# **INTERIM FINANCIAL REPORT**

for the period from 1 January to 30 June 2024



## **CONTENTS**

A) INTEI	RIM MANAGEMENT REPORT	3
	DENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	
,	ed statement of financial position	
	ed income statement	
	ed statement of comprehensive income	
	ed statement of changes in equity	
Condensed	consolidated statement of cash flows	19
Selected ex	xplanatory notes to the condensed consolidated interim financial statements	20
	f preparation	
1.	Reporting entity	
2.	Basis of accounting	20
3.	Consolidation range	2:
4.	Acquisition of subsidiaries	2
Per	formance of the period	23
5.	Segment reporting	. 23
Selecte	d notes to the consolidated income statement	26
6.	Revenues	26
7.	Income and expenses	. 27
8.	Net Finance costs	
9.	Earnings per share and number of shares	28
Employ	vee Benefits	
10.	Employee Benefits	29
Selecte	ed notes to consolidated financial statement of position	
11.	Capital and additional paid in capital	30
12.		
	al instruments	
13.		
Other o	disclosures	
14.		
15.		
16.	Statement by the Management Board of AUSTRIACARD HOLDINGS AG pursuant to section 125 (1) of the Stock Exchange Act	33



## A) INTERIM MANAGEMENT REPORT

Amounts and percentage rates in this interim management report were rounded, and the addition of these individual figures can therefore produce results that differ from the totals shown.

### 1. GROUP BUSINESS PERFORMANCE

## 1.1. Business performance of AUSTRIACARD HOLDINGS Group

### Business performance of AUSTRIACARD HOLDINGS Group as monitored by Management

The following analysis is based on the business performance as monitored by Group management excluding effects of IAS 29 Hyperinflation accounting and with a separate presentation of Special Items (e.g. Management participation programs etc.) below adjusted Profit (Loss) before tax.

Business performance in € million	H1 2024	H1 2023	D '24-'23	D '24-'23 %	Q2 2024	Q2 2023	D '24-'23 %
Revenues	192.0	179.5	12.5	7.0%	102.3	91.1	12.4%
Costs of material & mailing	(104.3)	(101.5)	(2.8)	2.8%	(56.7)	(50.8)	11.7%
Gross profit I	87.7	78.1	9.7	12.4%	45.7	40.3	13.2%
Gross margin I	45.7%	43.5%	2.2%		44.6%	44.3%	
Production costs	(38.9)	(33.7)	(5.2)	15.4%	(19.4)	(17.9)	8.5%
Gross profit II	48.8	44.3	4.5	10.1%	26.3	22.5	17.0%
Gross margin II	25.4%	24.7%	0.7%		25.7%	24.7%	
Other income	2.0	2.0	0.0	0.7%	1.1	1.4	-20.0%
Selling and distribution expenses	(11.8)	(11.5)	(0.4)	3.1%	(6.2)	(6.0)	3.0%
Administrative expenses	(14.3)	(12.5)	(1.8)	14.1%	(8.2)	(6.9)	18.0%
Research and development expenses	(3.5)	(3.5)	(0.1)	2.3%	(1.8)	(1.8)	1.7%
Other expenses	(0.6)	(0.6)	(0.0)	5.1%	(0.3)	(0.5)	-31.4%
+ Depreciation, amortization and impairment	8.2	7.6	0.6	8.3%	4.2	3.9	9.7%
adjusted EBITDA	28.8	25.9	2.9	11.2%	15.1	12.5	20.8%
adjusted EBITDA margin	15.0%	14.4%	0.6%		14.8%	13.7%	
- Depreciation, amortization and impairment	(8.2)	(7.6)	(0.6)	8.3%	(4.2)	(3.9)	9.7%
adjusted EBIT	20.5	18.3	2.3	12.4%	10.9	8.6	25.8%
Financial income	0.2	0.1	0.1	116.5%	0.2	0.1	84.1%
Financial expenses	(3.9)	(3.0)	(1.0)	32.4%	(1.9)	(1.5)	25.6%
Result from associated companies	0.1	0.0	0.1	n/a	0.1	0.0	n/a
Net finance costs	(3.6)	(2.9)	(0.7)	24.8%	(1.7)	(1.5)	13.4%
adjusted Profit (Loss) before tax	17.0	15.4	1.6	10.1%	9.2	7.2	28.3%
Special items	(2.1)	(0.7)	(1.4)	191.1%	(0.7)	1.2	-160.1%
Profit (Loss) before tax	14.9	14.7	0.2	1.2%	8.5	8.4	0.9%
Income tax expense	(3.6)	(2.7)	(0.9)	34.5%	(2.2)	(1.2)	82.2%
Profit (Loss)	11.2	12.0	(0.7)	-6.2%	6.2	7.2	-13.0%

In H1 2024 AUSTRIACARD HOLDINGS Group's **Revenues** reached € 192.0m increasing by € 12.5m or 7.0% compared to the same period in 2023. The growth was mainly driven by Digital Transformation Technologies, which increased by € 11.9m and nearly quadrupled their revenues compared to last year. This is the result of the focus given by the Group in this solution category. The main contributors to this stage are public sector digitalization projects in Greece as well as continued growth of this solution category in the Romanian market. Document Lifecycle Management also contributed to the growth, increasing by € 2.8m or 5.1%, mainly driven from the Romanian market.



Revenues by solution category in € million	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Secure Chip & Payment Solutions	118.7	120.8	(2.2)	-1.8%
Document Lifecycle Management	57.0	54.3	2.8	5.1%
Digital Transformation Technologies	16.3	4.4	11.9	271.7%
Total	192.0	179.5	12.5	7.0%

Secure Chip & Payment Solutions are slightly lower vs. last year by  $\in$  -2.2m or -1.8%. However, if we exclude from the comparative period the impact of our strategic decision to de-prioritize wholesale chip module sales and focus in selling complete smart card solutions (with total effect amounting to  $\in$  15.5m), the like-for-like organic growth of the Secure Chip & Payment category recorded is  $\in$  13.4m or 12.8%. The growth is coming from both regular banking cards sales as well as high end metal cards offered to our clients which have a significantly higher selling price per card and are accompanied by increased revenue from personalization and fulfilment services.

Revenues by Segments in € million	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Western Europe, Nordics, Americas	64.9	67.3	(2.4)	-3.6%
Central Eastern Europe & DACH	121.6	106.5	15.1	14.2%
Türkiye / Middle East and Africa	37.5	30.1	7.4	24.5%
Eliminations & Corporate	(31.9)	(24.3)	(7.6)	31.1%
Total	192.0	179.5	12.5	7.0%

From a geographical segment perspective, revenue growth was driven by CEE and MEA with revenue increases of  $\leqslant$  15.1m or 14.2% and  $\leqslant$  7.4m or 24.5% respectively being mainly attributable to digitalization projects in the CEE segment and to Secure Chip & Payment solutions in the MEA segment. The WEST segment lagged compared to 2023 by  $\leqslant$  2.4m or -3.6% mainly due to the above-described de-prioritization of wholesale chip module sales totalling  $\leqslant$  13.9m in this segment. Excluding this impact, like-for-like revenues from WEST increased by  $\leqslant$  11.5m or 21.7% with metal payment cards, personalization & fulfilment services being the main driver of this strong growth. The increase of Eliminations & Corporate mainly reflects the increase in intra-segment revenues between the CEE and the MEA segment related to payment card deliveries to the Turkish market.

**Gross profit I** increased by  $\in$  9.7m or 12.4% reaching  $\in$  87.7m as a result of revenue and margin growth. Gross margin I improved from 43.5% to 45.7%, mainly due to a higher proportion of service revenues without associated material costs.

**Gross profit II** grew by € 4.5m or 10.2%, reaching € 48.8m. Gross margin II improved by 0.7 percentage points and reached 25.4% mainly as a result of a different sales mix having higher contribution from Digital Transformation Technologies.

Operating expenses (OPEX) in € million	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Production Costs	(38.9)	(33.7)	(5.2)	15.4%
Selling and distribution expenses	(11.8)	(11.5)	(0.4)	3.1%
Administrative expenses	(14.3)	(12.5)	(1.8)	14.1%
Research and development expenses	(3.5)	(3.5)	(0.1)	2.3%
+ Depreciation & amortization	8.2	7.6	0.6	8.3%
Total	(60.4)	(53.6)	(6.8)	12.6%
Operating expenses as a percentage of Sales	31.4%	29.8%	1.5%	

**Operating expenses (OPEX)** excluding depreciation, amortization and impairment increased by € 6.8m, or 12.6% totalling to € 60.4m. A significant part of the Production costs increase (€ 3.0m) relates to the consolidation of Pink Post in Romania (company offering distribution & postal services enabling us to provide end to end services in that market), which was first consolidated in the Group post the majority stake acquisition in March 2023. Administrative expenses increased by € 1.8m as a result of the strengthening of the Group management team following the Group's listing and reorganization in H1 2023. In addition, OPEX also increased due to adjustments on salaries and other costs due to inflation. As a proportion of revenues, OPEX increased by 1.5 percentage points to 31.4%, compared to 29.8% in the first six months of 2023.



**Adjusted EBITDA** increased by € 2.9m, or 11.2%, from € 25.9m to € 28.8m, due to revenue and gross margin growth. The adjusted EBITDA margin increased by 0.6 percentage points from 14.4% to 15.0% in H1 2024.

**Adjusted EBIT** improved by  $\in$  2.3m, or 12.4% and reached  $\in$  20.5m, fully offsetting the  $\in$  0.6m increase in depreciation & amortization, related to machinery and equipment added in the previous year to support business expansion.

**Adjusted profit before tax** increased by € 1.6m or 10.1% reaching € 17.0m as the growth in EBIT was partially offset by the increase in net finance costs amounting to € 0.7m resulting from the hike in interest rates and the higher average outstanding financial debt.

Special items in € million	Included in	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Management participation programs Expense from financial assets and	EBITDA	(2.1)	(0.6)	(1.4)	228.5%
liabilities at fair value through profit or loss	Profit before tax	(0.0)	(0.1)	0.1	-69.5%
Total		(2.1)	(0.7)	(1.4)	191.1%

**Profit** decreased by € 0.7m or 6.2% and reached € 11.2m which is mainly attributable to the normalization of the expenses for management participation programs (€ +1.4m) which in H1 2023 had been positively affected by a provision release and higher corporate income tax expenses (€ +0.9m), mainly resulting from a change in tax rules in Romania and the United Kingdom. In more detail, expenses for management participation programs (SOP) amounted to € 2.1m in H1 2024 compared to only € 0.6m in H1 2023.

#### Effect of IAS 29 Hyperinflation

As presented in the table below, the application of IAS 29 Hyperinflation with respect to our Türkiye-based operations, hyperinflation accounting led to increased Revenues by € 3.3m reaching € 195.4m in 1-6 2024 compared to an increase of € 1.6m to € 181.2m in 1-6 2023.

Hyperinflation accounting also increased Operating expenses (OPEX) and adjusted EBITDA in the IFRS Income statement compared to the Management Income statement by € 0.2m compared to € 0.1m in 1-6 2023. Also adjusted EBIT increased by € 0.2m (2023: € 0.0m) and adjusted Profit before tax by € 0.3m (2023: € 0.0m) due to Hyperinflation accounting.

With respect to Profit before tax and Profit in 2024, Hyperinflation accounting led to only minor differences as both the IFRS Income statement and the Management Income Statement showed € 14.9m and € 11.2m respectively.

		1-6 2024			1-6 2023	
Impact of IAS 29 Hyperinflation in € million	IFRS	IAS29 Effect	MGMT	IFRS	IAS29 Effect	MGMT
Revenues	195.4	3.3	192.0	181.2	1.6	179.5
Gross Profit I	88.2	0.5	87.7	78.3	0.3	78.1
Gross Profit II	49.1	0.3	48.8	44.3	0.1	44.3
OPEX	(60.6)	(0.2)	(60.4)	(53.7)	(0.1)	(53.6)
adjusted EBITDA	29.0	0.2	28.8	26.0	0.1	25.9
adjusted EBIT	20.8	0.2	20.5	18.3	0.0	18.3
adjusted Profit before tax	17.2	0.3	17.0	15.4	0.0	15.4
Profit before tax	14.9	(0.0)	14.9	15.0	0.3	14.7
Profit	11.2	(0.1)	11.2	12.3	0.3	12.0



## 1.2. Report on segments

## 1.2.1. Western Europe, Nordics, Americas

Business performance in € million	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Revenues	64.9	67.3	(2.4)	-3.6%
Costs of material & mailing	(35.9)	(38.3)	2.3	-6.1%
Gross profit I	28.9	29.0	(0.1)	-0.2%
Gross margin I	44.6%	43.1%	1.5%	
Production costs	(11.3)	(10.7)	(0.6)	5.8%
Gross profit II	17.6	18.3	(0.7)	-3.7%
Gross margin II	27.1%	27.2%	-0.1%	
Other income	0.1	0.5	(0.4)	-85.3%
Selling and distribution expenses	(4.4)	(4.6)	0.2	-4.4%
Administrative expenses	(4.3)	(4.4)	0.1	-2.6%
Research and development expenses	(0.5)	(0.4)	(0.1)	37.0%
Other expenses	(0.0)	(0.1)	0.0	-38.1%
+ Depreciation, amortization and impairment	3.0	2.7	0.3	11.2%
adjusted EBITDA	11.5	12.1	(0.6)	-5.1%
adjusted EBITDA margin	17.7%	18.0%	-0.3%	
- Depreciation, amortization and impairment	(3.0)	(2.7)	(0.3)	11.2%
adjusted EBIT	8.5	9.4	(0.9)	-9.8%
Operating expenses and DSA (OREY)				
Operating expenses excl. D&A (OPEX)	17.5	17.3	0.1	0.7%
OPEX as a percentage of Sales	26.9%	25.8%	1.1%	

The Western Europe, Nordics and Americas (WEST) segment reported **Revenues** of € 64.9m in the first half of 2024, down by € 2.4m or 3.6% compared to H1 2023. However, if we exclude from the comparative period the impact of the deprioritization of chip module sales, resulting from our focus in selling complete smart card solutions, which amounted to € 13.9m in this segment, the organic like-for-like growth of this solution category amounts to € 11.5m or 21.7%. The growth is coming from both regular banking cards sales as well as high end metal cards offered to our clients which have a significantly higher selling price per card and are accompanied by increased revenue from personalization and fulfilment services.

**Gross profit I** essentially stayed stable at  $\leq$  28.9m despite lower revenues as gross margin I increased by 1.5 percentage points to 44.6%. This margin improvement is mainly due to the reduction of revenues from sale of chip wafers which was partially compensated by the increase in sales of metal payment cards.

**Gross profit II** decreased by € 0.7m or 3.7% from € 18.3m to € 17.6m due to the inflation related increase in production costs, personnel costs and higher depreciation charges. Gross margin II essentially stayed stable at 27.1%.

Operating expenses excl. D, A&I (OPEX) in € million	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Production costs	(11.3)	(10.7)	(0.6)	5.8%
Selling and distribution expenses	(4.4)	(4.6)	0.2	-4.4%
Administrative expenses	(4.3)	(4.4)	0.1	-2.6%
Research and development expenses	(0.5)	(0.4)	(0.1)	37.0%
+ Depreciation, amortization & impairment	3.0	2.7	0.3	11.2%
Total	(17.5)	(17.3)	(0.1)	0.7%
Operating expenses as a percentage of revenues	26.9%	25.8%	-5.3%	

**OPEX** came in at  $\in$  17.5m in the first six months of 2024 increasing slightly by  $\in$  0.1m or 0.7% as increased costs due to inflation related salary increases were mostly compensated by savings with other operating expenses and utility and maintenance expenses. As a percentage of revenues, OPEX increased from 25.8% to 26.9% in H1 2024 due to the decrease in revenues.



**Adjusted EBITDA** reached € 11.5m decreasing by € 0.6m or 5.1% compared to H1 2023 while adjusted EBITDA margin came in at 17.7% decreasing by 0.3 percentage points. This decrease in adjusted EBITDA is mainly due to the reversal of an allowance for doubtful receivables in the US market which increased Other income by € 0.5m in 2023. **Adjusted EBIT** came in at € 8.5m decreasing by € 0.9m or 9.8% mainly as a result of lower Other income and higher depreciation & amortization.

## 1.2.2 Central Eastern Europe & DACH

Business performance in € million	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Revenues	121.6	106.5	15.1	14.2%
Costs of material & mailing	(67.8)	(62.4)	(5.4)	8.6%
Gross profit I	53.8	44.0	9.7	22.1%
Gross margin I	44.2%	41.4%	2.9%	
Production costs	(25.2)	(20.9)	(4.2)	20.3%
Gross profit II	28.6	23.1	5.5	23.7%
Gross margin II	23.5%	21.7%	1.8%	
Other income	1.9	1.5	0.4	28.7%
Selling and distribution expenses	(6.6)	(6.3)	(0.3)	4.8%
Administrative expenses	(9.2)	(7.3)	(1.9)	26.3%
Research and development expenses	(2.9)	(2.9)	(0.0)	1.1%
Other expenses	(0.5)	(0.4)	(0.1)	29.5%
+ Depreciation, amortization and impairment	5.0	4.7	0.3	6.0%
adjusted EBITDA	16.2	12.4	3.8	31.0%
adjusted EBITDA margin	13.3%	11.6%	1.7%	
- Depreciation, amortization and impairment	(5.0)	(4.7)	(0.3)	6.0%
adjusted EBIT	11.2	7.6	3.5	46.4%
Operating expenses excl. D&A (OPEX)	39.0	32.8	6.2	18.9%
OPEX as a percentage of Sales	32.1%	30.8%	1.3%	

The Central Eastern Europe & DACH (CEE) segment reported **Revenues** of € 121.6m increasing by € 15.1m or 14.2% compared to the first half of 2023. This revenue increase was mainly driven by the start of the implementation of public digitalization projects in Greece and growth in the Digital Transformation Technologies business in general which contributed € 11.9m additional revenue. The Secure Chip & Payment Solutions business of the CEE segment grew by € 2.7m mainly as a result of higher payment card deliveries to the MEA segment.

**Gross profit I** increased by  $\in$  9.7m, or 22.1%, as a result of revenue and gross margin growth. Gross margin I improved by 2.9 percentage points from 41.4% to 44.2%. This improvement was mainly due to a higher share of service-related revenues and lower third-party mailing costs.

**Gross profit II** increased by  $\in$  5.5m or 23.7% from  $\in$  23.1m to  $\in$  28.6m mainly as a result of revenues growth and economies of scale as the increase of Production costs only partially compensated the growth in additional gross margin. The Gross Margin II thus improved by 1.8 percentage points to 23.5%.



Operating expenses excl. D, A&I (OPEX) in € million	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Production costs	(25.2)	(20.9)	(4.2)	20.3%
Selling and distribution expenses	(6.6)	(6.3)	(0.3)	4.8%
Administrative expenses	(9.2)	(7.3)	(1.9)	26.3%
Research and development expenses	(2.9)	(2.9)	(0.0)	1.1%
+ Depreciation, amortization & impairment	5.0	4.7	0.3	6.0%
Total	(39.0)	(32.8)	(6.2)	18.9%
Operating expenses as a percentage of revenues	32.1%	30.8%	41.2%	

**OPEX** increased by  $\in$  6.2m or 18.9% to  $\in$  39.0m mainly as a result of the addition of the Pink Post business in Romania which increased Production costs by  $\in$  3m and to higher central cost allocations included in Administrative expenses as well as due to inflation related salary increases. As percentage of revenues Operating expenses increased from 30.8% to 32.1% in H1 2024.

**Adjusted EBITDA** increased by € 3.8m or 31.0% to € 16.2m as a result of revenue and gross margin growth being complimented by economies of scale. Adjusted EBITDA margin thus improved by 1.7 percentage points to 13.3%. **Adjusted EBIT** increased by € 3.5m or 46.4% from € 7.6m to € 11.2m essentially in parallel with EBITDA growth.

## 1.2.3 Türkiye / Middle East and Africa

Business performance	H1 2024	H1 2023	D '24-'23	D '24-'23 %
in € million				
Revenues	37.5	30.1	7.4	24.5%
Costs of material & mailing	(30.8)	(24.4)	(6.5)	26.5%
Gross profit I	6.7	5.8	0.9	16.1%
Gross margin I	17.8%	19.1%	-1.3%	
Production costs	(2.4)	(2.1)	(0.3)	13.9%
Gross profit II	4.2	3.6	0.6	17.4%
Gross margin II	11.3%	12.0%	-0.7%	
Other income	0.0	0.0	0.0	n/a
Selling and distribution expenses	(0.8)	(0.5)	(0.2)	47.5%
Administrative expenses	(0.4)	(0.3)	(0.1)	38.0%
Research and development expenses	0.0	0.0	0.0	n/a
Other expenses	(0.0)	(0.1)	0.1	-78.2%
+ Depreciation, amortization and impairment	0.2	0.2	0.1	34.4%
adjusted EBITDA	3.2	2.8	0.4	15.2%
adjusted EBITDA margin	8.6%	9.3%	-0.7%	
- Depreciation, amortization and impairment	(0.2)	(0.2)	(0.1)	34.4%
adjusted EBIT	3.0	2.7	0.4	14.1%
Operating expenses excl. D&A (OPEX)	3.4	2.8	0.6	21.6%
OPEX as a percentage of Sales	9.1%	9.4%	-0.2%	

The Türkiye, Middle East and Africa (MEA) segment reported **Revenues** of  $\le$  37.5m increasing by  $\le$  7.4m or 24.5% compared to H1 2023. This growth was driven by strong performance of payment card sales in the Turkish market.

**Gross profit I** increased by € 0.9m due to higher revenues, but the Gross margin I decreased by 1.3 percentage points, from 19.1% to 17.8%, mainly due to a lower share of personalizing and fulfilment revenues with no associated material costs.

**Gross profit II** increased by € 0.6m, or 17.4%, from € 3.6m to € 4.2m, as the Gross margin increase was partially offset by higher Production costs. Gross margin II decreased by 0.7 percentage points to 11.3%, largely due to a lower share of personalization and fulfilment revenues.



Operating expenses excl. D, A&I (OPEX) in € million	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Production costs	(2.4)	(2.1)	(0.3)	13.9%
Selling and distribution expenses	(0.8)	(0.5)	(0.2)	47.5%
Administrative expenses	(0.4)	(0.3)	(0.1)	38.0%
Research and development expenses	0.0	0.0	0.0	n/a
+ Depreciation, amortization & impairment	0.2	0.2	0.1	34.4%
Total	(3.4)	(2.8)	(0.6)	21.6%
Operating expenses as a percentage of revenues	9.1%	9.4%	8.2%	

Operating expenses **(OPEX)** increased by  $\in$  0.6m or 21.6% reaching  $\in$  3.4m. This increase was mainly due to higher production costs and selling and distribution expenses to support further growth in the MEA region. As a percentage of revenues, OPEX decreased from 9.4% to 9.1% in H1 2024.

**Adjusted EBITDA** grew by € 0.4m or 15.2% to € 3.2m while the adjusted EBITDA margin came in at 8.6% decreasing by 0.7 percentage points. **Adjusted EBIT** increased by € 0.4m or 14.1% to € 3.0m in parallel with adjusted EBITDA.



## 1.3. Financial position

**Total assets** increased by € 18.4m from € 321.7m on 31 December 2023, to € 340.1m on 30 June 2024 as a result of higher current assets (€ +10.3) and non-current assets (€ +8.1m). The increase in non-current assets relates to the acquisition of new subsidiaries resulting in additional goodwill amounting to € 3.8m as well as regular investing activities. The increase in non-current liabilities is related to the increase in financial liabilities (€ +5.4m) as well as to contingent purchase price liabilities in connection with M&A activity (€ +1.7m). As a result of the profits generated and share-option expense recognized in the relevant reserve in equity, **Total Equity** increased by € 13.7m to € 120.8m. The Equity ratio of the AUSTRIACARD Group improved from 33.3% on 31 December 2023 to 35.5% on 30 June 2024.

Consolidated statement of financial position in € million	30/06/2024	31/12/2023	D '24-'23	D '24-'23 %
Non-current assets	164.9	156.8	8.1	5.2%
Current assets	175.2	164.9	10.3	6.3%
Total assets	340.1	321.7	18.4	5.7%
Equity	120.8	107.2	13.7	12.8%
Non-current liabilities	122.7	115.2	7.5	6.5%
Current Liabilities	96.6	99.3	(2.7)	-2.8%
Total Equity and Liabilities	340.1	321.7	18.4	5.7%

**Net Working Capital** increased by € 15.9m or 27.3%, from € 58.2m as of 31 December 2023 to € 74.1m on 30 June 2024. This increase is due to higher inventory levels (€ +11.5m), especially of raw materials (chips), and higher trade receivables (€ +3.9m) related to increase in revenues. As percentage of revenues (12 months rolling), net working capital increased from 16.6% to 20.4% in line with Q1 2024 as well as close to the industry benchmarks but significantly above the comparative as of 30 June 2023 when stock levels were still significantly affected by Covid-19-related supply chain issues.

Working Capital in € million	30/06/2024	31/12/2023	D '24-'23	D '24-'23 %
Inventories	69.6	58.2	11.5	19.7%
Contract assets	18.9	20.4	(1.5)	-7.4%
Current income tax assets	0.9	0.8	0.1	14.1%
Trade receivables	48.6	44.7	3.9	8.8%
Other receivables	16.3	17.1	(0.7)	-4.3%
	154.4	141.1	13.3	9.4%
Current income tax liabilities	(4.2)	(3.0)	(1.2)	40.7%
Trade payables	(45.8)	(43.6)	(2.2)	5.0%
Other payables	(18.0)	(18.3)	0.3	-1.8%
Contract liabilities	(10.9)	(17.4)	6.6	-37.8%
Deferred income	(1.4)	(0.5)	(0.9)	176.9%
	(80.2)	(82.9)	2.7	-3.2%
Net Working Capital	74.1	58.2	15.9	27.3%

The Group's **Cash flow from operating activities** increased by  $\in$  5.7m in the first half of 2024 from  $\in$  2.5m in 2023 to  $\in$  8.3m in 2024 as a result of the strong operating performance which was partially offset in cash-flow terms in the increase in the Net working capital.

The **Cash flow from investing activities** came in at a net outflow of  $\in$  10.3m and related to M&A activity ( $\in$  1.3m net of cash received),  $\in$  2.2m for upgrading our digital security printing capabilities in order to be able to implement new business opportunities for the African markets and regular investments in plant and equipment, inhouse development of software and similar operating investments.

**Cash from financing activities** had a net outflow of  $\in$  0.9m compared to an inflow of  $\in$  0.3m in the same period in 2023. This outflow primarily relates to interest ( $\in$  3.5m) and lease payments ( $\in$  1.8m) as well as loan repayments ( $\in$  6.5m) which were mostly offset by taking out new loans ( $\in$  10.6m).



Statement of cash flows in € million	H1 2024	H1 2023	D '24-'23	D '24-'23%
Cash flows from operating activities	8.3	2.5	5.7	226.6%
Cash flows from investing activities	(10.3)	(7.7)	(2.6)	33.8%
Cash flows from financing activities	(0.9)	0.3	(1.1)	-436.7%
Net decrease in cash and cash equivalents	(2.9)	(4.9)	2.0	-40.6%
Capital expenditure incl. ROU, excl. M&A (CAPEX)	(11.8)	(9.9)	(1.9)	19.5%

**Net Debt** increased by  $\in$  8.3m from  $\in$  95.0m as of 31 December 2023 to  $\in$  103.3m as of 30 June 2024 due to the increase in Net working capital. Net Debt / Adjusted EBITDA (rolling 12 months) essentially remained stable near 2.0x (1.9x).

Net Debt in € million	30/06/2024	31/12/2023	D '24-'23	D '24-'23 %
Cash and cash equivalents	(20.9)	(23.8)	2.9	-12.3%
Loans and borrowings	124.2	118.9	5.4	4.5%
Net Debt	103.3	95.0	8.3	8.7%



# 1.4. Financial performance indicators

<b>Key performance indicators</b> in € million	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Revenue	192.0	179.5	12.5	7.0%
Gross profit I	87.7	78.1	9.7	12.4%
Gross profit I margin	45.7%	43.5%	2.2%	n/a
Gross profit II	48.8	44.3	4.5	10.1%
Gross profit II margin	25.4%	24.7%	0.7%	n/a
Total OPEX excluding depreciation	(60.4)	(53.6)	(6.8)	12.6%
Total OPEX excluding depreciation as % on sales	-31.4%	-29.8%	-1.6%	n/a
adjusted EBITDA	28.8	25.9	2.9	11.2%
adjusted EBITDA margin	15.0%	14.4%	0.6%	n/a
adjusted EBIT	20.5	18.3	2.3	12.4%
adjusted EBIT margin	10.7%	10.2%	0.5%	n/a
adjusted Profit before tax	17.0	15.4	1.6	10.1%
adjusted Profit before tax margin	8.8%	8.6%	0.3%	n/a
adjusted Profit after tax	13.3	12.7	0.6	4.9%
adjusted Profit after tax margin	6.9%	7.1%	-0.1%	n/a
Profit after Tax	11.2	12.0	(0.7)	-6.2%
Profit after Tax margin	5.9%	6.7%	-0.8%	n/a
Operating Cash Flow	8.3	2.5	5.7	226.6%
Operating Cash Flow as % on sales	4.3%	1.4%	2.9%	n/a
Net Equity / Total Assets (30 June vs. 31 December)	35.5%	33.3%	2.2%	n/a
Net Working Capital as of 30 June	74.1	43.9	30.2	68.9%
Working Capital as % on sales (12 months)	20.4%	12.4%	7.9%	n/a
Net Debt as of 30 June	103.3	87.1	16.3	18.7%
Net Debt / Adjusted EBITDA (12 months)	2.0	1.9	0,0	n/a

Non-financial indicators	H1 2024	H1 2023	D '24-'23	D '24-'23 %
Number of sold cards (in million)	80.1	70.1	10.0	14.2%
Average number of employees in Full-time equivalents	2,384	1,998	(55)	-2.2%
Number of employees in Headcount as of 30 June	2,657	2,573	(82)	-3.0%



## 2. SIGNIFICANT RISKS AND FUTURE DEVELOPMENT

There were no material differences in the categories of risk exposure in the course of the first half of the financial year 2024 and we do not foresee any material differences with regards to risk exposure and future development for the second half of 2024 compared with those described in detail in section 6, "FUTURE DEVELOPMENT AND RISKS", of the group management report of the 2023 consolidated financial statements.

Vienna, 29 August 2024

Nikolaos Lykos m.p. Chairman of the Management Board

Emmanouil Kontos m.p. Vice Chairman & Group CEO

Jon Neeras m.p. Member of the Management Board

Burak Bilge m.p. Member of the Management Board Markus Kirchmayr m.p. Member of the Management Board



## **B) CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

# **Consolidated statement of financial position**

in € thousand	Note	30 June 2024	31 December 2023
Assets			
Property, plant and equipment and right of use assets		99,815	96,275
Intangible assets and goodwill		59,784	55,526
Equity-accounted investees		453	324
Other receivables		2,391	2,386
Other long-term assets		45	136
Deferred tax assets		2,389	2,116
Non-current assets		164,877	156,764
Inventories		69,621	58,164
Contract assets		18,879	20,386
Current income tax assets		902	791
Trade receivables		48,611	44,677
Other receivables		16,347	17,082
Cash and cash equivalents		20,886	23,825
Current assets		175,247	164,924
Total assets		340,124	321,688
Equity			
Share capital		36,354	36,354
Share premium		32,749	32,749
Own shares	11	(498)	0
Other reserves		18,791	17,303
Retained earnings		32,177	19,995
Equity attributable to owners of the Company		119,573	106,401
Non-controlling interests		1,276	753
Total Equity		120,849	107,154
Linkillainn			
<b>Liabilities</b> Loans and borrowings	12	107 974	102 422
	12	107,874 4,022	102,432 4,207
Employee benefits Other payables			•
Deferred tax liabilities		1,669 9,139	81
Non-current liabilities		122,703	8,497
Non-current liabilities		122,703	115,217
Current tax liabilities		4,177	2,968
Loans and borrowings	12	16,354	16,440
Trade payables		45,817	43,649
Other payables		17,985	18,317
Contract liabilities		10,851	17,442
Deferred income		1,388	501
Current Liabilities		93,571	99,317
Total Liabilities		219,275	214,534
Total Equity and Liabilities		340,124	321,688
rotal Equity and Elabilities		340,124	321,008



## **Consolidated income statement**

in € thousand	Note	H1 2024	H1 2023	Q2 2024	Q2 2023
Revenues	6	195,374	181,166	103,609	91,358
Cost of sales		(146,278)	(136,780)	(77,238)	(69,064)
Gross profit		49,096	44,386	26,371	22,294
Other income	7	1,985	1,973	1,093	1,439
Selling and distribution expenses	7	(11,851)	(11,490)	(6,164)	(5,991)
Administrative expenses	7	(16,372)	(13,150)	(9,049)	(5,718)
Research and development expenses	7	(3,539)	(3,460)	(1,846)	(1,815)
Other expenses	7	(620)	(594)	(321)	(469)
+ Depreciation, amortization and impairment		8,228	7,706	4,233	3,967
EBITDA		26,928	25,370	14,317	13,708
<ul> <li>Depreciation, amortization and impairment</li> </ul>		(8,228)	(7,706)	(4,233)	(3,967)
EBIT		18,700	17,665	10,084	9,741
Financial income	8	248	365	74	338
Financial expenses	8	(4,224)	(3,041)	(2,038)	(1,374)
Result from associated companies		129	0	129	0
Net finance costs		(3,846)	(2,675)	(1,835)	(1,036)
Profit (Loss) before tax		14,854	14,990	8,248	8,705
Income tax expense		(3,674)	(2,731)	(2,244)	(1,247)
Profit (Loss)		11,180	12,259	6,005	7,458
Profit (Loss) attributable to:					
Owners of the Company		10,633	11,790	5,555	7,424
Non-controlling interests		546	469	450	34
Profit (Loss)		11,180	12,259	6,005	7,458
Earnings (loss) per share <sup>1</sup>					
basic	9	0.29	0.33	0.15	0.20
diluted	9	0.27	0.33	0.14	0.20

 $<sup>^{1}</sup>$  Earnings per share for H1 2023 were calculated considering retrospectively as per IAS 33.64 the issuance of bonus shares with a ratio of 1:1 which had been implemented in August 2023.



# **Consolidated statement of comprehensive income**

in € thousand	H1 2024	H1 2023	Q2 2024	Q2 2023
Profit (Loss)	11,180	12,259	6,005	7,566
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Revaluation of property, plant and equipment	0	0	0	0
Related tax	0	0	0	0
Revaluation of defined benefit liability	0	0	0	(59)
Related tax	0	0	0	13
	0	0	0	(46)
Items that are or may be reclassified to profit or loss				
Cash flow hedges	234	(277)	55	(19)
Related tax	(54)	66	(13)	7
Foreign currency translation differences	434	36	630	50
	614	(174)	673	38
Other comprehensive income, net of tax	614	(174)	673	(8)
Total comprehensive income	11,794	12,085	6,677	7,558
Total comprehensive income attributable to:				
Owners of the Company	11,288	11,598	6,242	7,520
Non-controlling interests	505	486	436	38
	11,794	12,085	6,677	7,558



## **Consolidated statement of changes in equity**

	For the period 01/01 – 30/06/2024											
		Attributable to owners of the Company										
in € thousand	Share capital	Share premium	Own shares	Translation reserve	Revaluation reserve	IAS 19 reserve	Cash flow hedge reserve	Reserve for share- based payments	Retained earnings	Total	Non- controlling interests	Total equity
Balance at 1 January 2024	36,354	32,749	0	(7,860)	14,491	(519)	1,187	10,004	19,995	106,401	753	107,154
Profit (Loss)	-	-	-	-	-	-	-	-	10,633	10,633	546	11,180
Other comprehensive income	-	-	-	475	-	-	180	-	-	655	(41)	614
Total comprehensive income	0	0	0	475	0	0	180	0	10,633	11,288	505	11,794
Own Shares	-	-	(498)	-	-	-	-	-	-	(498)	-	(498)
Effect hyperinflation IAS 29	-	-	-	-	-	-	-	-	470	470	-	470
Management participation program	-	-	-	-	-	-	-	1,930	-	1,930	-	1,930
Reclassification of cancelled share-based payments	-	-	-	-	-	-	-	(1,097)	1,097	0	-	0
Acquisition of non-controlling interests without loss of control	-	-	-	-	-	-	-	-	(19)	(19)	18	(1)
Balance at 30 June 2024	36,354	32,749	(498)	(7,385)	14,491	(519)	1,368	10,837	32,177	119,573	1,276	120,849



		For the period 01/01 -30/06/2023									
				Attribu	ıtable to owner	s of the Company					
	Share capital	Share premium	Translation reserve	Revaluation reserve	IAS 19 reserve	Cash flow hedge reserve	Reserve for share- based payments	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2023 as disclosed	16,862	34,511	(7,726)	13,135	(392)	2,230	0	13,360	71,980	11,683	83,664
Adjustments previous year	-	-	(372)	-	-	-	-	(653)	(1,025)	(73)	(1,098)
Balance at 1 January 2023 restated	16,862	34,511	(8,098)	13,135	(392)	2,230	0	12,707	70,955	11,610	82,565
Profit / (loss) disclosed	-	-	-	-	-	-	-	11,790	11,790	469	12,259
Other comprehensive income	-	-	226	-	-	(210)	-	(208)	(192)	17	(174)
Total comprehensive income	0	0	226	0	0	(210)	0	11,582	11,598	486	12,085
Cross-border merger and capital increase	1,315	16,415	(392)	-	-	-	-	(6,018)	11,321	(11,321)	0
Dividend distribution	-	-	-	-	-	-	-	(908)	(908)	0	(908)
Effect hyperinflation IAS 29	-	-	-	-	-	-	-	283	283	0	283
Management participation program	-	-	-	-	-	-	7,504	-	7,504	(603)	6,901
Balance at 30 June 2023	18,177	50,926	(8,263)	13,135	(392)	2,019	7,504	17,645	100,752	173	100,925



## **Condensed consolidated statement of cash flows**

in € thousand	Note	H1 2024	H1 2023
Cash flows from operating activities			
Profit (Loss) before tax		14,854	14,990
Adjustments for:			
-Depreciation, amortization and impairment		8,228	7,706
-Net finance costs	8	3,846	2,675
-Other non-cash transactions		1,110	(327)
		28,039	25,043
Changes in:			
-Inventories		(11,457)	(10,108)
-Contract assets		1,507	(3,831)
-Trade receivables and other receivables		(3,200)	(3,006)
-Contract liabilities		(6,591)	(2,513)
-Trade payables and other payables		2,218	(541)
-Taxes paid		(2,262)	(2,517)
Net cash from (used in) operating activities		8,255	2,527
Cash flows from investment activities			
Interest received		248	110
Acquisition of subsidiary, net of cash acquired	4	(1,297)	0
Payments for acquisition of property, plant and equipment &		( ) - /	
intangible assets		(9,242)	(7,801)
Net cash from (used in) investing activities		(10,291)	(7,691)
Cash flows from financing activities			
Interest paid		(3,511)	(2,576)
Proceeds from loans and borrowings		10,561	15,250
Repayment of borrowings		(6,103)	(10,679)
Payment of lease liabilities		(1,824)	(1,734)
Net cash from (used in) financing activities		(877)	260
Net increase (decrease) in cash and cash equivalents		(2,913)	(4,904)
Cash and cash equivalents at 1 January		23,825	21,628
Effect of movements in exchange rates on cash held		(26)	(414)
Cash and cash equivalents at 30 June		20,886	16,311



Material impact

## Selected explanatory notes to the condensed consolidated interim financial statements

## **Basis of preparation**

## 1. Reporting entity

AUSTRIACARD HOLDINGS AG (the 'Company') is domiciled in Austria. AUSTRIACARD HOLDINGS AG was established at September 29th, 2010 and since March 12th, 2014 is the ultimate legal parent of AUSTRIACARD HOLDINGS Group. The Company's registered office is in Lamezanstraße 4-8, 1230, Vienna, Austria. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is an international group active in the business areas of "Secure Chip & Payment Solutions", "Document Lifecycle Management" and "Digital Transformation Technologies".

### 2. Basis of accounting

The condensed consolidated interim financial statements (hereinafter "financial statements") have been prepared by Management in accordance with IAS 34 (Interim Financial Reporting). The interim report was prepared on the basis of the historical cost principle, which was modified by adjusting certain assets and liabilities to fair values. These financial statements are presented in euro, which is the functional currency of the Company.

Amounts and percentage rates in these consolidated interim financial statements were rounded, and the addition of these individual figures can therefore produce results that differ from the totals shown.

Material assumptions and estimates made for the 2023 consolidated financial statements as well as accounting policies as of 31.12.2023 are applied consistently. Exceptions are new or amended IFRSs, which are mandatory from 1 January 2024. The interim report should therefore be read together with the consolidated financial statements as of 31.12.2023.

These condensed consolidated interim financial statements were neither subject to a complete audit nor to an audit review by an auditor.

The following amendments and interpretations of the IFRS have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2024.

Standard		Effective date*)	expected on consolidated financial statements
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants	01/01/2024	No
IFRS 16	Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	01/01/2024	No
IAS 7 and IFRS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	01/01/2024	No

<sup>\*)</sup> Applicable to financial years beginning on or after the indicated date

The following amendments and interpretations of the IFRS have been issued by the International Accounting Standards Board (IASB) but have not been applied yet or have not been adopted by the European Union:

Standard		Effective date*)	Material impact expected on consolidated financial statements
IAS 21	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	01/01/2025	No
IFRS 9 und IFRS 7	Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	01/01/2026	No
IFRS 18	Presentation and Disclosure in Financial Statements	01/01/2027	Yes
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01/01/2027	No

<sup>\*)</sup> Applicable to financial years beginning on or after the indicated date



#### IAS 29 Financial Reporting in hyperinflationary economies

IAS 29 is applied for a subsidiary in Türkiye, as the cumulative three-year inflation rate has led to Turkey's classification as a hyperinflationary country within the meaning of IAS 29. The financial statements of the Turkish subsidiary – previously prepared on the basis of the concept of historical acquisition and production costs – were adjusted in accordance with the criteria of IAS 29 also as of 30.6.2024. The CPI 2003 consumer price index published by the Turkish Statistical Institute, the national institute for statistics, was used as an appropriate price index. The price index as of 30.6.2024 was 2,319.29. The change in the index in fiscal year 2024 can be found in the following table:

Date	Index CPI 200	3 Monthly change
31/12/2023	1,859.3	8
31/01/2024	1,984.0	2 6.7%
29/02/2024	2,073.8	8 4.5%
31/03/2024	2,139.4	7 3.2%
30/04/2024	2,207.5	0 3.2%
31/05/2024	2,281.8	5 3.4%
30/06/2024	2,319.2	9 1.6%

#### 3. Consolidation range

The consolidated financial statements include all significant domestic and foreign companies in which AUSTRIACARD directly or indirectly holds a majority of the voting rights.

In the first six months of 2024 the group of consolidated companies changed as follows:

	30/06/2024	31/12/2023
As of beginning of the period – fully consolidated	22	21
Disposal because of liquidation	0	(1)
Disposal because of merger	0	(1)
Disposal because of final consolidation	(1)	0
Addition because of acquisition	3	0
Addition because of start-up	0	2
Addition because of change of consolidation method	0	1
As of end of the period – fully consolidated	24	22
As of beginning of the period – at equity consolidated	1	1
Disposal because of final consolidation	0	0
As of end of the period – at equity consolidated	1	1
As of end of the period - total	25	23
Not consolidated	1	0

As of 30.06.2024, Tag Nitecrest Ltd, which is already in liquidation, was deconsolidated due to immateriality.

100% of the shares in e-commerce monitoring GmbH, Austria, were acquired under a purchase and transfer agreement dated 12.01.2024, as a result of which this company was consolidated for the first time in January 2024.

On 30.04.2024, the Group acquired 100% of the shares in LSTech Ltd (UK), a research and data analysis company based in the UK, and its wholly owned Spanish subsidiary LSTech ESPANA S.L. These two companies were consolidated for the first time in 2024.

#### 4. Acquisition of subsidiaries

In January 2024 AUSTRIA CARD-Plasktikkarten und Ausweissysteme GmbH, a subsidiary of the Company, acquired 100% of the shares in e-commerce monitoring GmbH (Austria) for agreed purchase price of  $\in$  0.8m. In addition there is an agreement on contingent purchase price of  $\in$  0.2m, calculated based on level of profit after tax at completion date of the deal. The acquired company is a recognized certification and trust service provider in accordance with European and Austrian regulations.

End of April 2024 the Company acquired all shares in LSTech Ltd. (UK) and its 100% subsidiary LSTech ESPANA S.L. (Spain), for purchase price of € 2.0m. The purchase price will be supplemented by an additional earn-out payment to sellers after closing of H1 2028. In H1 2024 closing this is shown as contingent purchase price liability and registered with a fair value of € 1.3m.



Taking into account the acquired net assets for both business combinations amounting to a total of  $\in$  0.9m, initial consolidation in total resulted in preliminary recognition of goodwill of  $\in$  3.4m. During measurement period, which shall not exceed one year from the acquisition date, provisional amounts recognised at acquisition date will be retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, if they would affect the measurement of the amounts recognised as of that date.

The Group incurred transaction costs of € 0.2m from those business combinations carried out in the financial year. These are included in the administrative expenses in the consolidated interim financial statements.

Ever since first-time consolidation, the sales included in the income statement in H1 2024 have been € 0.5m and the EBITDA € 0.2m.

### A. Identifiable acquired assets and liabilities assumed, consideration transferred, goodwill

in € thousand	Total
Property, plant and equipment	51
Other long-term assets	29
Non-current assets	<i>80</i>
Inventories	22
Trade receivables	138
Other receivables	514
Cash and cash equivalents	974
Current assets	1,648
Current income tax liabilities	(100)
Trade payables	(41)
Other payables	(68)
Contract liabilities	(577)
Current liabilities	(786)
Net assets	942
Total acquired net assets after deduction of NCI	942
Cash transferred	2,791
Contingent purchase price liability	1,505
Goodwill	3,354



### **Performance of the period**

## 5. Segment reporting

## i. Basis for segmentation

The identification of reportable segments is based on information that is regularly used by the Group's chief decision maker to allocate resources and assess performance. The CEO is the Group's chief decision maker. The Group's CEO reviews the internal report on a monthly and year to date basis. The financial information that forms the basis for internal reporting is based on the accounting policies of IFRSs. In internal reporting, various adjustments are made in order to present non-operating earnings separately.

Since 2023 internal reporting to the CEO is based on business areas which comprise 3 regional segments. For these segments, there are separate responsibilities for the sale of products and services at the management level.

For comparative purposes segment reporting for H1 2023 was adjusted to be in line with the calculation of segment results as presented in the consolidated financial statements for the financial year 2023. This adjustment was necessary since the calculation of the segment results was revised subsequent to the publication of the H1 2023 results in 2023.

### ii. Intersegment transactions

Transactions between the segments involve mainly the sale of goods and provision of services and are eliminated in the column "Eliminations". Intragroup transactions between the segments generally reflect ordinary market conditions.

## iii. Information about reportable segments

Information related to each reportable segment is set out below. Segment adjusted EBITDA is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments.

Reportable segments	Regional responsibility EVP
Western Europe, Nordics, Americas = WEST	UK, Ireland, Norway, Sweden, Finland, Demark, Netherlands, Belgium, France, Luxembourg, Monaco, Liechtenstein, Spain, Portugal, Andorra, Baltics, North & Latin America
Central Eastern Europe and DACH = CEE	DACH (Germany, Austria, Switzerland), CEE (Italy, Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovenia, Slovakia), SEE Region (Italy, Greece, Albania, Bosnia and Herzegovina, Kosovo, Northern Macedonia, Montenegro, Serbia).
Türkiye, Middle East and Africa = MEA	Türkiye, MEA Region (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates, North and Sub-Saharan Africa), Asia

Income and expenses that are not attributable to one of the operating segments presented above are summarized in column "Corporate".

Assets and liabilities being used by more than one operating segment are designated to the main segment of the legal entity.



Reporta	ble	Segm	ents
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<b>H1 2024</b> in € thousand	WEST	CEE	MEA excl. IAS 29	Corporate	Elimi- nations	Total excl. IAS 29	IAS 29	Total
Revenues	61,431	93,147	37,470	0	0	192,049	3,325	195,374
Intersegment revenues	3,448	28,433	33	1,477	(33,389)	0	0	0
Segment revenues	64,879	121,580	37,503	1,477	(33,389)	192,049	3,325	195,374
Costs of material & mailing	(35,950)	(67,808)	(30,818)	0	30,272	(104,303)	(2,843)	(107,146)
Gross profit I	28,929	53,772	6,685	1,477	(3,118)	87,745	483	88,228
Production costs	(11,325)	(25,183)	(2,441)	0	4	(38,944)	(188)	(39,132)
Gross profit II	17,605	28,590	4,244	1,477	(3,114)	48,801	295	49,096
Other income	77	1,922	3	(17)	0	1,985	0	1,985
Selling and distribution expenses	(4,416)	(6,647)	(768)	0	0	(11,831)	(20)	(11,851)
Administrative expenses	(4,265)	(9,222)	(423)	(3,477)	3,114	(14,274)	(29)	(14,303)
Research and development expenses	(495)	(2,942)	0	(101)	0	(3,539)	0	(3,539)
Other expenses	(35)	(514)	(29)	(38)	0	(617)	(3)	(619)
+ Depreciation, amortization and impairment	3,025	4,996	206	2	0	8,228	0	8,228
adjusted EBITDA	11,494	16,182	3,234	(2,156)	0	28,754	244	28,998
- Depreciation, amortization and impairment	(3,025)	(4,996)	(206)	(2)	0	(8,228)	0	(8,228)
adjusted EBIT	8,470	11,186	3,027	(2,157)	0	20,526	244	20,770
Financial income						226	22	248
Financial expenses						(3,919)	(7)	(3,927)
Result from associated companies						129	0	129
Net finance costs						(3,564)	15	(3,549)
adjusted Profit (Loss) before tax						16,962	259	17,221
Special items						(2,094)	(273)	(2,367)
Profit (Loss) before tax						14,868	(14)	14,854
Income tax expense						(3,622)	(52)	(3,674)
Profit (Loss)						11,246	(66)	11,180



	- toportuizio deginiones							
<b>H1 2023 *</b> in € thousand	WEST	CEE	MEA excl. IAS 29	Corporate	Elimi- nations	Total excl. IAS 29	IAS 29	Total
Revenues	65,465	83,984	30,097	0	0	179,546	1,619	181,166
Intersegment revenues	1,811	22,504	21	254	(24,591)	0	0	0
Segment revenues	67,276	106,489	30,119	254	(24,591)	179,546	1,619	181,166
Costs of material & mailing	(38,278)	(62,446)	(24,359)	0	23,595	(101,488)	(1,352)	(102,840)
Gross profit I	28,998	44,043	5,759	254	(996)	78,058	267	78,326
Production costs	(10,708)	(20,940)	(2,144)	0	55	(33,736)	(204)	(33,940)
Gross profit II	18,290	23,103	3,616	254	(940)	44,322	63	44,386
Other income	523	1,493	0	66	(110)	1,972	0	1,972
Selling and distribution expenses	(4,619)	(6,344)	(520)	0	6	(11,476)	(13)	(11,490)
Administrative expenses	(4,380)	(7,303)	(307)	(1,553)	1,036	(12,508)	(12)	(12,520)
Research and development expenses	(362)	(2,910)	0	(188)	0	(3,460)	0	(3,460)
Other expenses	(57)	(397)	(135)	(6)	9	(587)	(7)	(594)
+ Depreciation, amortization and impairment	2,719	4,712	154	14	0	7,598	107	7,706
adjusted EBITDA	12,114	12,353	2,807	(1,413)	0	25,861	139	25,999
<ul> <li>Depreciation, amortization and impairment</li> </ul>	(2,719)	(4,712)	(154)	(14)	0	(7,598)	(107)	(7,706)
adjusted EBIT	9,395	7,642	2,653	(1,427)	0	18,263	31	18,294
Financial income						105	5	110
Financial expenses						(2,961)	0	(2,961)
Result from associated companies						0	0	0
Net finance costs						(2,857)	5	(2,851)
adjusted Profit (Loss) before tax						15,406	37	15,443
Special items						(719)	266	(453)
Profit (Loss) before tax						14,687	303	14,990
Income tax expense						(2,694)	(37)	(2,731)
Profit (Loss)						11,993	266	12,259

<sup>\*</sup> For comparative purposes segment reporting for H1 2023 was adjusted to be in line with the calculation of segment results as presented in the consolidated financial statements for the financial year 2023. This adjustment was necessary since the calculation of the segment results was revised subsequent to the publication of the H1 2023 results in 2023.

Special items in € thousand	included in	H1 2024	H1 2023
Management participation program	EBITDA	(2,069)	(630)
Foreign exchange losses	Profit before tax	(13)	(74)
Effect Hyperinflation IAS 29	Profit before tax	(282)	249
Income from financial assets and liabilities at fair value through profit or loss	Profit before tax	0	6
Expense from financial assets and liabilities at fair value through profit or loss	Profit before tax	(3)	(5)
Total		(2,367)	(453)



## Selected notes to the consolidated income statement

#### 6. Revenues

#### A. Revenues from contracts with customers

The Group generates revenue primarily through the provision of services and the sale of solutions and products in the areas of Secure Chip & Payment Solutions, Document Lifecycle Management and Digital Transformation Technologies.

H1 2024					Elimini-		
Revenues by region in € thousand	WEST	CEE	MEA	Corporate	nations	IAS 29	Total
Western Europe, UK, Nordics	32,169	4,981	2,122	0	(876)	0	38,396
Central & Eastern Europe & DACH	17,431	94,021	196	1,477	(2,716)	19	110,428
Türkiye, MEA, Asia & others	3,479	22,294	35,185	0	(29,637)	3,306	34,627
Americas	11,799	284	0	0	(160)	0	11,923
	64,879	121,580	37,503	1,477	(33,389)	3,325	195,374
Type of revenue							
Revenues from sale of goods	31,298	70,287	33,361	0	(30,001)	3,000	107,945
Revenues from services	10,558	14,367	3,373	1,477	(3,278)	287	26,785
Revenues from licenses & royalties	3	292	0	0	(0)	0	295
Revenues from sale of merchandise	12,867	9,318	712	0	(13)	38	22,922
Revenues from transportation services	10,152	27,316	57	0	(98)	0	37,427
	64,879	121,580	37,503	1,477	(33,389)	3,325	195,374
Timing of revenue recognition							
Products and services transferred over time	52,009	111,595	36,791	1,477	(33,377)	3,288	171,782
Products transferred at a point of time	12,870	9,985	712	0	(13)	38	23,592
	64,879	121,580	37,503	1,477	(33,389)	3,325	195,374

H1 2023 * Revenues by region					Elimini-		
in € thousand	WEST	CEE	MEA	Corporate	nations	IAS 29	Total
Western Europe, UK, Nordics	44,983	1,710	257	0	(1,151)	0	45,799
Central & Eastern Europe & DACH	8,653	81,019	246	254	(636)	15	89,550
Türkiye, MEA, Asia & others	1,933	23,553	29,616	0	(22,690)	1,605	34,017
Americas	11,707	207	0	0	(114)	0	11,800
	67,276	106,489	30,119	254	(24,591)	1,619	181,166
Type of revenue							
Revenues from sale of goods	33,000	66,295	25,407	0	(23,312)	1,357	102,747
Revenues from services	8,268	9,627	3,938	254	(1,229)	221	21,079
Revenues from licenses & royalties	3	28	0	0	0	0	30
Revenues from sale of merchandise	19,168	3,961	705	0	0	41	23,875
Revenues from transportation services	6,838	26,577	68	0	(49)	0	33,433
	67,276	106,489	30,119	254	(24,591)	1,619	181,166
Timing of revenue recognition							
Products and services transferred over time	48,106	102,447	29,413	254	(24,591)	1,578	157,207
Products transferred at a point of time	19,170	4,042	705	0	0	41	23,958
	67,276	106,489	30,119	254	(24,591)	1,619	181,166

<sup>\*</sup> For comparative purposes segment reporting for H1 2023 was adjusted to be in line with the calculation of segment results as presented in the consolidated financial statements for the financial year 2023. This adjustment was necessary since the calculation of the segment results was revised subsequent to the publication of the H1 2023 results in 2023.



## 7. Income and expenses

## A. Other Income

in € thousand	H1 2024	H1 2023
Government grants	181	21
Gain on sale of equipment	2	40
Rental income from property leases	35	43
Reversal of accruals	6	580
Capitalised development expenses	1,365	1,257
Other income (incl. Recharges of contractual penalties)	396	33
Total	1,985	1,973

## **B.** Other Expenses

in € thousand	H1 2024	H1 2023
Impairment loss on trade receivables and contract assets	48	302
Contractual penalties	222	20
Losses from write-downs of inventories	22	0
Loss on disposal of non-current assets	16	11
Property and other taxes	72	57
Bank charges	94	93
Re-invoiced expenses	52	21
Other expenses	94	91
Total	620	594

## C. Expenses by nature

The following table presents Costs of sales, Administrative expenses, Selling and distribution expenses and Research and development expenses by nature of expense.

in € thousand	H1 2024	H1 2023
Employee compensation and expenses	42,756	34,274
Costs of inventories recognized as expense	80,034	76,516
Mailing costs	27,113	26,324
Third party fees	6,497	6,566
Commissions paid	727	531
Utilities and maintenance expenses	5,350	5,475
Rentals from property and machinery	513	604
Tax and duties	435	366
Transportation expenses	2,008	2,162
Inks and similar consumable materials	1,896	1,750
Depreciation, amortization and impairment	8,281	7,706
Other expenses	2,430	2,606
Total	178,039	164,880



#### 8. Net Finance costs

in € thousand	H1 2024	H1 2023
Interest income under the effective interest method	248	110
Effect hyperinflation IAS 29	0	249
Other financial income	0	6
Financial income	248	365
Interest expense on Financial liabilities measured at amortized cost	(3,463)	(2,599)
Commissions of letters of guarantee	(193)	(134)
Foreign exchange losses	(12)	(75)
Effect hyperinflation IAS 29	(282)	0
Financial assets and liabilities at fair value through profit or loss – net change in fair value	(3)	(5)
Other financial expenses	(271)	(228)
Financial expenses	(4,224)	(3,041)
Result from associated companies	129	0
Net finance costs	(3,846)	(2,676)

## 9. Earnings per share and number of shares

## A. Basic and diluted earnings per share

Earnings per share (basic)	H1 2024	H1 2023
Profit (loss) attributable to owners of the Company in t€	10,633	11,790
Weighted average number of shares per 30 June	36,324,534	35,249,670
Earnings per share (basic) in €	0.29	0.33

Earnings per share (diluted)	H1 2024	H1 2023
Profit (loss) attributable to owners of the Company in t€	10,633	11,790
Weighted average number of shares per 30 June	39,081,557	35,249,670
Earnings per share (diluted) in €	0.27	0.33

Earnings per share for H1 2023 were calculated considering retrospectively as per IAS 33.64 the issuance of bonus shares with a ratio of 1:1 which had been implemented in August 2023. Diluted earnings per share are calculated by adjusting the weighted average number of ordinary outstanding shares to assume conversion of all potential dilutive ordinary shares. Per 30 June 2024 the company has share options as potential dilutive ordinary shares amounting to 2,403,319 (maximum 6.2% of shares). Weighted average number of potential dilutive ordinary shares amounts to 2,757,023.

## B. Weighted-average number of ordinary shares

	H1 2024	H1 2023
Issued ordinary shares at 1 January	36,353,868	16,862,067
Effects in the year through buyback of own shares	(84,238)	0
Effects in the year 2023	0	1,314,867
Total number of ordinary shares at 30 June	36,269,630	18,176,934



## **Employee Benefits**

## 10. Employee Benefits

## A. Management participation programs

Between 31 December 2023 and 30 June 2024 three participants of AUSTRIACARD HOLDINGS AG management participation program 2022 – 2025 left the Groups's senior management. All of them were classified as "good leaver" according to the program. As a result total number of Company's shares that participants of the program will be able to receive declined from 8% per 31 December 2023 to 6.2% per 30 June 2024.

The participants in the management participation program also include members of the Management Board of AUSTRIACARD HOLDINGS AG, whereof Panagiotis Spyropoulos, previously holding 22.7% of the options, left the Group in March 2024 and is one of those "good leavers", see note 14.i.

One participant of the program who left in H1 2024 also as "good leaver" waived his claims with respect to the program without cash compensation and therefore the already vested options were cancelled. As a result, the amount vested up to exit date was reclassified within equity from other reserves to retained earnings (see separate line in equity table H1 2024).



## Selected notes to consolidated financial statement of position

### 11. Capital and additional paid in capital

Share buy-back program for own shares

The management board of AUSTRIACARD HOLDINGS AG resolved on 18 December 2023 to implement a share buy-back program for own shares on the basis of the authorization resolution pursuant to Sec 65 para 1 no 4 and 8 Austrian Stock Corporation Act of the annual general meeting held on 30 June 2023, which was published on 30 June 2023. The supervisory board of AUSTRIACARD HOLDINGS approved the implementation of the Share Buy-Back Program by resolution dated 18 December 2023. The maximum volume of the Share Buy-Back Program amounts to up to 727,077 own shares (corresponding to approx. 2% of the current total share capital), the share buy-back under the Share Buy-Back Program started on 22 December 2023 and ended on 21 June 2024. As of 30 June 2024 the Company purchased 84.238 shares on the basis of the Share Buy-Back Program.

The management board of AUSTRIACARD HOLDINGS AG resolved on 28 June 2024 to implement a further share buy-back program for own shares (the "Share Buy-Back Program II") on the basis of the authorization resolution pursuant to Sec 65 para 1 no 4 and 8 Austrian Stock Corporation Act of the annual general meeting held on 30 June 2023, which was published on 30 June 2023. The supervisory board of AUSTRIACARD HOLDINGS AG approved the implementation of the Share Buy-Back Program by resolution dated 28 June 2024. The maximum volume of the Share Buy-Back Program II also amounts to up to 727,077 own shares (corresponding to approx. 2% of the current total share capital), the share buy-back under the Share Buy-Back Program II started on 1. July 2024 and ends on 31 December 2024.

### 12. Loans and Borrowings

in € thousand	30/06/2024	31/12/2023
Non-current financial liabilities		
Secured bank loans	94,213	88,992
Unsecured bank loans	2,182	2,496
Lease liabilities	11,478	10,944
	107,874	102,432
Current financial liabilities		
Secured bank loans	10,889	11,100
Unsecured bank loans	1,369	1,574
Lease liabilities	4,096	3,766
	16,354	16,440
Total	124,228	118,872



## **Financial instruments**

## 13. Financial instruments - Fair values and risk management

## **Accounting classifications and fair values**

The financial instruments carried at fair value through profit and loss concern an investment in a quoted mixed fund consisting of a mix of securities and equity investments as well as liabilities from put option for the beneficiary's shares from the management participation program in a subsidiary. Financial instrument carried at fair value through OCI concern interest rate swaps as well as interest collars. The fair value of all financial instruments approximates the carrying amount, the quoted mixed fund corresponds to Level 1 fair value, interest rate swaps and collars correspond to Level 2 fair value, the put-option corresponds to Level 3 fair value according to IFRS 13.

<b>30 June 2024</b> in € thousand	At amortized			Non-financial	
<u> </u>	cost	FVTPL	FVTOCI	instruments	Total
Assets					
Trade receivables	48,611	0	0	0	48,611
Other receivables	6,693	226	1,807	10,013	18,738
Cash and cash equivalents	20,886	0	0	0	20,886
Total	76,190	226	1,807	10,013	88,235
Liabilities					
Loans and borrowings	124,228	0	0	0	124,228
Trade payables	45,817	0	0	0	45,817
Other payables	5,281	2,360	0	12,012	19,654
Total	175,326	2,360	0	12,012	189,698

31 December 2023					
in € thousand	At amortized			Non-financial	
	cost	FVTPL	FVTOCI	instruments	Total
Assets					
Trade receivables	44,677	0	0	0	44,677
Other receivables	9,862	229	1,642	7,734	19,468
Cash and cash equivalents	23,825	0	0	0	23,825
Total	78,364	229	1,642	7,734	87,969
Liabilities					
Loans and borrowings	118,872	0	0	0	118,872
Trade payables	43,649	0	0	0	43,649
Other payables	3,461	2,221	69	12,646	18,398
Total	165,982	2,221	69	12,646	180,919



#### **Other disclosures**

### 14. Related parties

For the purpose of this report, related parties are defined as the members of the Supervisory Board and of the Management Board as well as their closely related companies, subsidiaries, associates and joint ventures. Business transactions with related parties are carried out at ordinary arm's length conditions.

#### i. Changes in Management Board

End of March 2024 Mr. Panagiotis Spyropoulos stepped down from his position as Group Chief Executive Officer and Vice-Chairman of the management board of the Company. At the same time previously Deputy Group Chief Executive Officer, Mr. Emmanouil Kontos, was appointed Vice-Chairman of the management board and Group Chief Executive Officer.

Mr. Spyropoulos also was participant in the management participation program of AUSTRIACARD HOLDINGS AG, previously holding 22.7% of the share options in the program. His claims arising from the program up to 30 March 2024 are vested and shown within reserve for share-based payments in Equity.

#### ii. Key management personnel transactions

Directors of the Company control 72.3% of the voting shares of the ultimate Parent Company. Nikolaos Lykos holds a majority stake and can exercise control over the Group. Jon Neeras, member of the management board, and his related parties exercise direct control in Norwegian company "Aktiv Vekst AS". No other members of key management personnel hold positions in other companies that result in them having direct control or significant influence over these companies. No post-employment benefits exist.

Key management personnel compensation is as following:

in € thousand	H1 2024	H1 2023
Short-term employee benefits	1,464	960
Management participation programs (long-term)	1,599	566

Short-term employee benefits include expenses for severance payments for for the former Group CEO Panagiotits Spyropoulos amounting to t€ 253.

## iii. Transactions with members of the Supervisory Board

In first 6 months of 2024 Mr. Michael Butz, member of the Supervisory Board, invoiced t€ 48 for consulting services to the Group. In same period of previous year 2023 there have been no transactions with members of the Supervisory Board.

## iv. Transactions with associated companies

As of the balance sheet date 30.06.2024, there was only one investment in one immaterial associated company. The balance sheet items as of 30.06.2024 included no trade receivables or trade payables from associates. In the income statement for the financial year, income of  $\mathfrak{t} \in 129$  (2023:  $\mathfrak{t} \in 0$ ) is reported with associates.

#### 15. Subsequent events

At the 14th annual general meeting of AUSTRIACARD HOLDINGS AG, held on 9 July 2024, it was resolved to distribute a dividend of € 0.10 (2023: € 0.05) per share for the financial year 2023. Payment was done on 19 July 2024.



# 16. Statement by the Management Board of AUSTRIACARD HOLDINGS AG pursuant to section 125 (1) of the Stock Exchange Act

We confirm to the best of our knowledge that the condensed consolidated interim financial statements, which have been prepared in accordance with the applicable accounting standards, present a true and fair view of the Group's assets, liabilities, financial position and results of operations and that the Group's interim management report presents a true and fair view of the important events that occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements and with regard to the material risks and uncertainties in the remaining six months of the financial year and with regard to the material related party transactions to be disclosed.

Vienna, 29 August 2024

Nikolaos Lykos m.p. Chairman of the Management Board

Emmanouil Kontos m.p. Vice Chairman & Group CEO

Jon Neeras m.p. Member of the Management Board

Burak Bilge m.p. Member of the Management Board

Markus Kirchmayr m.p. Member of the Management Board