

AUSTRIACARD HOLDINGS AG
ANNOUNCES Q1 2023 RESULTS

May 9th, 2023: **AUSTRIACARD HOLDINGS AG (ACAG)** delivers a very strong set of results in Q1 2023

- **Q1 2023 Revenues increased by 48.7% reaching €89.8m, driven by strong performance of payment products and solutions in our focus areas being Challenger Banks, US, UK and Türkiye, as well as the growth in the product segment of secure data management solutions and postal distribution services.**
- **Economies of scale and higher average sales prices more than offset material and energy costs increase, increasing gross profit by 54.6% to €21.9m with an improved gross profit margin of 24.4%.**
- **General cost control measures limited OPEX increase to only 24.6%, resulting in a 78.5% Adj. EBITDA increase, reaching €13.5m, improving substantially Adj. EBITDA margin to 15.0% compared with 12.5% in Q1 2022.**
- **Net Profit after Tax increased by 133.1% to € 4.8m, improving Net Profit margin to 5.3% compared to 3.4% in last year's quarter.**
- **In March 23, AUSTRIACARD HOLDING AG shares were listed on the Vienna (VSE) and Athens (ATHEX) Exchanges and started trading with the symbol ACAG.**

CEO COMMENTARY

AUSTRIACARD HOLDINGS AG CEO, Panagiotis Spyropoulos, noted:

"We delivered an outstanding set of Q1 2023 results, with substantial growth in terms of Revenue, Adj. EBITDA and Net Profit, by 48.7%, 78.5% and 133.1% respectively. In parallel, good cost control, improved pricing and the benefits of scale led to substantial profitability margin improvements at all levels.

The successful integration of the Group's acquisitions made during the last 5 years enabled "ACAG" to take advantage of expanded scale and reach, as well as an enhanced product portfolio, so as to increase its market share in significant focus areas such as the Challenger Banks, US, UK and Türkiye, where sales increased by 115.7%, 120.7%, 37.3% and 143.7% respectively.

It should be noted that the Group now has production facilities and / or personalization centers in Andorra, Austria, Poland, Greece, Romania, Spain, Türkiye, UK and the USA, sales offices across the globe and employs around 2,500 people.

"ACAG" offers a diverse portfolio of world-class Secure Digital Technology Solutions in the fields of Payments and Secure Data Management and Digitalization across a large part of the globe, thus expects growth to continue in the years to come.

During Q1 2023 we reached an important milestone by listing the shares of our parent company AUSTRIACARD HOLDINGS AG on the Vienna and Athens Exchanges.

We have ambitious plans to grow over the next years, both organically as well as with selected acquisitions that may enrich both our portfolio and geographical footprint, thus enhanced access to capital markets and high visibility are important to us.

We are on track to reach our FY2023 targets of 12% -15% revenue growth, 25% -30% Adj. EBITDA growth, with a net profit margin of 4% -5%."

Q1 2023 BUSINESS PERFORMANCE

| Key performance indicators in € | 01-03 2023 | 01-03 2022 | D '23-'22 | D '23-'22 % |
|--|--------------|--------------|-------------|-------------|
| Revenue | 89,807,926 | 60,411,203 | 29,396,723 | 48.7% |
| Gross profit I | 38,028,700 | 27,139,145 | 10,889,555 | 40.1% |
| Gross profit I margin | 42.3% | 44.9% | -2.6% | n/a |
| Gross profit II | 21,884,108 | 14,157,478 | 7,726,630 | 54.6% |
| Gross profit II margin | 24.4% | 23.4% | 0.9% | n/a |
| Total OPEX excluding D&A | (24,931,510) | (20,016,256) | (4,915,254) | 24.6% |
| Total OPEX excluding D&A as % on sales | 27.8% | 33.1% | -5.4% | n/a |
| adjusted EBITDA | 13,505,821 | 7,564,674 | 5,941,147 | 78.5% |
| adjusted EBITDA margin | 15.0% | 12.5% | 2.5% | n/a |
| adjusted EBIT | 9,767,629 | 4,326,551 | 5,441,077 | 125.8% |
| adjusted EBIT margin | 10.9% | 7.2% | 3.7% | n/a |
| adjusted Profit before tax | 8,372,388 | 3,469,819 | 4,902,569 | 141.3% |
| adjusted Profit before tax margin | 9.3% | 5.7% | 3.6% | n/a |
| adjusted Profit after tax | 6,888,386 | 2,871,621 | 4,016,764 | 139.9% |
| adjusted Profit after tax margin | 7.7% | 4.8% | 2.9% | n/a |
| Profit after Tax | 4,800,860 | 2,059,841 | 2,741,020 | 133.1% |
| Profit after Tax margin | 5.3% | 3.4% | 1.9% | n/a |
| Net Equity / Total Assets | 31.8% | 31.0% | 0.8% | n/a |
| Operating Cash Flow | (677,625) | 3,005,797 | (3,683,422) | -122.5% |
| Operating Cash Flow as % on sales | -0.8% | 5.0% | -5.7% | |
| Net Working Capital | 36,345,988 | 24,445,716 | 11,900,272 | 48.7% |
| Net Debt | 82,543,010 | 76,597,138 | 5,945,872 | 7.8% |

Business Performance

AUSTRIACARD HOLDINGS Group **Revenues** reached € 89.8 million increasing by € 29.4 million or 48.7% compared to Q1 2022. This growth is mainly driven by strong sales of payment solutions to Challenger/Neo Banks (+115.7% overall), as well as to US, UK and Türkiye based financial institutions (+120.7%, +37.3% and +143.7% respectively). From a product category perspective, the number of sold cards increased by 28.9% and reached 34.4 million and the related revenue increased by 51.3% as a result of a improved average sales price. Further, higher demand for metal cards, secure data management solutions and postal distribution services contributed to the sales growth.

Gross profit I increased by € 10.9 million or 40.1% to reach € 38.0 million. Gross margin I dipped by 2.6 percentage points to 44.9% from 42.3% in 2023 as a result of different product mix. Gross profit II on the other hand increased by € 7.7 million or 54.6% reaching € 21.9 million, while Gross margin II increased by 0.9 pptst to 24.4% as a result of economies of scale and utilization of existing resources.

Operating expenses excluding depreciation, amortization and impairment (OPEX) increased by € 4.9 million or 24.6% reaching € 24.9 million mainly as a result of increased business activity. As a percentage of revenues OPEX decreased by 5.4 ppts to 27.8% vs. 33.1% in Q1 2022.

As a result, adjusted **EBITDA** increased by € 5.9 million or 78.5% from € 7.6 million to € 13.5 million and the adjusted EBITDA margin rose from 12.5% in the first quarter of 2022 to 15.0% in the first quarter of 2023.

Adjusted EBIT surged by € 5.4 million or 125.8% reaching a 10.9% margin vs. 7.2% in Q1 2022, as the increase in adjusted EBITDA was partially compensated by higher depreciation & amortization related to the important investments made in 2022 to support our business growth. **Adjusted Profit before tax** increased by € 4.9 million or 141.3%, with a margin of 9.3% vs. 5.7% in Q1 2022, as the increase in adjusted EBIT was partially compensated by higher interest expenses related to the increased Euribor. As a result of strong operating performance **adjusted Profit after tax increased** by € 4.0 million or 139.9% to € 6.9 million, reaching a margin of 7.7% vs. 4.8%.

Profit after tax increased by € 2.7 million or 133.1% to € 4.8 million as a result of strong operating performance, with a margin of 5.3% vs. 3.4% in Q1 2022.

Financial Position

Total assets increased by € 9.1 million from € 270.2 million as of 31 December 2022 to € 279.3m as of 31 March 2023 which is mainly related to increases in current assets, especially with respect to inventory and trade receivables, due to the strong business performance. As a result of the generated Profit Total Equity increased by € 5.1 million to € 88.8 million. The Group's equity ratio increased from 31.0% as of 31 December 2022 to 31.8% as of 31 March 2023.

At the end of March 2023, a cross-border merger between the Company and its subsidiary INFORM P. LYKOS HOLDINGS SA, Greece, was implemented, as a result of which the share capital of the Company was increased from € 16.9 million to € 18.2 million and the non-controlling interest related to this subsidiary were transferred to Equity attributable owners of the Company as of 31 March 2023. Except these reclassifications, the cross-border merger has not affected the overall amount of Total Equity of the Group.

Due to the business-driven increase in inventories and trade receivables, Net working capital increased by € 11.9 million or 48.7% from € 24.5 million as of 31 December 2022 to € 36.3 million as of 31 March 2023. As a result of this strong increase in Net working capital the Group's cash flow from operating activities decreased by € 3.7 million or 122.5% from € 3.0 million to € (0.7) million in the first quarter of 2023. We expect the working capital requirements to normalize in the course of the year and thus Cash flow from operating activities to be increased as the financial year 2023 progresses.

Net Debt increased by € 5.9 million from € 76.6 million as of 31 December 2022 to € 82.5 million as of 31 March 2023 due to the increase in Net working capital which is expected to be normalized in the course of the year.

ABOUT AUSTRIACARD HOLDINGS AG

AUSTRIACARD HOLDINGS AG, headquartered in Vienna, with an international presence and one of the leading providers of Secure Digital Technology Solutions in Europe.

AUSTRIACARD HOLDINGS AG is the one of the leading B2B providers of smart cards, personalization and payment solutions, as well as secure data management and digitalization solutions, in Austria, Scandinavia, Central and Eastern Europe and South Eastern Europe, while also having significant market share in many other European countries and Türkiye. The Group is expanding fast in geographical areas outside Europe, such as the USA where it has established a new personalization center, and the Middle East & Africa where sales units have been developed that have already drawn significant new business. In addition, the Company has become a payment products and solutions partner of choice for Challenger Banks/Neo Banks, a growing market segment world-wide.

The Company has a very strong pan-European operational footprint, reaching from the United Kingdom to Greece and Türkiye, with seven production facilities and seven personalization centers in Europe, as well as an additional personalization center in USA, employing currently around 2,500 people. It also has sales offices in Norway, Czech Republic, Germany, Croatia, Serbia, Jordan, the UAE and a network of partners and selling agencies around the world. This footprint enables the provision of a high service level to our customers, confirmed by the very long-lasting business relationships. The Group's international customer base benefits from a complementary product and services and solutions offering ranging from bill printing, direct mailing and document processing to payment, transit and ID cards increasingly bundled with online, mobile and digitalization transformation solutions.

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Stock Exchanges: Vienna Prime Market, Athens Main Market

APPENDIX

A. BUSINESS PERFORMANCE AND FINANCIAL POSITION

| Business performance | 01-03 2023 | 01-03 2022 | D '23-'22 | D '23-'22 % |
|---|--------------------|-------------------|-------------------|--------------------|
| Revenues | 89,807,926 | 60,411,203 | 29,396,723 | 48.7% |
| Costs of material & mailing | (51,779,226) | (33,272,058) | (18,507,168) | 55.6% |
| Gross profit I | 38,028,700 | 27,139,145 | 10,889,555 | 40.1% |
| <i>Gross margin I</i> | <i>42.3%</i> | <i>44.9%</i> | <i>-2.6%</i> | |
| Production costs | (16,144,592) | (12,981,666) | (3,162,925) | 24.4% |
| Gross profit II | 21,884,108 | 14,157,478 | 7,726,630 | 54.6% |
| <i>Gross margin II</i> | <i>24.4%</i> | <i>23.4%</i> | <i>0.9%</i> | |
| Other income | 533,753 | 668,571 | (134,818) | -20.2% |
| Selling and distribution expenses | (5,291,582) | (4,700,896) | (590,686) | 12.6% |
| Administrative expenses | (5,588,379) | (4,198,593) | (1,389,785) | 33.1% |
| Research and development expenses | (1,645,150) | (1,373,224) | (271,927) | 19.8% |
| Other expenses | (125,122) | (226,785) | 101,663 | -44.8% |
| + Depreciation, amortization and impairment | 3,738,192 | 3,238,123 | 500,069 | 15.4% |
| adjusted EBITDA | 13,505,821 | 7,564,674 | 5,941,147 | 78.5% |
| <i>adjusted EBITDA margin</i> | <i>15.0%</i> | <i>12.5%</i> | <i>2.5%</i> | |
| - Depreciation, amortization and impairment | (3,738,192) | (3,238,123) | (500,069) | 15.4% |
| adjusted EBIT | 9,767,629 | 4,326,551 | 5,441,077 | 125.8% |
| Financial income | 23,620 | 15,140 | 8,480 | 56.0% |
| Financial expenses | (1,418,861) | (871,872) | (546,989) | 62.7% |
| Net finance costs | (1,395,241) | (856,732) | (538,508) | 62.9% |
| adjusted Profit (Loss) before tax | 8,372,388 | 3,469,819 | 4,902,569 | 141.3% |
| Adjustments | (2,087,525) | (811,781) | (1,275,745) | 157.2% |
| Profit (Loss) before tax | 6,284,862 | 2,658,038 | 3,626,825 | 136.4% |
| Income tax expense | (1,484,002) | (598,197) | (885,805) | 148.1% |
| Profit (Loss) | 4,800,860 | 2,059,841 | 2,741,020 | 133.1% |
| Adjustments | 2,087,525 | 811,781 | 1,275,745 | 157.2% |
| adjusted Profit after tax | 6,888,386 | 2,871,621 | 4,016,764 | 139.9% |

Consolidated Statement of financial position

| | 31/03/2023 | 31/12/2022 | D '23-'22 | D '23-'22 % |
|-------------------------------------|--------------------|--------------------|------------------|--------------------|
| Non-current assets | 154,303,677 | 153,722,615 | 581,062 | 0.4% |
| Current assets | 124,958,621 | 116,430,601 | 8,528,020 | 7.3% |
| Total assets | 279,262,299 | 270,153,216 | 9,109,082 | 7.70% |
| Total Equity | 88,752,514 | 83,663,531 | 5,088,984 | 6.08% |
| Non-current liabilities | 90,031,925 | 88,470,448 | 1,561,477 | 1.76% |
| Current Liabilities | 100,477,859 | 98,019,237 | 2,458,622 | 2.51% |
| Total Equity and Liabilities | 279,262,299 | 270,153,216 | 9,109,082 | 10.36% |

Statement of cash flows

| | 01-03 2023 | 01-03 2022 | D '23-'22 | D '23-'22 % |
|---|--------------------|--------------------|--------------------|--------------------|
| Cash flows from operating activities | (677,625) | 3,005,797 | (3,683,422) | -122.5% |
| Cash flows from investing activities | (3,811,970) | (4,466,709) | 654,740 | -14.7% |
| Cash flows from financing activities | 468,076 | 1,788,794 | (1,320,718) | -73.8% |
| Net (decrease) increase in cash and cash equivalents | (4,021,519) | 327,882 | (4,349,401) | -1,326.5% |
| Capital expenditure incl. right-of-use assets, excl. M&A (CAPEX) | (4,754,040) | (7,061,015) | 2,306,975 | -32.7% |

Net Debt

| | 31/03/2023 | 31/12/2022 | D '23-'22 | D '23-'22 % |
|---------------------------|-------------------|-------------------|------------------|--------------------|
| Cash and cash equivalents | (17,534,379) | (21,628,404) | 4,094,025 | -18.9% |
| Loans and borrowings | 100,077,389 | 98,225,542 | 1,851,847 | 1.9% |
| Net Debt | 82,543,010 | 76,597,138 | 5,945,872 | 7.8% |

B) PRIMARY FINANCIAL STATEMENTS
Consolidated statement of financial position

| | 31/03/2023 | 31/12/2022 |
|---|--------------------|--------------------|
| Assets | | |
| Property, plant and equipment and right of use assets | 91,290,772 | 90,417,978 |
| Intangible assets and goodwill | 57,248,929 | 57,165,908 |
| Equity-accounted investees | 4,185,943 | 4,533,021 |
| Other receivables | 291,790 | 291,790 |
| Other long-term assets | 272,732 | 318,187 |
| Deferred tax assets | 1,013,511 | 995,731 |
| Non-current assets | 154,303,677 | 153,722,615 |
| Inventories | 41,754,564 | 36,074,378 |
| Contract assets | 11,816,584 | 10,852,463 |
| Current income tax assets | 244,993 | 337,521 |
| Trade receivables | 45,503,683 | 40,037,312 |
| Other receivables | 8,104,419 | 7,500,524 |
| Cash and cash equivalents | 17,534,379 | 21,628,404 |
| Current assets | 124,958,621 | 116,430,601 |
| Total assets | 279,262,299 | 270,153,216 |
| Equity | | |
| Share capital | 18,176,934 | 16,862,067 |
| Share premium | 34,510,986 | 34,510,986 |
| Other reserves | 7,168,224 | 7,246,817 |
| Retained earnings | 28,698,871 | 13,360,308 |
| Equity attributable to owners of the Company | 88,555,015 | 71,980,179 |
| Non-controlling interests | 197,499 | 11,683,352 |
| Total Equity | 88,752,514 | 83,663,531 |
| Liabilities | | |
| Loans and borrowings | 70,740,736 | 70,625,737 |
| Employee benefits | 12,407,238 | 10,896,992 |
| Other payables | 11,332 | 11,332 |
| Deferred tax liabilities | 6,872,619 | 6,936,386 |
| Non-current liabilities | 90,031,925 | 88,470,448 |
| Current tax liabilities | 4,455,038 | 3,528,716 |
| Loans and borrowings | 29,336,653 | 27,599,805 |
| Trade payables | 46,210,346 | 43,969,030 |
| Other payables | 13,994,733 | 12,380,054 |
| Contract liabilities | 5,782,210 | 7,072,840 |
| Deferred income | 635,927 | 3,405,841 |
| Provisions | 62,951 | 62,951 |
| Current Liabilities | 100,477,859 | 98,019,237 |
| Total Liabilities | 190,509,784 | 186,489,686 |
| Total Equity and Liabilities | 279,262,299 | 270,153,216 |

Consolidated income statement

| | 01-03 2023 | 01-03 2022 |
|---|--------------------|--------------------|
| Revenue | 89,807,926 | 60,411,203 |
| Cost of sales | (67,923,818) | (46,253,724) |
| Gross profit | 21,884,108 | 14,157,479 |
| Other income | 534,183 | 668,738 |
| Selling and distribution expenses | (5,291,582) | (4,700,896) |
| Administrative expenses | (7,432,328) | (4,707,191) |
| Research and development expenses | (1,645,150) | (1,373,224) |
| Other expenses | (125,362) | (227,006) |
| + Depreciation, amortization and impairment | 3,738,192 | 3,238,123 |
| EBITDA | 11,662,061 | 7,056,022 |
| - Depreciation, amortization and impairment | (3,738,192) | (3,238,123) |
| EBIT | 7,923,869 | 3,817,899 |
| Financial income | 27,191 | 128,076 |
| Financial expenses | (1,666,194) | (1,287,937) |
| Net finance costs | (1,639,004) | (1,159,861) |
| Profit (Loss) before tax | 6,284,865 | 2,658,038 |
| Income tax expense | (1,484,002) | (598,197) |
| Profit (Loss) | 4,800,863 | 2,059,841 |
| Profit (Loss) attributable to: | | |
| Owners of the Company | 4,365,835 | 2,041,749 |
| Non-controlling interests | 435,028 | 18,093 |
| Earnings (loss) per share | | |
| Basic and diluted | 0.26 | 0.12 |

Consolidated statement of cash flows

| | 01/01 – 31/03/2023 | 01/01 – 31/03/2022 |
|---|-------------------------------|-------------------------------|
| Cash flows from operating activities | | |
| Profit (Loss) before tax | 6,284,865 | 2,658,038 |
| Adjustments for: | | |
| -Depreciation, amortization and impairment | 3,738,192 | 3,238,123 |
| -Net finance costs | 1,639,004 | 1,159,861 |
| -Other non-cash adjustments | 1,863,992 | 534,094 |
| | 13,526,053 | 7,590,117 |
| Changes in: | | |
| -Inventories | (5,680,185) | (5,513,995) |
| -Contract assets | (964,121) | (144,083) |
| -Trade receivables and other receivables | (6,206,868) | (3,362,642) |
| -Contract liabilities | (1,290,629) | (1,640,177) |
| -Trade payables and other payables | 484,825 | 6,137,331 |
| Taxes paid | (546,700) | (60,754) |
| Net cash from (used in) operating activities | (677,625) | 3,005,797 |
| Cash flows from investment activities | | |
| Interest received | 23,620 | 15,124 |
| Acquisition of PPE and intangible assets | (3,835,589) | (4,481,893) |
| Net cash from (used in) investing activities | (3,811,970) | (4,466,709) |
| Cash flows from financing activities | | |
| Interest paid | (1,133,701) | (824,993) |
| Proceeds from loans and borrowings | 9,731,899 | 7,760,176 |
| Repayment of borrowings | (7,210,881) | (4,580,169) |
| Payment of lease liabilities | (919,240) | (425,217) |
| Dividends paid to non-controlling interest | 0 | (141,003) |
| Net cash from (used in) financing activities | 468,076 | 1,788,794 |
| Net increase (decrease) in cash and cash equivalents | (4,021,519) | 327,882 |
| Cash and cash equivalents at 1 January | 21,628,404 | 11,484,243 |
| Effect of movements in exchange rates on cash held | (72,507) | 153,521 |
| Cash and cash equivalents at 31 March | 17,534,379 | 11,965,646 |