AUSTRIACARD HOLDINGS

Digital Technologies Forward

Annual Report & Accounts 2024

Contents

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A) GROUP MANAGEMENT REPORT

1. GROUP PROFILE

ACAG Group at a glance

AUSTRIACARD HOLDINGS Group (also "AUSTRIACARD HOLDINGS" or "the Group"), founded in 1897 and headquartered in Vienna with its parent company AUSTRIACARD HOLDINGS AG (also "the Company"), is a technology company that draws upon 130 years of experience and innovation in the fields of authentication of people, authentication of objects and information management, to provide customer experiences totally imbued in transparency and security.

The Group offers a complementary portfolio of products and services in, Identity & Payment Solutions' (payments, identification and personalization), Digital Transformation Technologies' and, Document Lifecycle Management' for the financial, government and the general private sectors, through a workforce of approximately 2,400 people internationally and is listed on the Athens and Vienna Stock Exchanges (ACAG). It has presence in 17 countries, commercial activity in more than 50 countries, production facilities in 9 countries, and in 2024 it achieved revenues of €392.3 million (2023: €364.6 million).

17
countries

50
countries with commercial activity

9
countries with production facilities

€392.3 million
revenue
(2023: €364.6m)

2,400
people

Our Values

Building on our legacy and commitment to social responsibility, we envision a world where our secure, innovative technologies meaningfully connect people, safeguard what they value, and empower communities to thrive. Our mission is to empower our clients with innovative, secure solutions that create enduring value for people, partners, and communities, guided by our commitment to sustainability.

The principles of AUSTRIACARD HOLDINGS are based on our commitment to a customer centric service. The passion for innovation and well-served customers have been of outmost importance for the Lykos family being the majority shareholder of the Company over four generations. The Group's endurance has been tried and tested through turbulent and significant times in recent European history. It is the partner of choice for 130 years, valued for its high-quality products, impeccable services and ethos of integrity. From payments, identification and document lifecycle management to digital transformation, trust, agility, collaboration and passion have been the core values by which our customers have known us.

The principles of AUSTRIACARD HOLDINGS are based on our commitment to a customer centric service.

Agility

We have a continuous improvement mindset, constantly challenging the status quo and adapting as needed. We are fast, flexible, responsive and resourceful, and continuously build on our expertise to address customer needs, in a dynamic environment.

Creating value as one team

We work together as one team to create value for our customers, employees, and society. We foster a culture of openness, respect, collaboration, and entrepreneurial spirit, that enable us to have a positive impact on all our stakeholders.

Customer focus

We put our customers at the centre of our thinking and build long-term partnerships. With a deep understanding of their needs, we act proactively to provide solutions and create business value.

Passion

We are passionate about our work, always going the extra mile to make a difference. Our sense of purpose, commitment, enthusiasm, and drive to excel enable us to overcome challenges and achieve meaningful results.

Innovation

We develop new, innovative, end-to-end solutions by embracing technology and thinking outside the box. We stay ahead of the curve and deliver long-term value. With a focus on simplicity and excellence, we simplify people’s lives.

Trust

We care about our customers, employees, partners and society, and build trust by delivering on our promises. We operate with transparency and integrity, providing flawless services on time, with great attention to detail.

History

The Group's journey started in 1897 as a printing house under the name "Lykos". In 1982 Nikolaos Lykos, currently Chairman of the Management board and the 4th generation of his family to lead the company, repositioned the company from its core printing sector to the Information Management sector, renaming it in the process "INFORM P. Lykos S.A." Since then, the company has been constantly growing, gradually evolving into a thriving multinational company with global reach and an international business footprint.

A transformational milestone occurred in 2007, when the Company acquired AUSTRIACARD GmbH, a subsidiary of the Central Bank of Austria which at that time was supplying Austrian banks with payment cards and their operating system. This strategic move marks the beginning of the Group's rapid expansion. Strong organic growth, combined with a sequence of recent acquisitions in Europe and the USA enhanced the Group's portfolio of service offerings while driving it to leading market positions in many markets of South East, Central and Western Europe, Scandinavia, Türkiye, Middle East, Africa and USA.

Foundation of printshop by P. Lykos

1897

1994

Listing of INFORM P. LYKOS HOLDINGS S.A. on the ATHEX

Establishment of INFORM LYKOS ROMANIA

2000

2007

Acquisition of Austria Card GmbH

New smart card personalization center in Poland

Acquisition of the largest personalization center in Türkiye

2012

In March 2023 through a cross-border merger between the Group's non-listed parent company, AUSTRIACARD HOLDINGS AG, and its ATHEX listed Greek subsidiary INFORM P. Lykos S.A., the shares of the entire Group were listed and are trading in the Vienna and the Athens Stock Exchanges.

Strong organic growth, combined with a sequence of recent acquisitions in Europe and the USA enhanced the Group's portfolio of service offerings while driving it to leading market positions in many markets of South East, Central and Western Europe, Scandinavia, Türkiye, Middle East, Africa and USA.

2019

Acquisition of TAG SYSTEMS

Acquisition of a majority stake of NEXT DOCS

2020

New smart card personalization center in USA

2021

Acquisition of Cloudfin

Acquisition of NITECREST UK

2023

Listing of Company's shares on ATHEX & VSE

Completion of cross-border merger with INFORM P. LYKOS HOLDINGS S.A.

Acquisition of Pink Post

2024

Acquisition of LSTech

Acquisition of e-commerce monitoring GmbH Global Trust

2. GROUP SEGMENTS, STRATEGY AND SOLUTIONS

2.1 Segments

In the past and including FY 2022, the Group had been reporting its business performance under two segments, Digital Security which encompassed the certified production of smart cards and personalization services, along with the associated services as well as the provision of our proprietary operating systems for payments and identification, and Information Management, that encompassed document lifecycle management, security printing, and increasingly digital transformation solutions using the latest technology (Machine Learning, Artificial Intelligence, Data Analytics).

Given the rapid geographic expansion of the Group, and the strong growth expectations for our technology related services, during 2023 the Group was reorganized into three geographical clusters, Central, Eastern Europe & DACH - Western Europe, Nordics & Americas - Türkiye, Middle East & Africa, in order to allow for a single point of contact for the whole array of Group solutions within each geographic area. An Executive Vice President reporting to the Group CEO is heading each of these clusters, and we expect that this structure will enable the faster expansion in new markets, facilitate the cross-selling of the Group's widening portfolio of products and solutions, enabling also a holistic approach to customer service.

2.2 Strategy

Our strategy for growth has two major pillars. The one pillar is geographic and market share expansion and the other is products and services portfolio enhancement. Under geographic and market share expansion we focus in geographical areas that have high potential for growth for our Group, such as the France, UK, Middle East and Africa, while at the same time we are taking actions to enhance cross-selling and upselling in the Group established markets, and to capitalize on our leadership in specific market segments, such as Challenger and Neo banks.

With respect to the products and services portfolio enhancement pillar, the drivers of growth will be payment and banking solutions as a service, the provision of innovative Identity & Payment Solutions, such as biometric and metal cards, and to a larger extent digital transformation technologies.

Digital Transformation Technologies is an area we put increased focus and we have already signed significant public sector digitalization contracts with various state entities in Greece. These will be funded by EU's RRF and will involve digitization through scanning and data extraction using cutting edge technologies such as Machine Learning (ML), Artificial Intelligence (AI) etc. At the same time we are continuously developing our digitization solutions for non-state entities (DOB, KYC/KYB, Digital Wallets, Document understanding using AI, e-Archiving and e-Signature). For AUSTRIACARD, innovation and ongoing development of solutions are key components of its strategy. Based on that, the Group has expanded its capabilities into building Generative AI solutions and will continue to enhance its portfolio of solutions towards this direction.

With selective acquisitions we aim to drive our solution offering enhancement and geographical footprint expansion. We aim to leverage the long-standing relationships we have with financial institutions, utility companies, industrial companies and public institutions, in order to provide a holistic approach and be an end-to-end applied technology solutions provider to our clients.

2.3 Solutions portfolio outline

The Group's solutions portfolio and associated revenue can be broadly split into two categories, a legacy one that includes the Document Lifecycle Management, which has a more industrial foundation, and the second category which is technology related and is the sum of the Identity & Payment Solutions combined with Digital Transformation Technologies. This split for 2024 was at approximately one third industrial revenues (€ 135 million) and two thirds technology revenues (€ 250 million), with the technology part being the main driver of growth going forward.

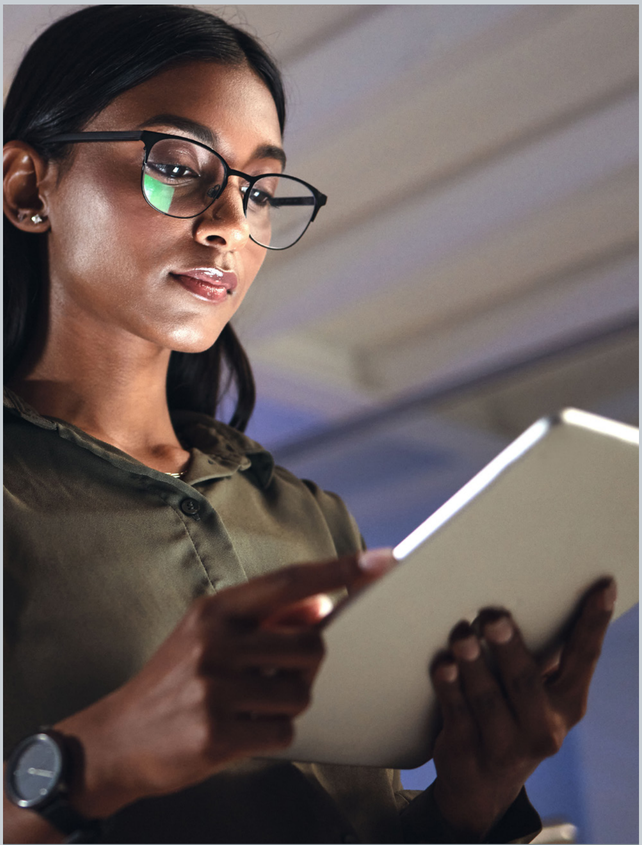
2.3.1 Document Lifecycle Management

Through the Document Lifecycle Management the Group offers to its clients security documents solutions with data management functionality that can address: traceability of goods for government Tax revenue authorities, medicine and prescription management, election services, examination papers for students etc. Additionally in the same category products and services range from digital printing of statements, e-statements, to electronic document management and workflows with qualified signature among others.

It should be noted that there are few remaining secure printing operations globally with the Group's know-how and reliability. This strengthens our reputation as a trusted partner for complex projects. For example, in 2022, the Group successfully delivered the highly complex Kenyan election project, which included state-of-the-art security printing of ballot papers and election catalogues, as well as IoT-based process monitoring. This achievement demonstrates our position as the preferred partner for high-security election implementations in the Middle East and Africa. In 2024, an additional public sector contract was awarded and implemented in the African region which further underscores that we are partner of choice in that area.

This business field is covered by two production facilities located in Greece and in Romania catering to the regional markets as well as exporting printing products and services internationally. In addition, with its fulfilment services, either through third parties or owned entities such as Pink Post in Romania, the Group also covers the last mile to the end-customer, providing vertically integrated end-to-end services to its customers.

In 2024 the business field of Document Lifecycle Management generated for the Group revenues amounting to € 135 million (2023: € 112 million).



This business field is covered by two production facilities located in Greece and in Romania catering to the regional markets as well as exporting printing products and services internationally.

2.3.2
Identity & Payment Solutions

Within the Identity & Payment Solutions, the Group's entities and operations focus on providing end-to-end secure data solutions and personalization services for financial institutions, governments, public sector entities, transportation as well as industry & retail.

Products and services of that category are based on highest security standards (such as EMV certifications in payment smart cards) and range from dual interface payment cards, government electronic identification cards, driving licenses, health cards, identity and authentication, to innovative digital payment solutions, including biometric cards, environmentally friendly cards, metal cards and also special features cards as the Group supports and embraces inclusiveness. Additional services offered include advisory during the card design and certification process, flexible solutions for PIN distribution, project management throughout the product life cycle and the development and customization of embedded smart card operating systems.

The Group has developed its own proprietary chip operating systems ("ACOS" & "ACOS ID") for both payment cards and identity cards, which provide a significant differentiating factor by offering flexible functionalities to our clients. These proprietary operating systems are continuously developed by our extensive R&D department to both conform at all times to the highest security standards set by the related certification bodies, as well as offer a high level of customization potential to better serve the specific needs of our clients.

The payment card's solution pillar has extensive obligatory certification requirements, which form significant barriers to new entrants in the market, on top of the requirement for trust, which is only built over long periods of quality service. AUSTRIACARD HOLDINGS besides others is a certified producer of Visa, Mastercard (CQM) and Diners Club International brands and operates under permanent supervision of external auditors appointed or accredited by the PCI Security Standards Council (PCI SSC) and other institutions following strict standards for digital and physical security.

Payment cards, which constitute a major part of our Identity & Payment Solutions revenue, contrary to the common view, are growing across the world. Alternative payment schemes, peer-to-peer payments, mobile payments, digital wallets (mostly funded with payment cards), and payment cards have all been growing at the expense of cash usage. Moreover, there is no visible technological invention in the payments area that can substitute the security, convenience and wide acceptance of the Identity (smart) payment card. Based on the filings of Visa and Mastercard, the global leaders of payment card services, cards outstanding globally are growing constantly at a rate of 4% over the last seven years, and are expected to continue at this rate according to industry reports. In addition, AUSTRIACARD HOLDINGS is expanding in geographic areas that are still growing at robust rates and where saturation is still far away, enabling it to record above market growth rates. AUSTRIACARD is the market leader in Austria, Scandinavia, Central and Eastern Europe as well as South Eastern Europe, while the Group holds also the market leading position in the provision of payment products to the Challenger/Neo Banks, hence addressing a growing market segment with significant potential on world-wide scale.

Identity & Payment Solutions are served by our four production facilities located in Andorra, Austria, Romania and UK and eight personalization centres located in the United Kingdom, Spain, Austria, Poland, Romania, Greece and Türkiye, as well as in the USA. Sales offices in Norway, Czech Republic, Croatia, Serbia, Jordan, the UAE and a network of partners and selling agencies around the world complement the Group's distribution network.

The Identity & Payment Solutions segment generated revenues amounting to € 223 million in 2024 (2023: € 223 million) and estimates that it is among the top worldwide EMV-based smart card manufacturers.

2.3.3 Digital Transformation Technologies

Digital Transformation Technologies is the fastest growing segment of the Group, offering both the private and the public sectors a series of technologically advanced solutions such as: Enterprise Content Management and Content Understanding through AI, Document Digitization, Electronic Archiving and all types of Electronic Signatures, Big Data and Advanced Analytics, Digital Onboarding and KYC, Enterprise Process Automation, in order to support existing and new clients in their own Digital Transformation journey. The public sector Digitalization Projects funded by EU's RRF is another important driver of growth, as the company's expertise in the area has already enabled it to win several related tenders.

In addition, the Group has expanded its capabilities into building Generative AI solutions for automating labour-intensive tasks under the strategic pillar "Digital Taskforce", using its ground-breaking Agentic AI platform GaiaB™.

Based on the strategy of the Group to evolve into a provider of holistic applied technology solutions and serve as one-stop-shop for the clients, the Card-as-a-Service (CaaS) and in Finance Sector the Banking-as-a-Service (BaaS) solutions have been developed. These solutions combine the company's expertise on Payments and Technology areas and help the clients scale smarter and increase their revenues.

In 2024 the business field of Digital Transformation Technologies generated for the Group revenues amounting to € 27 million (2023: € 15 million).

Digital Transformation Technologies is the fastest growing segment of the Group, offering both the private and the public sectors a series of technologically advanced solutions such as: Enterprise Content Management and Content Understanding through AI, Document Digitization, Electronic Archiving and all types of Electronic Signatures, Big Data and Advanced Analytics, Digital Onboarding and KYC, Enterprise Process Automation.

3. GROUP BUSINESS PERFORMANCE

3.1 Economic, market and industry environment

According to the Global Economic Prospects report issued by the World Bank in January 2025, global growth is estimated to have stabilized at 2.7% in 2024 (2023: 2.7%). The global economic context has become modestly more favorable since June 2024, following several years characterized by overlapping negative shocks. Inflation appears to be moderating without a substantial slowdown in key economies, and monetary policy easing has now become widespread. According to the same publication, in the Euro Area growth remained feeble in 2024 to an estimated 0.7% owing to anemic consumption, business investment and industrial activity, with the latter partly reflecting the dampening effects of high energy prices on export competitiveness and consumption.

Over 2025-2026, the Euro Area growth is projected to pick up to about 1.1% as the cyclical recovery firms. Nevertheless, this is slightly weaker than previous forecasts, largely owing to sharp rises in policy and domestic political uncertainty, particularly on some major economies. The Euro Area Outlook remains uncertain and is predicated on an improvement in investment and trade growth – both of which have been notable areas of weakness in recent years. After contracting last year, investment is expected to benefit from a further decline in interest rates. Meanwhile, and assuming no major change in trade relations with the United States, trade growth is anticipated to firm, as exports pick up alongside improving global manufacturing activity and imports are supported by strengthening domestic demand. At the sectoral level, the Euro Area growth is expected to be supported by an expansion in the services sector, underpinned by solid consumer spending as real incomes continue to recover from the earlier erosion caused by high inflation.

The payment cards market is growing globally at an estimated 4% annually, with mag stripe and EMV cards being replaced by dual interface contactless cards. While alternative payment schemes, peer-to-peer payments, mobile payments & digital wallets (mostly funded with payment cards), have grown during the last years, this has happened through the reduction of cash usage, as payment cards been expanding too in all markets. Going forward we expect a stronger trend towards high-end products such as metal cards and biometric cards. Challenger Banks, which are driving innovation in the financial sector are at the forefront of such developments, as they use upscale payment cards as a marketing tool since it is the only touch point they have with the end users and a growth lever towards their global expansion. At the same time the growth of payment products based on recycled materials in order to cope with sustainability targets, create further opportunities.

The digital transformation technologies market is growing fast across the globe, as organizations of both the private and the public sector seek ways to reduce physical locations of presence, staff costs, and increase the service level and user experience. The need for solutions enabling for example the remote authentication and servicing of customers, supporting efficient operations, enabling the organization, processing and analyzing the enormous quantity of data created from operations, leads to very strong expansion of the sector.

Going forward we expect a stronger trend towards high-end products such as metal cards and biometric cards. Challenger Banks, which are driving innovation in the financial sector are at the forefront of such developments, as they use upscale payment cards as a marketing tool since it is the only touch point they have with the end users and a growth lever towards their global expansion.

3.2 Significant events of the financial year

3.2.1 Business development

After year of double-digit growth in 2023, the Group continued in 2024 its strong organic growth path by achieving growth of 9.7% in adjusted revenues, of 11.4% in adjusted EBITDA and of 16.6% in Profit of the year and thus improving the adjusted EBITDA margin to 14.3% and the Profit margin to 5.1%

This organic business growth was mainly driven by the
- Continued implementation of the EU RRF subsidized public administration digitalization projects in Greece which contributed to revenue growth of the Digital Transformation Technologies category to 70.6% or € +11.3m overall.
- Implementation of a new holistic security documents solutions contract in the African market which contributed € 18.7m in revenues resulting to a revenue growth of 20.3% in the Document Lifecycle Management category.
- Increased demand for premium metal payment cards, especially with Digital Challenger banks, which more than tripled revenues in that category by adding € +20.8m in revenues. This helped to offset the effects of our strategic decision to de-prioritize wholesale chip sales and focus on selling complete smart card solutions which had a negative effect on revenues of € -19.9m overall. As a result, revenues in the Identity and Payment category came in on par with 2023.

The Group continued the implementation of its strategy to expand its geographical presence, its products and solutions portfolio and to further develop its business relationships with Challenger banks and traditional banks in existing markets which is the backbone of the Group's business success. Additionally, the Group further invested in its technology team by adding in the Management team a Group Chief Technology Officer (CTO) role, adding experienced specialists and reorganizing the R&D team into solution clusters aiming at boosting the degree of competence in specific focus areas. This measure is aimed at improving the R&D expertise but also at improving the go-to-market approach and at better supporting the regional sales teams and thus driving business growth. In addition, the Group also proceeded in acquiring two companies to enhance it's competence and solutions offering in the fields of Data analytics & AI and qualified trust service provision to the portfolio of the Group (see section 2.3.3). The Group also strengthened its sales team in the MEA region by adding local sales professionals in order to be able to address the business development needs with focus to the Identity and Payment as well as Document Lifecycle categories in the MEA region.

During the COVID period, characterized by an unpredictable chip supply in both timing and quantity, the Group secured agreements with its chip suppliers to ensure timely fulfilment of customer orders. By 2023, global chip supply had stabilized, a trend that continued into 2024, leading to a further increase in chip stock and driving overall inventories up by € 14.6 million (25.2%) in 2024. As a result, working capital as a percentage of revenue rose from 16.6% in 2023 to 18.5% in 2024. To mitigate these impacts, the Group initiated renegotiations with suppliers, resulting in the re-phasing and postponement of deliveries and, where possible, contract terminations. The primary effects of these measures are expected to materialize in 2025 and 2026.

In December 2023 the Group signed a € 186.6 million financing agreement, comprising of a revolving credit facility, term loan tranches and a guarantee facility, maturing in 3 to 5 years, with a consortium of 10 European banks led by UniCredit. This refinancing extended the debt maturity profile, while significantly simplifying its structure, enabling more flexibility to the Company to pursue its corporate strategy. In 2024, the Group continued its strategy of centralizing and optimizing group finances by implementing group cash pools for its operations in Austria and Romania and started the implementation for an additional cash pool for its operations of the WEST segment. This measure aims at optimizing group-wide liquidity and reducing group interest costs.

The Group continued the implementation of its strategy to expand its geographical presence, and its products and solutions portfolio.

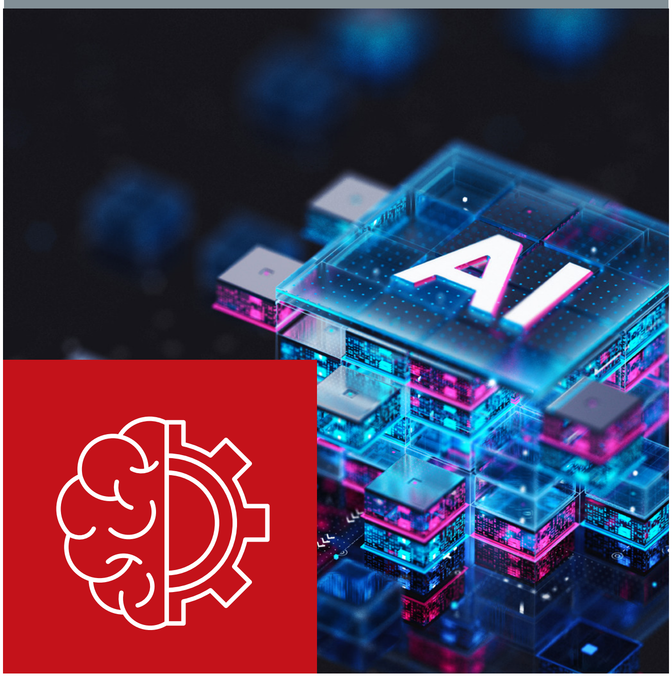
3.2.2
Merger and acquisitions

In January 2024 the group acquired 100% of the shares in e-commerce monitoring GmbH (Austria). The acquired company is a recognized certification and trust service provider in accordance with European and Austrian regulations. Founded in 2002, e-commerce monitoring GmbH is an Austrian limited company and provides various services in the IT sector with focus on electronic certificates and digital signatures.

Its two main operating segments include RKSV certificates (cash register safety) in Austria and Non RKSV certificates, such as qualified signatures (Trust2GO), qualified timestamps and governmental signatures.

End of April 2024 the Group acquired all shares in LSTech Ltd. (UK) and its 100% subsidiary LSTech ESPANA S.L. (Spain). LSTech is a UK based research and data analytics company with expertise in collecting, processing and analyzing complex information, transforming it into clear, actionable insights that drive intelligent decision making. This strategic move bolsters ACAG's commitment to providing cutting-edge solutions for their clients across the globe. LSTech specializes in crafting innovative applications that empower large public and private organizations to unlock the true potential of their data. Their expertise lies in collecting, processing, and analyzing complex information, transforming it into clear, actionable insights that drive intelligent decision-making, and automate labour intensive tasks. LSTech's focus on data analytics solutions within banking, telecommunications, and utilities sectors, combined with their proficiency in Data Intelligence & Agentic AI, makes them a perfect fit for ACAG's growth strategy. LSTech's strong track record extends beyond traditional commercial endeavors. Their active participation in EU and publicly funded Research & Innovation programs positions them at the forefront of ground-breaking technologies like generative AI, privacy-preserving data analysis, and large language models. This forward-thinking approach aligns perfectly with ACAG's vision for the future.

LSTech's focus on data analytics solutions within banking, telecommunications, and utilities sectors, combined with their proficiency in Data Intelligence & Agentic AI, makes them a perfect fit for ACAG's growth strategy.

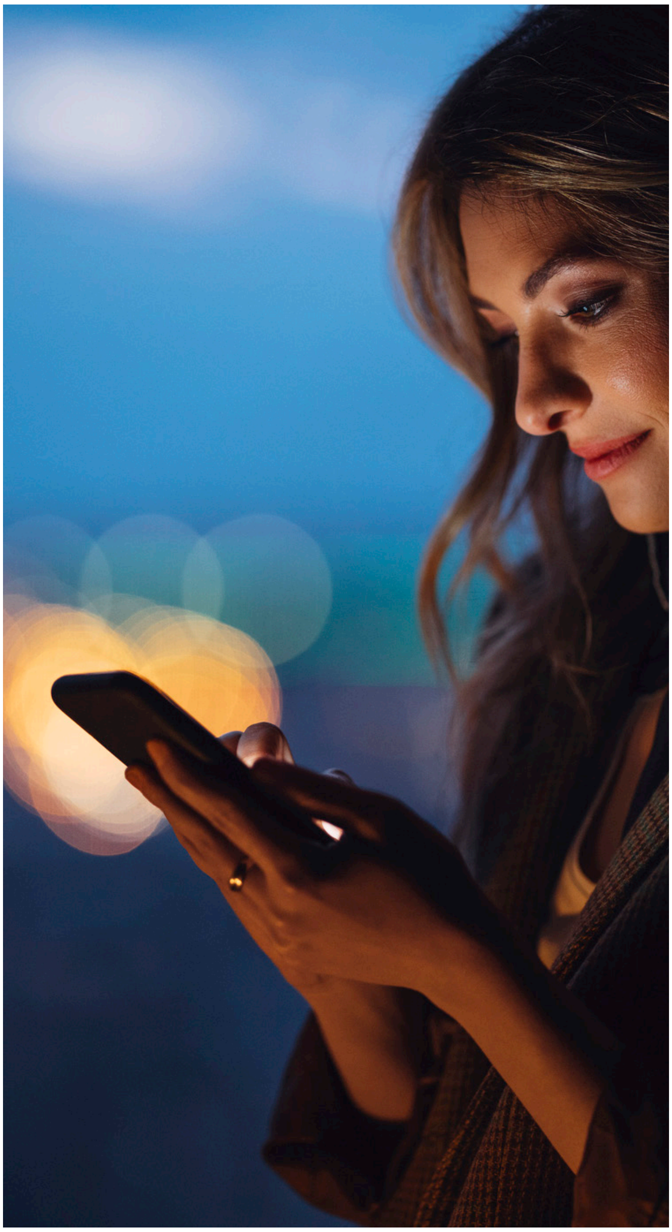


3.3. Business performance of AUSTRIACARD HOLDINGS Group

Group management monitors business development based on actual comparable performance excluding accounting and valuation-driven effects resulting – among others – from IAS 29 Hyperinflation, share option plan accounting, gains and losses from foreign exchange differences and fair value accounting. Following this approach,

- Section 3.3.1 shows the Management (MGMT) Income Statement and provide relevant commentary explaining the operating business as well as other non-operating effects (special items) and
- Section 3.3.2 provides a reconciliation of the IFRS Income statement as presented in section 9 "Segment reporting" of the notes to the consolidated financial statements with the Management Income Statement (MGMT).

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



3.3.1. 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 excl. hyperinflation in € million	2024	2023	D '24-'23	D '24-'23 %
Revenues	**385.3**	**351.3**	**34.1**	**9.7%**
Costs of material & mailing	(204.2)	(192.5)	(11.6)	6.0%
Gross profit I	**181.2**	**158.8**	**22.4**	**14.1%**
Gross margin I	*47.0%*	*45.2%*	*1.8%*	
Production costs	(87.4)	(72.0)	(15.4)	21.4%
Gross profit II	**93.8**	**86.8**	**7.0**	**8.1%**
Gross margin II	*24.3%*	*24.7%*	*-0.4%*	
Other income	5.0	3.8	1.2	30.0%
Selling and distribution expenses	(23.3)	(23.3)	0.1	-0.3%
Administrative expenses	(27.7)	(25.2)	(2.6)	10.2%
Research and development expenses	(8.4)	(7.4)	(1.1)	14.8%
Other expenses	(2.2)	(1.6)	(0.6)	39.1%
+ Depreciation, amortization and impairment	17.8	16.1	1.6	10.2%
adjusted EBITDA	**54.9**	**49.3**	**5.6**	**11.4%**
adjusted EBITDA margin	*14.2%*	*14.0%*	*0.2%*	
- Depreciation, amortization and impairment	(17.8)	(16.1)	(1.6)	10.2%
adjusted EBIT	**37.1**	**33.2**	**4.0**	**12.0%**
Financial income	0.6	0.3	0.3	120.6%
Financial expenses	(8.3)	(7.4)	(0.9)	12.6%
Result from associated companies	0.1	0.1	0.1	139.1%
Net finance costs	**(7.5)**	**(7.0)**	**(0.5)**	**7.3%**
adjusted Profit (Loss) before tax	**29.6**	**26.1**	**3.5**	**13.2%**
Special items	(3.3)	(4.9)	1.6	-32.8%
Profit (Loss) before tax	**26.3**	**21.2**	**5.1**	**23.9%**
Income tax expense	(6.5)	(4.2)	(2.3)	53.2%
Profit (Loss)	**19.8**	**17.0**	**2.8**	**16.6%**

Revenues by solution category in € million	2024	2023	D '24-'23	D '24-'23 %
Identity Chip & Payment Solutions	222.7	222.8	(0.1)	-0.1%
Document Lifecycle Management	135.3	112.4	22.8	20.3%
Digital Transformation Technologies	27.4	16.1	11.3	70.6%
Total	**385.3**	**351.3**	**34.1**	**9.7%**

AUSTRIACARD HOLDINGS Group's Revenues reached € 385.3m increasing by € 34.1m or 9.7% compared to 2023. This growth was largely driven by Digital Transformation Technologies and Document Lifecycle Management. Digital Transformation Technologies increased by € 11.3m, or 70.6%, compared to the previous year. This is the result of the Group's focus on this solution category. The main contributors are public sector digitalization projects in Greece and the continued growth of this solution category in the private sector in both the Greek and Romanian market which have been the initial focus markets. Document Lifecycle Management also contributed significantly with an increase of € 22.8m, or 20.3%, mainly as a result of a new security documents solution contract in the African region.

Overall, the 'Identity & Payment Solutions' category contributed revenues amounting to € 222.7m which is on par with financial year 2023. If we exclude from the comparison period the impact of our strategic decision to de-prioritise wholesale chip sales and to focus on the sale of complete smart card solutions, with a total effect of € -19.9m, the like-for-like organic growth of the Identity & Payment category amounts to € 19.8m or 9.9%. This growth is supported by sales of payment and transportation cards and especially by sales of high-end premium metal cards (€ +20.8m), which have a significantly higher price per card and are accompanied by additional revenues from personalization and fulfilment services.

Revenues by Segments in € million	**2024**	**2023**	**D '24-'23**	**D '24-'23 %**
Western Europe, Nordics, Americas	130.9	116.0	14.9	12.8%
Central Eastern Europe & DACH	224.9	224.6	0.3	0.1%
Türkiye / Middle East and Africa	72.1	53.7	18.4	34.4%
Eliminations & Corporate	(42.6)	(43.0)	0.4	-0.9%
Total	**385.3**	**351.3**	**34.1**	**9.7%**

From geographical segment view, revenue growth was strong in both MEA and WEST contributing respectively by € +18.4m and € +14.9m in additional revenues. While revenue growth in the Western Europe, Nordics, Americas (WEST) segment is mainly related to Identity & Payment solutions category and in particular to the high demand for premium metal payment cards, personalisation and fulfilment services, the growth in the Middle East and Africa (MEA) segment was driven by a new security documents solution contract in the Africa region. Revenues in the Central Eastern Europe & DACH (CEE) segment reached € 224.9m, at similar level with 2023 which was € 224.6m. CEE generated significant growth of € +11.3m in the Digital Transformation Technologies category but was negatively affected by lower order intake in the Identity & Payment Solutions category, especially related to intersegment sales to supply the Turkish market, resulting in a reduction of € -9.9m revenues in 2024 while the Document Lifecycle category in CEE increased by € 0.9m mainly supported by the printing business.

Gross profit I increased by € 22.4m (+14.1%) to € 181.2m, driven by revenue growth in Digital Transformation Technologies (€ 11.3m) and Document Lifecycle Management (€ 22.8m). Gross margin I improved from 45.2% to 47.0%, mainly due to a higher share of service revenues without associated material costs as well due to a lower level of material costs associated with the security document solution contract in MEA.

Gross Profit II grew by € 7.0m or +8.1% as a result of revenue and Gross profit I growth and reached € 93.8m. Gross Margin II declined slightly by 0.4 percentage points to 24.3% as a result of Production costs increasing by € 15.4m or +21.1%. The increase in Production costs was mainly driven by the new security document solution project in Africa adding approximately € 9,3m costs, the annualization impact related to the acquisition of the postal courier business "Pink Post" in March 2023 contributing additional cost of € 2.8m versus 2023 as well as higher costs related to the provision of digitalization services and inflation-related cost increases. Analyzed by category the increase in Production costs is mainly related to higher personnel costs (€ +6.2m), Third party services (€ +3.2m), Transportation expenses (€ +3.9m) and Depreciation & amortization expenses (€ +1.1m).

Operating expenses (OPEX) in € million	**2024**	**2023**	**D '24-'23**	**D '24-'23 %**
Production costs	(87.4)	(72.0)	(15.4)	21.4%
Selling and distribution expenses	(23.3)	(23.3)	0.1	-0.3%
Administrative expenses	(27.7)	(25.2)	(2.6)	10.2%
Research and development expenses	(8.4)	(7.4)	(1.1)	14.8%
+ Depreciation, amortization and impairment	17.8	16.1	1.6	10.2%
Total	**(129.0)**	**(111.7)**	**(17.3)**	**15.5%**
Operating expenses as a percentage of Sales	**33.5%**	**31.8%**	**1.7%**	

Operating expenses (OPEX), excluding depreciation, amortization, and impairment, increased by € 17.3m (15.5%) to € 129.0m, primarily driven by higher production expenses as described above. As a percentage of sales, OPEX increased by 1.7 percentage points to 33.5% compared to 31.8% in 2023.

Selling and distribution expenses remained stable at € 23.3m. Administrative expenses increased by € 2.6m (10.2%), primarily due to the expansion of the Group's management team following its listing and reorganization in H1 2023, contributing € 1.8m of the increase, and to M&A activity related increases of expenses. Research and development (R&D) expenses increased by € 1.1m, reaching € 8.4m in 2024. This increase is related to the investments in AI & Data Analytics by acquiring LS Tech (€ +0.3m), in our Banking-as-a-service offering (€ +1.0m) and to strengthening of our R&D team overall. This increase in R&D expenses was partially compensated by the completion of EU-funded research projects and the thus ensuing cost savings.

Other income increased by € 1.2m to € 5.0m in 2024 mainly due to an increase in income from capitalised personnel cost concerning research and development (€ +0.7m) as well as R&D related subsidies (€ +0.3m). Other expenses were increased by € 0.6m to € 2.2m in 2024 mainly due to higher impairment charges for trade receivables (€ +0.3m) and the effect of the new minimum corporate income tax regulation in Romania resulting in additional income tax charges of € + 0.3m that have to be reported within EBITDA as per IAS 12.

In 2024, adjusted EBITDA increased by € 5.6m or 11.4%, from € 49.3m to € 54.9m due to profitable revenue growth as a result the adjusted EBITDA margin increased by 0.2 percentage points from 14.0% to 14.2% in 2024.

Adjusted EBIT increased by € 4.0m or 12.0% to € 37.1m as the EBITDA growth was partially compensated by the € 1.6m increase in depreciation and amortization related to investments in machinery and equipment supporting business expansion (€ +1.1m), amortization of acquisition related intangible assets (€ + 0.4m) and impairment charges for idle machinery (€ +0.2m).

Adjusted Profit before tax increased by € 3.5m or 13.2% reaching € 29.6m as the growth in EBIT was partially offset by the increase in net finance costs. Net finance costs came in at € 7.5m increasing by € 0.5m mainly due to the higher average outstanding financial debt resulting in higher interest expense of € +0.7m. In 2024, the average interest costs for financial debt slightly decreased to 5.6% from 5.7% in 2023 despite the 3-month-Euribor being on average approximately 25 basis points above its comparative level. These cost increases were partially offset by higher interest income of € +0.3m being essentially related to our Turkish operations and a higher result from associates of € 0.1m.

Special items in € million	**included in**	**2024**	**2023**	**D '24-'23**	**D '24-'23 %**
Management participation programs	EBITDA	(3.7)	(2.9)	(0.8)	26.0%
Foreign exchange gains	Profit before tax	0.2	0.1	0.1	203.1%
Foreign exchange losses	Profit before tax	(0.0)	(1.0)	1.0	-99.6%
Income from financial assets and liabilities at fair value through profit or loss	Profit before tax	0.2	0.2	0.0	7.3%
Expense from financial assets and liabilities at fair value through profit or loss	Profit before tax	(0.1)	(1.3)	1.2	-95.6%
Total		**(3.3)**	**(4.9)**	**1.6**	**-32.8%**

Special items costs decreased by € 1.6m or 32.8% mainly due to lower foreign exchange losses (€ -1.0m) and to lower expenses related to the valuation of financial liabilities (€ -1.2m). These effects were partially compensated by the normalization of expenses for management participation programs (SOPs) and the thus resulting increase of € +0.8m. In 2023, SOP expenses had been reduced by € -2.4m as a result of a one-time provision release in connection with the restructuring of the Group's SOP.

In 2024, corporate income tax expenses increased by € 2.3m to € 6.6m, leading to a higher effective tax rate based on adjusted Profit before tax (excluding the non-tax deductible SOP and valuation expenses) of 21.9% compared to 16.2% in 2023. The main drivers thereof were the increase in taxable result in the UK and in Greece which is taxed at 25% respectively 22% (€ +2.0m), a one-time update of deferred tax liabilities related to UK-related intangible assets increasing tax expenses by € 0.4m and in parallel a (proportionate) reduction of taxable result in Andorra (taxed at 10%) leading to a higher effective tax rate. Excluding the one-off effect from updating deferred tax liabilities the effective tax rate based on adjusted Profit before tax would have been 20.7%.

Profit increased by € 2.8m or 16.6% from € 17.0m in 2023 to € 19.8m in 2024 as a result of the strong operating performance and the resulting growth in adjusted Profit before tax. A reduction of the costs included in Special items by € -1.6m was partially compensated by an increase in Income tax expenses by € +2.3m.

3.3.2. Effect of IAS 29 Hyperinflation on business performance

As presented in the table below, the application of IAS 29 Hyperinflation with respect to our Türkiye-based operations, hyperinflation accounting increased Revenues by € 6.9m reaching € 392.3m in 2024 compared to an increase by € 13.3m reaching € 364.6m in 2023.

Hyperinflation accounting also increased Operating expenses (OPEX) by € 0.7m in 2024 compared to € 1.3m in 2023. Adjusted EBITDA, adjusted EBIT and adjusted Profit before tax in the IFRS Income statement increased compared to the management Income statement by € 0.6m (2023: € 1.2m) while Profit decreased by € 0.6m (2023: € 0.2m).

Impact of IAS 29 Hyperinflation in € million	2024			2023		
	IFRS	**IAS29 Effect**	**MGMT**	**IFRS**	**IAS29 Effect**	**MGMT**
Revenues	392.3	6.9	**385.3**	364.6	13.3	**351.3**
Gross Profit I	182.5	1.3	**181.2**	161.3	2.5	**158.8**
Gross Profit II	94.6	0.7	**93.9**	88.3	1.5	**86.8**
OPEX	(129.7)	(0.7)	**(129.0)**	(113.0)	(1.3)	**(111.7)**
adjusted EBITDA	55.5	0.6	**54.9**	50.4	1.2	**49.3**
adjusted EBIT	37.7	0.6	**37.1**	34.3	1.2	**33.2**
adjusted Profit before tax	30.2	0.6	**29.6**	27.3	1.1	**26.1**
Profit before tax	25.9	(0.4)	**26.3**	21.0	(0.2)	**21.2**
Profit	19.2	(0.6)	**19.8**	16.8	(0.2)	**17.0**

3.4. Financial position

Consolidated statement of financial position in € million	**31/12/2024**	**31/12/2023**	**D '24-'23**	**D '24-'23 %**
Non-current assets	165.2	156.8	8.5	5.4%
Current assets	166.4	164.9	1.5	0.9%
Total assets	**331.6**	**321.7**	**9.9**	**3.1%**
Total Equity	124.8	107.2	17.7	16.5%
Non-current liabilities	117.3	115.2	2.1	1.8%
Current Liabilities	89.5	99.3	(9.9)	-9.9%
Total Equity and Liabilities	**331.6**	**321.7**	**9.9**	**3.1%**

Total assets increased by € 9.9m from 31 December 2023 to € 331.6m on 31 December 2024 mainly as a result of higher non-current assets (€ +8.5m) and higher Total Equity (€+ 17.7m) being partially compensated by lower current liabilities (€ -9.9m).

The increase in non-current assets in particular related to € 4.0m additions to intangible assets from M&A activity and an increase of € 4.3m in tangible assets, including additions of € 2.5m in right-of-use real estate lease assets. The remaining increase results from deferred tax assets (€ +1.4m) while other long-term receivables which include essentially hedging related swaps and other securities decreased by € -1.1m.

Non-current liabilities increased by € 2.1m from € 115.2m to € 117.3m in 2024 mostly as a result of higher other long-term payables (€ +1.6m) related to contingent purchase price liabilities for an acquisition conducted in 2024 and negative fair values of interest rate derivatives for hedging purposes. Deferred tax liabilities increased by € +1.8m of which € 0.8m is M&A related. Loans and borrowings were decreased through repayments by € -1.5m compared to 2023. In 2024 current liabilities decreased by € -9.9m, mainly due to lower prepayments received from customers, presented as contract liabilities.

Total Equity increased by € 17.7m to € 124.8m mainly as a result of the Profit of the year amounting to € 19.8m, the share-option expense of € 3.4m recognized in the relevant equity reserve being partially compensated by the purchase of own shares (€ -2.1m) and dividends to shareholders and non-controlling interests of € -4.1m. The Equity ratio thus improved from 33.3% on 31 December 2023 to 37.6% on 31 December 2024.

Net Working Capital in € million	**31/12/2024**	**31/12/2023**	**D '24-'23**	**D '24-'23 %**
Inventories	72.8	58.2	14.6	25.2%
Contract assets	15.0	20.4	(5.4)	-26.7%
Current income tax assets	0.5	0.8	(0.3)	-33.8%
Trade receivables	45.3	44.7	0.6	1.4%
Other receivables	11.1	17.1	(6.0)	-35.2%
	144.6	141.1	3.5	2.5%
Current income tax liabilities	(3.6)	(3.0)	(0.6)	21.8%
Trade payables	(43.8)	(43.6)	(0.2)	0.4%
Other payables	(17.0)	(18.3)	1.3	-7.3%
Contract liabilities	(7.2)	(17.4)	10.3	-58.8%
Deferred income	(1.8)	(0.5)	(1.3)	253.0%
	(73.4)	(82.9)	9.5	-11.5%
Net Working Capital	**71.3**	**58.2**	**13.0**	**22.4%**

Net Working Capital increased by € 13.0m, or 22.4%, from € 58.2m on 31 December 2023, to € 71.3m on 31 December 2024. This increase mainly relates to the increase in inventories by € 14.6m which again is mostly related to higher stocks of payment chips and to lower Contract liabilities for customer prepayments received (€ +10.3m). These effects were partially compensated by lower Contract assets (€ -5.4m), mainly related to semi-finished payment card orders, and lower other receivables (€ -6.0m) related to cash deposits on restricted accounts in connection with the customer prepayments received by the end financial year 2023.

As a percentage of revenues (12-months rolling), Net Working Capital increased from 16.6% to 18.5%. This KPI aligns closely with industry benchmarks.

Statement of cash flows in € million	**2024**	**2023**	**D '24-'23**	**D '24-'23 %**
Cash flows from operating activities	34.0	9.1	24.9	273.1%
Cash flows from investing activities	(15.0)	(11.8)	(3.2)	27.1%
Cash flows from financing activities	(21.1)	5.6	(26.7)	-477.0%
Net increase (decrease) in cash and cash equivalents	**(2.1)**	**2.9**	**(5.0)**	**-172.4%**
Capital expenditure incl. ROU, excl. M&A (CAPEX)	**(19.9)**	**(18.3)**	**(1.6)**	**8.9%**

The Group's Cash flow from operating activities increased by € 24.9m from € 9.1m in 2023 to € 34.0m in 2024 as a result of the increase in operating results, a substantial reduction in the negative cash effect from net working capital build-up by € +21.0m from € -35.3m in 2023 to € -14.3m in 2024 and lower corporate income tax payments (€ + 1.3m).

The Cash flow from investing activities came in at a net outflow of € 15.0m related to M&A activity (€ 1.7m net of cash received), to further development of our payment chip operating system ACOS, of our Banking-as-a-service offering and of our digitalization solutions amounting to € 4.8m in total and to investments in tangible assets of € 9.5m for upgrading our machinery park and operational sites and especially with respect to our digital security printing capabilities (€ 2.5m) in order to be able to implement new business opportunities in the African markets.

Cash flow from financing activities had a net outflow of € 21.1m compared to an inflow of € 5.6m in the same period in 2023. This outflow primarily relates to interest payments of € 7.5m (2023: € 7.7m), € 4.1m (2003: € 0.9m dividend payments to shareholders and non-controlling interests, the implementation of the share-buy-back program (€ 2.1m) and a net balance of loans and lease repayments (cash outflow) of € 7.5m compared to net cash inflow from the increase in loans & borrowings of € 14.2m in 2023.

Net Debt in € million	**31/12/2024**	**31/12/2023**	**D '24-'23**	**D '24-'23 %**
Cash and cash equivalents	(21.7)	(23.8)	2.1	-8.8%
Loans and borrowings	117.4	118.9	(1.5)	-1.3%
Net Debt	**95.6**	**95.0**	**0.6**	**0.6%**

Net Debt slightly increased by € 0.6m or 0.6% to € 95.6m as of 31 December 2024. Net Debt / Adjusted EBITDA (rolling 12 months) improved from 1.9x in 2023 to 1.7x in 2024.

3.5. Financial performance indicators

Key performance indicators in € million	**2024**	**2023**	**D '24-'23**	**D '24-'23 %**
Revenue	385.3	351.3	34.1	9.7%
Gross profit I	181.2	158.8	22.4	14.1%
Gross profit I margin	47.0%	45.2%	1.8%	n/a
Gross profit II	93.8	86.8	7.0	8.1%
Gross profit II margin	24.3%	24.7%	-0.4%	n/a
Total OPEX excluding depreciation	(129.0)	(111.7)	(17.3)	15.5%
Total OPEX excluding depreciation as % on sales	-33.5%	-31.8%	-1.7%	n/a
adjusted EBITDA	54.9	49.3	5.6	11.4%
adjusted EBITDA margin	14.2%	14.0%	0.2%	n/a
adjusted EBIT	37.1	33.2	4.0	12.0%
adjusted EBIT margin	9.6%	9.4%	0.2%	n/a
adjusted Profit before tax	29.6	26.1	3.5	13.2%
adjusted Profit before tax margin	7.7%	7.4%	0.2%	n/a
adjusted Profit after tax	23.1	21.9	1.2	5.5%
adjusted Profit after tax margin	6.0%	6.2%	-0.2%	n/a
Profit after Tax	19.8	17.0	2.8	16.6%
Profit after Tax margin	5.1%	4.8%	0.3%	n/a
Operating Cash Flow	34.0	9.1	24.9	273.1%
Operating Cash Flow as % on sales	8.8%	2.6%	6.2%	n/a
Net Equity / Total Assets	37.6%	33.3%	4.3%	n/a
Net Working Capital	71.3	58.2	13.0	22.4%
Net Working Capital as % on revenues	18.5%	16.6%	1.9%	n/a
Net Debt	95.6	95.0	0.6	0.6%
Net Debt / adjusted EBITDA	1.7	1.9	(0.2)	n/a

3.6. Non-financial performance indicators

Non-financial performance indicators	**2024**	**2023**	**D '24-'23**	**D '24-'23 %**
Number of sold cards (in million)	147.8	134.8	13.0	9.6%
Average number of employees in Full-time equivalents	2,301	2,175	125	5.8%
Number of employees in Headcount as of 31 December	2,401	2,739	(338)	-12.3%

3.7. Report on segments

The following analysis is based on the business performance as monitored by Group management excluding effects of IAS 29 Hyperinflation accounting.

3.7.1. Western Europe, Nordics, Americas

Business performance in € million	**2024**	**2023**	**D '24-'23**	**D '24-'23 %**
Revenues	**130.9**	**116.0**	**14.9**	**12.8%**
Costs of material & mailing	(75.4)	(63.6)	(11.8)	18.5%
Gross profit I	**55.5**	**52.3**	**3.1**	**5.9%**
Gross margin I	*42.4%*	*45.1%*	*-2.8%*	
Production costs	(22.5)	(21.6)	(0.9)	4.3%
Gross profit II	**33.0**	**30.8**	**2.2**	**7.1%**
Gross margin II	*25.2%*	*26.5%*	*-1.4%*	
Other income	0.1	0.7	(0.6)	-87.3%
Selling and distribution expenses	(8.5)	(9.7)	1.3	-12.9%
Administrative expenses	(8.5)	(9.0)	0.5	-5.0%
Research and development expenses	(1.6)	(0.5)	(1.0)	200.5%
Other expenses	(0.3)	(0.1)	(0.2)	174.5%
+ Depreciation, amortization & impairment	6.4	5.7	0.6	11.4%
adjusted EBITDA	**20.6**	**17.9**	**2.7**	**15.0%**
adjusted EBITDA margin	*15.7%*	*15.4%*	*0.3%*	
- Depreciation, amortization & impairment	(6.4)	(5.7)	(0.6)	11.4%
adjusted EBIT	**14.2**	**12.2**	**2.0**	**16.7%**

The segment Western Europe, Nordics and Americas (WEST) reported Revenues of € 130.9m, an increase of € 14.9m or 12.8% compared to the previous year. If we exclude from the comparative period the impact of our strategic decision to de-prioritise wholesale chip sales and to focus on the sale of complete smart card solutions, with a total effect of € 18.7m in this segment, the organic like-for-like growth of this solution category amounts to € 32.8m or 33.7%. This growth was primarily driven especially by the Challenger bank sector and product-wise by sales of high-end metal cards (€ +21.0m), regular payment cards (€ +4.1m) and associated personalization and fulfilment (€ +2.0m) as well as postal services (€ +4.5m).

Gross profit I increased with € 3.1m or 5.9% to € 55.5m due to increased revenues while Gross Margin I decreased by 2.8 percentage points to 42.4%. The reduction in Gross margin I is a result of increased metal cards and postal services sales with proportionally higher associated costs of material & mailing.

Gross profit II increased by € 2.2m or 7.1% from € 30.8 to € 33.0m due to higher Gross Profit I being only partially compensated by the increase Production costs of € 0.9m or 4.3%. Gross margin II decreased by 1.4 percentage points reaching 25.2% as implemented costs saving measures helped to partially compensate the reduced Gross margin I.

Operating expenses excl. D, A & I (OPEX) in € million	**2024**	**2023**	**D '24-'23**	**D '24-'23 %**
Production costs	(22.5)	(21.6)	(0.9)	4.3%
Selling and distribution expenses	(8.5)	(9.7)	1.3	-12.9%
Administrative expenses	(8.5)	(9.0)	0.5	-5.0%
Research and development expenses	(1.6)	(0.5)	(1.0)	200.5%
+ Depreciation, amortization & impairment	6.4	5.7	0.6	11.4%
Total	**(34.7)**	**(35.1)**	**0.4**	**-1.1%**
Operating expenses as a percentage of revenues	**26.5%**	**30.2%**	**-3.7%**	

OPEX came in at € 34.7m in 2024 decreasing by € 0.4m or 1.1% compared to 2023. Production increased by € 0.9m or 4.3% mainly due to an inflation related increase in personnel expenses (€ +0.7m). Sales and distribution expenses decreased by € 1.3m or 12.9% due to lower transportations costs (€ -1.4m) mainly related to a reclassification of certain expenses to Costs of Material & Mailing and thus decreasing Gross profit I and II in 2024. Administrative expenses decreased by € 0.5m mainly as a result of savings in personnel costs (€ -0.5m). The increase in research and development expenses is related to our development efforts in our digital payments offering. As a percentage of revenues, OPEX decreased from 30.2% to 26.5% due to the increase in revenues.

Adjusted EBITDA reached € 20.6m in 2024, increasing by € 2.7m or 15.0% compared to 2023, while the adjusted EBITDA margin reached 15.7%, slightly increasing by 0.3 percentage points as a result of the increased gross profit with € 2.2m and cost control in the different functions. Adjusted EBIT amounted to € 14.2m, an increase of € 2.0m, or 16.7%, as a result of the good operating performance, which compensated the increase of € 0.6m in depreciation and amortisation.

3.7.2. Central Eastern Europe & DACH

Business performance in € million	**2024**	**2023**	**D '24-'23**	**D '24-'23 %**
Revenues	**224.9**	**224.6**	**0.3**	**0.1%**
Costs of material & mailing	(123.7)	(127.4)	3.7	-2.9%
Gross profit I	**101.2**	**97.1**	**4.1**	**4.2%**
Gross margin I	*45.0%*	*43.3%*	*1.7%*	
Production costs	(50.6)	(45.9)	(4.7)	10.3%
Gross profit II	**50.6**	**51.2**	**(0.7)**	**-1.3%**
Gross margin II	*22.5%*	*22.8%*	*-0.3%*	
Other income	4.7	3.0	1.7	58.4%
Selling and distribution expenses	(12.4)	(12.2)	(0.2)	1.7%
Administrative expenses	(15.9)	(14.3)	(1.6)	11.1%
Research and development expenses	(6.5)	(6.1)	(0.4)	5.8%
Other expenses	(1.5)	(1.3)	(0.2)	14.2%
+ Depreciation, amortization and impairment	10.6	10.1	0.6	5.8%
adjusted EBITDA	**29.6**	**30.3**	**(0.7)**	**-2.3%**
adjusted EBITDA margin	*13.2%*	*13.5%*	*-0.3%*	
- Depreciation, amortization and impairment	(10.6)	(10.1)	(0.6)	5.8%
adjusted EBIT	**19.0**	**20.2**	**(1.3)**	**-6.4%**

The Central Eastern Europe & DACH (CEE) segment reported revenues of € 224.9m in 2024, reflecting a slight increase of € 0.3m or 0.1% compared to 2023. Growth in Digital Transformation Technologies, particularly in Romania and Greece through public digitalization contracts and private sector increase in solutions provided, contributed € +11.3m. This was offset by a € -12.0m decline in Identity & Payment Solutions related to by € 2.1m lower intersegment sales, mainly due to lower chip sales (€ -1.5m). The most significant impact came from contract assets accounted for based on the percentage-of-completion method: While 2023 revenues were positively affected by a € 9.3m build-up of contract assets, 2024 revenues were negatively affected by a reduction of € 4.3m in contract assets, resulting in a year-on-year contract assets related revenue deviation of € -13.6m. Document Lifecycle Management reached € 97.6m in 2024 growing by € 0.9m compared to last year. While the Printing category achieved a growth of € 1.2m, postal services slightly decreased by € 0.3m.

Gross profit I increased by € 4.1m, or 4.2%, to € 101.2m. Gross margin I improved by 1.7 percentage points, from 43.3% to 45.0%, driven by revenue growth in Digital Transformation Technologies and a higher proportion of service-related revenues with no or lower associated material and postage costs.

Gross profit II decreased by € -0.7m, or -1.3%, from € 51.2m to € 50.6m, mainly as a result of the increase in Production costs by 4.7m or 10.3%. The increase of Production cost is mainly due to the annualization effect of the Pink Post acquisition in March 2023 with an effect of € +2.8m in 2024, to the implementation of digitalization projects which led to an increase of € +1.6m with respect to personnel and third party expense as well to higher depreciation and amortization (€ 1.1m). Gross margin II decreased by -0.3 percentage points and came in at 22.5%.

Operating expenses excl. D, A & I (OPEX) in € million	**2024**	**2023**	**D '24-'23**	**D '24-'23 %**
Production costs	(50.6)	(45.9)	(4.7)	10.3%
Selling and distribution expenses	(12.4)	(12.2)	(0.2)	1.7%
Administrative expenses	(15.9)	(14.3)	(1.6)	11.1%
Research and development expenses	(6.5)	(6.1)	(0.4)	5.8%
+ Depreciation, amortization and impairment	10.6	10.1	0.6	5.8%
Total	**(74.8)**	**(68.5)**	**(6.3)**	**9.2%**
Operating expenses as a percentage of revenues	**33.3%**	**30.5%**	**2.8%**	

OPEX increased by € 6.3m or 9.2% to € 74.8m, mostly as a result of higher Production costs. Administrative expenses, primarily related to a higher allocation of group management fees, increased by € 1.6m or 11.1%. While Selling and distribution expenses only increased by € 0.2m or 1.7%, Research and development expenses increased by € 0.4m or 5.8% mainly as a result of higher personnel and third party expenses (in total € +0.6m) reflecting our continuous investment in R&D being partially compensated by lower depreciation & amortization charges (€ -0.2m). As a percentage of revenues, operating expenses increased from 30.5% to 33.3% in 2024.

Other income in the CEE segment increased by € 1.7m or 58.4% compared to the previous year. This increase is mainly due to higher capitalised personnel costs (€ +0.7m) related to R&D activity for developing our operating systems and digitization capabilities, an increase in received R&D subsidies of € +0.5m and a release in allowanced for doubtful receivables of € +0.3m.
Other expenses increased by € 0.2m compared to the previous year, mainly as a result of the effect of the new minimum corporate income tax regulation in Romania resulting in additional income tax charges of € + 0.3m that have to be reported within EBITDA as per IFRS.

Adjusted EBITDA came in at € 29.6 decreasing by € -0.7m or -2.3% mainly as a result of higher Administration and Research & development expenses being partially offset by the increase in other income. The adjusted EBITDA margin came in at 13.2% decreasing by -0.3 percentage points compared to 2023. Adjusted EBIT decreased by € -1.3m or -6.4% from € 20.2m in 2023 to € 19.0m in 2024 because of a lower EBITDA and an increase in depreciation and amortization by € -0.6m or -5.8%.

3.7.3. Türkiye / Middle East and Africa

Business performance in € million	2024	2023	D '24-'23	D '24-'23 %
Revenues	**72.1**	**53.7**	**18.4**	**34.4%**
Costs of material & mailing	(45.0)	(42.0)	(3.0)	7.2%
Gross profit I	**27.1**	**11.7**	**15.4**	**132.1%**
Gross margin I	*37.5%*	*21.7%*	*15.8%*	
Production costs	(14.2)	(4.6)	(9.6)	208.9%
Gross profit II	**12.8**	**7.1**	**5.8**	**81.8%**
Gross margin II	*17.8%*	*13.1%*	*4.6%*	
Other income	0.1	0.0	0.1	n/a
Selling and distribution expenses	(2.4)	(1.4)	(1.0)	66.8%
Administrative expenses	(2.3)	(0.8)	(1.5)	195.2%
Research and development expenses	(0.3)	0.0	(0.3)	n/a
Other expenses	(0.4)	(0.2)	(0.2)	75.0%
+ Depreciation, amortization and impairment	0.8	0.3	0.4	124.8%
adjusted EBITDA	**8.3**	**4.9**	**3.4**	**68.2%**
adjusted EBITDA margin	*11.5%*	*9.2%*	*2.3%*	
- Depreciation, amortization and impairment	(0.8)	(0.3)	(0.4)	124.8%
adjusted EBIT	**7.6**	**4.6**	**3.0**	**64.0%**

The Türkiye, Middle East, and Africa (MEA) segment recorded Revenues of € 72.1m, reflecting an increase of € 18.4m or 34.4% compared to the previous year 2023. This growth was primarily driven by a new security documents solution contract in the African market, which contributed an additional € 18.7m in revenues, an increase of € +0.9m of the African business in Identity & Payment Solutions, while revenues in the Turkish Identity & Payment Solutions market had a slight decline of € -0.7m.

Gross profit I increased by € 15.4m or 132.1%, while Gross margin I improved by 15.8 percentage points, increasing from 21.7% to 37.5%. This was driven by the different gross margin profile of security documents solution projects, which have comparatively lower attributed costs for materials and mailing.

Gross profit II increased by € 5.8m, or 81.8%, from € 7.1m to € 12.8m and Gross margin II improved by 4.6 percentage points to 17.8% as the Gross profit I increase was partially reduced by higher Production costs of €+9.6m or 208.9%, mainly associated with the implementation of the new security documents solution contract. Analyzed per cost type Production costs mainly increased due to higher personnel and third party expenses (€ +4.7m in total) and transportation expenses (€ +4.0m).

Operating expenses excl. D, A & I (OPEX) in € million	2024	2023	D '24-'23	D '24-'23 %
Production costs	(14.2)	(4.6)	(9.6)	208.9%
Selling and distribution expenses	(2.4)	(1.4)	(1.0)	66.8%
Administrative expenses	(2.3)	(0.8)	(1.5)	195.2%
Research and development expenses	(0.3)	0.0	(0.3)	0.0%
+ Depreciation, amortization and impairment	0.8	0.3	0.4	124.8%
Total	**(18.5)**	**(6.5)**	**(12.0)**	**184.7%**
Operating expenses as a percentage of revenues	**25.7%**	**12.1%**	**13.6%**	

Operating expenses (OPEX) increased by € 12.0m or 184.7% reaching € 18.5m. This increase was mainly due to higher Production costs (€ +9.6m) as described above. Selling, administrative and R&D expenses increased overall by € 2.8m as a result of the business increase as well as in line with our strategic decision to focus on growing the Group's business in the MEA region, especially in the security printing and ID sector. As a percentage of revenues, OPEX increased from 12.1% to 25.7% in 2024.

Adjusted EBITDA increased by € 3.4m or 68.2% to € 8.3m and the adjusted EBITDA margin came in at 11.5% increasing by 2.3 percentage points both as a result of margin accretive business growth. Adjusted EBIT increased by € 3.0m or 64.0% to € 7.6m essentially in parallel with adjusted EBITDA reduced by higher depreciation related to the security printing contract.

4. FUTURE DEVELOPMENT AND RISKS

4.1. Future development

The Group's strategy going forward is to enhance its position as a leading provider for payment solutions, as well as digital transformation technologies. Based on the high expertise in its field and strong data security and software development capabilities AUSTRIACARD HOLDINGS will leverage its diversified client base and longstanding relationships in addressing their business need and be an enabler for their growth. In this context, the Group's main strategy pillar is increasing its market share and creating a more balanced product portfolio by implementing actions such as:

A. Market penetration and market development through:

   i. Expanding its geographical presence in markets where it is underrepresented or has not reached maturity level. The focus markets/regions are UK and Middle East and Africa.
   ii. Increasing the contribution of digital services and solutions in the markets of its current operation, by making the Group's combined product and solutions portfolio available initially to its existing clientele.
   iii. Increasing its client base starting from the banking sector by serving the rapidly growing Challenger Banks in existing and new markets, exploiting its track record and references on how to serve the needs of this different client base.

B. Product portfolio development and diversification through:

   i. Enhancing the Group's product portfolio, which is serving the banking sector, focusing on solutions like payment cards as a service and on end-to-end solutions for digital and neo-banks.
   ii. Providing additional formats of payment cards addressing the client's needs and recent technical trends (like fingerprint cards, metal cards, eco-friendly cards, wearables).
   iii. Continue investing in owned developed software for digitalization solutions using machine learning and AI technologies. Also advancing in data analytics providing tools for trends understanding and management decisions.

In the fast-moving market place the Group is operating in, it has decided to grow its presence and offering also by means of "acquiring" from the market already established solutions that are usually at the early stage of development and deployment. In this direction, the Group has already had some M&A activity in recent years that have enabled it to enrich its product offering and geographical footprint.

Additionally, in order for AUSTRIACARD HOLDINGS to maintain and to further increase its competitiveness, it needs to innovate constantly. Developing the right technology at the right time and having the necessary organizational structures in place is crucial. We seek to follow and cautiously anticipate market developments through carefully targeted investments. Maintaining and improving our R&D capabilities is mandatory for our future growth.

4.2. Outlook

After the strong business growth in 2023 and 2024 and despite the continued weak outlook for the European economy, we target further business growth for the business year 2025. The rationale behind this growth expectation can be associated mainly with the following drivers: a) significant increase in the turnover from Digital Transformation Technologies, especially with the implementation of the public digitalization projects in Greece and b) growth in the MEA region by acquiring and implementing government and citizen identity solutions. These growth drivers are expected to have a higher contribution in the second half of 2025.

4.3. Risk Management, risks and uncertainties

By striving for sustained and profitable growth, AUSTRIACARD HOLDINGS is exposed to risks. We seek to limit our exposure solely to unavoidable risks and closely monitor the effects of such exposure to limit the overall risk. Therefore, risk management is a fundamental part of our planning process and the implementation of our strategy. Risk policies, internal control and risk management were determined by management and are apparent in our monthly reporting. Monthly results are closely analysed, adequate measures to manage risks are determined and monitored in management meetings.

The Management Board is responsible for the Group's risk management, defines the risk policy which is generally characterized by a conservative approach and sets the framework for Group-wide risk management. The Management Board has implemented a formalized risk process in order to ensure compliance with the Austrian Corporate Governance Code. There is a focus on risk prevention and risk reduction which are, as far as economically justifiable, achieved by appropriate control measures and complemented by the Group's insurance program. Each risk area that is considered to be significant is assigned to a risk area officer with relevant expertise who is responsible for analysing, assessing, controlling, and monitoring the respective risks. Thus, the risk management process does not take place in an isolated way, but as an integral part of the organization and its procedures. The identified risks are evaluated in terms of potential damage and probability of occurrence before as well as after taking safeguarding and steering measures.

For each risk that is identified and considered to be significant for the Group, specific control, steering and safeguarding measures are determined, taking into account the Group-wide risk policy, in order to manage the respective risk. These measures are continuously evaluated and developed or amended. They are oriented towards improving the Group's risk position, however without restricting possible opportunities.

If any of the risks outlined in the section below materialises, this could have an adverse effect on the business, financial condition, and result of operations of the Group:

4.3.1. Risks relating to the (macro-) economic and political environment

Risks related to uncertainty in the current economic context

Following the COVID-19 pandemic there is a higher than usual degree of uncertainty in the current economic context, mainly due to the heightened geopolitical tensions following Russia's invasion of Ukraine and the conflict in Gaza, which have exacerbated inflationary pressures, supply chain bottlenecks and volatility in commodity and financial markets. While inflation has been reducing over the last 12 months, new uncertainties have emerged regarding the further economic development as described in section 3.1, especially in the Euro area which is the Group's core market. The combined effect thereof may have an adverse effect on business and consumer confidence and the global economy generally. An economic downturn may impact the Group's customers, resulting in their inability to pay amounts owed to the Group and may affect demand for the Group's goods and services. Additionally, the sourcing and cost of raw materials may be negatively affected.

Inflationary pressures

The Group's business and operations may be affected by a renewed inflation surge or constantly higher inflation in the countries in which we operate compared to the countries to which we export. Inflation is expected to put upward pressure on the Group's expenses, particularly wages, operating expenses and material costs which may not or only partially be passed on to the Group's customers.

4.3.2. Risks relating to the Group's industry and business

Evolving market trends and changing technologies

The market for electronic payment systems is characterized among others by: rapid technological advancements, frequent product introductions and enhancements, local certification requirements and product customizations, evolving industry and government performance and security standards and regulatory requirements, introductions of competitive products and alternative payment solutions, such as mobile payments and processing, at the POS (point of service) and rapidly changing customer and end user preferences or requirements. Because of these factors, the Group must continually enhance its existing solutions and develop and market new solutions and it must anticipate and respond timely to these industry, customer and regulatory changes in order to remain competitive.

Additionally, while the Group expects innovative solutions developed to address the ongoing digital transformation to comprise an important and increasing component of the Group's services portfolio going forward, the Group faces the risk that some industries may not continue to aggressively pursue their "digital reinvention". The fact that the Group has a wide industry reach and does not depend on one industry only gives the ability to mitigate any turbulence or slower digital transformation progress.

Sales and competition

The markets for the Group's solutions and services are highly competitive and rapidly evolving, and it has been and expects to continue to be subject to significant competition from existing and new competitors and a variety of technologies. Traditionally, the Group has competed with other large manufacturers which are considerably larger, have more resources, are more established and benefit from greater name recognition. In certain areas, the Group also competes with smaller companies that have been able to develop strong local or regional customer bases. In addition, some of these competitors may use aggressive pricing policies which may result in the Group facing significant downward pressures on prices in certain countries and regions.

The electronic payment industry is facing recent competition emerging from non-traditional competitors, such as Apple, PayPal and Google, which offer alternative payment methods that generally bypass the traditional card-based interchange-based payment processing systems on which much of the industry's current business model is largely based. Moreover, these non-traditional competitors have considerable financial resources and strong networks and are highly regarded by consumers. However, EMV cards are the pre-eminent mean of payment and is a reliable back up to new means of payment such as electronic wallets. On the other hand, there is still a big migration to happen from cash payment to credit/debit cards which will ensure the growth projected. Additionally, Challenger Banks where the Group has a big market penetration, as well as traditional banks issue cards as a marketing tool and to have a physical connection with their customers since the number of physical branches is reducing.

To mitigate that risk, the Group aims at effectively competing with existing competitors and new market entrants by developing and offering, in a timely manner, an attractive solutions portfolio with technological features its customers desire.

Procurement

The Group utilizes, as customary in this industry, a limited number of suppliers and service providers to supply certain of the key components of the cards, the print products and other components, used in the development and operation of the Group's services and products. In particular, the Group collaborates with specific suppliers for the supply of materials based on long-term partnerships which are mainly governed by framework contracts with an indefinite duration or a definite duration of up to three years based on which materials and services are ordered according to operational requirements.

The Group relies upon these suppliers to produce and deliver products and materials on a timely basis and at an acceptable cost. Business interruptions could affect the ability of these suppliers to produce and deliver the ordered products and services on time. If these suppliers and service providers were unable to continue providing their services, the Group could encounter difficulty finding alternative suppliers. Nevertheless, for most of the critical components used in production we have qualified alternative supplier to mitigate this risk.

Supply chain management

If the Group inaccurately forecasts demand for its products, it could end up with either excess or insufficient inventory to satisfy demand. This problem is exacerbated because the Group generally receives a volume of customer orders on short notice which leaves the Group little time to adjust inventory mix to match demand. During the transition from an existing product to a new replacement product, the Group must accurately predict the demand for the existing and the new product. Furthermore, introducing new products into the Group's current markets or existing products into new markets involves the uncertainty of whether the market shall adopt the Group's product in the volumes and time frames that it anticipates or at all. Not properly managed inventory levels could lead to increased expenses associated with writing off excessive or obsolete inventory, maintaining significant inventory of components and thus increasing net working capital and indirectly financing costs and decreasing liquidity, additional shipping costs to meet immediate demand and a corresponding decline in gross margins or lost sales. As such forward looking rolling forecast is being implemented from the Group in order to manage in the best possible way the demand coming from its client base.

Business interruption

The Group depends on the efficient and uninterrupted operation of numerous systems, including its computer systems, software, servers and data centers. The services the Group delivers are designed to securely and reliably process very complex and sensitive digital data volumes and to manage and distribute these data at very high volumes and processing speeds. Any failure to deliver an effective and secure service or performance issues that result in significant processing or reporting errors or service outages could have an adverse effect on a potentially large number of users, the Group's business, and, ultimately, its reputation. Events that could cause system interruptions include, but are not limited to, fire, natural disasters, telecommunications failure, computer viruses, unauthorized entry, terrorist acts and war. To mitigate such risks, the Group is developing and implementing plans for disaster recovery, back-up sites and protective measures against natural disasters and other potential causes for business interruption.

Information security and Data breach

The Group operates in an industry that makes it a target of cyber and other attacks, including hacking attacks, on its systems as well as on its payment solutions. The Group's business involves the collection, transmission, storage and use of proprietary data or personally-identifying information of its customers, business partners and employees, as well as, in certain cases, end-users of its products or services, including names and addresses, cardholder data, and payment history records, among other data and information. The confidentiality and integrity of the client and consumer information on the Group's servers and other information systems is critical to the operation of its business. As a result, the Group is exposed to risks of third-party security breaches, including hacking attacks, employee error, malfeasance, or other irregularities or compromises of its systems which could result in the loss or misappropriation of sensitive data, corruption of business data or other disruption to the Group's operations.

The Group has devoted significant resources to security measures, processes and technologies to protect and secure its networks and systems, but they cannot provide absolute security, especially in light of rapid advances in computer capabilities and cryptography. Key measures to mitigate these risks are among others data privacy and data protection measures, data leakage prevention controls and the implementation of cyber security measures including vulnerability and penetration testing.

Compliance with industry and government regulations and standards

The Group's products and services must meet industry standards such as the Payment Card Industry standards (PCI for Card Production and Provisioning - PCI CP&P) as well as those imposed by payment transactions standards setting organizations such as EMV and other associations and standard setting organizations (such as ISO). The Group's operational sites are certified according to the above mentioned standards.

The Group is a certified producer of Visa, Mastercard (CQM) and Diners Club International brands and operates under permanent supervision of external auditors appointed or accredited by the PCI Security Standards Council (PCI SSC) and other institutions following strict standards for digital and physical security. The Company has effective specific security policies and procedures which are audited on an annual basis with respect to physical and logical security by PCI Card Production Security Assessors (CPSA), card schemes and relevant ISO Standards' accreditation bodies. All previous audit procedures have been successfully concluded without any impact on the relevant certifications.

4.3.3. Regulatory and legal risks

Privacy and protection of personal data

In conducting its activities, the Group regularly acts as processor of personal data. Therefore, the Group is subject to data privacy and protection laws and regulations of various jurisdictions that apply to the collection, transmission, storage and use of proprietary information and personally-identifying information. As data processors, the Group companies are most often subject to more obligations in terms of data protection than a data controller, in light of the fact that these obligations are of two categories, respectively those provided by law as mentioned above and those arising from the contractual relationships concluded with data controllers who have the freedom to send specific instructions to the processor regarding data protection. The regulatory environment surrounding information security and data privacy varies from jurisdiction to jurisdiction and is constantly evolving and increasingly demanding.

The Group’s failure to keep apprised of and comply with privacy, data use and security laws, standards and regulations could result in the suspension or revocation of licenses or registrations, the limitation, suspension or termination of services and the imposition of administrative, civil or criminal penalties including fines, or may cause existing or potential customers to be reluctant to conduct business with the Group, damage to the Group’s reputation and its brand, any of which could have an adverse effect on the Group’s business, results of operations and financial condition. To mitigate this risk the Group has implemented relevant data privacy and data protection measures.

Compliance with laws and regulations

Compliance risks arising from possible non-conformity with standards, laws, ethical codes of conduct, and, where applicable, voluntary commitments, such as the code of conduct, are managed especially by means of preventive measures such as regular systematic compliance monitoring, the four-eyes principle as well as Group-wide guidelines and trainings. The aim is to ensure strict adherence to compliance requirements.

4.3.4. Financial risks

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Euro (EUR), RON (Romania), GBP (UK) and USD (USA). The currencies in which the Group's transactions are denominated are mainly Euro and RON and to a lesser extent GBP (British Pound), USD (US Dollar), TRY (Türkiye), PLN (Poland) and others.

Exposure to currency fluctuations arises also from converting the financial information of the Group's subsidiaries in Romania, Turkey, Poland, UK and USA from functional (local) to presentation currency (Euro) and its incorporation in the Group's financial statements.

Management continuously monitors the development of relevant foreign exchange rates for current or upcoming transactions. In order to limit exposure to foreign exchange variances the Group aims at invoicing its customers and receiving invoices from suppliers in the functional currency of the respective group component. As most costs of the Group accrue in Euro the Group also aims at fixing Euro sales prices for deliveries invoiced local currency. Where deemed useful, the Group uses foreign currency derivatives to hedge future transactions, trade receivables and liabilities.

Interest rate risk

The Group is essentially financed using borrowings and loans with variable interest rates which are mostly linked to the Euribor. If the Group would not use derivatives for hedging, interest charges would – given the same level of net debt – increase if the Euribor increases. Management continuously monitors the development of net debt and interest rates.

In order to reduce the Group's interest rate risk or long-term loans, interest rate swaps and collars have been concluded to change the variable interest to a fixed interest rates respectively to reduce the variability of interest costs in case of interest rate collars.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Credit risk is managed through credit examinations, credit limits and verification routines. If counterparty's credit-worthiness is questionable, advance payments or Letter of Credits are requested. The Group's main customers are banks and utility companies with sound credit ratings which reduces the Group's overall credit risk. In order to further decrease credit risk, the Group uses non-recourse factoring for certain customers.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity needs by monitoring the contractual payments for long-term and short-term financial debt as well as the working capital requirements. Liquidity needs are monitored on a monthly basis and based on annual forecasts. Net cash requirements are compared to available borrowing limits, to identify surpluses or deficiencies in liquidity.

Stock obsolescence

Stock obsolescence risk refers to the potential financial loss arising from inventory becoming outdated, unsellable, or significantly devalued due to changes in market demand, technological advancements, or product lifecycle expiration.

In order to mitigate the stock obsolescence risk, the Group is implementing a forward-looking rolling forecast in order to align in the best possible way the demand coming from its client base with material purchases and existing stock levels. Further, the Group is monitoring chip expiration dates and their match with expected production needs emphasising the use of chips with shorter expiration dates, aims at negotiating terms with suppliers allowing for postponing the delivery of orders and for exchanges of orders to new technology and regularly reviews stock levels and stock movements to identify articles subject to obsolescence risk.

5. INTERNAL CONTROL SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

The Management Board is responsible for establishing and structuring an appropriate internal control and risk management system with regard to the accounting process, financial reporting and the preparation of the consolidated financial statements. This ensures the completeness, reliability and traceability of financial information. In addition, the appropriateness and efficiency of the processes and compliance with legal, contractual and internal regulations are ensured.

The organizational and operational structure defines clear and unambiguous responsibilities for the individual companies and the Group. The central functional areas "Group Reporting" and "Group Controlling" are responsible for drawing up uniform, state-of-the-art Group guidelines and for organizing and monitoring financial reporting within the Group.

The basis of the processes for Group accounting and reporting is an accounting manual, which is regularly updated and is based on the International Financial Reporting Standards (IFRS). Group guidelines, work instructions and process descriptions form another important basis of the internal control system (ICS). Key elements of the ICS include regular compliance with the principle of dual control, the upright separation of functions and defined control steps for monitoring and auditing the effectiveness and efficiency of operating activities, the reliability of financial reporting and compliance with the relevant legal requirements for the company. AUSTRIACARD HOLDINGS acts in accordance with international standards and best practices.

Business transactions are recorded using different software solutions. The individual companies deliver monthly reporting packages to Group headquarters containing all relevant accounting data for the statement of comprehensive income, balance sheet and cash flow statement. This data is entered into the central consolidation system IDL KONSIS on a monthly basis. The financial information is reviewed at Group level and forms the basis for ongoing management reporting as well as for the annual financial report and the half-year interim report in accordance with IAS 34.

Defined consolidated Group reports consisting of the income statement, balance sheet, equity reconciliation and cash flow statement are prepared on a monthly basis and submitted to the Executive Board and the extended Group management. These reports include a comparison with the budget and the previous year. The Management Board informs the Supervisory Board on a quarterly basis about economic developments in the form of presentations consisting of the consolidated financial statements, segment reporting, earnings performance with budget and previous year comparisons, forecasts and selected key figures.

Internal Audit has been set up as a staff unit of the Management Board, with the Group CFO being technically responsible. The annual audit plan is approved by the Audit Committee of the Supervisory Board based on the proposal of Internal Audit and of the Management Board. Internal Audit reports in writing on the results of the audits to the Management Board and the Audit Committee of the Supervisory Board on a quarterly basis.

6. INFORMATION ON CAPITAL, SHARE, VOTING AND CONTROL RIGHTS AND RELATED AGREEMENTS IN ACCORDANCE WITH SECTION 243 A (1) UGB

Composition of capital, stock categories

Please refer to note 21.A (Share capital and additional paid in capital).

Restrictions concerning the voting rights and the transfer of shares

There were no restrictions on voting rights or the transfer of shares as at the reporting date.

Direct or indirect participation in capital of at least 10 %

As at December 31, 2024, according to the information disclosed to the company, the following persons held interests of at least 10 percent in the company's capital:
Mr. Nikolaos Lykos, Chairman of the Company's Management Board

Owners of shares with special control rights and a description of these rights

There are no shares with special control rights.

Type of voting rights control for capital participation by employees, if they do not directly exercise the right to vote

There is no voting rights control for capital participation by employees.

Provisions for appointment and revocation of members of the Management Board and the Supervisory Board and regarding alteration of the Articles of Association of the Company that do not arise directly from the Act

There are no provisions of this type.

Authorization of the members of the Management Board that does not arise directly from the Act, in particular with regard to the option of issuing or repurchasing shares

Please refer to note 21.A (Share capital and additional paid in capital).

All significant agreements to which the Company is a party and that take effect are modified or terminated in the event of a change of control of the Company as a result of a takeover offer as well as its effects; agreements which would significantly damage the Company if made public are excepted, unless the Company is obligated to make such information public as a result of other statutory provisions

There is a standard market "change of control" clause, which may lead to the termination of the agreement regarding the company's syndicated financing facility totaling € 186.6 million.

Existence and significant content of compensation agreements between the Company and the members of its Management and Supervisory Boards or employees in the event of a public takeover offer

There are no agreements of this type.

7. CONSOLIDATED NON-FINANCIAL STATEMENT IN ACCORDANCE WITH SECTION 267 A UGB

The option was chosen to meet the obligations pursuant to section 267a UGB by preparing a separate consolidated non-financial report.

8. PERSONNEL

The expertise and dedication of our employees across all segments continue to be a driving force behind the success of AUSTRIACARD HOLDINGS. Despite ongoing global economic uncertainties and evolving market challenges, we have achieved solid operational growth thanks to the commitment and resilience of our people.

The past years have reinforced the importance of health and well-being, which remain a top priority for us. As a Group, we are dedicated to fostering a healthy work environment by implementing initiatives that support both physical and mental well-being. Our commitment extends beyond the pandemic, ensuring our employees thrive in a balanced and supportive workplace.

Our employees' expertise, innovative mindset, and motivation are essential for the continued international growth and success of AUSTRIACARD HOLDINGS Group. To strengthen team collaboration and professional development, we continue to invest in initiatives such as the AUSTRIACARD Academy, which focuses on continuous learning and internal cooperation.

To ensure alignment with the Group's strategic objectives, a part of the annual remuneration for management positions remains performance-based. This variable component is linked to the achievement of key Group targets, including revenue, adjusted EBITDA, and adjusted profit before tax, as well as individual goals tailored to each role's responsibilities.

Overall, the Group's headcount decreased from 2,739 at 31 December 2023 to 2,401 at 31 December 2024, mainly due to the reduction of the Pink Post postal and courier services (-314) as a result of the optimization of the delivery network in Romania.

Number of employees	31/12/2024	31/12/2023	D '24-'23	D '24-'23 %
Western Europe, UK, Nordics, Americas	516	534	(18)	-3.4%
Central Eastern Europe & DACH	1,778	2,082	(304)	-14.6%
Türkiye / Middle East and Africa	91	102	(11)	-10.8%
Corporate	16	21	(5)	-23.8%
Total	**2,401**	**2,739**	**(338)**	**-12.3%**

The average number of employees counted as full-time-equivalents was increased by 125 FTE from 2,175 FTE in 2023 to 2,301 FTE in 2024.

9. ENVIRONMENTAL MANAGEMENT

AUSTRIACARD HOLDINGS (ACAG) has recently updated its Vision and Mission, reinforcing its commitment to sustainability.
Vision: Building on our legacy and dedication to social responsibility, we envision a world where our secure, innovative technologies foster meaningful connections, protect what matters, and empower communities to thrive.
Mission: Our mission is to empower clients with innovative, secure solutions that generate lasting value for individuals, partners, and communities—guided by our unwavering commitment to sustainability.

Sustainability Initiatives
In the past year, ACAG launched a comprehensive sustainability project in collaboration with a specialized consultancy. Key initiatives include:

- Double Materiality Analysis – Assessing the company's impact on the economy, environment, and society while identifying associated risks and opportunities.
- Greenhouse Gas Inventory (Scope 1, 2, and 3) – Measuring emissions across the group's key operational entities to better understand and manage our carbon footprint.
- Taxonomy Analysis – Identifying activities that qualify as sustainable economic practices, establishing assessment methodologies, and ensuring alignment with OECD guidelines and UN principles.
- CSRD Compliance Preparation – Collecting data to meet the requirements of the Corporate Sustainability Reporting Directive (CSRD), the new European regulation that replaces Directive 2014/95/EU and mandates sustainability reporting from 2024.

ACAG is aligning all entities under a unified Environmental, Social, and Governance (ESG) framework. This will enable the group to establish a clear, consolidated strategy with short-, medium-, and long-term goals aligned with the Sustainable Development Goals (SDGs) and Agenda 2030.

Environmental Management Commitment
ACAG operates an effective environmental management system, founded on regulatory requirements and best practices. Our commitments include:

- Complying with environmental laws and regulations across all operational countries.
- Conducting regular environmental impact assessments.
- Systematically identifying and reviewing environmental impact to enhance performance.
- Holding regular management reviews to evaluate environmental challenges and improvements.

Key Environmental Priorities

- Investing in climate change mitigation initiatives.
- Implementing circular economy practices at multiple sites.
- Utilizing recycled materials.
- Preventing and controlling pollution (air and water).
- Committing to continuous improvement.
- Adopting sustainable energy sources.
- Enhancing waste management practices.
- Engaging with communities on sustainability initiatives.

By embedding sustainability into our core strategy, ACAG is paving the way for a more responsible and resilient future.

Additionally, our operating entities AUSTRIACARD GmbH, TAG Systems SAU, TAG Systems Smart Solutions SLU and TAG SYSTEMS UK Limited, INFORM LYKOS (HELLAS) S.A., INFORM LYKOS ROMANIA and NEXT DOCS comply with ISO 14001:2015 (Environmental management systems). AUSTRIACARD GmbH also complies with EMAS (Eco Management and Audit Scheme) and INFORM LYKOS (HELLAS) S.A., INFORM LYKOS ROMANIA and TAG SYSTEMS UK Limited comply with FSC (Forest Stewardship Council). The managers of the respective production and business premises are responsible for complying with these provisions. Furthermore, there are clear regulations governing the responsibilities for environmental protection issues in all countries where the Group operates.

10. RESEARCH AND DEVELOPMENT

AUSTRIACARD has restructured its research and development (R&D) activities to adopt a solution-based approach. This innovative structure centralizes R&D efforts to focus on delivering complete, integrated solutions tailored to customer needs. By moving to a solution-based R&D model, the Group ensures a more cohesive development process, enhanced collaboration across teams, and faster deployment of innovative products, services, and solutions throughout its entities.
The Group's R&D operations are strategically distributed across key development hubs in Andorra, UAE (Dubai), Poland, Spain, Austria, Greece, and Romania. These teams work collaboratively to address specific focus areas:

Identity & Payment Solutions:
- Ongoing development and enhancement of proprietary chip operating systems, ACOS and ACOS ID, with applets for banking and identification applications.
- Advancing in-house personalization software, to support internal workflows, customer interfaces, warehouse management, and comprehensive reporting for clients.
- Development of biometric payment cards and associated end-to-end services, ensuring increased security and convenience.
- Optimizing manufacturing processes, including the use of recycled materials and creating special feature products.

Digital Transformation Technologies:
- Creating high-value-added services like customer communication management (CCM) and enterprise document management.
- Developing specialized digitalization solutions, including document-onboarding (DoB), OCR/data capture, process automation using machine learning (ML), robotic process automation (RPA), natural language understanding (NLU), and cognitive analytics solutions.

With the recent acquisition of LS-Tech, AUSTRIACARD has further enhanced its R&D focus on artificial intelligence (AI), driving innovation in digital transformation technologies. This strategic shift enables the Group to deliver cutting-edge solutions, improve operational efficiencies, and create value for customers by addressing their evolving needs with advanced, integrated technologies.

Vienna, 12 March 2025

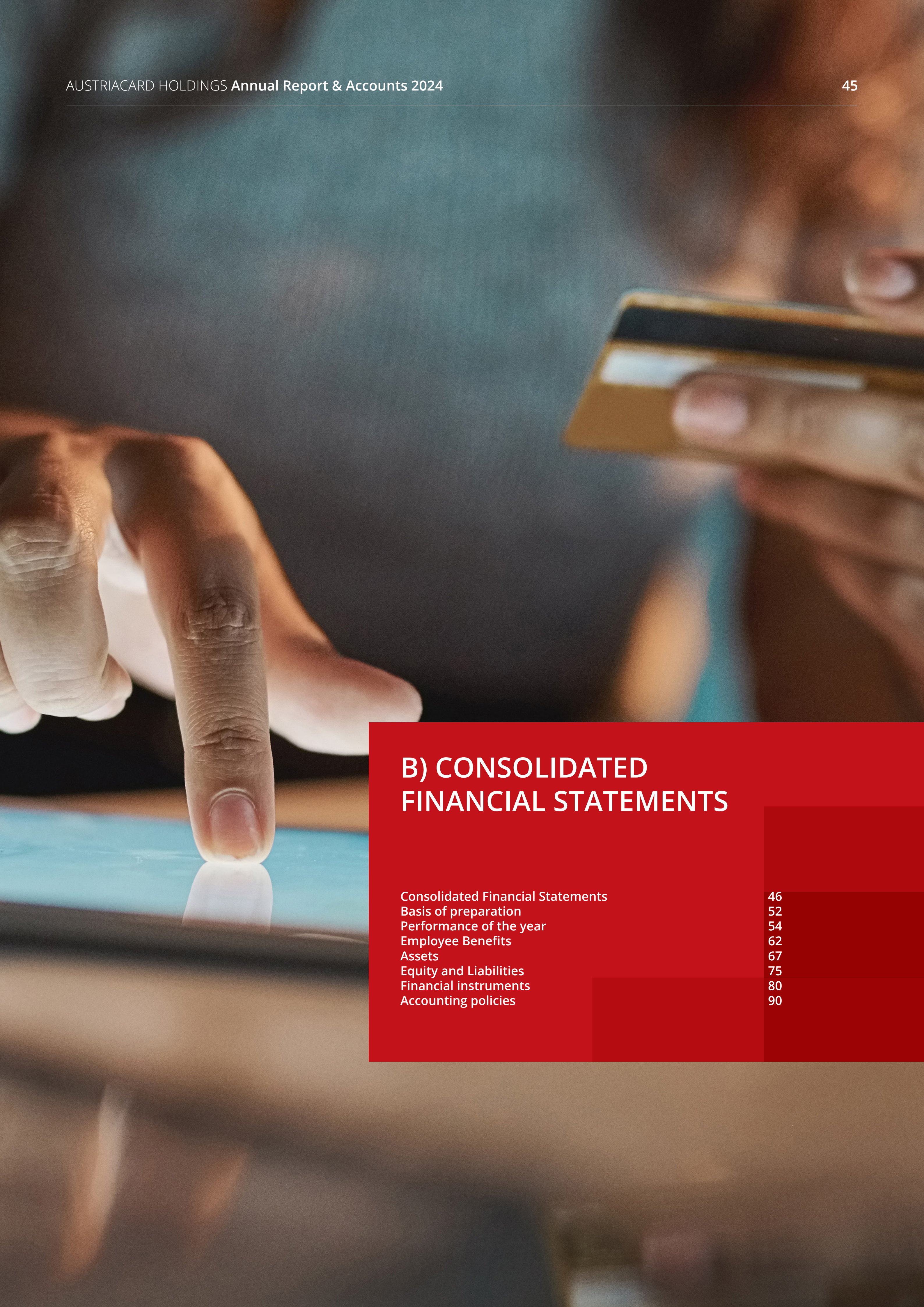
Nikolaos Lykos mp
Chairman of the Management Board

Emmanouil Kontos mp
Vice Chairman & Group CEO

Jon Neeraas mp
Member of the Management Board

Burak Bilge mp
Member of the Management Board

Markus Kirchmayr mp
Member of the Management Board



B) CONSOLIDATED FINANCIAL STATEMENTS

B) CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

in € thousand	Note	31 December 2024	31 December 2023
Assets			
Property, plant and equipment and right of use assets	15	100,545	96,275
Intangible assets and goodwill	16	59,555	55,526
Equity-accounted investees	17	395	324
Other receivables	19	1,259	2,386
Other long-term assets	8	0	136
Deferred tax assets	14	3,474	2,116
Non-current assets		**165,227**	**156,764**
Inventories	18	72,795	58,164
Contract assets	8	14,952	20,386
Current income tax assets		523	791
Trade receivables	19	45,297	44,677
Other receivables	19	11,061	17,082
Cash and cash equivalents	20	21,737	23,825
Current assets		**166,366**	**164,924**
Total assets		**331,593**	**321,688**
Equity			
Share capital	21	36,354	36,354
Share premium	21	32,749	32,749
Own shares	21	(2,064)	0
Other reserves		19,856	17,303
Retained earnings		37,385	19,995
Equity attributable to owners of the Company		**124,281**	**106,401**
Non-controlling interests	28	524	753
Total Equity		**124,805**	**107,154**
Liabilities			
Loans and borrowings	23	101,261	102,432
Employee benefits	12	4,005	4,207
Other payables	24	1,726	81
Deferred tax liabilities	14	10,336	8,497
Non-current liabilities		**117,328**	**115,217**
Current tax liabilities		3,615	2,968
Loans and borrowings	23	16,097	16,440
Trade payables	24	43,807	43,649
Other payables	24	16,985	18,317
Contract liabilities	8	7,188	17,442
Deferred income		1,769	501
Current Liabilities		**89,460**	**99,317**
Total Liabilities		**206,788**	**214,534**
Total Equity and Liabilities		**331,593**	**321,688**

The following explanatory notes constitute an integral part of these consolidated financial statements.

Consolidated income statement

in € thousand	Note	2024	2023
Revenues	8	392,285	364,563
Cost of sales		(297,730)	(276,255)
Gross profit		**94,555**	**88,308**
Other income	9	4,987	3,837
Selling and distribution expenses	9	(23,338)	(23,483)
Administrative expenses	9	(31,447)	(28,222)
Research and development expenses	9	(8,450)	(7,360)
Other expenses	9	(2,255)	(1,675)
+ Depreciation, amortization and impairment	15, 16	17,772	16,127
EBITDA		**51,824**	**47,533**
- Depreciation, amortization and impairment	15, 16	(17,772)	(16,127)
EBIT		**34,052**	**31,406**
Financial income	10	1,137	534
Financial expenses	10	(9,442)	(10,978)
Result from associated companies	17	129	54
Net finance costs		**(8,177)**	**(10,391)**
Profit (Loss) before tax		**25,875**	**21,015**
Income tax expense	14	(6,626)	(4,231)
Profit (Loss)		**19,249**	**16,784**
Profit (Loss) attributable to:			
Owners of the Company		18,965	15,812
Non-controlling interests		285	972
Profit (Loss)		**19,249**	**16,784**
Earnings (loss) per share[1]			
basic	11	0.52	0.44
diluted	11	0.49	0.42

The following explanatory notes constitute an integral part of these consolidated financial statements.

[1] Earnings per share for 1-12 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	Note	2024	2023
Profit (Loss)		**19,249**	**16,784**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment	15	646	2,210
Related tax		(123)	(488)
Revaluation of defined benefit liability	12	(95)	(164)
Related tax		21	36
		449	**1,594**
Items that will be reclassified subsequently to profit or loss			
Cash flow hedges	25	(1,195)	(1,353)
Related tax		275	311
Foreign currency translation differences		775	674
		(145)	**(368)**
Other comprehensive income, net of tax		**304**	**1,226**
Total comprehensive income		**19,554**	**18,010**
Total comprehensive income attributable to:			
Owners of the Company		19,371	16,944
Non-controlling interests		183	1,066
		19,554	**18,010**

The following explanatory notes constitute an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

		For the year ended 31 December 2024											
		Attributable to owners of the Company											
in € thousand	Note	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-con-trolling interests	Total equity
Balance at 1 January 2024		**36,354**	**32,749**	**-**	**(7,860)**	**14,491**	**(519)**	**1,187**	**10,004**	**19,995**	**106,401**	**753**	**107,154**
Profit (Loss)		-	-	-	-	-	-	-	-	18,965	**18,965**	285	**19,249**
Other comprehensive income		-	-	-	877	523	(73)	(920)	-	-	**406**	(102)	**304**
Total comprehensive income		**0**	**0**	**-**	**877**	**523**	**(73)**	**(920)**	**-**	**18,965**	**19,371**	**183**	**19,554**
Own Shares	**21**	-	-	(2,064)	-	-	-	-	-	-	**(2,064)**	0	**(2,064)**
Dividend distribution		-	-	-	-	-	-	-	-	(3,627)	**(3,627)**	(429)	**(4,056)**
Management participation program	**12**	-	-	-	-	-	-	-	2,313	1,097	**3,410**	-	**3,410**
Transfer of revaluation reserve for depreciation of building		-	-	-	-	(166)	-	-	-	166	**0**	-	**0**
Effect hyperinflation IAS 29		-	-	-	-	-	-	-	-	808	**808**	-	**808**
Acquisition of non-controlling interests without loss of control		-	-	-	-	-	-	-	-	(19)	**(19)**	18	**(1)**
Balance at 31 December 2024		**36,354**	**32,749**	**(2,064)**	**(6,983)**	**14,848**	**(592)**	**267**	**12,317**	**37,385**	**124,281**	**524**	**124,805**

		For the year ended 31 December 2023										
		Attributable to owners of the Company										
in € thousand	Note	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		**16,862**	**34,511**	**(8,098)**	**13,268**	**(392)**	**2,230**	**-**	**10,825**	**69,206**	**11,610**	**80,816**
Profit (Loss)		-	-	-	-	-	-	-	15,812	**15,812**	972	**16,784**
Other comprehensive income		-	-	580	1,722	(127)	(1,042)	-	-	**1,132**	94	**1,226**
Total comprehensive income		**0**	**0**	**580**	**1,722**	**(127)**	**(1,042)**	**-**	**15,812**	**16,944**	**1,066**	**18,010**
Cross-border merger and capital increase	**6, 21**	1,315	16,415	(392)	-	-	-	-	(6,018)	**11,321**	(11,321)	**0**
Capital increase from own funds	**21**	18,177	(18,177)	-	-	-	-	-	-	**-**	-	**0**
Distribution of dividends		-	-	-	-	-	-	-	(909)	**(909)**	-	**(909)**
Effect hyperinflation IAS 29		-	-	-	-	-	-	-	(165)	**(165)**	-	**(165)**
Management participation programs	**12**	-	-	-	-	-	-	10,004	-	**10,004**	(602)	**9,401**
Other movements		-	-	49	(499)	-	-	-	449	**-**	-	**0**
Balance at 31 December 2023		**36,354**	**32,749**	**(7,860)**	**14,491**	**(519)**	**1,187**	**10,004**	**19,995**	**106,401**	**753**	**107,154**

Consolidated statement of cash flows

in € thousand	Note	2024	2023
Cash flows from operating activities			
Profit (Loss) before tax		25,875	21,015
Adjustments for:			
-Depreciation, amortization and impairment	15, 16	17,772	16,127
-Net finance cost	10	8,177	10,391
-Net gain or loss on disposal of non-current assets		33	(24)
-Change in associated companies		71	32
-Change in provisions	12	(298)	(143)
-Other non-cash transactions		1,744	3,402
		53,374	50,800
Changes in:			
-Inventories	18	(14,631)	(22,090)
-Contract assets	8	5,434	(9,534)
-Trade and other receivables	19	5,400	(14,221)
-Contract liabilities	8	(10,253)	10,369
-Trade payable and other payables	24	(233)	180
-Taxes paid		(5,057)	(6,383)
Net cash from (used in) operating activities		**34,033**	**9,121**
Cash flows from investment activities			
Interest received		302	329
Proceeds from sale of property, plant and equipment		0	24
Dividends received from associated companies		58	22
Payments for acquisition of subsidiaries and business, net of cash acquired	16, 27	(1,663)	(1,140)
Payments for acquisition of property, plant and equipment & intangible assets	15, 16	(13,731)	(11,065)
Net cash from (used in) investing activities		**(15,034)**	**(11,829)**
Cash flows from financing activities			
Interest paid		(7,472)	(7,700)
Proceeds from loans and borrowings	23	9,232	107,905
Repayment of loans and borrowings	23	(12,258)	(90,807)
Payment of lease liabilities	23	(4,469)	(2,895)
Acquisition of own shares	21	(2,064)	0
Dividends paid to non-controlling interest		(429)	0
Dividends paid to owners of the company		(3,627)	(909)
Net cash from (used in) financing activities		**(21,087)**	**5,594**
Net increase (decrease) in cash and cash equivalents		**(2,088)**	**2,886**
Cash and cash equivalents at 1 January		**23,825**	**21,628**
Effect of movements in exchange rates on cash held		1	(690)
Cash at 31 December		**21,737**	**23,825**

The following explanatory notes constitute an integral part of these annual financial statements.

Notes to the consolidated 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 "Identity & Payment Solutions", "Document Lifecycle Management" and „Digital Transformation Technologies".

2. Basis of accounting

The accompanying consolidated financial statements (hereinafter "financial statements") have been prepared by Management pursuing §245a of the Austrian Commercial Code in accordance with the International Financial Reporting Standards (hereinafter IFRS) as adopted by the European Union (EU). The financial statements have been prepared on historic costs basis, as modified following the adjustment of certain assets and liabilities at fair values. These financial statements are presented in euro, which is the functional currency of the Company.

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

Details of the Group's accounting policies and methods, including changes during the year are included in notes 33 and 34.

3. Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses and the notes to the financial statements. Actuals may differ from these estimates.

Judgments, estimates and assumptions are based on the experience from previous years and other factors, included the expectations of future events that are considered reasonable under the particular conditions. Management considers the following accounting estimates and assumptions discussed below to be significant for the accounting policies.

i. Testing for impairment of goodwill

Management tests at least annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on the higher between value-in-use calculations and fair value less costs to sell. The preparation of these calculations requires the use of estimates, as for example planning of future cash flows and derivation of the discount rate.

ii. Acquisition of subsidiaries: Determination of Fair Values of the identifiable assets and liabilities acquired

When companies were acquired in the past, customer relationships and AI Software Modules were identified as the main identifiable intangible assets. There were determined using the "Multi-Period-Excess-Earnings" method. These calculations require the use of estimates, such as planning future revenues and expenses, as well as deriving the discount rate.

iii. Valuation of management participation programs

Group companies have adopted management participation programs for Group executives. In this context, on the one hand, it is necessary to assess whether the programs are balanced by equity instruments or cash-settled. On the other hand, in the case of programs settled by equity instruments at the time of introduction and in the case of cash-settled programs, the programs launched must be assessed annually and accounted for accordingly over the course of the programs. These valuations require the use of estimates, such as planning future revenue and expenses, and deriving the discount rate.

iv. Revaluation of land and building

The revaluation model in accordance with IAS 16 is applied to the Groups own land and real estate. The necessary revaluations are carried out every two years. In addition, a review is carried out at least once a year to determine whether the relevant m² price of the properties has changed significantly. If this is the case, an external revaluation report is prepared on ad hoc basis.

The significant unobservable input is the adjustment for factors specific to land. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

4. IAS 29 Financial Reporting in hyperinflation economies

The financial statements of the Turkish subsidiary – until the end of the 2021 financial year prepared on the basis of the concept of historical acquisition and production costs – were adjusted in accordance with the criteria of IAS 29 as of 31.12.2024 as well as 31.12.2023. 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 31.12.2024 was 2684.55 (31.12.2023: 1859.38). The change in the index in fiscal year 2024 can be found in the following table:

Date	Index CPI 2003	Monthly change
31/12/2023	1859.38	
31/01/2024	1984.02	6.7%
29/02/2024	2073.88	4.5%
31/03/2024	2139.47	3.2%
30/04/2024	2207.50	3.2%
31/05/2024	2281.85	3.4%
30/06/2024	2319.29	1.6%
31/07/2024	2394.10	3.2%
31/08/2024	2453.34	2.5%
30/09/2024	2526.16	3.0%
31/10/2024	2598.91	2.9%
30/11/2024	2657.23	2.2%
31/12/2024	2684.55	1.0%

The effects of IAS 29 on these consolidated financial statements are presented in the individual relevant sections of the financial statements.

5. Impact of macroeconomic conditions and climate risk on consolidated financial statements

From a macroeconomic perspective, the 2024 financial year was characterized by a decrease in interest rates, especially during the second half of the year, and a continuous decline of inflation rates. As a result, the growth in operating and interest expenses slowed, but these expenses continued to rise in absolute terms in 2024. These cost increases were offset in the past financial year by economies of scale and, where possible, sales price adjustments. A similar development, albeit with lower inflation expectations and with stabilizing interest rates and adjusted for the specific situation of the respective CGU, was also assumed for purposes of the medium-term planning and impairment testing.

The Group recognizes environmental protection as a particularly important global need. The industry in which the Group companies operate has no significant negative impact on the environment. To protect the environment, the Group complies with the applicable environmental protection laws and regulations in all countries in which it operates. In addition, suitable practices are used to systematically identify and review the impact of business activities on the environment. At present, the climate crisis does not have any immediate, direct impact on the consolidated financial statements or the Group as a whole that would require a fundamental adjustment to the business models currently used. Group management monitors developments in this area as part of ongoing business activities and risk management and acts with foresight in order to identify any strategic risks and opportunities that may arise in good time and take them into account in its business policy.

6. Cross-border merger and listing

On 30 January 2023, the extraordinary general assemblies of Inform P. Lykos Holdings SA and AUSTRIACARD HOLDINGS AG have resolved on the cross-border merger of Inform P. Lykos Holdings SA as transferring company into AUSTRIACARD HOLDINGS AG as absorbing company. The cross-border merger has become legally effective on 17 March 2023.

The completion of the cross-border merger was a premise for AUSTRIACARD HOLDINGS AG for getting admission for trading on the regulated market of the Vienna Stock Exchange as well as the Athens Stock Exchange. From first trading day on 23 March 2023 the shares of the Company are now traded in the segment prime market of the Vienna Stock Exchange and the segment main market of the Athens Exchange (ATHEX), in each case under the Code "ACAG" (ISIN: AT0000A325L0).

As a result of the cross-border merger the assets of the absorbed company, representing a total value of t€ 17,730 were contributed to the absorbing company as a contribution in kind, and the share capital of the absorbing company was increased by a nominal amount of t€ 1,315 from currently t€ 16,862 to t€ 18,177 by issuing 1,314,867 new bearer shares. t€ 16,415 of the contribution in kind was transferred to the share premium. As a result of the merger former non-controlling interests in related to the former shareholders of Inform P. Lykos Holdings SA amounting to t€ 11,321 were reclassified to equity attributable to the owners of the Company.

Performance of the year

7. 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 IFRS. In internal reporting, various adjustments are made in order to present non-operating earnings separately, see note 7.v.

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.

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 (Executive Vice President)
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.

2024 in € thousand	Reportable Segments WEST	CEE	MEA excl. IAS 29	Corporate	Elimi-nations	Total excl. IAS 29	IAS 29	Total
Revenues	127,370	185,923	72,047	0	0	385,340	6,946	392,285
Intersegment revenues	3,525	38,983	56	3,555	(46,119)	0	0	0
Segment revenues	**130,894**	**224,906**	**72,103**	**3,555**	**(46,119)**	**385,340**	**6,946**	**392,285**
Costs of material & mailing	(75,439)	(123,698)	(45,030)	0	40,016	(204,150)	(5,659)	(209,810)
Gross profit I	**55,456**	**101,208**	**27,073**	**3,555**	**(6,103)**	**181,189**	**1,286**	**182,476**
Production costs	(22,505)	(50,626)	(14,249)	0	12	(87,368)	(552)	(87,920)
Gross profit II	**32,950**	**50,582**	**12,825**	**3,555**	**(6,091)**	**93,821**	**734**	**94,555**
Other income	92	4,685	137	72	0	4,987	0	4,987
Selling and distribution expenses	(8,453)	(12,411)	(2,410)	0	0	(23,274)	(65)	(23,338)
Administrative expenses	(8,532)	(15,946)	(2,304)	(7,018)	6,091	(27,708)	(77)	(27,785)
Research and development expenses	(1,559)	(6,484)	(305)	(101)	0	(8,450)	0	(8,450)
Other expenses	(278)	(1,473)	(384)	(108)	0	(2,243)	(9)	(2,252)
+ Depreciation, amortization and impairment	6,360	10,642	762	9	0	17,772	0	17,772
adjusted EBITDA	**20,581**	**29,595**	**8,321**	**(3,591)**	**0**	**54,905**	**584**	**55,489**
- Depreciation, amortization and impairment	(6,360)	(10,642)	(762)	(9)	0	(17,772)	0	(17,772)
adjusted EBIT	**14,221**	**18,953**	**7,560**	**(3,600)**	**0**	**37,133**	**584**	**37,717**
Financial income						613	82	694
Financial expenses						(8,280)	(24)	(8,304)
Result from associated companies						129	0	129
Net finance costs						**(7,538)**	**58**	**(7,481)**
adjusted Profit (Loss) before tax						**29,595**	**642**	**30,237**
Special items						(3,296)	(1,066)	(4,362)
Profit (Loss) before tax						**26,299**	**(424)**	**25,875**
Income tax expense						(6,492)	(134)	(6,626)
Profit (Loss)						**19,808**	**(558)**	**19,249**

In 2024, an impairment loss of t€ 76 was recognised on non-current assets in the WEST segment (previous year: t€ 0). In the CEE segment, the impairment loss on non-current assets amounted to t€ 107 in 2024 (previous year: t€ 0), see note 9.C.

2023 in € thousand	Reportable Segments WEST	CEE	MEA excl. IAS 29	Corporate	Elimi-nations	Total excl. IAS 29	IAS 29	Total
Revenues	112,305	185,394	53,577	0	0	351,276	13,287	364,563
Intersegment revenues	3,691	39,188	79	1,371	(44,328)	0	0	0
Segment revenues	**115,996**	**224,582**	**53,656**	**1,371**	**(44,328)**	**351,276**	**13,287**	**364,563**
Costs of material & mailing	(63,649)	(127,434)	(41,990)	0	40,562	(192,511)	(10,786)	(203,296)
Gross profit I	**52,347**	**97,148**	**11,665**	**1,371**	**(3,766)**	**158,765**	**2,502**	**161,266**
Production costs	(21,575)	(45,901)	(4,612)	0	109	(71,979)	(980)	(72,958)
Gross profit II	**30,772**	**51,247**	**7,054**	**1,371**	**(3,657)**	**86,786**	**1,522**	**88,308**
Other income	726	2,958	0	421	(268)	3,836	0	3,836
Selling and distribution expenses	(9,708)	(12,199)	(1,445)	0	9	(23,342)	(141)	(23,483)
Administrative expenses	(8,983)	(14,347)	(780)	(4,855)	3,813	(25,151)	(165)	(25,316)
Research and development expenses	(519)	(6,127)	0	(713)	0	(7,360)	0	(7,360)
Other expenses	(101)	(1,290)	(219)	(11)	9	(1,612)	(61)	(1,673)
+ Depreciation, amortization and impairment	5,711	10,055	339	23	0	16,127	0	16,127
adjusted EBITDA	**17,897**	**30,296**	**4,948**	**(3,764)**	**(94)**	**49,284**	**1,155**	**50,439**
- Depreciation, amortization and impairment	(5,711)	(10,055)	(339)	(23)	0	(16,127)	0	(16,127)
adjusted EBIT	**12,187**	**20,241**	**4,610**	**(3,787)**	**(94)**	**33,157**	**1,155**	**34,312**
Financial income						278	52	329
Financial expenses						(7,354)	(70)	(7,424)
Result from associated companies						54	0	54
Net finance costs						**(7,022)**	**(18)**	**(7,041)**
adjusted Profit (Loss) before tax						**26,135**	**1,136**	**27,271**
Special items						(4,904)	(1,352)	(6,256)
Profit (Loss) before tax						**21,231**	**(216)**	**21,015**
Income tax expense						(4,238)	6	(4,231)
Profit (Loss)						**16,993**	**(210)**	**16,784**

In 2023 there has not been impairment on non-current assets.

iv. Geographic Information

Non-current assets by country in € thousand	2024	2023
Romania	35,232	35,612
United Kingdom	31,291	28,480
Greece	31,152	27,422
Austria	28,626	29,128
Andorra	16,520	18,089
USA	7,794	7,961
Spain	4,885	2,273
Cyprus	4,515	3,520
Poland	3,083	2,718
Türkiye	2,073	1,498
Albania	55	61
Total	**165,227**	**156,764**

v. Special items

Special items in € thousand	included in	2024	2023
Management participation programs	EBITDA	(3,662)	(2,906)
Foreign exchange losses	Profit before tax	0	(998)
Foreign exchange gains	Profit before tax	219	0
Effect Hyperinflation IAS 29	Profit before tax	(1,082)	(1,217)
Income from financial assets and liabilities at fair value through profit or loss	Profit before tax	219	272
Expense from financial assets and liabilities at fair value through profit or loss	Profit before tax	(56)	(1,407)
Total		**(4,362)**	**(6,256)**

Special items include effects from accounting of management participation programs, gains and losses from foreign exchange differences as well as gains and losses from fair value and hyperinflation accounting.

8. 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 Identity & Payment Solutions, Document Lifecycle Management and Digital Transformation Technologies.

2024 Revenues by region in € thousand	WEST	CEE	MEA	Corporate	Elimini-nations	IAS 29	Total
Western Europe, UK, Nordics	67,947	9,599	2,122	169	(1,550)	0	78,288
Central & Eastern Europe & DACH	37,651	179,299	425	3,379	(5,260)	63	215,557
Türkiye, MEA, Asia & others	3,514	35,670	69,556	7	(39,095)	6,883	76,535
Americas	21,782	338	0	0	(214)	0	21,905
	130,894	**224,906**	**72,103**	**3,555**	**(46,119)**	**6,946**	**392,285**
Type of revenue							
Revenues from sale of goods	60,946	124,666	63,931	0	(39,312)	6,000	216,230
Revenues from services	21,000	28,620	6,378	3,555	(6,266)	846	54,133
Revenues from licenses & royalties	7	1,667	0	0	0	0	1,674
Revenues from sale of merchandise	28,280	15,885	1,627	0	(443)	100	45,448
Revenues from transportation services	20,662	54,069	168	0	(98)	0	74,801
	130,894	**224,906**	**72,103**	**3,555**	**(46,119)**	**6,946**	**392,285**
Timing of revenue recognition							
Products and services transferred over time	102,615	209,021	70,477	3,555	(45,676)	6,846	346,837
Products transferred at a point of time	28,280	15,885	1,627	0	(443)	100	45,448
	130,894	**224,906**	**72,103**	**3,555**	**(46,119)**	**6,946**	**392,285**

2023 Revenues by region in € thousand	WEST	CEE	MEA	Corporate	Elimini-nations	IAS 29	Total
Western Europe, UK, Nordics	77,039	6,391	1,089	0	(3,029)	0	81,489
Central & Eastern Europe & DACH	15,539	173,611	234	1,371	(2,769)	60	188,046
Türkiye, MEA, Asia & others	3,697	44,092	52,333	0	(38,227)	13,227	75,122
Americas	19,721	488	0	0	(303)	0	19,905
	115,996	**224,582**	**53,656**	**1,371**	**(44,328)**	**13,287**	**364,563**
Type of revenue							
Revenues from sale of goods	58,358	134,911	44,220	0	(40,445)	11,135	208,178
Revenues from services	17,363	22,568	8,006	1,371	(3,772)	1,817	47,354
Revenues from licenses & royalties	5	4,951	0	0	0	0	4,956
Revenues from sale of merchandise	24,046	8,799	1,217	0	0	336	34,397
Revenues from transportation services	16,224	53,353	212	0	(111)	0	69,678
	115,996	**224,582**	**53,656**	**1,371**	**(44,328)**	**13,287**	**364,563**
Timing of revenue recognition							
Products and services transferred over time	91,950	215,783	52,439	1,371	(44,328)	12,951	330,166
Products transferred at a point of time	24,046	8,799	1,217	0	0	336	34,397
	115,996	**224,582**	**53,656**	**1,371**	**(44,328)**	**13,287**	**364,563**

B. Contract assets and receivables

in € thousand	2024	2023
Trade receivables	45,297	44,677
Contract assets	14,952	20,386
Balance at 31 December	**60,249**	**65,063**

The contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date on made-to-order printing and payment products.

C. Contract liabilities

in € thousand	2024	2023
Balance at 1 January	**17,442**	**7,073**
Prepayments received	11,406	16,230
Recognition as revenue	(20,504)	(5,326)
Effect of movements in exchange rates	(955)	(535)
Business combinations IFRS 3	506	0
Other changes	(706)	0
Balance at 31 December	**7,188**	**17,442**

Contract liabilities essentially relate to prepayments received for the delivery of customer-specific printing and payment products. In 2024, prepayments of t€ 706 were reclassified to deferred income as these relate to a contract with a customer that is currently insolvent. The prepayments received in 2023 included € 8.1 million in restricted cash resulting from a customer contract that was fulfilled and recognized in revenue in 2024.

D. Costs to fulfill a contract

in € thousand	2024	2023
Balance at 1 January	**136**	**318**
Realized as an expense	(136)	(182)
Balance at 31 December	**0**	**136**

Costs to fulfill a contract were included in other long-term assets in the Statement of financial position.

9. Income and expenses

A. Other Income

in € thousand	2024	2023
Government grants	545	281
Gain on sale of equipment	6	46
Rental income from property leases	71	85
Reversal of accruals	525	564
Capitalised development expenses	2,983	2,286
Other income	856	575
Total	**4,987**	**3,837**

B. Other Expenses

in € thousand	2024	2023
Contract penalties	253	203
Impairment loss on trade receivables and contract assets	622	304
Losses from write-downs of inventories	138	251
Loss on disposal of non-current assets	39	22
Property and other taxes	434	115
Bank charges	231	203
Re-invoiced expenses	90	73
Impairment of assets not used in production	184	0
Other expenses	264	503
Total	**2,255**	**1,675**

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	2024	2023
Employee compensation and expenses	85,216	75,400
Costs of inventories recognized as expense	151,987	148,328
Mailing costs	57,823	54,968
Third party fees	16,492	12,968
Commissions paid	1,435	1,228
Utilities and maintenance expenses	11,509	10,736
Rentals from property and machinery	941	1,097
Tax and duties	801	756
Transportation expenses	7,345	4,749
Inks and similar consumable materials	4,081	3,616
Depreciation, amortization and impairment	17,588	16,127
Other expenses	5,747	5,346
Total	**360,965**	**335,320**

The position depreciation, amortization and impairment of t€ 17,772 presented in the group income statement results of regular depreciation, amortization and impairment amounting to t€ 17,588 shown in the table above and impairment of assets not used in production amounting to t€ 184 presented in other expenses.

Employee compensation and expenses include management participation program expense amounting to t€ 3,662 (2023: t€ 2,906), see note 12.

10. Net Finance costs

in € thousand	2024	2023
Interest income under the effective interest method	694	329
Foreign exchange gains	223	0
Financial assets at fair value through profit or loss – net change in fair value	219	204
Financial income	**1,137**	**534**
Interest expense on Financial liabilities measured at amortized cost	(7,094)	(6,138)
Commissions of letters of guarantee	(442)	(366)
Effect hyperinflation IAS 29	(1,082)	(1,217)
Foreign exchange losses	0	(997)
Financial assets and liabilities at fair value through profit or loss – net change in fair value	(56)	(1,340)
Other financial expenses	(768)	(921)
Financial expenses	**(9,442)**	**(10,978)**
Result from associated companies	**129**	**54**
Net finance costs	**(8,177)**	**(10,391)**

Interest expenses were calculated using the effective interest method.

11. Earnings per share and number of shares

A. Basic and diluted earnings or (losses)

Earnings per share (basic)	2024	2023
Profit (loss) attributable to owners of the Company in € thousand	18,965	15,812
Weighted average number of shares per 31. Dezember	36,262,321	35,806,307
Earnings per share (basic) in €	0.52	0.44

Earnings per share (diluted)	2024	2023
Profit (loss) attributable to owners of the Company in € thousand	18,965	15,812
Weighted average number of shares per 31. Dezember	38,827,916	37,399,901
Earnings per share (diluted) in €	0.49	0.42

Earnings per share for the financial year 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. The company has share options as potential dilutive ordinary shares amounting to 2,330,777, see note 12.E.i. (maximum 6.08% of shares). Weighted average number of potential dilutive ordinary shares amounts to 2,565,595.

B. Weighted-average number of ordinary shares

	2024	2023
Issued ordinary shares at 1 January	36,353,868	16,862,067
Adjustment through issuance of bonus shares	0	18,176,934
Effects in the year through buyback of own shares	(362,302)	0
Effects in the year	0	1,314,867
Total number of ordinary shares at 31st December	**35,991,566**	**36,353,868**
Weighted-average number of ordinary shares at 31st December	**36,262,321**	**35,806,307**

For changes of year 2024 see details in note 21.

Employee Benefits

12. Employee benefits

- **Greece**

Obligations resulting from this program concern compensation of staff retirement arising from the provisions of Law 2112/20, as amended by Law 4093/12. According to Greek legislation, establishing and funding is not provided in the form of contributions, specific fund (reserve) to cover the severance compensation law 2112/20, as amended by Law 4093/12, and for other related benefits. As a result, a special fund is not created, from which the settlement of the liability could be made. It is therefore an unfunded defined benefit plan within the meaning of IAS 19. The benefits to employees from this plan relate exclusively to one-off payments, which are paid out in the event of retirement, redundancy and also in the event of death and voluntary retirement under certain conditions.

- **Austria**

Pension plans

The company provides unfunded defined pension plans for one person, who is retired and receives a percentage of his former salary on monthly basis. In case of death, the widow of the employee receives 60% of the benefit.

Severance

Severance benefit obligations for employees hired before 1 January 2003 are covered by defined benefit plans. Upon termination by the Group or retirement, eligible employees receive severance payments equal to a multiple of their monthly compensation which comprises fixed compensation plus variable elements such as overtime or bonuses. Maximum severance is equal to a multiple of twelve times the eligible monthly compensation.

Contribution-based termination benefits exist for employees whose employment started after 31 December 2002. These obligations for termination benefits are fulfilled by regular contributions to an employee benefit fund. In 2024 t€ 164 were paid to the employee benefit fund (2023: t€ 157). Except for this, there are no further obligations for the Group and hence the recognition of a provision is not necessary.

Jubilee

According to a company agreement dated on 1 December 2013, employees of a subsidiary who have been with the company for 10, 20 or 30 years receive a one-off anniversary payment, staggered according to the amount of these anniversaries.

A. Provisions for employee benefits

in € thousand	2024	2023
Post employment benefits	3,832	4,020
Other long-term employee benefits	172	187
	4,005	**4,207**

The changes in provisions for management participation programs and are explained in more detail in Note 12.E.

B. Movement in Severance, Pension and Jubilee plans

	Defined benefit obligation	
in € thousand	**2024**	**2023**
Balance at 1 January	**4,207**	**4,124**
Included in profit or loss		
Current service cost	259	202
Actuarial gains of Jubilee plans	0	(9)
Settlement/Curtailment/Termination loss/(gain)	84	(227)
Interest cost (income)	170	150
	514	**116**
Included in OCI		
Remeasurement loss (gain):		
– Actuarial loss (gain) arising from:		
- demographic assumptions	10	18
- financial assumptions	(42)	(94)
- experience adjustment	127	240
	95	**164**
Sum	**609**	**279**
Other		
Benefits paid	(811)	(196)
	(811)	**(196)**
Balance at 31 December	**4,005**	**4,207**

C. Actuarial assumptions

The following were the principal actuarial assumptions at each reporting date (expressed as weighted averages).

- *Post-employment define benefit plans in Greece*

	2024	**2023**
Discount rate	3.0%	3.1%
Future salary increase	3.7%	3.5%

The weighted-average duration of the defined benefit obligation for the fiscal year was:

	2024	**2023**
Years	7.0	6.6

- *Post-employment define benefit plans in Austria*

	2024	**2023**
Discount rate	3.3%	3.9%
Future salary increase	2.2%	3.2%

A fluctuation rate depending on years of service and fluctuation probability is taken into account for the calculation of provisions for jubilee plans (range: 1st year of service 16.4%, 40 years of service maximum 1.0%).

The weighted-average duration of the defined benefit obligation for the fiscal year was:

	2024	**2023**
Years	6.1	6.6

D. Sensitivity analysis

Reasonable possible changes at the reporting (and comparative) date to one of the relevant actuarial assumptions holding other assumptions constant would affect Defined benefit obligation as shown below:

	31 December 2024		31 December 2023	
in € thousand	Increase	Decrease	Increase	Decrease
Discount rate (1 percentage point movement)	(131)	138	(142)	149
Salary increase (1 percentage point movement)	137	(131)	147	(141)

E. Management participation programs

i. AUSTRIACARD HOLDINGS AG management participation program 2022 - 2025

Per 30 June 2023, the management participation programs for members of the Group's senior management which were valid for the period 2022 to 2025 (Digital Security - management participation program = “DS program”, and Information Management – management participation program = “IM program”) and that had previously existed at the level of the subsidiaries INFORM P. LYKOS HOLDINGS S.A. (ILG), in 2023 merged into the parent company, and AUSTRIA CARD Plastikkarten und Ausweissysteme GmbH, Vienna (ACV), were merged and consolidated at the level of AUSTRIACARD HOLDINGS AG (ACAG).

As part of this consolidated program, participants will be able to receive up to 8% of the Company's shares in the following year, depending on the consolidated result in the 2025 financial year. In principle, the management participation 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 and that the program was therefore classified as an equity-settled program.

The following terms and conditions form the basis of the promised consolidated management participation program:

The total number of options to be granted depends on the return on invested capital ('ROIC') achieved in the 2025 financial year. 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. The 8% Options of the share capital in the table below are based on the assumption that all initial participants do not leave the management participation program prematurely.

Options in % of share capital	Minimum yearly net ROIC
0.0%	< 8.4%
1.6%	8.4%
3.2%	11.8%
4.8%	14.9%
6.4%	17.6%
8.0%	20.1%

Starting on 1 January 2022, the options will vest at 1/48 part at the end of each month until 31 December 2025, whereby the number of options granted will not be determined until 2026 and may also be 0. If program participants leave the Group as defined 'Bad Leaver' before the end of 2025, they will lose all options. If program participants leave the Group as ‚Good Leaver‘, they will retain the options that have vested, but the remaining options that have not yet vested will be cancelled without consideration.

The fair value of the entire investment program amounted to € 20 million at the time of adoption. The amount is to be recognised 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 issuance of bonus shares): € 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%

Between 31 December 2023 and 31 December 2024 three participants of AUSTRIACARD HOLDINGS AG management participation program 2022 – 2025 left the Group’s senior management. All three were classified as “good leaver” according to the program and therefore generally retain their entitlement to the options already earned at the time of their departure. As a result, the total number of Company’s shares that participants of the program will be able to receive declined from 8% per 31 December 2023 to 6.08% per 31 December 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”. One participant of the program who left in April 2024 also as “good leaver” waived his entitlements with respect to the program without compensation. As a result, the remuneration entitlement of t€ 1,097 earned up to the date of departure and recognised as personnel expense was reclassified within equity from other reserves to retained earnings. The vesting of future entitlements is no longer possible for persons who have left the program.

The other remaining participants in the consolidated management participation program who have not yet left include members of the Management Board of AUSTRIACARD HOLDINGS AG, with Manolis Kontos and Jon Neeraas each holding 18.8% and Markus Kirchmayr holding 9.4% of the options. The Group assumes that no further participants will leave the management participation program 2022-2025.

ii. Management participation program subsidiary

As a part of his remuneration package the managing director of a subsidiary 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 financial liabilities and is therefore allocated to level 3 of the fair value hierarchy. The fair value of the liability related to the put-option for the shares in the subsidiary of the beneficiary of € 2.3 million (2023: € 2.2 million) is shown as a financial instrument in other short term financial liability in the balance sheet. The corresponding share option expense of € 0.1 million (2023: € 1.1 million) is included in personnel expenses (€ 0.3 million, (2023: € 0.3 million)) as well as partly in financial income (€ 0.2 million, (2023: financial expense € 0.8 million)). 10% increase/decrease in the EBITDA on which the valuation is based would result in an increase/decrease in the fair value of +/- € 0.2 million.

13. Employee expenses

in € thousand	2024	2023
Wages and salaries	67,376	60,674
Social security contributions	9,511	8,400
Other expenses for personnel	3,969	3,043
Management participation program expense	3,662	2,906
Expenses related to defined benefit and contribution plans	697	378
Total	**85,216**	**75,400**

14. Income taxes

in € thousand	2024	2023
Current taxes	(6,891)	(4,849)
Deferred taxes	266	618
Income tax income (expense)	**(6,626)**	**(4,231)**

A. Income tax reconciliation

in € thousand		2024		2023
Earnings before tax		**25,875**		**21,015**
Tax using the Company's domestic tax rate	23.0%	(5,951)	24.0%	(5,044)
Effect of tax rates in foreign jurisdictions		1,376		2,950
Change of tax rates		0		31
Result from associated companies		71		32
Non-deductible expenses		(1,842)		(2,986)
Tax-exempt income		32		743
Tax incentives		46		142
Current-year losses for which no deferred tax asset is recognized		(360)		(143)
Recognition of previously unrecognised deferred tax asset on previously tax losses		0		327
Other effects		3		(285)
Income taxes		**(6,626)**		**(4,231)**

In Austria, a tax reform was adopted on 20 January 2022 by the Parliament. Among other things, it provided for a gradual reduction of the corporate tax rate from 25% to 23% (2023: 24%, 2024: 23%). Final corporate tax rate of 23% was reached in 2024 accordingly.

B. Movement in deferred tax balances

	31/12/2024		**31/12/2023**	
in € thousand	**Deferred tax assets**	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	221	4,475	222	4,101
Intangible assets	108	4,419	52	3,494
Receivables	382	188	287	24
Other assets	101	0	109	14
Loans and borrowings	155	0	0	0
Employee benefits	415	0	425	0
Inventories	95	157	73	52
Contract assets	0	1,018	0	1,081
Contract liabilities	48	0	118	0
Other liabilities	711	1,737	723	2,109
Tax loss carry-forwards	2,896	0	2,487	0
Deferred tax assets /liabilities	**5,132**	**11,994**	**4,494**	**10,875**
Set-off of tax	(1,658)	(1,658)	(2,378)	(2,378)
Net deferred tax assets / liabilities	**3,474**	**10,336**	**2,116**	**8,497**

Deferred tax assets on tax loss carryforwards have been capitalized up to the extent that they are covered with expected usable tax profits in a given time frame of five years.

No deferred taxes were recognized for loss carryforwards of t€ 9,595 (2023: t€ 7,657), thereof t€ 736 expire within the next 5 years (2023: t€ 958) and t€ 8,859 do not expire (2023: t€ 6,699). Deferred tax assets and liabilities were not recognized for temporary differences in connection with investments in subsidiaries and associates and the related proportional share of net assets held by group companies because the Groups is able to control the timing of the reversal of the temporary difference and these differences are not expected to reverse in the foreseeable future.

Assets

15. Property, plant and equipment and right of use assets

A. Reconciliation of carrying amount

in € thousand	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost					
Balance at 1 January 2023	**98,969**	**115,303**	**23,512**	**1,440**	**239,223**
Additions	1,564	5,905	3,328	3,949	14,746
Disposals	(143)	(6,932)	(659)	(1,013)	(8,747)
Revaluation	2,205	0	0	0	2,205
Transfers	686	1,514	139	(2,339)	0
Business combinations IFRS 3	9	45	88	0	142
Effect IAS 29 reporting period	349	350	546	0	1,245
Effect of movements in exchange rates	(407)	(264)	6	8	(658)
Balance at 31 December 2023	**103,231**	**115,920**	**26,961**	**2,045**	**248,157**
Balance at 1 January 2024	**103,231**	**115,920**	**26,961**	**2,045**	**248,157**
Additions	3,021	7,083	2,304	2,784	15,193
Disposals	(840)	(6,176)	(966)	(3)	(7,985)
Revaluation	646	0	0	0	646
Transfers	1,584	2,291	(1,484)	(3,390)	(999)
Business combinations IFRS 3	0	0	55	0	55
Impairment	(107)	0	0	0	(107)
Effect IAS 29 reporting period	116	405	385	0	906
Effect of movements in exchange rates	394	950	64	8	1,417
Balance at 31 December 2024	**108,046**	**120,473**	**27,319**	**1,445**	**257,283**
Accumulated amortization and impairment losses					
Balance at 1 January 2023	**44,956**	**85,275**	**18,575**	**0**	**148,805**
Depreciation	2,235	5,915	1,552	0	9,701
Disposals	(93)	(6,324)	(640)	0	(7,059)
Effect IAS 29 reporting period	142	229	274	0	645
Effect of movements in exchange rates	(40)	(115)	(56)	0	(210)
Balance at 31 December 2023	**47,199**	**84,980**	**19,703**	**0**	**151,882**
Balance at 1 January 2024	**47,199**	**84,980**	**19,703**	**0**	**151,882**
Depreciation	2,561	6,391	1,803	0	10,755
Disposals	(511)	(6,033)	(879)	0	(7,423)
Effect IAS 29 reporting period	20	294	362	0	676
Transfers	745	(255)	(490)	0	0
Business combinations IFRS 3	0	0	5	0	5
Effect of movements in exchange rates	160	674	11	0	844
Balance at 31 December 2024	**50,173**	**86,051**	**20,515**	**0**	**156,739**
Carrying amounts					
At 1 January 2023	54,013	30,028	4,940	1,440	90,418
At 31 December 2023	**56,031**	**30,940**	**7,257**	**2,045**	**96,275**
At 31 December 2024	**57,873**	**34,423**	**6,804**	**1,445**	**100,545**

B. Right of use assets

Property, plant and equipment and right-of-use-assets include assets owned by the group as well as assets the group is obliged to use on base of contractual agreements (lease contracts in accordance with IFRS 16) and which are therefore recognised. Right-of-use-assets defined as “Investment property” do not exist in the group.

The group leases building spaces, company flats, technical equipment, machines and cars. Following right of use assets are recognized in balance per 31/12/2024:

in € thousand	Land and buildings	Plant and equipment	Fixtures and fittings	Total
Carrying amounts				
Balance at 01 January 2023	**6,428**	**7,765**	**101**	**14,294**
Adjustments previous year	0	138	0	138
Additions cost	1,059	5,862	506	7,427
Disposal cost	(148)	(82)	(94)	(324)
Reclassification of costs	0	(3,653)	(316)	(3,969)
Additions depreciation	(971)	(1,826)	(230)	(3,027)
Disposal depreciation	92	82	75	249
Reclassification of depreciation	0	3,653	240	3,893
Effect IAS 29 hyperinflation	95	0	19	115
Balance at 31 December 2023	**6,556**	**11,939**	**301**	**18,796**
Adjustments previous year	(797)	(1,832)	(405)	(3,034)
Additions cost	2,498	2,559	644	5,702
Disposal cost	(840)	(614)	(556)	(2,010)
Reclassification of costs	0	(2,596)	2,307	(289)
Additions depreciation	(1,357)	(1,979)	(579)	(3,916)
Disposal depreciation	511	496	506	1,512
Reclassification of depreciation	0	214	0	214
Effect IAS 29 hyperinflation	97	0	22	119
Effect of movements in exchange rates	153	187	(6)	334
Balance at 31 December 2024	**6,820**	**8,373**	**2,233**	**17,427**

Short-term leases, (lease term < 12 months) and leases for which the underlying asset is of low value are not recognized in the group. Lease payments associated with those leases of t€ 909 (31/12/2023: t€ 1,165) were recognized directly as an expense in business year 2024. Right of use for fixed assets that become property of the companies after the end of the leasing contract are reclassified to own assets. As an adjustment carrying amounts of t€ 3,034 were eliminated from the reconciliation in 2024 as there is no existing right of use in the Group for this. Overall carrying amount of Property, plant and equipment is not affected by this adjustment. In 2024, Right-of-use assets in the amount of t€ 2,307, which were previously allocated to the Plant and equipment category, were reclassified to Fixtures and fittings.

C. Measurement of fair values

i. Fair value hierarchy

The fair value of land and buildings is determined regularly (every two years) by external independent appraisers, who have recognized professional qualifications and recent experience in the location and category of property assessed. If the difference of fair value compared to carrying amount is material, a revaluation is recognized. Based on data taken into account in the valuation technique, the measurement of fair value for these properties is at Level 3.

Development of carrying amounts:

in € thousand	
Carrying amounts	
Balance at 01 January 2023	**44,596**
Depreciation	(937)
Additions cost	505
Gains from revaluation recognized in OCI per 31 Dezember 2023	2,524
Balance at 31 December 2024	**46,689**
Depreciation	(862)
Additions cost	667
Impairment	(107)
Effect of movements in exchange rates	1
Gains from revaluation recognized in OCI per 31 Dezember 2024	646
Balance at 31 December 2024	**47,034**

ii. Valuation technique and significant unobservable inputs

The carrying amount of the property using the cost model would have been € 26.8 million as at 31/12/2024 (31/12/2023: € 26.8 million).

Land and buildings used for production in Greece
The fair value of real estate in Greece amounts to € 16.7 million (2023: € 16.1 million). The most recent study conducted by the independent appraiser to estimate the fair value of these property, plant and equipment was carried out with a reference date of 31 December 2024, and resulted in an adjustment of € +0.3 million recognized in other comprehensive income, deferred tax was recognized as well. The valuation was based on market indications of similar properties for the land, while the fair value of buildings and related facilities used for production or administrative purposes was determined using the income approach. The main input factors for the valuation are the fair value of land per square meter which was appraised at € 157 on average and the direct capitalization per square meter which were appraised at € 445/m² on average using an All-Risks Yield 8,75%. If these parameters were increased or decreased by 10% then the fair value would have changed +/- € 1.7 million.

Land and buildings used for production in Romania
The fair value of real estate in Romania amounts to € 16.5 million (fair value at revaluation 2022: € 16.0 million). The last revaluation was carried out as at December 31, 2024 and resulted in an adjustment of € +0.3 million recognized in other comprehensive income and an adjustment of € -0.1 million, which was recognized in profit or loss. For the valuation of the Group's property in Romania was used the same valuation technique, as that was used and described for the properties in Greece. The main input factors for the valuation are the fair value of land per square meter which was appraised at € 143 for Odaii location and € 38 for Clinceni location; the construction cost per square meter were appraised at € 372 for Odaii location and € 260 for Clinceni location (on average after adjustments for current condition of the real estate and market conditions). If these parameters were increased or decreased by 10% then the fair value would have changed +/- € 1.7 million.

Land and buildings used for production in Austria
The fair value of real estate in Austria amounts to € 13.8 million (2023: € 14.2 million). The last revaluation was carried out as of 31/12/2024 and did not result in any adjustments in 2024. The valuation was performed by an independent expert using the gross-rental method for building and all related facilities as well as using the comparative value method for the land on which a building is located. The valuation of the building and related facilities is based on the yearly attainable income, including the factors that influence value (e.g. impairment due to age and maintenance condition) whereas the valuation of land is based on recent transactions of similar real estates. The main input factors for the valuation are the fair value of land per square meter which was appraised at € 390 and the yield value per square meter which was appraised at € 7.7/m² on average. In relation to the present rental space of 12,334 m², this means a market value of rounded € 1,115/m² of rental space. An increase or decrease of these parameter by 10% would change the fair value by +/- € 1.4 million.

D. Encumbrances

In the USA there is a contractual obligation of € 0.1 million per 31 December 2024 from the financing of plant and equipment for business operations (31/12/2023: € 0.3 million).

16. Intangible assets and goodwill

A. Reconciliation of carrying amount

in € thousand	Goodwill	Software, patents, licenses	Internal development	Customer contracts	Total
Cost					
Balance at 1 January 2023	**28,819**	**33,292**	**11,747**	**22,274**	**96,132**
Additions	0	1,549	1,978	0	3,527
Disposals	0	(1,379)	(122)	0	(1,501)
Business combinations IFRS 3	47	998	0	0	1,045
Effect IAS 29 reporting period	0	94	0	0	94
Effect of movements in exchange rates	497	(82)	(2)	(229)	183
Balance at 31 December 2023	**29,363**	**34,471**	**13,600**	**22,045**	**99,478**
Balance at 1 January 2024	**29,363**	**34,471**	**13,600**	**22,045**	**99,478**
Additions	0	1,096	3,657	0	4,753
Disposals	0	(112)	(259)	0	(371)
Transfers	0	(926)	1,925	0	999
Business combinations IFRS 3	480	2,898	0	748	4,126
Effect IAS 29 reporting period	0	112	0	0	112
Effect of movements in exchange rates	752	(24)	0	201	929
Balance at 31 December 2024	**30,594**	**37,516**	**18,922**	**22,994**	**110,027**
Accumulated amortization and impairment losses					
Balance at 1 January 2023	**0**	**27,160**	**6,309**	**5,497**	**38,966**
Amortization	0	1,754	2,173	2,500	6,426
Disposals	0	(1,324)	(122)	0	(1,447)
Effect IAS 29 reporting period	0	77	0	0	77
Effect of movements in exchange rates	0	(65)	(2)	(4)	(71)
Balance at 31 December 2023	**0**	**27,602**	**8,357**	**7,992**	**43,952**
Balance at 1 January 2024	**0**	**27,602**	**8,357**	**7,992**	**43,952**
Amortization	0	2,106	2,241	2,562	6,910
Disposals	0	(43)	(372)	0	(414)
Transfers	0	(430)	430	0	0
Effect IAS 29 reporting period	0	93	0	0	93
Effect of movements in exchange rates	0	(17)	0	(52)	(69)
Balance at 31 December 2024	**0**	**29,312**	**10,657**	**10,503**	**50,472**
Carrying amounts					
At 1 January 2023	28,819	6,131	5,438	16,777	57,166
At 31 December 2023	**29,363**	**6,868**	**5,243**	**14,052**	**55,526**
At 31 December 2024	**30,594**	**8,204**	**8,265**	**12,491**	**59,555**

The change in intangible assets of t€ 4,126 in 2024 was primarily due to the acquisition of subsidiaries, see note 27.

In 2023, goodwill of t€ 47 was capitalized in the course of acquisition of a business operation from a third party by a newly established company in Romania.

B. Impairment test

Impairment tests were performed for cash-generating units (CGU) which goodwill was allocated to.

In 2024 new cash-generating unit CEE was defined. CGU CEE includes goodwill reported as CGU 'Others' in previous years, as well as the new goodwill of € 0.5 million resulting from business combinations in 2024 (see note 27).

Cash-generating units and allocated goodwill in € thousand	**31/12/2024**	**31/12/2023**
TAG SYSTEMS	26,190	25,380
INFORM Romania	3,104	3,142
CEE (formerly "Others")	1,300	840
Total	**30,594**	**29,363**

As the structure of the cash-generating units was adjusted in 2024, a comparison with the previous year is not possible for CGU CEE. Due to the redefinition of CGU's, there have also been slight shifts between CEE and INFORM Romania in the comparative figures for the previous year. For other fixed assets as in previous year no impairments were made in the financial year.

TAG Systems

As at 31 December 2024 the estimated amount of CGU TAG Systems exceeded its carrying amount by € 73.2 million (2023: € 211.0 million). The following tables show key assumptions as well as the value by which key assumptions (discount rate and EBITDA growth rate) would need to change individually for the estimated recoverable amount following the value-in-use method to be equal to the carrying amount. The used discount rate represents the weighted cost of capital for the CGU. The assumed EBITDA growth rate for the next five years is based on internal budgets.

Key assumptions	**2024**	**2023**
Discount rate before tax	9.8%	8.8%
Growth rate residual value	1.0%	0.0%
Forecast EBITDA growth rate (average 5 years)	3.7%	14.9%

Sensitivity analysis	**Change 2024**	**Change 2023**
(in percentage points)		
Discount rate	7.5	21.8
Budgeted EBITDA growth rate	(7.9)	(19.2)

INFORM Romania

As at 31 December 2024 the estimated amount in the form of value-in-use of CGU Inform Romania exceeded its carrying amount by € 40.1 million (2023: € 12.0 million). The following tables show key assumptions as well as the value by which key assumptions (discount rate and EBITDA growth rate) would need to change individually for the estimated recoverable amount following the value-in-use method to be equal to the carrying amount. The used discount rate represents the weighted cost of capital for the CGU. The assumed EBITDA growth rate for the next five years is based on internal budgets and takes into account past experience and estimates of future developments based on internal and external forecasts.

Key assumptions	**2024**	**2023**
Discount rate before tax	11.8%	10.8%
Growth rate residual value	1.0%	2.0%
Forecast EBITDA growth rate (average 5 years)	6.2%	5.1%

Sensitivity analysis	**Change 2024**	**Change 2023**
(in percentage points)		
Discount rate	10.7	3.6
Budgeted EBITDA growth rate	(10.6)	(4.4)

CEE

In addition to the goodwill of t€ 1,300 thousand allocated at this level, the impairment test of the CGU CEE also includes the goodwill allocated to CGU INFORM Romania, as this CGU is also part of the higher-level CGU CEE.

As at 31 December 2024 the estimated amount in the form of value-in-use of CGU CEE (incl INFORM Romania) exceeded its carrying amount by € 126.6 million (with no comparative test with same basis in previous year). The following tables show key assumptions as well as the value by which key assumptions (discount rate and EBITDA growth rate) would need to change individually for the estimated recoverable amount following the value-in-use method to be equal to the carrying amount. The used discount rate represents the weighted cost of capital for the CGU. The assumed EBITDA growth rate for the next five years is based on internal budgets and takes into account past experience and estimates of future developments based on internal and external forecasts.

Key assumptions	**2024**
Discount rate before tax	10.6%
Growth rate residual value	1.0%
Forecast EBITDA growth rate (average 5 years)	2.2%

Sensitivity analysis	**Change 2024**
(in percentage points)	
Discount rate	2.8
Budgeted EBITDA growth rate	(3.5)

17. Equity-accounted investees

Financial statements 2024 of Seglan SL, the company accounted for using the equity method, were not yet available in final version as of the balance sheet date, preliminary figures are presented below:

Summarised financial information

in € thousand	**Seglan SL 31/12/2024 preliminary**	**Seglan SL 31/12/2023**
Percentage ownership interest	**25.00 %**	**25.00 %**
Non-current assets	2,476	1,755
Current assets	1,459	1,832
Non-current liabilities	0	0
Current liabilities	560	363
Net assets (100%)	**3,375**	**3,224**
Group’s share of net assets	844	806
Revenues	2,961	2,561
Total Profit or loss (100 %)	374	516

Reconciliation of carrying amount

in € thousand	**Seglan SL 31/12/2024**	**Seglan SL 31/12/2023**
Percentage ownership interest	**25.00%**	**25.00%**
Carrying amount of interest in associate as of 1.1.	**324**	**292**
Group's share of profit (loss) registered	129	54
Dividends received	(58)	(22)
Carrying amount of interest in associate as of 31.12.	**395**	**324**
thereof goodwill from acquisition	0	0

18. Inventory

in € thousand	**31/12/2024**	**31/12/2023**
Raw materials and consumables	54,742	45,009
Finished and semi-finished goods	1,000	1,661
Merchandise	1,680	1,172
Goods in transit	15,374	10,322
Total	**72,795**	**58,164**

In 2024, inventories of amount t€ 107,160 (2023: t€ 115,973) were recognized as cost during the period and included in "Cost of Sales". Amount of write-down of inventories recognised as an expense in the period is t€ 960 (2023: t€ 706). As at 31st December 2024, the carrying amount of inventories, which were depreciated as a result of the measurement at net realizable value is t€ 4,426 (31/12/2023: t€ 3,466).

19. Trade and other receivables

in € thousand	31/12/2024	31/12/2023
Trade receivables	47,434	46,602
Minus: Allowance for doubtful accounts	(2,137)	(1,926)
	45,297	**44,677**
Advance payments	1,389	1,059
Personnel prepayments and loans	54	71
VAT and other Tax related receivables	2,383	2,838
Deferred expenses	2,263	2,203
Other non-financial receivables and assets	1,382	1,563
Other receivables - non financial instruments	*7,471*	*7,734*
Securities at fair value through profit & loss	232	229
Factoring receivables	2,213	638
Financial instruments at fair value through OCI	853	1,642
Deposits	186	128
Other financial receivables and assets	1,365	9,096
Other receivables - financial instruments	*4,849*	*11,734*
Other receivables	**12,320**	**19,468**
Total	**57,617**	**64,145**
Non-current	1,259	2,386
Current	56,358	61,758
Total	**57,617**	**64,145**

Other financial receivables and assets include in 2023 € 8.1 million from a customer advance payment in Türkiye, which is not reported as cash and cash equivalents due to a restriction on disposal. This customer contract was fulfilled in 2024 and shown as recognised revenue.

20. Cash and cash equivalents

in € thousand	31/12/2024	31/12/2023
Cash at hand	25	11
Bank balances	21,713	23,813
Total	**21,737**	**23,825**

Equity and Liabilities

21. Capital and additional paid in capital

A. Share capital and additional paid in capital

The share capital of t€ 36,354 is divided into 36,353,868 no-par value shares, each of which participates in the share capital to the same extent.

The capital reserves mainly result from the amount realized on the issue of shares in excess of the pro rata amount of the share capital (premium). As in the previous year, the capital reserves as at 31 December 2024 are essentially all attributable to appropriated reserves. These may only be released to offset an accumulated loss, that would otherwise have to be reported in the company's annual financial statements in accordance with company law if free reserves are not available to cover it.

Share buy-back program for own shares

The annual general meeting of AUSTRIACARD HOLDINGS AG held on 30 June 2023 resolved on the authorization to implement a share buy-back program for own shares pursuant to Sec 65 para 1 no 4 and 8 Austrian Stock Corporation Act, which was published on 30 June 2023. The management board shall be authorized for a period of 30 months from the date of the resolution of the annual general meeting in accordance with Sec 65 para 1 no 4 and 8 and para 1a and 1b AktG to acquire own shares of the Company with a statutory limit of up to 10% of the share capital. In accordance with the resolution of the annual general meeting held on 30 June 2023, the consideration to be paid per share when acquiring shares must (i) not be lower than € 1 (i.e., the calculated proportion of the share capital per share), and (ii) not be more than 20% above the volume-weighted average price of the last 20 trading days preceding the respective purchase.

Share buy-back program for own shares I

The share buy-back under the Share Buy-Back Program I started on 22 December 2023 and expired on 21 June 2024. In total under the Share buy-back program I, AUSTRIACARD HOLDINGS AG bought back 84.238 own shares at a weighted average price of € 5.94 per share. This corresponds to 0.2317% of the total share capital and the total price without incidental expenses of the repurchased shares was t€ 496,8.

Share buy-back program for own shares II

The management board of AUSTRIACARD HOLDINGS AG resolved on 28 June 2024 to implement a share buy-back program for own shares (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 II by resolution dated 28 June 2024. In total, under the Share Buy-Back Program II, AUSTRIACARD HOLDINGS AG bought back 278.064 own shares at a weighted average price of € 5,64 per share.This corresponds to 0.7649% of the total share capital. The total price without incidental expenses of the repurchased shares was t€ 1.562,8.

Share buy-back program for own shares III

The management board of AUSTRIACARD HOLDINGS AG resolved on 7 January 2025 to implement a share buy-back program for own shares (Share Buy-Back Program III) 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 III by resolution dated 7 January 2025.

Authorized capital

At the Extraordinary General Meeting on 30 November 2022 the Management Board was authorized to increase the share capital with the approval of the Supervisory Board – also in several tranches – by 30.11.2027 an amount of up to t€ 8,431 by issuing up to 8,431,033 no-par-value bearer shares with voting rights against contribution in cash and/or in kind, whereby the issue price and the issue conditions shall be determined by the Management Board with the approval of the Supervisory Board. Furthermore the Management Board is with approval of the Supervisory Board authorized to fully or partly exclude the subscription rights of the shareholders (exclusion of the subscription rights) (i) if the capital increase is effected against cash contribution and the total portion of the Company's share capital represented by the shares issued against cash contribution under exclusion of the subscription rights does not exceed 10% (ten percent) of the Company's share capital at the time the authorization is granted, (ii) if the capital increase is effected against contribution in kind, or (iii) for the settlement of fractional amounts.

B. Other reserves, retained earnings and non-controlling interest

Other reserves include reserves from other comprehensive income, such as the reserve for currency translation differences, the revaluation reserve for land in accordance with IAS 16, revaluations of obligations from post-employment benefits to employees after deduction of deferred taxes in accordance with IAS 19 and the change in the cash flow hedge reserve after deduction of deferred taxes in accordance with IFRS 9. The reserve for share-based payments for management participation programmes ('equity-settled') is also included.

The retained earnings include the accumulated results for the period attributable to the shareholders less distributions made.

Non-controlling interests comprise minority interests in the equity of fully consolidated subsidiaries.

22. Capital management

The Group's policy is to maintain a strong capital base so as to maintain a high level of confidence of shareholders, creditors and the market, as well as to sustain future development of the business. Management monitors the return on capital and aims at a medium-term performance of dividends to shareholders.

The board of directors tries to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital base.

Group management monitors its capital using the following indicators:

- Equity ratio (Net equity / Total assets): target value > 30%
- Net debt / adjusted EBITDA: target value <3x

	2024	2023
Equity ratio (Net Equity / Total Assets)	37.4%	33.3%
Net debt / adjusted EBITDA	1.7	1.9

23. Loans and Borrowings

in € thousand	31/12/2024	31/12/2023
Non-current financial liabilities		
Secured bank loans	87,450	88,992
Unsecured bank loans	1,976	2,496
Lease liabilities	11,835	10,944
	101,261	**102,432**
Current financial liabilities		
Secured bank loans	10,876	11,100
Unsecured bank loans	1,008	1,574
Lease liabilities	4,213	3,766
	16,097	**16,440**
Total	**117,358**	**118,872**

As per 18 December 2023 AUSTRIACARD HOLDINGS AG has signed a € 186.6 million financing agreement, comprising of a revolving credit facility, term loan tranches and a guarantee facility, maturing in 3 to 5 years, with a consortium of 10 European banks led by Unicredit. As at the reporting date of 31.12.2024 € 99.2 million (2023: € 101.1 million) of this had been used. Part of the funds raised were used to refinance existing credit facilities at various subsidiaries of the Company, while the rest will be used for general corporate purposes and to finance the Company's growth. This refinancing extends the debt maturity profile, while significantly simplifying its structure, enabling more flexibility to the Company to pursue its corporate strategy.

AUSTRIACARD HOLDINGS AG used in December 2024 for the revolving credit facility and the guarantee facility the contractually agreed extension option and extended those two facilities with one more year.

A. Terms and maturity

in € thousand	Currency	Interest rate fixed/ variable	Nominal interest rate range	Year of maturity	Carrying Amount 31/12/2024	Carrying Amount 31/12/2023
Secured bank loans	EUR	variable	EURIBOR + Marge 1.55%	2027-2028	20,500	26,600
	EUR	variable	EURIBOR + Marge 1.95 – 2.05%	2028	78,723	74,492
					99,223	**101,092**
Unsecured bank loans	EUR	variable	EURIBOR + 0.28% - 1.75%	2026	1,000	1,500
	TRY	fixed	4.75%	2024	0	153
	EUR	fixed	1.53%	2025	109	431
	USD	variable	SOFR 6M + 2.00%	2026	1,476	1,388
	RON & EUR	fixed	3.00%	2025	399	599
					2,984	**4,071**
Total					**102,207**	**105,162**

Securities have been provided for liabilities to banks in the amount of t€ 99,223 (2023: t€ 101,092). The material securities are pledges on shares in three subsidiaries as well as pledges on Intercompany receivables.

B. Lease liabilities

	Future minimum lease payments		Interest		Present value of minimum lease payments	
in € thousand	2024	2023	2024	2023	2024	2023
Less than one year	4,944	4,353	737	587	4,207	3,766
Between one and five years	12,649	10,764	1,291	1,140	11,357	9,623
More than five years	509	1,418	25	98	484	1,320
	18,102	**16,535**	**2,054**	**1,825**	**16,048**	**14,710**

C. Reconciliation of loans and borrowings

in € thousand	Secured Loans & Borrowings	Unsecured Loans & Borrowings	Bonds	Leasing	Total
1 January 2024	**100,092**	**4,071**	**0**	**14,710**	**118,872**
Proceeds from loans and borrowings	9,232	0	0	0	9,232
Repayment of loans and borrowings	(11,100)	(1,158)	0	0	(12,258)
Repayment of lease liabilities	0	0	0	(4,469)	(4,469)
Sum of changes due to cash flows from financing activities	**(1,868)**	**(1,158)**	**0**	**(4,469)**	**(7,495)**
Changes in exchange rate	**0**	**71**	**0**	**272**	**344**
Other non-cash changes	**102**	**0**	**0**	**525**	**628**
New lease liabilities	0	0	0	5,814	5,814
Interest expenses	0	0	0	(804)	(804)
31 December 2024	**98,326**	**2,984**	**0**	**16,048**	**117,358**

in € thousand	Secured Loans & Borrowings	Unsecured Loans & Borrowings	Bonds	Leasing	Total
1 January 2023	**46,410**	**29,915**	**10,988**	**10,914**	**98,226**
Proceeds from loans and borrowings	100,092	7,814	0	0	107,905
Repayment of loans and borrowings	(46,132)	(33,687)	(10,988)	0	(90,807)
Repayment of lease liabilities	0	0	0	(2,895)	(2,895)
Sum of changes due to cash flows from financing activities	**53,959**	**(25,874)**	**(10,988)**	**(2,895)**	**14,203**
Changes in exchange rate	**(29)**	**(56)**	**0**	**(93)**	**(178)**
Other non-cash changes	**(248)**	**86**	**0**	**221**	**59**
New lease liabilities	0	0	0	6,974	6,974
Interest expenses	0	0	0	(411)	(411)
31 December 2023	**100,092**	**4,071**	**0**	**14,710**	**118,872**

24. Trade and other payables

in € thousand	31/12/2024	31/12/2023
Trade payables	**43,807**	**43,649**
Social security	2,217	1,957
Wages and salaries payable	854	1,109
Accruals – personnel related	4,407	4,187
VAT payable and other taxes	3,342	3,751
Other non-financial payables	1,312	1,641
Other payables - non financial instruments	***12,132***	***12,646***
Dividends payable	3	6
Other financial payables	6,576	5,746
Other payables - financial instruments	***6,579***	***5,752***
Other payables	**18,711**	**18,398**
Total	**62,517**	**62,047**
Non-current	1,726	81
Current	60,792	61,966
Total	**62,517**	**62,047**

Other financial liabilities include € 2.3 million (2023: € 2.2 million) in connection with the put option for the beneficiary's shares from the management participation program in a subsidiary, see also note 12. The increase of the non-current liabilities results primarily from contingent purchase price liabilities related to the acquisition of subsidiaries in 2024, see note 27.

Financial instruments

25. Financial instruments – Fair values and risk management

A. Accounting classifications and fair values

The financial instruments carried at fair value concern an investment in a quoted mixed fund consisting of a mix of securities and equity investments, interest rate swaps and interest collar/floor, contingent purchase price liabilities for acquisitions in financial year 2024 as well as liabilities from put option for the beneficiary's shares from the management participation program in a subsidiary. 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 interest collar/floor correspond to Level 2 fair value, contingent purchase price liabilities and the put-option correspond to Level 3 fair value according to IFRS 13. For detailed information to put-option see note 12.E.ii., details on contingent purchase price liability can be found in note 27.

31 December 2024 in € thousand	**At amortized cost**	**FVTPL**	**FVTOCI**	**Non-financial instruments**	**Total**
Assets					
Trade receivables	45,297	0	0	0	**45,297**
Other receivables	3,764	232	853	7,471	**12,320**
Cash and cash equivalents	21,737	0	0	0	**21,737**
Total	**70,799**	**232**	**853**	**7,471**	**79,355**
Liabilities					
Loans and borrowings	117,358	0	0	0	**117,358**
Trade payables	43,807	0	0	0	**43,807**
Other payables	2,054	4,050	475	12,132	**18,711**
Total	**163,219**	**4,050**	**475**	**12,132**	**179,876**

Positive fair values of derivative financial instruments are recognised in other receivables at fair value through OCI. Derivative financial instruments with negative fair values are recognized at fair value through OCI in other payables.

31 December 2023 in € thousand	**At amortized cost**	**FVTPL**	**FVTOCI**	**Non-financial instruments**	**Total**
Assets					
Trade receivables	44,677	0	0	0	**44,677**
Other receivables	9,863	229	1,642	7,734	**19,468**
Cash and cash equivalents	23,825	0	0	0	**23,825**
Total	**78,235**	**229**	**1,642**	**7,862**	**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**

As of 31.12.2023, the positive fair values of the interest rate swaps are recognised in other receivables at fair value through OCI as in previous year. Interest rate swaps with negative fair values are recognized at fair value through OCI in other payables

i. Derivative financial instruments and hedges

For risk management purposes, the Group holds interest rate swaps as well as interest collar and interest floor for material non-current financial liabilities, which are designated in hedging relationships to hedge cash flows. The variable amounts of these hedging instruments are linked to the Euribor or to ÖKB Refinancing Rate. The Group's derivative instruments are governed by contracts and preferably concluded with those banks with which the underlying financial liability exists.

The fair value of the hedging instruments is determined as the present value of the estimated future cash flows. Estimates of future cash flows from variable interest payments are based on quoted swap rates, future prices and interbank interest rates. The estimated cash flows are discounted using a yield curve constructed from a similar source that reflects the relevant comparative interbank interest rate as used by market participants in the pricing of interest rate swaps.

The hedging relationship may become ineffective if the nominal value of the underlying transactions falls below that of the derivative. If a hedging relationship is no longer effective, rebalancing must restore effectiveness. The Group's derivatives were fully effective as of 31.12.2024 and as of 31.12.2023, there was no rebalancing.

The following table shows the value of the derivative financial instruments held by the Group as of 31 December 2024. The financial instruments, which were recorded as a cash flow hedge, form a valuation unit with the secured loans:

Financial institution	**Derivative**	**Beginning**	**End**	**Nominal value loan** in € thousand	**Fixed interest rate**	**Market value 31/12/2024** in € thousand
Unicredit Bank Austria AG	Interest Rate Swap	30/06/2020	31/03/2027	6,500	0.000%	173
Unicredit Bank Austria AG	Interest Rate Swap	27/10/2021	30/09/2028	14,000	0.150%	542
National Bank of Greece SA	Interest Rate Swap	30/12/2022	29/12/2028	2,800	0.685%	103
Raiffeisen Bank International AG	Interest Rate Swap	29/12/2023	18/12/2028	20,000	2.740%	-235
Raiffeisen Bank International AG	Interest Rate Collar	16/01/2024	15/12/2028	25,000	Floor 1.955%	
					Cap 3.000%	-182
Raiffeisen Bank International AG	Interest Rate Floor	16/01/2024	15/12/2028	25,000	0.000%	-58

Derivatives with positive market values are reported in the balance sheet as non-current other receivables, while derivatives with negative market values are reported as non-current financial liabilities.

The following table shows the value of the derivative financial instruments as of 31 December 2023, which were recorded as a cash flow hedge:

Financial institution	**Derivative**	**Beginning**	**End**	**Nominal value loan** in € thousand	**Fixed interest rate**	**Market value 31/12/2023** in € thousand
Unicredit Bank Austria AG	Interest Rate Swap	30/06/2020	31/03/2027	9,100	0.000%	419
Unicredit Bank Austria AG	Interest Rate Swap	27/10/2021	30/09/2028	17,500	0.150%	1,001
National Bank of Greece SA	Interest Rate Swap	30/12/2022	29/12/2028	3,550	0.685%	187
Raiffeisen Bank International AG	Interest Rate Swap	29/12/2023	18/12/2028	25,000	2.740%	-69

Derivatives with positive market values are reported in the balance sheet as non-current other receivables, while derivatives with negative market values are reported as non-current financial liabilities.

B. Risk Management

Risk management is coordinated at group level by the Board of Directors in close cooperation with Financial Directors of the Group's segments. It is focused primarily on ensuring short and medium-term cash inflows and solvency. The Group has exposure to various risks arising from financial instruments. The main types of these risks are the following:

- Credit risk
- Liquidity risk
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Credit risk is managed through credit examinations, credit limits and verification routines. If counterparty's credit-worthiness is questionable, advance payments or Letter of Credits are requested. The Group's main customers are banks and utility companies with sound credit ratings, which reduces the Group's overall credit risk. In order to further decrease credit risk the Group uses non-recourse factoring for certain customers. The carrying amount of financial assets and contract assets represents the maximum credit exposure.

Based on the empirical values of bad debts from five previous years, default probabilities are calculated in the Group, which, together with assumptions about future developments, are used to determine 'expected credit loss'.

Credit risk for Trade receivables and Contract assets in € thousand			**31/12/2024**			**31/12/2023**
	Weighted average loss rate	Gross amount 2024	Impairment loss allowance	Weighted average loss rate	Gross amount 2023	Impairment loss allowance
Current - not past due	0.30%	41,686	(120)	0.40%	47,097	(191)
Past due 1 - 29 days	0.10%	8,053	(4)	0.10%	7,697	(10)
Past due 30-59 days	0.20%	1,938	(4)	0.10%	5,982	(8)
Past due 60-89 days	0.50%	4,906	(23)	0.80%	2,233	(18)
Past due more than 90 days		5,809	(1,992)		3,985	(1,703)
Total		**62,392**	**(2,143)**		**66,993**	**(1,930)**

For trade receivables and contract assets an expected credit loss is calculated if no specific valuation allowances were made.

Allowance for impairment of Trade receivables and Contract assets in € thousand	
Balance at 1 January 2023	**(2,613)**
Release of allowance	641
Disposal of allowance for amounts written off	41
Balance at 31 December 2023	**(1,930)**
Additions to allowance	(243)
Disposal of allowance for amounts written off	30
Balance at 31 December 2024	**(2,143)**

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The contractual maturities of long-term bank loans from new consortium loan agreement, which finalised the Group Refinancing on level of AUSTRIACARD HOLDINGS AG in December 2023, are contingent on the Group's compliance with contractual covenants. The covenant mainly concern financial ratio Net Debt / EBITDA (leverage less than 3.5x), which is verified on a 6-months basis. Group management monitors ratios closely as in case of non-compliance, long-term loans could be called due by the lending financial institutions. Up do date agreed covenants have been complied without exception on all reporting dates.

The Group manages its liquidity needs by monitoring the contractual payments for long-term and short-term financial debt as well as the working capital requirements. Liquidity needs are monitored on a monthly basis and based on annual forecasts. Net cash requirements are compared to available borrowing limits, to identify surpluses or deficiencies in liquidity.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are undiscounted and include estimated interest payments.

31 December 2024 in € thousand	**Carrying amount**	**Total**	**1 year or less**	**1–2 years**	**2–5 years**	**More than 5 years**
Secured bank loans	98,326	**102,590**	12,932	11,928	77,730	0
Unsecured bank loans	2,984	**3,161**	1,168	1,994	0	0
Lease liabilities	16,048	**18,117**	4,948	4,125	7,245	1,799
Trade payables	43,807	**43,807**	43,807	0	0	0
Other payables – financial instruments	6,579	**6,579**	4,862	0	1,717	0
	167,744	**174,255**	**67,717**	**18,047**	**86,692**	**1,799**

31 December 2023 in € thousand	**Carrying amount**	**Total**	**1 year or less**	**1–2 years**	**2–5 years**	**More than 5 years**
Secured bank loans	100,092	**106,101**	13,342	12,292	80,467	0
Unsecured bank loans	4,071	**4,249**	1,678	661	1,910	0
Lease liabilities	14,710	**16,343**	4,272	3,650	5,909	2,512
Trade payables	43,649	**43,649**	43,649	0	0	0
Other payables – financial instruments	5,752	**5,752**	5,683	69	0	0
	168,273	**176,094**	**68,624**	**16,672**	**88,286**	**2,512**

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group is using derivative financial instruments to manage market risk.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Euro (EUR), RON (Romania), GBP (UK) and USD (USA). The currencies in which the Group's transactions are denominated are mainly Euro and RON and to a lesser extent GBP (UK), USD (USA), TRY (Türkiye), PLN (Poland) and others.

Exposure to currency fluctuations arises also from converting the financial information of the Group's subsidiaries in Romania, Türkiye, United Kingdom and Poland from functional (local) to presentation currency (Euro) and its incorporation in the Group's financial statements.

Management continuously monitors the development of relevant foreign exchange rates for current or upcoming transactions. In order to limit exposure to foreign exchange variances the Group aims at invoicing its customers and receiving invoices from suppliers as well as borrowing financial debt in the functional currency of the respective group component. As most costs of the Group accrue in Euro, the Group also aims at fixing to Euro sales prices of deliveries invoiced in local currency to the Euro. Where deemed necessary, the Group uses foreign currency derivatives to hedge future transactions, trade receivables and liabilities.

If exchange rates fluctuate within a range of +/- 10%, the profit or loss net of tax and equity net of tax of foreign currency companies would change as follows:

	Profit or loss net of tax		Equity, net of tax	
in € thousand	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 December 2024				
RON (10% movement)	796	(651)	4,270	(3,493)
TRY (10% movement)	294	(241)	408	(334)
GBP (10% movement)	474	(387)	1,248	(1,021)
USD (10% movement)	(126)	103	(489)	400
31 December 2023				
RON (10% movement)	700	(573)	3,672	(3,004)
TRY (10% movement)	221	(181)	145	(118)
GBP (10% movement)	364	(298)	880	(720)
USD (10% movement)	(182)	149	(158)	129

Interest rate risk

Financial assets are invested in bank deposits classified as cash and cash equivalents. The Group is essentially financed using borrowings and loans with variable interest rates which are mostly linked to the Euribor. If the Group would not use derivatives for hedging, interest charges would – given the same level of net debt – increase if the Euribor increases. Management continuously monitors the development of net debt and interest rates. The risk with fixed-interest financial instruments is that a negative market value adjustment may occur due to changes in interest rates. In the case of variable-interest financial instruments, the risk is that fluctuations in cash flow can have a negative impact on cash and cash equivalents and the ability to plan cash flows. In order to reduce the Group's interest rate risk or long-term loans, interest rate swaps and collars have been concluded to change the variable interest to a fixed interest rates respectively to reduce the variability of interest costs in case of interest rate collars.

The interest rate risk sensitivity analysis focuses on the risk of floating-rate financial instruments. It is assumed that the variable-interest liabilities existing on the reporting date are outstanding for a full year. In the sensitivity analysis, a change of plus/minus 100 basis points is simulated in each case. This would have the following effects on the financial result:

	Profit or loss		Equity, net of tax	
in € thousand	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**
31 December 2024	(341)	341	(263)	263
31 December 2023	(523)	523	(403)	403

Other disclosures

26. List of Subsidiaries

Company	Country	Residence main office	Participation percentage 31.12.2024	Participation percentage 31.12.2023	Consolidation method 2024	Consolidation method 2023
AUSTRIACARD HOLDINGS AG	Austria	Vienna	Parent	Parent	Full	Full
AUSTRIA CARD-Plastikkarten und Ausweissysteme Gesellschaft m.b.H.	Austria	Vienna	100.00%	100.00%	Full	Full
e-commerce monitoring GmbH	Austria	Vienna	100.00%	n/a	Full	n/a
INFORM LYKOS (HELLAS) S.A.	Greece	Korpia/Attica	100.00%	100.00%	Full	Full
TERRANE LIMITED	Cyprus	Nicosia	100.00%	100.00%	Full	Full
Inform Albania Sh.p.k. (in liquidation)	Albania	Tirana	75.50%	75.50%	Full	Full
CLOUDFIN LTD	Cyprus	Nicosia	61.50%	61.50%	Full	Full
AUSTRIA CARD SRL	Romania	Bucharest	100.00%	100.00%	Full	Full
AUSTRIA CARD TURKEY KART OPERASYONLARI ANONIM SIRKETI *)	Turkey	Istanbul	92.00%	93.00%	Full	Full
INFORM LYKOS SA	Romania	Bucharest	100.00%	100.00%	Full	Full
Next Docs ECM Expert S.R.L.	Romania	Bucharest	100.00%	100.00%	Full	Full
Next Docs Confidential S.R.L.	Romania	Bucharest	100.00%	100.00%	Full	Full
Cloudfin Single Member SA	Greece	Athen	100.00%	100.00%	Full	Full
TAG SYSTEMS SAU	Andorra	Andorra la Vella	100.00%	100.00%	Full	Full
TAG SYSTEMS SMART SOLUTIONS S.L.U.	Spain	Torres de la Alameda (Madrid)	100.00%	100.00%	Full	Full
TAG Systems Sp z o.o.	Poland	Warsaw	100.00%	100.00%	Full	Full
TSG Norway AS	Norway	Nesna	100.00%	100.00%	Full	Full
TAG SYSTEMS USA INC	United States	Eatontown (New Jersey)	60.00%	60.00%	Full	Full
Tag Nitecrest Ltd (in liquidation)	United Kingdom	Leyland (Lancashire)	100.00%	100.00%	Non	Full
TAG SYSTEMS UK LIMITED	United Kingdom	Leyland (Lancashire)	100.00%	100.00%	Full	Full
LSTech Ltd	United Kingdom	Milton Keynes	100.00%	n/a	Full	n/a
LSTECH ESPAÑA S.L.	Spain	Barcelona	100.00%	n/a	Full	n/a
TAG BIOMETRICS S.L.	Spain	Barcelona	92.50%	90.00%	Full	Full
ILRA POST HOLDING S.R.L.	Romania	Voluntari	50.10%	50.10%	Full	Full
ILRA PINK POST OPERATIONS S.R.L.	Romania	Voluntari	100.00%	100.00%	Full	Full
SEGLAN S.L.	Spain	Madrid	25.00%	25.00%	At Equity	At Equity

*) The company is already consolidated at 100% due to a put option of the non-controlling shareholder, see note 12.E.

In business year 2024 the group of consolidated companies changed as follows:

	31/12/2024	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
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 31 May 2024 Tag Nitecrest Ltd, which is already in liquidation, was deconsolidated due to immateriality. The deconsolidation had no material effect on the consolidated financial statements.

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.

27. Acquisition of subsidiaries

In January 2024 AUSTRIA CARD-Plastikkarten und Ausweissysteme GmbH, a subsidiary of the Company, acquired 100% of the shares in e-commerce monitoring GmbH (‘Global Trust’, Austria) for agreed purchase price of € 0.8m. In addition, there is an agreement on contingent purchase price of € 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 Group 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 of up to € 3.4m to sellers in 2028, depending on the achievement of the contractually agreed EBITDA targets for the business of the LSTech companies cumulatively for the years 2024-2027. In 2024 closing this is shown as contingent purchase price liability and registered with a fair value as of 31 December 2024 of € 1.2m. The contingent purchase price liability includes the best possible estimate of the expected payment.

The acquisition of both companies is an important step for the Group, since it will expand the Group's product and service portfolio. The products and services of the acquired companies are expected to be sold not only to the customers of the newly acquired companies but also to existing and prospective customers of the Group. The employees of the acquired companies will strengthen the Group's expertise and thus enable the development and commercialization of new products and services in the area of Digital Transformation Technologies.

Initial consolidation in total resulted in recognition of a goodwill of € 0.5m, intangible assets of € 3,6m as well as related deferred tax liability of € 0.9m. In the interim financial report 2024 a preliminary consolidation difference of € 3.4m had been presented as a goodwill. During measurement period provisional amounts recognised at acquisition date were retrospectively adjusted per 31 December 2024 to reflect new information obtained about facts and circumstances that existed as of the acquisition date. This relates in particular to the identified intangible assets with a fair value of €3.6m, which are attributable to acquired software and customer relationships (see also further explanations in note 27.A.).

The Group incurred transaction costs of € 0.2m related to the business combinations implemented in 2024. The transaction costs are included in the Administrative expenses of the consolidated financial statements.

Since initial consolidation, the acquired companies have contributed € 0.9m to revenues and € 0.1m to EBITDA in 2024.

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

The acquired assets and liabilities, resulting from business combinations in 2024, were recognized in the consolidated financial statement at the following fair values as part of the initial consolidation:

Fair values acquired	in € thousand
Intangible assets	3,646
Property, plant and equipment	51
Other long-term assets	29
Non-current assets	***3,726***
Inventories	22
Trade receivables	88
Other receivables	514
Cash and cash equivalents	974
Current assets	***1,598***
Deferred tax liabilities	(906)
Non-current liabilities	***(906)***
Current income tax liabilities	(100)
Trade payables	(41)
Other payables	(68)
Contract liabilities	(577)
Current liabilities	***(786)***
Net assets	**3,632**
Net assets acquired	**3,632**
Consideration transferred	2,636
Purchase price liability	335
Contingent purchase price liability	1,141
Total consideration	**4,112**
Goodwill	**480**

Net cash outflows related to the acquisition of subsidiaries and business	in € thousand
Consideration transferred	2,636
less cash acquired	(974)
Net cash outflows from subsidiaries and business acquired	**1,663**

In the course of the purchase price allocation for the two business combinations, customer relationships amounting to t€ 748 and AI Software Modules amounting to t€ 2,898 were identified. The AI Software Modules constitute core AI components generated by LSTech companies, developed to enhance the Group's technological capabilities. These AI Modules are expected to play a pivotal role in the future, generating new business revenues by enabling the creation of innovative solutions and attracting new revenue opportunities.

Intangible assets were measured using the "Multi-Period-Excess-Earnings" Method.

The contingent purchase price liability was measured at fair value at the time of acquisition. The contingent purchase price payment is subsequently measured at fair value with the change in value recognised through profit or loss.

The remaining goodwill corresponds to the expertise of the workforce of the acquired companies and, in the case of e-commerce monitoring GmbH in particular, the company's certified processes.

28. Non-controlling interests (NCI)

As of 31.12.2024, the Group holds significant non-controlling interests in the subsidiaries CLOUDFIN Ltd. and TAG SYSTEMS USA Inc., presented in the following table:

in € thousand	CLOUDFIN Ltd. 31.12.2024	CLOUDFIN Ltd. 31.12.2023	TAG SYSTEMS USA Inc. 31.12.2024	TAG SYSTEMS USA Inc. 31.12.2023
NCI percentage	**38.50%**	**38.50%**	**40.00%**	**40.00%**
Non-current assets	1,653	650	7,794	7,961
Current assets	5,687	5,429	3,178	3,691
Non-current liabilities	(84)	(41)	(7,004)	(4,357)
Current liabilities	(2,672)	(2,206)	(8,370)	(10,321)
Net assets	**4,585**	**3,831**	**(4,402)**	**(3,025)**
Carrying amount of Non-controlling interests	1,753	1,462	(1,833)	(1,137)
Revenue	3,522	5,152	19,291	17,695
Profit (Loss)	753	3,244	(1,136)	(1,642)
Other comprehensive income	0	0	0	0
Total comprehensive income	**753**	**3,244**	**(1,136)**	**(1,642)**
Profit allocated to Non-controlling interests	290	1,249	(455)	(657)
Other comprehensive income allocated to Non-controlling interests	0	0	0	0
Cash flows from operating activities	1,497	342	(2,001)	1,503
Cash flows from investment activities	(1,172)	(331)	(60)	(1,290)
Cash flows from financing activities	(7)	0	1,757	(311)
Net increase (decrease) in cash and cash equivalents	**318**	**11**	**(303)**	**(98)**

29. Average number of employees

	2024	2023
Average number of employees based on head-count during the period	**2,615**	**2,359**
thereof white collar employees	779	854
thereof blue collar employees	1,837	1,506

30. 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 persons, companies, subsidiaries, joint ventures and associates. 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. Transactions with members of the Management Board

Directors of the Company control 73.1% of the voting shares of the ultimate Parent Company per 31 December 2024. 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.

With regard to management participation programs, see Note 12.E.

Key management personnel compensation is as following:

in € thousand	2024	2023
Short-term employee benefits	3,444	2,772
Management participation programs (long-term)	2,908	2,583
	6,352	**5,355**

Short-term employee benefits include expenses for severance payments for the former Group CEO Panagiotis Spyropoulos amounting to t€ 280.

With regard to long-term remuneration of the Management Board from management participation programs, please refer to note 12.E.i for Manolis Kontos, Jon Neeraas and Markus Kirchmayr, and refer to note 12.E.ii for management participation program for Burak Bilge.

iii. Transactions with members of the Supervisory Board

In 2024 Mr. Michael Butz, member of the Supervisory Board, invoiced t€ 88 for consulting services to the Group. In same period of previous year 2023 there have been no transactions with members of the Supervisory Board. In 2024 remunerations of t€ 227 (2023: t€ 27) were granted to the Supervisory Board, no advance payments or loans were granted.

iv. Transactions with associated companies

As of the balance sheet date 31.12.2024, there was investment in one immaterial associated company. No transactions were carried out with the associate in 2024 as well as in previous year.

31. Auditor's fees

Expenses for services rendered by the Group auditor (including the international network in terms of section 271b UGB) comprised the following:

in € thousand	2024	2023
Audit of consolidated and annual financial statements	499	486
Other confirmation and consulting services	158	70
	657	556

32. Subsequent events

The management board of AUSTRIACARD HOLDINGS AG resolved on 7 January 2025 to implement a further share buy-back program for own shares (Share Buy-Back Program III) 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, see note 21.

There were no other significant subsequent events after the balance sheet date.

Accounting policies

33. Changes in accounting policies

New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

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*)	Material impact 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

*) Applicable to financial years beginning on or after the indicated date

34. Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements.

A. Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Inter-company transactions, balances and unrealized gains and losses on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. At the date of acquisition the Group recognizes separately from goodwill, the recognized assets acquired, the liabilities incurred and any non-controlling participations to the merged subsidiary. The recognized assets and the liabilities incurred should satisfy the definitions of assets and liabilities in the Framework of Preparation and Presentation of Financial Statements at the date of acquisition, in order to fulfil the criteria of recognition by the acquisition method. The Group measures the transferred assets and the liabilities incurred at fair values at the date of acquisition. The consideration transferred in return for the acquisition is measured at fair value, which is calculated as the sum of fair value at the date of assets transferred by the Group, the liabilities incurred if any to the previous owners and participation rights issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Non-controlling interests are initially measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Puttable or fixed-term equity interests in subsidiaries with put options held by non-controlling interests represent financial liabilities for the Group. Such liabilities are initially recognized at fair value in accordance with IFRS 9. Irrespective of whether the non-controlling shareholders are currently the beneficial owners of the shares or not, the initial consolidation is carried out as an early acquisition, i.e. the shares covered by the put option are allocated to the Group from the beginning as if the right had already been exercised. Subsequently, the liability from the put option is measured at fair value through profit or loss on each reporting date.

B. Foreign currency

The items of financial statements of the Group companies are measured based on the currency of economic environment, in which each company operates (functional currency). The financial statements are presented in Euro which is the functional currency and the presentation currency of the parent company.

i. Foreign currency transactions

The Group companies record foreign currency business transactions using the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate in effect on the reporting date. Foreign currency differences are generally recognized in profit or loss.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro using the average exchange rate in effect at the date of transaction. Gain and losses on foreign currency translation are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

C. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer. The recognition of major categories of revenues is as follows:

- Sales of made-to-order / customer-specific goods

The Group has determined that for made-to-order card- and paper products, the customer controls all of the work in progress as the products are being manufactured. This is because under those contracts card- and printed products are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to contractual terms and are usually payable within 30 – 45 days. Uninvoiced amounts are presented as contract assets.

Revenue and associated costs are recognised over time – i.e. before the goods are delivered to the customers' premises. Progress is determined based on the cost-to-cost method.

- Sales of merchandise

Customers obtain control of products that are not produced but resold by the Group to the customer only when the goods are delivered to the agreed location. Invoices are generated at that point in time. Invoices are usually payable within 30 to 45 days. Revenue is recognised when the goods are delivered to the location agreed with the customer.

- Sales of services rendered

Revenue arising from services is recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

D. Employee benefits

i. Pensions or similar obligations

A defined contribution plan is a post-employment benefit plan under which the Group pays contributions to publicly or contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is recognized.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the balance sheet in respect of defined benefit plan is the present value of the benefit obligation as at balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions on post-benefit employment plans are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the income statement.

ii. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

iii. Management participation programs

Share-settled share based payments

The fair value at the grant date of share-based payment arrangements to employees is recognized as an expense with a corresponding increase in equity over the period in which the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the relevant service conditions and non-market performance conditions are expected to be satisfied, so that the final amount recognized as an expense is based on the number of awards that satisfy the relevant service conditions and non-market performance conditions at the end of the vesting period. For share-based payment awards with non-vesting conditions, the fair value is determined at the grant date taking into account these conditions; no adjustment is required for differences between expected and actual outcomes.

Cash settled share based payments

The fair value of the amount payable to employees in respect of stock appreciation rights that are settled in cash is recognized as an expense with a corresponding increase in the liability over the period in which the employees become unconditionally entitled to those payments. The liability is remeasured at each reporting date and at the settlement date based on the fair value of the stock appreciation rights to be settled. Any changes in the liability are recognized in profit or loss.

E. Government grants & subsidies

Research premiums are provided by governments to give incentives for companies to perform technical and scientific research. These research premiums are presented in Other income in the income statements as when companies that have qualifying expenses can receive such premiums in the form of a tax credit irrespective of taxes ever paid or ever to be paid. These premiums are included in 'Trade and other receivables'. The Company records the benefit of this premium only when all qualifying research has been performed and the Group has obtained sufficient evidence from the relevant government authority that the premium will be granted.

At the same time, the research premiums represent government grants for capitalized expenses for internal development. The Group deducts the research premiums from the cost of internal development.

F. Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets remaining after netting with deferred tax liabilities are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

G. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity, these inventories are reclassified to contract assets. Cost of inventories does not include any financial expenses.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in other expenses in the period in which the write-downs or losses occur.

H. Property, plant and equipment

Land and buildings used for operations and administrative purposes, are presented in the balance sheet at their revaluated values, less their accumulated depreciation and, if any, impairment following the Revaluation method as per IAS 16.

When the carrying amount of land or buildings is increased by a re-adjustment, this increase will be recorded in the statement of comprehensive income and then accumulated to equity as a readjustment surplus. In case the accounting value of buildings or land is reduced in the future following a readjustment, this reduction will be recorded in the statement of comprehensive income up to the amount of the existing credit balance of readjustment surplus. Any excess of impairment loss over this surplus will be recorded in the income statement.

The remaining categories of tangible assets are measured at historical cost less accumulated depreciation and, if any, accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the items. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated using the straight-line method over their estimated useful lives. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Buildings	20-50
Plant, machinery, other equipment	3-20

I. Intangible assets and goodwill

Element	Measurement
Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Occurred impairment losses are excluded from reversal.
Customer relations	Customer relationships are part of the assets acquired through business combinations of the Group. The fair value was recognized under the income approach using the multi-period excess earnings method. Subsequent to initial recognition, the Group measures the above assets at cost less accumulated depreciation and any impairment losses.
Research and development expenses	Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost (less deductible research premium) less accumulated amortization and any accumulated impairment losses.
Other intangible assets	Other intangible assets, including software licenses that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization is calculated using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Goodwill is not amortized but tested (at least) annually for impairment according to IAS 36. An impairment test is also carried out annually for capitalized development costs that have not yet been depreciated.

The estimated useful lives for current and comparative periods are as follows:

	Years
Development costs	2-5
Software licenses	5-10
Customer contracts	7-15

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an impairment indicator is identified, the fair value of the non-financial asset is appraised – if necessary by an external appraiser – and compared with the carrying amount. If the carrying amount exceeds the fair value, impairment is recognized. If an impairment test for a non-financial asset is not possible at the level of the individual asset, the test is carried out for the CGU to which this asset belongs.

J. Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and financial assets at amortized cost.

i. Non-derivative financial assets and financial liabilities – Recognition, measurement and derecognition

The Group initially recognizes receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

ii. Non-derivative financial assets – Classification and subsequent measurement

Element	Measurement
Financial assets at fair value through profit or loss	Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iii. Non-derivative financial liabilities – Measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

K. Share capital

(a) Ordinary shares are classified as equity. Share capital represents the value of company's shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as "share premium" in shareholders' equity.
(b) Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

L. Impairment

i. Non-derivative financial assets

The Group recognizes loss allowances for ECLs on financial assets measured at amortised cost and contract assets. The Group measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. When estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information based on the Group's experience and informed credit assessment.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss.

They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

M. Leases

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. Then the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

For lease contracts according to IFRS 16 lease term is determined as the non-cancellable period of a lease, together with both, periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

At the commencement date, a right-of-use asset and a lease liability is recognised. Lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the group uses the lessee's incremental borrowing rate. At the commencement date, the right-of-use asset is measured at cost. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, as well as any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the lessee, and an estimate of potential restoration costs. After the commencement date, the-group measures the right-of-use asset applying a cost model. The depreciation requirements of IAS 16 are applied.

According to IFRS 16.5 the group elects not to apply IFRS 16 to short-term leases and leases for which the underlying asset is of low value (< about EUR 5.000,-). Lease payments associated with those leases are recognised directly as an expense.

Subsequent measurement of the lease liability is done by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. Right-of-use assets and lease liabilities shall be reassessed if one of the following cases occurs: 1. change in lease payments, 2. change in lease term, 3. change in the assessment of an option to purchase the underlying asset, or 4. change in the amounts expected to be payable under a residual value guarantee. At the effective date of the modification, the lessee has to remeasure the present value of the lease liability and the carrying amount of the right-of-use asset. Any gain or loss relating to the partial or full termination of the lease should be recognised in profit or loss. The remeasurement has to be done with a revised discount rate only in case of changes in lease term, changes in the assessment of the option to purchase the underlying assets or if the change in lease payments is due to floating interest rates. A lessee shall account for a lease modification as a separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets, and if the consideration for the lease increases by an adequate amount.

N. IAS 29 Financial Reporting in hyperinflation economies

IAS 29 is to be applied when the functional currency of a company is that of a country with pronounced high inflation. Like in previous year, this concerns 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. IAS 29 requires the adjustment of affected financial statements by applying a general price index:
- Monetary items of the balance sheet are not adjusted.
- Non-monetary items of the balance sheet that are measured at cost are adjusted to the price changes that occurred in the financial year before translation into Group currency on the basis of an appropriate price index to measure purchasing power.
- All items in the statement of comprehensive income and all components of equity are also adjusted on the basis of suitable price indices.
- Gains or losses from the net position of monetary items are reported in the financial result of the consolidated income statement.
- Prior-year figures have not been adjusted in accordance with IAS 21.42 (b).

35. New Standards and Interpretations that have not been applied yet or have not been adopted by the European Union

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 9 und IFRS 7	Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	01/01/2026	No
diverse	Annual Improvements Volume 11	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

*) Applicable to financial years beginning on or after the indicated date

On April 9, 2024, the International Accounting Standard Board (IASB) published the new accounting standard IFRS 18 - Presentation and Disclosure in Financial Statements. IFRS 18 will replace the previous standard IAS 1 - Presentation of Financial Statements. It is intended to improve the presentation of financial information and make financial statements more transparent and easier to compare. Companies need to apply IFRS 18 for financial years beginning on or after January 1, 2027 - with a corresponding retrospective adjustment of the comparative period.
IFRS 18 introduces a new structure for the income statement with mandatory subtotals. IFRS 18 also requires additional disclosures in the notes, one of which relates to management-defined performance measures (MPMs). These are performance measures communicated publicly by management outside the consolidated financial statements that are not specified by IFRS accounting standards. IFRS 18 therefore brings significant changes for all companies. It is not yet possible to present the potential impact on AUSTRIACARD HOLDINGS AG.

Vienna, 12 March 2025

Nikolaos Lykos mp
Chairman of the Management Board

Emmanouil Kontos mp
Vice Chairman & Group CEO

Jon Neeraas mp
Member of the Management Board

Burak Bilge mp
Member of the Management Board

Markus Kirchmayr mp
Member of the Management Board

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