

Annual Financial
Report 2025

Building on trust.
Growing digitally.



Contents

A) Group Management Report		Employee Benefits	66
Group Profile	1	11. Employee benefits	66
Our Values	2	12. Employee expenses	72
History	4	13. Income taxes	72
CEO Letter Annual Report 2025	6		
Group segments and solutions	9	Assets	74
Group Business Performance	16	14. Property, plant and equipment and right of use assets	74
Strategy, Outlook And Risks	34	15. Intangible assets and goodwill	77
Internal control system with regard to the accounting process	42	16. Equity-accounted investees	80
Information on capital, share, voting and control rights and related agreements in accordance with section 243 a (1) ugb	43	17. Inventory	80
Consolidated non-financial statement	44	18. Trade and other receivables	81
Personnel	45	19. Cash and cash equivalents	81
Environmental management	46		
Research and development	47	Equity and Liabilities	82
		20. Capital and additional paid in capital	82
B) Consolidated Financial Statements	49	21. Capital management	83
Consolidated statement of financial position	49	22. Loans and Borrowings	84
Consolidated income statement	50	23. Trade and other payables	86
Consolidated statement of comprehensive income	51		
Consolidated statement of changes in equity	52	Financial instruments	87
Consolidated statement of cash flows	54	24. Financial instruments – Fair values and risk management	87
Notes To The Consolidated Financial Statements	55		
		Other disclosures	92
Basis of preparation	55	25. List of Subsidiaries	92
1. Reporting Entity	55	26. Non-controlling interests (NCI)	94
2. Basis of accounting	55	27. Average number of employees	94
3. Use of judgments and estimates	55	28. Related parties	94
4. IAS 29 Financial Reporting in hyperinflation economies	56	29. Auditor's fees	95
5. Impact of macroeconomic conditions and climate risk on consolidated financial statements	57	30. Subsequent events	95
Performance of the year	57	Accounting policies	96
6. Segment reporting	57	31. Changes in accounting policies	96
7. Revenues	61	32. Significant accounting policies	96
8. Income and expenses	62	33. New Standards and Interpretations that have not been applied yet or have not been adopted by the European Union	104
9. Net Finance costs	64		
10. Earnings per share and number of shares	64		

A) GROUP MANAGEMENT REPORT

AUSTRIACARD HOLDINGS Group (referred to as “AUSTRIACARD HOLDINGS” or “the Group”), headquartered in Vienna with its parent company AUSTRIACARD HOLDINGS AG (also known as “the Company”), has evolved the past 130 years from an international identity and payments solutions company to a holistic applied technology company powered by artificial intelligence (AI). The Group's portfolio includes a wide range of solutions that demonstrate significant synergies across product lines. These include Identity & Payment Solutions (covering payments, identification and personalization), Digital Technologies (featuring AI-powered solutions, digital onboarding, and process and content management intelligence) and Document Lifecycle Management (which encompasses security documents, traceability, personalised digital printing, and document and output management services). These solutions are offered to financial institutions, public and private sectors.

1. GROUP PROFILE

Group at a glance

AUSTRIACARD HOLDINGS is present in 17 countries, has facilities in 9 countries, and maintains 16 sale offices. The Group engages in commercial activities in more than 50 countries and has a global network of partners and sales agents. The Group's operating facilities are located in Andorra, Austria, Greece, Romania, Poland, the UK, Spain, Türkiye and the USA, employing a total workforce of almost 2,360 people.

For the financial year 2025, Group Revenues amounted to € 360.2 million (2024: € 392.3 million). AUSTRIACARD HOLDINGS is listed, since March 2023, on both the Athens (ATHEX) and Vienna (VSE) Stock Exchanges (dual listing under the trading symbol “ACAG”).

17

Countries

50

Countries with commercial activity

9

Countries with production facilities

€360.2m

Revenue (2024: €392.3m)

2,360

People

Our Values

We build on our legacy and commitment to social responsibility by envisioning a world where our secure and innovative technologies connect people, protect their values, and empower communities to thrive. Our mission is to provide our clients with innovative, secure solutions that create enduring value for individuals, partners and communities, all guided by our commitment to sustainability.

AUSTRIACARD HOLDINGS is founded on a commitment to a customer centric service. For 130 years, AUSTRIACARD has been the partner of choice for its customers, recognized for its high-quality products, exceptional service, and strong ethical standards. Today, we are the partner of choice, valued for our quality, trusted for our integrity, and driven by the same core values of trust, agility, collaboration and passion that have always defined 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.



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 excellence enable us to overcome challenges and achieve meaningful results.



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.



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.



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.



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

For over 130 years, the company has consistently adapted to evolving client needs, building a legacy of innovation and trust from its 19th-century founding to its position today as a global applied technology provider.

Building Foundations (1897-2007)

Founded in 1897 by P. Lykos as a printshop, the company evolved steadily through the 20th century.

Key milestones:

- ATHEX listing of INFORM P. LYKOS HOLDINGS S.A. in 1994
- establishment of INFORM LYKOS ROMANIA in 2000, marking the Group's first international expansion

Scaling into a Multinational End-to-End Provider (2007-2019)

Strategic acquisitions established significant operations across Europe and transformed the Group into a comprehensive multinational provider.

Key milestones:

- acquisition of Austria Card GmbH (2007)
- opened a smart card personalization center in Poland (2012)
- acquisition of Türkiye's largest personalization center (2012)
- acquisition of TAG SYSTEMS (2019)

Accelerating Technology-Led Transformation (2019-Ongoing)

Recent years have seen accelerated growth through strategic technology acquisitions. These moves position the Group at the forefront of secure, intelligent technology solutions.

Key milestones:

- acquisition of NEXT DOCS (2019)
- acquisition of Cloudfin and NITECREST UK (2021)
- dual listing on ATHEX and VSE (March 2023), following completion of cross-border merger with INFORM P. LYKOS HOLDINGS S.A.
- acquisition of Pink Post in Romania (2023)
- acquisition of LSTech and Global Trust (2024)



Emmanouil Kontos
Group CEO & Chairman of the
Management Board

CEO LETTER ANNUAL REPORT 2025

Letter from the CEO

As we reflect on the past year, we are excited to share that AUSTRIACARD HOLDINGS is on an extraordinary journey toward growth and innovation.

Our strong performance in the second half of the year demonstrated our resilience. Revenues increased by 20% and EBITDA by 69% compared to the first half. Our Document Lifecycle Management and Digital Technologies solutions have grown strongly, successfully overcoming the temporary revenue challenges we faced in the first half due to cyclical and macroeconomic factors. The specific H1 headwinds — normalization of the Turkish payment card market, the unfavourable base effect from metal card sales to a Fintech client in Europe, and delays in large-scale public sector digitalization projects in Greece.

In today's rapidly evolving landscape, technological advancements in Artificial Intelligence are not just fleeting trends; they are vital components of our long-term strategy. We are committed to adapting our operations through bold investments in technological autonomy and data protection, ensuring that every initiative we undertake is anchored in a secure and meticulously controlled infrastructure.

We are proud to be one of the few companies in Europe providing end-to-end AI solutions for businesses, with complete control over data, whether on-premises or on a hybrid cloud. We maintain a significant market share in the fintech/neobanks payment solutions segment, despite increasing competition.

The growing number of data centers across Europe underscores the critical importance of digital autonomy. We are dedicated to creating solutions that operate within a European or local context, safeguarding data beyond the cloud's reach.

Our Research & Development (R&D) strategy aims to accelerate innovation across secure identification, payments, and digital solutions—elements that are essential to the Group's technology-driven growth model. In 2025, we launched the GaiaB™ platform, our proprietary AI-driven ecosystem designed to optimize secure document and transaction management. This marked a significant milestone in our strategic transformation into an applied technology provider.

In October 2025, our strategic collaboration with Dell Technologies on the innovative GaiaB™ platform exemplified our commitment to applying AI securely and transparently, while retaining full organizational control. This solution can operate entirely on-premises or in private cloud environments and is ready to use, having been pre-integrated with Dell PowerEdge servers.

Our vision goes beyond financial metrics; it also encompasses a profound investment in our human resources. We believe that technological capabilities reach their true potential when they are harmoniously intertwined with critical thinking, trust, and insightful guidance. We firmly believe that genuine progress stems from the seamless integration of technology, responsibility, and human insight.

Sustainability is central to our approach. We recognize that economic, social, and environmental responsibilities are interconnected goals. Our firm commitment to these objectives is evident in our operations and reflected in the consistent, measurable results we achieve. The 2025 reporting year marked a significant step in translating this vision into stronger structures, clearer governance, and measurable progress. From an environmental standpoint, 2025 saw continued progress in our transition to a lower-carbon and more resource-efficient business model. We increased the share of renewable electricity in our energy mix, supported by a rise in self-generated renewable energy through on-site photovoltaic installations. Additionally, reduced fuel consumption contributed to lower Scope 1 and Scope 2 emissions, demonstrating tangible progress in operational decarbonization. Product sustainability remained a core focus.

The demand for eco-friendly card solutions continued to grow, and we responded by significantly increasing the share of sustainable payment cards sold. We further expanded the use of recycled materials in our production processes, achieving a notably higher share of recycled PVC in overall card production. These developments reflect our commitment to circularity and to designing products that combine security, innovation, and environmental responsibility. Economically, we focus on pioneering technologies that enhance the value we deliver to our customers and shareholders. Socially, we prioritize robust data security and equitable opportunities for all. Environmentally, we advocate for solutions that promote digital transition while supporting responsible resource management.

In 2025, we strengthened our approach with new and updated group-wide policies on human rights and labor standards. By joining the United Nations Global Compact, we reaffirmed our commitment to internationally recognized principles on human rights, labor, environmental protection, and anti-corruption. We are also advancing our ESG strategy framework to meet CSRD and EU Taxonomy requirements, including the development of a climate transition plan and a greater focus on closed-loop recycling and circularity across our products.

Our leadership philosophy is aligned with modern demands, emphasizing the importance of a deep

understanding of technology complemented by clear judgment. We strive to transform technology into practical value, enhancing security, productivity, and trust within organizations.

During the year, we continued to enhance our organizational structure by focusing on our functional groups to implement future strategies. In this context, we appointed a Chief Operating Officer and a Chief Human Resources Officer, among other hires, to drive our initiatives forward.

We take immense pride in the tangible value we provide to our clients, particularly in empowering their digital autonomy. We appreciate how our clients utilize our solutions to broaden their capabilities and explore new applications that generate additional value. This reaffirms our belief that the technology we deliver serves as a solid foundation for their future success.

As we define our investment plans and goals for 2026, we will continue to focus on markets that align with our strategic vision, driving innovation and growth, while advancing our broader Artificial Intelligence initiatives to strengthen our identity as an end-to-end provider of applied technology, ensuring security and flexibility in our offerings. We anticipate positive growth driven by Digital Technologies, Card-as-a-Service (CaaS), the Group's proprietary GaiaB™ Appliance — central to seamlessly integrating AI into core business processes — and Payment and Identity Solutions, across a broad range of industries, including Fintech, Banking, and beyond. We expect further revenue growth from Neobanks in Europe and citizen identity solutions in the MEA region. As our revenue mix shifts toward higher-margin services and solutions we expect additional efficiency improvements and further cost optimization. Our dividend policy remains to distribute 20-25% of net profit to reward our shareholders for their trust in our company.

We are grateful for your continued support and are eager to embark on this inspiring journey together.

Manolis Kontos
Group CEO & Chairman of the Management Board



2. GROUP SEGMENTS AND SOLUTIONS

2.1 Segments

Since 2023, the Group has expanded rapidly in terms of both its geographic reach and its service offerings.

The Group is now organized into three geographic segments: Central, Eastern Europe and DACH (CEE); Western Europe, Nordics and Americas (WEST); and Türkiye, Middle East and Africa (MEA). Each segment is led by an Executive Vice President who reports directly to the Group CEO.

This regional, cluster-based structure allows for a single point of contact for the full range of the Group's services and solutions within each geographic segment, enhances cross-selling and upselling opportunities as well as facilitates the Group's transition from a product supplier to a holistic, end-to-end solutions provider.



2.2 Solutions portfolio outline

The Group's services and solutions portfolio consists of the following three (3) main solutions categories:

- Identity & Payment Solutions
- Document Lifecycle Management
- Digital Technologies

In 2025, Identity & Payment generated the majority of the Group's revenues (€186.0m or 51.6% of Group total, FY2024: €229.6m or 58.5%), followed by Document Lifecycle Management (€140.0m or 38.9% of Group total, FY 2024: €135.3m or 34.5%) and Digital Technologies (€34.1m or 9.5% of Group total, FY2024: €27.4m or 7.0%).

2.2.1 Identity & Payment Solutions

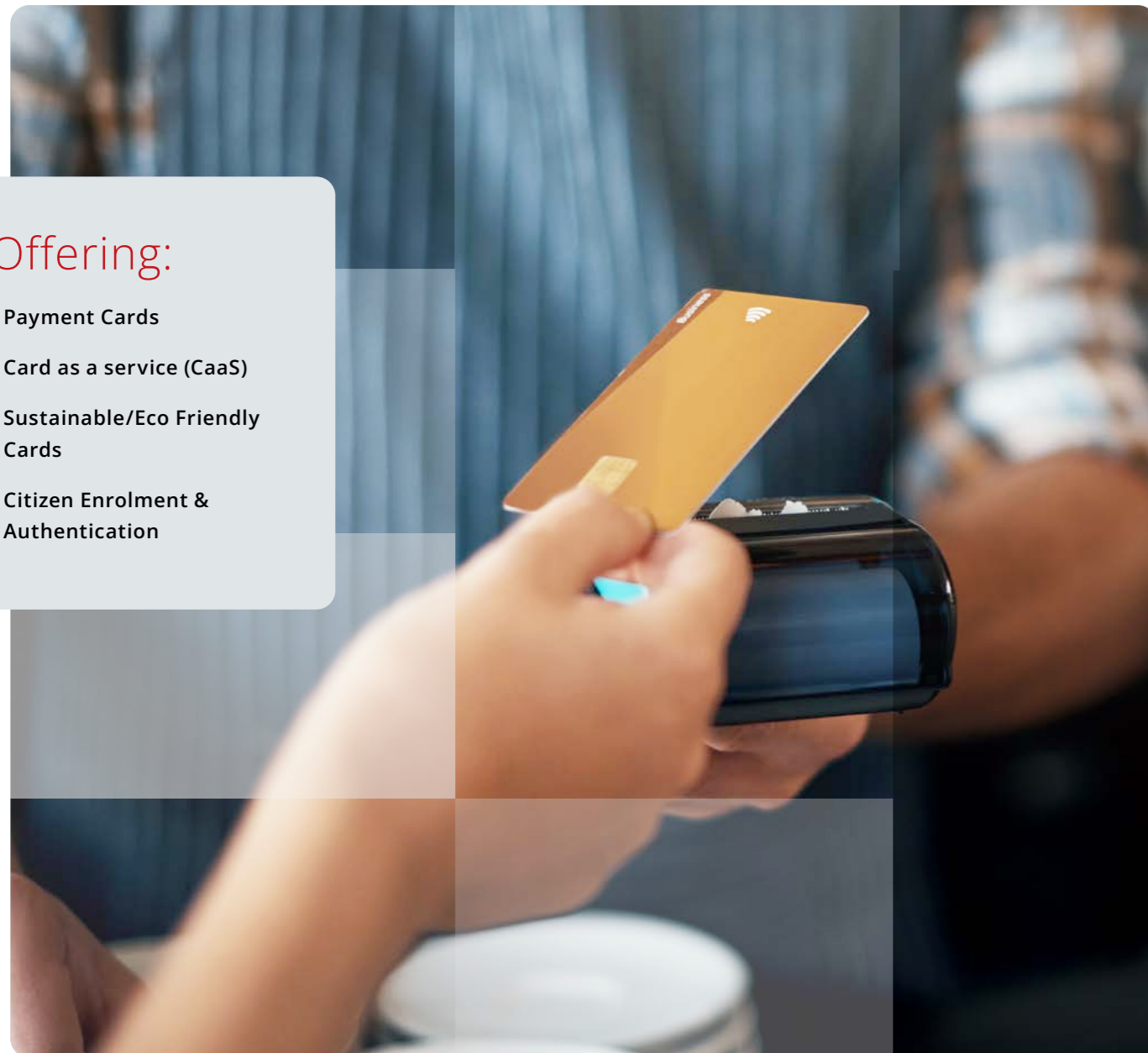
Within the Identity & Payment Solutions, the Group focuses on delivering holistic secure data solutions for financial institutions, governments, public sector entities, transportation and the retail industry.

The products and services in this category adhere to the 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.

Offering:

- Payment Cards
- Card as a service (CaaS)
- Sustainable/Eco Friendly Cards
- Citizen Enrolment & Authentication



The Group has developed its own proprietary chip operating systems: ACOS for payment cards and ACOS ID for identity cards. These systems deliver flexible, highly customizable functionalities for our clients. Our extensive R&D department continuously improves these operating systems to meet the highest security certification standards while providing tailored solutions to meet specific client needs.

The payment cards solution category has extensive obligatory certification requirements, that serve as 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 among others is a certified producer of Visa, Mastercard (CQM) and Diners Club International brands and operates under permanent oversight of external auditors designated or accredited by the PCI Security Standards Council (PCI SSC) and other institutions following strict standards for digital and physical security.

Contrary to popular belief, payment smart cards, which are a major component of our Identity & Payment Solutions revenue, are experiencing growth worldwide. Alternative payment schemes, peer-to-peer payments, mobile payments, digital wallets (mostly funded with payment cards) and payment cards have all been growing while cash usage is declining. Moreover, there is no current technological advancements in the payments sector that can match the security, convenience and wide acceptance of the secure chip

Identity & Payment
Solutions
2025 Revenue

€186m

(smart) payment card. According to the filings of Visa and Mastercard, the global leaders of payment card services, the number of cards in circulation globally has grown at a rate by more than 4% over the past seven years and is expected to continue at this pace, based on industry reports. AUSTRIACARD is the market leader in Austria, Scandinavia, Central and Eastern Europe as well as Southeast Europe, while the Group also holds a market leading position in the provision of payment products to the Challenger/Neobanks, hence addressing a growing market segment with significant potential on world-wide scale.

Identity & Payment Solutions are supported by four (4) production facilities located in Andorra, Austria, Romania and UK and eight (8) 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 and a network of partners and sales agencies worldwide, enhance our distribution network.



2.2.2 Document Lifecycle Management

The Group offers Document Lifecycle Management solutions and services that provide security document solutions with secure data management capabilities. These solutions address various needs, including: 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.

The Group is one of the few secure printing providers globally with the expertise to handle complex, high stakes projects. For example, in 2022, the Group successfully delivered the highly complex elections project in Kenya, 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

Offering:

- Secure Digital Printing
- E-Billing & Registered Communications
- Electronic Document Archiving
- Enterprise Content Management – ECM / DMS

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 a partner of choice in that area.

This business sector is supported by two production facilities located in Greece and Romania catering to the regional markets needs as well as export printing products and services internationally. In addition to our fulfilment services - whether provided by third parties or our own entities, such as Pink Post in Romania - we cover the last mile to the end-customer, providing vertically integrated end-to-end services.

Document Lifecycle
Management
2025 Revenue

€140m



Digital Technologies
2025 Revenue
€34m

SOLUTIONS PORTFOLIO

2.2.3 Digital Technologies

Digital Technologies is the Group's fastest growing segment, providing a wide range of technological solutions for both the private and public sector such as: Enterprise Content Management and Content Understanding through AI, Document Digitization, Electronic Archiving and all types of Electronic Signatures, Advanced Analytics, Digital Onboarding and KYC/KYB, Enterprise Process Automation, in order to support existing and new clients in their own Digital Transformation journey.

The digitization projects in the public sector, funded by the EU's Recovery and Resilience Facility (RRF), are another significant driver of growth. The Group's expertise in this area has already allowed us to win several related tenders.

The Group has expanded its capabilities into building Generative AI solutions for automating labour-intensive tasks under the strategic pillar "Digital Taskforce", using its proprietary Agentic AI platform GaiaB™. In November 2025, the Group began collaborating with Dell Technologies to develop and market the GaiaB™

Appliance. This advanced Generative AI solution automates business processes and operations while running entirely in an on-premise or private cloud environment. It is prepared for immediate deployment and is pre-integrated into Dell PowerEdge servers.

As part of the Group's evolution into a holistic applied technology provider, we developed our Card-as-a-Service (CaaS) solution for the financial services sector — combining our expertise in payments and technology to deliver an integrated, end-to-end offering.

Offering:

- **Artificial Intelligence Empowered Solutions & GaiaB™ Appliances**
- **KYC/KYB Onboarding & Trusted Services for eSignature**
- **Digitalization & Data Capture Technologies**
- **Process & Content Management Intelligence**

3. GROUP BUSINESS PERFORMANCE

3.1. Economic, market and industry environment

According to the **Global Economic Prospects report published by the World Bank in January 2026**, global economic growth is expected to moderate to 2.6% in 2026, following an estimated growth of 2.7% in 2025. For 2027, global economic growth is expected to modestly rise to 2.7%.

This economic growth outlook reflects a modest deceleration compared with recent years but remains overall broadly stable. The resilience of the global economy through 2025 and into 2026 has been supported by several factors including front-loaded trade activity, adjustments in global supply chains, improved global financing conditions, and stronger-than-expected expansion in major economies, particularly in the United States.

Overall, the report suggests that the world economy is resilient, it is also sluggish, characterised by slow growth, narrowing income convergence, and persistent risks. These risks include trade conflicts and policy uncertainty (weighing on global activity and investment), debt burdens (adding vulnerability to shocks and limiting fiscal space) and structural constraints, such as labour market and demographic challenges which threaten job creation and inclusive growth. Additionally, climate-related shocks and geopolitical conflicts pose further challenges.

From a regional perspective, the growth rate outlook for the Euro area has been moderately revised upwards for 2026-2027 compared to previous projections. The growth rates are expected to be 0.9% in 2026 and 1.2% in 2027, driven by increased public investments, including defence spending and infrastructure capital expenditures in some large euro area economies. In the United States, the estimated economic growth for 2026 is 2.2%, supported by tax breaks and other measures implemented in the mid-2025 budget.

However, the outlook for 2027 is slightly decelerating, projected at 1.9%. This slowdown is attributed to policy uncertainty, the impact of tariffs on consumption and investment, along with diminishing support from previous monetary easing and budget measures.



Smart & Payment Cards

The global smart and payment card ecosystem is set for sustained growth through 2030, supported by continued migration to EMV cards, expanding national digital identity programs (including also healthcare programs), as well as by rising demand for secure, multi-application credentials.

Industry reports¹ project the smart card market to grow at 6-7% CAGR through 2030, with contactless now mainstream in retail payments (57% of 2024 volumes). Dual interface cards are expected to grow 6-7% CAGR through 2031, as issuers seek compatibility with legacy contact-only terminals, without compromising tap-to-pay functionality. Hybrid cards with value-added capabilities (e.g. biometric match-on-card) along with secure elements supporting converged physical-digital identity, are expected to contribute to grow and create new opportunities in cybersecurity and authentication services.

Smart cards issued for payment and banking applications accounted for 42% of the smart card market in 2024. Projections indicate for high-single digit growth through 2030, driven by issuer investment in premium formats such as metal cards (estimated 12% CAGR through 2032²) and biometric cards (projected over 60% CAGR through 2030³).

Despite the rise of real-time and wallet payments, payment cards continue to be the largest underlying payment method. Card networks are accelerating innovation — e.g. EMVCo Click to Pay, Visa Flexible Credential, Paze, and Mastercard's 2030 tokenization mandate — to remain competitive as digital wallets and real-time payments grow.

Overall, industry reports suggest that payment cards are expected to remain structurally strong, adaptable and well positioned to transform into a diverse digital payment method for the future.

Moreover, the combined share of identification/eID, telecom and SIM markets grew in 2024 anchored by national eID deployments, prepaid SIM demand and IoT connectivity. Expanding national digital identity programs (e.g. EU and GCC National eID) coupled with national social security and healthcare programs are expected to drive low-single digit CAGR through 2030 in eID cards.

1. Mordor Intelligence Smart Card Market 2025-2030; ResesarchandMarkets Smart Card Market Report; ResearchandMarkets Contactless Smart Cards

2. ResearchandMarkets Metal Payment Card Market

3. ResearchandMarkets Biometric Payment Market



Card-as-a-Service (CaaS)

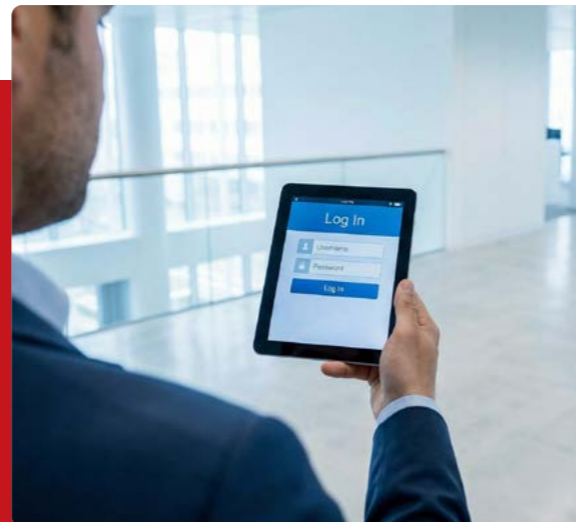
According to industry reports⁴, the global CaaS market is expected to deliver sustained growth (estimated 16% CAGR between 2025–2033), driven by the ongoing digital transformation in financial services (especially the significant growth in neobanks and fintechs), evolving customer

expectations (increasing demand for digital-first, customizable card solutions), the rise of embedded finance as well as regulatory changes (e.g. open banking). North America currently commands the largest share (40%) of the global market, capitalizing on its mature fintech ecosystem, high penetration of digital banking services and a supportive regulatory backdrop. Europe closely follows North America, with growth driven by the implementation of open banking regulations, which lower barriers to entry for new card issuers. Europe is expected to grow at approximately 16% CAGR through 2033. The Asia Pacific region is expected to witness the fastest growth (over 18% CAGR), on account of an expanding middle class, smartphone penetration and government initiatives to promote financial inclusion.

Digital Transformation

According to industry reports⁵, the global digital transformation market is expected to grow by around 29% CAGR until 2030, driven by cloud migration and platform modernization, AI/ML adoption, data & analytics (corporates investing to unlock actionable insights across operations), 5G/edge computing and IoT, cybersecurity and regulatory/compliance demands, government stimulus/public sector modernization (national digital agendas and EU funding programs).

From a regional perspective, key drivers in North America include early AI/cloud adopters as well as strong demand for digital modernization and vertical cloud. In Europe, significant drivers are public sector digital transformation programs, a focus on digital sovereignty and regulation (namely GDPR and the AI Act), and public funding aligned with EU Digital Decade targets and priorities. In the Middle East and Africa, major drivers consist of smart city projects, public sector modernization (particularly in the Gulf Cooperation Council (GCC) countries) and advancements in cloud and fintech initiatives.



3. GROUP BUSINESS PERFORMANCE *continued*

3.2. Significant events of the financial year

After 4 years of consecutive growth (2021 to 2024), during which the Group achieved a revenue compound annual growth rate (CAGR) of 30%, an adjusted EBITDA CAGR of 37%, and a Net Profit CAGR of 24%, the Group's performance in 2025 faced significant challenges due to two main factors:

- The normalization of the Turkish payment card market negatively impacted group revenues by €22.2m, due to ongoing macroeconomic volatility and uncertainty, as well as cyclicality and normalization of paid customer stock levels, following several years of substantial growth (5-year CAGR of 52.0%), and
- the reduction in 2025 in metal card sales contributing to the Fintech sector in Europe, following a strong performance in 2024. This was primarily due to the timing of metal card campaign launches from the Group's Fintech clients in Europe, leading to a total revenue impact of €26.0m for the Group in 2025.

These factors adversely impacted Group Revenues (8.2% decline vs. 2024), adjusted EBITDA (6.7% reduction vs. 2024) and ultimately Net Profit (15.6% decline vs. 2024). After excluding the above mentioned adverse negative effects, FY2025 Group Revenues increased by 4.1% vs. FY2024 (or by €16.0m).

It is worth noting that in the second half of 2025 (H2 2025) the Group successfully reversed the profitability trends witnessed in the first half of the year. After an EBITDA shortfall of approximately €9.5m (or 33.6%) in H1, the Group outperformed in H2, reducing the EBITDA gap compared to FY 2024 to only 6.7%. The primary growth drivers in H2 2025 included:



- Digitization projects in the Greek public sector,
- Security printing orders from African markets (national examinations and election materials),
- Payment solutions in the US market and planned card renewals in the CEE region and
- ID solutions in the MEA region.

4. Growth Market Reports: Card-as-a-Service Market Outlook

5. Grand View Research: Digital Transformation Market (2025 - 2030); MarketsandMarkets Digital Transformation Market;

3. GROUP BUSINESS PERFORMANCE *continued*

By mid-2025 the Group successfully completed the renegotiation of its contractual obligation with chip suppliers, resulting in reduced purchase obligations and improved purchase prices for the future. As a result Group Cash flows from operating activities improved substantially in the second half of 2025, increasing by 16.7% compared to FY2024 reaching €39.7m. This improvement was supported by a slower pace of the working capital build-up. The Group's Free Cash Flow (FCF) (Operating Cash Flow minus Capital Expenditures (CAPEX)), increased by 55.9% (or €8.4m) compared to FY2024 to €22.5m, driven by higher Operating Cash Flow generation. CAPEX as percentage of revenues slightly decreased to 4.8% vs. 5.1% in FY2024.



The improved generation of operating cash flow was utilized to reduce the Group's debt position (Loans & borrowings) by €10.6m to €106.8m. Group Net Debt of €81.6m, decreased by €14.0m compared to 31 December 2024, and Group Leverage (measured by the ratio Net Debt / adjusted EBITDA) maintained at healthy levels, while improving to 1.6x compared to 1.7x in FY2024.

Research & Development (R&D) strategy focused on accelerating innovation across secure identification, payments and digital solutions, which are all considered essential to the Group's technology-driven growth model. In 2025, the Group launched the Gaiab™

platform (the Group's proprietary, AI-driven ecosystem designed to optimize secure document and transaction management) marking another important milestone to the Group's strategic transformation into a large-scale applied technology provider.

Gaiab™ Appliance is a comprehensive solution that combines infrastructure and software in a secure, scalable device, enabling businesses of all sizes - from SMEs to large multinational organizations across public and private sectors - to use cutting-edge AI technologies, while maintaining high levels of performance, flexibility and data protection. The modular design of the solution allows for gradual and cost-effective infrastructure upgrades, either through multiple System On-a-Chip (SOC) server units, or by adding more powerful server units, tailored to each business's needs. Meanwhile, the solution's ability to operate in isolated networks (air-gapped environments), without internet connectivity ensures that sensitive data remains within the organization (on-premises) under full local control.

In October 2025, the Group also announced a collaboration with Dell Technologies to develop and market Gaiab™ Appliance. This solution can operate entirely on-premises or in private cloud environments and is ready to use, as it comes pre-integrated with Dell PowerEdge servers. This initiative demonstrates the Group's commitment to leveraging artificial intelligence to drive automation, predictive analytics, and smarter personalization processes across its product lines.

In 2025, the Group continued to enhance its organisational structure, by focusing on its functional groups to implement its strategy for the future. In this context, along with other hirings, a Chief Human Resources Officer (CHRO) and a Chief Operating Officer (COO), Group IT Director and Group Enterprise Applications Director were hired. These new hires aimed at creating a more agile organisation, enabling fast and responsive go-to-market execution by optimising the Group's regional footprint and creating synergies within the Group's solutions and services portfolio.



3. GROUP BUSINESS PERFORMANCE *continued*

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 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).

Starting from 2025 the Management's view also includes effects from Hyperinflation Accounting (IAS 29) for the Türkiye based entity in all positions, therefore previous year's figures were adapted accordingly under Section 3.3.1.

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

Group P&L (Management Reporting) in € million	2025	2024	€m chg	% chg
Revenues	360.2	392.3	(32.1)	-8.2%
Costs of material & mailing	(181.7)	(209.8)	28.1	-13.4%
Gross profit I	178.4	182.5	(4.0)	-2.2%
<i>Gross profit I margin</i>	<i>49.5%</i>	<i>46.5%</i>	<i>+3.0%</i>	
Production costs	(91.7)	(87.9)	(3.8)	+4.3%
Gross profit II	86.8	94.6	(7.8)	-8.2%
<i>Gross profit II margin</i>	<i>24.1%</i>	<i>24.1%</i>	<i>0.0%</i>	
Other income	6.2	5.0	1.2	+25.0%
Selling and distribution expenses	(22.5)	(23.3)	0.9	-3.8%
Administrative expenses	(26.3)	(27.8)	1.4	-5.2%
Research and development expenses	(9.9)	(8.4)	(1.4)	+16.9%
Other expenses	(1.7)	(2.3)	0.6	-25.5%
+ Depreciation, amortization and impairment	19.1	17.8	1.4	+7.6%
adjusted EBITDA	51.8	55.5	(3.7)	-6.7%
<i>adjusted EBITDA margin</i>	<i>14.4%</i>	<i>14.1%</i>	<i>0.2%</i>	
- Depreciation, amortization and impairment	(19.1)	(17.8)	(1.4)	+7.6%
adjusted EBIT	32.6	37.7	(5.1)	-13.4%
<i>adjusted EBIT margin</i>	<i>9.1%</i>	<i>9.6%</i>	<i>-0.6%</i>	
Financial income	0.4	0.7	(0.3)	-41.3%
Financial expenses	(7.4)	(8.3)	0.9	-10.9%
Result from associated companies	0.1	0.1	(0.1)	-45.6%
adjusted Net finance costs	(6.9)	(7.5)	0.6	-7.5%
adjusted Profit (Loss) before tax	25.7	30.2	(4.5)	-14.9%
Special items	(4.1)	(4.4)	0.3	-6.2%
Profit (Loss) before tax	21.6	25.9	(4.2)	-16.4%
Income tax expense	(5.4)	(6.6)	1.2	-18.7%
Profit (Loss)	16.2	19.2	(3.0)	-15.6%

Group Revenues of €360.2m, an 8.2% decline vs. FY2024 on account of the following key items:

- the normalization of the Turkish payment card market (€22.2m total impact to Group FY2025 Revenues), primarily driven by cyclical and a challenging macro backdrop, following several years of exceptional growth (5-year CAGR of 52.0%).
- a reduction in 2025 following a significant contribution of metal card sales to Fintech in Europe in 2024 (€26.0m total impact to Group FY2025 Revenues).

After excluding the adverse negative effect of both the Turkish payment card market and the metal cards sales to Fintech in Europe, FY2025 Group Revenues increased by 4.1% vs. FY2024 (or by €16.0m).

Revenues by Segments in € million	FY2025	FY2024	€m chg	% chg
Central Eastern Europe & DACH (CEE)	203.0	224.9	(21.9)	-9.7%
Western Europe, Nordics, Americas (WEST)	122.8	130.9	(8.1)	-6.2%
Türkiye, Middle East and Africa (MEA)	61.6	79.0	(17.5)	-22.1%
<i>Eliminations & Corporate</i>	<i>(27.2)</i>	<i>(42.6)</i>	<i>15.4</i>	<i>-36.1%</i>
Total	360.2	392.3	(32.1)	-8.2%

Central Eastern Europe & DACH (CEE) Revenues in the segment declined by €21.9m or 9.7% vs. FY2024 to €203.0m, largely due to the decline in the inter-segment revenues with the MEA segment by €20.0m, due to a significant reduction in card volumes on account of the aforesaid headwinds in the Turkish payment card market, as well as to lower Document Lifecycle Management revenues in the areas of printing (-€3.7m) and distribution services (-€3.2m), especially in Romania and Greece. This was partially compensated by strong revenue growth in the Digital Technologies category (+€6.2m or +22.5% vs. FY2024), anchored by the public sector digitization projects in Greece (+€7.2m or +64.6% vs. FY2024).

Document Lifecycle Management remained the segment's key revenue contributor (€89.8m revenues or 44.2% of CEE segment total), followed by Identity & Payment solutions (€79.7m revenues or 39.2% of CEE segment total). Digital Technologies (€33.6m revenues or 16.5% of CEE segment total) was the single largest revenue growth driver in the CEE region.

Western Europe, Nordics, Americas (WEST)

Revenues in the segment declined by €8.1m or 6.2% vs. FY2024 to €122.8m, largely due to the aforesaid reduction in metal card sales to a large Fintech customer in Europe (negative impact of €26.0m). During the course of 2024 one of our Fintech clients in Europe had launched metal cards campaigns, resulting in sizeable metal cards orders, which were not been repeated in 2025.

This shortfall was largely compensated by strong business performance with US and UK based

customers (predominantly Fintech) contributing €6.0m and €7.2m respectively in revenue growth, supported by growth in metal cards, personalization services and distribution (fulfilment) services.

Identity & Payment solutions remained the segment's key revenue contributor generating €93.2m (2024: €110.4m) revenues or 75.9% of WEST segment total, followed by Document Lifecycle Management (€29.2m revenues or 23.8% of WEST segment total), which reported strong growth of 42.9% vs. FY 2024 (€ 8.8m revenue contribution).

Türkiye, Middle East and Africa (MEA)

Revenues in the segment declined by €17.5m or 22.1% vs. FY2024 to €61.6m, adversely impacted by the normalization of the Turkish payment card market (negative impact of €23.3m on segment revenues), due to the persistent macroeconomic volatility and uncertainty, together with cyclical and normalization of customer stock levels, following high levels of paid stock after several years of substantial growth. This revenue shortfall was partially compensated by growth of €3.6m in the ID sector, related to the delivery of ID cards in different jurisdictions in the MEA region as well as by growth in the Document Lifecycle Management category of €2.8m, supported by the production and delivery of elections materials for a country in East Africa in Q4 2025.

Identity & Payment solutions accounted for €39.2m or 63.8% of MEA segment revenues, compared to €59.9m in 2024, whereas Document Lifecycle Management generated €22.0m or 35.8% of MEA segment total.

3. GROUP BUSINESS PERFORMANCE *continued*

3.3.1. Business performance of AUSTRIACARD HOLDINGS Group as monitored by Management *continued*

Revenues by solution category in € million	FY2025	FY2024	€m chg	% chg
Identity & Payment Solutions	186.0	229.6	(43.6)	-19.0%
Document Lifecycle Management	140.0	135.3	4.7	+3.5%
Digital Technologies	34.1	27.4	6.7	+24.6%
Total	360.2	392.3	(32.1)	-8.2%

Identity & Payment Solutions

Revenues of the Identity & Payment Solutions category declined by €43.6m or 19.0% vs. FY 2024 to €186.0m, adversely impacted by the normalization of the Turkish payment card market and the resulting reduction in card deliveries (-29.5m cards or -20.0%) as well as by the aforesaid developments in the metal cards sales to Fintech in Europe (following a significant contribution in FY 2024). The combined negative impact of these two factors amounted to €48.1m and has been partially compensated by growth in the US market (+€3.4m or 24.6%) and in the ID sector (+€6.8m or 67.0%), driven by cyclical renewal of the Austrian e-health card and by the aforementioned successful business development in the MEA region.

Document Lifecycle Management

Revenues registered a solid 3.5% or €4.7m increase vs. FY2024 to €140.0m, largely driven by distribution services growing 7.2% vs. FY2024, with WEST being the key driver (+41.9% vs. FY2024), anchored by the distribution of Fintech-related personalized cards (fulfilment services). Document output (printing and security printing) revenues remained virtually unchanged vs. FY2024, as growth in the MEA region of € 2.8m or +14.7% vs. FY2024 was offset by a decline in the CEE region.

Digital Technologies

Revenues reported a robust 24.6% or €6.7m increase vs. FY2024 to €34.1, largely on account of the 64.6% or €7.2m increase vs. FY2024 in revenues related to contracted, large-scale, public sector digitization projects in Greece.

Group Gross Profit in € million	FY2025	FY2024	€m chg	% chg
Gross profit I	178.4	182.5	(4.0)	-2.2%
<i>Gross profit I margin</i>	<i>49.5%</i>	<i>46.5%</i>		<i>3.0%</i>
Gross profit II	86.8	94.6	(7.8)	-8.2%
<i>Gross profit II margin</i>	<i>24.1%</i>	<i>24.1%</i>		<i>0.0%</i>

Gross profit I decreased by €4.0m or 2.2% vs. FY 2024 to €178.4m due to the reported revenue shortfall.

Gross profit I margin widened by more than 3 percentage points to 49.5%, supported by all geographic segments, on the back of a more favourable revenue mix towards higher-margin services and solutions, which are not burdened by the associated material costs, as well as by a relatively lower contribution from metal card sales.

Gross profit II decreased by €7.8m or 8.2% vs. FY2024 as a result of the Gross Profit I reduction and higher Production costs related to the growth in security printing and ID projects in the MEA segment as well as in our main service centers in the WEST region.

Gross profit II margin remained unchanged vs. FY2024 at 24.1%, as the more favourable revenue mix towards higher-margin services and solutions has compensated for the Gross Profit I reduction and higher production costs.

Group Operating Expenses (OPEX) in € million	FY2025	FY2024	€m chg	% chg
Production costs	(91.7)	(87.9)	(3.8)	+4.3%
Selling and distribution expenses	(22.5)	(23.3)	0.9	-3.8%
Administrative expenses	(26.3)	(27.8)	1.4	-5.2%
R&D expenses	(9.9)	(8.4)	(1.4)	+16.9%
+ Depreciation, amortization & impairment	19.1	17.8	1.4	+7.6%
Total	(131.2)	(129.7)	(1.5)	+1.2%
as % of Revenues	36.4%	33.1%		

Group OPEX (excluding depreciation, amortization & impairment) marginally increased (+1.2% or by €1.5m) vs. FY2024, as our disciplined focus on operational efficiency improvements delivered a 4.5% reduction vs. FY2024 to Group SG&A expenses (SG&A includes both the Selling and distribution, and Administrative expenses). The increase in R&D expenses by €1.4m or 16.9% reflects our continued investment in R&D capabilities to support future business growth especially in Digital Technologies.

Group Operating Profitability in € million	FY2025	FY2024	€m chg	% chg
adjusted EBITDA	51.8	55.5	(3.7)	-6.7%
<i>adjusted EBITDA margin</i>	<i>14.4%</i>	<i>14.1%</i>		<i>+0.2%</i>
adjusted EBIT	32.6	37.7	(5.1)	-13.4%
<i>adjusted EBIT margin</i>	<i>9.1%</i>	<i>9.6%</i>		<i>-0.6%</i>

Group adjusted EBITDA declined by €3.7m or 6.7% vs. FY 2024 to €51.8m, largely on account of the revenue shortfall (€32.1m decline), which more than offset our cost savings in both cost of sales (€24.3m reduction) and SG&A (€2.3m reduction) as well as the R&D capitalization and subsidy related increase in Other income (€1.2m). **Adjusted EBITDA margin** widened by 0.2 percentage points to 14.4%, supported largely by our continued cost rationalisation efforts.

Group adjusted EBIT declined by €5.1m or 13.4% vs. FY 2024 to €32.6m, following the adjusted EBITDA reduction while also further burdened by higher depreciation & amortization expenses associated to the Group's CAPEX and M&A activity in 2024. **Adjusted EBIT margin** contracted by 0.6 percentage points to 9.1% due to the increase in depreciation & amortization expenses.

Special items in € million	included in	FY2025	FY2024	€m chg	% chg
Management participation programs	EBITDA	(2.9)	(3.7)	0.7	-19.7%
Foreign exchange losses	Profit before tax	(1.5)	0.0	(1.5)	n/m
Foreign exchange gains	Profit before tax	0.0	0.2	(0.2)	n/m
Effect Hyperinflation IAS 29	Profit before tax	(0.5)	(1.1)	0.6	-54.3%
Income from financial assets and liabilities at fair value through profit or loss	Profit before tax	1.1	0.2	0.9	+416.8%
Expense from financial assets and liabilities at fair value through profit or loss	Profit before tax	(0.2)	(0.1)	(0.1)	+230.0%
Total		(4.1)	(4.4)	0.3	-6.2%

The total net expense related to **Special items** amounted to €4.1m, decreasing by €0.3m vs. FY2024, as lower costs related to (a) the Management participation programs (SOP) (attributed to the lower number of eligible participants) and (b) hyperinflation (IAS 29) were partially offset by higher FX losses, particularly related to the devaluation of the Romanian RON and the US Dollar vs. the Euro.

3. GROUP BUSINESS PERFORMANCE *continued*

3.3.1. Business performance of AUSTRIACARD HOLDINGS Group as monitored by Management

Group Net Results in € million	FY2025	FY2024	€m chg	% chg
Profit/(Loss) before tax	21.6	25.9	(4.2)	-16.4%
Profit/(Loss) attributable to Company Owners	14.7	19.0	(4.3)	-22.7%
Profit/(Loss)	16.2	19.2	(3.0)	-15.6%
EPS (basic) (€)	0.41	0.52		-22.0%

Group Net Profit reached €16.2m, a €3.0m or € 15.6% decline vs. FY 2024, as lower net finance costs (-€0.6m or -7.5% vs. FY2024, excluding financial expenses accounted for as Special Items), driven by lower base interest rates as well as by a reduction of the average outstanding debt, only marginally compensated for the aforesaid reduction to Group EBIT. The Group average (blended) interest cost for financial debt declined to 5.6% vs. 6.1% in FY2024, reflecting the 1.4 percentage points reduction in the average 3-month-Euribor rate in 2025 vs. 2024 being partially offset by the Group's interest rate hedges. The Group effective tax rate in FY2025, based on adjusted Profit before tax (excluding non-tax deductible Management SOP and valuation effects), decreased to 20.9% vs. 21.9% in FY2024, mainly on account of an increase in taxable profit in jurisdictions with a lower corporate tax rate.

3.4. Financial position

Statement of financial position in € million	31/12/2025	31/12/2024	€m chg	% chg
Non-current assets	159.0	165.2	(6.2)	-3.8%
Current assets	168.7	166.4	2.4	+1.4%
Total assets	327.8	331.6	(3.8)	-1.2%
Total Equity	135.9	124.8	11.1	+8.9%
Non-current liabilities	106.8	117.3	(10.5)	-9.0%
Current Liabilities	85.0	89.5	(4.4)	-5.0%
Total Equity and Liabilities	327.8	331.6	(3.8)	-1.2%

Total Assets as of 31/12/2025 reached €327.8m, a €3.8m or 1.2% reduction vs. 31/12/2024.

Non-current assets decreased by €6.2m to €159.0m, largely due to the regular depreciation and amortization of both tangible (PP&E) and intangible assets.

Current assets increased by €2.4m to €168.7m, largely on account of higher Contract assets which increased by €13.9m due to the ongoing implementation of contracted public sector digitization projects in Greece, which are invoiced upon project completion. This increase was partially compensated by a reduction in both inventories (€5.7m) and trade receivables (€7.4m).

Net Working Capital in € million	31/12/2025	31/12/2024	€m chg	% chg
Inventories	67.1	72.8	(5.7)	-7.8%
Contract assets	28.8	15.0	13.9	+92.8%
Current income tax assets	0.8	0.5	0.2	+47.3%
Trade receivables	37.9	45.3	(7.4)	-16.3%
Other receivables	9.0	11.1	(2.1)	-19.0%
	143.6	144.6	(1.0)	-0.7%
Current income tax liabilities	(3.0)	(3.6)	0.6	-16.7%
Trade payables	(41.1)	(43.8)	2.7	-6.1%
Other payables	(17.8)	(17.0)	(0.8)	+4.6%
Contract liabilities	(6.3)	(7.2)	0.9	-13.0%
Deferred income	(1.2)	(1.8)	0.5	-30.8%
	(69.4)	(73.4)	4.0	-5.4%
Net Working Capital	74.2	71.3	3.0	+4.2%
% of Revenues (12 months rolling)	20.6%	18.2%		

Net Working Capital increased by €3.0m or +4.2% vs. 31/12/2024 to €74.2m, largely attributed to the increase in Contract assets (€13.9m) which was partially compensated by the reduction in receivables and inventories. The latter is also related to a successful re-negotiation of purchasing obligations with the Group's main chip suppliers during 2025.

Total Liabilities as of 31/12/2025 reached €191.8m, a €15.0m reduction vs. 31/12/2024, largely driven by the €10.6m reduction in Loans & borrowings. Non-current liabilities declined by €10.5m to €106.8m due to lower Loans & borrowings. Current liabilities decreased by €4.4m to €85.0m mainly due to a reduction of Trade payables related to lower chip purchases close to financial year-end.

Net Debt in € million	31/12/2025	31/12/2024	€m chg	% chg
Cash and cash equivalents (A)	25.1	21.7	3.4	+15.7%
Loans and borrowings (B)	106.8	117.4	(10.6)	-9.0%
Net Debt (B) – (A)	81.6	95.6	(14.0)	-14.6%

Financial Position Key Metrics	31/12/2025	31/12/2024
Total Equity / Total Assets (Equity Ratio)	41.5%	37.6%
Net Debt / adjusted EBITDA (12 months rolling) (x)	1.6	1.7

Group Net Debt decreased by €14.0m vs. 31/12/2024 to €81.6m, on the back of improved operating cash flow generation, which has been used to reduce loans and borrowings.

Group Leverage (Net Debt / adjusted EBITDA) maintained at healthy levels (1.6x) and slightly improved vs. FY2024 (1.7x) as a result of the 14.6% reduction in Group Net Debt.

Total Equity as of 31/12/2025 reached €135.9m, representing a €11.1m or 8.9% increase vs. 31/12/2024, related to the Group Profit (€ 16.2m) and the positive equity effect of the management participation plan (€2.9m) being partially compensated by dividend payments to shareholders and non-controlling interests (in total €4.2m) and by negative effects from FX translation. **Equity Ratio** as of 31/12/2025 increased to 41.5% from 37.6% on 31/12/2024, reflecting a material improvement in the Group's capital structure and balance sheet resilience.

Non-controlling interests increased by €3.1m to €3.7m mainly on account of profit generation in the period and the elimination of negative non-controlling interest as a result of the acquisition of the remaining 40% stake in TAG SYSTEMS USA INC. in January 2025.

3. GROUP BUSINESS PERFORMANCE *continued*

3.4. Financial position Group *continued*

Statement of cash flows in € million	FY2025	FY2024	€m chg	% chg
Cash flows from operating activities	39.7	34.0	5.7	+16.7%
Cash flows from investing activities	(12.1)	(15.0)	2.9	-19.6%
Cash flows from financing activities	(23.3)	(21.1)	(2.2)	+10.4%
Net increase (decrease) in cash and cash equivalents	4.4	(2.1)	6.4	n/m
Capital expenditure (CAPEX) incl. ROU, excl. M&A	(17.2)	(19.9)	2.7	-13.8%

Cash flows from operating activities resulted in €39.7m net inflow increasing by € 5.7m or +16.7% vs. FY2024, largely on account of the reduced working capital build-up which was reduced from €-14.3m in 2024 to €-3.0m in 2025.

Cash flows from investing activities resulted in €12.1m net outflow decreasing by € 2.9m due to M&A activity in 2024 and the sale of two non-operational properties on the back of our ongoing initiatives to streamline operations, generating a cash inflow of €1.8m in 2025. Cashflow for acquiring tangible (PPE) and intangible assets amounted to €14.8m, largely in line with FY2024, and included

- €4.8m for investments in inhouse software development, aimed at enhancing our Digital Solutions and operating systems, as well as
- investments in additional machinery for delivering large-scale security printing projects in MEA and
- regular investments in plant and equipment.

Cash flows from financing activities resulted in €23.3m net outflow compared to a net outflow of €21.1m in 2025, consisting mainly of payments for

- Interest expenses of €6.1m, substantially reduced compared to €7.5m in FY 2024,
- dividends to shareholders (€0.11 per share, payment effected on July 4, 2025) and non-controlling interests (aggregate total of €4.2m),
- acquisition of own shares (€0.5m) and
- repayments for loans and borrowings.

3.5. Non-financial performance indicators

Non-financial performance indicators	FY2025	FY2024	chg	% chg
Number of sold cards (in million)	117.9	147.8	(29.8)	-20.2%
Average number of employees in Full-time equivalents	2,117	2,301	(184)	-8.0%
Number of employees in Headcount as of 31 December	2,360	2,401	(41)	-1.7%

3.6. Report on segments

3.6.1. Central Eastern Europe & DACH (CEE)

Segment performance in € million	FY2025	FY2024	€m chg	% chg
Revenues	203.0	224.9	(21.9)	-9.7%
Costs of material & mailing	(110.9)	(123.7)	12.8	-10.3%
Gross profit I	92.1	101.2	(9.1)	-9.0%
<i>Gross profit I margin</i>	<i>45.4%</i>	<i>45.0%</i>		<i>+0.4%</i>
Production costs	(49.6)	(50.6)	1.1	-2.1%
Gross profit II	42.6	50.6	(8.0)	-15.9%
<i>Gross profit II margin</i>	<i>21.0%</i>	<i>22.5%</i>		<i>-1.5%</i>
Other income	5.5	4.7	0.8	+16.5%
Selling and distribution expenses	(11.4)	(12.4)	1.0	-7.8%
Administrative expenses	(13.9)	(15.9)	2.0	-12.6%
Research and development expenses	(7.9)	(6.5)	(1.4)	+21.8%
Other expenses	(1.4)	(1.5)	0.1	-6.9%
+ Depreciation, amortization and impairment	11.1	10.6	0.5	+4.7%
adjusted EBITDA	24.5	29.6	(5.1)	-17.2%
<i>adjusted EBITDA margin</i>	<i>12.1%</i>	<i>13.2%</i>		<i>-1.1%</i>
- Depreciation, amortization and impairment	(11.1)	(10.6)	(0.5)	+4.7%
adjusted EBIT	13.4	19.0	(5.6)	-29.5%
<i>adjusted EBIT margin</i>	<i>6.6%</i>	<i>8.4%</i>		<i>-1.8%</i>

Revenues in the segment declined by €21.9m or 9.7% vs. FY2024 to €203.0m, largely due to the reduction by €20.0m in the inter-segment revenues with the MEA segment, driven by a significant drop in card volumes on account of the aforesaid headwinds in the Turkish payment card market, as well as to the reduction of Document Lifecycle Management revenues in printing (-€3.7m) and distribution services (-€3.2m), especially in Romania and Greece. This revenue shortfall was partially compensated by strong revenue growth in the Digital Technologies category of €6.2m or +22.5% vs. FY 2024, anchored by the public sector digitization projects in Greece (+€7.2m or +64.6% vs. FY 2024).

Document Lifecycle Management remained the segment's key revenue contributor (€89.8m revenues or 44.2% of CEE segment total), followed by Identity & Payment solutions (€79.7m revenues or 39.2% of CEE segment total). Digital Technologies (€33.6m revenues or 16.5% of CEE segment total) was the single largest revenue growth driver in the CEE region.

Gross Profit I declined by €9.1m or 9.0% vs. FY2024 to €92.1m due to the reduction in revenues. **Gross Profit I margin** marginally expanded to 45.4%, on the back of a more favourable revenue mix towards higher-margin Digital Technologies solutions, which are not burdened by the associated material costs.

Gross Profit II declined by €8.0m or 15.9% vs. FY2024 to €42.6m, largely on account of the aforesaid revenue shortfall which more than offset the reduction in production costs. **Gross Profit II margin** contracted by more than 1 percentage point to 21.0%.

3. GROUP BUSINESS PERFORMANCE *continued*

3.6.1. Central Eastern Europe & DACH (CEE) *continued*

Operating expenses (OPEX) excl. depreciation, amortisation & impairment in € million	FY2025	FY2024	€m chg	% chg
Production costs	(49.6)	(50.6)	1.1	-2.1%
Selling and distribution expenses	(11.4)	(12.4)	1.0	-7.8%
Administrative expenses	(13.9)	(15.9)	2.0	-12.6%
Research and development expenses	(7.9)	(6.5)	(1.4)	+21.8%
+ Depreciation, amortization and impairment	11.1	10.6	0.5	+4.7%
Total	(71.7)	(74.8)	3.1	-4.2%
as % of Revenues	35.3%	33.3%		

Operating Expenses (OPEX) (excluding depreciation, amortization & impairment) decreased by €3.1m or 4.2% vs. FY2024 to €71.7m, driven by a decline in production costs together with our continued cost rationalisation efforts in SG&A expenses (10.5% decline vs. FY2024). The increase in R&D expenses reflects our continued investment in R&D capabilities to support future business growth, especially in the Digital Technologies category.

Adjusted EBITDA of €24.5m, declined by €5.1m or 17.2% vs. FY2024, on account of the aforesaid revenue shortfall being only partially compensated by cost savings and higher Other income (related to R&D subsidy and capitalization). **Adjusted EBITDA margin** contracted by approx. 1 percentage point to 12.1%.

Adjusted EBIT declined by 29.5% vs. FY2024 to €13.4m, reflecting the adjusted EBITDA reduction, with the relevant margin contracting by almost 2 percentage points to 6.6%.

3.6.2. Western Europe, Nordics, Americas (WEST)

Segment performance in € million	FY2025	FY2024	€m chg	% chg
Revenues	122.8	130.9	(8.1)	-6.2%
Costs of material & mailing	(65.4)	(75.4)	10.0	-13.3%
Gross profit I	57.3	55.5	1.9	+3.4%
<i>Gross profit I margin</i>	<i>46.7%</i>	<i>42.4%</i>		<i>+4.3%</i>
Production costs	(24.8)	(22.5)	(2.3)	+10.3%
Gross profit II	32.5	33.0	(0.4)	-1.3%
<i>Gross profit II margin</i>	<i>26.5%</i>	<i>25.2%</i>		<i>+1.3%</i>
Other income	0.3	0.1	0.2	+238.9%
Selling and distribution expenses	(8.5)	(8.5)	(0.1)	+0.9%
Administrative expenses	(8.4)	(8.5)	0.1	-1.2%
Research and development expenses	(0.8)	(1.6)	0.8	-50.1%
Other expenses	(0.3)	(0.3)	0.0	+9.4%
+ Depreciation, amortization and impairment	6.6	6.4	0.2	+3.2%
adjusted EBITDA	21.4	20.6	0.8	+3.7%
<i>adjusted EBITDA margin</i>	<i>17.4%</i>	<i>15.7%</i>		<i>+1.7%</i>
- Depreciation, amortization and impairment	(6.6)	(6.4)	(0.2)	+3.2%
adjusted EBIT	14.8	14.2	0.6	+4.0%
<i>adjusted EBIT margin</i>	<i>12.0%</i>	<i>10.9%</i>		<i>+1.2%</i>

Revenues in the segment declined by 6.2% or €8.1m vs. FY2024 to €122.8m, largely due to the aforesaid reduction of metal card sales to a large Fintech customer in Europe (negative impact of €26.0m on segment Revenues). During the course of 2024 one of our Fintech clients in Europe had launched metal cards campaigns, resulting in sizeable metal cards orders, which have not been repeated during 2025. This shortfall was largely compensated by strong growth from the Group's US (€6.0 contribution) and UK (€7.2m contribution) based customers (predominantly Fintech), anchored by metal cards, personalization services and distribution (fulfilment) services.

Identity & Payment solutions remained the segment's key revenue contributor generating €93.2m revenues (2024: €110.4m) or 75.9% of WEST segment total, followed by Document Lifecycle Management (€29.2m revenues or 23.84% of WEST segment total), which reported strong growth of 42.9% vs. FY 2024 (+€ 8.8m).

Gross Profit I increased by €1.9m or 3.4% vs. FY2024 to €57.3m despite the incurred revenue reduction. **Gross Profit I margin** expanded by more than 4 percentage points to 46.7%, supported by a more favourable revenue mix towards higher-margin services and solutions (higher contribution from personalization and fulfilment services) and relatively lower contribution from metal cards sales which carry relatively higher material costs.

Gross Profit II declined by €0.4m or 1.3% vs. FY 2024 to €32.5m, as higher Production costs more than offset the Gross Profit I increase. **Gross Profit II margin** expanded by more than 1 percentage point to 26.5%, supported by a more favourable revenue mix.



3. GROUP BUSINESS PERFORMANCE *continued*

3.6.2. Western Europe, Nordics, Americas (WEST) *continued*

Operating expenses (OPEX) excl. depreciation, amortisation & impairment in € million	FY2025	FY2024	€m chg	% chg
Production costs	(24.8)	(22.5)	(2.3)	+10.3%
Selling and distribution expenses	(8.5)	(8.5)	(0.1)	+0.9%
Administrative expenses	(8.4)	(8.5)	0.1	-1.2%
Research and development expenses	(0.8)	(1.6)	0.8	-50.1%
+ Depreciation, amortization & impairment	6.6	6.4	0.2	+3.2%
Total	(36.0)	(34.7)	(1.3)	+3.8%
as % of Revenues	29.3%	26.5%		

Operating Expenses (OPEX) (excluding depreciation, amortization & impairment) increased by 3.8% vs. FY2024 to €36.0m, driven by higher production costs supporting growth in our personalization hubs in the US, UK and Poland. SG&A expenses (includes both Selling and distribution, and Administrative expenses) remained virtually unchanged vs. FY2024, despite the continued business expansion, particularly in the US and UK. The reduction in R&D expenses reflects a normalization in our development efforts, particularly in Card-as-a-service solutions, following prior years' relatively large investments.

Adjusted EBITDA increased by €0.8m or 3.7% vs. FY2024 to €21.4m, with the relevant margin expanding by almost 2 percentage points to 17.4%, reflecting the benefits of a more favourable revenue mix towards higher-margin services as well as by operational efficiency improvements.

Adjusted EBIT increased by €0.6m or 4.0% vs. FY2024 to €14.8m, supported by practically flat depreciation and amortization expenses, with the relevant margin expanding by 1 percentage point to 12.0%.

3.6.3. Türkiye, Middle East and Africa (MEA)

Segment performance in € million	FY2025	FY2024	€m chg	% chg
Revenues	61.6	79.0	(17.5)	-22.1%
Costs of material & mailing	(30.8)	(50.7)	19.9	-39.2%
Gross profit I	30.8	28.4	2.4	+8.5%
<i>Gross profit I margin</i>	<i>50.0%</i>	<i>35.9%</i>		<i>+14.1%</i>
Production costs	(17.3)	(14.8)	(2.5)	+16.8%
Gross profit II	13.5	13.6	(0.1)	-0.6%
<i>Gross profit II margin</i>	<i>21.9%</i>	<i>17.2%</i>		<i>+4.7%</i>
Other income	0.0	0.1	(0.1)	n/m
Selling and distribution expenses	(2.5)	(2.5)	(0.0)	0.3%
Administrative expenses	(2.4)	(2.4)	0.0	-1.0%
Research and development expenses	(0.7)	(0.3)	(0.4)	+125.3%
Other expenses	(0.0)	(0.4)	0.4	n/m
+ Depreciation, amortization and impairment	1.4	0.8	0.6	+81.9%
adjusted EBITDA	9.3	8.9	0.4	+4.4%
<i>adjusted EBITDA margin</i>	<i>15.1%</i>	<i>11.3%</i>		<i>+3.8%</i>
- Depreciation, amortization and impairment	(1.4)	(0.8)	(0.6)	+81.9%
adjusted EBIT	7.9	8.1	(0.2)	-2.8%
<i>adjusted EBIT margin</i>	<i>12.9%</i>	<i>10.3%</i>		<i>+2.6%</i>

Revenues in the segment declined by €17.5m or 22.1% to €61.6m, adversely impacted by the normalization of the Turkish payment card market with a negative impact of €23.3m on segment revenues due to the persistent macroeconomic volatility and uncertainty, together with cyclical and normalization of customer stock levels, following high levels of paid stock after several years of substantial growth. This reduction was partially compensated by growth of €3.6m in the ID sector related to the delivery of ID cards in different jurisdictions in the MEA region as well as by growth in the Document Lifecycle Management category of €2.8m, especially related to the production and delivery of elections materials for a country in East Africa in Q4 2025.

Identity & Payment solutions contributed €39.2m or 63.8% of MEA segment revenues, compared to €59.9m in 2024, whereas Document Lifecycle Management generated €22.0m revenues or 35.8% of MEA segment total.

Operating expenses (OPEX) excl. depreciation, amortisation & impairment in € million	FY2025	FY2024	€m chg	% chg
Production costs	(17.3)	(14.8)	(2.5)	+16.8%
Selling and distribution expenses	(2.5)	(2.5)	(0.0)	+0.3%
Administrative expenses	(2.4)	(2.4)	0.0	-1.0%
Research and development expenses	(0.7)	(0.3)	(0.4)	+125.3%
+ Depreciation, amortization and impairment	1.4	0.8	0.6	+81.9%
Total	(21.4)	(19.2)	(2.2)	+11.6%
as % of Revenues	34.8%	24.3%		

Operating Expenses (OPEX) (excluding depreciation, amortization & impairment) increased €2.2m or 11.6% vs. FY2024 to €21.4m, on account of the aforementioned increase in production costs associated to security printing projects, reflecting our expanding business in Africa and Middle East.

Adjusted EBITDA increased by €0.4m or 4.4% vs. FY2024 to €9.3m, supported by our continued focus on cost optimization and lower other expenses, with the relevant margin expanding by almost 4 percentage points to 15.1%.

Gross Profit I increased – despite the significant reduction in revenues – by €2.4m or 8.5% vs. FY2024 to €30.8m, anchored by a more favourable revenue mix towards higher-margin security document printing and ID solution projects which carry relatively lower material costs. **Gross Profit I margin** thus widened by more than 14 percentage points to 50.0%.

Gross Profit II remained practically unchanged vs. FY2024 at €13.5m as the increase in Production costs related to the aforementioned security printing and ID projects offset the increase in Gross Profit I. **Gross Profit II margin** improved by almost 5 percentage points to 21.9%, reflecting the revenue mix towards higher-margin security document printing and ID solution projects.

Adjusted EBIT declined by €0.2m or 2.8% vs. FY2024 to €7.9m, adversely impacted by higher depreciation and amortization expenses, while the relevant margin expanded by over 2 percentage points to 12.9%, reflecting the adjusted EBITDA margin expansion.

4. STRATEGY, OUTLOOK AND RISKS

4.1. Strategy and Future development

The Group's strategy focuses on strengthening its position as a leading provider of payment and identity solutions. The Group aims to transition into a full-service solutions provider and become a trusted, long-term partner. Applied technology is the cornerstone of the Group's strategic architecture, driving innovation and operational scalability. The growth strategy is built around four pillars: geographic expansion, market share expansion, enhancement of products and services portfolio, and value-accretive Mergers and Acquisitions.

Geographic expansion

The Group is actively expanding its footprint in markets where it is currently underrepresented or has not reached maturity.

Key focus areas for developing cutting-edge products and comprehensive solutions include the UK (leverage on the market-leading positioning with Fintech to roll-out the Card-as-a-Service platform as well as expand the client universe into Tier 2 Banks), the US (target Fintech and Tier 2 Banks), the Middle East and Africa (MEA) region (target Tier 1-2 regional Banks, delivering holistic Citizen Identity services as well as engage with regional payment schemes SAMA, Afrigo, Verve).

Market share expansion

Building on its market-leading position in core Central and Eastern European markets and in fast-growing market segments (Fintech and Neobanks) together with its longstanding business relationships, the Group is transitioning from a product supplier to an end-to-end applied technology services and solutions provider.

Through a regional cluster-based organizational structure, the Group aims to accelerate market entry and enhance cross-selling opportunities. Additionally recent acquisitions intend to broaden capabilities and market reach, allowing for further market share expansion as well as a wider geographic presence.

Products and services portfolio enhancement

The enhancement of our products and services portfolio focuses on several key areas: payment and banking card solutions as a service, technology transformation of the public sector, holistic citizen identity and authentication solutions, as well as the integration of advanced digital technologies, such as AI, generative AI, machine learning, and data analytics. Additionally, we focus on product innovation, including biometric, metal, and eco-friendly cards.

These elements are essential for achieving the Group's strategic objectives, which include: (a) transitioning to solution-led, recurring revenue models, (b) strengthening client relationships through platform integration and lifecycle services, and (c) expanding digital services to capture growth that enhances profit margins.

Value-accretive M&A

Disciplined, criteria-driven acquisitions aimed at expanding our technological capabilities, broadening our geographic footprint and increasing our market share. The Group plans to leverage its proven track record of value-accretive, synergistic acquisitions to date, to further scale its platform as well as to enhance cross-selling and upselling opportunities. Our primary focus regions are Western Europe and the United States, while our key areas of interest in terms of solutions and services include citizen biometrics, payment processing, and AI capabilities.

ESG

Sustainability and ESG principles are increasingly integrated into our strategy, with initiatives focused on eco-friendly materials, closed-loop recycling, and compliance with CSRD and EU Taxonomy requirements. In 2025, we prioritized establishing a transparent data foundation to measure our impact and progress, laying the groundwork for ambitious, collaborative ESG targets. We are committed to innovation and responsible resource management, driving measurable environmental improvements and lasting value for all stakeholders. Looking ahead, we are developing a robust ESG strategy framework, including a climate transition plan and greater circularity in our products, positioning us for sustainable growth.

4. STRATEGY, OUTLOOK AND RISKS *continued*

4.2. Outlook

Management anticipates a return to growth momentum in 2026, despite ongoing challenges related to the macroeconomic and geopolitical environment. This optimism is based on prior years' strategic initiatives that focused on shifting the revenue mix towards higher-margin services and solutions, improving efficiency and implementing disciplined cost management and capital allocation.

Management is confident that the progress achieved in the second half of 2025 along with the growing pipeline in 2026 will drive sustained revenue growth.

For Full Year 2026, Management targets Group Revenues to register high-single digit growth compared to Full Year 2025, driven by the following key factors:

- **Digital Technologies:** The focus will be on capitalising on the implementation of the remaining contracted, large-scale public sector digitisation projects in Greece. Additionally, there will be an increasing contribution from the roll-out of the Card-as-a-Service (CaaS) and the Group's proprietary GaiaB™ Appliance.
- **Identity & Payment Solutions:** On the back of continued solid growth in Fintech/Neobanks (particularly in the US and Western Europe) along with advancements in citizen identity solutions in MEA (supported by a robust pipeline of awarded projects).

As the revenue mix continues to shift towards higher-margin services and solutions, Management expects additional efficiency improvements and further cost optimization. Consequently, the Group's Full Year 2026 EBITDA margin is expected to improve compared to the Full Year 2025.

Moreover, following the successful renegotiation of purchasing agreements with the Group's main chip suppliers in 2025 along with the ongoing normalization of working capital requirements, Management anticipates further improvements in operating cash flow generation in 2026.

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 hovered above 2% over the last 12 months, new uncertainties have emerged regarding the further economic development such as the implementation of new tariffs by the USA. 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 remain the primary method of payment and provide a reliable back up to new means of payment such as electronic wallets.

4. STRATEGY, OUTLOOK AND RISKS *continued*

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

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.

Dependence and loss of customers

The Group's business model is characterized by long standing relationships with a number of major customers whose order volumes and project cycles have a significant influence on revenue stability and operational planning. This concentration entails the risk that changes in purchasing behaviour, strategic redirection, or delays in project execution by these customers may directly affect the Group's performance. At the same time, the Group also faces the risk of customer loss, particularly in cases where service quality, product conformity, or delivery reliability do not meet expectations in highly competitive markets.

Customer dependence and the potential loss of customers are closely linked exposures: reliance on a limited number of key accounts increases the sensitivity to operational shortcomings, while any deterioration in service levels can amplify the risk of churn among strategically important customers. To safeguard against these risks, the Group invests in maintaining strong and broad customer relationships through structured engagement, regular communication with key decision makers, and continuous monitoring of contract performance and service level compliance. Operational excellence is reinforced through enhanced quality controls, improved data and production processes, systematic tracking of performance indicators, and targeted workforce development.

These efforts are complemented by measures aimed at reducing customer concentration, including geographic and sectoral diversification, the expansion of the product and service portfolio, and proactive business development with new and existing clients.

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.

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.

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.

4. STRATEGY, OUTLOOK AND RISKS *continued*

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

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, Türkiye, 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.

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 IFRS Accounting 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 20.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, 2025, 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 (until 24.06.2025), Member of the Company's Supervisory Board (as of 24.06.2025).

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 20.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

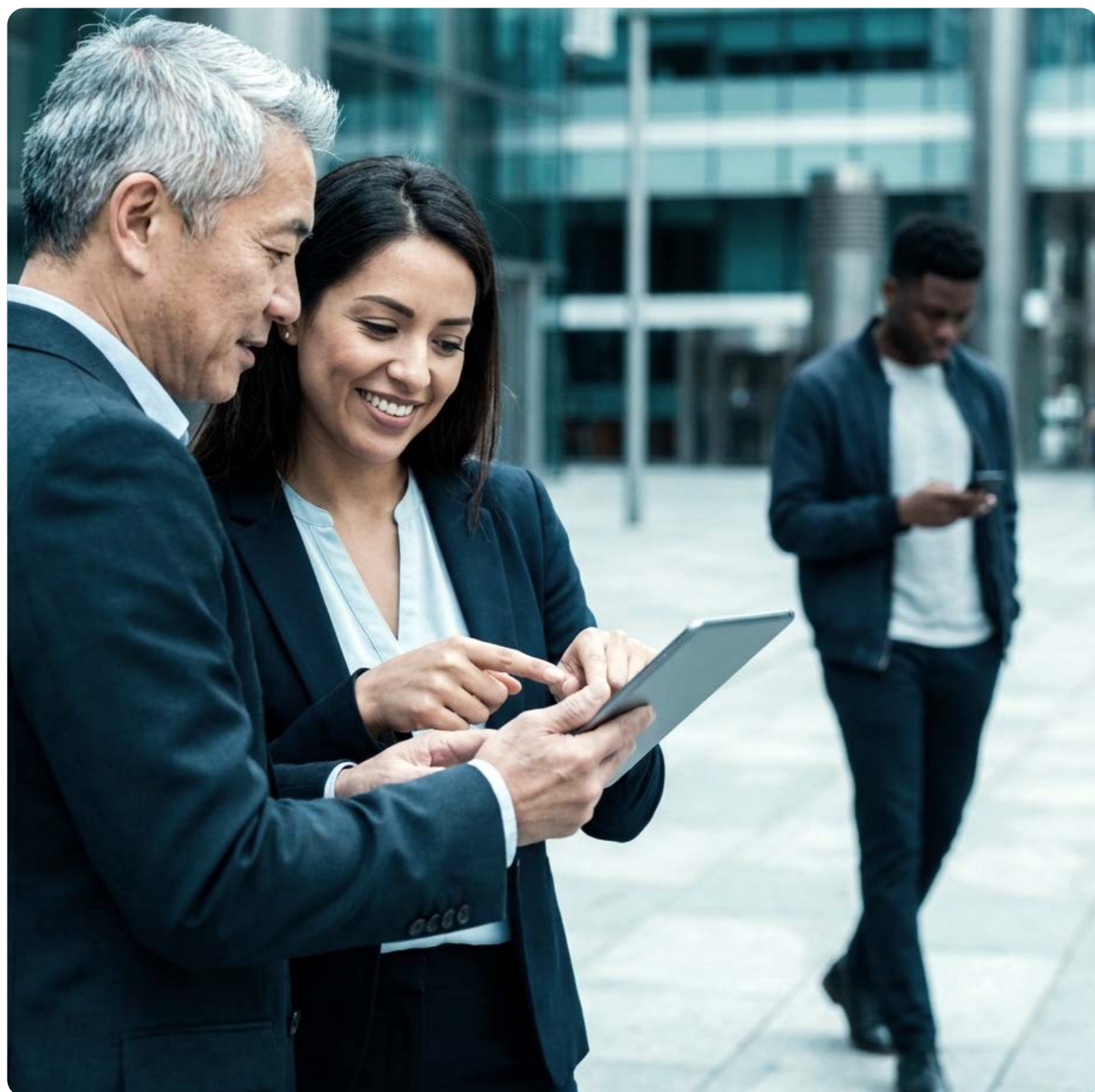
There is a standard market "change of control" clause, which may lead to the termination of the agreement regarding the company's syndicated financing facility totaling € 186.6 million.

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. In 2025, we strengthened our focus on building a culture of trust and empowerment, recognizing that our people's commitment and adaptability are essential to navigating an increasingly complex global business environment.

As technology and artificial intelligence continue to reshape the workplace, we have proactively invested in upskilling and reskilling initiatives to ensure the Group's workforce remains agile and competitive. Through the AUSTRIACARD Academy and targeted training programs, we equip our employees with the skills needed to embrace digital transformation while fostering continuous professional development and cross-functional collaboration.

Employee well-being remains central to our people strategy. We have expanded our focus beyond physical health to include mental and emotional well-being, implementing programs that support work-life balance, stress management, and a supportive workplace culture. By cultivating an inclusive environment where employees feel valued and heard, we strengthen engagement and enable our teams to perform at their best.

Talent retention and development are critical priorities as we compete for skilled professionals in a dynamic

labour market. We have enhanced our approach to identifying and nurturing high-potential talent, ensuring leadership continuity and building internal capabilities that support our long-term strategic goals.

The Group's commitment to ESG principles is reflected in our human resources practices. The HR team plays a pivotal role in advancing diversity, equity, and inclusion across the organization, promoting sustainable employment practices, and ensuring that our workforce contributes meaningfully to the Group's environmental and social objectives.

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 2,401 on 31 December 2024 to 2,360 on 31 December 2025 (41 less employees), mainly due to the optimization of the Pink Post postal and courier services in Romania.

The average number of employees counted as full-time-equivalents (FTE) decreased by 184 from 2,301 FTE in 2024 to 2,117 FTE in 2025.

Number of employees	31/12/2025	31/12/2024	chg	% chg
Central Eastern Europe & DACH (CEE)	1,705	1,778	(73)	-4.1%
Western Europe, UK, Nordics, Americas (WEST)	539	516	23	4.5%
Türkiye / Middle East and Africa (MEA)	93	91	2	2.2%
Corporate	23	16	7	43.8%
Total	2,360	2,401	(41)	-1.7%

9. ENVIRONMENTAL MANAGEMENT

In 2025, AUSTRIACARD HOLDINGS AG (also "ACAG" or "the Group") further strengthened its environmental management and sustainability practices. Through continued alignment with the ESRS framework and the publication of a dedicated sustainability report, the Group enhanced transparency while improving data quality, internal controls, and reporting consistency. Environmental management remains anchored in regulatory compliance, continuous improvement, and internationally recognized standards across all production sites and service operations.

ESG Strategy Development

During the year, ACAG advanced the development of a comprehensive ESG strategy. The focus was on establishing a reliable and transparent data foundation across all entities to better understand environmental impacts and enable the setting of Group wide climate and circularity targets in the coming years. This groundwork will support coordinated implementation and progress tracking across the Group. This strategic direction ensures that environmental priorities can be addressed consistently and effectively across the Group in the coming years.

Reporting Infrastructure & Process Improvements

To support a more consistent and streamlined approach to ESG reporting, ACAG implemented a unified Group-wide reporting tool and strengthened related processes. Key enhancements included:

- A single platform for Group- and entity-level data capture, review, and consolidation across environmental, social, and governance topics.
- Introduction of a new Group ESG Manager, along with clearer roles and responsibilities for local ESG coordinators.
- Strengthened review and validation procedures.
- Improved coverage and accuracy across Scope 1, 2, and key Scope 3 greenhouse gas emission categories, aligning estimations with ESRS principles and the GHG Protocol.

These improvements enhance audit readiness and support reliable decision making.

Climate Action

ACAG continued to advance climate related measures across its entities. Efforts focused on:

- Enhanced Scope 1, 2, and 3 GHG inventory across major entities, improving both data quality and emission factor selection, and laying the foundation for a climate strategy based on robust data.
- A variety of measures at entity level, including energy efficiency initiatives, expanding the use and production of renewable electricity, and increasing the electrification of the vehicle fleet.
- Preparatory work for the 2026 climate transition plan. These activities support long term emission reduction efforts across operations and the supply chain.

Circular Economy & Resource Use

The Group strengthened initiatives to reduce resource consumption and environmental impact, with a focus on:

- Broadening environmentally certified and lower impact materials.
- Increasing the use of recycled and bio-based materials in card production.
- Continuing pilot programs for card take back and recycling.
- Applying life cycle assessments to guide material and design related decisions.

These measures support the transition toward more circular products and processes.

Strengthened Governance Framework

To reinforce environmental and ethical standards across the Group, ACAG introduced several new policies covering human rights, labour practices, environmental responsibility, and anti-corruption. These policies provide clearer expectations for employees and business partners and contribute to a more consistent governance framework.

UN Global Compact Membership

ACAG joined the United Nations Global Compact in 2025, reaffirming its commitment to aligning corporate conduct with internationally recognized principles on human rights, labour, environment, and anti-corruption.

10. RESEARCH AND DEVELOPMENT

AUSTRIACARD has structured its research and development (R&D) activities by a solution-based approach. This innovative structure centralizes R&D efforts focusing on delivering complete, integrated solutions tailored to customer needs. The Group's R&D operations are strategically based in key development hubs in Austria, Greece, and Romania, supported by R&D teams in Andorra, UAE (Dubai), Poland and Spain. These teams work collaboratively to address specific focus areas.

During this reporting period, the Group's R&D strategy focused on accelerating innovation across secure identification, payments, and digital solutions all of which are essential to the Group's technology-driven growth model. Significant R&D investments were directed towards next-generation platforms and materials that scale the Group's products, solutions, and services portfolio. In 2025, the Group advanced its strategy to create proprietary IP across end-to-end systems, delivering integrated solutions for secure ID, payments, and digital ecosystems to fuel geographical expansion, particularly into Africa, and broader digital applications. Key highlights included the development of next-generation enrolment software for automated personalization of passports and credentials, and enhanced ACOS (Austriacard Operating System) with superior cryptography and VISA/Mastercard compliance, extending to biometric fingerprint cards for payments and access.

The GaiaB™ platform marked another milestone with the introduction of a proprietary, AI-driven ecosystem designed to optimize secure document and transaction management. This initiative demonstrates the Group's commitment to leveraging artificial intelligence to drive automation, predictive analytics, and smarter personalization processes across its product lines.

In the identification systems domain, key developments included the launch of new enrolment and management software supporting fully automated, end-to-end personalization and issuance of passports, driving

licenses, and other secure credentials. These advancements position the Group at the forefront of government identity systems, strengthening its reputation as a trusted provider of integrated ID solutions.

In digital payment technologies, substantial progress was achieved through enhancements to the Austriacard Operating System (ACOS). The latest version introduced improved cryptographic performance, higher resilience against emerging security threats, and compliance with the newest VISA and Mastercard specifications. These improvements extend ACOS' lifespan and adaptability across payment, authentication, and trusted identity applications.

A notable innovation breakthrough was the industrialization of the biometric fingerprint payment card, embedding a fingerprint sensor directly into the chip module. This system-on-card solution enhances user convenience and security by enabling direct biometric authentication. Beyond traditional payment use, the Group is extending this technology to high-security access and digital identity environments through ongoing proof-of-concept projects.

In addition to technological innovation, there has been a strong focus on sustainability and material innovation. The completion of certification for PLA-based payment cards provides an eco-friendly alternative that significantly reduces CO₂ emissions in production, reinforcing the Group's commitment to environmental responsibility while meeting growing customer demand for sustainable products.

These developments collectively represent an advancement in the Group's long-term innovation roadmap. Focused investments in advanced R&D, platform-driven technologies, and intelligent manufacturing are expected to deliver sustainable growth, enhanced margins, and continued leadership in secure digital ecosystems.

Vienna, 11 March 2026

Emmanouil Kontos mp
Chairman of the Management Board

Mohamed Chemloul mp
Vice Chairman of the Management Board

Jon Neeraas mp
Member of the Management Board

Burak Bilge mp
Member of the Management Board

Markus Kirchmayr mp
Member of the Management Board

Consolidated statement of financial position

in € thousand	Note	31 December 2025	31 December 2024
Assets			
Property, plant and equipment and right of use assets	14	96,022	100,545
Intangible assets and goodwill	15	57,609	59,555
Equity-accounted investees	16	423	395
Other receivables	18	1,098	1,259
Deferred tax assets	13	3,865	3,474
Non-current assets		159,016	165,227
Inventories	17	67,124	72,795
Contract assets	7	28,824	14,952
Current income tax assets		771	523
Trade receivables	18	37,930	45,297
Other receivables	18	8,959	11,061
Cash and cash equivalents	19	25,139	21,737
Current assets		168,748	166,366
Total assets		327,764	331,593
Equity			
Share capital	20	36,354	36,354
Share premium	20	32,749	32,749
Own shares	20	(2,584)	(2,064)
Other reserves		18,232	19,856
Retained earnings		47,512	37,385
Equity attributable to owners of the Company		132,263	124,281
Non-controlling interests	26	3,671	524
Total Equity		135,934	124,805
Liabilities			
Loans and borrowings	22	91,117	101,261
Employee benefits	11	3,612	4,005
Other payables	23	1,573	1,726
Deferred tax liabilities	13	10,505	10,336
Non-current liabilities		106,807	117,328
Current tax liabilities		3,012	3,615
Loans and borrowings	22	15,644	16,097
Trade payables	23	41,124	43,807
Other payables	23	17,765	16,985
Contract liabilities	7	6,254	7,188
Deferred income		1,224	1,769
Current Liabilities		85,023	89,460
Total Liabilities		191,830	206,788
Total Equity and Liabilities		327,764	331,593

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

Consolidated income statement

in € thousand	Note	2025	2024
Revenues	7	360,171	392,285
Cost of sales		(273,410)	(297,730)
Gross profit		86,762	94,555
Other income	8	6,231	4,987
Selling and distribution expenses	8	(22,452)	(23,338)
Administrative expenses	8	(29,278)	(31,447)
Research and development expenses	8	(9,879)	(8,450)
Other expenses	8	(1,682)	(2,255)
+ Depreciation, amortization and impairment	14, 15	19,127	17,772
EBITDA		48,829	51,824
- Depreciation, amortization and impairment	14, 15	(19,127)	(17,772)
EBIT		29,702	34,052
Financial income	9	1,451	1,137
Financial expenses	9	(9,588)	(9,442)
Result from associated companies	16	70	129
Net finance costs		(8,068)	(8,177)
Profit (Loss) before tax		21,634	25,875
Income tax expense	13	(5,387)	(6,626)
Profit (Loss)		16,247	19,249
Profit (Loss) attributable to:			
Owners of the Company		14,657	18,965
Non-controlling interests		1,591	285
Profit (Loss)		16,247	19,249
Earnings (loss) per share			
basic	10	0.41	0.52
diluted	10	0.38	0.49

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

Consolidated statement of comprehensive income

in € thousand	Note	2025	2024
Profit (Loss)		16,247	19,249
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment	14	0	646
Related tax		0	(123)
Revaluation of defined benefit liability	11	(166)	(95)
Related tax		39	21
		(128)	449
Items that will be reclassified subsequently to profit or loss			
Cash flow hedges	24	(114)	(1,195)
Related tax		26	275
Foreign currency translation differences		(3,670)	775
		(3,758)	(145)
Other comprehensive income, net of tax		(3,886)	304
Total comprehensive income		12,361	19,554
Total comprehensive income attributable to:			
Owners of the Company		10,771	19,371
Non-controlling interests		1,591	183
		12,361	19,554

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 2025													
in € thousand	Note	Attributable to owners of the Company											
		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		
Balance at 1 January 2025		36,354	32,749	(2,064)	(6,983)	14,848	(592)	267	12,317	37,385	124,281	524	124,805
Profit (Loss)		-	-	-	-	-	-	-	-	14,657	14,657	1,591	16,247
Other comprehensive income		-	-	-	(3,670)	-	(128)	(88)	-	-	(3,886)	(0)	(3,886)
Total comprehensive income		0	0	0	(3,670)	0	(128)	(88)	-	14,657	10,771	1,591	12,361
Own Shares	20	-	-	(520)	-	-	-	-	-	-	(520)	0	(520)
Dividend distribution		-	-	-	-	-	-	-	-	(3,950)	(3,950)	(284)	(4,233)
Management participation program	11	-	-	-	-	-	-	-	2,940	-	2,940	-	2,940
Transfer of revaluation reserve		-	-	-	-	(681)	-	-	-	681	0	-	0
Effect hyperinflation IAS 29		-	-	-	-	-	-	-	-	591	591	-	591
Final consolidation		-	-	-	(49)	-	-	-	-	49	0	147	147
Acquisition of non-controlling interests without loss of control		-	-	-	52	-	-	-	-	(1,901)	(1,849)	1,693	(156)
Balance at 31 December 2025		36,354	32,749	(2,584)	(10,650)	14,167	(720)	179	15,256	47,512	132,263	3,671	135,934

Consolidated statement of changes in equity *continued*

For the year ended 31 December 2024													
in € thousand	Note	Attributable to owners of the Company											
		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		
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	20	-	-	(2,064)	-	-	-	-	-	-	(2,064)	0	(2,064)
Dividend distribution		-	-	-	-	-	-	-	-	(3,627)	(3,627)	(429)	(4,056)
Management participation program	11	-	-	-	-	-	-	-	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

Consolidated statement of cash flows

in € thousand	Note	2025	2024
Cash flows from operating activities			
Profit (Loss) before tax		21,634	25,875
Adjustments for:			
-Depreciation, amortization and impairment	14, 15	19,127	17,772
-Net finance cost	9	8,068	8,177
-Net gain or loss on disposal of non-current assets		(276)	33
-Change in associated companies		28	71
-Change in provisions	11	(393)	(298)
-Other non-cash transactions		884	1,744
		49,072	53,374
Changes in:			
-Inventories	17	4,978	(14,631)
-Contract assets	7	(13,872)	5,434
-Trade and other receivables	18	9,469	5,400
-Contract liabilities	7	(934)	(10,253)
-Trade payable and other payables	23	(2,596)	(233)
Taxes paid		(6,395)	(5,057)
Net cash from (used in) operating activities		39,723	34,033
Cash flows from investment activities			
Interest received		408	302
Proceeds from sale of property, plant and equipment		1,795	0
Dividends received from associated companies		42	58
Payments for acquisition of subsidiaries and business, net of cash acquired		0	(1,663)
Payments for acquisition of property, plant and equipment & intangible assets	14, 15	(14,333)	(13,731)
Net cash from (used in) investing activities		(12,088)	(15,034)
Cash flows from financing activities			
Interest paid		(6,055)	(7,472)
Proceeds from loans and borrowings	22	5,277	9,232
Repayment of loans and borrowings	22	(13,403)	(12,258)
Payment of lease liabilities	22	(4,193)	(4,469)
Acquisition of own shares	20	(520)	(2,064)
Acquisition of non-controlling interest		(156)	0
Dividends paid to non-controlling interest		(284)	(429)
Dividends paid to owners of the company		(3,950)	(3,627)
Net cash from (used in) financing activities		(23,283)	(21,087)
Net increase (decrease) in cash and cash equivalents		4,351	(2,088)
Cash and cash equivalents at 1 January		21,737	23,825
Effect of movements in exchange rates on cash held		(949)	1
Cash at 31 December		25,139	21,737

The following explanatory notes constitute an integral part of these 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 Technologies“.

2. Basis of accounting

The accompanying consolidated financial statements (hereinafter "financial statements") have been prepared by Management pursuant to §245a of the Austrian Commercial Code in accordance with the IFRS Accounting 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 31 and 32.

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.

Basis of preparation *continued*

3. Use of judgments and estimates *continued*

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.

Date	Index CPI 2003 2025	Monthly change 2025	Index CPI 2003 2024	Monthly change 2024
31/12	2,684.55		1,859.38	
31/01	2,819.65	5.0%	1,984.02	6.7%
28/02	2,883.75	2.3%	2,073.88	4.5%
31/03	2,954.69	2.5%	2,139.47	3.2%
30/04	3,043.23	3.0%	2,207.50	3.2%
31/05	3,089.74	1.5%	2,281.85	3.4%
30/06	3,132.17	1.4%	2,319.29	1.6%
31/07	3,196.66	2.1%	2,394.10	3.2%
31/08	3,261.72	2.0%	2,453.34	2.5%
30/09	3,367.22	3.2%	2,526.16	3.0%
31/10	3,453.09	2.6%	2,598.91	2.9%
30/11	3,482.96	0.9%	2,657.23	2.2%
31/12	3,513.87	0.9%	2,684.55	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 2025 financial year was characterized by a continued normalization of the economic environment. Inflation rates further declined over the course of the year and stabilized at a significantly lower level compared to the prior year. Interest rates largely stabilized following the adjustments observed in previous periods. In this environment, the increase in operating expenses slowed further; nevertheless, these costs continued to rise moderately in absolute terms in the 2025 financial year. Cost increases were mitigated by ongoing optimization efforts. Interest expenses were reduced due to lower base interest rates and a reduction in average outstanding debt. For the purposes of medium term planning and impairment testing, a comparable macroeconomic environment was assumed, taking into account stabilizing interest rates, lower inflation expectations, and the specific circumstances of the respective cash generating units (CGUs).

4. IAS 29 Financial Reporting in hyperinflation economies

IAS 29 is applied for a subsidiary in Türkiye, as the cumulative three-year inflation rate has led to Türkiye's classification as a hyperinflationary country within the meaning of IAS 29. 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 also as of 31.12.2025. 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 31.12.2025 was 3,513.87. The change in the index in fiscal year 2025 and 2024 can be found in the following table:

International trade policy and potential changes in customs and trade regimes are continuously monitored by management. Based on the current structure of the value chains and the predominantly regional provision of services within the US market, the Group currently does not expect any material direct impacts from trade policy measures or customs restrictions on its financial position, financial performance or results of operations. Any indirect effects, for example through general cost developments or customer investment decisions, are assessed as limited.

In the financial year 2025, a new agreement was concluded with a key chip supplier. This agreement is intended to secure long-term availability and stabilize procurement conditions. The Group currently does not identify any material supply chain risks, in particular due to existing contractual arrangements, alternative sourcing options and continuous monitoring of the supplier structure. Nevertheless, global supply shortages or geopolitically driven disruptions to supply chains cannot be entirely ruled out in principle.

The Group recognizes environmental protection as a particularly important global need. The industry in which the Group companies operate has not a 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.

Performance of the year

6. 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 and charges separately. These adjustments include i.a. effects from Management participation programs, foreign exchange and other valuation related effects, as reflected in the details on Special items, see note 6.v.

The 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.

Performance of the year *continued*6. Segment reporting *continued*

iii. Information about reportable segments

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

Starting from 2025 segment reporting also includes effects from Hyperinflation Accounting (IAS 29) for the Türkiye based entity in all positions, these effects are now included in segment MEA. The effects of IAS 29 are not reported separately anymore to Group management. Previous year's figures were adapted accordingly.

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

Gross profit II as presented in the segment reporting corresponds to the gross profit reported in the consolidated income statement. Accordingly, the Costs of material & shipping presented in the table below, together with the Production costs shown, correspond to the Cost of sales reported in the consolidated income statement.

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

1-12 2025 in € thousand	Reportable Segments						Total
	CEE	WEST	MEA	Corporate	Eliminations		
Revenues	183,792	114,980	61,399	0	0	360,171	
Intersegment revenues	19,225	7,796	183	3,026	(30,230)	0	
Segment revenues	203,017	122,776	61,582	3,026	(30,230)	360,171	
Costs of material & mailing	(110,913)	(65,430)	(30,811)	0	25,418	(181,736)	
Gross profit I	92,105	57,346	30,771	3,026	(4,812)	178,436	
Production costs	(49,554)	(24,834)	(17,291)	0	5	(91,674)	
Gross profit II	42,551	32,512	13,479	3,026	(4,807)	86,762	
Other income	5,458	312	0	108	352	6,231	
Selling and distribution expenses	(11,447)	(8,526)	(2,481)	0	2	(22,452)	
Administrative expenses	(13,935)	(8,429)	(2,356)	(5,843)	4,224	(26,338)	
Research and development expenses	(7,900)	(778)	(688)	(576)	64	(9,879)	
Other expenses	(1,371)	(304)	(39)	(18)	56	(1,677)	
+ Depreciation, amortization and impairment	11,139	6,564	1,386	38	0	19,127	
adjusted EBITDA	24,493	21,351	9,301	(3,264)	(109)	51,773	
- Depreciation, amortization and impairment	(11,139)	(6,564)	(1,386)	(38)	0	(19,127)	
adjusted EBIT	13,355	14,788	7,915	(3,302)	(109)	32,647	
Financial income						408	
Financial expenses						(7,400)	
Result from associated companies						70	
Net finance costs						(6,922)	
adjusted Profit (Loss) before tax						25,724	
Special items						(4,090)	
Profit (Loss) before tax						21,634	
Income tax expense						(5,387)	
Profit (Loss)						16,247	

In 2025, an impairment loss of t€ 37 was recognized on non-current assets in the WEST segment. In the CEE segment, the impairment loss on non-current assets amounted to t€ 172 in 2025, see note 8.C.

1-12 2024 in € thousand	Reportable Segments					Total
	CEE	WEST	MEA	Corporate	Eliminations	
Revenues	185,923	127,370	78,993	0	0	392,285
Intersegment revenues	38,983	3,525	56	3,555	(46,119)	0
Segment revenues	224,906	130,894	79,049	3,555	(46,119)	392,285
Costs of material & mailing	(123,698)	(75,439)	(50,689)	0	40,016	(209,810)
Gross profit I	101,208	55,456	28,360	3,555	(6,103)	182,476
Production costs	(50,626)	(22,505)	(14,801)	0	12	(87,920)
Gross profit II	50,582	32,950	13,559	3,555	(6,091)	94,555
Other income	4,685	92	137	72	0	4,987
Selling and distribution expenses	(12,411)	(8,453)	(2,475)	0	0	(23,338)
Administrative expenses	(15,946)	(8,532)	(2,380)	(7,018)	6,091	(27,785)
Research and development expenses	(6,484)	(1,559)	(305)	(101)	0	(8,450)
Other expenses	(1,473)	(278)	(392)	(108)	0	(2,252)
+ Depreciation, amortization and impairment	10,642	6,360	762	9	0	17,772
adjusted EBITDA	29,595	20,581	8,906	(3,591)	0	55,489
- Depreciation, amortization and impairment	(10,642)	(6,360)	(762)	(9)	0	(17,772)
adjusted EBIT	18,953	14,221	8,144	(3,600)	0	37,717
Financial income						694
Financial expenses						(8,304)
Result from associated companies						129
Net finance costs						(7,481)
adjusted Profit (Loss) before tax						30,237
Special items						(4,362)
Profit (Loss) before tax						25,875
Income tax expense						(6,626)
Profit (Loss)						19,249

In 2024, an impairment loss of t€ 76 was recognized on non-current assets in the WEST segment. In the CEE segment, the impairment loss on non-current assets amounted to t€ 107 in 2024, see note 8.C.

Performance of the year *continued*6. Segment reporting *continued*

iv. Geographic Information

Non-current assets by country* in € thousand	2025	2024
Romania	32,381	35,183
Greece	31,203	30,746
United Kingdom	28,985	31,291
Austria	25,663	26,159
Andorra	15,599	16,498
USA	5,836	4,485
Cyprus	5,722	6,188
Spain	3,817	4,848
Poland	2,746	2,969
Türkiye	2,102	2,073
Albania	0	55
Total	154,054	160,494

* excluding financial instruments and deferred tax assets

The geographic information for the breakdown of revenue is disclosed in note 7.A.

v. Special items

Special items in € thousand	included in	2025	2024
Management participation programs	EBITDA	(2,940)	(3,662)
Foreign exchange losses	Profit before tax	(1,514)	0
Foreign exchange gains	Profit before tax	0	219
Effect Hyperinflation IAS 29	Profit before tax	(494)	(1,082)
Income from financial assets and liabilities at fair value through profit or loss	Profit before tax	1,132	219
Expense from financial assets and liabilities at fair value through profit or loss	Profit before tax	(274)	(56)
Total		(4,090)	(4,362)

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.

7. 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 Technologies.

2025 Revenues by region in € thousand	CEE	WEST	MEA	Corporate	Elimini- nations	Total
Western Europe, UK, Nordics	4,448	77,287	1,865	72	(2,490)	81,181
Central & Eastern Europe & DACH	181,445	11,508	436	2,954	(6,451)	189,891
Türkiye, MEA, Asia & others	16,702	5,563	59,281	0	(20,988)	60,558
Americas	423	28,418	0	0	(301)	28,541
	203,017	122,776	61,582	3,026	(30,230)	360,171
Type of revenue						
Revenues from sale of goods	99,674	60,853	48,404	0	(22,204)	186,727
Revenues from services	43,956	21,922	9,989	3,026	(5,046)	73,846
Revenues from licenses & royalties	565	0	89	0	0	654
Revenues from sale of merchandise	7,687	11,032	2,737	0	(2,765)	18,690
Revenues from transportation services	51,136	28,970	363	0	(215)	80,254
	203,017	122,776	61,582	3,026	(30,230)	360,171
Timing of revenue recognition						
Products and services transferred over time	195,331	111,744	58,845	3,026	(27,465)	341,481
Products transferred at a point of time	7,687	11,032	2,737	0	(2,765)	18,690
	203,017	122,776	61,582	3,026	(30,230)	360,171

2024 Revenues by region in € thousand	CEE	WEST	MEA	Corporate	Elimini- nations	Total
Western Europe, UK, Nordics	9,599	67,947	2,122	169	(1,550)	78,288
Central & Eastern Europe & DACH	179,299	37,651	488	3,379	(5,260)	215,557
Türkiye, MEA, Asia & others	35,670	3,514	76,439	7	(39,095)	76,535
Americas	338	21,782	0	0	(214)	21,905
	224,906	130,894	79,049	3,555	(46,119)	392,285
Type of revenue						
Revenues from sale of goods	124,666	60,946	69,931	0	(39,312)	216,230
Revenues from services	28,620	21,000	7,224	3,555	(6,266)	54,133
Revenues from licenses & royalties	1,667	7	0	0	0	1,674
Revenues from sale of merchandise	15,885	28,280	1,726	0	(443)	45,448
Revenues from transportation services	54,069	20,662	168	0	(98)	74,801
	224,906	130,894	79,049	3,555	(46,119)	392,285
Timing of revenue recognition						
Products and services transferred over time	209,021	102,615	77,323	3,555	(45,676)	346,837
Products transferred at a point of time	15,885	28,280	1,726	0	(443)	45,448
	224,906	130,894	79,049	3,555	(46,119)	392,285

For Austria, as the Group's country of domicile, as well as for countries whose share of Group revenue exceeds 10% of total Group revenue in financial years 2024 or 2025, revenues amount to:

in € thousand	2025	2024
Austria	24,414	20,110
Romania	83,072	92,354
United Kingdom	61,997	60,078
Greece	42,577	43,488
Türkiye	30,177	52,349

Performance of the year *continued*

7. Revenues *continued*

B. Contract assets and receivables

in € thousand	2025	2024
Trade receivables	37,930	45,297
Contract assets	28,824	14,952
Balance at 31 December	66,754	60,249

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. The increase in contract assets compared to previous year is related to the ongoing implementation of contractually agreed digitization projects in the public sector in Greece.

C. Contract liabilities

in € thousand	2025	2024
Balance at 1 January	7,188	17,442
Prepayments received	33,715	11,406
Recognition as revenue	(32,974)	(20,504)
Effect of movements in exchange rates	(431)	(955)
Business combinations IFRS 3	0	506
Other changes	(1,244)	(706)
Balance at 31 December	6,254	7,188

Contract liabilities essentially relate to prepayments received for the delivery of customer-specific printing and payment products. The increase in position "Other changes" from 2024 to 2025 results, among other things, from an increased netting of contract assets and contract liabilities (customer prepayments) if these belong to the same customer contract. In previous year, prepayments of t€ 706 were reclassified to deferred income as these related to a contract with a customer that was insolvent.

8. Income and expenses

A. Other Income

in € thousand	2025	2024
Capitalised development expenses	4,432	2,983
Government grants	856	545
Gain on sale of equipment	317	6
Reversal of accruals	106	525
Rental income from property leases	75	71
Other income	447	856
Total	6,231	4,987

In financial year 2025 capitalized development expenses increased by t€ 1,449 to t€ 4,432, mainly on result of higher needs of digital public sector projects running in the current year, as well as new projects on the development of an Identity Personalization Software Platform and Gaiab™ Platform.

B. Other Expenses

in € thousand	2025	2024
Impairment loss on trade receivables and contract assets	466	622
Property and other taxes	443	434
Impairment of non-current assets not used in production	209	184
Bank charges	167	231
Re-invoiced expenses	88	90
Contract penalties	82	253
Loss on disposal of non-current assets	42	39
Losses from write-downs of inventories	25	138
Other expenses	161	264
Total	1,682	2,255

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	2025	2024
Costs of inventories recognized as expense	116,171	151,987
Employee compensation and expenses	82,345	85,216
Mailing costs	65,564	57,823
Third party fees	18,997	16,492
Depreciation, amortization and impairment	18,918	17,588
Utilities and maintenance expenses	11,503	11,509
Transportation expenses	6,562	7,345
Inks and similar consumable materials	4,005	4,081
Tax and duties	2,930	801
Commissions paid	1,581	1,435
Rentals from property and machinery	781	941
Other expenses	5,661	5,747
Total	335,019	360,965

The position depreciation, amortization and impairment of t€ 19,127 (2024: t€ 17,772) presented in the group income statement results of regular depreciation, amortization and impairment amounting to t€ 18,918 (2024: t€ 17,588) shown in the table above and impairment of assets not used in production amounting to t€ 209 (2024: t€ 184) presented in other expenses.

Employee compensation and expenses include management participation program expense amounting to t€ 2,940 (2024: t€ 3,662), see note 11.

Performance of the year *continued*

9. Net Finance costs

in € thousand	2025	2024
Interest income under the effective interest method	408	694
Foreign exchange gains	0	223
Financial assets and liabilities at fair value through profit or loss – income from change in fair value	1,043	219
Financial income	1,451	1,137
Interest expense on Financial liabilities measured at amortized cost	(6,013)	(7,094)
Commissions of letters of guarantee	(486)	(442)
Effect hyperinflation IAS 29	(494)	(1,082)
Foreign exchange losses	(1,509)	0
Financial assets and liabilities at fair value through profit or loss – expense from change in fair value	(185)	(56)
Other financial expenses	(901)	(768)
Financial expenses	(9,588)	(9,442)
Result from associated companies	70	129
Net finance costs	(8,068)	(8,177)

Interest expenses were calculated using the effective interest method.

10. Earnings per share and number of shares

A. Basic and diluted earnings or (losses)

Earnings per share (basic)	2025	2024
Profit (loss) attributable to owners of the Company in € thousand	14,657	18,965
Weighted average number of shares per 31. Dezember	35,912,584	36,262,321
Earnings per share (basic) in €	0.41	0.52

Earnings per share (diluted)	2025	2024
Profit (loss) attributable to owners of the Company in € thousand	14,657	18,965
Weighted average number of shares per 31. Dezember	38,123,637	38,827,916
Earnings per share (diluted) in €	0.38	0.49

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 2,211,054, see note 11.E.i. (maximum 6.082% of shares). Weighted average number of potential dilutive ordinary shares amounts to 2,211,054.

B. Weighted-average number of ordinary shares

	2025	2024
Issued ordinary shares at 1 January	36,353,868	36,353,868
Impact of share buybacks in prior periods	(362,302)	0
Impact of share buybacks during reporting period	(86,497)	(362,302)
Total number of ordinary shares at 31st December	35,905,069	35,991,566
Weighted-average number of ordinary shares at 31st December	35,912,584	36,262,321

For changes in treasury shares in 2025 see details in note 20.

Employee Benefits

11. 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.

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 2025 t€ 168 were paid to the employee benefit fund (2024: t€ 164). 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	2025	2024
Post employment benefits	3,453	3,832
Other long-term employee benefits	159	172
	3,612	4,005

The changes in provisions for management participation programs and are explained in more detail in Note 11.E.

B. Movement in Severance, Pension and Jubilee plans

	Defined benefit obligation	
in € thousand	2025	2024
Balance at 1 January	4,005	4,207
Included in profit or loss		
Current service cost	91	259
Actuarial gains of Jubilee plans	2	0
Settlement/Curtailment/Termination	(755)	84
Interest cost (income)	125	170
	(538)	514
Included in OCI		
Remeasurement loss (gain):		
- Actuarial loss (gain) arising from:		
- demographic assumptions	(9)	10
- financial assumptions	(70)	(42)
- experience adjustment	245	127
	166	95
Sum	(372)	609
Other		
Benefits paid	(21)	(811)
	(21)	(811)
Balance at 31 December	3,612	4,005

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

	2025	2024
Discount rate	3.5%	3.0%
Future salary increase	3.8%	3.7%

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

	2025	2024
Years	6.3	7.0

- Post-employment define benefit plans in Austria

	2025	2024
Discount rate	3.6%	3.3%
Future salary increase	2.3%	2.2%

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 16.2%, 30 years of service maximum 1.8%).

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

	2025	2024
Years	6.7	6.1

Employee Benefits *continued*

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:

in € thousand	31 December 2025		31 December 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1 percentage point movement)	(128)	135	(131)	138
Salary increase (1 percentage point movement)	134	(128)	137	(131)

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 the program, 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 recognized in expenses over four years, depending on any fluctuation. The fair value was determined using the Black-Scholes method based on the following parameters:

- Share price at grant date (before 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 2025 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 6.082% per 31 December 2025.

The participants in the management participation program also include former 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 recognized as personnel expense was reclassified in 2024 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 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. No further participants have left the management participation program 2022-2025 by the end of 2025.

The management participation program 2022-2025 has a contractual end date of 31 December 2025. Since ROIC reached more than 20.1%, the total number of the options to be granted to the beneficiaries amounts to 2.211.054 which correspond to 6.082% of the total number of issued shares of the Group as of 31 December 2025. Each beneficiary will receive by 31 May 2026 a statement setting forth the calculation of the equity value, the total number and the maximum number of options granted to each beneficiary, the number of beneficiary's exercisable options as of 31 December 2025 and the fair market value of the exercisable options.

The fair market value of the exercisable options is the lower of equity value and the average share price of the Company's shares during the last six months preceding the date, which is ten days prior to the date of issuance of the Option Statement, whereas such share price was determined on the basis of the average stock market price of the Company's shares listed on both Stock Exchanges weighted by trading volumes and multiplied with the number of the exercisable options. The simplified fair market value of the exercisable options calculated with the share price as of 31 December 2025 amounted to € 11.9 million.

Employee Benefits *continued*

11. Employee benefits *continued*

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 € 1.1 million (2024: € 2.3 million) is shown as a financial instrument in other short term financial liability in the balance sheet. Since for the year 2025 the budgeted targets were not achieved, no personnel expense was recognized, a valuation effect of € 1.1 million was included in financial income (see note 9). In the financial year 2024 the corresponding share option expense of € 0.1 million was included in personnel expenses (€ 0.3 million) as well as partly in financial income (€ 0.2 million). A 10% increase or decrease in the TRY exchange rate, would result in a corresponding decrease or increase in the fair value of the liability by approximately € 0.1 million.

iii. Long-term incentive (LTI)

Starting from the fiscal year 2025 the Supervisory Board of AUSTRIACARD HOLDINGS AG implemented a new remuneration system for the members of the Management Board that consider the Company’s status as a publicly listed company, by aligning the remuneration with the Austrian Corporate Governance Code (ÖCGK). The LTI is intended to encourage Management Board members to act in alignment with the interest of the sustainable and long-term development of AUSTRIACARD HOLDINGS AG. Linking the performance of the AUSTRIACARD’s share price to the incentive contributes

to a stronger link between shareholder interests and a promotion of AUSTRIACARD’s long-term growth.

The LTI is designed as a virtual Performance Share Plan (vPSP) with a three-year performance period (on a revolving basis), i.e. plan participants are conditionally granted an amount of performance share units. To determine the number of conditionally granted performance share units, the target value for each participating member of the Management Board is divided by the weighted average closing share price over the 60 trading days prior to the grant date. The final number of the performance share units is calculated by multiplying the number of performance share units at the start of the program with the degree of target achievement within financial and non-financial performance criteria, which can range from 0% to 200%. The payout amount is calculated by multiplying the final number of performance share units with the average closing share price of the 60 trading days prior to the end of the LTI plus the dividends paid per share during the performance period. The payout amount of the LTI is limited to 200% of the target value and is paid in the year following the end of the program.

The LTI incorporates two financial performance criteria with a total weighting of 70%, while the weighting of the non-financial criteria is 30%. The total LTI target achievement and the amount paid out are determined by the Supervisory Board after the end of the performance period based on the target achievement regarding the financial and non-financial performance criteria and the respective weighting, as well as the share price and dividends paid during the performance period.

If program participants leave the Group as defined ‘Bad Leaver’ before the end of the program, all performance share units of all outstanding LTI tranches granted to the beneficiary will forfeit automatically and immediately without replacement. If program participants leave the Group as ‘Good Leaver’, the number of the performance share units granted to this beneficiary will be reduced pro-rated on monthly basis. If a beneficiary leaves the company before the Start date of the performance period, then the respective beneficiary is not entitled to any benefits from the relevant LTI.

In accordance with IFRS 2, share-based payments are measured at fair value at the grant date and at every balance sheet date. The expense is recognized over the vesting period. Due to the Supervisory Board’s decision to settle virtual performance shares granted in the course of the long-term incentive program in cash, the program was classified as cash-settled and, accordingly, the share-based payments are recorded as a liability.

Long-term incentive plan 2025 (LTI 2025)

Given that the legacy Management participation program 2022-2025 matured end of financial year 2025, a LTI 2025, which was approved by the Supervisory Board in December 2024, was implemented with a reduced and delayed performance period of two years starting on 1 January 2026 until 31 December 2027.

The following table summarizes the significant terms and conditions for the LTI 2025:

	LTI 2025
Grant date	1 January 2025
Start of vesting period	1 January 2026
End of vesting period	31 December 2027
Performance targets	aTSR, adjusted EBT, two non-financial targets: % of revenues in “new countries (segment MEA) in total revenues % of revenues in “new markets” (segment WEST) in total revenues
Total virtual performance share units at grant date	135.450
Fair value liability as of 31. December 2025 in € thousand	0
Fair value of the total program in € thousand	565

The LTI 2025 incorporates two financial performance criteria with a total weighting of 70%, while the weighting of the non-financial criteria is 30%. The relevant financial performance targets for the LTI 2025 are the absolute total shareholder return (aTSR) and adjusted EBT. The weighting of the aTSR is set at 15%, while the weighting of the adjusted EBT is set at 55%. The assessment of aTSR performance is based on the Compound Annual Growth Rate (CAGR) of the aTSR over the respective performance period. For determining aTSR performance, the following inputs are used:

- aTSR start value: the company’s share price at the beginning of the performance period;
- aTSR end value: the company’s share price at the end of the performance period plus the sum of gross dividends paid per common share of the company during the performance period.

Adjusted EBT is defined as profit before income taxes, excluding special items. The assessment of adjusted EBT performance is based on the level of adjusted EBT achieved in the last year of the performance period.

Long-term incentive plan 2026 (LTI 2026)

In December 2025, the Supervisory Board approved a long-term incentive (LTI 2026) in 2026 for the Management Board Members with a performance period of three years starting on 1 January 2026 (Start Date of the Performance Period) until 31 December 2028 (Expiry Date). The respective LTI 2026 agreements were signed with each beneficiary at the beginning of the financial year 2026.

Employee Benefits *continued*

The following table summarizes the significant terms and conditions for the LTI 2026:

	LTI 2026
Grant date	1 January 2026
Start of vesting period	1 January 2026
End of vesting period	31 December 2028
Performance targets	Group Revenue, adjusted EBT, two non-financial targets: % of revenues in "new countries (segment MEA) in total revenues % of revenues in "new markets" (segment WEST) in total revenues
Total virtual performance share units at grant date	222.717
Fair value liability as of 31 December 2025 in € thousand	0
Fair value of the program in € thousand	1.325

The LTI 2026 incorporates two financial performance criteria with a total weighting of 70%, while the weighting of the non-financial criteria is 30%. The relevant financial performance targets for the LTI 2026 are the group revenue and adjusted EBT. The weighting of the group revenue is set at 20%, while the weighting of the adjusted EBT is set at 50%. Adjusted EBT is defined as profit before income taxes, excluding special items. The assessment of adjusted EBT performance is based on the level of adjusted EBT achieved in the last year of the performance period.

12. Employee expenses

<i>in € thousand</i>	2025	2024
Wages and salaries	65,281	67,376
Social security contributions	10,058	9,511
Other expenses for personnel	3,768	3,969
Management participation program expense	2,940	3,662
Expenses related to defined benefit and contribution plans	298	697
Total	82,345	85,216

13. Income taxes

<i>in € thousand</i>	2025	2024
Current taxes	(5,514)	(6,891)
Deferred taxes	127	266
Income tax income (expense)	(5,387)	(6,626)

A. Income tax reconciliation

<i>in € thousand</i>		2025		2024
Earnings before tax		21,634		25,875
Tax using the Company's domestic tax rate	23.0%	(4,976)	23.0%	(5,951)
Effect of tax rates in foreign jurisdictions		1,708		1,376
Result from associated companies		70		71
Non-deductible expenses		(1,393)		(1,842)
Tax-exempt income		4		32
Tax incentives		10		46
Current-year losses for which no deferred tax asset is recognized		(1,461)		(360)
Other effects		652		3
Income taxes		(5,387)		(6,626)

B. Movement in deferred tax balances

<i>in € thousand</i>	31/12/2025		31/12/2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	328	4,365	221	4,475
Intangible assets	55	3,821	108	4,419
Receivables	361	101	382	188
Other assets	75	0	101	0
Loans and borrowings	113	40	155	0
Employee benefits	394	(3)	415	0
Inventories	24	179	95	157
Contract assets	20	2,028	0	1,018
Contract liabilities	61	0	48	0
Other liabilities	815	1,685	711	1,737
Tax loss carry-forwards	3,331	0	2,896	0
Deferred tax assets / liabilities	5,575	12,215	5,132	11,994
Set-off of tax	(1,710)	(1,710)	(1,658)	(1,658)
Net deferred tax assets / liabilities	3,865	10,505	3,474	10,336

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€ 15,519 (2024: t€ 9,595), thereof t€ 759 expire within the next 5 years (2024: t€ 736) and t€ 14,760 do not expire (2024: t€ 8,859). 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

14. 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 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
Balance at 1 January 2025	108,046	120,473	27,319	1,445	257,283
Additions	1,680	5,511	1,797	1,862	10,851
Reclassification from inventory	0	0	692	0	692
Disposals	(3,355)	(2,776)	(433)	(443)	(7,007)
Transfers	31	805	742	(2,075)	(497)
Effect IAS 29 reporting period	82	409	324	0	816
Effect of movements in exchange rates	(1,468)	(2,583)	(494)	(4)	(4,550)
Balance at 31 December 2025	105,016	121,839	29,949	784	257,588
Accumulated amortization and impairment losses					
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
Balance at 1 January 2025	50,173	86,051	20,515	0	156,739
Depreciation	3,136	6,348	2,068	0	11,552
Disposals	(1,806)	(2,717)	(363)	0	(4,886)
Effect IAS 29 reporting period	15	254	316	0	585
Effect of movements in exchange rates	(433)	(1,655)	(336)	0	(2,424)
Balance at 31 December 2025	51,085	88,280	22,201	0	161,566
Carrying amounts					
At 1 January 2024	56,031	30,940	7,257	2,045	96,275
At 31 December 2024	57,873	34,423	6,804	1,445	100,545
At 31 December 2025	53,931	33,559	7,747	784	96,022

In 2025 an impairment of assets not used in production amounting to t€ 209 (2024: t€ 184) was recognized in other expenses, see note 8.C. Position "Reclassification from inventory" includes plates used in the production of cards that have been transferred to fixed assets and are depreciated over the useful life.

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 recognized. Right-of-use-assets defined as "Investment property" do not exist in the group..

The group leases building spaces, technical equipment, machines and cars.

Following right of use assets are recognized in balance per 31.12.2025:

in € thousand	Land and buildings	Plant and equipment	Fixtures and fittings	Total
Carrying amounts				
Balance at 01 January 2024	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
Additions cost	1,075	1,109	264	2,447
Disposal cost	(226)	(603)	(94)	(924)
Reclassification of costs	0	(184)	(256)	(440)
Additions depreciation	(1,620)	(1,831)	(600)	(4,051)
Disposal depreciation	135	580	85	800
Reclassification of depreciation	0	105	162	267
Effect IAS 29 hyperinflation	67	0	(7)	61
Effect of movements in exchange rates	(480)	(137)	(0)	(617)
Balance at 31 December 2025	5,771	7,412	1,786	14,970

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€ 781 (31.12.2024: t€ 909) were recognized directly as an expense in business year 2025. 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, had been 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.

Assets continued

14. Property, plant and equipment and right of use assets *continued*

Development of carrying amounts:

in € thousand	
Carrying amounts	
Balance at 01 January 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
Depreciation	(1,077)
Additions cost	384
Disposals	(1,458)
Effect of movements in exchange rates	(395)
Balance at 31 December 2025	44,487

ii. Valuation technique and significant unobservable inputs

The carrying amount of the property using the cost model would have been t€ 25,475 as at 31/12/2025 (31/12/2024: t€ 26,817).

Land and buildings used for production in Greece

The carrying amount of real estate in Greece amounts to t€ 15,501. The most recent revaluation was performed as of 31 December 2024, at this date the carrying amount of then t€ 16,747 corresponded to the fair value due to new revaluation. During the current year, a plant with a carrying amount of t€ 1,165 was disposed of. The most recent valuation 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 t€ +262 in 2024 (excluding the disposed plant t€ +393) 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 € 484/m² on average using an All-Risks Yield 8,75%. As of 31 December 2025, no significant deviations in the input factors were identified; accordingly, no revaluation was performed. The above-mentioned figures have been adjusted by excluding the disposed plant. An increase/decrease of these parameters by 10% would result in an increase/decrease of the carrying amount by t€ 1,550.

Land and buildings used for production in Romania

The carrying amount of real estate in Romania amounts to t€ 15,542. The most recent revaluation was performed as of 31 December 2024, at this date the carrying amount of then t€ 16,537 corresponded to the fair value due to new revaluation. 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 as of 31 December 2024 and confirmed by an independent valuator also as of 31 December 2025, as well as construction cost per square meter, which was appraised at € 372 (on average after adjustments for current condition of the real estate and market conditions). As of 31 December 2025, no significant deviations in the input factors were identified; accordingly, no revaluation was performed. An increase/decrease of these parameters by 10% would result in an increase/decrease of the carrying amount by t€ 1,554.

Land and buildings used for production in Austria

The carrying amount of real estate in Austria amounts to t€ 13,444. The most recent revaluation was performed as of 31 December 2024, at this date the carrying amount of then t€ 13,750 corresponded to the fair value due to new revaluation. 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 € 1,090/m² of rental space. As of 31 December 2025, no significant deviations in the input factors were identified; accordingly, no revaluation was performed. An increase/decrease of these parameters by 10% would result in an increase/decrease of the carrying amount by t€ 1,344.

15. 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 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
Balance at 1 January 2025	30,594	37,516	18,922	22,994	110,027
Additions	0	1,555	4,793	0	6,348
Disposals	0	(151)	0	0	(151)
Transfers	0	497	0	0	497
Effect IAS 29 reporting period	0	96	0	0	96
Effect of movements in exchange rates	(895)	(231)	(96)	(540)	(1,763)
Balance at 31 December 2025	29,699	39,282	23,619	22,454	115,054
Accumulated amortization and impairment losses					
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
Balance at 1 January 2025	0	29,312	10,657	10,503	50,472
Amortization	0	2,226	2,779	2,569	7,574
Disposals	0	(151)	0	0	(151)
Effect IAS 29 reporting period	0	80	(117)	0	(37)
Effect of movements in exchange rates	0	(169)	(24)	(221)	(415)
Balance at 31 December 2025	0	31,298	13,295	12,851	57,444
Carrying amounts					
At 1 January 2024	29,363	6,868	5,243	14,052	55,526
At 31 December 2024	30,594	8,204	8,265	12,491	59,555
At 31 December 2025	29,699	7,983	10,324	9,603	57,609

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

Assets continued

15. Intangible assets and goodwill continued

B. Impairment test

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

Cash-generating units and allocated goodwill in € thousand	31/12/2025	31/12/2024
TAG SYSTEMS	25,329	26,190
INFORM Romania	3,078	3,104
CEE	1,292	1,300
Total	29,699	30,594

As there have been no triggering events for impairment in financial year 2025 (same as in previous year) no impairment tests have been performed for other fixed assets.

The impairment tests are based on multi-year plans approved by the Supervisory Board, which reflect the expected future business development of the cash-generating units. Key assumptions relate in particular to revenue development, EBITDA margins, as well as capital expenditure and working capital requirements. Although the current economic environment is characterized by increased uncertainty, geopolitical tensions and inflation-driven cost developments, management assumes that these factors will only have a limited impact on medium-term business performance. This is mainly attributable to the high relevance of the solutions offered, long-term customer relationships, and a high proportion of project- and contract-based revenues.

To reflect uncertainty, conservative assumptions were applied in the planning process with regard to cost developments, project durations and market penetration. In addition, the key value drivers were assessed by means of sensitivity analyses, in particular with respect to deviations in EBITDA margins and growth rates. The planning assumptions applied are consistent with external market assessments and macroeconomic forecasts.

TAG Systems

As at 31 December 2025 the estimated amount of CGU TAG Systems exceeded its carrying amount by € 136.7 million (2024: € 73.2 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	2025	2024
Discount rate before tax	9.7%	9.8%
Growth rate residual value	1.0%	1.0%
Forecast EBITDA growth rate (average 5 years)	9.1%	3.7%
Sensitivity analysis (in percentage points)	Change 2025	Change 2024
Discount rate	13.8	7.5
Budgeted EBITDA growth rate	(12.9)	(7.9)

INFORM Romania

As at 31 December 2025 the estimated amount in the form of value-in-use of CGU Inform Romania exceeded its carrying amount by € 25.0 million (2024: € 40.1 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	2025	2024
Discount rate before tax	11.8%	11.8%
Growth rate residual value	1.0%	1.0%
Forecast EBITDA growth rate (average 5 years)	4.8%	6.2%
Sensitivity analysis (in percentage points)	Change 2025	Change 2024
Discount rate	7.3	10.7
Budgeted EBITDA growth rate	(7.1)	(10.6)

CEE

In addition to the goodwill of t€ 1,292 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 2025 the estimated amount in the form of value-in-use of CGU CEE (incl INFORM Romania) exceeded its carrying amount by € 20.4 million (2024: € 126.6 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	2025	2024
Discount rate before tax	10.7%	10.6%
Growth rate residual value	1.0%	1.0%
Forecast EBITDA growth rate (average 5 years)	-2.7%	2.2%
Sensitivity analysis (in percentage points)	Change 2025	Change 2024
Discount rate	1.6	2.8
Budgeted EBITDA growth rate	(1.9)	(3.5)

Assets continued

16. Equity-accounted investees

Financial statements 2025 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

<i>in € thousand</i>	Seglan SL 31/12/2025 preliminary	Seglan SL 31/12/2024
Percentage ownership interest	25.00 %	25.00 %
Non-current assets	1,830	1,855
Current assets	2,462	2,044
Non-current liabilities	0	0
Current liabilities	386	626
Net assets (100%)	3,906	3,273
Group's share of net assets	977	818
Revenues	3,765	2,961
Total Profit or loss (100 %)	802	281

Reconciliation of carrying amount

<i>in € thousand</i>	Seglan SL 31/12/2025	Seglan SL 31/12/2024
Percentage ownership interest	25.00%	25.00%
Carrying amount of interest in associate as of 1.1.	395	324
Group's share of profit (loss) registered	70	129
Dividends received	(42)	(58)
Carrying amount of interest in associate as of 31.12.	423	395
thereof goodwill from acquisition	0	0

17. Inventory

<i>in € thousand</i>	31/12/2025	31/12/2024
Raw materials and consumables	64,696	54,742
Finished and semi-finished goods	1,070	1,000
Merchandise	420	1,680
Goods in transit	938	15,374
Total	67,124	72,795

In 2025, inventories of amount t€ 87,665 (2024: t€ 107,160) were recognized as cost during the period and included in "Cost of Sales". In the reporting period, the amount of utilisation of allowance exceeded the amount of recognition of new allowance by t€ 444. Net write-down of inventories recognized as an expense in the previous period amounted to t€ 960. As at 31 December 2025, the carrying amount of inventories, which were depreciated as a result of the measurement at net realizable value is t€ 3,982 (31/12/2024: t€ 4,426).

18. Trade and other receivables

<i>in € thousand</i>	31/12/2025	31/12/2024
Trade receivables gross	40,095	47,434
Minus: Allowance for doubtful accounts	(2,165)	(2,137)
	37,930	45,297
Advance payments	1,160	1,389
Personnel prepayments and loans	53	54
VAT and other Tax related receivables	3,395	2,383
Deferred expenses	2,140	2,263
Other non-financial receivables and assets	1,074	1,382
<i>Other receivables - non financial instruments</i>	<i>7,823</i>	<i>7,471</i>
Securities at fair value through profit & loss	233	232
Factoring receivables	799	2,213
Financial instruments at fair value through OCI	470	853
Deposits	95	186
Other financial receivables and assets	637	1,365
<i>Other receivables - financial instruments</i>	<i>2,234</i>	<i>4,849</i>
Other receivables	10,057	12,320
Total	47,987	57,617
Non-current	1,098	1,259
Current	46,889	56,358
Total	47,987	57,617

As at the reporting date, trade receivables amounting to t€ 1,757 (2024: t€ 3,631) had been factored, of which t€ 959 (2024: t€ 1,418) had been derecognized. T€ 799 (2024: t€ 2,213) remain recognized under other receivables.

19. Cash and cash equivalents

<i>in € thousand</i>	31/12/2025	31/12/2024
Cash at hand	14	25
Bank balances	25,126	21,713
Total	25,139	21,737

As at 31 December 2025, the Group had available t€ 36,000 (2024: t€ 41,277) of undrawn committed loan facilities.

Equity and Liabilities

20. 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 2025 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.

In addition to previous Share buy-back programs I and II, 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. In total, under the Share buy-back program III, AUSTRIACARD HOLDINGS AG bought back 86,497 own shares at a weighted average price of € 6.01 per share. This corresponds to 0.2379% of the total issued share capital. The total price without incidental expenses of the repurchased shares was t€ 519.4.

After the transactions of the Share buy-back programs I-III, on the basis of the authorization granted by the annual general meeting on 30 June 2023, the Company in total owns 448,799 own shares, which represent 1.2345% of the total shares based on the authorization. The share buy-back program III ended on 24 June 2025.

The annual general meeting of AUSTRIACARD HOLDINGS AG held on 24 June 2025 resolved (i) to revoke the authorization granted on 30 June 2023 and (ii) 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 24 June 2025. 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 24 June 2025, 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.

Authorized capital

At the annual general meeting on 24 June 2025, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital within five years after registration of the amendment to the Articles of Association – also in several tranches – by up to EUR 9,088,467 (nine million eighty-eight thousand four hundred sixty-seven euros) through the issuance of up to 9,088,467 (nine million eighty-eight thousand four hundred sixty-seven)

no-par value bearer shares with voting rights against cash and/or contributions in kind, whereby the issue price and the issue conditions shall be determined by the Management Board with the approval of the Supervisory Board. The Management Board is authorized, subject to the exclusion of subscription rights, to offer the new shares to shareholders for subscription, if applicable, by way of indirect subscription rights pursuant to § 153 (6) of the Austrian Stock Corporation Act (AktG).

The Management Board is further authorized, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders in whole or in part (exclusion of subscription rights), (i) if the capital increase is carried out against cash contributions and the proportion of the share capital attributable to the shares issued against cash contributions under exclusion of subscription rights does not exceed 10% (ten percent) of the company's share capital at the time the authorization was granted, (ii) if the capital increase is carried out against contributions in kind (in particular for the purpose of acquiring companies, businesses, parts of businesses or interests in one or more companies), (iii) for issuance to employees, senior executives, and members of the Management Board of the company or a group company within the framework of an employee participation program or stock option program, or (iv) to compensate for 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.

C. Proposed dividends per ordinary share

Proposed dividend per ordinary share amounts to € 0.10 and is subject to approval at the Annual General Meeting. No dividend liability was recognized as at 31 December 2025.

21. 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

Net debt is calculated as the difference between balance sheet positions "Loans and borrowings" (short-term and long-term) and "Cash and cash equivalents". Adjusted EBITDA means EBITDA minus special effects like reported under note 6.

	2025	2024
Equity ratio (Net Equity / Total Assets)	41.5%	37.6%
Net debt / adjusted EBITDA	1.6	1.7

Equity and Liabilities *continued*

22. Loans and Borrowings

in € thousand	31/12/2025	31/12/2024
Non-current financial liabilities		
Secured bank loans	81,572	87,450
Unsecured bank loans	0	1,976
Lease liabilities	9,545	11,835
	91,117	101,261
Current financial liabilities		
Secured bank loans	11,100	10,876
Unsecured bank loans	500	1,008
Lease liabilities	4,044	4,213
	15,644	16,097
Total	106,761	117,358

As per 18 December 2023 AUSTRIACARD HOLDINGS AG has signed a € 186.6 million financing agreement, comprising of a revolving credit facility, four term loan tranches (including two OEKB facilities) and a guarantee facility, with a consortium of 10 European banks led by Unicredit. The financing agreement was signed with a maturity of 3 respectively 5 years per December 2026 with two agreed extension options for year 4 (until December 2027) and 5 (until December 2028). Both contractually agreed extension options for year 4 and 5 have already been successfully exercised until December 2025.

A. Terms and maturity

in € thousand	Interest rate fixed/ variable	Nominal interest rate range	Year of maturity	Carrying Amount 31/12/2025	Carrying Amount 31/12/2024
Secured bank loans	EUR	variable	EURIBOR + Marge 1.55%	14,400	20,500
	EUR	variable	EURIBOR + Marge 1.95 – 2.25%	79,000	78,723
				93,400	99,223
Unsecured bank loans	EUR	variable	EURIBOR + 0.28% - 1.75%	500	1,000
	EUR	fixed	1.53%	0	109
	USD	variable	SOFR 6M + 2.00%	0	1,476
	RON & EUR	fixed	3.00%	0	399
				500	2,984
Total				93,900	102,207

Securities have been provided for bank loans in the amount of t€ 93,400 (2024: t€ 99,223). The material securities are pledges on shares in three subsidiaries as well as pledges on Intercompany receivables. Transaction costs amounting to t€ 728 as of 31 December 2025 (prior year: t€ 897) incurred upon the origination of secured bank loans amounting to t€ 93,400 (prior year: t€ 99,223) were deducted from the initial carrying amount of the loans in accordance with IFRS 9 and are amortised over the loan term using the effective interest method.

B. Lease liabilities

in € thousand	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2025	2024	2025	2024	2025	2024
Less than one year	4,602	4,944	559	737	4,044	4,207
Between one and five years	9,171	12,649	840	1,291	8,331	11,357
More than five years	1,234	509	20	25	1,214	484
	15,007	18,102	1,418	2,054	13,589	16,048

C. Reconciliation of loans and borrowings

in € thousand	Secured Loans & Borrowings	Unsecured Loans & Borrowings	Leasing	Total
1 January 2025	98,326	2,984	16,048	117,358
Proceeds from loans and borrowings	5,277	0	0	5,277
Repayment of loans and borrowings	(11,100)	(2,303)	0	(13,403)
Repayment of lease liabilities	0	0	(4,193)	(4,193)
Sum of changes due to cash flows from financing activities	(5,823)	(2,303)	(4,193)	(12,320)
Changes in exchange rate	0	(181)	(619)	(800)
Other non-cash changes	169	0	774	943
New lease liabilities	0	0	2,372	2,372
Interest expenses Leasing	0	0	(794)	(794)
31 December 2025	92,672	500	13,589	106,761

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

Equity and Liabilities *continued*

23. Trade and other payables

in € thousand	31/12/2025	31/12/2024
Trade payables	41,124	43,807
Social security	2,355	2,217
Wages and salaries payable	798	854
Accruals – personnel related	2,823	4,407
VAT payable and other taxes	3,680	3,342
Other non-financial payables	503	1,312
<i>Other payables - non financial instruments</i>	10,158	12,132
Dividends payable	3	3
Other financial payables	9,177	6,576
<i>Other payables - financial instruments</i>	9,180	6,579
Other payables	19,338	18,711
Total	60,462	62,517
Non-current	1,573	1,726
Current	58,889	60,792
Total	60,462	62,517

Other financial payables include t€ 1,130 (2024: t€ 2,263) in connection with the put option for the beneficiary's shares from the management participation program in a subsidiary, see also note 11.

The non-current other payables recognized in the balance sheet mainly relate to contingent purchase price liabilities arising from the acquisition of subsidiaries in 2024, amounting to t€ 1,364 (2024: t€ 1,242). The contingent purchase price liability amounting to t€ 1,314 (2024: t€ 1,192) depends on the achievement of the contractually agreed EBITDA targets for LSTech's AI business cumulatively for the years 2024-2027 and reflects the best estimate of the expected payment. Contingent purchase price liabilities are measured at fair value at the acquisition date. Subsequent measurement of these financial liabilities is carried out at fair value, with changes in fair value recognized in profit or loss. In 2025, the subsequent measurement of the contingent consideration liability resulted in other financial expenses of t€ 122 (2024: t€ 51), which were recognized in profit or loss. The inputs used in the fair value measurement of the LSTech contingent purchase price liability are the forecast EBITDA for the years 2024-2027 and the discount rate (WACC). If the forecast EBITDA for the years 2024-2027 were to decrease by 10%, the fair value of the contingent purchase price liability would amount to t€ 0. If the forecast EBITDA for the years 2024-2027 were to double, which represents the maximum achievable level, the fair value would increase by t€ 1,314.

Financial instruments

24. 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 11.E.ii.

31 December 2025	At amortized cost	FVTPL	FVTOCI	Non-financial instruments	Total
in € thousand					
Assets					
Trade receivables	37,930	0	0	0	37,930
Other receivables	1,436	233	470	7,918	10,057
Cash and cash equivalents	25,139	0	0	0	25,139
Total	64,505	233	470	7,918	73,126
Liabilities					
Loans and borrowings	106,761	0	0	0	106,761
Trade payables	41,124	0	0	0	41,124
Other payables	5,955	3,018	206	10,158	19,338
Total	153,840	3,018	206	10,158	167,223

Positive fair values of derivative financial instruments are recognized 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 2024	At amortized cost	FVTPL	FVTOCI	Non-financial instruments	Total
in € thousand					
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

As of 31.12.2024, the positive fair values of the interest rate swaps are recognized 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.

Financial instruments *continued*

24. Financial instruments – Fair values and risk management *continued*

A. Accounting classifications and fair values *continued*

i. Derivative financial instruments and hedges

For risk management purposes, the Group holds interest rate swaps as well as interest collars and interest floors 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 31.12.2025 and as of 31.12.2024, there was no rebalancing.

The following table shows the value of the derivative financial instruments held by the Group as of 31 December 2025. 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 31/12/2025 in € thousand
Unicredit Bank Austria AG	Interest Rate Swap	30/06/2020	31/03/2027	3,900	0.000%	60
Unicredit Bank Austria AG	Interest Rate Swap	27/10/2021	30/09/2028	10,500	0.150%	309
National Bank of Greece SA	Interest Rate Swap	30/12/2022	29/12/2028	2,200	0.685%	67
Raiffeisen Bank International AG	Interest Rate Swap	29/12/2023	18/12/2028	15,000	2.740%	(126)
Raiffeisen Bank International AG	Interest Rate Collar	16/01/2024	15/12/2028	25,000	Floor 1.955% Cap 3.000%	(17)
Raiffeisen Bank International AG	Interest Rate Floor	16/01/2024	15/12/2028	25,000	0.000%	(63)

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 other payables.

The following table shows the value of the derivative financial instruments as of 31 December 2024, which were recorded as a cash flow hedge:

Financial institution	Derivative	Beginning	End	Nominal value loan in € thousand	Fixed interest rate	Market value 31/12/2024 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 other payables.

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	31/12/2025			31/12/2024		
	Weighted average loss rate	Gross amount 2025	Impairment loss allowance	Weighted average loss rate	Gross amount 2024	Impairment loss allowance
Current - not past due	0.40%	54,807	(208)	0.30%	41,686	(120)
Past due 1 - 29 days	0.10%	5,918	(4)	0.10%	8,053	(4)
Past due 30-59 days	0.20%	1,889	(4)	0.20%	1,938	(4)
Past due 60-89 days	0.90%	618	(6)	0.50%	4,906	(23)
Past due more than 90 days		5,800	(2,057)		5,809	(1,992)
Total		69,032	(2,278)		62,392	(2,143)

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 2024	(1,930)
Additions of allowance	(447)
Reversal of allowance	284
Amounts written off	(14)
Balance at 31 December 2024	(2,143)
Additions of allowance	(417)
Reversal of allowance	19
Amounts written off	263
Balance at 31 December 2025	(2,278)

Financial instruments *continued*

24. Financial instruments – Fair values and risk management *continued*

B. Risk Management *continued*

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 to date agreed covenants have been complied without exception on all reporting dates. Per 31 December 2025 the leverage was 1.6x.

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 2025 in € thousand	Carrying amount	Total	1 year or less	1–2 years	2–5 years	More than 5 years
Secured bank loans	92,672	95,963	12,677	10,469	72,817	0
Unsecured bank loans	500	515	515	0	0	0
Lease liabilities	13,589	15,007	4,602	3,512	5,658	1,234
Trade payables	41,124	41,124	41,124	0	0	0
Other payables – financial instruments	9,180	9,180	7,609	50	1,520	0
	157,065	161,789	66,528	14,031	79,996	1,234

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

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.

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:

in € thousand	Profit or loss net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 December 2025				
RON (10% movement)	765	(626)	5,505	(4,504)
TRY (10% movement)	146	(120)	548	(448)
GBP (10% movement)	379	(310)	1,140	(933)
USD (10% movement)	89	(73)	459	(376)
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

Interest rate risk

In addition to trade receivables, financial assets mainly consist of bank balances, which are 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 on 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:

in € thousand	Profit or loss before Tax		Equity, net of tax	
	100bp increase	100bp decrease	100bp increase	100bp decrease
31 December 2025	(384)	384	(296)	296
31 December 2024	(341)	341	(263)	263

Other disclosures

25. List of Subsidiaries

Company	Country	Residence main office	Participation percentage 31.12.2025	Participation percentage 31.12.2024	Consolidation method 2025	Consolidation method 2024
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%	100.00%	Full	Full
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.	Albania	Tirana	liquidated	75.50%	Non	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 *)	Türkiye	Istanbul	91.03%	92.00%	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)	100.00%	60.00%	Full	Full
Tag Nitecrest Ltd	United Kingdom	Leyland (Lancashire)	liquidated	100.00%	Non	Non
TAG SYSTEMS UK LIMITED	United Kingdom	Leyland (Lancashire)	100.00%	100.00%	Full	Full
LSTech Ltd	United Kingdom	Milton Keynes	100.00%	100.00%	Full	Full
LSTECH ESPAÑA S.L.	Spain	Barcelona	100.00%	100.00%	Full	Full
TAG BIOMETRICS S.L.	Spain	Barcelona	liquidated	92.50%	Non	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 11.E.

In business year 2025 the group of consolidated companies changed as follows:

	31/12/2025	31/12/2024
As of beginning of the period – fully consolidated	24	22
Disposal because of liquidation	(2)	0
Disposal because of final consolidation	0	(1)
Addition because of acquisition	0	3
As of end of the period – fully consolidated	22	24
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	23	25
<i>Not consolidated</i>	<i>0</i>	<i>1</i>

In January 2025 the Group acquired the remaining 40% of Non-controlling interest in its fully consolidated subsidiary TAG SYSTEMS USA INC and therefore now owns 100% of this entity. The related effects are reflected in the Group's Equity reconciliation and Cashflow per 31 December 2025.

Two group companies, Inform Albania Sh.p.k and TAG BIOMETRICS S.L., were deconsolidated in 2025.

The deconsolidation had no material effect on the consolidated financial statements. Liquidation of both companies was completed in 2025.

Since May 2024 Tag Nitecrest Ltd, which was in liquidation per 31.12.2024, is not consolidated anymore due to immateriality. Within 2025 liquidation of this company was finalised.

Other disclosures *continued*

26. Non-controlling interests (NCI)

As of 31.12.2025, after acquisition of the remaining 40% non-controlling interest in TAG SYSTEMS USA Inc. in January 2025, in the Group there is significant direct non-controlling interest in subsidiary CLOUDFIN Ltd. In addition, there is significant indirect non-controlling interest in ILRA PINK POST OPERATIONS SRL. The significant direct and indirect non-controlling interests are presented in the table below:

	CLOUDFIN Ltd.	CLOUDFIN Ltd.	ILRA PINK POST OPERATIONS SRL.	ILRA PINK POST OPERATIONS SRL.
<i>in € thousand</i>	31.12.2025	31.12.2024	31.12.2025	31.12.2024
NCI percentage	38.50%	38.50%	49.90%	49.90%
Non-current assets	3,045	1,653	1,543	2,183
Current assets	11,121	5,687	3,710	5,054
Non-current liabilities	(197)	(84)	(366)	(679)
Current liabilities	(6,963)	(2,672)	(3,646)	(5,437)
Net assets	7,006	4,585	1,241	1,120
Carrying amount of Non-controlling interests	2,684	1,753	1,576	986
Revenue	12,437	3,522	27,667	28,862
Profit (Loss)	2,421	753	1,224	1,034
Other comprehensive income	0	0	0	0
Total comprehensive income	2,421	753	1,224	1,034
Profit allocated to Non-controlling interests	932	290	611	516
Other comprehensive income allocated to Non-controlling interests	0	0	0	0
Cash flows from operating activities	2,051	1,497	1,672	1,161
Cash flows from investment activities	(1,853)	(1,172)	(107)	(176)
Cash flows from financing activities	(8)	(7)	(1,514)	(1,118)
Net increase (decrease) in cash and cash equivalents	190	318	51	(132)

27. Average number of employees

	2025	2024
Average number of employees based on head-count during the period	2,377	2,615
<i>thereof white collar employees</i>	761	779
<i>thereof blue collar employees</i>	1,616	1,837

28. 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 Supervisory Board and Management Board

In the Annual General Meeting held on 24 June 2025 Mr. Nikolaos Lykos and Prof. Stefano Brusoni were elected as new members of the Supervisory Board. Mr. Nikolaos Lykos therefore stepped down from his previous position as Chairman of the Management Board of AUSTRIACARD HOLDINGS AG. Mr. Petros Katsoulas (Chairman of the Supervisory Board), Mr. Michael Butz and Mr. Anastasios Gabrielides resigned from their position within the Supervisory Board at the same time.

On 2 July 2025 the Supervisory Board elected Mr. John Costopoulos (former Deputy Chairman of the Supervisory Board) as new Chairman of the Supervisory Board and Mr. Martin Wagner (former Member of the Supervisory Board) as new Deputy Chairman of the Supervisory Board.

Further, Mr. Emmanouil Kontos, previously Deputy Chairman of the Management Board, was appointed as new Chairman of the Management Board by the Supervisory Board on 3 July 2025. With effectiveness per 15 July 2025 Mr. Mohamed Chemloul has been appointed as new member and Vice Chairman of the Management Board.

ii. Transactions with members of the Management Board

Directors of the Company control 74.94% of the voting shares of the ultimate Parent Company per 31 December 2025, whereas Nikolaos Lykos (Supervisory Board member) holds a majority stake of 74.58% and can exercise control over the Group. Jon Neeraas, member of the management board, and his related parties exercise direct control in Norwegian company "Aktiv Vekst AS" which holds 0.36%. 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 11.E.

Key management personnel compensation is as following:

<i>in € thousand</i>	2025	2024
Short-term employee benefits	2,078	3,444
Management participation programs (long-term)	2,352	2,908
	4,430	6,352

Short-term employee benefits include expenses for severance payments for Mr. Nikolaos Lykos amounting to t€ 141. With regard to long-term remuneration of the Management Board from management participation programs, please refer to note 11.E.i for Manolis Kontos, Jon Neeraas and Markus Kirchmayr, and refer to note 11.E.ii for management participation program for Burak Bilge.

iii. Transactions with members of the Supervisory Board

In 2025 remunerations of t€ 231 (2024: t€ 221) were granted to the Supervisory Board, no advance payments or loans were granted.

Three children of Mr. Nikolaos Lykos, until 24 June 2025 Chairman of the Management Board, since then Member of the Supervisory Board of AUSTRIACARD HOLDINGS AG, do have employment contracts for non-leadership positions or serve non-executive management functions within the Group. Compensation for employment contracts amounted to a total of t€ 79 in 2025 (2024: t€ 56) and is given at market conditions, the non-executive management function is served without compensation.

iv. Transactions with associated companies

As of the balance sheet date 31.12.2025, there was investment in one immaterial associated company. No transactions were carried out with the associate in 2025 as well as in previous year.

29. Auditor's fees

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

<i>in € thousand</i>	2025	2024
Audit of consolidated and annual financial statements	489	499
Other confirmation and consulting services	119	158
	607	657

30. Subsequent events

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

Accounting policies

31. 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 01/01/2025.

Standard	Effective date*)	Material impact 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

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

32. 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 recognized 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 recognized 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.

Accounting policies *continued*

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; exception: the accounting for lease arrangements under IFRS 16
- 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.

Accounting policies *continued*

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 subject to systematic depreciation.

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.

Accounting policies *continued*

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 recognized 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 recognized in profit or loss. Any gain or loss on derecognition is recognized 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 recognized. 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 recognized 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 recognized 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 Türkiye'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).

33. 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
IFRS 18	Presentation and Disclosure in Financial Statements	01/01/2027	Yes
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01/01/2027	No
IFRS 19	Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	01/01/2027	No
IAS 21	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	01/01/2027	No
IFRS 7 / IFRS 9	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	01/01/2026	No
IFRS 7 / IFRS 9	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	01/01/2026	No
diverse	Annual Improvements Volume 11 (Cycle 2021-2023)	01/01/2026	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 2026.

IFRS 18 introduces a new structure for the income statement with mandatory subtotals, adjustments to the statement of cashflows and minor changes in balance sheet. 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.

AUSTRIACARD Group is already working on the implementation project of IFRS 18 and will start reporting according to the new standard with effective date 01.01.2027. In 2025 overall requirements of IFRS 18 were analysed internally, with main focus on income statement as the required adjustments in balance sheet and cashflow statement are of minor complexity for AUSTRIACARD Group.

Income statement:

The assessment of the Group's main business activities has shown that non of the Group's economic activities represents a specified main business activity according to IFRS 18.49. Therefore the Group will classify it's income statement under the general rules of IFRS 18 without assigning any specific main business activity from investing and financing category to operating category. AUSTRIACARD has already identified the positions of income statement that require analysis in further detail, this analysis is currently ongoing and includes, among other things, a review of the classification of results from associated companies, interest income as well as foreign exchange effects

Cashflow statement:

IFRS 18 also affects the statement of cashflows, particularly in terms of presentation and categorization (IFRS 18.3). Operating result will be the new starting point for indirect method of calculation of cashflow. This will be the only relevant effect for AUSTRIACARD group, as for presentation of interest received/paid and dividends received/paid the current cashflow statement already follows the rules of IFRS 18 concerning presentation within cashflow from investing and financing activities.

Statement of financial position:

Within the statement of financial position the only change of presentation concerns goodwill. Based on materiality it will be decided if this position will be listed as a separate line within non-current assets.

Management-defined performance measures (MPMs):

Currently AUSTRIACARD uses management-defined performance measures (MPMs) in its external communication. MPMs are voluntary subtotals of income and expense like adjusted EBITDA, adjusted EBIT and adjusted profit before tax. It will be decided if these subtotals will be kept. In that case the reconciliation of these MPM's to the mandatory subtotals presented in the income statement will be disclosed.

After finalization of analysis of required adjustments in financial statements the results will be presented to responsible Group management in first half of 2026. After alignment with Group auditor the preparation of comparative data 2026 will start.

Vienna, 11 March 2026

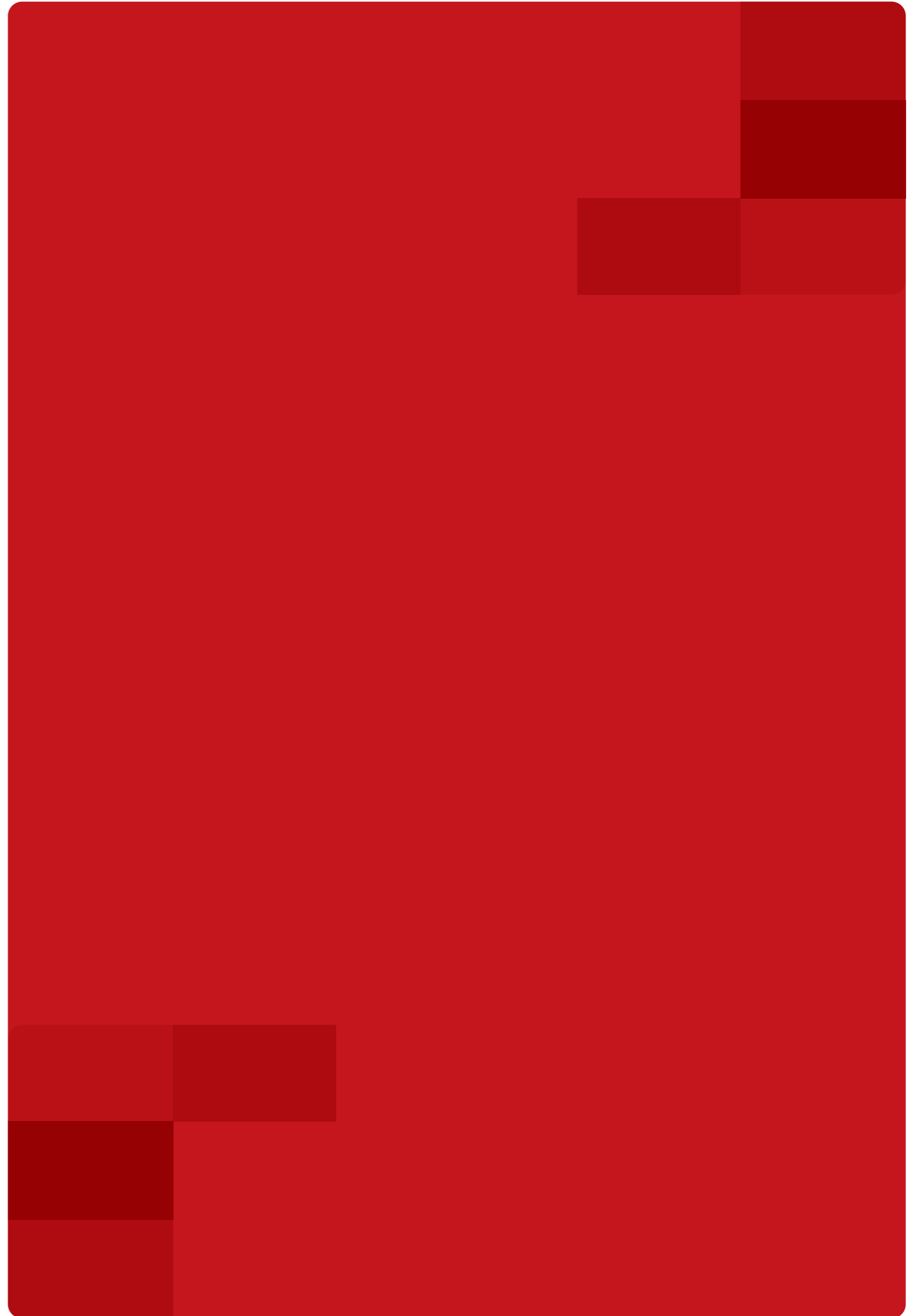
Emmanouil Kontos mp
Chairman of the Management Board

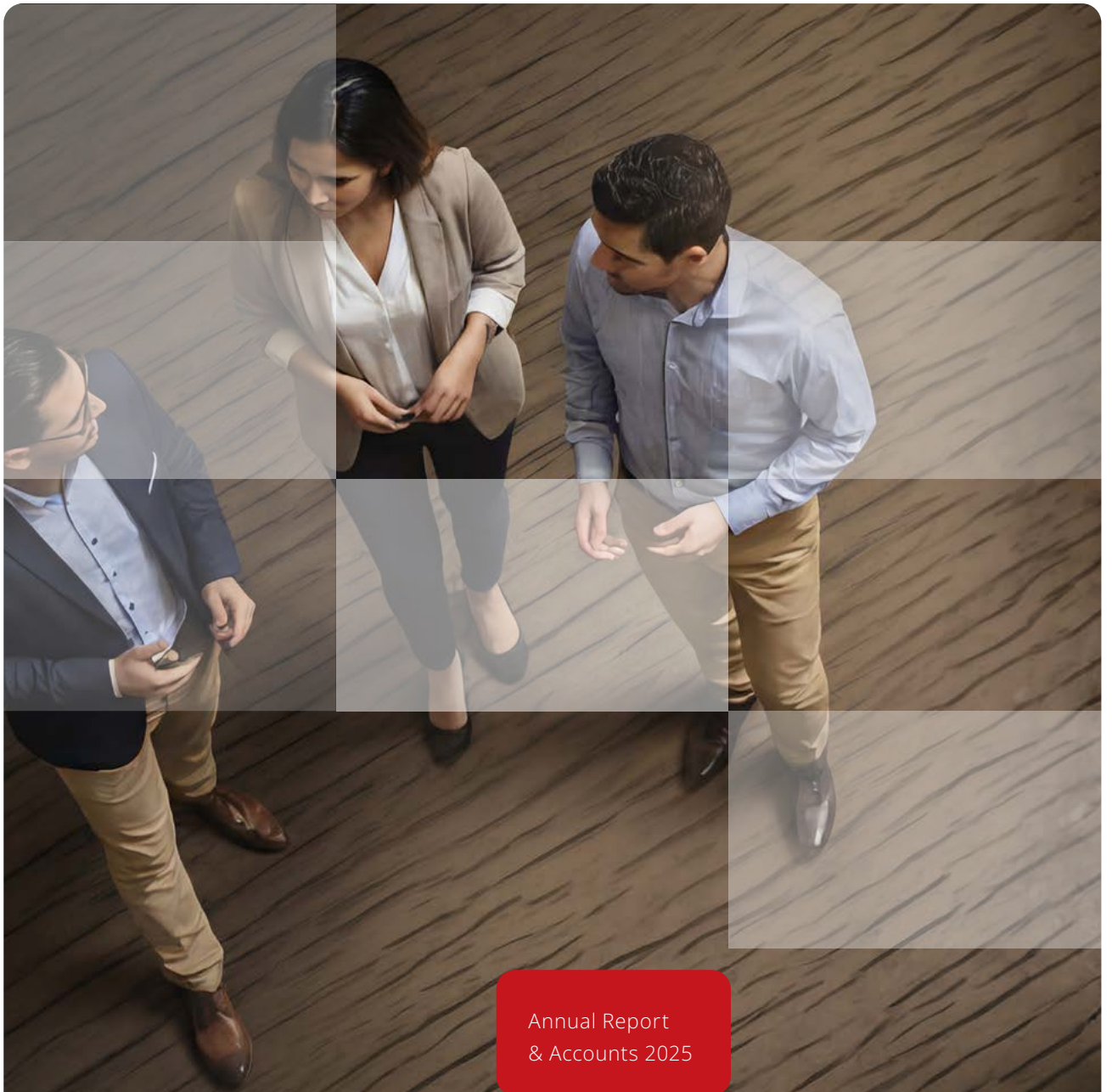
Mohamed Chemloul mp
Vice Chairman of the Management Board

Jon Neeraas mp
Member of the Management Board

Burak Bilge mp
Member of the Management Board

Markus Kirchmayr mp
Member of the Management Board





Annual Report
& Accounts 2025

AUSTRIACARD HOLDINGS AG

Lamezanstrasse 4-8

A-1230 Vienna, Austria

Phone: +43 (0)1 61065 – 0

investors@austriacard.com

<https://www.austriacard.com>