balance of the identified amounts of identifiable assets acquired and liabilities assumed of 554K euro, was recognised as goodwill, being 1 675K euro.

Intangible assets

The carrying amount of intangible assets increased by 969K euro, amounting to 4 583K euro as at 31 December 2024.

This increase is mainly due, on the one hand, to investments for 2 235K euro, almost entirely internally generated assets, and acquisitions through business combinations, following the acquisition of TopFanZ for 15K euro. On the other hand, depreciation for the period amounts to 1 485K euro. Investments mainly relate to investments to improve the web platform and associated management tools. Expenditure on internally generated assets meets the recognition criteria for capitalisation in accordance with IAS 38.57.

Deferred tax assets and liabilities

Deferred tax assets decreased from 5 858K euro as at 31 December 2023 to 4 901K euro as at 31 December 2024, being a decrease of 957K euro. Deferred tax liabilities decreased from 831K euro as at 31 December 2023 to 743K euro as at 31 December 2024, being a decrease of 88K euro. The net decrease in deferred tax assets/liabilities (-) of 868K euro mainly relates to the utilisation of deferred tax assets as a result of the phase-out of tax losses.

Inventories

Inventory increased from 3 748K euro as at 31 December 2023 to 4 855K euro as at 31 December 2024. This increase is mainly due to the acquisition of TopFanZ (+956K euro).

Trade and other receivables

Non-current trade and other receivables remained stable in 2024, amounting to 112K euro. Current trade and other receivables experienced an increase of 2 449K euro.

This decrease is due to an increase in trade receivables of 2 375K euro on the one hand, and a decrease in other receivables of 74K euro on the other.

Net cash



Net cash increased from 19 683K euro in 2023 to 20 529K euro in 2024.

This increase in net cash of 846K euro, is the result of the realised free cash flow on the one hand, and the investments in property, plant and equipment and intangible assets (4 382K euro), the acquisition of the TopFanZ business combination (976K euro), the dividend payment (3 714K euro), and the additional repurchase of treasury shares (1 872K euro) on the other.

Cash flow from operating activities amounts to 12 119K euro in 2024, compared to 11 162K euro in 2023.

The cash conversion ratio for 2024 is 106.2%.

Total equity

Total equity decreased by 0.3%, amounting 49 143K euro as at 31 December 2024. The following elements contributed to this:

- net profit for the 2024 financial year for 5 424K euro;
- the other comprehensive income after income taxes for -10K euro;
- the payment of the dividend for 2023 for -3 714K euro; and
- the repurchase of treasury shares for -1 872K euro, being 13 112 treasury shares for -372K euro under the treasury share repurchase programme with start date 19 October 2023, and 59 451 treasury shares for -1 500K euro under the repurchase programme with start date 14 May 2024.

Non-current and current interest-bearing financial liabilities

Interest-bearing financial liabilities amount to 1 663K euro at 31 December 2024, compared to 1 888K euro at 31 December 2023.

During 2024, an amount of 479K euro was repaid regarding the loans in the context of the acquisition of Aultmore NV, following the purchase of the additional production building. On the other hand, following the acquisition of TopFanZ, 589K euro of interest-bearing financial liabilities were acquired, of which in the period from June to December 2024, an amount of 336K euro was repaid.

Except for the interest-bearing financial obligations acquired through business combinations following the acquisition of TopFanZ, no new interest-bearing financial obligations were entered into in 2024.

Non-current and current lease liabilities

Lease liabilities amount to 2 680K euro at 31 December 2024, compared to 3 607K euro at 31 December 2023. This net decrease of 927K euro is the result of the repayment of current lease obligations and the termination of the lease of the Ardooie building, on the one hand, and the entering into new lease agreements relating to vehicles, on the other.

Non-current and current employee benefit liabilities

Employee benefit obligations decreased by 150K euro, amounting to 3 745K euro at the end of 2024. An amount of 562K euro relates to long-term personnel liabilities regarding the pension obligations of the companies in the consolidation scope.

Trade payables and other payables

Trade and other liabilities increased by 6 187K euro, amounting to 27 687K euro at the end of 2024.

This net increase includes the increase in trade liabilities for 841K euro and the increase in other liabilities for 4 827K euro, of which 1 049K euro due to the acquisition of TopFanZ concerning the discounted value of the additional fees to which the seller of TopFanZ is still entitled on top of the initial purchase price. There was also an increase of 519K euro relating to value-added taxes.

Outlook 2025

In 2025, the focus will continue to be on growth in both segments. For smartphoto, as in the second half of 2024, it will work with increased marketing efforts to expand its customer database. In the B2B segment, naYan will roll out e-commerce services to new customers. Both TopFanZ and System Insight will contribute positively to revenue and EBITDA in 2025.

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 53.

Subsequent events

Since the closing of the 2024 financial year, no events have occurred that could have a significant impact on the company's results, except for those mentioned below.

On 13 January 2025, smartphoto group announced the acquisition of System Insight Holdings Ltd, a UK-based company specialised in event and souvenir photography under the commercial name Image Insight. With this acquisition, smartphoto adds a valuable new component to its growing B2B division, strengthening our commitment to capturing and preserving life's most memorable experiences. An initial cash consideration of GBP 8 million was paid for this acquisition, for which the acquisition price, given the positive growth forecast for the future, was determined using a valuation based on an EBITDA multiple of 6.

As at 31 December 2024, cash on the balance sheet amounted to 1.5 million GBP. In addition to the initial purchase price, the seller is entitled to an additional consideration, the final price of which will depend on future results. The company generated revenue of 6 million euro and significant EBITDA margin in the past financial year, underscoring its strong position in the event and souvenir photography market.

More information concerning this acquisition can be found in the press release of 13 January 2025, included under the press releases on the company's website, www.smartphotogroup.com.

On 4 March 2025, Alyrick BV (the bidding vehicle set up by the reference shareholders Alychlo NV and Midelco NV, the 'Bidder') announced in a press release pursuant to Article 8, §1 of the Royal Decree of 27 April 2007 on public takeover bids (the 'Takeover Decree') that it acquired all 719 000 shares (or 18.24%) of smartphoto group NV from Shopinvest NV and De Vleterbeek NV. As a result of this sale-purchase, Alyrick BV, Alychlo NV and Midelco NV became joint holders of 1 856 338 shares (or 47.09%) in smartphoto group NV and, as such, exceeded the threshold of 30% of the voting securities in the company. Accordingly, pursuant to article 5 of the Law of 1 April 2007 on public takeover bids (the 'Takeover Law') and article 50, §4 of the Takeover Decree, they are obliged to launch a public takeover bid for all securities with voting rights or giving access to voting rights issued by the company that are not already held by the Bidder or persons affiliated with the Bidder. In the same press release, they announced that this bid obligation will be executed by Bidder. This press release can be found, among others, under press releases on the company's website www.smartphotogroup.com.

On 6 March 2025, the Bidder formally submitted its intention to launch a mandatory public takeover bid for all shares issued by smartphoto group NV not already held by the Bidder or persons affiliated with the Bidder; at a cash price of 28.50 euro, to the FSMA in accordance with Article 5 of the Takeover Decree. This notification was made public by the FSMA on 7 March 2025 and - together with the draft prospectus prepared by the Bidder - transmitted to smartphoto group NV in accordance with article 7 of the Takeover Decree. The Board of Directors will prepare a memorandum of reply in this context. The prospectus and the memorandum in reply are subject to approval by the FSMA and will be publicly available after approval, amongst others, on the company's website www.smartphotogroup.com.



Research and development activities

Research activities

In view of the company's nature and operations, there were no activities related to research in 2024.

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 2 235K euro for the 2024 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 2024.

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 71K euro for its mandate in 2024. In addition, a total fee of 104K 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 2024 financial year, the Statutory Auditor and its network received a fee of 26K euro for work outside the scope of their engagement. These activities included tax-related services. Beyond that, 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 members 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 Avenue Mignot Delstanche 58, 3G, 1050 Elsene, Brussels, RPR Brussels 0892.568.165, represented by its permanent representative Mrs Katya Degriek; Mr Hans Van Rijckeghem; Alychlo NV, with its registered office at Lembergsesteenweg 19, 9820 Merelbeke-Melle, 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 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:

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 Degrieck	x	x	x	x		x
Mr Hans Van Rijckeghem	x	x		x	x	
Alychlo NV, represented by its permanent representative Mr Marc Coucke	x	x			x	
Mrs Alexandra Leunen	x	x	x			x

◊ Chairman / x Member

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

There are two independent directors in the Board of Directors.

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

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

The General Meeting of Shareholders of 10 May 2023 confirmed the independence of Fovea BV, represented by its permanent representative Mrs Katya Degrieck, and Mrs Alexandra Leunen, in accordance with Article 7:87 of the Belgian Companies and Associations Code.

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

Duration of the current appointments

The 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 Degrieck; 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.

It is proposed to the General Meeting of Shareholders on 14 May 2025 to renominate as directors: Pallanza Invest BV, with registered office at Molenberg 44, 1790 Affligem, RPR Brussels 0808.186.578, represented by its permanent representative Mr Geert Vanderstappen, and Fovea BV, with registered office at Avenue Mignot Delstanche 58, 3G, 1050 Elsene, Brussels, RPR Brussels 0892. 568.165, represented by its permanent representative Ms Katya Degrieck, for a period of one year, starting from 14 May 2025, and ending after the Ordinary Annual General Meeting of Shareholders of 13 May 2026.

As of her renomination, the director Fovea BV, permanently represented by Ms Katya Degrieck, will have served as a non-executive director for more than 12 years. As she meets all other criteria regarding independence, included in Article 7:87 of the Companies and Associations Code and the Corporate Governance Code, and, the Board of Directors confirms that it has no indication of any other element that would call this independence into question, the director Fovea BV, as well as its permanent representative Ms Katya Degrieck, is considered independent.

In view of the proposed renomination of Fovea BV, permanently represented by Ms Katya Degriek, and the current mandate of Ms Alexandra Leunen as directors of the company, the composition of the Board of Directors meets the requirements of gender diversity within the Board of Directors, in accordance with Article 7:86 of the Companies and Associations Code.

Directorships at other companies

The brief biography of the members of the Board of Directors (see pages 40 until 46 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 2025 financial year, the closed periods are the following:

- from 26 July 2025 to 26 August 2025, and
- from 4 February 2026 to 4 March 2026.

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 2024

In 2024, 7 meetings took place under the chairmanship of Mr Philippe Vlerick. One meeting dealt mainly with the budget for 2024, two meetings dealt mainly with the approval of the financial statements as at 31 December 2023 and the half-yearly financial statements as at 30 June 2024. One meeting dealt mainly with (i) the agenda of the Annual General Meeting of Shareholders of 8 May 2024, 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 2023 financial year. 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 14 May 2024, which was fully completed on 4 December 2024, and the acquisitions of Topfanz BV en System Insight Holdings Ltd, were discussed in the 2024 meetings.

The individual attendance rate of the directors regarding the meetings of the Board of Directors in 2024 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 Degriek	86%
Mr Hans Van Rijckeghem	100%
Alychlo NV, Represented by its permanent representative Mr Marc Coucke	86%
Mrs Alexandra Leunen	86%

The Articles of Association state that the decisions must be made by a majority of votes. In 2024 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 2024, the Board of Directors complied with the procedure in accordance with Article 7:96 of the Belgian Companies and Associations Code, in the meeting of the Board of Directors on 25 March 2024.

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

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

Mr Stef De corte declares that he is affected by a conflict of interest, with regard to agenda item 4, 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 4.

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

DELIBERATIONS AND DECISIONS

4. 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 2023 financial year, compared to the objectives over 2023, and the fact that the members of the Remuneration Committee agree that, partly due to the effort of the CEO, the 2023 financial year has been a successful year with strong increase in the net result, the Remuneration Committee proposes to award the total variable remuneration of 120K euro to the CEO.

The Remuneration Committee proposed the following remuneration package for Acortis BV over 2023:

- a fixed remuneration component of 425K euro,
- a variable remuneration component of 120K 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 2023 financial year, the currently proposed variable remuneration component amounts to 22%, and the fixed remuneration component amounts to 77% 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."

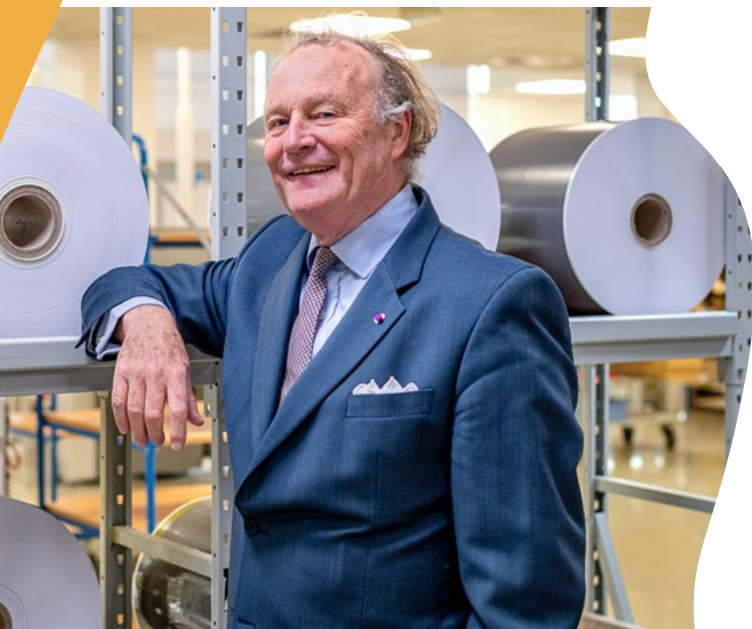
Relationships with affiliated companies

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 2024 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.

As at 31 December 2024, the companies united in the Consortium Midelco NV, of which Mr Philippe Vlerick is the main shareholder, held 789 970 shares (20.04%) smartphoto group NV. Thereof, 3 607 shares are held by Mr Philippe Vlerick personally.

As at 31 March 2025, the shares personally held by Mr Philippe Vlerick (3 607 shares, or 0.09%) were transferred to Midelco NV.

The shares smartphoto group NV, held by the companies united in the Consortium Midelco NV, 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
Sluis 2D, bus 203
9810 Nazareth, 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.

To the Annual General Meeting of Shareholders on 14 May 2025 will be proposed to reappoint Pallanza Invest BV, represented by its fixed representative Mr Geert Vanderstappen, as a non-executive director for a period of 1 year, ending after the Annual General Meeting of Shareholders on 13 May 2026.

Current directorships at other companies:

- Kinapolis NV,
- Garden Center Holding (Oh'green) NV,
- Pentahold NV,
- M80 Partners NV,
- Optimum Sorting Groep, and
- 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
Avenue Mignot Delstanche 58, 3G
1050 Elsene, Brussel, 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.

Katya Degrieck is a senior executive at Google; Director of Publishers in Northern Europe, Israel, Middle East and Africa, and indirect Partnerships, EMEA wide.

Non-executive, independent director since 8 May 2013. Member of the Remuneration Committee and the Audit Committee since 10 May 2017. Mrs Katya Degrieck 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 Degrieck, as director of the company, runs until the Annual General Meeting of Shareholders on 14 May 2025.

To the Annual General Meeting of Shareholders on 14 May 2025 will be proposed to reappoint Fovea BV, represented by its fixed representative Mrs Katya Degrieck, as a non-executive director for a period of 1 year, ending after the Annual General Meeting of Shareholders on 13 May 2026.

As of her renomination, Fovea BV, permanently represented by Ms Katya Degrieck, will have served as a non-executive director for more than 12 years. As she meets all other

criteria regarding independence, included in Article 7:87 of the Companies and Associations Code and the Corporate Governance Code, and, the Board of Directors confirms that it has no indication of any other element that would call this independence into question, the director Fovea BV, as well as its permanent representative Ms Katya Degrieck, is considered independent.

Current directorships at other companies:

- 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 Degrieck has no family ties with other members of the company's administrative, management or supervisory bodies.

Fovea BV and Mrs Katya Degrieck 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 Degrieck, 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). From 2010 to 2023 managing director of Shopinvest NV, Nr4 NV and various related real estate companies. Also active as chairman-director of VZW Karus, psychiatric centre in Merelbeke-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-Melle, 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).

As at 31 December 2024, Alychlo NV, controlled by Mr Marc Coucke, held 629 001 shares (15.96%) of smartphoto group NV. In addition, Mr Marc Coucke personally held 900 shares (0.02%) of smartphoto group NV .

As at 31 March 2025, Alychlo NV, controlled by Mr Marc Coucke, holds 762 169 shares (19.33%) smartphoto group NV. The shares personally held (900 shares, or 0.02%) were transferred to Alychlo NV on 6 March 2025.

The shares of smartphoto group NV held by Alychlo NV are partially dematerialised shares, partially registered shares. Neither Alychlo nor Mr Marc Coucke own stock options of the company, nor have any other business connection 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.



THANK YOU
For being the best dad ever!

From Elly

You're my hero!

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 Degrieck, independent director, appointed until the 2025 Annual General Meeting of Shareholders; and
- 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 Degrieck, 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 2024

The Audit Committee met 4 times in 2024. Two meetings were mainly devoted to the review of the consolidated financial statements as at 31 December 2023 and the half-yearly consolidated figures as at 30 June 2024. 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 mainly devoted to internal controls and risk management systems; more specifically the risks and the measures taken to mitigate the risks related to cyber security were discussed. Other 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 2024 included the update of the quarterly reporting, the preparation of the ESG reporting, more specific the double materiality exercise to determine the most important sustainability themes, GDPR matters and the acquisition of Topfanz BV and System Insight Holdings Ltd.

Of 12 possible attendances (4 meetings x 3 members) there was one apology for absence. Fovea BV, represented by its permanent representative Mrs Katya Degrieck, apologised once.

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; and
- 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 2024

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 2024, the Nomination Committee did not meet.

Remuneration Committee

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

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

Composition of the Remuneration Committee

- 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 2024

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 2024 and dealt with issues including the individual remuneration for the executive director, more specifically, the approval of the variable remuneration over 2023, 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.

All members attended the meetings.

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. The remuneration policy has not been amended since its approval on 12 May 2021. It will be resubmitted for approval at the Annual General Meeting of Shareholders on 14 May 2025.

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.

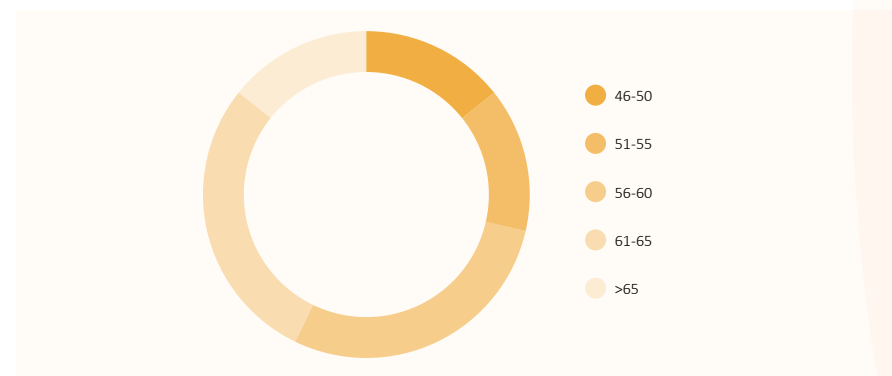
This diversity policy is also applied with regard to the composition of the Board of Directors, which strives for a Board of Directors composed of directors with a broad professional background, in order to achieve in its composition the best possible diversity and complementarity of experience, competences 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	46-50	51-55	56-60	61-65	>65	Totaal
Number of directors	1	1	2	2	1	7
In % of total	14.3%	14.3%	28.6%	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.

Dagelijkse leiding 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 2024. 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.

Remuneration policy

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. The remuneration policy has not been amended since its approval on 12 May 2021. It will be submitted again for approval at the Annual General Meeting on 14 May 2025.

Remuneration of the non-executive directors in 2024

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 2024 financial year amount to 95 000 euro; for 2023, 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.

On 31 December 2024, 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 60 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 2024

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 2024, the fixed remuneration amounts to 450K 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, and for 35% to KPIs of the smartphoto and B2B segment, respectively. Taking into account the actual performance for the 2024 financial year against the predetermined targets for 2024, a variable remuneration of 126K euro is granted to the CEO. The other remuneration components amount to 4K euro. The total remuneration for the executive director for the 2024 financial year thus amounts to 580K 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⁾	450	126	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 2024 financial year, the variable remuneration component amounts to 126K euro, which is 21.7% of the total remuneration, and the fixed remuneration amounts to 77.7% 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	2020	2021	2022	2023	2024
Yearly remuneration non-executive directors ⁽¹⁾	0%	0%	0%	0%	0%
Executive director ⁽²⁾	12.0%	-3.8%	4.3%	2.8%	6.6%
Changes in the performance of the Company ⁽³⁾	34.9%	-14.1%	27.3%	1.2%	1.2%
Changes in the average remuneration of the other employees ⁽⁴⁾	-3.1%	5.0%	4.8%	14.6%	16.6%
Ratio between the highest and lowest remuneration ⁽⁵⁾	10.2%	10.2%	10.1%	10.6%	10.4%

⁽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, cyber security awareness training for employees, combining automated phishing simulations with interactive training on cyber security. 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 statutory 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 2023, nor as at 31 December 2024.

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 25. Risk factors financial instruments.

Liquidity risk

The net cash evolved from a cash surplus of 19 683K euro at the end of 2023 to a cash surplus of 20 529K euro at the end of 2024.

Based on the prognoses of the cash flow liquidity forecast, the subsidiaries of the group will be able to meet their financial obligations in 2025. The group holds undrawn credit lines for an amount of 5 852K euro in the 2024 financial year, the same amount as in the 2023 financial year.

In 2023 and 2024, the group did not rely on financial instruments to hedge currency and/or interest rate risks.

Because the credit agreements with KBC Bank, BNP Paribas Fortis Bank and Belfius Bank (see note 20) 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 2023 and 2024 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 25. Risk factors financial instruments.

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 2024 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

A change of +10% or -10% in the non-euro currencies against the reference rate, as a result of the conversion of assets and liabilities of non-eurozone entities to euro, would have an impact on the balance sheet total of 45K euro or -55K euro for 31 December 2023, respectively. In addition, the translation of the realised results of these entities would have an impact on profit/loss (-) before taxes of -165K euro or 202K euro for 2023, respectively.

A change of +10% or -10% in the non-euro currencies against the reference rate, as a result of the conversion of assets and liabilities of non-eurozone entities to euro, would have an impact on the balance sheet total of -95K euro or 116K euro for 31 December 2024, respectively. In addition, the translation of the realised results of these entities would have an impact on profit/loss (-) before taxes of -103K euro or 124K euro for 2024, respectively.

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 2024 could still be increased, compared to 2023, 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 2024:

Notification received on 4 June 2024

The private foundation trust office Vleterinvest, and Mr Etienne Kaesteker (Beukenlaan 1, 9250 Waasmunster, Belgium), have notified the Financial Services and Markets Authority (FSMA) and smartphoto group NV about the transfer of control over Shopinvest NV, which holds a participation in smartphoto group NV, by insertion of a private foundation trust office in the chain structure.

Details of the notification received are given below.

Notification by a parent undertaking or a controlling person

Holders of voting rights	Previous notification # of voting rights	After the transaction # of voting rights	# of voting rights
Etienne Kaesteker	0	0	0.00%
Private foundation trust office			
Vleterinvest	0	0	0.00%
Shopinvest NV	5 700 000 ⁽¹⁾	719 000	18.24%
Subtotal	5 700 000 ⁽¹⁾	719 000	18.24%
TOTAL		719 000	18.24%

⁽¹⁾ Taking into account the 1-for-10 share regrouping dated 30 November 2017, the number of voting rights relating to the previous notification (16 September 2015) is 570 000 voting rights.

Total number of voting rights (the denominator) at the time of the transaction, i.e. on 12 January 2024: 3 941 950.

The threshold exceeded amounts to 15%.

Chain of controlled undertakings through which the holding is effectively held:
Shopinvest NV holds a qualifying participation in smartphoto. Almost all Shopinvest NV shares were transferred for certification; the private foundation trust office Vleterinvest has become controlling person of Shopinvest NV pursuant to this certification. Etienne Kaesteker can be regarded as the controlling person of the private foundation trust office Vleterinvest.

Notification received on 18 July 2024

The private foundation trust office Vleterinvest (Beukenlaan 1, 9250 Waasmunster, Belgium), has notified the Financial Services and Markets Authority (FSMA) and smartphoto group NV about the transfer for certification of the shares of Shopinvest NV. Pursuant to this certification, the private foundation trust office Vleterinvest is the controlling person of Shopinvest NV.

Details of the notification received are given below.

Notification by a parent undertaking or a controlling person

Holders of voting rights	Previous notification # of voting rights	After the transaction # of voting rights	# of voting rights
Private foundation trust office			
Vleterinvest	0	0	0.00%
Shopinvest NV	719 000	719 000	18.24%
Subtotal	719 000	719 000	18.24%
TOTAL		719 000	18.24%

Total number of voting rights (the denominator) at the time of the transaction, i.e. on 18 July 2024: 3 941 950.

The threshold exceeded amounts to 15%.

Chain of controlled undertakings through which the holding is effectively held:
Shopinvest NV holds a qualifying participation in smartphoto. The shares of Shopinvest NV shares were transferred for certification; the private foundation trust office Vleterinvest is the controlling person of Shopinvest NV pursuant to this certification.

Notification received on 9 December 2024

The companies Cekan NV, Midelco NV, Cekan 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 on 26 November 2024, Cekan Invest NV sold its 269 864 smartphoto shares to its parent company Cekan NV, and has withdrawn from the agreement to act in concert.

Details of the notification received are given below.

Notification by persons acting in concert.

Reason for notification:

Acquisition or transfer of voting securities or voting rights

Entering into or amending an agreement to act in concert

Holders of voting rights	Previous notification # of voting rights	After the transaction # of voting rights	# of voting rights
STAK Professor Vlerick	0	0	0.00%
Cecan NV	0	269 864	6.85%
Cecan Invest NV	269 864	0	0.00%
Subtotal	269 864	269 864	6.85%
Philippe Vlerick	3 607	3 607	0.09%
Midelco NV	503 830	503 830	12.78%
Subtotal	507 437	507 437	12.87%
Isabelle Vlerick	0	0	0.00%
Isarick NV	12 669	12 669	0.32%
Subtotal	12 669	12 669	0.32%
TOTAL	789 970	789 970	20.04%

Total number of voting rights (the denominator) at the time of the transaction, i.e. on 26 November 2024: 3 941 950.

The threshold exceeded amounts to 5%.

Chain of controlled undertakings through which the holding is effectively held:

The shares are held directly by the companies Midelco NV, Isarick NV and Cecan 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 Mr Philippe Vlerick. Isarick NV is a direct subsidiary of Ispahan NV, which is controlled by Ms Isabelle Vlerick.

Notification received on 31 December 2024

The private foundation trust office Vleterinvest (Gentstraat 17, bus 3, 9250 Waasmunster, Belgium), has notified the Financial Services and Markets Authority (FSMA) and smartphoto group NV about an exchange agreement between the companies Shopinvest NV and De Vleterbeek NV, whereby 169 980 smartphoto group shares have become the property of De Vleterbeek NV.

Details of the notification received are given below.

Notification by a parent undertaking or a controlling person

Reason for notification:

Acquisition or transfer of voting securities or voting rights

Holders of voting rights	Previous notification # of voting rights	After the transaction # of voting rights	# of voting rights
Private foundation trust office			
Vleterinvest	0	0	0.00%
Shopinvest NV	719 000	550 020	13.95%
De Vleterbeek NV	0	168 980	4.29%
Subtotal	719 000	719 000	18.24%
TOTAL		719 000	18.24%

Total number of voting rights (the denominator) at the time of the transaction, i.e. on 31 December 2024: 3 941 950.

The threshold exceeded amounts to 15%.

Chain of controlled undertakings through which the holding is effectively held:

The private foundation trust office Vleterinvest holds 100% of the shares and voting rights of Shopinvest NV. Shopinvest NV owns 100% of the shares of De Vleterbeek NV. The companies Shopinvest and De Vleterbeek have entered into an exchange agreement whereby 168 980 smartphoto shares have become the property of De Vleterbeek. Control still remains 100% with the private foundation trust office Vleterinvest.



The company also issued the following notification in 2024:

Notification made on 23 January 2024

Smartphoto group NV has informed the Financial Services and Markets Authority (FSMA) that the percentage of voting securities or voting rights acquired, has exceeded the legal and statutory threshold of 10% on January 19, 2024 due to the additional acquisition of treasury shares. The total number of voting securities held in treasury amounts to 394 387 or 10.00%.

The details of this notification are shown below.

Notification by a person that notifies alone.

Holders of voting rights	Previous notification	After the transaction	
	# of voting rights	# of voting rights	# of voting rights
smartphoto group NV	198 641	394 387	10.00%
c/o Kwatrechtsteenweg 160, B-9230 Wetteren			
TOTAL	198 641	394 387	10.00%

Total number of voting rights (the denominator) at the time of the acquisition of the voting rights, i.e. on 19 January 2024: 3 941 950.
The threshold exceeded amounts to 10%.

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

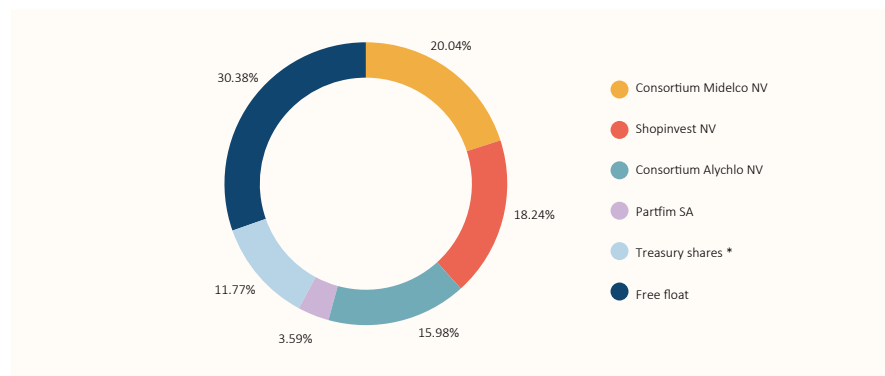
Shareholder structure as at the year-end closing date

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

	Most recent notification	% of total ⁽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	09/12/2024	20.04% (789 970)	789 970	20.04%
- MIDELCO NV		12.78%	503 830	12.78%
- CECAN 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 Gentstraat 17 B3, B-9250 Waasmunster	31/12/2024	18.24% (719 000)	719 000	18.24%
- Private foundation trust office Vleterinvest		0.00%	0	0.00%
- SHOPINVEST NV		13.95%	550 020	13.95%
- DE VLETERBEEK NV		4.29%	168 980	4.29%
ALYCHLO NV and controlling person Lembergsesteenweg 19, B-9820 Merelbeke - Melle	27/05/2020	15.01% (591 551)	629 901	15.98%
- ALYCHLO NV		14.98%	629 001	15.96%
- Marc Coucke		0.02%	900	0.02%
SMARTPHOTO GROUP NV Kwatrechtsteenweg 160, B-9230 Wetteren	23/01/2024	10.00% (394 387)	464 106	11.77%
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 issued shares, being 3 941 950 shares.



* Number of treasury shares as at 31 December 2024

The company received the following notifications in 2025:

Notification received on 7 March 2025

The private foundation trust office Vleterinvest (Gentstraat 17, bus 3, 9250 Waasmunster, Belgium), has notified the Financial Services and Markets Authority (FSMA) and smartphoto group NV about the transfer of voting securities and falling below the lowest threshold. Details of the notification received are shown below.

Notification by a parent undertaking or a controlling person

Reason for notification:

Acquisition or transfer of voting securities or voting rights

Falling below the lowest threshold

Holders of voting rights	Previous notification	After the transaction	
	# of voting rights	# of voting rights	# of voting rights
Private foundation trust office			
Vleterinvest		0	
Shopinvest NV	550 020		
De Vleterbeek NV	168 980		
TOTAL	719 000		

Total number of voting rights (the denominator) at the time of the transaction, i.e. on 4 March 2025: 3 941 950.

The threshold fallen below amounts to 3%.



Chain of controlled undertakings through which the holding is effectively held:
The private foundation trust office Vleterinvest owns all voting rights of Shopinvest NV.
Shopinvest NV owns all voting rights of De Vleterbeek NV.

Notification received on 11 March 2025

Alyrick NV, Alychlo NV, Mr Marc Coucke, Midelco NV, Mr Philippe Vlerick, smartphoto group NV, Cecan NV, STAK professor Vlerick NV, Isarick NV and Mrs Isabelle Vlerick have notified the Financial Services and Markets Authority (FSMA) and smartphoto group NV about the acquisition of voting securities and the conclusion of an agreement by mutual consent.

Notification by a parent undertaking or a controlling person and persons acting in mutual consent

Reason for notification:

Acquisition or transfer of voting securities or voting rights

The conclusion of change of an agreement in mutual consent

Holders of voting rights	Previous notification	After the transaction	
	# of voting rights	# of voting rights	# of voting rights
STAK professor Vlerick	0	0	0.00%
Cecan NV	269 864	269 864	6.85%
Subtotal	269 864	269 864	6.85%
Philippe Vlerick	3 607	3 607	0.09%
Midelco NV	503 830	503 830	12.78%
Marc Coucke	900	900	0.02%
Alychlo NV	590 651	629 001	15.96%
Alyrick BV	0	719 000	18.24%
Subtotal	1 098 988	1 856 338	47.09%
Isabelle Vlerick	0	0	0.00%
Isarick NV	12 669	12 669	0.32%
Subtotal	12 669	12 669	0.32%
Smartphoto group NV	394 387	464 106	11.77%
TOTAL		2 602 977	66.03%

Total number of voting rights (the denominator) at the time of the transaction, i.e. on 4 March 2025: 3 941 950.

The threshold exceeded amounts to 65%.

Chain of controlled undertakings through which the holding is effectively held:
Alyrick BV is owned by Alychlo NV and Midelco NV. Alychlo NV is owned by Mr Marc Coucke and Midelco NV is owned by Mr Philippe Vlerick. The majority shareholder of Cecan NV is STAK Professor Vlerick. Isarick NV is owned by Ispahan NV, owned by Mrs Isabelle Vlerick. Smartphoto group NV is a related party with Alyrick BV.

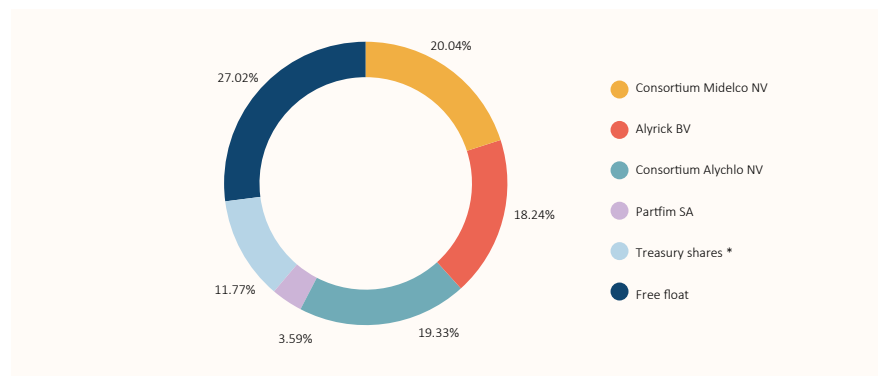
Shareholder structure as at 31 March 2025

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 - MIDELCO NV - CECAN NV - ISARICK NV - PHILIPPE VLERICK	04/03/2025	20.04% (789 970) 12.78% 6.85% 0.32% 0.09%	789 970 507 437 269 864 12 669 0	20.04% 12.87% 6.85% 0.32% 0.00%
ALYRICK BV Lembergsesteenweg 19, B-9820 Merelbeke - Melle	04/03/2025	18.24% (719 000)	719 000	18.24%
ALYCHLO NV and controlling person Lembergsesteenweg 19, B-9820 Merelbeke - Melle - ALYCHLO NV - Marc Coucke	04/03/2025	15.98% (629 901) 15.96% 0.02%	762 169 762 169 0	19.33% 19.33% 0.00%
SMARTPHOTO GROUP NV Kwatrechtsteeweg 160, B-9230 Wetteren	04/03/2025	11.77% (464 106)	464 106	11.77%
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.



* Number of treasury shares as at 31 March 2025

Treasury shares

The total number of treasury shares evolved from 391 543 shares per 31 December 2023 to 464 106 shares per 31 December 2024, or 11.77% of the total number of issued shares (3 941 950). This increase of 72 563 treasury shares is the result of:

- The purchase of 13 112 treasury shares in the period from 3 January 2024 to 14 March 2024, following the execution of the share purchase programme with start date 19 October 2023;
- The purchase of 59 451 treasury shares in the period from 14 May 2024 to 4 December 2024, following the execution of the share purchase programme with start date 14 May 2024.

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.

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 14H00. 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 14 May 2025 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 30 April 2025 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 30 April 2025, 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 8 May 2025 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 8 May 2025, as follows:

- by letter, addressed to smartphoto group NV, attn. Marjan Janssens, Kwatrechtsteenweg 160, 9230 Wetteren (to be received no later than 8 May 2025).
- 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 8 May 2025, 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 8 May 2025. 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 22 April 2025. 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 29 April 2025, 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 8 May 2025.

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 remuneration policy, 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 11 April 2025. 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. On 11 March 2025, the company received a transparency notification regarding the threshold of 65% of the shares in smartphoto group NV being exceeded by reference shareholders Midelco NV, Alychlo NV and certain persons connected or acting in concert with them, which included the following additional information: On 4 March 2025, Midelco NV and Alychlo NV jointly established Alyrick BV. Upon this incorporation, Midelco NV, Alychlo NV and Alyrick BV acted in concert. At the time of this incorporation, Midelco NV, Alychlo NV and Alyrick NV jointly held 1 137 338 shares in smartphoto group NV. On 4 March 2025, Alyrick BV acquired 719 000 shares of smartphoto group NV from Shopinvest NV and De Vleterbeek NV. As a result of the aforementioned acquisition, Midelco NV, Alychlo NV and Alyrick BV jointly became holders of 1 856 338 shares of smartphoto group NV. More information regarding this transaction and the subsequent mandatory public takeover bid for the shares in smartphoto group NV can be found on page 31 (Subsequent events) of this annual report.



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° Shareholder agreements known to the issuer which may give rise to restrictions on the transfer of securities and/or the exercise of voting rights

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 on takeover bids

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 2024 Annual Report: refer to the Statement of non-financial information - Sustainability Report (ESG), included on pages 72 to 105 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 529900EKGNL8HWTMT081.

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 was granted within the legal conditions, for a period of 3 years from the date of the Extraordinary General Meeting of 11 May 2022.

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

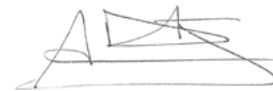
1 of the Articles of Association; (ii) Renewal of the authorisation regarding: a) the authority of the Board of Directors to increase the capital in one or more times within the framework of the authorised capital by an amount equal to the capital of the company on the date of renewal of this authorisation 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 2024.

Wetteren, 31 March 2025



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

STATEMENT OF NON-FINANCIAL
INFORMATION
SUSTAINABILITY REPORT (ESG)



Let's move mountains

SO BE SURE WHEN YOU STEP, STEP WITH CARE AND GREAT TACT,
AND REMEMBER THAT LIFE'S A GREAT BALANCING ACT.

WILL YOU SUCCEED? YES, YOU WILL INDEED!
KID, YOU'LL MOVE MOUNTAINS.



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About smartphoto group

Smartphoto group is active under the brand name **smartphoto™** 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.

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

Moreover, smartphoto group is, through **Image Insight**, the commercial name of System Insight Ltd, specialised in bespoke photo solutions for visitor attractions, events, and venues globally. System Insight Holdings Ltd, and its subsidiaries, were acquired by smartphoto group on 13 January 2025.

More information about the activities and the markets on which the smartphoto group is active, can be found on pages 10 to 24 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 53 to 57 of this annual report.

Our sustainability vision: Building together to a more sustainable world

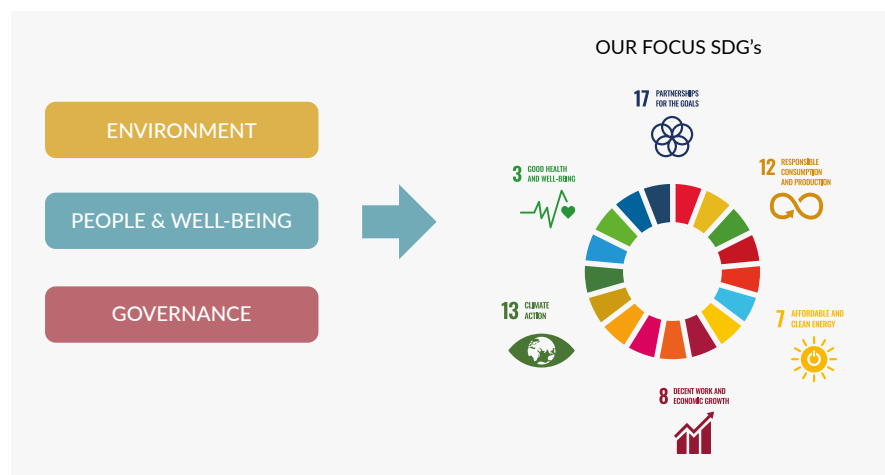
ESRS SBM-1 – Strategy, business model and value chain

VSME C1 – Strategy: Business model and sustainability

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.

Sustainability strategy based on three pillars

In line with our CSRD ambition, we reorganised our sustainability approach according to the three main categories of the ESRS: Environment (E), People and Well-being (S), and Governance (G). These pillars reflect our commitment to both reduce our environmental impact and create a positive and ethical working environment.



1. Environment

We take responsibility for our environmental footprint, and focus on sustainable practices through the whole value chain. By dealing responsibly with raw materials, transport and packaging, we strive for more efficient and environmentally friendly operations.

- Sustainable procurement (paper and other raw materials)
- Greenhouse gas emissions, transport and logistics
- Sustainable packaging
- Product quality

2. 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.

- Working conditions
- Diversity, equity and inclusion
- Training and development

3. Governance: Responsible and ethical entrepreneurship

We maintain high ethical standards in our business and ensure safe and transparent handling of data.

- Business conduct
- Data protection and cybersecurity

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).

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 2024 action plan.

In July 2024, we received for the third time the certificate of Laureate for the translation of our sustainability strategy in specific actions.

These actions are developed within the VOKA Charter Sustainable Entrepreneurship (VCDO), and are linked to the 'Sustainable Development Goals (SDG's)' of the United Nations.

This led to the award of the UN Sustainability Certificate 'SDG Pioneer 2024', in recognition of the United Nations for investing in knowledge accumulation, implementation and communication on the SDGs.

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 on the face of our customers, but also benefits our environment and our community.

Our 2024 ESG HIGHLIGHTS

At smartphoto group, sustainability is key in the way we work, and in 2024 we again achieved important milestones. We were recognised as SDG Pioneer 2024 for successfully completing the first phase of the UNITAR/CIFAL Flanders PCA2030 sustainability journey. We were also named a Great Place to Work® in both Belgium and the Netherlands for the third time, a recognition of our strong work culture. We also make a difference in logistics: 98% of our parcels are sent CO₂-neutral, an important step in reducing our ecological footprint.

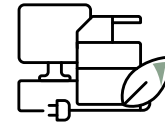
De CSR Directive (CSRD) and the omnibus proposal: implications for smartphoto group

The **Corporate Sustainability Reporting Directive (CSRD)** is a European directive requiring companies to report more transparently on their ESG impact (**ESG: Environmental, Social & Governance**). In Belgium, the CSRD was transposed into national legislation in November 2024.



81%

of the fleet
fully electric
or hybrid



Optimisation
of printing process
led to structural
savings
of over **400K** sheets



47%

of total energy
from carbon-free
sources



55%

of the employees
of smartphoto Belgium
participated in the
'Cafeteria Plan'



Recognised as
**SDG-pioneer
2024**

for successfully
completing
the first phase of the
UNITAR/CIFAL Flanders
PCA2030 sustainability
journey through the
VOKA charter.



For the **3rd** time
declared as
Great Place to Work®



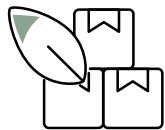
An average of
30
hours of training
per employee



CO₂-neutral
shipping of
98%
of our parcels



54K
less shipments
due to package
consolidation



100%
of the cardboard
used is, FSC-certified



Residual
waste decreased
by **17%** over
the past 3 years

In this context, we conducted a **double materiality assessment** in 2024 to determine our most material sustainability themes. Material themes include two aspects: **impact materiality**, which focuses on the impact smartphoto group has on the environment and society, and **financial materiality**, which evaluates which sustainability risks or opportunities affect smartphoto group's financial performance.

Smartphoto group had already prepared itself thoroughly in the context of the fundamental CSRD obligation from mid-2025. Our reporting themes are aligned with the European Sustainability Reporting Standards (ESRS), and based on the results of our double materiality assessment.

Although the Omnibus proposal of 26 February 2025 postpones the reporting deadline to financial year 2027 (with reporting in 2028) and does not impose any definitive complexities for companies such as smartphoto group for the time being, we continue to adhere to our sustainability ambitions.

The whole process of the double materiality assessment added great value for us. It not only provided insight into the issues that really matter to our stakeholders, but also forms a solid foundation for further developing our sustainability actions in a structured and targeted way.

In the coming period, we will therefore again place greater emphasis on concrete action and impact, while continuing to closely monitor regulatory developments.

Our approach

Regardless of whether the Omnibus proposal will be adopted and how it will affect our commitments, we continue to integrate ESG priorities, guided by our double materiality assessment, to ensure that sustainability remains central to our operations. Smartphoto group voluntarily produces this sustainability report because we are convinced that in this way we are contributing to increasing collective commitment to sustainability.

For companies that may no longer be covered by the CSRD, the new VSME standard is recommended as an alternative reporting framework. We therefore refer to both the ESRS and VSME standards in this sustainability report.

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.

Double materiality assessment

ESRS IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

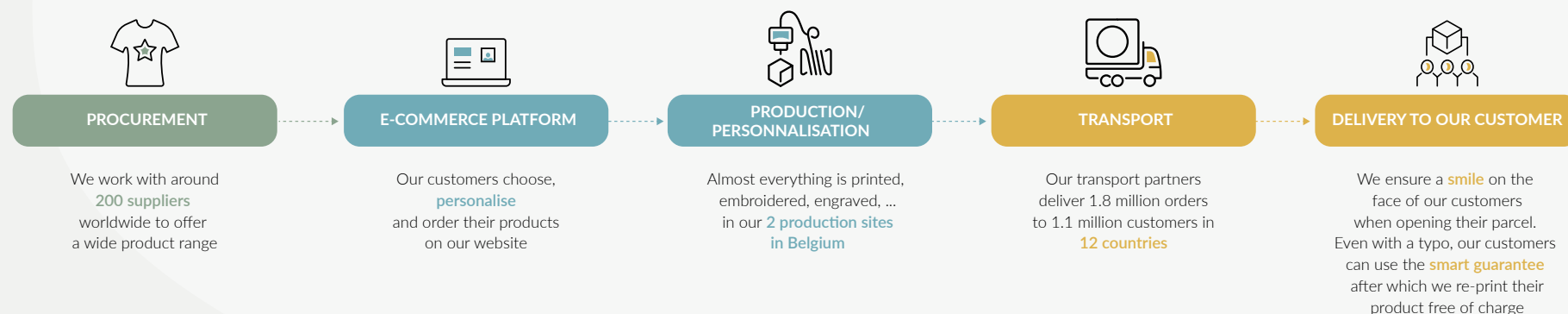
In line with ESRS standards, the double materiality assessment is addressed as follows:

What	Defining the context and relevant ESG effects, risks and opportunities	Stakeholder survey	Determination of impact and financial materiality	Defining material sustainability themes	Preparation of sustainability strategy and action plan
How	<ul style="list-style-type: none"> Deskresearch (peers, industry standards) Longlist of sustainability topics Selection of shortlist of sustainability topics 	<ul style="list-style-type: none"> Identify relevant stakeholders Assess the importance of topics to stakeholders 	<ul style="list-style-type: none"> Evaluation of actual and potential impacts (scale, scope, recoverability and likelihood) Evaluation of financial materiality (scale and likelihood) 	<ul style="list-style-type: none"> Define the threshold Identify material sustainability topics 	<ul style="list-style-type: none"> Define a sustainability strategy Define ambitions and action plan
Result	<ul style="list-style-type: none"> Shortlist of relevant ESG topics 	<ul style="list-style-type: none"> Importance of the ESG topics to stakeholders 	<ul style="list-style-type: none"> Environmental and social impact Financial impact of ESG topics 	<ul style="list-style-type: none"> Material topics to report on and build a sustainability strategy on 	<ul style="list-style-type: none"> Sustainability strategy and actions

Defining the context and relevant ESG effects, risks and opportunities

Based on the classification of themes, sub-themes and sub-sub-themes in ESRS 1, paragraph AR 16 and sustainability reports from similar organisations (peers), we compiled a longlist of relevant themes. This process focused on identifying the most common sustainability themes in the industry. These sources also provided an initial list of the potential impacts, risks and opportunities associated with our operations and value chain.

Value chain of the smartphoto activities (B2C e-commerce)



● Upstream ● Internal activities ● Downstream



UPSTREAM Providers & input flows

Technology infrastructure providers
Cloud services (such as AWS, Google Cloud, etc.)
External software providers (such as Salesforce, Shopify)
Payment solutions / payment gateways



INTERNAL ACTIVITIES

Customer strategy and consultation
Technology development and implementation
Marketing & channel management
Data management and analytics
Operational activities and customer support



DOWNSTREAM Customers & output flows

E-commerce activities of customer brands
Customer experience and satisfaction

● Upstream ● Internal activities ● Downstream

Value chain of the B2B-activities (B2B e-commerce)

The relevance of the topic is determined by the number of consulted sources that mentioned this topic as a potential impact, risk or opportunity (IRO). Sustainability topics that appeared as relevant in 20% or more of the sources consulted are included in a shortlist of relevant topics.

Some topics were clustered into a consolidated list of 24 sustainability topics, along with their associated impacts, risks and opportunities. These will be further explored with stakeholders to identify their relative importance and any additional relevant IROs, and assess them for impact and financial materiality.

Shortlist of 24 relevant sustainability topics

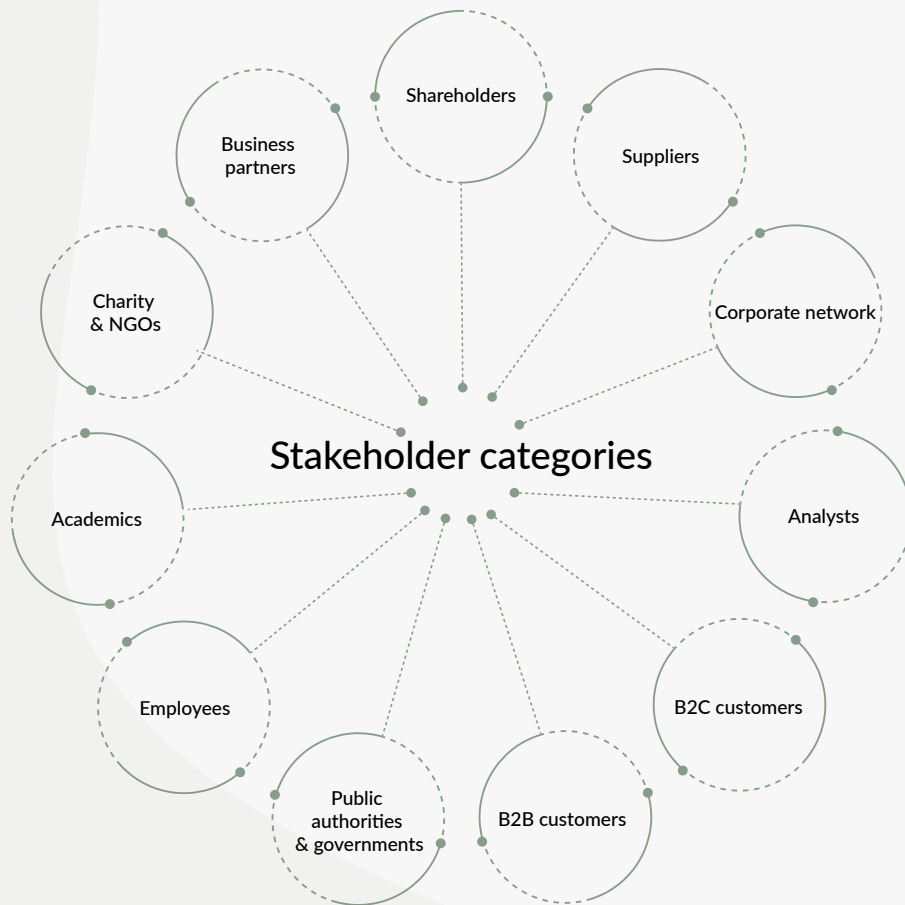
- Climate change:
 - Climate change physical risks
 - GHG emissions from own operations (Scope 1 and 2)
 - GHG emissions in the value chain (Scope 3)
 - Transport and logistics
 - Energy efficiency and renewable energy
- Pollution
 - Air emissions
 - Water emissions
 - Pollution of soil
- Water consumption and reuse
- Use of resources and circular economy
 - Sustainable sourcing of paper
 - Resource use and circular economy
 - Sustainable packaging
 - Waste management
- Own workforce
 - Working conditions
 - Health, safety and well-being
 - Diversity, equity and inclusion
 - Training and skills development
- Working conditions in the supply chain
- Impact on local communities
- Customers and end users
 - Privacy and data protection
- Business conduct, including responsible sourcing
- Smartphoto-specific themes:
 - Product quality
 - Data protection and cyber security

Stakeholder survey

ESRS SBM-2 – Interests and views of stakeholders

A longlist of stakeholders was rated on their interest in smartphoto group and on the impact or influence they have on smartphoto group. They were scored on high or low interest and high or low impact.

The overview below shows the stakeholders involved.



To ensure that our stakeholders remain well informed and actively involved in our sustainability initiatives, we have developed an action plan, which includes the following:

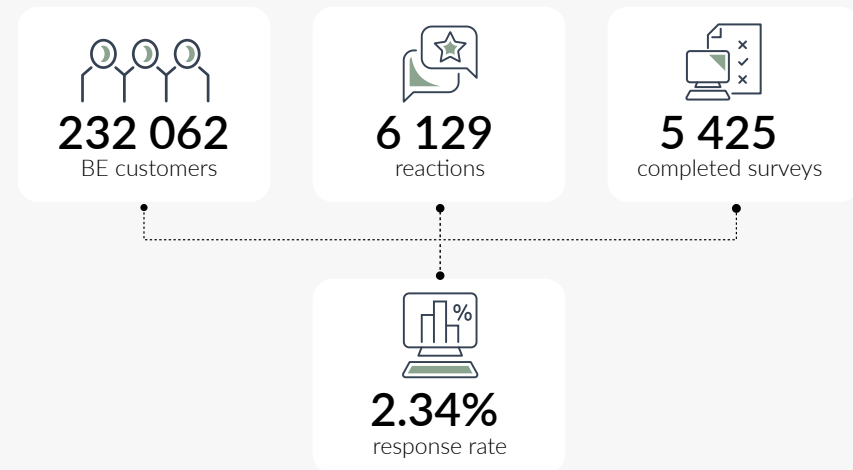
- Establish and maintain effective communication channels to keep our stakeholders regularly informed about our sustainability initiatives.
- Providing transparent and comprehensive annual reports that highlight our progress, achievements and areas for improvement.
- Organising and participating in discussions with our stakeholders, peers and industry organisations.
- Responding to the specific needs of stakeholders by conducting surveys, organising workshops and holding information sessions and one-to-one meetings.
- Actively searching for collaborations and partnerships with stakeholders who share our sustainability objectives and integrate feedback into our strategy.

Stakeholder engagement, B2C-customers smartphoto (Belgium)

We conducted a survey among our Belgian customers to gather their feedback on, for example, how important they consider sustainability when making a purchase, which sustainability topics they consider important for smartphoto, how they rate smartphoto's sustainability as a company, ...

In total 5 425 customers completed this survey

Stakeholder categories



The results show that the following five topics are considered most important:

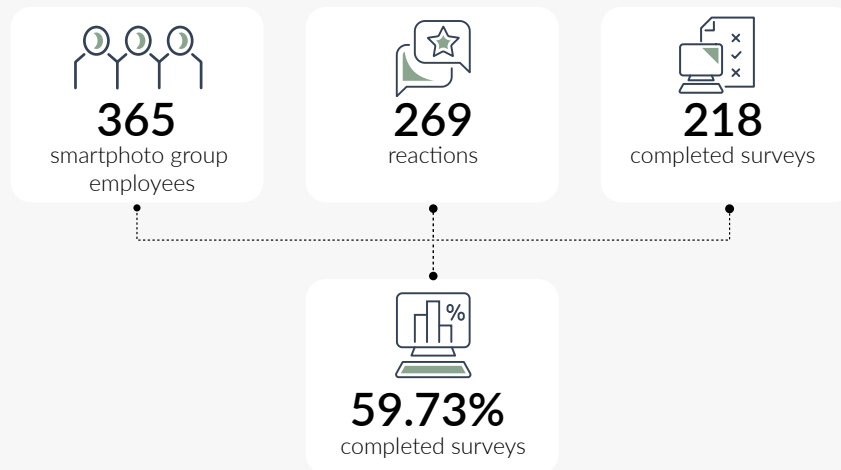
- Good working conditions and well-being of our employees
- High product quality
- Data protection
- Sustainable resources to produce our products
- Sourcing local products and providing employment

Stakeholder engagement - employees

Our employees from both the smartphoto segment and the B2B segment were surveyed about, among other things, which five sustainability themes they think are most important for smartphoto group to focus on, how they rank them from important to less important, how they rate our performance on them, ...

In total 218 employees completed the survey.

Range and response rate



Top 5 most important topics for our employees are:

- Good working conditions and attention to the well-being of our employees
- A diverse working environment with equal opportunities for all employees
- Use of sustainable packaging
- Sustainable waste management
- Transparent and ethical business

Stakeholder engagement - customers, suppliers, financial partners and business networks

Finally, we also conducted a survey among selected B2B customers, suppliers, financial partners and business networks with the following content:

- Their views on whether our activities, value chain or business relationships have a positive or negative impact on sustainability issues
- Their assessment of the severity of this impact
- The likelihood of these impacts occurring

In total, we received 20 completed surveys from this stakeholder group.

According to them, the main impacts are:

- GHG emissions in the value chain (Scope 3)
- Transport and logistics
- Cyber security
- Privacy and data protection
- Product quality

Determination of impact and financial materiality

Impact materiality

The management team, consisting of 5 representatives from different functions and divisions, completed the impact materiality survey during a workshop, assessing smartphoto group's impact on people and the environment.

They were asked to score sustainability impacts based on the following criteria:

- Positive/negative: Do they see the impact of our activities, value chain or business relationships on people or the environment as positive or negative?
- Scale: How big is the harm of a negative impact? How big can the benefits of a positive impact be?
- Scope: What is the geographical range of impact and how many individuals may be affected?
- Likelihood: Is the impact already ongoing (current) or a future possibility (potential)? How likely is it to occur?

For negative effects only, they were also asked to rate the following:

- Recoverability: can the negative impact be mitigated? Is it possible to restore the environment or individuals to their original state?

Six of the 24 sustainability topics were identified as the main themes where smartphoto group has the greatest positive or negative impact on the planet and society:

- Working conditions
- Training and skills development
- Business conduct
- GHG emissions in the value chain (Scope 3)
- Transport and logistics
- Responsible sourcing

Financial materiality

The Audit Committee evaluated the risks and opportunities facing smartphoto group, using their in-depth knowledge of the company's performance to assess both the severity and likelihood of these risks and opportunities.

The aim was to identify key risks and opportunities affecting smartphoto group. They were asked to give scores for sustainability risks and opportunities based on the following criteria:

- Time horizon: Within what time frame do they expect the impact to occur?
- Risk/opportunity: Do they consider this issue to be more of a risk or an opportunity?
- Severity: How serious is the risk or opportunity, measured as a potential financial loss/profit, that it affects our business, reputation or market position, and how?
- Likelihood: How likely is the risk or opportunity to occur?

The key risks and opportunities that smartphoto group should consider addressing or pursuing are listed below:

- Transport and logistics
- Working conditions
- Cybersecurity
- Sustainable packaging

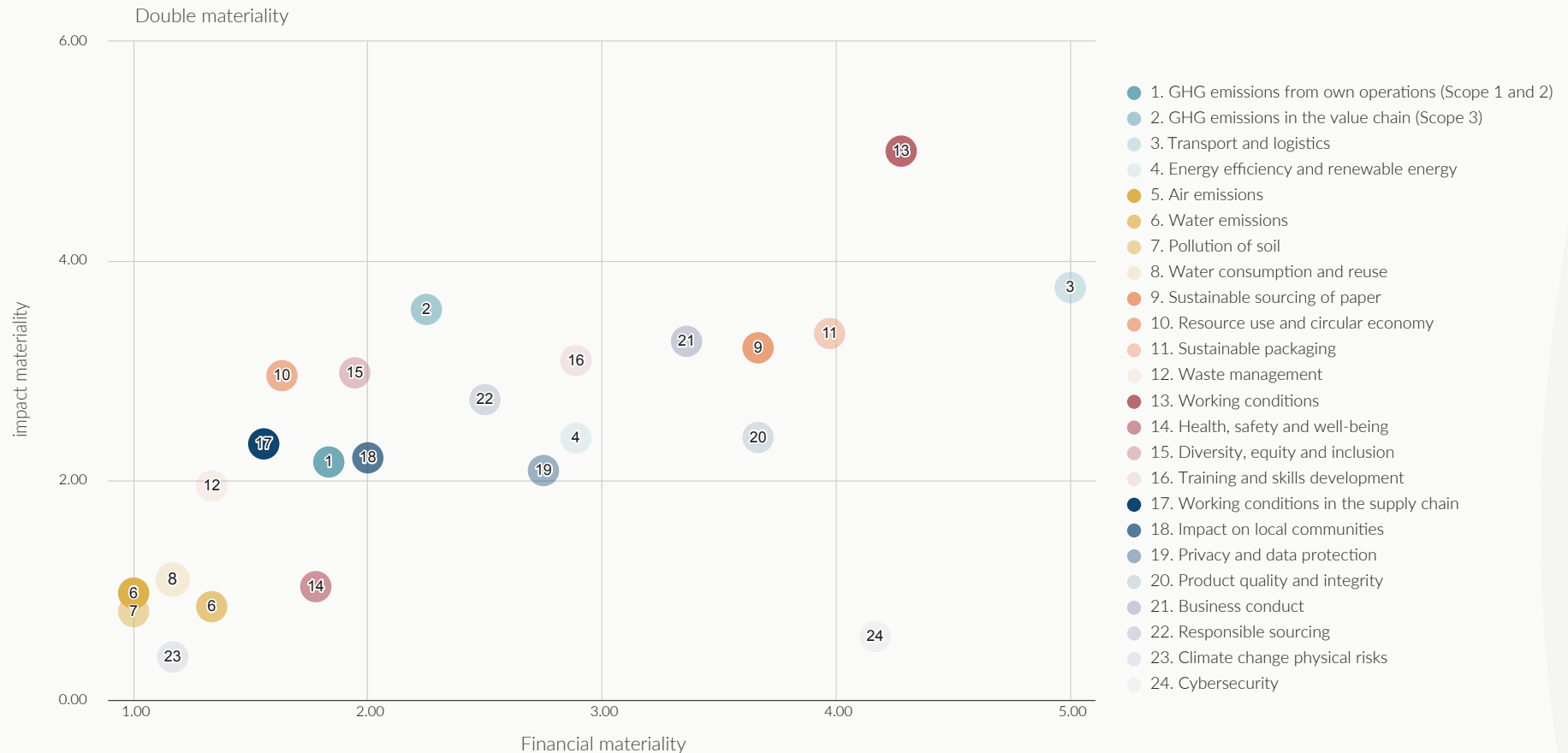


Defining material sustainability topics (Double materiality)

ESRS SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Inputs from both the context analysis, internal and external stakeholder survey and the impact and financial materiality score, were consolidated and analysed to select the most material sustainability themes.



This double materiality chart visualises the sustainability topics with their scores on financial and impact materiality. For topics where certain stakeholder groups have more expertise, we have given their scores a higher weighting. For example, the topic 'working conditions' received a higher weighting when scored by our employees.

Given the complexity of CSRD requirements and the uncertainty surrounding the omnibus package, we chose to limit the number of topics to the most material ones for the first reporting year. The following sustainability topics are identified as material from an impact or financial perspective, complemented by two topics - (i) diversity, equity and inclusion, and (ii) product quality - that were deemed important by our stakeholders:

ESRS	Material themes
ESRS E1	· GHG emissions, transports and logistics
ESRS E5	· Sustainable packaging
ESRS S1	· Working conditions · Diversity, equity and inclusion · Training and development
ESRS G1	· Business conduct · Sustainable sourcing (paper and other raw materials)
Smartphoto specific	· Data protection and cyber security · Product quality

Smartphoto group is committed to report on all ESG topics identified as material, and the related impact, risks and opportunities.

Preparation of sustainability strategy and action plan

Based on the insights from the materiality assessment, we are taking specific steps to further concretise our sustainability strategy.

One of the first priorities here is to define concrete and measurable KPIs (Key Performance Indicators) directly linked to the most material themes. These will allow us to measure our progress and to report transparently.

Following the determination of the KPIs, an action plan will be developed, including, for example, which actions must be taken to achieve the KPIs, who is responsible for the implementation of the proposed actions, when the actions must be implemented, etc.

By integrating KPIs into our reporting, we not only demonstrate our short-term commitment, but also our long-term ambition to create sustainable value and make lasting improvements.



Our results and realisations

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For the best



Happy Mother's Day

Love, Emma

2024 REALISATIONS

ENVIRONMENT

Conducting a stakeholder analysis and prepare a materiality matrix as part of the implementation of sustainability reporting

Improving energy efficiency of the building in Kwatrecht (Belgium)

Offering second-hand lease electric company cars

Increasing sustainability awareness through workshops

Encouraging cycling to work

Communicating about sustainable topics to our employees on a regular basis (inspired by calendar activities of Green Planet vzw)

CO₂-neutral shipping of 98% of our parcels

Collaborating with suppliers to reduce or replace packaging of goods by more sustainable variants

Analysing new packaging methods with starch-based glue instead of traditional glue

Replacing packaging materials with more sustainable variants

Energy sharing between the production sites



- Intergation of sustainability information into the reporting cycle
- Reducing emissions to air, water and soil
- Reducing waste generation through prevention, reduction, recycling and reuse.
- Encouraging adoption of sustainbale practices and integration of sustainability information
- Reducing fossil-fuel consumption
- Improving awareness regarding climate change
- Reducing emissions to air, water and soil
- Reducing emissions of greenhouse gasses
- Achieving environmental friendly management of chemicals and of all types of waste during their life cycle
- Reducing waste generation through prevention, reduction, recycling and reuse.
- Increasing the share of renewable energy in the global energy mix

PEOPLE & WELL-BEING

Offering training with focus on leadership track

Offering a flexible compensation plan for all employees

Introducing more plant-based, local and healthy food

Supporting our own team to participate in Expedition Natuurpunt

Supporting local initiative for people in need



- Promoting decent work for all people
- Avoiding discrimination in employment and remuneration, and equal opportunities for all employees
- Ensuring good health and promoting wellbeing at all ages
- Ensuring that people are aware about lifestyles that are in harmony with nature
- Encouraging and promoting public, public-private and civil society partnerships

GOVERNANCE

Organising cyber security awareness campaigns



- Ending corruption and bribery in all their forms in a sustainable way

Environment



Sustainable sourcing (paper and other raw materials)

By focusing on choosing recycled or responsibly produced paper, supporting local production and reducing paper consumption - we can reduce our environmental footprint, use resources more efficiently and contribute to a circular economy.

Sourcing of paper

The total paper consumption for cards, calendars and books consists of 87% FSC-certified paper. The FSC (Forest Stewardship Council) quality mark means that the wood and paper products come from forests that are managed responsibly. This means that ecological, social and economic aspects are taken into account, such as the preservation of biodiversity, respecting the rights of local communities and to guarantee fair treatment of employees, with the aim of protecting the world's forests and ensuring responsible production of wood and paper products.

For packaging materials, even 100% of the cardboard consumed is FSC-certified.

Local production

We prefer local production as much as possible.

Since 2022, cushions, which were previously imported from Poland, are now also manufactured centrally at the production sites in Wetteren. An adjustment that not only contributes to more work for local people, but also ensures less transport, and thus lower CO₂ emissions.

In 2023, the wood block production was moved from Asia to Belgium. Whereas previously, wood blocks from Europe for candle holders and uprights of calendars and pictures were sent to Asia for processing and then sent back to Belgium, they are now processed in Belgium itself.

Continuous efforts are made to import as many basic materials as possible from Europe.

Reduce paper consumption

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

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

GHG emissions, transport and logistics

Energy efficiency and use of renewable energy

ESRS E1-5 – Energy consumption and mix

VSME B3 – Energy and greenhouse gas emissions

Energy consumption and mix	2023	2024
Total energy consumption fuels and electricity (MWh)	2 775	2 685
Fuel consumption from crude and petroleum products (MWh)	728	610
Fuel consumption from natural gas (MWh)	164	190
Electriciteitsverbruik uit fossiele bronnen (MWh)	625	629
Total fossil energy consumption (MWh)	1 518	1 430
Share of fossile sources in total energy consumption (%)	54.69%	53.24%
Consumption of electricity from nuclear sources (MWh)	1 078	1 082
Share of nuclear sources in total energy consumption (%)	38.85%	40.28%
Consumption of self-generated renewable energy (MWh)	179	174
Share of renewable sources in total energy consumption (%)	6.46%	6.48%
Share of CO ₂ emissions-free sources in total energy consumption (%)	45.31%	46.76%

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.

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 in 2022. For this site, the main production hours are between 6 am and 6 pm. As of August 2024, we use ‘energy sharing’, whereby the excess energy produced through the photovoltaic panels at Vantegem is injected back into the electricity network and can be used by our production site at Kwatrecht. In 2024, it was also decided to renovate the roof of the Kwatrecht production site so that photovoltaic panels for electricity production can also be installed there in 2025. These renovation works, and the installation of photovoltaic panels, were successfully completed in the first quarter of 2025.

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. Meanwhile, 81% of the fleet is fully electric or hybrid.

So at smartphoto group we already drive electric, but as of April 2024 we have taken an extra step in sustainability by switching to second-hand electric lease cars. This way, we not only reduce our CO₂ emissions, but also extend the life of vehicles, and reduce the impact of new production. This way, we combine electric driving with circular thinking, contributing to a greener future and making responsible use of raw materials.

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 2024, as 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.

Our CO₂-footprint

ESRS E1-6 – Scope 1, 2, 3 and total GHG emissions
VSME B3 – Energy and greenhouse gas emissions

CO ₂ -footprint	2023	2024
Total (Scope 1 + 2)	1 108	1 053
Scope 1	396	375
Scope 2	712	677

Currently, we have not included details of scope 3 emissions. We consider this an important area of focus and will start analysing scope 3 emissions in the coming year. This analysis will help us to get a fuller picture of our environmental impact and further optimise our strategy.

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, 98% CO₂ neutral shipping was realised.

Collaboration with Budbee as a supply partner in Norway

As of November 2024, we work with Budbee as a delivery partner to have our e-commerce parcels delivered either at home or to a parcel vending machine. Budbee delivers on the same day or the next day using bicycles, electric vehicles and renewable diesel vehicles. Renewable diesel (HVO100) is a biofuel produced from vegetable raw materials, and also partly from raw materials such as animal fat waste from the food industry, recycled cooking oil or fish fat from the fishing industry, which do not release any new carbon dioxide into the atmosphere.

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 resulted in a 2.5% decrease in the number of deliveries (shipments) per order in 2024. More specifically, this means that almost 54 000 less packages were sent for the same number of orders.

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 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.

Several improvements contributing to a more sustainable production process were analysed in 2023, to be applied as of 2024. For instance, bubble wrap for glass products was replaced by honeycomb and silk paper, and for wall decoration products, bubble wrap was replaced by paper bags, except for the larger sizes. These paper bags are also made of FSC-certified paper and are 100% recyclable. Furthermore, plastic tape for wall decoration was replaced by starch-based paper tape, and the tape roller was replaced by a machine, which both improves ergonomics for production workers and reduces tape consumption.

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. In 2024, residual waste, excluding construction and demolition waste resulting from renovation projects, amounted to 91 tons. This represents a 5% decrease compared to 2023 (96 tons). Over a three-year period (2021-2024), residual waste has thus fallen from 110 tons to 91 tons, a total decrease of 17%. This exceeds the set target of a 5% annual reduction, or 15% over three years.

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, VGF (vegetables garden and fruit), 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.

Product quality

At smartphoto, quality is at the heart of everything we do. We strive not only to offer our customers a wide range of personalised products, but also to ensure high-quality finish and excellent printing results.

Our photo books, for example, designed to capture the most beautiful moments, are made to last for generations. By using durable materials and high-quality printing, we ensure that memories retain their colour and sharpness, year after year. Our personalised gifts are also produced with care to ensure that they are not only original and unique, but also of excellent quality.

Moreover, we want our customers to order with peace of mind. Therefore, in addition to our quality guarantee, we also offer a unique service: if a customer has made a typo in his design, we provide a free reprint.

At smartphoto, we thus combine high-quality products with a hassle-free and customer-friendly service.

Sustainable 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. After the expansion in 2023, our range of personalised products made of wood is further expanded in 2024 with new innovations, such as, for example, a memory box from European beech wood, an FSC-certified key ring, a vase in wooden stand, wooden plant labels, or candle holders. We also have new variants, including standing, hexagon, curved and round shapes of our 'forex luxury with dried flowers' on a wooden display. Our wooden products are engraved or printed with a full-colour print, using sustainable, solvent-free ink for a high-quality finish that lasts.

Our range includes several reusable products that are a better alternative to the disposable versions. A nice example of this is the personalised drinking bottle, of which variable variants are available. New products were also added, such as the scented candle with the scent of sage and sandalwood. After burning up, one retains a stylish decorative jar with a wooden lid, which can be reused. Another example is the biscuit tin, filled with a variety of 'Generous' biscuits, also available in organic and gluten-free varieties. This biscuit jar is reusable, and complies with food preservation safety regulations, allowing you to use it for other purposes in a sustainable way.

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.



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.

In 2024, there was a continuous search for more sustainable alternatives for materials and processes, such as investigating water-based coatings for cards. However, the results showed that this adjustment was not feasible, as the quality proved insufficient.

Currently, newly developed inks for book and calendar printers, which would be more environmentally friendly, are being considered as an alternative to the inks now used.



People and well-being



Working conditions

Our employees

ESRS S1-6 – Characteristics of the undertaking's employees

VSME B8 – Workforce - General characteristics

Own workforce in FTE	2023	2024
Total number of permanent employees	306	296
Men	119	126
Woman	187	176
Nationality		
Belgian	249	233
Dutch	11	10
Swedish	9	10
German	4	5
Swiss	5	5
French	7	4
Romanian	2	3
Danish	3	3
Other	16	24
Employee turnover rate		
Gross employee turnover rate	39	42
Net employee turnover rate	14	4

Well-being at work

ESRS S1-14 – Health and safety metrics

VSME B9 – Workforce – Health and safety

Health and safety	2023	2024
Number of work-related accidents recorded	8	5
Percentage of work-related accidents recorded	2.61%	1.69%
Number of fatalities due to work-related injuries and work-related poor health	0	0

Our employees spend a significant part of their day at work, together with colleagues. Smartphoto is committed to ensure that this working time can take place in a safe and healthy environment.

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. All employees were given the opportunity to register for a first aid course. The certified people 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.

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.

In the Great Place to Work® survey, this work-life balance also stands out as one of the most important positive aspects of working at smartphoto. This appeared not only from the scores, but also from the comments. Employees appreciate the flexible working hours, homework options, smooth leave arrangements and the trust they are given to organise their work independently.

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).



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.

Currently, 55% of our employees at smartphoto België participate in the 'Cafeteria plan'. In total, 183 selections were made, with 35% opting for the financing of a group insurance policy and 28% choosing reimbursement of pension savings. Additionally, 20% preferred extra holidays, while 10% chose reimbursement of a health insurance policy. The purchase of multimedia was selected by 6%, and 1% of employees opted for bike leasing.

Healthy food at work

To build a culture of healthy eating habits at work, smartphoto has partnered with Gus Foods BV. In 2024, Gus Foods installed a smart fridge in the employee dining area in Kwatrecht. The fridge is filled with healthy meals, snacks, and drinks, and is accessible at all times. Gus Foods focuses on healthy, colorful ingredients without artificial additives, while also emphasizing great taste. The company places high value on honesty and works closely with local family businesses that share their commitment to quality and transparency. Whenever possible, Belgian products are chosen, and local alternatives are sought when necessary.

Diversity, equity and inclusion

Diversity 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.

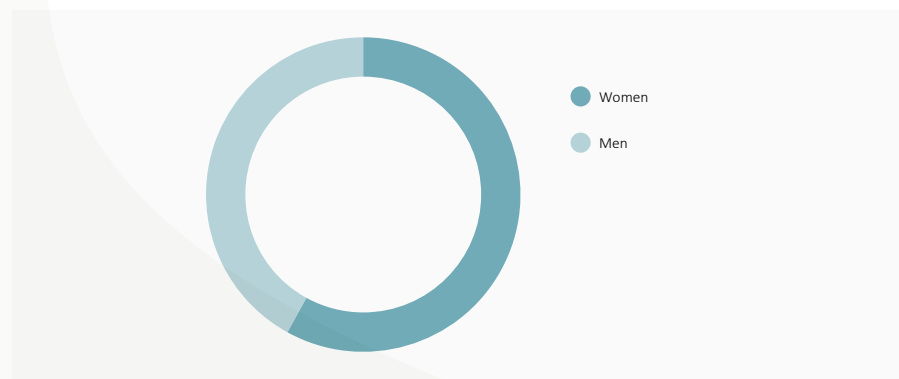
At group level, women represent 58% of the employees, compared to 42% men. At smartphoto, we have employees ranging in age from 21 to 70. 61% of the employees are younger than 45 years. Smartphoto employs different nationalities. However, the fact that the production activities and a number of supporting services are centralised in Wetteren (Belgium), the naYan activities are carried out in Ardooie (Belgium), and the TopFanZ activities are carried out in Halen, results in about 79% of the employees having the Belgian nationality. Our employees generally have long employment records. About one fifth of all employees are employed part-time.

ESRS S1-9 – Diversity metrics

VSME C5 – Additional (general) workforce characteristics

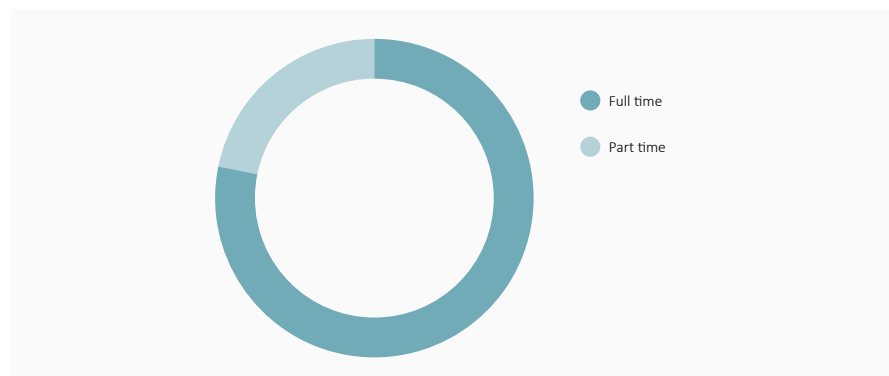
Diversity among employees regarding gender in FTEs

Gender	Woman	Men	Total
Number of employees	171	126	296
In % van total	58%	42%	100%



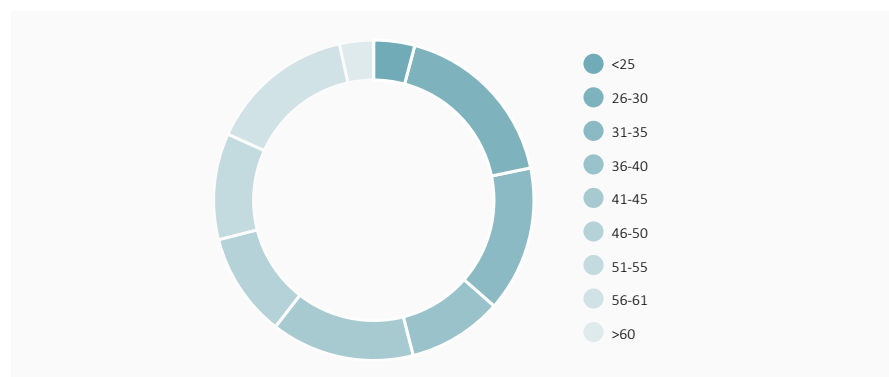
Diversity among employees regarding type of employment in FTEs

Type of employment	Full time	Part time	Total
Number of employees	234	62	296
In % of total	79%	21%	100%



Diversity among employees regarding age in FTEs

Age	<25	26-30	31-35	36-40	41-45	46-50	51-55	56-61	>60	Total
Number of employees	12	52	44	28	43	31	32	44	10	296
In % of total	4%	18%	15%	10%	14%	11%	11%	15%	3%	100%



Diversity within the Board of Directors

VSME C9 – Gender diversity ratio in the governance body

The information regarding diversity in the Board of Directors is included in the Corporate Governance Statement on page 33 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 of the locations in Kwatrecht and in Vangtegem, are invited to a lunch. 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.

As of last year, we started 'Smart Start', a programme where all new employees receive a guided tour and an introduction from a member of the management team. During this session, smartphoto's core values, strategy, and vision are explained, so that new colleagues immediately feel connected to our mission and way of working.





Consultation with social partners

ESRS S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

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.

ESRS S1-8 – Collective bargaining coverage and social dialogue
VSME B10 – Workforce – Remuneration, collective bargaining and training

Collective bargaining coverage	2023	2024
Belgium	1	0

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 for our own team's participation in 'Expeditie Natuurpunt'

With the support of smartphoto, and after organising fundraising activities such as a pancake sale, a lasagna sale, and a sponsored walk, the 'Natuurpunt' Expedition team 'Smile by Mile' raised a nice amount. This allowed the team to take part in an adventurous two-day challenge, during which they paddled over 20 km on the Meuse River by canoe and covered 40 km on foot. All proceeds went to the nature reserve 'Kalkense Meersen'.

A New Year's gift with Impact: Support for the Children's Cancer Fund



As a new initiative within the New Year's gift programme, employees were given the option this year to donate the value of their gift to the Children's Cancer Fund — an organisation dedicated to providing medical care and support to children with cancer. With this option, we wanted to give our colleagues the opportunity to give their year-end gift a more meaningful purpose and contribute to a better world.

Support to Ghent animal shelter and Help Animals (Belgium)



With an office full of animal lovers, our own four-legged friends are a constant source of joy and an important reason for the smiles on our faces. Driven by our mission to spread even more smiles, we decided it was time to turn our love for animals into concrete actions, and we set out to support animal shelters in both Flanders and Wallonia.

The Ghent animal shelter, also known as the Royal Society for the Protection of Animals (KMD Gent), provides shelter for dogs and cats in need. Their mission is to offer every animal a loving home, regardless of their background or circumstances. The dedicated team of animal lovers works tirelessly to ensure the well-being of all animals, while simultaneously creating a safe and nurturing environment where the animals can recover and develop.



Every day, dozens of volunteers take the shelter dogs from the Ghent Animal Shelter for much-needed walks. To ensure these walks benefit not only the physical health of the dogs but also increase their chances of adoption, smartphoto donated 50 personalised scarves.

Running an animal shelter requires not only a lot of love and care but also financial resources to continuously provide food, medical care, and other necessities. That's why, in the month of September, we organised a special fundraising campaign, during which we highlighted our popular canvases. For every canvas sold, smartphoto donated 2 euro to animal shelters in need.



In 2024, similar actions were organised to support Help Animals in Wallonia. Help Animals is a non-profit organisation that was founded in the 1980s by a group of women who became aware of the lack of infrastructure and resources to care for animals in need. The organisation has evolved, with the desire to further expand its impact, into a true reference in Belgium in the field of animal protection. With three shelters – Braine-le-Château, Anderlecht, and Waterloo – it welcomes a wide variety of animals.

Support to 'De Warmste Week' (Belgium)



For the 'Warmste Week' of 2024, we organised a candy sale and an exciting quiz at smartphoto to raise money and make a difference for a good cause.

In 2024, there were no fewer than 276 projects focused on the theme of loneliness; projects dedicated to bringing people together and fostering connections so no one has to feel alone, with the slogan 'Together we blaze against loneliness.'

Support to 'Passwerk' (Belgium)



Passwerk is a pioneer in the professional integration of individuals with autism into the regular labor market. Passwerk employs consultants with autism in software development, testing, and business intelligence across a wide range of companies.

By combining their expertise in neurodiversity and IT, an ideal match is created between the consultant and the client, tailored to specific needs. The unique talents of the consultants are recognized and aligned with the relevant requirements, ensuring that the consultants are supported in maximizing their potential.

Support to Aktiv Skola Foundation (Sweden)



The Aktiv Skola Foundation is focused on social entrepreneurship. They aim to contribute as much as possible to creating a better educational system in Sweden.

Aktiv Skola is based on a set of values derived from the holistic definition of health. This means that everything the foundation does is based on these values and strives for a higher level of health. They believe that school is the arena in society where the greatest opportunities exist to embody and achieve health for our children and youth.

In their action plan, clear proposals are made to, among other things, achieve a higher level of knowledge and ensure that all children, regardless of their background, have the same opportunities.

Support to Foundation 'Babyspullen' (Baby stuff) (the Netherlands)



The 'Babyspullen' Foundation believes that all children have the right to a fair start in life, regardless of the financial situation they are born into. They contribute to this by supporting (expectant) parents in poverty and providing their child with essential items from birth to two years old through the donation of baby starter kits. These kits are made up of new and gently used baby items and include clothing, bed and bath linens, care products, and small toys.

Support to Youca - Race for the Cure® (Flanders)



At YOUCA, they believe in the power of young people to contribute to a sustainable and fair world. Through connection, collaboration, and experience, they introduce young people to impactful experiences in an accessible and challenging way, providing them with the confidence and the right tools to engage in making the world a better place. This is achieved through various activities, workshops, actions, projects, and collaborations with partners who also strive for positive change.

In 2024, NaYan supported the Race for the Cure® event.



This sporting event is dedicated to supporting those affected by breast cancer, with the goal of (i) raising awareness about the importance of early detection to increase the chances of recovery, (ii) supporting those affected by breast cancer and honoring the lives of those who have passed too soon, and (iii) raising funds for scientific research, prevention campaigns, and projects that provide support to individuals facing similar challenges.

Training and development

Career development and training

ESRS S1-13 – Training and skills development metrics

VSME B10 – Workforce – Remuneration, collective bargaining and training

Training	2023	2024
Average number of training hours per employee	31	30

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.

As of last year, our focus has been strongly on training, with particular emphasis on the leadership development programme, aimed at fostering strong, inspiring, and effective leaders within our organisation. Through targeted training, coaching, and hands-on assignments, we enhance the leadership skills of our employees. The program helps them communicate more effectively, motivate teams, and achieve strategic goals.

In 2025, we will further expand our training efforts with a major program within the production environment, focusing on the multi-skilling of all production employees. This will be a crucial part of our growth and organisational flexibility.

2-yearly employee survey

ESRS S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

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®! In the meantime the employee survey was organised, in collaboration with Great Place to Work® for the third time. This time, the TopFanZ employees were also included. For Belgium and the Netherlands, we are once again proud to be 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.

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. In 2024, the focus was on workshops on self-defense and plant-based nutrition (in collaboration with Circularis vzw).



Governance



Business conduct

With regard to our employees

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.

With regard to 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, naYan and TopFanZ 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.

With regard to 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 33.

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.

Data protection and cyber security

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.

Cyber security

Our internal IT team monitors cyber security risks on a daily basis. Together with the financial team, there are quarterly meetings where the measures taken, any issues, and the reporting to the Audit Committee are discussed. Additionally, our employees are trained to recognize such risks through awareness initiatives, where phishing simulations are combined with interactive training on cyber security. To achieve this, we work with a platform of 'ethical hackers' who regularly send phishing simulation emails to our employees. Those who fall for the simulations then receive short videos from the same platform, explaining phishing and cyber security in general. Furthermore, guidelines on safe internet usage are regularly shared.

2025 ACTION PLAN

ENVIRONMENT

Replacing production machinery with refurbished machines where possible to promote sustainability and cost savings

Contributing to more efficient use of available space by relocating the satellite office from Ghent to Vantegem (Wetteren)

Carrying out a climate-oriented roof renovation in Kwatrecht (Wetteren)

Installing photovoltaic panels on the roof of the production site in Kwatrecht (Wetteren)

Installation of more energy-efficient HVAC system (heating, ventilation and air conditioning) for the buildings at Kwatrecht (Wetteren)

Installation of LED lighting in production areas

Kiezen voor interne transportoplossingen in plaats van uitbesteding m.b.t. de chocoladeproducten

Reducing transport between the two production sites

Analysing product quality improvement with a view to reducing product waste by adjusting the materials used

Drafting a carbon footprint roadmap



- Achieving sustainable management and efficient use of natural resources
- Avoiding waste by reducing, reusing and recycling materials
- Reducing the use of fossil fuels
- Promoting the use of renewable energy sources
- Reducing CO₂ emissions
- Improving energy efficiency
- Encouraging adoption of sustainable practices
- Integrating climate change measures
- Avoiding waste by reducing, reusing and recycling materials
- Integrating climate action into policies, strategies and planning

PEOPLE & WELL-BEING

Offering training with focus on leadership track

Offering training programmes for production staff with a focus on multi-occupancy

Expanding the flexible compensation plan for all employees

Organising a third employee survey GPTW

Supporting charities



- Promoting decent work for all people
- Avoiding unemployment and poverty through equal opportunities and an inclusive work environment
- Protecting labour rights and promoting safe and shared workplaces for all employees
- Ensuring good health and improving employee well-being and mental health
- Encouraging and promoting public, public-private and civil society partnerships

GOVERNANCE

Engaging in responsible use of AI



- Ending corruption and bribery in all their forms in a sustainable way



Fenna

Today I am

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Weeks/Months/Years



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Smiles

in a box



2024 CONSOLIDATED FINANCIAL STATEMENTS



YEAR IN REVIEW



01.
January



02.
February



03.
March



04.
April



05.
May



06.
June



07.
July



08.
August



09.
September



10.
October



11.
November



12.
December



Statement of profit or loss for the period

(in K euro)	Note	2023*	2024
Revenue	3	77 346	80 450
Other operating income	4	871	997
Changes in inventory of finished goods and work in progress		-6	2
Trade goods, raw materials and consumables		-20 710	-21 653
Employee benefits	5	-18 196	-19 049
Depreciation, amortisation, write-downs, impairment and provisions	6	-3 960	-4 201
Other operating expenses	7	-26 139	-29 334
Profit/loss (-) from operating activities		9 207	7 212
Financial income		424	565
Financial expenses		-807	-591
Financial result	8	-383	-27
Profit/loss (-) before taxes		8 824	7 185
Income taxes expense (-)/ income	9	-1 896	-1 761
Profit/loss (-) for the period		6 928	5 424
Profit/loss (-) for the period attributable to equity holders of the parent company		6 928	5 424
(in euro)	Note	2023	2024
Profit/loss (-) for the period per share based on the weighted average number of shares with dividend rights	19	1.9232	1.5387
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	19	1.9232	1.5387
Profit/loss (-) for the period per share based on the weighted average amount of shares (ordinary and dilutive)	19	1.7575	1.3760

* From 2024, the capitalisation of internally generated intangible assets is no longer presented as a separate line in the statement of profit and loss (-) for the period, but included as part of employee benefits and other expenses respectively. For the purpose of comparability, the comparative figures of 2023 were adjusted accordingly.

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

(in K euro)	Note	2023	2024
Profit/loss (-) for the period		6 928	5 424
Other comprehensive income:			
Items which will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability (asset)	23	-137	106
Taxes on remeasurement of the net defined benefit liability (asset)	23	25	-20
Total of items which will not be reclassified to profit or loss	23	-111	86
Items which possibly will be reclassified to profit or loss			
Translation differences		103	-97
Taxes on translation differences		-14	20
Total of items which possibly will be reclassified to profit or loss		89	-76
Other comprehensive income, net of taxes		-23	10
Total of profit or loss and other comprehensive income		6 905	5 435
Total of profit or loss and other comprehensive income for the period attributable to equity holders of the parent company		6 905	5 435

Statement of financial position

ASSETS (in K euro)	Note	2023	2024
<u>Non-current assets</u>			
Property, plant and equipment	10	15 967	16 539
Right-of-use assets	11	3 555	2 609
Goodwill	12	17 220	18 895
Intangible assets	13	3 614	4 583
Other financial assets	14		
Trade and other receivables		111	112
Deferred tax assets	15	5 858	4 901
Total non-current assets		46 325	47 639
<u>Current assets</u>			
Inventories	16	3 748	4 855
Trade and other receivables	17	5 918	8 367
Other financial assets		3	3
Cash and cash equivalents	18	25 179	24 873
Current tax assets		211	251
Total current assets		35 058	38 349
TOTAL ASSETS		81 383	85 989

EQUITY AND LIABILITIES (in K euro)	Note	2023	2024
<u>Total equity</u>			
Capital	19	41 381	41 381
Reserves and retained earnings/accumulated loss (-)	19	8 003	9 713
Revaluation surplus	10	6 956	6 956
Remeasurement of the net defined benefit liability (asset)	19	-111	-25
Treasury shares (-)	19	-9 292	-11 163
Currency translation adjustments	19	2 357	2 281
Shareholder's equity	19	49 294	49 143
Total equity		49 294	49 143
<u>Non-current liabilities</u>			
Interest-bearing financial liabilities	20	1 409	1 075
Lease liabilities	21	2 809	1 812
Trade and other payables	22		1 049
Employee benefit liabilities	23	716	562
Provisions		93	93
Deferred tax liabilities	15	831	743
Total non-current liabilities		5 858	5 333
<u>Current liabilities</u>			
Interest-bearing financial liabilities	20	478	588
Lease liabilities	21	798	869
Trade and other payables	22	21 499	26 637
Employee benefit liabilities	23	3 179	3 183
Current tax liabilities		276	236
Total current liabilities		26 231	31 513
TOTAL EQUITY AND LIABILITIES		81 383	85 989

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 31.12.2022	41 381	4 684	6 956		-6 663	2 268	48 627
Profit/loss (-) for the period		6 928					6 928
Other comprehensive income:							
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

(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 31.12.2023	41 381	8 003	6 956	-111	-9 292	2 357	49 294
Profit/loss (-) for the period		5 424					5 424
Other comprehensive income:							
Items which will not be reclassified to profit or loss							
Remeasurement of the net defined benefit liability (asset)				106			106
Taxes on remeasurement of the net defined benefit liability (asset)				-20			-20
Total of items which will not be reclassified to profit or loss				86			86
Items which possibly will be reclassified to profit or loss							
Translation differences						-97	-97
Taxes on translation differences						20	20
Total of items which possibly will be reclassified to profit or loss						-76	-76
Other comprehensive income, net of taxes				86		-76	10
Total of profit or loss and other comprehensive income		5 424		86		-76	5 435
Total of profit or loss and other comprehensive income for the period attributable to equity holders of the parent company		5 424		86		-76	5 435
Dividend distributed to shareholders		-3 714					-3 714
Transactions relating to treasury shares					-1 872		-1 872
Balance as at 31.12.2024	41 381	9 713	6 956	-25	-11 163	2 281	49 143

Cashflow statement for the period

(in K euro)	Note	2023	2024
<u>Operating activities</u>			
Profit/loss (-) for the period		6 928	5 424
Depreciation, write-downs, impairment of property, plant and equipment	6, 10	1 703	1 707
Depreciation, write-downs, impairment of right-of-use assets	6, 11	832	955
Depreciation, amortisation, write-offs, impairment of intangible assets	6, 13	1 357	1 485
Write-downs, impairment on current and non-current assets	6, 16, 17	109	52
Provisions	5, 6	-36	2
Net interest income (-)/expense	8	111	9
Loss/gain (-) on sale of property, plant and equipment			-304
Income tax expenses	9	1 896	1 761
<i>Operating cash flow before changes in working capital</i>		12 899	11 091
Decrease/increase (-) in trade and other receivables and current income tax assets		211	-1 961
Decrease/increase (-) in inventories		145	-155
Increase/decrease (-) in trade and other payables		-893	4 059
Increase/decrease (-) in non-current employee benefit liabilities			-40
Decrease/increase (-) in working capital		-538	1 903
<i>Operating cash flow after changes in working capital</i>		12 361	12 995
Interest paid (-)		-82	-72
Interest paid (-) on lease liabilities		-97	-125
Interest received		63	191
Income tax paid (-)		-1 085	-870
Cash flow from operating activities		11 162	12 119

(in K euro)	Note	2023	2024
<u>Investing activities</u>			
Proceeds from sale of property, plant and equipment			309
Acquisition of property, plant and equipment	10	-871	-2 150
Acquisition of other intangible assets	13	-1 777	-2 250
Acquisition of a business combination, net of cash acquired	1		-976
Cash flow from investing activities		-2 649	-5 067
<u>Financing activities</u>			
Acquisition of treasury shares	19	-2 628	-1 872
Repayment of financial liabilities	20	-476	-814
Repayment of financial lease liabilities	21	-808	-934
Dividends paid	19	-3 609	-3 714
Cash flow from financing activities		-7 521	-7 334
Increase/decrease (-) in cash and cash equivalents		992	-283
Effect of exchange rate fluctuations		44	-22
Net increase/decrease (-) in cash and cash equivalents		1 035	-305
Cash and cash equivalents at the beginning of the year		24 143	25 179
Cash and cash equivalents at the end of the period		25 179	24 873
Total cash and cash equivalents	18	25 179	24 873



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 2024 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 31 March 2025.

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 2024, as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

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

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 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.

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 the Classification and Measurement of Financial Instruments: Amendments to IFRS 7 and IFRS 9: applicable for annual periods beginning on or after 1 January 2026.

Contracts Referencing Nature-dependent Electricity: Amendments to IFRS 9 and IFRS 7: applicable for annual periods beginning on or after 1 January 2026.

Annual Improvements Volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 en IAS 7: applicable for annual periods beginning on or after 1 January 2026.

IFRS 18 Presentation and Disclosure in Financial Statements: applicable for annual periods beginning on or after 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosures: applicable for annual periods beginning on or after 1 January 2027.

The first adoption of IFRS 18 will have an impact on the group's financial reporting. The first adoption of IFRS 19 and amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, will not result in significant changes to the group's financial reporting.

Key changes in the consolidation scope

Due to the acquisition of Topfanz BV, previously Fanshops.be BV, on 31 May 2024 (see also the press release of 31 May 2024), whereby smartphoto group acquired 100% of the shares, and thus also gained control, the figures of Topfanz BV are included in the consolidation of smartphoto group as from the acquisition date. On 28 January 2025, the name of the legal entity Fanshops.be BV was changed to Topfanz BV.

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 27. 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 buildings are recognised at its depreciated replacement cost, 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 10. Property, plant and equipment.

Other accounting policies

Statement of profit or loss

Revenue recognition

Revenue recognition

Revenue is recognised when the performance obligation is met.

The performance obligation for the smartphoto segment is 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 obligation for the B2B segment is 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

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

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:

- Plant 10% - 20%
- Machinery 14% - 33%
- Computer hardware 20% - 33%
- Furniture and fixtures 14%
- Vehicles 20%

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 are 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 licences 20%
- Internally generated intangible assets 20%
- Other intangible assets 14% - 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. Acquired 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 result of an operating segment does 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 2024 CONSOLIDATED FINANCIAL STATEMENTS





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1. Business combinations

On 31 May 2024, smartphoto group acquired 100% of the shares of Topfanz BV, previously Fanshops.be BV, located in Halen, Belgium. Topfanz BV is Belgium's market leader in merchandising products and services in the sports and entertainment sector, ranging from product procurement, support in e-commerce activities and logistics, to full-service partnerships, including marketing advice (www.topfanz.com).

The consideration transferred for this acquisition amounts to 2 230K euro in cash, of which the initial acquisition price of 1 132K euro was paid on acquisition date. On top of this initial acquisition price, the seller is still entitled to additional considerations, of which the final price is dependent on future results. This contingent remuneration scheme is based on the achievement of specific EBITDA targets by the acquired entity, over a four-year period. The estimated considerations are as follows: 421K euro (not discounted), being 10% of the realised EBITDA as at 30 June 2027 multiplied by a multiple of 4.7; and 811K euro (not discounted), being 15% of the realised EBITDA as at 30 June 2028 multiplied by a multiple of 4.7. These contingent considerations can amount to a maximum of 840K euro, respectively 1 600K euro, not discounted. These deferred payments were recognised as other liabilities, at discounted value, amounting to 1 097K euro at the acquisition date. This liability is remeasured to fair value at each reporting date until the agreement is settled, with the impact of changes in the statement of profit or loss recognised in the period following the business combination. As at 31 December 2024, the discounted value of the liability amounts to 1 049K euro.

Acquisition-related costs, related to external parties, amount to 40K euro.

The acquisition of Topfanz BV is, in accordance with IFRS 3 Business Combinations, recognised in the consolidated figures as from the acquisition date on 31 May 2024. The processing of the figures and the determination of the opening balance are based on final figures. The acquisition is accounted for using the acquisition method, where the identifiable assets acquired and the liabilities assumed of Topfanz BV were recognised separately from goodwill and measured at fair value at the acquisition date.

The consideration for the acquisition of Topfanz BV was determined based on the activities and value of the company as a whole, including the knowledge and skills of the employees,

and not based on the future cash flows from a customer database. Thus, the customer database can not be identified as a customer related intangible asset.

With this acquisition, smartphoto's expertise in the production of personalised products, technology and marketing, together with naYan's customer focus and e-commerce know-how, can be leveraged to further growth of Topfanz BV by offering even more on-demand products and services to their existing and new customers. Furthermore, the concept will also be expanded to other European countries.

Net identifiable assets and liabilities at fair value

(in K euro)	At acquisition date
Property, plant and equipment	138
Right-of-use assets	493
Intangible assets	204
Non-current trade and other receivables	3
Deferred tax assets	1
Inventories	982
Current trade and other receivables	717
Cash and cash equivalents	157
Non-current interest-bearing financial liabilities	-199
Non-current lease liabilities	-461
Current interest-bearing financial liabilities	-390
Current lease liabilities	-32
Current trade and other payables	-934
Current employee benefit liabilities	-63
Current tax liabilities	-60
Total net identifiable assets and liabilities	554

No assets and liabilities were identified that were not previously recognised as assets and liabilities.

The amount by which the consideration transferred of 2 230K euro exceeds the amount of net identifiable assets and liabilities of 554K euro, is recognised as goodwill, being 1 675K euro. This goodwill, recognised on initial consolidation, is attributable to the cash generating unit TopFanZ and will be subject to annual - or in case there are indications that an asset may be impaired - impairment tests in accordance with IAS 36.

Calculation of goodwill and reconciliation with the statement of cash flows

(in K euro)	At acquisition date
Consideration settled in cash (1)	2 230
Net identifiable assets and liabilities	554
Goodwill	1 675
Cash and cash equivalents acquired (2)	157
Discounted value of deferred payments according to the sale-purchase agreement (3)	-1 097
Acquisition of business combination, net of cash acquired, in the statement of cash flows (2)-(1)-(3)	-976

As of the acquisition in the consolidation scope, TopFanZ contributed 2 850K euro to revenue and 53K euro to profit/loss (-) for the period of the group.

The contribution to revenue and profit or loss (-) as if the acquisition had taken place at the beginning of the reporting period is not possible due to the lack of access to complete historical financial data of the acquired entity.



2. Operating segments

The activities of the group are reported in two operating segments: the smartphoto segment and the B2B segment.

The valuation of the result of the segments is handled in the same way as the valuation of the result of the entity. The accounting policy for transactions between reporting segments has been determined at arm's length.

2023 financial year segment reporting

(in K euro)	smartphoto	B2B	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
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

2024 financial year segment reporting

(in K euro)	smartphoto	B2B	Not assigned	Intersegment	Consolidated
External revenue	60 260	20 190			80 450
Intersegment revenue	505	9			
Total revenue	60 766	20 199		-514	80 450
Net interest income (-)/expense	17	-11			7
Profit/loss (-) before taxes	6 214	1 395	-424		7 185
Total investments in property, plant and equipment	2 102	45			2 147
Total investments in intangible assets	1 882	368			2 250
Total investments in right-of-use assets	443	582			1 025
Additions to the non-current part of trade and other receivables	-2	3			2
Depreciations and amortisation	3 585	561			4 146
Non-cash items other than depreciation and amortisation	60	-5	2		57
Number of full-time equivalent employees as of the end of the period	221	75			296

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.

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 that is a common element among the entities, is photofinishing: 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. 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.

B2B segment

This segment comprises the legal entities naYan NV and its 100% subsidiary Frucon International Inc., and as of the acquisition on 31 May 2024, the legal entity TopfanZ BV. The operational activities of this segment mainly consist of B2B (Business to Business). naYan is a full-service e-commerce agency that, worldwide, helps ambitious brands grow online, with proven expertise in e-commerce, digital marketing, customer experience and sales through marketplaces (www.nayan.be). TopFanZ is Belgium's market leader in merchandising products and services in the sports and entertainment sector, ranging from product procurement, support in e-commerce activities and logistics, to full-service partnerships, including marketing advice (www.topfanz.com).

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, or merchandising products via websites - to only offering services and managing a website.

Revenue within this segment is allocated according to a shared revenue model, where the business partners receive a predefined share of the operating revenue realised, based on predefined agreements. This creates a shared interest, whereby both parties benefit from each other's success and are encouraged to grow together.

The supporting teams 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; thus relieving customers operationally in terms of purchase, logistics and/or marketing. 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.

The amounts not assigned, relate primarily to central administration expenses, the unallocated portion of the CEO's remuneration, post-employment benefits, and other expenses that cannot be allocated to any of the segments.

Information about products and services

(in K euro)	2023	2024
Revenue		
Prints	5 901	7 759
Books & stationery	28 084	27 231
Merchandising	30 240	32 196
E-commerce as a Service	13 122	13 264
Total	77 346	80 450

The revenue of Prints, Books & stationery, as well as a part of Merchandising, belongs to the smartphoto segment. The revenue of E-commerce as a Service and a part of Merchandising belongs to the B2B segment.

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 companies (brands or clubs), such as digital marketing, sales, customer or other online support services.

Information about geographic areas

(in K euro)	2023	2024
Revenue		
Belgium	31 549	34 880
Switzerland	15 527	15 356
Other countries	30 270	30 215
Total	77 346	80 450
Fixed assets other than financial instruments and deferred tax assets		
Belgium	39 454	41 978
Other countries	903	648
Total	40 356	42 626

The revenue from third-party sales is divided between Belgium, Switzerland and all third-party countries that generate revenue. 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.

3. Revenue

The increase in revenue of 4.0% (or 3 104K euro) is the result of a strong second semester and an even stronger last quarter. This was achieved in a challenging economic environment, with continued pressure on consumer spending and market uncertainties.

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 B2B 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.

4. Other operating income

The main components of the other operating income of 997K euro in 2024, and 871K euro in 2023 are: the sale of waste material from the production process to recycling companies for an amount of 164K euro in 2024, compared to 160K euro in 2023, the recovered overdue payments and unused credit notes of e-commerce customers for an amount of 280K euro in 2024, compared to 412K euro in 2023, and revenue from partnerships for an amount of 74K euro in 2024, compared to 102K euro in 2023. In 2024, other operating income also includes realised gains on the sale of property, plant and equipment for an amount of 303K euro.

5. Employee benefits

(in K euro)	2023*	2024
Wages and salaries	-13 767	-14 201
Social security contributions	-3 414	-3 733
Other employee benefits	-813	-857
Contribution to defined contribution plans	-240	-255
Increase/decrease (-) in the other non-current employee benefit liabilities	36	-2
Total	-18 196	-19 049

* From 2024, the capitalisation of internally generated intangible assets is no longer presented as a separate line in the statement of profit and loss (-) for the period, but included as part of employee benefits and other expenses respectively. For the purpose of comparability, the comparative figures of 2023 were adjusted accordingly. As a result, the employee benefits for the 2023 financial year are adjusted from -19 196K euro to -18 196K euro, or a revision of 1 000K euro.

In 2024, the employee expenses increased by 4.7%, compared to 2023. This increase is the result of increasing wages and salaries, further investment in recruiting highly educated and specialised employees with specific skills at naYan to support further long-term growth, and the acquisition of Topfanz BV.

The provisions related to the pension plans experienced a net increase of 2K euro in 2024, compared to a net decrease of 36K euro in 2023. More information about this provision can be found under the current and non-current employee benefit liabilities (see note 23).

The total number of employees in the group, expressed in full-time equivalents, is 296 at the end of 2024, compared to 306 at the end of 2023, which is a decrease of 3.3%.

The remunerations for the performance of the executive director and the non executive directors are included in the section Wages and salaries. More details can be found in note 27. Related parties.

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

(in K euro)	2023	2024
Depreciation of property, plant and equipment	-1 703	-1 710
Depreciation of right-of-use assets	-832	-955
Amortisation of intangible assets	-1 357	-1 485
Write-downs on inventories	-64	-29
Write-downs on trade receivables	-4	-23
Total	-3 960	-4 201

The depreciation and impairment of property, plant and equipment remained almost stable, which is mainly due to the fact that most of the investments took place in the last quarter of 2024.

The depreciation and impairment on right-of-use assets increased in 2024 by 123K euro, or 14.7%. This is due to new lease agreements for vehicles.

The amortisation and impairment on intangible assets increased by 9.4% in 2024. This is the result of the higher investments in intangible assets in recent years.

7. Other operating expenses

(in K euro)	2023*	2024
Services	-25 761	-28 876
Business taxes	-196	-297
Loss on disposal of intangible assets, property, plant and equipment		1
Loss on disposal of trade receivables	-1	-2
Other operating charges	-182	-160
Total	-26 139	-29 334

* From 2024, the capitalisation of internally generated intangible assets is no longer presented as a separate line in the statement of profit and loss (-) for the period, but included as part of employee benefits and other expenses respectively. For the purpose of comparability, the comparative figures of 2023 were adjusted accordingly. As a result, the other operating expenses for the 2023 financial year are adjusted from -26 758K euro to -26 139K euro, or a revision of 619K euro.

In 2024, the other operating expenses increased by 12.2%. The services mainly include marketing costs, rental costs, overhead and interim costs. The increase in services compared to 2023 is, among other things, due to the increase in marketing costs and the increase in interim expenses due to indexations of wages and salaries.

8. Financial result

(in K euro)	2023	2024
Financial income on investments	64	193
Exchange gains	327	306
Other financial income	34	66
Financial income	424	565
Financial expenses from interest-bearing financial liabilities	-77	-72
Financial expenses from lease liabilities	-96	-125
Loss on realisation of other receivables and non-current financial assets	-70	-30
Exchange losses	-476	-280
Other financial expenses	-87	-85
Financial expenses	-807	-591
Financial result	-383	-27

The financial result evolved positively and showed an increase of 356K euro. This increase is mainly due to the decrease in foreign exchange gains/losses (-) from -150K euro to -26K euro in 2024, and the increase in the financial income on investments of 129K euro.

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.

The financial statements are prepared using the following exchange rates:

Currency exchange rates	Closing rate		Average rate	
	2023	2024	2023	2024
Swiss franc	0.9260	0.9412	0.9717	0.9534
Norwegian krone	11.2405	11.7950	11.4684	11.6495
Swedish krona	11.0960	11.4590	11.4842	11.4498
US dollar	1.1050	1.0389	1.0829	1.0808
Danish krone	7.4529	7.4578	7.4513	7.4579
Pound sterling	0.8691	0.8292	0.8688	0.8450
Hungarian forint	382.8000	411.3500	380.5742	397.0683
Polish zloty	4.3395	4.2750	4.5234	4.3021
Czech koruna	24.7240	25.1850	23.9709	25.1561

9. Income taxes expense (-)/income

Amounts recognised in the statement of profit or loss

(in K euro)	2023	2024
Current taxes expense (-)/income		
Taxes on the result for the financial year	-1 108	-880
Adjustments to taxes for preceding periods	9	-29
	-1 099	-909
Deferred taxes		
Originating and reversal of temporary differences	-797	-852
	-797	-852
Income taxes expense (-)/income recognised in the statement of profit or loss	-1 896	-1 761

The income taxes expense (-)/income amounts to -1 761K euro for the 2024 financial year and includes: (i) the change of deferred tax assets of 5K euro with regard to the reversal of provisions for the pension plans; (ii) the growth of the deferred tax assets of 27K euro as a result of the increased growth in profitability, which results in a faster recuperation of tax losses; (iii) the use of deferred tax assets of -906K euro; (iv) the use of deferred tax liabilities in the amount of 22K euro; and (v) the current taxes on the result of -909K euro, of which -29K euro relates to previous financial years.

Reconciliation of the theoretical and effective tax rate

(in K euro)	2023	2024
Theoretical tax rate ⁽¹⁾	23.65%	23.85%
Taxes calculated at the theoretical tax rate	-2 086	-1 713
Impact of tax exempt revenue	6	-3
Impact of non-deductible expenses	-47	-12
Impact of utilised tax losses	-29	-77
Impact of tax incentives	274	67
Surplus/deficit (-) taxes previous financial years	9	-25
Other	-23	2
Current income taxes expense (-)/income	-1 896	-1 761
Effective tax rate	-21.49%	-24.50%
Income taxes expense (-)/income recognised in the income statement of profit or loss	-1 896	-1 761

⁽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.

There were no changes in the applicable tax rates for the 2024 financial year.

10. Property, plant and equipment

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 investments in property, plant and equipment for the 2023 financial year are related to investments in production machines and the furnishing of buildings for an amount of 407K euro, the renovation of buildings for an amount of 380K euro, and in office furniture for an amount of 84K 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.

Movements for the 2024 financial year

(in K euro)	Land & buildings	Plant, machinery & equipment	Furniture, fixtures & vehicles	Total
Acquisition value				
Balance at end of previous year	27 596	15 690	1 040	44 325
<u>Movements for the period</u>				
Acquisitions	68	2 016	64	2 147
Acquisitions through business combinations		125	13	138
Sales and disposals (-)	-78	-4 128	-333	-4 539
Translation differences		-2	-1	-3
Balance at end of current period	27 586	13 700	783	42 069
Depreciation and impairment				
Balance at end of previous year	14 972	12 531	855	28 359
<u>Movements for the period</u>				
Depreciation and impairment	594	1 049	64	1 707
Sales and disposals (-)	-78	-4 123	-333	-4 534
Translation differences		-1	-1	-2
Balance at end of current period	15 489	9 456	585	25 530
Carrying amount				
at end of previous year	12 624	3 158	185	15 967
at end of current period	12 097	4 244	198	16 539

The investments in property, plant and equipment for the 2024 financial year are related to investments in production machines and the furnishing of buildings for an amount of 2 016K euro, the renovation of buildings for an amount of 68K euro, and in office furniture for an amount of 64K euro. The acquisitions through business combinations, due to the acquisition of TopFanZ, amount to 138K euro.

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 cost' 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 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 2023 financial year-end would amount to 5 046K euro instead of 12 624K euro. At the 2024 financial year-end, this would result in a carrying amount of 4 917K euro instead of 12 097K 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 10 965K 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 624K euro as at 31 December 2023, compared to 12 097K euro as at 31 December 2024. The movements in 2024 are related to investments for an amount of 68K euro, disposal of assets fully depreciated, and depreciation, write-downs and impairment losses related to the 2024 financial year for an amount of 594K 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 cost', 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 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 cost):

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 2023 financial year related to revalued property, plant and equipment

(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

Movements for the 2024 financial year related to revalued property, plant and equipment

(in K euro)	Revalued land	Revalued buildings
Acquisition value		
Balance at end of previous year	1 231	16 572
<u>Movements for the period</u>		
Acquisitions		68
Sales and disposals (-)		-78
Balance at end of current period	1 231	16 562
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		14 972
<u>Movements for the period</u>		
Depreciation and impairment included in the statement of profit or loss		594
Sales and disposals (-)		-78
Balance at end of current period		15,489
Carrying amount		
at end of previous year	2 901	9 722
at end of current period	2 901	9 196

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.

11. Right-of-use assets

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

Investments in right-of-use assets for the 2023 financial year concern investments in a building in Malmö (Sweden) for an amount of 180K euro and investments in vehicles for an amount of 658K 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.

Movements for the 2024 financial year

(in K euro)	Land & buildings	Plant, machinery & equipment	Furniture, fixtures & vehicles	Total
Acquisition value				
Balance at end of previous year	3 544		1 568	5 112
<u>Movements for the period</u>				
Acquisitions			1 025	1 025
Acquisitions through business combinations	489		4	493
Sales and disposals (-)	-1 613		-299	-1 912
Translation differences	-15			-15
Balance at end of current period	2 404		2 299	4 703
Depreciation and impairment				
Balance at end of previous year	961		596	1 556
<u>Movements for the period</u>				
Depreciation and impairment	489		465	955
Sales and disposals (-)	-129		-287	-415
Translation differences	-2		0	-2
Balance at end of current period	1 319		775	2 094
Carrying amount				
at end of previous year	2 583		972	3 555
at end of current period	1 085		1 524	2 609

Investments in right-of-use assets for the 2024 financial year concern investments in vehicles for an amount of 1 025K euro. The acquisitions through business combinations amount to 493K euro, due to the acquisition of TopFanZ. The sales and disposals with a net carrying amount of 1 484K euro relate to the early termination of the rental agreement of the building in Ardoöie.

Qualitative and quantitative information 2023: Maturity analysis

	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

Qualitative and quantitative information 2024: Maturity analysis

	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	4		5	
Furniture, fixtures and vehicles	101	1-5	3	4		100

12. Goodwill

Movements for the period

(in K euro)	2023	2024
Acquisition value		
Balance at end of previous year	39 608	39 608
Movements during the period		
Acquisitions through business combinations		1 675
Balance at end of current period	39 608	41 283
Impairment		
Balance at end of previous year	22 388	22 388
Balance at end of current period	22 388	22 388
Carrying amount		
at end of previous year	17 220	17 220
at end of current period	17 220	18 895

The goodwill in the amount of 18 895K euro can be attributed to the cash-generating unit smartphoto for an amount of 16 151K euro, for 1 069K euro to the cash generating unit naYan, and for 1 675K euro to the cash generating unit TopFanZ.

The company performed impairment tests at the end of December in both 2023 and 2024, 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, naYan and TopFanZ, 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 (www.nayan.be). The cash generating unit TopFanZ includes the B2B activities of e-commerce distribution, by offering merchandising products and services in the sports and entertainment sector, support in e-commerce activities and logistics, to full-service partnerships, including marketing advice (www.topfanz.com). The cash generating units naYan and TopFanZ belong to the aggregated B2B segment.

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 2024. 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 2025 correspond to the budgets retained by the Board of Directors. The projections for 2026, 2027, 2028 and 2029 are based on prudent extrapolations by 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 a post-tax discount rate of 9.67% for the next 5 years. In 2023, this discount rate amounted to 10,20%%.

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.

	2023	2024
Risk free interest rate	2,76%	2.79%
Beta factor	1,03	0.99
Equity risk premium	5,40%	5.00%

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 7.8%. When the discount rate increases by 1.0%, the recoverable amount decreases by 11.1%. 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 2024. 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 2025 correspond to the budgets retained by the Board of Directors. The projections for 2026, 2027, 2028 and 2029 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 a post-tax discount rate of 9.62% for the next 5 years. In 2023, this discount rate amounted to 9,70%.

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.

	2023	2024
Risk free interest rate	2.76%	2.79%
Beta factor	1.03	1.09
Equity risk premium	5.40%	5.00%

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 8.2%. When the discount rate increases by 1.0%, the recoverable amount decreases by 10.2%. 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.

TopFanZ

The recoverable amount of the cash-generating unit TopFanZ 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 675K euro as at 31 December 2024. 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 clubs 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 merchandising products.
- The marketing efforts needed to achieve the estimated growth.
- The replacement investments.

The projections for 2025 correspond to the budgets retained by the Board of Directors. The projections for 2026, 2027, 2028 and 2029 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 a post-tax discount rate of 9.62% for the next 5 years.

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.

	2024
Risk free interest rate	2.79%
Beta factor	1.09
Equity risk premium	5.00%

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 TopFanZ 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 12.3%. When the discount rate increases by 1.0%, the recoverable amount decreases by 15.7%. 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 cash-generating unit TopFanZ.



13. Intangible assets

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

Investments in intangible assets for the 2023 financial year mainly relate to investments to improve the web platform and associated management tools.

Movements for the 2024 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	9 207	5 570	3 388	18 165
<u>Movements for the period</u>				
Additions from internal development		2 235		2 235
Acquisitions	15			15
Acquisitions through business combinations			204	204
Sales & disposals (-)	-332	-70	-11	-413
Translation differences			-55	-55
Balance at end of current period	8 890	7 735	3 527	20 151
Amortisation and impairment				
Balance at end of previous year	8 447	2 715	3 388	14 551
<u>Movements for the period</u>				
Amortisation and impairment	385	1 085	15	1 485
Sales and disposals (-)	-332	-70	-11	-413
Translation differences			-55	-55
Balance at end of current period	8 500	3 730	3 338	15 568
Carrying amount				
at end of previous year	760	2 855		3 614
at end of current period	390	4 005	188	4 583

Investments in intangible assets for the 2024 financial year mainly focus on the same areas as in the previous year, namely investments to improve the web platform and associated management tools.

14. 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.

15. Deferred tax assets and liabilities

(in K euro)	2023			2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	-32	-1 967	-1 999		-1 949	-1 949
Intangible assets	26	-121	-95		-54	-54
Provisions	90		90	73		73
Tax effect on gain sale property, plant and equipment					-69	-69
Tax effect on translation adjustments	21	-46	-25	44	-50	-6
Tax effect of tax losses carried forward	7 058		7 058	6 163		6 163
Netting per taxable entity	-1 304	1 304		-1 379	1 379	
Net deferred tax assets/liabilities (-)	5 858	-831	5 027	4 901	-743	4 159

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	Balance at the end of current period
Property, plant and equipment	-2 005	6			-1 999
Intangible assets	-130	35			-95
Provisions	74	-14	24	5	90
Tax effect on translation adjustments	-12		-11	-3	-25
Tax effect of tax losses carried forward	7 885	-824		-2	7 058
Net deferred tax assets/liabilities (-)	5 812	-797	13		5 027

Movements for the 2024 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	Balance at the end of current period
Property, plant and equipment	-1 999	50			-1 949
Intangible assets	-95	41			-54
Provisions	90	5	-20	-2	73
Tax effect on gain sale property, plant and equipment		-69			-69
Tax effect on translation adjustments	-25		20		-6
Tax effect of tax losses carried forward	7 058	-880		-16	6 163
Net deferred tax assets/liabilities (-)	5 027	-852		-18	4 159

The decrease in the net deferred tax assets/liabilities (-) mainly relate to the utilisation of 880K euro, as in the company concerned the tax losses were reduced.

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 6 415K euro. If the tax rate decreases by 1%, the tax assets related to tax losses carried forward would amount to 5 912K 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 tax losses carried forward for which no deferred tax asset is recognised, amount to 57 891K euro in the 2024 financial year; these are not limited in time. The tax losses carried forward for which no deferred tax asset was recognised, amounted to 56 765K euro in the 2023 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 2025 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 2023 and/or 2024, the recognised deferred tax assets amount to 517K euro in the 2024 financial year, compared to 520K euro in the 2023 financial year. For the 2024 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 2024 and 2025, as well as projections for the subsequent four years, based on prudent extrapolations by the management.

16. Inventories

(in K euro)	2023	2024
Trade goods	275	1 500
Raw materials and consumables	3 640	3 672
Work in progress	6	8
Gross carrying amount	3 921	5 180
Trade goods		-112
Raw materials and consumables	-172	-213
Total write-downs (-)	-173	-325
Carrying amount	3 748	4 855

The cost of inventories is allocated using the FIFO method for the inventories of the B2B segment on the one hand, and, on the other, through the weighted average cost method for the inventories of the smartphoto segment.

Write-downs and impairment losses on inventories

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

2024 financial year

(in K euro)	Trade goods	Raw materials and consumables	Total
At end of previous year		-172	-173
Recognised in the statement of profit or loss	12	-41	-28
Acquisitions through business combinations	-123		-123
At end of current period	-112	-213	-325

No inventories were pledged as security for liabilities.

17. Current trade and other receivables

(in K euro)	2023	2024
Trade receivables, gross	5 248	7 297
Other receivables, gross	1 615	1 684
Accruals and deferrals	336	388
Gross carrying amount	7 200	9 369
Accumulated write-downs on bad and doubtful trade receivables (-)	-895	-569
Accumulated write-downs on bad and doubtful other receivables (-)	-387	-433
Carrying amount	5 918	8 367

Write-downs on doubtful trade and other receivables

2023 financial year

(in K euro)	Trade receivables	Other receivables	Total
At end of previous year	-1 194	-346	-1 541
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

2024 financial year

(in K euro)	Trade receivables	Other receivables	Total
At end of previous year	-895	-387	-1 282
Recognised in the statement of profit or loss	-24	-46	-70
Utilisations	350		350
Acquisitions through business combinations	-12		-12
Effect of exchange rate changes	13		13
At end of current period	-569	-433	-1 002

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.

In 2024 the net other receivables, accruals and deferrals of 1 639K euro consist of the following elements: (i) 68K 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) 252K euro cash guarantees; (iv) 839K euro other receivables; and (v) 388K euro deferred expenses and accrued income.

18. Cash and cash equivalents

(in K euro)	2023	2024
Term deposits	16 500	
Immediately available bank account balances and cash	8 679	24 873
Carrying amount	25 179	24 873

The cash and cash equivalents included in the 2023 financial year term deposits convertible into cash within 3 months, immediately available bank deposits, and cash. In the 2024 financial year, the cash and cash equivalents only include immediately available bank deposits, and cash.

See also the statement of cash flows on page xx of this annual report.

19. Total equity

See also the statement of changes in equity on pages xx and xx.

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.

Total equity in 2024

(1) As at 31 December 2024, 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 2024.

(2) The change in the reserves and retained earnings/accumulated losses (-) includes the net profit of the financial year in the amount of 5 424K euro, and the dividend payment of -3 714K euro.

(3) Of the total number of shares, the group owns 464 106 treasury shares (11.8%) as at 31 December 2024. In the 2024 financial year, 72 563 treasury shares were purchased, consisting of: (i) the purchase of 13 112 treasury shares in the period from 3 January 2024 to 14 March 2024, following the execution of the share purchase programme with start date 19 October 2023, and (ii) the purchase of 59 451 treasury shares in the period from 14 May 2024 to 4 December 2024, following the execution of the share purchase programme with start date 14 May 2024, of which 24 709 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 11 163K euro is deducted from equity.

(4) As at 31 December 2024, 86K euro is recognised in other comprehensive income related to the remeasurement of the net defined benefit liability (asset). This amount consists of a remeasurement gain of 106K euro and the related deferred taxes of -20K 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 -76K euro.

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

Calculation of the profit/loss (-) per share in 2024

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⁾	3 525 307

⁽¹⁾ The weighted average number of treasury shares purchased in 2024 amounts to 25 100. The calculation is as follows: the total number of outstanding days is multiplied by the number of treasury shares purchased, and divided by 366. The total weighted average number of shares entitled to dividend amounts to 3 525 307.

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)	5 424	5 435
Per share based on the total amount of shares (in euro)	1.3760	1.3786
Per share based on the weighted average amount of shares (ordinary and dilutive) (in euro)	1.3760	1.3786
Per share based on the weighted average amount of shares entitled to dividend (in euro)	1.5387	1.5416

Promoted
to grandparents



Baby Johnson
expected in May

20. Current and non-current interest-bearing financial liabilities

The interest-bearing financial liabilities amount to 1 663K euro as at the end of 2024, compared to 1 888K euro as at the end of 2023.

The secured bank loans were guaranteed by mortgages on land and buildings, of which the registration amount is 10 965K euro. As at 31 December 2024, the carrying amount of the respective land and buildings is 12 097K euro.

Breakdown between current and non-current in 2023

(in K euro)	2023							Total
	Up to 1 jaar	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 decreased by 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

Breakdown between current and non-current in 2024

(in K euro)	2024							Total
	Up to 1 jaar	2026	2027	2028	2029	2030	More than 5 years	
Interest-bearing financial liabilities								
Secured bank loans	588	547	202	169	158			1 663
Total interest-bearing borrowings according to their maturity	588	547	202	169	158			1 663

In 2024, the current and non-current interest-bearing financial liabilities decreased by 225K euro. This decrease is the result of, on the one hand, the capital repayments during the financial year of 814K euro (also refer to the statement of cashflows for the period), and, on the other hand, of the acquisition of the current and non-current interest bearing financial liabilities due to the acquisition of TopFanZ for an amount of 589K euro.

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 3 years.

Paribas Fortis Bank, with a residual maturity of 5 years; and an amount of 321K euro is repaid related to the fixed interest rate loan, agreed on in 2019 with KBC Bank, with a residual maturity of 2 years.

As a result of the acquisition of Topfanz BV, the liabilities, contracted with Belfius Bank at a fixed interest rate, were acquired. Of these liabilities, an amount of 336K euro was repaid since the acquisition. The underlying agreements have a residual maturity between 1 and 4 years.

21. Current and non-current lease liabilities

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

In 2023, the total current and non-current lease liabilities increased by 235K euro. This net increase is due to (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.

Note to the lease liabilities of 2024

(in K euro)	2024							Total
	Up to 1 year	2026	2027	2028	2029	2030	More than 5 years	
Lease liabilities								
Land and buildings	356	264	168	101	92	64	112	1 157
Furniture, fixtures and vehicles	513	430	276	212	93			1 523
Total lease liabilities according to their maturity	869	694	444	313	185	64	112	2 680

In 2024, the total current and non-current lease liabilities decreased by 927K euro. This net decrease is due to (i) the decrease of the lease liabilities on buildings for an amount of 1 484K euro because of the early termination of the lease agreement for the building in Ardoie, (ii) the increase of the lease liabilities of 493K euro due to the acquisition of

TopFanZ, (iii) the increase of lease liabilities on vehicles for an amount of 1 025K euro due to new lease agreements; (iv) the effect of translation differences of -14K euro; (v) the payments during the year for an amount of 934K euro; and (vi) the decrease of liabilities because of early termination of lease agreements related to vehicles for 12K euro.

Disclosures related to leases for which the underlying asset is of low value, short-term leases, or based on variable lease payments

(in K euro)	2023	2024
Short term leases	176	235
Leases for which the underlying asset is of low value	69	72
Total lease-related expenses classified under the profit or loss (-) from operating activities	246	307

(in K euro)	2023	2024
Total lease-related expenses classified under the profit or loss (-) from operating activities	246	307
Up to one year	58	49
Between one and five years	104	29

The payment of short-term leases, leases for which the underlying asset is of low value or based on variable lease payments, are included in the profit/loss (-) from operating activities.

Leases not yet commenced to which the group is committed

The future non-current lease liabilities regarding land and buildings and furniture, fixtures and vehicles, amount to 648K euro, and the future current lease liabilities amount to 212K euro.

Extension options

Extension options are included in the lease liabilities if it is reasonably certain this option will be exercised.

Leasing as a lessor

There are no contractual receivables from leases, either at more than one year, nor at less than one year.

22. Current and non-current trade and other payables

(in K euro)	2023	2024
Other amounts payable		1 049
Total non-current trade and other payables		1 049
Trade payables	14 205	15 046
Prepayments received on contracts in progress	373	1 606
Dividends payable	121	121
Debentures & matured coupons	341	341
Other amounts payable	49	2 626
Accrual and deferrals	295	262
Payables related to value added taxes	6 116	6 635
Total current trade and other payables	21 499	26 637

The non-current other amounts payable include the non-current portion of the outstanding balance of the purchase price related to the acquisition of Topfanz BV.

On top of this initial acquisition price, the seller is still entitled to additional considerations, of which the final price is dependent on future results. These deferred payments were recognised as other liabilities, at discounted value, amounting to 1 097K euro at the acquisition date. This liability is remeasured to fair value at each reporting date until the agreement is settled, with the impact of changes in the statement of profit or loss recognized in the period following the business combination. As of 31 December 2024, the discounted value of the liability amounts to 1 049K euro.

23. Current and non-current employee benefit liabilities

The current employee benefit liabilities amount to 3 183K euro for the 2024 financial year, compared to 3 179K euro in 2023. 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 562K euro in the 2024 financial year, compared to 716K euro in the 2023 financial year. These liabilities decreased by 154K 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 209K euro in 2024, compared to 231K euro in 2023.

(ii) Provisions related to the unemployment scheme with company supplement (SWT) in the various underlying entities. In 2024 there was a reversal of 0.4K euro, and the outstanding liability was fully repaid.

(iii) Pension liabilities related to smartphoto AG. Based on the actuarial calculation, these pension liabilities amount to 353K euro at the end of 2024, compared to 484K euro in 2023.

Share option plans

There are no outstanding share options as at 31 December 2024.

Warrant plans

There are no outstanding warrants as at 31 December 2024.

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 2024, 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 2023 and 2024 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 minimum reserves and the mathematical reserves amount to 3 555K euro at the end of 2024, compared to 3 340K euro at the end of 2023. The sum of the mathematical reserves amounts to 3 539K euro at the end of 2024, compared to 3 327K euro at the end of 2023. The deficit/(surplus) regarding the Belgian pension plans amounts to 16K euro at the end of 2024, compared to 14K euro at the end of 2023, and is not material. The quantitative notes are listed in the table below.

(in K euro)	2023	2024
Sum guaranteed minimum reserves	2 820	3 013
Sum of the maximum guaranteed minimum reserves and the mathematical reserves	3 340	3 555
Sum mathematical reserves	3 327	3 539
Deficit (-)/surplus	-14	-16

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 Vorsorge für Firmen'.

The Mercer Schweiz AG agency made an actuarial calculation for the post-employment benefits of smartphoto AG in 2023. A 1.00% discount rate was taken into account for this actuarial calculation.

The gross pension liability amounts to 2 618K euro at the end of 2024, compared to 3 248K euro at the end of 2023; the fair value of the plan assets amount to 2 265K euro at the end of 2024, compared to 2 764K euro at the end of 2023. Per 31 December 2024, the defined benefit liabilities exceed the fair value of the plan assets by 353K euro, compared to 484K euro per 31 December 2023; this increase was recognised via the profit or loss (-) from operating activities for an amount of -15K euro, and via the other comprehensive income for an amount of -116K euro, including exchange rate fluctuations.

(in K euro)	2023	2024
Discount rate	1.65%	1.00%
Percentage pay rise	2.0%	2.0%
Pension increase rate	0%	0%
Number of employees	18	16
Average remaining years of service	n/a	n/a
Duration of the plan liabilities	15.3	16

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)	2023	2024
At end of previous year	594	716
Increase/decrease (-) of liability recognised in profit or loss (-)	-36	-38
Increase/decrease (-) of liability recognised in other comprehensive income	130	-106
Effect of exchange rate changes	27	-9
At end of current period	716	562

24. Remuneration of the Statutory Auditor and the members of its network

The Annual General Meeting of Shareholders on 10 May 2023 appointed Deloitte Bedrijfs-revisoren 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 2024: 71K euro.

Fees for the audit of the subsidiaries performed by the Statutory Auditor and its network: 104K euro.

The fees associated with special audit assignments and non-audit assignments carried out by the Statutory Auditor and its network: 26K euro. These assignments included the audit of the opening balance of Topfanz BV related to the acquisition, and tax-related services.

25. Risk factors financial instruments

More information regarding risk management and internal controls is included in the corporate governance statement on page xx 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.

2023								
(in K euro)	Gross current trade receivables	Write-downs on current 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

2024								
(in K euro)	Gross current trade receivables	Write-downs on current 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	5 184	-32	5 152	1 251	388	6 791	112	112
Less than 30 days	914	-13	901			901		
Between 30 and 59 days	548	-5	543			543		
Between 60 and 89 days	30	-3	27			27		
Between 90 and 179 days	42	-12	29			29		
Between 180 and 359 days	58	-34	24			24		
More than 359 days	522	-469	53			53		
	7 297	-569	6 728	1 251	388	8 367	112	112

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 is 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 2023 and 2024.

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:

2023 financial year

2023			
(in K euro)	Other non-current financial assets	Trade receivables	Other current receivables
At end of previous year	-1 738	-1 194	- 346
Additions (-) and/or reversals		-4	
Utilisation		344	
Translation differences		-40	
Other changes			-42
At end of current period	-1 738	- 895	-388

2024 financial year

2024			
(in K euro)	Other non-current financial assets	Trade receivables	Other current receivables
At end of previous year	-1 738	-895	-388
Acquisitions through business combinations		-12	
Additions (-) and/or reversals		-24	
Utilisation		350	
Translation differences		13	
Other changes			-45
At end of current period	-1 738	-569	-433



Liquidity risk

The net cash increased from a cash surplus of 19 683K euro at the end of 2023 to a cash surplus of 20 529K euro at the end of 2024.

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.

(in K euro)	2023								
	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		
Current 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

(in K euro)	2024								
	Carrying amount	Contractual cash flows including finance costs	Up to 1 year	2026	2027	2028	2029	2030	More than 5 years
Interest-bearing financial liabilities									
Secured bank loans	1 663	1 777	630	578	224	183	163		
Lease liabilities									
Land & buildings	1 157	1 277	402	288	186	114	101	70	116
Furniture, fixtures & vehicles	1 524	1 524	513	432	276	212	91		
Current trade and other payables	26 637	26 637	26 637						
Total	30 981	31 216	28 183	1 298	685	509	356	70	116

Based on the prognoses of the cash flow 'Liquidity forecast', the subsidiaries of the group will be able to meet their financial obligations in 2025. The group disposes of undrawn credit lines for an amount of 5 852K euro in the 2024 financial year, compared to 5 852K euro in 2023.

In 2023 and 2024, the group did not rely on financial instruments to hedge currency and/or interest rate risks.

Because the credit agreements with KBC Bank, BNP Paribas Fortis Bank and Belfius Bank (see note 20) 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 2023 and 2024 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 2024 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

A change of +10% or -10% in the non-euro currencies against the reference rate, as a result of the conversion of assets and liabilities of non-eurozone entities to euro, would have an impact on the balance sheet total of 45K euro or -55K euro for 31 December 2023, respectively. In addition, the translation of the realised results of these entities would have an impact on profit/loss (-) before taxes of -165K euro or 202K euro for 2023, respectively.

A change of +10% or -10% in the non-euro currencies against the reference rate, as a result of the conversion of assets and liabilities of non-eurozone entities to euro, would have an impact on the balance sheet total of -95K euro or -116K euro for 31 December 2024, respectively. In addition, the translation of the realised results of these entities would have an impact on profit/loss (-) before taxes of -103K euro or 124K euro for 2024, respectively.

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.

26. Subsequent events

Since the closing of the 2024 financial year, no events have occurred that could have a significant impact on the company's results, except for those mentioned below.

On 13 January 2025, System Insight Holdings Ltd was acquired, a UK-based company specialised in event and souvenir photography under the commercial name Image Insight. An initial cash consideration of 8 million GBP was paid for this acquisition, for which the acquisition price was determined using a valuation based on an EBITDA multiple of 6. As at 31 December 2024, cash on the balance sheet amounted to 1.5 million GBP. In addition to the initial purchase price, the seller is entitled to an additional consideration, the final price of which will depend on future results. The company generated revenue of 6 million euro and significant EBITDA margin in the past financial year, underscoring its strong position in the event and souvenir photography market.

On 4 March 2025, Alyrick BV (the bidding vehicle set up by the reference shareholders Alychlo NV and Midelco NV, the 'Bidder') announced in a press release pursuant to Article 8, §1 of the Royal Decree of 27 April 2007 on public takeover bids (the 'Takeover Decree') that it acquired all 719 000 shares (or 18.24%) of smartphoto group NV from Shopinvest NV and De Vleterbeek NV. As a result of this sale-purchase, Alyrick BV, Alychlo NV and Midelco NV became joint holders of 1 856 338 shares (or 47.09%) in smartphoto group NV and, as such, exceeded the threshold of 30% of the voting securities in the company. Accordingly, pursuant to article 5 of the Law of 1 April 2007 on public takeover bids (the 'Takeover Law') and article 50, §4 of the Takeover Decree, they are obliged to launch a public takeover bid for all securities with voting rights or giving access to voting rights issued by the company that are not already held by the Bidder or persons affiliated with the Bidder. In the same press release, they announced that this bid obligation will be executed by Bidder. This press release can be found, among others, under press releases on the company's website www.smartphotogroup.com.

On 6 March 2025, the Bidder formally submitted its intention to launch a mandatory public takeover bid for all shares issued by smartphoto group NV not already held by the Bidder or persons affiliated with the Bidder; at a cash price of 28.50 euro, to the FSMA in accordance with Article 5 of the Takeover Decree. This notification was made public by the FSMA on 7 March 2025 and - together with the draft prospectus prepared by the Bidder - transmitted to smartphoto group NV in accordance with article 7 of the Takeover Decree. The Board of Directors will prepare a memorandum of reply in this context. The prospectus and the memorandum in reply are subject to approval by the FSMA and will be publicly available after approval, amongst others, on the company's website www.smartphotogroup.com.



27. Related parties

Transactions between the consolidated companies are eliminated through the consolidation.

Remuneration of the non-executive directors

In accordance with the remuneration policy of smartphoto group NV, the non-executive directors each receive a fixed remuneration of 12.5K euro per year. Mr Philippe Vlerick, appointed as Chairman, receives an additional fixed remuneration of 12.5K euro per year 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 2.5K euro. The total fees paid to non-executive directors for the 2024 financial year amount to 95K euro; for 2023, these fees also amounted to 95K euro.

Remuneration of the executive director (in K euro)

Executive director	Fixed remuneration component ⁽¹⁾	Variable remuneration component ^{(1) (2)}	Other remuneration component ^{(1) (2)}
Stef De corte ⁽⁴⁾	450	126	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.

The transactions and outstanding balances of other related parties are negligible, for both 2023 and 2024.

Companies belonging to the group as at 31 December 2024

Name and address	VAT - or national number	Share in the capital (in %)
AULTMORE NV Vantegemstraat 21, 9230 Wetteren, Belgium	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 Ardooie, 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
TOPFANZ BV Industriepark 1227, 3545 Halen, Belgium	BE 0507.830.038	100.00

Subsidiaries not included in the consolidation

Name and address	VAT - or national number	Share in the capital (in %) ⁽¹⁾
FLT SRL ⁽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 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.

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





STATUTORY AUDITOR'S REPORT





Dear aunt Marry.

Would you
like to be my
godmother?

Love, Amelia

Statutory auditor’s report to the shareholders’ meeting of Smartphoto Group NV for the year ended 31 December 2024 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of 31 December 2024 (“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 performed the statutory audit of the consolidated financial statements of Smartphoto Group NV for 2 consecutive periods.

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 2024, 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 85 989 (000) EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 5 424 (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 2024 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS Accounting Standards) 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 revenue 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 revenue 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 operating 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 margin.

<p>Valuation of goodwill</p> <p>Considerable intangible assets are presented in the balance sheet in relation to goodwill from business combinations by Smartphoto Group NV in the past. Per 31 December 2024, the value of the goodwill represent a total of 18,9 MEUR. 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 22% 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 2024.</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. Finally, we evaluated the appropriateness of the disclosures related to goodwill in accordance with IAS 36.</p>
<p>Valuation of deferred tax assets</p> <p>Deferred tax assets are expressed in the balance sheet of Smartphoto Group NV for an amount of EUR 4.9 million, related to tax losses carried forward. 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. Finally, we evaluated the appropriateness of the disclosures related to deferred taxes in accordance with IAS 12.</p>

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 Accounting Standards) 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 those charged with governance 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 those charged with governance 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 those charged with governance, 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 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 2024 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

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



2024 STATUTORY ANNUAL ACCOUNTS





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Juliette

Balance sheet after profit allocation

ASSETS (in euro)	2023	2024
FIXED ASSETS	70 542 857	68 701 979
Intangible fixed assets	8 585 493	7 743 853
Tangible fixed assets	395 898	328 293
Land and buildings	340 544	282 974
Plant, machinery and equipment	55 354	45 319
Financial fixed assets	61 561 466	60 629 833
Affiliated companies	61 561 466	60 629 833
Participating interests	49 261 466	51 625 233
Amounts receivable	12 300 000	9 004 600
CURRENT ASSETS	26 606 880	26 265 948
Amounts receivable within one year	2 788 101	3 218 332
Trade debtors	1 823 789	1 770 736
Other amounts receivable	964 312	1 447 596
Current investments	21 794 788	11 166 635
Own shares	9 291 591	11 163 438
Other investments and deposits	12 503 197	3 197
Cash at bank and in hand	1 899 026	11 688 047
Deferred charges and accrued income	124 965	192 934
TOTAL ASSETS	97 149 737	94 967 927

EQUITY AND LIABILITIES (in euro)	2023	2024
EQUITY	70 328 631	73 134 420
Capital	41 381 403	41 381 403
Issued capital	41 381 403	41 381 403
Reserves	16 181 224	18 013 204
Reserves not available	13 429 732	15 301 579
Legal reserves	4 138 141	4 138 141
Purchase of own shares	9 291 591	11 163 438
Untaxed reserves	2 751 492	2 711 625
Accumulated profits/losses (-)	12 766 004	13 739 814
AMOUNTS PAYABLE	26 821 106	21 833 507
Amounts payable after more than one year	692 871	1 571 578
Financial liabilities	692 871	340 062
Financial debts	621 987	298 678
Other debts	70 884	41 384
Other payables		1 231 516
Amounts payable within one year	25 992 930	20 142 357
Current portion of amounts payable after more than one year falling due within one year	320 678	323 309
Financial debts	283	
Financial institutions	283	
Trade debts	7 702 811	8 039 627
Suppliers	7 702 811	8 039 627
Taxes, remuneration and social security	2 116 783	2 145 774
Taxes	948 910	962 742
Remuneration and social security	1 167 873	1 183 032
Other amounts payable	15 852 375	9 633 647
Accruals and deferred income	135 305	119 572
TOTAL LIABILITIES	97 149 737	94 967 927

Profit and loss account

(in euro)	2023	2024
Operating income	37 871 853	38 136 058
Turnover	35 702 572	35 755 647
Produced fixed assets	1 618 737	1 867 332
Other operating income	550 544	513 079
Operating charges	-36 353 082	-36 914 059
Goods for resale, raw materials and consumables	-16 385 162	-15 612 444
Purchases	-16 385 162	-15 612 444
Services and other goods	-10 633 266	-11 630 287
Remuneration, social security and pensions	-6 330 768	-6 654 219
Amortisations of and other amounts written down on formation expenses, intangible and tangible fixed assets	-2 800 732	-2 807 146
Amounts written down on stocks, contracts in progress and trade debtors: additions (-)/write-backs	179 590	145 152
Other operating charges	-382 744	-355 115
Operating profit/loss (-)	1 518 771	1 221 999
Financial income	6 812 905	6 667 272
Recurring financial income	6 812 905	6 667 272
Income from financial fixed assets	5 779 870	5 635 845
Income from current assets	1 016 427	1 024 728
Other financial income	16 608	6 699
Financial charges	-2 558 826	-5 083 483
Recurring financial charges	-558 826	-588 083
Debt charges	-396 903	-454 439
Amounts written down on current assets other than stocks, contracts in progress and trade debtors: additions (-)/write-backs	-40 616	-45 865
Other financial charges	-121 307	-87 779
Non-recurring financial charges	-2 000 000	-4 495 400
Profit/Loss (-) for the period before taxes	5 772 850	2 805 788
Income taxes on the result	-64 919	
Taxes	-64 919	
Profit/Loss (-) for the period	5 707 931	2 805 788
Transfer from untaxed reserves	39 760	39 869
Profit/Loss (-) for the period available for appropriation	5 747 691	2 845 657

Appropriation account

(in euro)	2023	2024
Profit/Loss (-) to be appropriated	19 108 325	15 611 661
Profit/Loss (-) of the period available for appropriation	5 747 691	2 845 657
Profit/Loss (-) of the preceding period brought forward	13 360 634	12 766 004
Appropriations to equity	2 628 161	1 871 847
To other reserves	2 628 161	1 871 847
Profit/Loss (-) to be carried forward	12 766 004	13 739 814
Profit to be distributed	3 714 160	
Compensation for contributions	3 714 160	

Structure of the shareholdership of the company as at 31 December 2024

Shareholders with a percentage ≥ 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	09/12/2024	20.04% (789 970)	789 970	20.04%
- MIDELCO NV		12.78%	503 830	12.78%
- CECAN NV		6.85%	269 864	6.85%
- ISARICK NV		0.32%	12 669	0.32%
- PHILIPPE VLERICK		0.32%	3 607	0.09%
SHOPINVEST NV and controlling person Gentstraat 17, bus 3, B-9250 Waasmunster	31/12/2024	18.24% (719 000)	719 000	18.24%
- Private foundation trust office Vleterinvest		0.00%	0	0.00%
- SHOPINVEST NV		13.95%	550 020	13.95%
- DE VLETERBEEK NV		4.29%	168 980	4.29%
ALYCHLO NV and controlling person Lembergsesteenweg 19, B-9820 Merelbeke-Melle	27/05/2020	15.01% (591 551)	629 901	15.98%
- ALYCHLO NV		14.98%	629 001	15.96%
- Marc Coucke		0.02%	900	0.02%
SMARTPHOTO GROUP NV Kwatrechtsteeweg 160, B-9230 Wetteren	23/01/2024	10.00% (394 387)	464 106	11.77%
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		2 022 961
• Dematerialised shares		1 918 989
TREASURY SHARES		
• Held by the company itself	11 163 441	464 106
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 the opinion on the true and fair view of the financial statements and provides an unqualified opinion emphasising a certain matter, more specifically concerning the valuation of the participating interests and of non-current receivables on the participating interests.

The complete version of the statutory annual accounts and accompanying reports are available on the website www.smartphotogroup.com and can be obtained upon request and free of charge.



ORGANISATION CHART



Lauren & Luke
27.05.2028



ORGANISATION CHART

Fully consolidated subsidiaries as at 31 December 2024

Smartphoto group NV holds directly or indirectly, through the companies included in the consolidation, 100% of the shares of these subsidiaries.

