

AUSTRIACARD HOLDINGS AG

REMUNERATION REPORT 2023

1. Introduction

AUSTRIACARD HOLDINGS AG has been publicly traded on the Vienna Stock Exchange as well as the Athens Exchange since March 2023. This remuneration report was prepared in accordance with Sec 78c and 98a Austrian Stock Corporation Act in order to provide a comprehensive overview of the remuneration awarded to the members of the Management Board and Supervisory Board in the 2023 financial year.

This remuneration report is based on the currently applicable remuneration policy for the members of the Management Board and the Supervisory Board adopted by the Extraordinary General Meeting held on 30 November 2022. In accordance with Sec 78b Austrian Stock Corporation Act, an updated remuneration policy will be put to vote in the Annual General Meeting to be held on 9 July 2024. The remuneration report for the 2024 financial year will be prepared in accordance with the new remuneration policy (if adopted by shareholders).

The remuneration report was prepared jointly by the Management Board and the Supervisory Board. It was reviewed by the Nomination and Remuneration Committee of the Supervisory Board and approved by the Supervisory Board on 22 May 2024. In accordance with the applicable legal requirements, this remuneration report will be presented to the Annual General Meeting to be held on 9 July 2024 and put to a respective vote.

This Remuneration Report describes the basic features of the remuneration systems for the members of the Management Board and Supervisory Board of AUSTRIACARD HOLDINGS AG and provides information on the (i) remuneration awarded and on the (ii) remuneration due to the members of the Management Board as well as to the members of the Supervisory Board in the financial year 2023. It takes into account the requirements set out in Sections 78c and 98a AktG and is based on Statement 37 of the Austrian Financial Reporting and Auditing Committee ("AFRAC Statement").

2. Economic developments in the past financial year

AUSTRIACARD HOLDINGS AG has completed the 2023 financial year with very strong revenue and profitability growth. During the 2023 financial year, group adjusted revenues¹ increased by 13.2%, reaching EUR 351.3 million. Excluding the effect of the one-off Kenyan elections project in 2022, comparable revenues increased by 23.0%, or EUR 65.8 million. Growth driven by strong performance in Secure Chip & Payments, Digital Transformation Solutions in Central Eastern Europe, consolidation of Romanian postal activities.

In the 2023 financial year, the group adjusted EBITDA grew by 27.2% and reached EUR 49.3 million, with a margin of 14.0% compared to 12.5% in the 2022 financial year. Excluding Kenya, the adjusted EBITDA grew by 50.6%.

Net Income for the period increased by 220.9% to EUR 17.0 million, with a margin of 4.8% compared to 1.7% in the 2022 financial year, due to strong operating performance and significantly less adjustments.

A dividend of EUR 0.10 per share will be proposed to the Annual General Meeting on 9 July 2024.

¹ Excluding the effect of IAS29 (Hyperinflation accounting) with respect to the Türkiye-based operations. Reported IFRS FY 2023 Group Revenues were EUR 364.6 million.

3. Remuneration of the Management Board

The results achieved by AUSTRIACARD HOLDINGS AG in the 2023 financial year are reflected in the remuneration of the Management Board members.

In the following, both (i) the remuneration awarded and (i) the remuneration due to the Management Board members are presented. The remuneration due includes the amounts actually paid to the Management Board member within a specified period which are to be assigned to the current period under review. On the other hand, it also includes entitlements definitively acquired in this period, even if payment takes place in a later period. The remuneration awarded relates to provisions allocated in a financial year as well as other accrued remuneration components made on the basis of legal or contractual obligations which must be economically allocated in this reporting period although the final specification and payment will take place in subsequent periods. With the exception of the information presented in chapter “3.2.3. Share option program”, all tables include remuneration components due, i.e. amounts actually received or entitlements definitively acquired. This allows for a good comparability of the annual remunerations.

The following table shows a summary of fixed and variable remuneration components allocated to Management Board members in accordance with AUSTRIACARD HOLDINGS AG’s remuneration policy, which was presented to the Extraordinary General Meeting held on 30 November 2022 and unanimously approved:

Board member²	Function	Fixed base remuneration in €	Annual bonus in cash in €	Share option plan in €	Total (gross) in €
Nikolaos Lykos	Chairman of the Management Board	563,955	-	-	563,955
Panagiotis Spyropoulos	Vice-Chairman of the Management Board and Group CEO	435,753	546,000	1,132,813	2,114,566
Emmanouil Kontos	Deputy CEO and EVP CEE & DACH	164,619	195,500	468,750	828,869
Jon Neeraas	Executive Vice President Western Europe, UK, Nordics and Americas	136,567	-	468,750	605,317
Burak Bilge	Executive Vice President Türkiye / Middle East and Africa	126,339	59,000	138,839	324,178
Markus Kirchmayr	Group CFO	129,934	143,000	234,375	507,309
TOTAL		1,557,167	943,500	2,443,527	4,944,193

² Emmanouil Kontos, Jon Neeraas, Burak Bilge and Markus Kirchmayr joined the Management Board on 1 July 2023. The presented amounts for aforementioned members therefore only refer to the period from 1 July to 31 December 2023.

3.1. General principles

The remuneration policy seeks to promote recurring creation of value for the AUSTRIACARD Group, establishing alignment between the interests of its employees and shareholders with sound risk management. It is founded in the guiding principles of (i) proportionality, (ii) incentivizing the recruitment, motivation and retention of high-calibre executive talent, (iii) incentivizing adherence to business strategy, long-term interests and sustainable growth over short-term gains and excessive risk taking, (iv) rewarding creation of value, (v) prevention of conflicts of interest, (vi) risk management, (vii) consistency of remuneration practices across the company, and (viii) transparency.

The remuneration policy is published on AUSTRIACARD HOLDINGS AG's website under <https://www.austriacard.com/investor-relations-ac/policies-reports-ac/>.

3.2. Remuneration structure

In accordance with the applicable remuneration policy, the remuneration of the members of the Management Board includes fixed and variable components.

3.2.1. Fixed base remuneration

The fixed base remuneration is determined by the Nomination and Remuneration Committee after due consideration of the levels of fixed remuneration paid by other (comparable) companies of similar size and business for similar positions, education, skills required for the position, experience, position and responsibilities of the member of the Management Board, individual performance, the company's performance, salary and employment conditions in the company as well as broader economic and inflationary conditions in the country of residence of the member of the Management Board.

The fixed remuneration of the Management Board members 2023 consisted of the fixed basic salary, benefits in kind, various insurance policies and pension fund contributions. Benefits in kind include mainly the provision of a car for official and private purposes. The benefits of a medical insurance or other additional insurance policies are also listed.

D&O insurance: The Management Board members are covered by Directors & Officers (D&O) insurance taken out by AUSTRIACARD HOLDINGS AG to adequately protect them from claims which may arise from decisions and actions taken as part of their duties.

The fixed base remuneration awarded to Management Board members of AUSTRIACARD HOLDINGS AG in the 2023 financial year respectively for the period since joining the Management Board in 2023 is set out in the table below:

Fixed remuneration in EUR	Nikolaos Lykos³	Panagiotis Spyropoulos⁴	Emmanouil Kontos⁵	Jon Neeraas⁶	Burak Bilge⁷	Markus Kirchmayr⁸
Fixed remuneration	563,955	420,000	159,561	125,000	125,000	125,000
Benefits in kind	0	14,873	5,059	-	1,079	4,934
additional insurance	0	880	0	2,531	260	0.
Pension funds contribution	0	0	0	9,036	0	0
TOTAL FIXED REMUNERATION	563,955	435,753	164,619	136,567	126,339	129,934

3.2.2. Variable remuneration

Variable remuneration may comprise of the following elements: (i) annual bonus in cash (STI) and (ii) participation in a performance share plan (LTI).

3.2.2.1. Annual bonus in cash (STI)

The agreements with the members of the Management Board may allow for the provision of an annual bonus in cash, which aims to reward the achievement of financial and operational objectives on an annual basis. For the purposes of granting the annual bonus, the Nomination and Remuneration Committee determines the specific annual financial targets for a two-year period, which are aligned with the Company's business strategy, which have to be clear and sufficiently detailed. Annual bonuses in cash are paid, only if the members of the Management Board meet the targets set by the Nomination and Remuneration Committee, provided that the Company has profits. The annual bonus in cash shall not exceed 130% of their annual fixed base remuneration.

³ EUR 147,600.00 were paid by AUSTRIA CARD-Plastikkarten und Ausweissysteme GmbH (subsidiary of AUSTRIACARD HOLDINGS AG). Amounts presented excluding applicable VAT of 20%.

⁴ Paid by INFORM LYKOS (HELLAS) S.A. (subsidiary of AUSTRIACARD HOLDINGS AG)

⁵ Paid by AUSTRIA CARD-Plastikkarten und Ausweissysteme GmbH (subsidiary of AUSTRIACARD HOLDINGS AG).

⁶ Paid by TSG Norway AS (subsidiary of AUSTRIACARD HOLDINGS AG).

⁷ Paid by AC Türkiye (subsidiary of AUSTRIACARD HOLDINGS AG).

⁸ EUR 53,571.42 were paid by AUSTRIA CARD-Plastikkarten und Ausweissysteme GmbH (subsidiary of AUSTRIACARD HOLDINGS AG).

For the 2023 financial year, the following targets were set by the Nomination and Remuneration Committee:

The profit sharing (bonus) is based on the achieved consolidated adjusted Profit before tax (“PBT”) of AUSTRIACARD group in the fiscal years 2023 – 2024. Following members of the Management Board are covered by this profit sharing:

- Panagiotis Spyropoulos,
- Emmanouil Kontos,
- Jon Neeraas, and
- Markus Kirchmayr.

In this context, adjusted Profit before tax means profit before taxes, stock option accounting, effects from restructuring measures and restructuring related write-downs (impairments), gains and losses from foreign exchange differences, gains and losses from fair value accounting (e.g. but not limited to change of fair value of financial instruments or other items accounted for at fair value through P&L).

The total profit sharing (bonus) pool is 40% of the part of PBT exceeding in the financial year 2023 EUR 22.8m (+10% of PBT for 2022 of EUR 20,7m) (= target).

In order for the profit sharing (bonus) to be (fully) achieved, the Net Debt / EBITDA of AUSTRIACARD Group must be below 3.0x after profit sharing. In case of significant acquisitions or investments, Net Debt / EBITDA has to remain below 3.5x calculated based on pro-forma financial statements. The PBT, EBITDA and Net Debt will be determined based on the annual consolidated financial statements of AUSTRIACARD HOLDINGS Group.

The adjusted PBT 2023 amounts to € 26.1m and includes a provision for this profit sharing program amounting to € 1.5m. The basis for the calculation of the target achievement is adjusted PBT before profit sharing expense in order to avoid double counting and amounts to € 27.6m. Thus a target has been exceeded by € 4.8m, considering the cap of 130% based on the annual gross remuneration, € 1.5m are eligible for distribution to the participants. The EBITDA / Net debt target has been achieved since this KPI is below 3x.

Burak Bilge has a different annual bonus scheme in place: Mr. Bilge has a maximum bonus entitlement of 50% of his annual salary. His average annual salary in the financial year 2023 amounted to € 236.8k. Thus the maximum bonus amounts to € 118.4k.

Mr. Bilge has overfulfilled his targets and has contributed substantially to the success of FY 2023. The targets presented concern the subsidiary AC Türkiye (ACTR).

Amount in € million	Weighting in %	Achievement per target in %	Weighted achievement
Achievement of sales budget of ACTR	30%	126%	37.8%
OPEX of ACTR <= Budgeted	10%	102.2%	10.2%
Achievement of budgeted EBITDA and EBT	50%	126%	63.0%
Working capital improvement / in % of revenues	10%	0%	0.0%
TOTAL	100%		111,1%

Mr. Nikolaos Lykos as Chairman of the Management Board and main shareholder of the Company does not have a variable remuneration plan.

The variable remuneration related to the annual bonus in cash awarded to Management Board members of AUSTRIACARD HOLDINGS AG in the financial year 2023 is set out in the table below:

Board member	Achievement	Bonus in cash for FY 2023 (paid in 2024) due for the period since joining the Management Board
Nikolaos Lykos	n.a.	-
Panagiotis Spyropoulos ⁹	130%	546,000
Emmanouil Kontos	130%	195,500
Jon Neeraas ¹⁰	130%	0
Burak Bilge	100%	59,000
Markus Kirchmayr	130%	143,000
TOTAL		943,500

The amounts presented above for Mr. Kontos, Mr. Bilge and Mr. Kirchmayr only refer to the entitlement for the period since 1 July 2023. Since they have been active in the Group in different roles already prior to 1 July, their total annual bonus entitlement in cash to be paid in 2024 is the double of the above amount.

⁹ AUSTRIACARD HOLDINGS AG concluded a mutual termination agreement effective with Panagiotis Spyropoulos as of 31 March 2024, whereas he waived his entitlement for the annual bonus in cash. However, the bonus in cash for FY 2023 was taken into account in the termination agreement settlement amount paid in 2024.

¹⁰ In March 2024, Jon Neeraas waived this annual bonus entitlement for 2023 considering the segment Western Europe, Nordics, UK and Americas did not achieve its targets for FY 2023.

3.2.3. Share option program

3.2.3.1. Share option program of the Company

On 30 June 2023, AUSTRIACARD HOLDINGS AG has implemented a new share option program for certain members of the top-level management of AUSTRIACARD HOLDINGS AG and its subsidiaries. The share option program aims to promote long-term value generation.

The share option program replaced the pre-existing stock option programs established by (i) INFORM P. LYKOS HOLDINGS S.A., as approved by INFORM P. LYKOS HOLDINGS S.A.'s general annual meeting on 10 June 2022, and (ii) AUSTRIA CARD Plastikkarten und Ausweissysteme Gesellschaft m.b.H., as approved by AUSTRIACARD HOLDINGS AG's Supervisory Board on 17 December 2021 and AUSTRIA CARD Plastikkarten und Ausweissysteme Gesellschaft m.b.H.'s general meeting on 20 December 2021.

The share option program grants its beneficiaries the right to acquire common shares in AUSTRIACARD HOLDINGS AG in 2026 by means of options, whereas the aggregate number of options available for the share option program depends on the achieved return on invested capital (ROIC) as well as the total number of issued shares both as of 31 December 2025. The ROIC is determined by comparing the fair value of the Group as at 31 December 2025 with the defined fair value as at 31 December 2020. The fair value is calculated using a defined formula based on the audited consolidated financial statements for the financial year 2025. The formula corresponds to a simplified company valuation based on an EBITDA multiple less net debt of the Group.

ROIC	Options
Less than 8.40%	None.
8.40% or higher	1.60% of issued shares
11.80% or higher	3.20% of issued shares
14.90% or higher	4.80% of issued shares
17.60% or higher	6.40% of issued shares
20.10% or higher	8.00% of issued shares

The participants in this program include Panagiotis Spyropoulos holding 22.7%, Emmanouil Kontos and Jon Neeraas each holding 18.8% and Markus Kirchmayr holding 9.4% of the options.

Share options vest by 1/48 (approx. 2.08%) at the end of each calendar month starting as of 1 January 2022 and ending on 31 December 2025 provided that at the end of the relevant calendar month, the relevant beneficiary's contract with AUSTRIACARD HOLDINGS AG (or its relevant subsidiary) is still effective. Options are granted to the beneficiaries without consideration. The options are transferred in 2026, before that only a contractual right is acquired by the beneficiaries.

In principle, the share option program must be fulfilled with the transfer of shares in the Company, but it also grants the Company the option to fulfill the program in whole or in part with cash. The Management Board assumes that the program will indeed be filled with shares.

The fair value of the entire investment program amounted to € 20 million at the time of adoption. The amount is to be recognized in expenses over four years, depending on any fluctuation. The fair value was determined using the Black-Scholes method based on the following parameters:

- Share price at grant date (before capital increase from own funds and sharesplit): € 14,3
- Strike price: € 0

- Expected volatility, calculated based on the Company's peer group: 43.80%
- Risk-free interest rate (based on 6-month-euribor): 3,58%
- Expected dividends: 1.25%

The variable remuneration related to the Share option plan of the Company, earned by the Management Board members of AUSTRIACARD HOLDINGS AG in the financial year 2023 is set out in the table below:

Board member	Amount of options vested in 2023 since joining the Management Board	Amount of total vested options as of 31 December 2023¹¹
Panagiotis Spyropoulos	1,132,813	2,265,625
Emmanouil Kontos	468,750	1,875,000
Jon Neeraas	468,750	1,875,000
Markus Kirchmayr	234,375	937,500
TOTAL	2,304,688	6,953,125

The amounts presented above for Mr. Kontos, Mr. Neeraas, Mr. Bilge and Mr. Kirchmayr only refer to the entitlement for the period since 1 July 2023. Since they have been active in the Group in different roles already prior to 1 July, their total amount of options vested in 2023 is the double of the above amount.

3.2.3.2. *Share option program of a subsidiary*

As a part of his remuneration package Burak Bilge is entitled to receive – assuming the budgeted targets for the respective financial year are achieved – one percent of the subsidiary's shares per anno with a ceiling of 10%. The program ends per 31 December 2025. In addition, both the beneficiary as well as the parent company of the subsidiary dispose of a mutual put- and call-option once the managing director leaves the subsidiary.

The fair value to be disclosed is calculated annually using a defined formula based on the Company's audited consolidated reporting package. The formula corresponds to a simplified company valuation based on an EBITDA multiple less net debt / plus net cash.

¹¹ Amount of total vested options as of 31 December 2023 is included Reserve for share-based payments in Equity.

Mr. Bilge has overfulfilled his targets and has contributed substantially to the success of FY 2023. The targets presented concern the subsidiary AC Türkiye (ACTR):

Amount in € million	Weighting in %	Achievement per target in %	Weighted achievement
Achievement of sales budget of ACTR	30%	126%	37.8%
Achievement of budgeted EBITDA	70%	117%	81.9%
TOTAL	100%		119,7%

After awarding Mr. Bilge the additional 1% of the shares in the subsidiary, Mr. Bilge currently holds 8% of the share capital of AC Türkiye.

The fair value of the liability related to the put-option for the shares in the subsidiary of the beneficiary amounts to € 2,221,424 as of 31 December 2023. The fair value of the option earned in the period from 1 July to 31 December 2023 amounts to € 138,839.

3.2.4. Remuneration awarded by affiliated companies

As disclosed above, in the 2023 financial year, fixed and variable remuneration was awarded to Management Board members by affiliated companies of AUSTRIACARD HOLDINGS AG. Panagiotis Spyropoulos, Jon Neeraas and Burak Bilge received remuneration by subsidiaries.

3.3. Term and termination

The term of the members of the Management Board is determined in the relevant resolution of the competent corporate bodies but may not exceed five (5) years in any case. A re-election of the Management Board member upon expiration of the term is permissible. As of the end of the 2023 financial year, the remaining terms of office of the current Management Board members are:

Board member	Role	Initial Appointment	(latest) re-Appointment	End of term
Nikolaos Lykos	Chairman of the Management Board	10 March 2011	1 May 2020	1 May 2025
Panagiotis Spyropoulos	Vice-Chairman of the Management Board and Group CEO	28 June 2013	1 July 2023	20 March 2024 ¹²
Emmanouil Kontos	Deputy CEO and EVP CEE & DACH	1 July 2023	n.a.	30 June 2027
Jon Neeraas	Executive Vice President Western Europe, Nordics and Americas	1 July 2023	n.a.	30 June 2027
Burak Bilge	Executive Vice President Türkiye / Middle East and Africa	1 July 2023	n.a.	30 June 2027
Markus Kirchmayr	Group CFO	1 July 2023	n.a.	30 June 2027

¹² Mr. Spyropoulos end of term of his appointment was 30 June 2027, he resigned by mutual consent as of 20 March 2024.

4. Remuneration of the Supervisory Board

4.1. Overview

Please find an overview of the remuneration awarded to AUSTRIACARD HOLDINGS AG's Supervisory Board members in the 2023 financial year below:

Supervisory Board member	Fixed remuneration	Attendance fees for meeting days	Committee work ¹³	Total (gross)
Amounts in €				
Petros Katsoulas (Chairman; member of the Nomination and Remuneration Committee and Audit Committee)	30,000	7,000	20,000	57,000
John Costopoulos (Deputy Chairman, Chairman of the Nomination and Remuneration Committee)	25,000	5,000	12,500	42,500
Michael Butz, MSc, MBA (member of the Nomination and Remuneration Committee)	25,000	6,000	10,000	41,000
DDr. Martin Wagner (Chairman of the Audit Committee)	25,000	7,000	12,500	44,500
Anastasios Gabrielides (member of the Audit Committee)	25,000	7,000	10,000	42,000
			TOTAL (gross)	227,000

The remuneration awarded to the Supervisory Board members will be paid after the Annual General Meeting of AUSTRIACARD HOLDINGS AG, scheduled for 9 July 2024, in July 2024.

4.2. Remuneration structure

4.2.1. Fixed remuneration

The Supervisory Board members receive fixed base remuneration for the time commitment required for the performance of their duties as Supervisory Board members. Additional fixed base remuneration is paid to the Supervisory Board members that are also members of the Committees of the Supervisory Board to reflect their increased time commitment. The fixed base remuneration is not performance-based. Instead, it considers the responsibilities of the role (e.g. the fixed base remuneration for the Chairman of the Supervisory Board and the Chairman of each Committee of the Supervisory is higher than the remuneration received by the members), the skills and knowledge required as well as the expected time commitment and broader economic and inflationary conditions. Periodic benchmarking against relevant market comparators, reflecting the size and complexity of the role, is used to provide context when setting fixed remuneration components of the Supervisory Board members.

The fixed base remuneration scheme is reviewed regularly and is subject to a resolution by the Annual General Meeting of the Company at least every four years. The remuneration shall be due 15 days after the annual general meeting in the following business year (i.e. 15 days after 9 July 2024).

¹³ Nomination and Remuneration Committee and Audit Committee.

4.2.2. Attendance fees per meeting

The Supervisory Board members receive fixed attendance fees for meeting days of the Supervisory Board and its Committees, which reflect the time commitment required for the participation in the meetings, including preparation of the meetings and travelling to the place where the meetings are held.

4.2.3. No other variable remuneration

Aside from attendance fees, the Supervisory Board members do not receive any variable remuneration. The Supervisory Board members do not participate in any pension plans nor receive any other benefits in kind.

4.2.4. Additional services

The members of the Supervisory Board may receive additional remuneration for extra services offered to the Company as far as permissible under the Articles of Association of the Company, the Rules of Procedure of the Supervisory Board and the applicable Austrian laws.

4.2.5. Other benefits

Expenses: The members of the Supervisory Board may claim reasonable business (including travel, accommodation and vocational training) expenses and be reimbursed on the same basis as all employees.

D&O insurance: The Supervisory Board members are covered by directors & officers (D&O) insurance taken by the Company to adequately protect them from claims which may arise from decisions and actions taken as part of their duties.

4.3. *Term and termination*

The term of the members of the Supervisory Board is determined in the relevant resolution of the General Meeting of the Company, but ends in any case at the end of the Annual General Meeting, that decides on their discharge for the fourth fiscal year following their election.

As of the end of the 2023 financial year, the remaining terms of office of the current Supervisory Board members are:

Board member	Initial Appointment	latest re-Appointment	End of term
Petros Katsoulas (Chairman)	27 April 2015	22 June 2022	until the end of the Annual General Meeting that resolves on the discharge for the 2026 financial year
John Costopoulos (Deputy chairman)	6 July 2016	22 June 2022	until the end of the Annual General Meeting that resolves on the discharge for the 2026 financial year
Michael Butz, MSc, MBA	30 November 2022	n.a.	until the end of the Annual General Meeting that resolves on the discharge for the 2026 financial year
DDr. Martin Wagner	30 November 2022	n.a.	until the end of the Annual General Meeting that resolves on the discharge for the 2026 financial year
Anastasios Gabrielides	30 November 2022	n.a.	until the end of the Annual General Meeting that resolves on the discharge for the 2026 financial year