

AUSTRIACARD HOLDINGS AG **ANNOUNCES 9M 2024 RESULTS**

November 14th, 2024: AUSTRIACARD HOLDINGS AG (ACAG) strategy of expansion in new markets and technology services drives a strong operating performance in 9M24.

- Q3 2024 Group Adj. Revenues increased by 29.6% and as such improving the 9M 2024 comparable growth vs 9M 2023 to 14.0% and reaching € 298.3m.
- Performance is driven by 3 factors: a) near tripling of Digital Transformation revenues, b) strong growth in Document Lifecycle Management from MEA region, and c) Secure Chip & Payment segment increased revenue from the metal cards business.
- Underlying 9M 2024 organic growth of the largest segment being Secure Chip & Payment at 20.8%.
- From a geographic cluster point, Central Eastern Europe 9M Revenues grow by 8.3% to € 173.9m due to digitalization projects, Western Europe, Nordics, Americas grow by 13.8% to € 105.7m due to metal card strong contribution, and Türkiye, Middle East and Africa Revenues grow by 28.5% to € 57.9m led by the combination of security printing and digital services.
- 9M 2024 Group Adj. EBITDA increased by 18.1%, reaching € 43.1m, due to revenue and gross profit growth, reaching a margin of 14.4% on Sales compared to 13.9% in 9M 2023.
- Net Profit after Tax increased by 10.1% to € 16.3m, with a margin of 5.4%.
- 9M 2024 operating cash flow generation at € 18.9m, compared to € -1.1m in 9M 2023.

CEO COMMENTARY

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

"The 9M 2024 results exemplify the validity of our strategy for growth based on geographic and market share expansion, as well as product and services portfolio enhancement. Our focus is to capture all possible growth areas of the segments in which we operate, by capitalizing on our expertise and the long-standing relationships we have with our clients.

During the third quarter we posted strong performance with Revenues increasing by approx. 30%, leading 9M 2024 results to a 14.0% growth, due to strong performance in new markets, and contribution of both new products and digital services.

Notably, we expanded in Secure Chip & Payment solutions with novel products such as metal cards, in Document Lifecycle Management with complex security printing combined with digital services projects in MEA, and in Digital Transformation Technologies with state and private sector projects.

Adj. EBITDA increased by 18.1% to € 43.1m due to revenue and gross profit growth, leading to enhanced margin of 14.4%, while Net Profit after Tax grew by 10.1% to € 16.3m.

We have also managed to increase our operating cash flow generation in the process to address the working capital challenge and we continue to work in this direction of working capital normalization.

As we had outlined in the beginning of 2024, growth accelerated in all markets as the year progressed, enabling us to deliver results in line with our 2024 full year guidance."

GROUP BUSINESS PERFORMANCE

Amounts and percentage rates in this interim management report were rounded, and the addition of these individual figures can therefore produce results that differ from the totals shown.

Business performance of AUSTRIACARD HOLDINGS Group as monitored by Management

The following analysis is based on the business performance as monitored by Group management excluding effects of IAS 29 Hyperinflation accounting and with a separate presentation of Special Items (e.g. Management participation programs etc.) below adjusted Profit (Loss) before tax.

Business performance in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %	Q3 2024	Q3 2023	D '24-'23 %
Revenues	298.3	261.5	36.7	14.0%	106.2	82.0	29.6%
Costs of material & mailing	(160.8)	(145.3)	(15.5)	10.7%	(56.5)	(43.8)	29.0%
Gross profit I	137.5	116.2	21.2	18.3%	49.7	38.2	30.2%
<i>Gross margin I</i>	<i>46.1%</i>	<i>44.4%</i>	<i>1.6%</i>		<i>46.8%</i>	<i>46.6%</i>	
Production costs	(64.2)	(52.0)	(12.1)	23.3%	(25.2)	(18.3)	37.9%
Gross profit II	73.3	64.2	9.1	14.1%	24.5	19.9	23.2%
<i>Gross margin II</i>	<i>24.6%</i>	<i>24.5%</i>	<i>0.1%</i>		<i>23.0%</i>	<i>24.2%</i>	
Other income	3.0	3.2	(0.1)	-4.7%	1.0	1.2	-13.7%
Selling and distribution expenses	(17.9)	(17.5)	(0.4)	2.3%	(6.1)	(6.1)	0.7%
Administrative expenses	(21.1)	(18.9)	(2.2)	11.7%	(6.8)	(6.4)	6.9%
Research and development expenses	(5.7)	(5.2)	(0.5)	9.1%	(2.2)	(1.8)	22.4%
Other expenses	(1.1)	(0.9)	(0.2)	22.9%	(0.5)	(0.3)	56.4%
+ Depreciation, amortization and impairment	12.6	11.7	1.0	8.3%	4.4	4.1	8.4%
adjusted EBITDA	43.1	36.5	6.6	18.1%	14.3	10.6	35.1%
<i>adjusted EBITDA margin</i>	<i>14.4%</i>	<i>13.9%</i>	<i>0.5%</i>		<i>13.5%</i>	<i>12.9%</i>	
- Depreciation, amortization and Impairment	(12.6)	(11.7)	(1.0)	8.3%	(4.4)	(4.1)	8.4%
adjusted EBIT	30.4	24.8	5.6	22.8%	9.9	6.5	51.8%
Financial income	0.3	0.2	0.2	101.7%	0.1	0.0	68.7%
Financial expenses	(6.2)	(4.8)	(1.4)	29.2%	(2.3)	(1.8)	24.0%
Result from associated companies	0.1	0.1	0.1	139.1%	0.0	0.1	-100.0%
Net finance costs	(5.8)	(4.6)	(1.2)	25.5%	(2.2)	(1.7)	26.7%
adjusted Profit (Loss) before tax	24.7	20.2	4.5	22.2%	7.7	4.8	60.7%
Special items	(3.0)	(2.3)	(0.8)	34.1%	(0.9)	(1.5)	-39.7%
Profit (Loss) before tax	21.7	18.0	3.7	20.7%	6.8	3.3	107.7%
Income tax expense	(4.9)	(3.5)	(1.4)	41.1%	(1.3)	(0.8)	63.6%
Profit (Loss)	16.8	14.5	2.3	15.7%	5.5	2.5	121.7%

Revenues by solution category in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Secure Chip & Payment Solutions	181.8	171.1	10.7	6.2%
Document Lifecycle Management	95.4	82.1	13.3	16.2%
Digital Transformation Technologies	21.1	8.3	12.8	153.4%
Total	298.3	261.5	36.7	14.0%

In the first nine months of 2024, AUSTRIACARD HOLDINGS Group's **Revenues** reached € 298.3m increasing by € 36.7m or 14.0% compared to the same period in 2023. This growth was largely driven by Digital Transformation Technologies, which increased by € 12.8m, or 153.4% compared to last year. This is the result of the focus given by the Group to this solution category. The main contributors are public sector digitalization projects in Greece as well as continued growth of this solution category in the Romanian market. Document Lifecycle Management also contributed significantly increasing by € 13.3m or 16.2%, primarily as a result of a new security printing contract in the MEA region.

Secure Chip & Payment Solutions' revenue increased by € 10.7m or 6.2% compared to last year. If we exclude from the comparative period the impact of our strategic decision to de-prioritize wholesale chip sales and focus on selling complete smart card solutions with the total effect amounting to € -20.6m, the like-for-like organic growth of the Secure Chip & Payment category amounts to € 31.3m or 20.8%. This growth is supported by banking and transportation card sales and especially by premium high-end metal cards sales (€ +20.5m), which have a significantly higher price per card and are accompanied by additional revenue from personalization and fulfillment services.

Revenues by Segments in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Western Europe, Nordics, Americas	105.7	92.9	12.8	13.8%
Central Eastern Europe & DACH	173.9	160.6	13.4	8.3%
Türkiye / Middle East and Africa	57.9	45.1	12.8	28.5%
<i>Eliminations & Corporate</i>	(39.2)	(37.0)	(2.2)	6.0%
Total	298.3	261.5	36.7	14.0%

From a geographical perspective, revenue growth was evenly spread across the three segments with each segment growing by approx. € 13.0m. Growth in the Central Eastern Europe & DACH (CEE) segment was primarily driven by the solution category Digital transformation and in the Middle East and Africa (MEA) segment by a new security printing contract. Revenue growth in the segment Western Europe, Nordics, Americas (WEST) mainly relates to Secure Chip & Payment solutions and more specifically to high demand for premium metal payment cards and personalization and fulfillment services. The increase in Eliminations & Corporate primarily reflects higher inter-segment revenue with the MEA segment.

Gross profit I increased by € 21.2m or 18.3% reaching € 137.5m as a result of revenue growth. Gross margin I improved from 44.4% to 46.1%, mainly due to a higher proportion of service revenues without associated material costs.

Gross profit II increased by € 9.1m or 14.1%, reaching € 73.3m. Gross margin II improved by 0.1 percentage points and reached 24.6% mainly as a result of a different sales mix having higher contribution from services and security printing in the MEA.

Operating expenses (OPEX) in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Production Costs	(64.2)	(52.0)	(12.1)	23.3%
Selling and distribution expenses	(17.9)	(17.5)	(0.4)	2.3%
Administrative expenses	(21.1)	(18.9)	(2.2)	11.7%
Research and development expenses	(5.7)	(5.2)	(0.5)	9.1%
+ Depreciation & amortization	12.6	11.7	1.0	8.3%
Total	(96.3)	(82.0)	(14.3)	17.4%
<i>Operating expenses as a percentage of Sales</i>	32.3%	31.4%	0.9%	

Operating expenses (OPEX) excluding depreciation, amortization and impairment increased by € 14.3m or 17.4% totalling to € 96.3m. The increase in Production costs by € 12.1m or 23.3% mainly relates to the implementation of a new security printing business in the MEA region and to Digital transformation services in CEE as well as to the consolidation of Pink Post in Romania (company offering distribution & postal services enabling us to provide end to end services in that market), which was first consolidated in the Group in March 2023. Administrative expenses increased by € 2.2m or 11.7% mainly as a result of the strengthening of the Group management team following the Group's listing and reorganization in H1 2023. In addition, OPEX also increased due to adjustments on salaries and other costs due to inflation. As a proportion of revenues, OPEX increased by 0.9 percentage points to 32.3%, compared to 31.4% in the first nine months of 2023.

Adjusted EBITDA increased by € 6.6m or 18.1%, from € 36.5m to € 43.1m, as a result of the increase in gross margin and the adjusted EBITDA margin increased by 0.5 percentage points from 13.9% to 14.4% in the first nine months of 2024.

Adjusted EBIT improved by € 5.6m or 22.8% reaching € 30.4m, more than offsetting the € 1.0m increase in depreciation & amortization related to investments in machinery and equipment to support business expansion.

Adjusted Profit before tax increased by € 4.5m or 22.2% reaching € 24.7m as the growth in EBIT was partially offset by the increase in net finance costs by € 1.2m related to the hike in interest rates and the higher average outstanding financial debt.

Special items in € million	included in	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Management participation programs	EBITDA	(2.9)	(1.9)	(1.0)	53.3%
Foreign exchange losses	Profit before tax	(0.1)	(0.3)	0.2	-55.7%
Expense from financial assets and liabilities at fair value through profit or loss	Profit before tax	(0.0)	(0.1)	0.1	-94.5%
Total		(3.0)	(2.3)	(0.7)	34.1%

Profit increased by € 2.3m or 15.7%, reaching € 16.8m. This increase is due to the strong operating performance and the resulting growth in adjusted Profit before tax which was partially compensated by higher costs related to Special items and higher corporate income tax expenses. Costs included in Special items increased by € 0.7m or 34.1% due to the normalization of expenses for management participation programs (SOPs), which in 2023 were lower due to a one-time provision release in connection with a restructuring of the then existing SOPs. Additionally, corporate income tax expenses increased by € 1.4m due to higher Profit before taxes and changes in tax regulations in Romania and the UK leading to a higher effective tax rate of 22.7% compared to 19.4% in 2023.

Effect of IAS 29 Hyperinflation

As presented in the table below, the application of IAS 29 Hyperinflation with respect to our Türkiye-based operations, hyperinflation accounting led to increased Revenues by € 5.2m reaching € 303.5m in 1-9 2024 compared to an increase of € 9.7m to € 271.2m in 1-9 2023.

Hyperinflation accounting also increased Operating expenses (OPEX) and adjusted EBITDA in the IFRS Income statement compared to the Management Income statement by € 0.4m compared to € 0.8m in 1-9 2023. Also adjusted EBIT increased by € 0.4m (2023: € 0.8m) and adjusted Profit before tax by € 0.4m (2023: € 0.8m) due to Hyperinflation accounting.

The IFRS Income Statement shows a Profit before tax of € 21.2m, while the Management Income Statement shows € 21.7m. Similarly, Profit in the IFRS Statement amounts to € 16.3m compared to € 16.8m in the Management Income Statement.

Impact of IAS 29 Hyperinflation in € million	1-9 2024			1-9 2023		
	IFRS	IAS29 Effect	MGMT	IFRS	IAS29 Effect	MGMT
Revenues	303.5	5.2	298.3	271.2	9.7	261.5
Gross Profit I	138.3	0.8	137.5	117.9	1.7	116.2
Gross Profit II	73.8	0.5	73.3	65.2	1.0	64.2
OPEX	(96.7)	(0.4)	(96.3)	(82.8)	(0.8)	(82.0)
adjusted EBITDA	43.5	0.4	43.1	37.3	0.8	36.5
adjusted EBIT	30.9	0.4	30.4	25.6	0.8	24.8
adjusted Profit before tax	25.1	0.4	24.7	21.0	0.8	20.2
Profit before tax	21.2	(0.4)	21.7	18.2	0.3	18.0
Profit	16.3	(0.5)	16.8	14.8	0.3	14.5

FINANCIAL POSITION

Total assets increased by € 20.8 from € 321.7m on 31 December 2023, to € 342.5m on 30 September 2024 as a result of higher current assets (€ +14.4m) and non-current assets (€ +6.3m). The increase in non-current assets relates to the acquisition of new subsidiaries resulting in additional goodwill amounting to € 3.8m as well as regular investing activities. The increase in non-current liabilities is related to the increase in financial liabilities (€ +9.8) as well as to contingent purchase price liabilities in connection with M&A activity (€ +1.7m). As a result of the profits generated and share-option expense recognized in the relevant reserve in equity, **Total Equity** increased by € 14.4m to € 121.6m. The Equity ratio of the AUSTRIACARD HOLDINGS Group improved from 33.3% on 31 December 2023 to 35.5% on 30 September 2024.

Consolidated statement of financial position in € million	30/09/2024	31/12/2023	D '24-'23	D '24-'23 %
Non-current assets	163.1	156.8	6.3	4.0%
Current assets	179.4	164.9	14.4	8.8%
Total assets	342.5	321.7	20.8	6.5%
Equity	121.6	107.2	14.4	13.5%
Non-current liabilities	127.2	115.2	11.9	10.4%
Current Liabilities	93.7	99.3	(5.6)	-5.6%
Total Equity and Liabilities	342.5	321.7	20.8	6.5%

Net Working Capital increased by € 19.2m, or 32.9%, from € 58.2m on 31 December 2023, to € 77.4m on 30 September 2024. This increase is mainly due to higher inventory levels (€ +14.1m), especially in raw materials (chips) and to trade receivables (€ +6.5m) linked to revenue growth. The decrease in contract liabilities (advance payments received) also contributed to the increase in Net working capital (€ +10.6m). As a percentage of revenues (12-month rolling), Net Working Capital increased from 17.0% to 19.9%. This KPI aligns closely with industry benchmarks but is notably higher than last year.

Working Capital in € million	30/09/2024	31/12/2023	D '24-'23	D '24-'23 %
Inventories	72.3	58.2	14.1	24.3%
Contract assets	17.3	20.4	(3.1)	-15.1%
Current income tax assets	0.4	0.8	(0.4)	-52.2%
Trade receivables	51.2	44.7	6.5	14.6%
Other receivables	13.7	17.1	(3.4)	-19.8%
	154.9	141.1	13.8	9.8%
Current income tax liabilities	(3.6)	(3.0)	(0.6)	20.9%
Trade payables	(42.6)	(43.6)	1.1	-2.5%
Other payables	(23.3)	(18.3)	(5.0)	27.3%
Contract liabilities	(6.8)	(17.4)	10.6	-60.8%
Deferred income	(1.2)	(0.5)	(0.7)	135.1%
	(77.5)	(82.9)	5.4	-6.5%
Net Working Capital	77.4	58.2	19.2	32.9%

Statement of cash flows in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23%
Cash flows from operating activities	18.9	(1.1)	20.0	-1,835.5%
Cash flows from investing activities	(12.0)	(9.3)	(2.7)	29.0%
Cash flows from financing activities	(6.1)	0.5	(6.6)	-1,272.0%
Net decrease in cash and cash equivalents	0.8	(9.9)	10.7	-108.4%
Capital expenditure incl. ROU, excl. M&A (CAPEX)	(16.2)	(13.9)	(2.3)	16.5%

The Group's **Cash flow from operating activities** increased by € 20.0 in the first three quarters of 2024 from € -1.1m in 2023 to € 18.9m in 2024 as a result of the strong operating performance which was partially compensated by the increase in the Net working capital.

The **Cash flow from investing activities** came in at a net outflow of € 12.0m and related to M&A activity (€ 1.3m net of cash received), upgrading our digital security printing capabilities (€ 2,6m) in order to be able to implement new business

opportunities for the African markets, regular investments in plant and equipment and inhouse development of software to enhance our digital solutions offering and similar operating investments.

Cash flow from financing activities had a net outflow of € 6.1m compared to an inflow of € 0.5m in the same period in 2023. This outflow primarily relates to interest (€ 5.9m) and lease payments (€ 3.3m) and dividend payments to shareholders and non-controlling interest (€ 4.1m) as well as loan repayments (€ 9.4m) which were partially compensated by increased usage of existing financing long-term financing facilities.

Net Debt increased by € 9.0m from € 95.0m as of 31 December 2023 to € 104.0m as of 30 September 2024 due to the increase in Net working capital. Net Debt / Adjusted EBITDA (rolling 12 months) decreased from 2.3x in 1-9 2023 to 1.9x in 1-9 2024.

Net Debt in € million	30/09/2024	31/12/2023	D '24-'23	D '24-'23 %
Cash and cash equivalents	(24.5)	(23.8)	(0.7)	2.8%
Loans and borrowings	128.5	118.9	9.6	8.1%
Net Debt	104.0	95.0	9.0	9.4%

1.4. Financial performance indicators

Key performance indicators in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Revenue	298.3	261.5	36.7	14.0%
Gross profit I	137.5	116.2	21.2	18.3%
Gross profit I margin	46.1%	44.4%	1.6%	n/a
Gross profit II	73.3	64.2	9.1	14.1%
Gross profit II margin	24.6%	24.5%	0.0%	n/a
Total OPEX excluding depreciation	(96.3)	(82.0)	(14.3)	17.4%
Total OPEX excluding depreciation as % on sales	-32.3%	-31.4%	-0.9%	n/a
adjusted EBITDA	43.1	36.5	6.6	18.1%
adjusted EBITDA margin	14.4%	13.9%	0.5%	n/a
adjusted EBIT	30.4	24.8	5.6	22.8%
adjusted EBIT margin	10.2%	9.5%	0.7%	n/a
adjusted Profit before tax	24.7	20.2	4.5	22.2%
adjusted Profit before tax margin	8.3%	7.7%	0.5%	n/a
adjusted Profit after tax	19.8	16.7	3.0	18.2%
adjusted Profit after tax margin	6.6%	6.4%	0.2%	n/a
Profit after Tax	16.8	14.5	2.3	15.7%
Profit after Tax margin	5.6%	5.5%	0.1%	n/a
Operating Cash Flow	18.9	(1.1)	20.0	-1835.5%
Operating Cash Flow as % on sales	6.3%	-0.4%	6.8%	n/a
Net Equity / Total Assets (30 September vs. 31 December)	35.5%	33.3%	2.2%	n/a
Net Working Capital as of 30 September	77.4	58.0	19.4	33.4%
Working Capital as % on revenues (12 months)	19.9%	17.0%	2.9%	n/a
Net Debt as of 30 September	104.0	96.7	7.3	7.5%
Net Debt / Adjusted EBITDA (12 months)	1.9	2.3	(0.4)	n/a

REPORT ON SEGMENTS

Western Europe, Nordics, Americas

Business performance in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Revenues	105.7	92.9	12.8	13.8%
Costs of material & mailing	(61.7)	(52.6)	(9.1)	17.2%
Gross profit I	44.0	40.3	3.7	9.2%
<i>Gross margin I</i>	<i>41.6%</i>	<i>43.3%</i>	<i>-1.7%</i>	
Production costs	(17.0)	(16.0)	(0.9)	5.8%
Gross profit II	27.0	24.2	2.8	11.4%
<i>Gross margin II</i>	<i>25.5%</i>	<i>26.1%</i>	<i>-0.5%</i>	
Other income	0.0	0.6	(0.5)	-91.6%
Selling and distribution expenses	(6.8)	(7.1)	0.3	-4.0%
Administrative expenses	(6.3)	(6.6)	0.3	-4.1%
Research and development expenses	(1.1)	(0.4)	(0.8)	207.2%
Other expenses	(0.1)	(0.1)	(0.1)	71.6%
+ Depreciation, amortization & impairment	4.7	4.1	0.6	13.6%
adjusted EBITDA	17.4	14.8	2.5	17.1%
<i>adjusted EBITDA margin</i>	<i>16.4%</i>	<i>16.0%</i>	<i>0.4%</i>	
- Depreciation, amortization & impairment	(4.7)	(4.1)	(0.6)	13.6%
adjusted EBIT	12.7	10.7	2.0	18.4%

The Western Europe, Nordics and Americas (WEST) segment reported **Revenues** of € 105.7m in the first nine months of 2024, higher by € 12.8m or 13.8% compared to same period last year. If we exclude from the comparative period the impact of our strategic decision to de-prioritize wholesale chip sales and focus on selling complete smart card solutions with the total effect amounting to € 18.4m in this segment, the organic like-for-like growth of this solution category amounts to € 31.2m or 41.9%. This increase is mainly related to sales of high-end metal cards (€ +20.8m) which have a significantly higher selling price per card as well as to sales of regular payment cards and fulfillment and postal services, especially in the Challenger Bank segment.

Gross profit I increased with € 3.7m or 9.2% to € 44.0m due to increased revenues while Gross Margin I decreased by 1.7 percentage points to 41.6%. The reduction in Gross margin I is a result of increased metal cards sales in this region with proportionally higher material expenses.

Gross profit II increased by € 2.8m or 11.4% from € 24.2m to € 27.0m due to higher Gross Profit I. Gross margin II decreased by 0.5 percentage points reaching 25.5% as economies-of-scale helped to partially compensate the reduced Gross margin I.

Operating expenses excl. D, A&I (OPEX) in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Production costs	(17.0)	(16.0)	(0.9)	5.8%
Selling and distribution expenses	(6.8)	(7.1)	0.3	-4.0%
Administrative expenses	(6.3)	(6.6)	0.3	-4.1%
Research and development expenses	(1.1)	(0.4)	(0.8)	207.2%
+ Depreciation, amortization & impairment	4.7	4.1	0.6	13.6%
Total	(26.5)	(25.9)	(0.6)	2.2%
Operating expenses as a percentage of revenues	25.1%	27.9%	4.5%	

OPEX came in at € 26.5m in the first nine months of 2024 increasing slightly by € 0.6m or 2.2% compared to 2023 as increased costs for production personnel were mostly compensated by savings in Administrative and Selling and distribution expenses, especially with third party services, transportation and other operating expenses. The increase in Research and development expenses relates to our development effort with respect to our digital offering in the payment space. As a percentage of revenues, OPEX decreased from 27.9% to 25.1% in first nine months of 2024 due to the increase in revenues.

Adjusted EBITDA reached € 17.4m increasing by € 2.5m or 17.1% compared to the same period 2023 while adjusted EBITDA margin came in at 16.4% increasing slightly by 0.4 percentage points as a result of Gross margin increase and cost control in all functions. **Adjusted EBIT** came in at € 12.7m increasing by € 2.0m or 18.4% as a result of good operating performance compensating the increase in depreciation and amortization by € 0.6m.

Central Eastern Europe & DACH

Business performance in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Revenues	173.9	160.6	13.4	8.3%
Costs of material & mailing	(97.2)	(92.9)	(4.3)	4.7%
Gross profit I	76.7	67.7	9.0	13.3%
<i>Gross margin I</i>	<i>44.1%</i>	<i>42.2%</i>	<i>1.9%</i>	
Production costs	(37.4)	(32.5)	(4.9)	15.0%
Gross profit II	39.4	35.2	4.2	11.8%
<i>Gross margin II</i>	<i>22.6%</i>	<i>21.9%</i>	<i>0.7%</i>	
Other income	2.9	2.5	0.4	17.9%
Selling and distribution expenses	(9.9)	(9.4)	(0.5)	5.1%
Administrative expenses	(12.5)	(11.2)	(1.4)	12.2%
Research and development expenses	(4.5)	(4.3)	(0.1)	3.2%
Other expenses	(0.7)	(0.7)	(0.0)	0.3%
+ Depreciation, amortization & impairment	7.5	7.1	0.4	5.5%
adjusted EBITDA	22.1	19.1	3.0	15.7%
<i>adjusted EBITDA margin</i>	<i>12.7%</i>	<i>11.9%</i>	<i>0.8%</i>	
- Depreciation, amortization & impairment	(7.5)	(7.1)	(0.4)	5.5%
adjusted EBIT	14.6	12.0	2.6	21.7%

The Central Eastern Europe & DACH (CEE) segment reported **Revenues** of € 173.9m increasing by € 13.4m or 8.3% compared to the first nine months of 2023. This revenue increase was mainly driven by growth with Digital Transformation Solutions in Romania and Greece, especially by public digitalization contracts, which contributed € 12.8m additional revenue

Gross profit I increased by € 9.0m or 13.3% and Gross margin I improved by 1.9 percentage points from 42.2% to 44.1% due to revenue growth and a higher share of service-related revenues with no or lower associated Costs of material & mailing.

Gross profit II increased by € 4.2m or 11.8% from € 35.2m to € 39.4m mainly as a result of revenues growth and economies of scale as the increase of Production costs only partially compensated the growth in Gross profit I. The Gross Margin II improved by 0.7 percentage points to 22.6%.

Operating expenses excl. D, A&I (OPEX) in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Production costs	(37.4)	(32.5)	(4.9)	15.0%
Selling and distribution expenses	(9.9)	(9.4)	(0.5)	5.1%
Administrative expenses	(12.5)	(11.2)	(1.4)	12.2%
Research and development expenses	(4.5)	(4.3)	(0.1)	3.2%
+ Depreciation, amortization & impairment	7.5	7.1	0.4	5.5%
Total	(56.8)	(50.4)	(6.5)	12.8%
Operating expenses as a percentage of revenues	32.7%	31.4%	48.4%	

OPEX increased by € 6.5m or 12.8% to € 56.8m mainly as a result of the addition of the Pink Post business in Romania which increased Production costs by € 3.4m and to higher central cost allocations included in Administrative expenses as well as due to inflation related salary increases. As percentage of revenues Operating expenses increased from 31.4% to 32.7% in the first nine months of 2024.

Adjusted EBITDA increased by € 3.0m or 15.7% to € 22.1m as a result of Gross profit growth being complimented by economies of scale and cost control in the support functions. Adjusted EBITDA margin thus improved by 0.8 percentage points to 12.7%. **Adjusted EBIT** increased by € 2.6m or 21.7% from € 12.0m to € 14.6m as a result of the strong operating performance being only partially compensated by an increase in depreciation and amortization by € 0.4m or 5.5% to € 7.5m.

Türkiye / Middle East and Africa

Business performance in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Revenues	57.9	45.1	12.8	28.5%
Costs of material & mailing	(39.2)	(36.1)	(3.1)	8.6%
Gross profit I	18.8	9.0	9.7	107.6%
<i>Gross margin I</i>	<i>32.4%</i>	<i>20.0%</i>	<i>12.4%</i>	
Production costs	(9.9)	(3.6)	(6.3)	173.8%
Gross profit II	8.9	5.4	3.5	63.7%
<i>Gross margin II</i>	<i>15.3%</i>	<i>12.0%</i>	<i>3.3%</i>	
Other income	0.0	0.0	0.0	n/a
Selling and distribution expenses	(1.2)	(1.0)	(0.2)	17.7%
Administrative expenses	(1.3)	(0.6)	(0.7)	111.0%
Research and development expenses	0.0	0.0	0.0	n/a
Other expenses	(0.2)	(0.1)	(0.1)	75.3%
+ Depreciation, amortization & impairment	0.5	0.5	0.0	7.5%
adjusted EBITDA	6.7	4.1	2.5	61.8%
<i>adjusted EBITDA margin</i>	<i>11.5%</i>	<i>9.1%</i>	<i>2.4%</i>	
- Depreciation, amortization & impairment	(0.5)	(0.5)	(0.0)	7.5%
adjusted EBIT	6.2	3.7	2.5	68.6%

The Türkiye, Middle East and Africa (MEA) segment reported **Revenues** of € 57.9m increasing by € 12.8m or 28.5% compared to first nine months in 2023. This growth was driven by a new security printing contract in the African market contributing € 10.4m additional revenues and by the Turkish Secure Chip & Payment solutions market growing by € 2.5m or 5.5%.

Gross profit I increased by € 9.7m or 107.6% and Gross margin I increased by 12.4 percentage points, from 20.0% to 32.4% due to the different gross margin profile of security printing projects with comparatively lower attributed Costs of material & mailing.

Gross profit II increased by € 3.5m, or 63.7%, from € 5.4m to € 8.9m and Gross margin II improved by 3.3 percentage points to 15.3% as the Gross profit I increase was only partially reduced by higher Production costs associated with the new security printing contract.

Operating expenses excl. D, A&I (OPEX) in € million	1-9 2024	1-9 2023	D '24-'23	D '24-'23 %
Production costs	(9.9)	(3.6)	(6.3)	173.8%
Selling and distribution expenses	(1.2)	(1.0)	(0.2)	17.7%
Administrative expenses	(1.3)	(0.6)	(0.7)	111.0%
Research and development expenses	0.0	0.0	0.0	0.0%
+ Depreciation, amortization & impairment	0.5	0.5	0.0	7.5%
Total	(11.9)	(4.8)	(7.1)	147.7%
Operating expenses as a percentage of revenues	20.6%	10.7%	55.4%	

Operating expenses (**OPEX**) increased by € 7.1m or 147.7% reaching € 11.9m. This increase was mainly due to higher Production costs, especially for Personnel costs, Third party and Transportation expenses to support the implementation of the new security printing contract. As a percentage of revenues, OPEX increased from 10.7% to 20.6% in the first nine month of 2024.

Adjusted EBITDA increased by € 2.5m or 61.8% to € 6.7m and the adjusted EBITDA margin came in at 11.5% increasing by 2.4 percentage points. **Adjusted EBIT** increased by € 2.5m or 68.6% to € 6.2m essentially in parallel with adjusted EBITDA.

ABOUT AUSTRIACARD HOLDINGS AG

AUSTRIACARD HOLDINGS AG leverages over 130 years of experience in information management, printing, and communications to deliver secure and transparent experiences for its customers. They offer a comprehensive suite of products and services, including payment solutions, identification solutions, smart cards, card personalization, digitization solutions, and secure data management. ACAG employs a global workforce of 2,500 people and is publicly traded on both the Athens and Vienna Stock Exchanges under the symbol ACAG.

Contact person: Mr. Dimitrios Tzelepis, Executive Director, Capital Markets, M&A and IR
Tel.: +43 1 61065 - 357
E-Mail: d.tzelepis@austriacard.com
Website: www.austriacard.com
Symbol: ACAG
ISIN: AT0000A325L0
Stock Exchanges: Vienna Prime Market, Athens Main Market

APPENDIX

A. PRIMARY FINANCIAL STATEMENTS

Consolidated statement of financial position

in € thousand	30 September 2024	31 December 2023
Assets		
Property, plant and equipment and right of use assets	99,968	96,275
Intangible assets and goodwill	59,003	55,526
Equity-accounted investees	395	324
Other receivables	1,543	2,386
Other long-term assets	0	136
Deferred tax assets	2,188	2,116
Non-current assets	163,096	156,764
Inventories	72,297	58,164
Contract assets	17,315	20,386
Current income tax assets	378	791
Trade receivables	51,190	44,677
Other receivables	13,701	17,082
Cash and cash equivalents	24,483	23,825
Current assets	179,364	164,924
Total assets	342,460	321,688
Equity		
Share capital	36,354	36,354
Share premium	32,749	32,749
Own shares	(739)	0
Other reserves	18,526	17,303
Retained earnings	34,295	19,995
Equity attributable to owners of the Company	121,185	106,401
Non-controlling interests	403	753
Total Equity	121,588	107,154
Liabilities		
Loans and borrowings	112,268	102,432
Employee benefits	4,003	4,207
Other payables	2,177	81
Deferred tax liabilities	8,709	8,497
Non-current liabilities	127,157	115,217
Current tax liabilities	3,589	2,968
Loans and borrowings	16,218	16,440
Trade payables	42,575	43,649
Other payables	23,318	18,317
Contract liabilities	6,837	17,442
Deferred income	1,178	501
Current Liabilities	93,715	99,317
Total Liabilities	220,872	214,534
Total Equity and Liabilities	342,460	321,688

Consolidated income statement

in € thousand	1-9 2024	1-9 2023*	Q3 2024	Q3 2023*
Revenues	303,494	271,193	108,120	90,027
Cost of sales	(229,712)	(205,959)	(83,434)	(69,179)
Gross profit	73,782	65,234	24,686	20,848
Other income	3,004	3,152	1,019	1,179
Selling and distribution expenses	(17,967)	(17,603)	(6,117)	(6,114)
Administrative expenses	(24,013)	(20,859)	(7,642)	(7,709)
Research and development expenses	(5,717)	(5,240)	(2,179)	(1,780)
Other expenses	(1,113)	(927)	(493)	(332)
+ Depreciation, amortization and impairment	12,626	11,656	4,397	3,951
EBITDA	40,601	35,414	13,672	10,044
- Depreciation, amortization and impairment	(12,626)	(11,656)	(4,397)	(3,951)
EBIT	27,975	23,758	9,275	6,093
Financial income	351	189	102	(176)
Financial expenses	(7,214)	(5,761)	(2,990)	(2,720)
Result from associated companies	129	54	0	54
Net finance costs	(6,734)	(5,518)	(2,888)	(2,843)
Profit (Loss) before tax	21,241	18,240	6,387	3,250
Income tax expense	(4,980)	(3,478)	(1,306)	(748)
Profit (Loss)	16,260	14,762	5,081	2,503
Profit (Loss) attributable to:				
Owners of the Company	16,222	14,160	5,589	2,370
Non-controlling interests	38	602	(508)	133
Profit (Loss)	16,260	14,762	5,081	2,503
Earnings (loss) per share¹				
basic	0.45	0.40	0.15	0.07
diluted	0.42	0.39	0.14	0.06

* For comparative purposes 1-9 2023 external IFRS reporting was adjusted to properly reflect and include the effects of IAS 29 Hyperinflation accounting with respect to our operations in Türkiye.

¹ Earnings per share for 1-9 2023 were calculated considering retrospectively as per IAS 33.64 the issuance of bonus shares with a ratio of 1:1 which had been implemented in August 2023.

Consolidated statement of cash flows

in € thousand	1-9 2024	1-9 2023*
Cash flows from operating activities		
Profit (Loss) before tax	21,241	18,240
Adjustments for:		
-Depreciation, amortization and impairment	12,626	11,656
-Net finance costs	6,734	5,518
-Other non-cash transactions	2,739	(504)
	43,340	34,910
Changes in:		
-Inventories	(14,133)	(20,219)
-Contract assets	3,072	(2,713)
-Trade receivables and other receivables	(3,132)	(5,719)
-Contract liabilities	(10,605)	813
-Trade payables and other payables	3,919	(4,942)
-Taxes paid	(3,567)	(3,219)
Net cash from (used in) operating activities	18,894	(1,089)
Cash flows from investment activities		
Interest received	306	151
Dividends received from associated companies	58	0
Acquisition of subsidiary, net of cash acquired	(1,297)	0
Payments for acquisition of property, plant and equipment & intangible assets	(11,053)	(9,447)
Net cash from (used in) investing activities	(11,986)	(9,292)
Cash flows from financing activities		
Interest paid	(5,880)	(3,856)
Proceeds from loans and borrowings	17,339	25,655
Repayment of borrowings	(9,422)	(17,689)
Payment of lease liabilities	(3,315)	(2,610)
Acquisition of own shares	(739)	0
Dividends paid to non-controlling interest	(429)	(72)
Dividends paid to owners of the company	(3,627)	(909)
Net cash from (used in) financing activities	(6,074)	518
Net increase (decrease) in cash and cash equivalents	833	(9,862)
Cash and cash equivalents at 1 January	23,825	21,628
Effect of movements in exchange rates on cash held	(175)	(533)
Cash and cash equivalents at 30 September	24,483	11,233

* For comparative purposes 1-9 2023 external IFRS reporting was adjusted to properly reflect and include the effects of IAS 29 Hyperinflation accounting with respect to our operations in Türkiye.

B. SEGMENT REPORTING

1-9 2024 in € thousand	Reportable Segments					Total excl. IAS 29	IAS 29	Total
	WEST	CEE	MEA excl. IAS 29	Corporate	Elimi- nations			
Revenues	102,159	138,218	57,876	0	0	298,253	5,240	303,494
Intersegment revenues	3,503	35,696	47	2,210	(41,457)	0	0	0
Segment revenues	105,663	173,914	57,924	2,210	(41,457)	298,253	5,240	303,494
Costs of material & mailing	(61,712)	(97,194)	(39,160)	0	37,277	(160,789)	(4,393)	(165,181)
Gross profit I	43,951	76,720	18,764	2,210	(4,180)	137,465	848	138,313
Production costs	(16,964)	(37,356)	(9,873)	0	5	(64,188)	(343)	(64,531)
Gross profit II	26,987	39,363	8,891	2,210	(4,175)	73,277	505	73,782
Other income	49	2,893	10	50	0	3,003	1	3,004
Selling and distribution expenses	(6,774)	(9,927)	(1,224)	0	0	(17,925)	(43)	(17,967)
Administrative expenses	(6,305)	(12,521)	(1,323)	(5,112)	4,175	(21,086)	(45)	(21,131)
Research and development expenses	(1,127)	(4,489)	0	(101)	0	(5,717)	0	(5,717)
Other expenses	(120)	(723)	(195)	(68)	0	(1,106)	(5)	(1,111)
+ Depreciation, amortization and impairment	4,658	7,474	490	3	0	12,626	0	12,626
adjusted EBITDA	17,368	22,071	6,651	(3,018)	0	43,072	413	43,484
- Depreciation, amortization and impairment	(4,658)	(7,474)	(490)	(3)	0	(12,626)	0	(12,626)
adjusted EBIT	12,710	14,597	6,160	(3,021)	0	30,446	413	30,859
Financial income						305	38	343
Financial expenses						(6,185)	(14)	(6,200)
Result from associated companies						129	0	129
Net finance costs						(5,751)	24	(5,728)
adjusted Profit (Loss) before tax						24,695	437	25,131
Special items						(3,018)	(872)	(3,890)
Profit (Loss) before tax						21,677	(436)	21,241
Income tax expense						(4,917)	(63)	(4,980)
Profit (Loss)						16,759	(499)	16,260

1-9 2023 in € thousand	Reportable Segments					Total excl. IAS 29	IAS 29	Total
	WEST	CEE	MEA excl. IAS 29	Corporate	Elimi- nations			
Revenues	90,066	126,385	45,067	0	0	261,517	9,676	271,193
Intersegment revenues	2,821	34,176	25	739	(37,761)	0	0	0
Segment revenues	92,886	160,561	45,092	739	(37,761)	261,517	9,676	271,193
Costs of material & mailing	(52,633)	(92,861)	(36,054)	0	36,272	(145,277)	(8,020)	(153,296)
Gross profit I	40,253	67,700	9,038	739	(1,489)	116,240	1,656	117,896
Production costs	(16,038)	(32,492)	(3,606)	0	90	(52,046)	(617)	(52,663)
Gross profit II	24,215	35,207	5,432	739	(1,399)	64,194	1,039	65,234
Other income	585	2,454	0	326	(214)	3,152	0	3,152
Selling and distribution expenses	(7,055)	(9,447)	(1,040)	0	15	(17,528)	(76)	(17,603)
Administrative expenses	(6,573)	(11,155)	(627)	(2,115)	1,590	(18,880)	(99)	(18,979)
Research and development expenses	(367)	(4,348)	0	(525)	0	(5,240)	0	(5,240)
Other expenses	(70)	(720)	(111)	(7)	9	(899)	(26)	(926)
+ Depreciation, amortization and impairment	4,101	7,084	456	15	0	11,656	0	11,656
adjusted EBITDA	14,837	19,074	4,110	(1,566)	0	36,455	838	37,294
- Depreciation, amortization and impairment	(4,101)	(7,084)	(456)	(15)	0	(11,656)	0	(11,656)
adjusted EBIT	10,736	11,990	3,654	(1,581)	0	24,799	838	25,638
Financial income						151	30	181
Financial expenses						(4,788)	(41)	(4,829)
Result from associated companies						54	0	54
Net finance costs						(4,583)	(11)	(4,594)
adjusted Profit (Loss) before tax						20,217	827	21,044
Special items						(2,251)	(553)	(2,804)
Profit (Loss) before tax						17,966	274	18,240
Income tax expense						(3,485)	7	(3,478)
Profit (Loss)						14,480	282	14,762