

AUSTRIACARD HOLDINGS AG
ANNOUNCES Q1 2024 RESULTS

May 31ST, 2024: AUSTRIACARD HOLDINGS AG (ACAG) continues on a growth trajectory

- Group Adj. Revenues* during Q1 2024 increased by 1.4%, to € 89.7m, driven by Digital Transformation Technologies growth and postal distribution services consolidation in Romania, with growth of Secure Chip & Payment solutions to be reflected in the balance of the year.
- Strong pipelines in Western Europe and Americas promise further growth throughout the year.
- Improved sales mix leads to increased gross profit of € 22.5m and a gross profit margin of 25.1%.
- Adj. EBITDA increased to € 13.7m, leading to an Adj. EBITDA margin of 15.2%.
- Net Profit after Tax grew to € 5.0m, with Net Profit margin increasing to 5.6%.
- In April 2024 shareholders of ACAG placed 15% of the company to qualified investors, increasing free float to 28% and significantly enhancing investability.
- FY 2024 Guidance Confirmed: We remain confident in achieving our full-year targets of approximately 10% Adjusted Revenue growth and an even higher Adjusted EBITDA growth (10-12%).

**excluding the effect of IAS29 (Hyperinflation accounting) with respect to the Türkiye-based operations*

CEO COMMENTARY

AUSTRIACARD HOLDINGS AG Group Vice-Chairman and CEO, Manolis Kontos, noted:

"We started 2024 with strong performance in the geographical segments of Central Eastern Europe as well as Türkiye/Middle East and Africa, with Adj. Revenues growing by 23.0% and 34.7% respectively, while Western Europe, Nordics & Americas had a slower start compared to a very strong Q1 2023 but have a strong pipeline from Q2 2024 onwards. As a result Adj. Group Revenues increased by 1.4% to € 89.7m.

It should be noted that Q1 2023 had been a quarter of extraordinary group revenue growth approaching 48.7%, vs Q1 2022. Growth is picking up, as during the first months of 2024 we had significant contract wins which will drive the remainder of the year to much higher rate of Adj. Revenues and Adj. EBITDA growth. We successfully concluded important deals for metal cards, renewed personalization and card supply agreements with large financial groups and will start implementing the Public sectors RRF projects in Greece.

During the quarter, despite the slow start with respect to Adj. Revenues growth, our Adj. EBITDA margin increased reaching 15.2%, due to the structural improvements in our sales mix and cost base.

In line with our strategy to grow over the next years both organically as well as with selected acquisitions, we recently concluded the acquisition of LSTech, a company with strong expertise in research and data analytics, adding cutting edge AI solutions to our portfolio as well as research capacity.

In April shareholders of the company placed 15% of the company's shares driving our free float to 28% while significantly increasing daily liquidity. Given we were listed 14 months ago without an IPO, this placement practically marks the first entry of institutional investors as shareholders.

We are on track to reach our FY2024 targets of approx. 10% Adj. Revenues growth, accompanied by a higher percentage of Adj. EBITDA growth."

BUSINESS DEVELOPMENTS

- **Western Europe, Nordics, Americas:** A series of significant contracts secured in Q1 will fuel growth throughout 2024. These include supplying metal cards to a leading challenger bank and renewing a long-term agreement with a major Fintech player. AUSTRIACARD is solidifying its position as the supplier of choice for Fintech and challenger banks in Europe and the US.
- **Central Eastern Europe:** Key contract renewals with major banking groups, entry into the PayTV market, and client acquisitions in Romania and Bulgaria underscore continued growth in the region. Additionally, AUSTRIACARD is expanding its digital transformation business with agreements for services like digital conversion and electronic archiving.
- **Turkey/Middle East and Africa:** The addition of Turkey's largest bank as a client and ongoing opportunities in the MEA smart card and citizen identity segment, position AUSTRIACARD for further expansion.

GROUP BUSINESS PERFORMANCE

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 € 2.1m reaching € 91.8m in Q1 2024 compared to an increase of € 1.3m to € 89.7m in Q1 2023.

Hyperinflation accounting also increased Operating expenses (OPEX), adjusted EBITDA, adjusted EBIT and adjusted Profit before tax in the IFRS Income statement compared to the management Income statement by € 0.2m compared to € 0.1m in Q1 2023.

In Q1 2024 the positive impact of IAS 29 in Net finance costs increased Profit before tax and Profit by € 0.2m to € 6.6m respectively € 5.2m. In Q1 2023 the effect in Net finance costs was negative with € -0.1m compared to management Income, therefore Profit before tax and Profit were lower by € -0.1m.

Impact of hyperinflation in € million	1-3 2024			1-3 2023		
	IFRS	IAS29 Effect	MGMT	IFRS	IAS29 Effect	MGMT
Revenues	91.8	2.1	89.7	89.8	1.3	88.5
Gross Profit I	42.4	0.3	42.1	38.0	0.2	37.7
Gross Profit II	22.7	0.2	22.5	22.0	0.1	21.9
OPEX	(29.2)	(0.2)	(29.0)	(25.0)	(0.1)	(24.9)
adjusted EBITDA	13.8	0.2	13.7	13.5	0.1	13.4
adjusted EBIT	9.8	0.2	9.7	9.7	0.1	9.6
adjusted Profit before tax	7.9	0.2	7.8	8.3	0.1	8.2
Profit before tax	6.6	0.2	6.4	6.2	(0.1)	6.3
Profit	5.2	0.2	5.0	4.7	(0.1)	4.8

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.

Business performance in € million	1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Revenues	89.7	88.5	1.2	1.4%
Costs of material & mailing	(47.6)	(50.7)	3.1	-6.2%
Gross profit I	42.1	37.7	4.4	11.5%
<i>Gross margin I</i>	<i>46.9%</i>	<i>42.7%</i>	<i>4.3%</i>	
Production costs	(19.6)	(15.9)	(3.7)	23.2%
Gross profit II	22.5	21.9	0.7	3.0%
<i>Gross margin II</i>	<i>25.1%</i>	<i>24.7%</i>	<i>0.4%</i>	
Other income	0.9	0.6	0.3	47.3%
Selling and distribution expenses	(5.7)	(5.5)	(0.2)	3.2%
Administrative expenses	(6.1)	(5.6)	(0.5)	9.3%
Research and development expenses	(1.7)	(1.6)	(0.0)	2.9%
Other expenses	(0.3)	(0.1)	(0.2)	149.1%
+ Depreciation, amortization and impairment	4.0	3.7	0.3	6.9%
adjusted EBITDA	13.7	13.4	0.3	2.2%
<i>adjusted EBITDA margin</i>	<i>15.2%</i>	<i>15.1%</i>	<i>0.1%</i>	
- Depreciation, amortization and impairment	(4.0)	(3.7)	(0.3)	6.9%
adjusted EBIT	9.7	9.6	0.0	0.4%
Financial income	0.1	0.0	0.1	240.8%
Financial expenses	(2.0)	(1.4)	(0.6)	39.8%
Result from associated companies	0.0	0.0	0.0	n/a
Net finance costs	(1.9)	(1.4)	(0.5)	36.7%
adjusted Profit (Loss) before tax	7.8	8.2	(0.5)	-5.8%
Special items	(1.4)	(1.9)	0.6	-30.1%
Profit (Loss) before tax	6.4	6.3	0.1	1.7%
Income tax expense	(1.4)	(1.5)	0.1	-5.2%
Profit (Loss)	5.0	4.8	0.2	3.8%

The AUSTRIACARD HOLDINGS Group saw its **Revenues** climb to € 89.7 million, marking a € 1.2 million increase or a 1.4% rise compared to the first quarter of 2023. It should be noted that in Q1 23 revenues grew by 48.7% compared to Q1 22, as in 2023 we showed stronger performance in the first half of the year, while the reverse is expected for 2024. This growth was primarily fuelled by Digital Transformation Technologies (€ +3.8 million), particularly in the Greek market as a result of public digitalization projects, and in Document Lifecycle Management (€ +2.5 million), largely due to the acquisition of a majority stake in Pink Post, which was first consolidated in March 2023. These increases more than compensated the reduction of revenues from sales of chip modules and waivers (€ -5.8 million) in Secure Chip & Payment Solutions, resulting from our decision to significantly reduce sales of semi-finished products.

Revenues by solution category in € million	1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Secure Chip & Payment Solutions	55.3	60.4	(5.1)	-8.4%
Document Lifecycle Management	28.5	26.0	2.5	9.6%
Digital Transformation Technologies	5.9	2.1	3.8	181.0%
Total	89.7	88.5	1.2	1.4%

From segment perspective, revenue growth in the CEE and MEA regions being mostly related to growth with Secure Chip & Payment Solutions, especially in the Turkish market (€ +6.9 million), and with Digital Transformation Technologies (€ +3.8 million) was partially offset by lower revenues from the sale of metal cards (€ -3.7 million) and of chip modules and waivers (€ -5.1 million) in Western Europe, which nevertheless based on current firm orders outstanding, will record significant growth in the balance of the year.

Revenues by segment in € million	1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Western Europe, Nordics, Americas	25.9	34.6	(8.6)	-25.0%
Central Eastern Europe	62.1	50.5	11.6	23.0%
Türkiye / Middle East and Africa	20.1	14.9	5.2	34.7%
<i>Eliminations & Corporate</i>	(18.4)	(11.5)	(6.9)	60.4%
Total	89.7	88.5	1.2	1.4%

Gross profit I increased by € 4.4 million, representing an 11.5% increase, bringing it to a total of € 42.1 million. Additionally, the gross margin climbed to 46.9%, marking a 4.3 percentage point improvement over the first quarter of 2023, primarily attributed to increased service revenues and lower sales of merchandise.

Gross profit II increased by € 0.7 million or 3.0% despite an increase in Production costs (€ +3.7 million) mainly due to a different sales mix and a higher average sales price for payment cards as Gross profit II margin increased by 0.4 percentage points to 25.1% in Q1 2024.

Operating expenses excluding depreciation, amortization, and impairment (OPEX) rose by € 4.2 million or 16.8%, totalling to € 29.0 million primarily due to addition of the Pink Post expenses in March 2023 (€ +2.8 million) in the Production Costs line. Additional OPEX was allocated to accommodate business growth and address inflationary pressures on salaries and other costs. As a proportion of revenues, OPEX increased by 4.3 percentage points to 32.4% compared to 28.1% in the first three months of 2023.

Operating expenses excl. D,A&I (OPEX) in € million	1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Production costs	(19.6)	(15.9)	(3.7)	23.2%
Selling and distribution expenses	(5.7)	(5.5)	(0.2)	3.2%
Administrative expenses	(6.1)	(5.6)	(0.5)	9.3%
Research and development expenses	(1.7)	(1.6)	(0.0)	2.9%
+ Depreciation, amortization and impairment	4.0	3.7	0.3	6.9%
Total	(29.0)	(24.9)	(4.2)	16.8%
Operating expenses as a percentage of revenues	<i>32.4%</i>	<i>28.1%</i>	<i>4.3%</i>	

Adjusted EBITDA increased by € 0.3 million or 2.2% from € 13.4 million to € 13.7 million, driven by a higher gross profit. The adjusted EBITDA margin slightly increased by 0.1 percentage points to 15.2% in Q1 2024.

Adjusted EBIT was stable at € 9.7 million, practically mirroring the figures from Q1 2023, and representing 10.8% of revenue. This stability arises as the rise in adjusted EBITDA is offset to some extent by increased depreciation and amortization linked to previous-year investments aimed at bolstering our business expansion.

Adjusted profit before tax declined by € 0.5 million, marking a decrease of 5.8% compared to the first quarter of 2023. This resulted in a margin of 8.6%, down from 9.3%. The rise in adjusted EBITDA was offset to some extent by elevated interest expenses linked to the increased Euribor.

Special Items in € million	included in	1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Management participation programs	EBITDA	(1.2)	(1.9)	0.7	-37.2%
Foreign exchange gains	Profit before tax	0.1	0.0	0.1	n/a%
Expense from Financial assets and liabilities at fair value through profit or loss	Profit before tax	(0.2)	(0.0)	(0.2)	491.0%
Total		(1.4)	(1.9)	0.6	-30.1%

Profit after tax rose by € 0.2 million, marking a 3.8% increase to € 5.0 million, attributable to reduced expenses on special items and a decreased income tax burden. This led to an enhanced Profit after tax margin of 5.6%, compared to 5.4% in the first quarter of 2023.

FINANCIAL POSITION

Total assets increased by € 13.8 million from € 321.7 million as of 31 December 2023 to € 335.5 million as of 31 March 2024 which is mainly related to increases in current assets, especially with respect to inventory. Mainly as a result of the generated profits **Total Equity** increased by € 6.5 million to € 113.7 million. The Group's equity ratio increased from 33.3% as of 31 December 2023 to 33.9% as of 31 March 2024.

Consolidated Statement of financial position in € million	31/03/2024	31/12/2023	D '24-'23	D '24-'23 %
Non-current assets	158.9	156.8	2.1	1.4%
Current assets	176.6	164.9	11.6	7.1%
Total assets	335.5	321.7	13.8	4.3%
Total Equity	113.7	107.2	6.5	6.1%
Non-current liabilities	124.0	115.2	8.7	7.6%
Current Liabilities	97.8	99.3	(1.5)	-1.5%
Total Equity and Liabilities	335.5	321.7	13.8	4.3%

Due to the business-driven increase in inventories and contract assets, **Net working capital** increased by € 12.5 million or 21.4% from € 58.2 million as of 31 December 2023 to € 70.7 million as of 31 March 2024. We note that due to the Covid-19 related supply chain disruptions, inventories were severely depleted at end 2022, and are since then gradually becoming normalized to a level that allows the seamless servicing of our customers.

Net Working Capital in € million	31/03/2024	31/12/2023	D '24-'23	D '24-'23 %
Inventories	64.4	58.2	6.3	10.8%
Contract assets	22.8	20.4	2.4	11.8%
Current tax assets	0.8	0.8	(0.0)	-1.8%
Trade receivables	43.7	44.7	(1.0)	-2.3%
Other receivables	20.2	17.1	3.2	18.5%
	151.9	141.1	10.8	7.7%
Current tax liabilities	(2.7)	(3.0)	0.3	-9.1%
Trade payables	(32.8)	(43.6)	10.8	-24.8%
Other payables	(21.3)	(18.3)	(3.0)	16.2%
Contract liabilities	(14.4)	(17.4)	3.1	-17.6%
Deferred income	(10.0)	(0.5)	(9.5)	1,897.3%
	(81.2)	(82.9)	1.7	-2.0%
Net Working Capital	70.7	58.2	12.5	21.4%

The Group's **Cash flow from operating activities** was a net outflow of € -0.5 million compared to € -0.7 million in 1-3 2023. As a percentage of rolling 12 month revenues, Net working capital came in at 20.1% increasing 9.2 percentage points versus 31 March 2023 due to a higher level of inventory.

Statement of cash flows in € million	01-03 2024	01-03 2023	D '24-'23	D '24-'23 %
Cash flows from operating activities	(0.5)	(0.7)	0.2	-26.4%
Cash flows from investing activities	(3.8)	(3.8)	0.0	-0.8%
Cash flows from financing activities	5.2	0.5	4.7	1,004.0%
Net (decrease) increase in cash and cash equivalents	0.9	(4.0)	4.9	-122.1%
Capital expenditure incl. right-of-use assets, excl. M&A (CAPEX)	(4.9)	(4.9)	(0.0)	0.3%

Net Debt increased by € 7.5 million from € 95.0 million as of 31 December 2023 to € 102.6 million as of 31 March 2024 due to the increase in Net working capital. The Net Debt / Adjusted EBITDA (rolling 12 months) ratio increased from 1.9x in 1-3 2023 to 2.1x in 1-3 2024.

Net Debt in € million	31/03/2024	31/12/2023	D '24-'23	D '24-'23 %
Cash and cash equivalents	(24.7)	(23.8)	(0.8)	3.5%
Loans and borrowings	127.2	118.9	8.4	7.0%
Net Debt	102.6	95.0	7.5	7.9%

Key performance indicators in € million	1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Revenue	89.7	88.5	1.2	1.4%
Gross profit I	42.1	37.7	4.4	11.5%
Gross profit I margin	46.9%	42.7%	4.3%	n/a
Gross profit II	22.5	21.9	0.7	3.0%
Gross profit II margin	25.1%	24.7%	0.4%	n/a
Total OPEX excluding depreciation	(29.0)	(24.9)	(4.2)	16.8%
Total OPEX excluding depreciation as % on sales	-32.4%	-28.1%	-4.3%	n/a
adjusted EBITDA	13.7	13.4	0.3	2.2%
adjusted EBITDA margin	15.2%	15.1%	0.1%	n/a
adjusted EBIT	9.7	9.6	0.0	0.4%
adjusted EBIT margin	10.8%	10.9%	-0.1%	n/a
adjusted Profit before tax	7.8	8.2	(0.5)	-5.8%
adjusted Profit before tax margin	8.6%	9.3%	-0.7%	n/a
adjusted Profit after tax	6.4	6.8	(0.4)	-5.9%
adjusted Profit after tax margin	7.1%	7.6%	-0.6%	n/a
Profit after Tax	5.0	4.8	0.2	3.8%
Profit after Tax margin	5.6%	5.4%	0.1%	n/a
Operating Cash Flow	(0.5)	(0.7)	0.2	-26.4%
Operating Cash Flow as % on sales	-0.6%	-0.8%	0.2%	n/a
Net Equity / Total Assets <i>(31 March vs. 31. December)</i>	33.9%	33.3%	0.6%	n/a
Net Working Capital <i>as of 31 March</i>	70.7	36.9	33.8	91.6%
Working Capital as % on sales (12 months)	20.1%	10.9%	9.2%	n/a
Net Debt <i>as of 31 March</i>	102.6	83.1	19.4	23.4%
Net Debt / Adjusted EBITDA (12 months)	2.1	1.9	0.2	n/a

REPORT ON SEGMENTS
Western Europe, Nordics, Americas

Business performance in € million	1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Revenues	25.9	34.6	(8.6)	-25.0%
Costs of material & mailing	(12.9)	(19.5)	6.6	-33.9%
Gross profit I	13.1	15.1	(2.0)	-13.4%
<i>Gross margin I</i>	<i>50.3%</i>	<i>43.6%</i>	<i>6.7%</i>	
Production costs	(5.5)	(5.2)	(0.4)	6.9%
Gross profit II	7.5	9.9	(2.4)	-24.0%
<i>Gross margin II</i>	<i>29.0%</i>	<i>28.7%</i>	<i>0.3%</i>	
Other income	0.0	0.0	(0.0)	-6.2%
Selling and distribution expenses	(2.0)	(2.2)	0.2	-7.5%
Administrative expenses	(1.6)	(1.9)	0.2	-12.6%
Research and development expenses	(0.2)	(0.1)	(0.1)	66.2%
Other expenses	(0.0)	0.2	(0.2)	-100.3%
+ Depreciation, amortization & impairment	1.4	1.3	0.1	8.3%
adjusted EBITDA	5.1	7.2	(2.1)	-29.4%
<i>adjusted EBITDA margin</i>	<i>19.7%</i>	<i>20.9%</i>	<i>-1.2%</i>	
- Depreciation, amortization & impairment	(1.4)	(1.3)	(0.1)	8.3%
adjusted EBIT	3.7	5.9	(2.2)	-37.9%

The Segment Western Europe, UK, Nordics and Americas (WEST) recorded revenues of € 25.9m in Q1 2024 decreasing by € 8.6m or 25.0% compared to first quarter of 2023. The decline in revenues of this segment mainly results from a reduction in Secure Chip & Payment Solutions (approx. €-6.4m) and lower sales of chips and wafers by € -5.1m, resulting from our decision not to pursue sales of semi-finished products, partially compensated by higher revenues from freight recharges of € 1.9m.

Gross profit I decreased by € 2.0 million or 13.4% from € 15.1m to € 13.1m in the first quarter of 2024 due to lower revenues whereas Gross margin I increased by 6.7 percentage points to 50.3%. This margin increase mainly relates to the different sales mix (less revenue from sale of chips and wafers) and higher in average sales prices more than offsetting also increased purchasing costs for raw materials.

Gross profit II decreased by € 2.4m or 24.0% from € 9.9m to € 7.5m as a result of lower Gross profit I and increased production cost while Gross Margin II improved with 0.3 percentage points.

OPEX were stable with € 8.0m in the first quarter 2024 compared to same period in 2023 due to reductions in Administration and Selling and distribution expenses. As a percentage of revenues OPEX increased from 23.3% to 30.7% in Q1 2024.

Operating expenses excl. D,A&I (OPEX) in € million	1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Production costs	(5.5)	(5.2)	(0.4)	6.9%
Selling and distribution expenses	(2.0)	(2.2)	0.2	-7.5%
Administrative expenses	(1.6)	(1.9)	0.2	-12.6%
Research and development expenses	(0.2)	(0.1)	(0.1)	66.2%
+ Depreciation, amortization & impairment	1.4	1.3	0.1	8.3%
Total	(8.0)	(8.0)	0.1	-1.1%
Operating expenses as a percentage of revenues	<i>30,7%</i>	<i>23,3%</i>	<i>7,4%</i>	

Adjusted EBITDA decreased by € 2.1m or 29.4% to € 5.1 and adjusted EBIT by € 2.2m or 37.9% to € 3.7m as a result of lower revenues.

Central Eastern Europe

Business performance in € million		1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Revenues		62.1	50.5	11.6	23.0%
Costs of material & mailing		(34.8)	(30.7)	(4.1)	13.3%
Gross profit I		27.4	19.8	7.5	38.0%
	<i>Gross margin I</i>	44.1%	39.3%	4.8%	
Production costs		(12.9)	(9.4)	(3.5)	37.1%
Gross profit II		14.5	10.4	4.1	38.9%
	<i>Gross margin II</i>	23.3%	20.7%	2.7%	
Other income		0.9	0.6	0.2	35.4%
Selling and distribution expenses		(3.2)	(3.0)	(0.2)	6.5%
Administrative expenses		(4.9)	(3.3)	(1.7)	51.0%
Research and development expenses		(1.4)	(1.5)	0.1	-5.2%
Other expenses		(0.2)	(0.2)	(0.0)	8.1%
+ Depreciation, amortization & impairment		2.5	2.3	0.2	9.5%
adjusted EBITDA		8.0	5.3	2.7	51.0%
	<i>adjusted EBITDA margin</i>	12.9%	10.5%	2.4%	
- Depreciation, amortization & impairment		(2.5)	(2.3)	(0.2)	9.5%
adjusted EBIT		5.5	3.0	2.5	81.8%

The segment Central Eastern Europe & DACH ("CEE") recorded revenues of € 62.1m increasing by € 11.6m or 23.0% compared to the first quarter of 2023. The increase in revenues is mainly due to Secure Chip & Payment Solutions (€ 5.8m) which have also benefited from the increased number of cards produced for the Turkish market. Additionally, the Document Lifecycle Management business due to the consolidation of the Pink Post business which contributed to the revenue growth by € 2.8m, as well as the start of the implementation of the public digitalization projects in Greece and the general growth of our Digital Transformation Technologies business, which added € 3.8m.

Gross profit I increased by € 7.5m or 38.0% as a result of higher revenues and the Gross margin I improved by 4.8 percentage points from 39.3% to 44.1% mainly because of higher average sales prices and a higher share of service-related revenues which more than compensated material price increases.

Gross profit II increased by € 4.1m or 38.9% from € 10.4m to € 14.5m and the Gross margin II improved as a result of a higher gross profit more than compensated the significant increase in Production costs as Gross margin II improved by 2.7 percentage points reaching at 23.3%.

OPEX increased by € 5.1m or 33.8% to € 20.0m mainly as a result of the addition of the Pink Post business in Romania (€ 2.8m). The remaining increase mostly relates to higher personnel expenses resulting inflationary salary raises and staff hirings. As percentage of revenues Operating expenses increased from 29.6% to 32.2% in Q1 2024.

Operating expenses excl. D,A&I (OPEX) in € million		1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Production costs		(12.9)	(9.4)	(3.5)	37.1%
Selling and distribution expenses		(3.2)	(3.0)	(0.2)	6.5%
Administrative expenses		(4.9)	(3.3)	(1.7)	51.0%
Research and development expenses		(1.4)	(1.5)	0.1	-5.2%
+ Depreciation, amortization & impairment		2.5	2.3	0.2	9.5%
Total		(20.0)	(15.0)	(5.1)	33.8%
Operating expenses as a percentage of revenues		32,2%	29,6%	2,6%	

Adjusted EBITDA increased by 51.0% or € 2.7m to € 8.0m and adjusted EBIT by 81.8% or € 2.5m to € 5.5m, as a result of the addition of the Pink Post distribution business and business growth in the main areas generating economies of scale.

Türkiye / Middle East and Africa

Business performance in € million	1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Revenues	20.1	14.9	5.2	34.7%
Costs of material & mailing	(16.9)	(11.8)	(5.1)	43.6%
Gross profit I	3.2	3.1	0.1	1.3%
<i>Gross margin I</i>	<i>15.8%</i>	<i>21.0%</i>	<i>-5.2%</i>	
Production costs	(1.1)	(1.3)	0.2	-14.2%
Gross profit II	2.0	1.8	0.2	12.8%
<i>Gross margin II</i>	<i>10.1%</i>	<i>12.0%</i>	<i>-2.0%</i>	
Other income	0.0	0.0	0.0	n/a
Selling and distribution expenses	(0.4)	(0.3)	(0.1)	53.9%
Administrative expenses	(0.1)	(0.1)	0.0	-2.8%
Research and development expenses	0.0	0.0	0.0	n/a
Other expenses	(0.0)	(0.1)	0.0	-56.0%
+ Depreciation, amortization & impairment	0.1	0.1	(0.1)	-48.0%
adjusted EBITDA	1.6	1.5	0.1	6.0%
<i>adjusted EBITDA margin</i>	<i>7.8%</i>	<i>9.9%</i>	<i>-2.1%</i>	
- Depreciation, amortization & impairment	(0.1)	(0.1)	0.1	-48.0%
adjusted EBIT	1.5	1.3	0.1	11.1%

The Türkiye, Middle East and Africa (MEA) segment recorded revenues of € 20.1m increasing by € 5.2m or 34.7% compared to Q1 2023. This increase stems from the Secure Chip & Payment Solutions with a strong business performance with payment products and services in the Turkish Market.

Gross profit I increased by € 0.1m due to increased revenues while the Gross margin I is below last year by 5.2 percentage points from 21.0% to 15.8% mainly due to a different sales mix.

Gross profit II increased by € 0.2m or 12.8% from € 1.8m to € 2.0m mainly as a result of sales mix related reduced Production costs. Gross margin II decreased by 2.0 percentage points reaching at 10.1% mainly as a result of a lower Gross margin I.

OPEX remained stable with € 1.6m in the first quarter of 2024 compared to Q1 2023. As a percentage of revenues OPEX decreased from 10.6% to 7.9% in Q1 2024.

Operating expenses excl. D,A&I (OPEX) in € million	1-3 2024	1-3 2023	D '24-'23	D '24-'23 %
Production costs	(1.1)	(1.3)	0.2	-14.2%
Selling and distribution expenses	(0.4)	(0.3)	(0.1)	53.9%
Administrative expenses	(0.1)	(0.1)	0.0	-2.8%
Research and development expenses	0.0	0.0	0.0	n/a
+ Depreciation, amortization & impairment	0.1	0.1	(0.1)	-48.0%
Total	(1.6)	(1.6)	(0.0)	0.3%
Operating expenses as a percentage of revenues	<i>7,9%</i>	<i>10,6%</i>	<i>-2,7%</i>	

Adjusted EBITDA increased by 6.0% or € 0.1m to € 1.6m and adjusted EBIT increased by 11.1% or € 0.1m to € 1.5m, as a result of the increased business growth in Secure Chip & Payment Solutions generating higher Gross profit.

ABOUT AUSTRIACARD HOLDINGS AG

AUSTRIACARD HOLDINGS AG leverages over 130 years of experience in information management, printing, and communications to deliver secure and transparent experiences for its customers. They offer a comprehensive suite of products and services, including payment solutions, identification solutions, smart cards, card personalization, digitization solutions, and secure data management. ACAG employs a global workforce of 2,700 people and is publicly traded on both the Athens and Vienna Stock Exchanges under the symbol ACAG.

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ISIN:	AT0000A325L0
Stock Exchanges:	Vienna Prime Market, Athens Main Market

APPENDIX

A. PRIMARY FINANCIAL STATEMENTS
Consolidated statement of financial position

in € thousand	31 March 2024	31 December 2023
Assets		
Property, plant and equipment and right of use assets	96,785	96,275
Intangible assets and goodwill	56,113	55,526
Equity-accounted investees	324	324
Other receivables	3,158	2,386
Other long-term assets	91	136
Deferred tax assets	2,439	2,116
Non-current assets	158,910	156,764
Inventories	64,428	58,164
Contract assets	22,793	20,386
Current income tax assets	777	791
Trade receivables	43,662	44,677
Other receivables	20,238	17,082
Cash and cash equivalents	24,663	23,825
Current assets	176,560	164,924
Total assets	335,470	321,688
Equity		
Share capital	36,354	36,354
Share premium	32,749	32,749
Other reserves	18,404	17,303
Retained earnings	25,362	19,995
Equity attributable to owners of the Company	112,869	106,401
Non-controlling interests	822	753
Total Equity	113,691	107,154
Liabilities		
Loans and borrowings	110,589	102,432
Employee benefits	4,023	4,207
Other payables	18	81
Deferred tax liabilities	9,325	8,497
Non-current liabilities	123,955	115,217
Current tax liabilities	2,699	2,968
Loans and borrowings	16,633	16,440
Trade payables	32,834	43,649
Other payables	21,276	18,317
Contract liabilities	14,373	17,442
Deferred income	10,008	501
Current Liabilities	97,823	99,317
Total Liabilities	221,779	214,534
Total Equity and Liabilities	335,470	321,688

Consolidated income statement

in € thousand	1-3 2024	1-3 2023*
Revenue	91,765	89,808
Cost of sales	(69,040)	(67,739)
Gross profit	22,725	22,069
Other income	892	534
Selling and distribution expenses	(5,686)	(5,503)
Administrative expenses	(7,323)	(7,514)
Research and development expenses	(1,692)	(1,645)
Other expenses	(299)	(125)
+ Depreciation, amortization and impairment	3,995	3,738
EBITDA	12,612	11,554
- Depreciation, amortization and impairment	(3,995)	(3,738)
EBIT	8,616	7,816
Financial income	175	27
Financial expenses	(2,186)	(1,666)
Result from associated companies	0	0
Net finance costs	(2,011)	(1,639)
Profit (Loss) before tax	6,605	6,177
Income tax expense	(1,431)	(1,484)
Profit (Loss)	5,175	4,693
Profit (Loss) attributable to:		
Owners of the Company	5,078	4,258
Non-controlling interests	97	435
Profit (Loss)	5,175	4,693
Earnings (loss) per share¹		
basic	0.14	0.25
diluted	0.13	0.25

*Q1 2023 adjusted retrospectively by effects of corrections of error carried out per 31.12.2023

¹ Earnings per share in 2024 fully reflect the capital measures implemented in March and August 2023 whereas the comparatives only reflect them proportionately. As a result earnings per share in 2024 are lower compared to 2023 despite a higher Profit.

Consolidated statement of cash flows

in € thousand	1-3 2024	1-3 2023*
Cash flows from operating activities		
Profit (Loss) before tax	6,605	6,177
Adjustments for:		
-Depreciation, amortization and impairment	3,995	3,738
-Net finance costs	2,011	1,639
-Other non-cash transactions	(317)	1,972
	12,294	13,526
Changes in:		
-Inventories	(6,264)	(5,680)
-Contract assets	(2,407)	(964)
-Trade receivables and other receivables	(2,142)	(6,207)
-Contract liabilities	(3,068)	(1,291)
-Trade payables and other payables	1,650	485
-Taxes paid	(563)	(547)
Net cash from (used in) operating activities	(499)	(678)
Cash flows from investment activities		
Interest received	81	24
Acquisition of subsidiary, net of cash acquired	(745)	0
Payments for acquisition of property, plant and equipment & intangible assets	(3,117)	(3,836)
Net cash from (used in) investing activities	(3,780)	(3,812)
Cash flows from financing activities		
Interest paid	(1,367)	(1,134)
Proceeds from loans and borrowings	10,508	9,732
Repayment of borrowings	(3,130)	(7,211)
Payment of lease liabilities	(844)	(919)
Net cash from (used in) financing activities	5,168	468
Net increase (decrease) in cash	889	(4,022)
Cash at 1 January	23,825	21,628
Effect of movements in exchange rates on cash held	(50)	(73)
Cash at 31 March	24,663	17,534

*Q1 2023 adjusted retrospectively by effects of corrections of error carried out per 31.12.2023

B. SEGMENT REPORTING

1-3 2024 in € thousand	Reportable Segments					Total excl. IAS 29	IAS 29	Total
	WEST	CEE	MEA excl. IAS 29	Corporate	Elimi- nations			
Revenues	24,414	45,260	20,026	4	0	89,705	2,060	91,765
Intersegment revenues	1,525	16,887	30	1,000	(19,442)	0	0	0
Segment revenues	25,939	62,146	20,056	1,005	(19,442)	89,705	2,060	91,765
Costs of material & mailing	(12,887)	(34,758)	(16,894)	0	16,925	(47,614)	(1,767)	(49,381)
Gross profit I	13,053	27,388	3,162	1,005	(2,517)	42,091	293	42,384
Production costs	(5,529)	(12,886)	(1,140)	0	0	(19,554)	(105)	(19,659)
Gross profit II	7,524	14,502	2,022	1,005	(2,517)	22,537	188	22,725
Other income	6	870	14	0	0	890	1	892
Selling and distribution expenses	(2,047)	(3,235)	(388)	0	0	(5,669)	(17)	(5,686)
Administrative expenses	(1,650)	(4,935)	(125)	(1,917)	2,517	(6,110)	(10)	(6,121)
Research and development expenses	(177)	(1,428)	0	(87)	0	(1,692)	0	(1,692)
Other expenses	(1)	(249)	(30)	(16)	0	(296)	(3)	(299)
+ Depreciation, amortization and impairment	1,450	2,479	65	1	0	3,995	0	3,995
adjusted EBITDA	5,106	8,005	1,558	(1,014)	(0)	13,655	159	13,814
- Depreciation, amortization and impairment	(1,450)	(2,479)	(65)	(1)	0	(3,995)	0	(3,995)
adjusted EBIT	3,656	5,526	1,493	(1,015)	(0)	9,660	159	9,819
Financial income						74	8	81
Financial expenses						(1,979)	2	(1,978)
Result from associated companies						0	0	0
Net finance costs						(1,906)	10	(1,896)
adjusted Profit (Loss) before tax						7,754	169	7,923
Special items						(1,358)	41	(1,317)
Profit (Loss) before tax						6,396	210	6,605
Income tax expense						(1,396)	(35)	(1,431)
Profit (Loss)						5,000	175	5,175

1-3 2023 in € thousand	Reportable Segments					Total excl. IAS 29	IAS 29	Total
	WEST	CEE	MEA excl. IAS 29	Corporate	Elimi- nations			
Revenues	34,130	39,462	14,884	0	0	88,475	1,262	89,737
Intersegment revenues	435	11,056	1	21	(11,514)	0	0	0
Segment revenues	34,565	50,518	14,885	21	(11,514)	88,475	1,262	89,737
Costs of material & mailing	(19,487)	(30,677)	(11,764)	0	11,194	(50,734)	(1,045)	(51,779)
Gross profit I	15,077	19,841	3,121	21	(319)	37,741	218	37,958
Production costs	(5,172)	(9,401)	(1,328)	0	31	(15,870)	(91)	(15,961)
Gross profit II	9,905	10,440	1,793	21	(288)	21,870	127	21,997
Other income	6	643	0	66	(111)	604	0	604
Selling and distribution expenses	(2,212)	(3,038)	(252)	0	8	(5,494)	(8)	(5,502)
Administrative expenses	(1,888)	(3,268)	(129)	(693)	386	(5,592)	(8)	(5,600)
Research and development expenses	(106)	(1,507)	0	(37)	5	(1,645)	0	(1,645)
Other expenses	186	(231)	(68)	(6)	0	(119)	(6)	(125)
+ Depreciation, amortization and impairment	1,338	2,263	126	11	0	3,738	0	3,738
adjusted EBITDA	7,228	5,303	1,469	(638)	0	13,363	105	13,467
- Depreciation, amortization and impairment	(1,338)	(2,263)	(126)	(11)	0	(3,738)	0	(3,738)
adjusted EBIT	5,890	3,040	1,344	(649)	0	9,624	105	9,729
Financial income						22	2	24
Financial expenses						(1,416)	(3)	(1,419)
Result from associated companies						0	0	0
Net finance costs						(1,394)	(1)	(1,395)
adjusted Profit (Loss) before tax						8,230	104	8,334
Special items						(1,943)	(214)	(2,157)
Profit (Loss) before tax						6,287	(110)	6,177
Income tax expense						(1,472)	(12)	(1,484)
Profit (Loss)						4,816	(123)	4,693