

AUSTRIACARD HOLDINGS AG
ANNOUNCES FY 2023 RESULTS

March 21st, 2024: AUSTRIACARD HOLDINGS AG (ACAG) posts another year with very strong revenue and profitability growth.

- Group Adj. Revenues* during FY 2023 increased by 13.2% reaching € 351.3m. Excluding the effect of the one-off Kenyan elections project in 2022, comparable revenues increased by 23.0%, or € 65.8m.
- Growth driven by strong performance in Secure Chip & Payments, Digital Transformation Solutions in Central Eastern Europe, consolidation of Romanian postal activities.
- FY 2023 Group Adj. EBITDA grew by 27.2% and reached € 49.3m, with a margin of 14.0% compared to 12.5% in FY 2022. Excluding Kenya, Adj. EBITDA grew by 50.6%.
- Net Income for the period increased by 220.9% to € 17.0m, with a margin of 4.8% compared to 1.7% in FY 2022, due to strong operating performance and significantly less adjustments.
- Dividend of €0.10 per share to be proposed to the AGM.

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

CEO COMMENTARY

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

"2023 was a remarkable, transformational year for AUSTRIACARD. In March, through a merger with our already listed sub INFORM in Greece our shares were listed in both the Vienna and Athens exchanges, enabling investors to participate in the successful course of the whole Group. In the middle of the year we proceeded with the reorganization of our businesses along geographic clusters, facilitating faster expansion in new markets, enhancing at the same time cross selling and customer service. In December we also completed our refinancing at Group level, securing significant financial flexibility to pursue our growth objectives.

We posted one more year of strong growth in both revenues and profitability. Group Adj. Revenues grew by 13.2%, Adj. EBITDA by 27.2% and Net Income by 220.9%. If we exclude the Kenyan elections project effect from 2022 results, the respective increases are 23.0% in Adj. Revenues and 50.6% in Adj. EBITDA.

Performance was very strong in Central Eastern Europe & DACH, where Adj. Revenues grew by 35.2% reaching €224.6mn and Adj. EBITDA by 166.8% reaching €30.3mn, driven by Secure Chip & Payment, Digital Transformation Solutions and consolidation of Romanian postal operations. In Western Europe, Nordics & Americas, Adj. Revenues were flat at €116.0mn with Adj. EBITDA at €17.9mn, affected mainly by the US regional bank turmoil in H2 2023. The US market remains a priority for the Group and we anticipate strong contribution in the years to come. In the Türkiye, Middle East & Africa segment, Adj. Revenues declined by 3.0% to €53.7mn and Adj. EBITDA reached €4.9mn, due to the Kenyan elections comparable. Ex. Kenya, the segment's Adj. Revenues grew by 76.0% and Adj. EBITDA by 68.1%. The performance in Türkiye reflects the ability of the Group in bringing results in the markets we focus to grow our market share. (All segment figures are displayed pre intragroup eliminations).

AUSTRIACARD just completed one year as a listed company and to reward our shareholders we plan to propose to the AGM the distribution of a €0.10 per share dividend.

Finally, on behalf of the Board I want to extend our warmest wishes to Panagiotis Spyropoulos, our departing Group CEO. Panagiotis has been instrumental, during the 13 years that he was at the helm, in expanding AUSTRIACARD across all axes, geographic reach, size and profitability. We thank him for his hard work, talent, loyalty and determination."

1-12 2023 BUSINESS PERFORMANCE

The following analysis is based on the business performance as monitored by Group management excluding effects of IAS 29 Hyperinflation accounting. The reported IFRS FY2023 Results of the Group can be found in the corporate website <https://www.austriacard.com/investor-relations-ac/financial-reporting-ac/>.

Key performance indicators in € million	1-12 2023	1-12 2022	D '23-'22	D '23-'22 %
Revenue	351.3	310.3	40.9	13.2%
Gross profit I	158.8	138.0	20.7	15.0%
Gross profit I margin	45.2%	44.5%	0.7%	n/a
Gross profit II	86.8	74.4	12.3	16.6%
Gross profit II margin	24.7%	24.0%	0.7%	n/a
OPEX excluding depreciation and impairment	(111.7)	(98.5)	(13.2)	13.4%
OPEX excluding depreciation and impairment as % on sales	-31.8%	-31.7%	-0.1%	n/a
adjusted EBITDA	49.3	38.7	10.6	27.2%
adjusted EBITDA margin	14.03%	12.48%	1.55%	n/a
adjusted EBIT	33.2	24.3	8.8	36.3%
adjusted EBIT margin	9.4%	7.8%	1.6%	n/a
adjusted Profit before tax	26.1	20.1	6.0	29.9%
adjusted Profit before tax margin	7.4%	6.5%	1.0%	n/a
adjusted Profit after tax	21.9	16.7	5.2	31.3%
adjusted Profit after tax margin	6.2%	5.4%	0.9%	n/a
Profit after Tax	17.0	5.3	11.7	220.9%
Profit after Tax margin	4.8%	1.7%	3.1%	n/a
Net Equity / Total Assets	33.3%	29.9%	3.4%	n/a
Operating Cash Flow	9.1	40.9	(31.8)	-77.7%
Operating Cash Flow as % on sales	2.6%	13.2%	-10.6%	n/a
Net Working Capital	58.2	23.0	35.2	152.7%
Net Working Capital as % on sales	16.6%	7.4%	9.2%	n/a
Net Debt / adjusted EBITDA	1.9	2.0	(0.0)	n/a

Business Performance

AUSTRIACARD HOLDINGS Group revenues reached € 351.3m increasing by € 40.9m or 13.2% compared to 2022. The main drivers of this revenue increase are attributed to a strong performance of the Secure Chip & Payment Solutions (€ +27m), especially in Central Eastern Europe & DACH, as well as Türkiye. This amount includes € 9.5m revenues related to not-yet invoiced Contract assets. The number of sold and invoiced cards increased by 7.1m or 5.6% from 127.7m to 134.8m cards. Revenues from postal and distribution services grew by € 20.0m mainly attributable to the Romanian market through the majority stake acquisition of Pink Post solutions business. Additionally, revenues in the field of digitalization solutions increased by € 6.0m due to the start of the implementation of the public digitalization projects in Greece and continued business growth in that area in general. This strong performance in Secure Chip & Payment and Digital Transformation Solutions, the two technology based pylons of the Group, together with general improvement in other sectors more than compensated the reduction in security printing related to the Kenya elections project implemented 2022.

Gross profit I increased by € 20.7m or 15.0% to € 158.8m in 2023 as a result of the strong increase in revenues. The Gross margin I increased by 0.7 percentage points to 45.2% mainly due to a higher average sales price and the increase in service related revenues such as Document Digitalization and distribution services.

Gross profit II increased by € 12.3m or 16.6% to € 86.8m in 2023 and Gross margin II increased by 0.7 percentage points to 24.7% due to revenue growth and economies of scale as result of the higher utilization of the group's production facilities.

Operating expenses excluding depreciation, amortization and impairment (OPEX) increased by € 13.2m or 13.4% from € 98.5m to € 111.7m in 2023 mainly due to the addition of the Pink Post distribution business in Romania (€ 10.0m), the finalization of the set-up of the personalization facility in the US (€ 2.6m), higher headquarters expenses in the wake of the listing at the Athens and Vienna stock exchanges and the reorganization of group management (€ 1.4m). Also, OPEX increased as a result of business growth, combined with inflationary salary and costs increases, that more than offset the reduction in OPEX related to the Kenya election project implemented in 2022 (€ -8.5m). As percentage of revenues Operating expenses remained stable at 31.8% compared to 31.7% in 2022.

Adjusted EBITDA increased by € 10.6m or 27.2% from € 38.7m to € 49.3m in 2023, as a result of the strong operating performance of Secure Chip & Payment Solutions in the Central Eastern Europe & DACH as well as Türkiye markets, the consolidation of the Pink Post distribution business and the growth of Digital Transformation Solutions, which more than compensated higher OPEX requirements and the Kenya election project effect in 2022. As a result, adjusted EBITDA margin increased by 1.6 percentage points from 12.5% to 14.0%.

Adjusted EBIT increased by € 8.8m or 36.3% reaching € 33.2m as the increase in adjusted EBITDA was only partially compensated by higher depreciation & amortization mainly related to recent investments. Adjusted Profit before tax increased by € 6.0m or 29.9% reaching € 26.1m as the higher adjusted EBIT was partially offset by higher interest expenses driven by the increase in Euribor.

Profit after tax increased by € 11.7m and thus more than tripled from € 5.3m to € 17.0m due to the **adjusted Profit before tax** and the reduction of non-cash expenses for management participation programs by € 5.0m.

Pro forma business performance excluding Kenya election project

As presented in the table below, excluding the effects of the Kenya election project implemented in 2022 Revenues have increased by 23.0%, Gross Profit II by 28.9% as the Gross profit II margin improved by 1.1 percentage points from 23.6% to 24.7% based on average sales price increases, economies of scale and a higher contribution of services and solutions, which have a higher margin, in revenues. OPEX in absolute terms increased by 24.3% while OPEX as a percentage of revenues slightly increased by 0.3 percentage points compared to 2022. Adjusted EBITDA increased by 50.6% and the adjusted EBITDA margin improved by 2.6 percentage points to 14.0% in 2023.

pro forma Key financial indicators excl. 2022 Kenya election project in € million	1-12 2023	1-12 2022	D '23-'22	D '23-'22 %
Revenue	351.3	285.5	65.8	23.0%
Gross profit I	158.8	122.4	36.4	29.7%
Gross profit I margin	45.2%	42.9%	2.3%	n/a
Gross profit II	86.8	67.3	19.4	28.9%
Gross profit II margin	24.7%	23.6%	1.1%	n/a
Total OPEX excluding depreciation	(111.7)	(89.9)	(21.8)	24.3%
Total OPEX excluding depreciation as % on sales	31.8%	31.5%	0.3%	n/a
adjusted EBITDA	49.3	32.7	16.6	50.6%
adjusted EBITDA margin	14.0%	11.5%	2.6%	n/a

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 increased Revenues by € 13.3m reaching € 364.6m in 2023 compared to by € 4.4m reaching € 314.7m in 2022. Hyperinflation accounting is also increasing adjusted EBITDA, adjusted EBIT and adjusted Profit before tax in the IFRS Income statement compared to the Management Income statement by € 1.2m, € 1.2m, and € 1.1m respectively in 2023 compared to € 0.4m for all in 2022. Due to the negative impact of IAS 29 in Net finance costs, Profit before tax and Profit as per Management Income statement are lower by € 0.2m, and € 0.2m in 2023, and by € 0.3m and € 0.4m lower respectively in 2022.

Impact of hyperinflation in € million	2023			2022		
	IFRS	IAS29 Effect	MGMT	IFRS	IAS29 Effect	MGMT
Revenues	364.6	13.3	351.3	314.7	4.4	310.3
Gross Profit I	161.3	2.5	158.8	138.8	0.8	138.0
Gross Profit II	88.3	1.5	86.8	74.9	0.4	74.4
OPEX	(113.0)	(1.3)	(111.7)	(98.9)	(0.4)	(98.5)
adjusted EBITDA	50.4	1.2	49.3	39.1	0.4	38.7
adjusted EBIT	34.3	1.2	33.2	24.7	0.4	24.3
adjusted Profit before tax	27.3	1.1	26.1	20.5	0.4	20.1
Profit before tax	21.0	(0.2)	21.2	8.4	(0.3)	8.7
Profit	16.8	(0.2)	17.0	4.8	(0.4)	5.3

Financial Position

Total assets increased by € 51.5m from € 270.2m to € 321.7m as of 31 December 2023 which is mainly related to increases in inventories for raw materials, goods-in-transit (€ +22.2m) and contract assets (€ +9.5m) and restricted cash deposits received from customers included in other receivables and contract liabilities (€ +8.1m). Non-current assets increased by € 3.0m to € 156.8m mainly due to the cyclical revaluation of land and buildings and the effects of hyperinflation accounting for the operations in Türkiye (€ +2.5m) and investments in machinery which were partially offset by depreciation and amortization and the reduction in fair value of interest rate swaps for hedging purposes (€ -1.4m).

Non-current liabilities increased by € 25.3m from € 90.0m to € 115.2m as a result of the group-wide refinancing of loans & borrowings (€ +31.8m) being partially offset by the derecognition of long-term liabilities for management participation programs. Equity increased by € 26.3m due to the Profit of the financial year and the implementation of the equity settled stock option plan for senior group management (€ +9.4m). As a result of the Company's merger with its former subsidiary Inform P. Lykos Holdings SA, Greece, non-controlling interest was reduced from € 11.6m to € 0.7m. The Group's equity ratio thus increased from 29.9% to 33.3% as of 31 December 2023.

Coming from a low level as of 31 December 2022, Net working capital increased by € 35.1m or 152.5% from € 23.0m to € 58.2m due to the high level of Inventory and Contract assets. Net working capital as a percentage of revenues increased from a very low level in 2022 of 7.4%, after being at 15.8% in 2021 to 16.6% as of 31 December 2023.

Net Debt increased by € 18.5m from € 76.6m as of 31 December 2022 to € 95.0m as of 31 December 2023 due to the normalization and thus increase in working capital requirements. The net debt / adjusted EBITDA ratio decreased from 2.0 in 2022 to 1.9 as of 31 December 2023.

ABOUT AUSTRIACARD HOLDINGS AG

AUSTRIACARD HOLDINGS AG is a Technology company that draws upon more than 130 years of experience and innovation in the fields of information management, printing and communications, to provide customer experiences totally imbued in transparency and security. The company offers a complementary portfolio of products and services in payment solutions, identification, smart cards, personalization, digitization and secure data management for the Financial, Government, and the general Private sectors, through a workforce of 2,700 people internationally and is listed on the Athens and Vienna Stock Exchanges (ACAG).

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APPENDIX

A. BUSINESS PERFORMANCE AND FINANCIAL POSITION

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

Business performance in € million	1-12 2023	1-12 2022	D '23-'22	D '23-'22 %	Q4 2023	Q4 2022
Revenues	351.3	310.3	40.9	13.2%	89.8	79.1
Costs of material & mailing	(192.5)	(172.3)	(20.2)	11.7%	(47.2)	(47.2)
Gross profit I	158.8	138.0	20.7	15.0%	42.5	31.9
<i>Gross margin I</i>	<i>45.2%</i>	<i>44.5%</i>	<i>0.7%</i>		<i>47.4%</i>	<i>40.4%</i>
Production costs	(72.0)	(63.6)	(8.4)	13.2%	(18.9)	(13.2)
Gross profit II	86.8	74.4	12.3	16.6%	23.6	18.7
<i>Gross margin II</i>	<i>24.7%</i>	<i>24.0%</i>	<i>0.7%</i>		<i>26.3%</i>	<i>23.7%</i>
Other income	3.8	2.9	0.9	31.1%	0.7	1.2
Selling and distribution expenses	(23.3)	(22.1)	(1.2)	5.6%	(6.9)	(7.1)
Administrative expenses	(25.2)	(20.9)	(4.2)	20.3%	(6.3)	(7.3)
Research and development expenses	(7.4)	(6.3)	(1.1)	17.7%	(2.1)	(1.6)
Other expenses	(1.6)	(3.8)	2.2	-57.2%	(0.7)	(1.9)
+ Depreciation, amortization and impairment	16.1	14.4	1.7	11.9%	4.5	4.0
adjusted EBITDA	49.3	38.7	10.6	27.2%	12.8	6.1
<i>adjusted EBITDA margin</i>	<i>14.0%</i>	<i>12.5%</i>	<i>1.6%</i>		<i>14.3%</i>	<i>7.7%</i>
- Depreciation, amortization and impairment	(16.1)	(14.4)	(1.7)	11.9%	(4.5)	(4.0)
adjusted EBIT	33.2	24.3	8.8	36.3%	8.4	2.1
Financial income	0.3	0.1	0.2	355.0%	0.1	0.0
Financial expenses	(7.4)	(4.4)	(3.0)	68.9%	(2.6)	(1.4)
Result from associated companies	0.1	0.1	(0.1)	-57.0%	0	0.1
Net finance costs	(7.0)	(4.2)	(2.8)	67.2%	(2.4)	(1.3)
adjusted Profit (Loss) before tax	26.1	20.1	6.0	29.9%	5.9	0.8
Adjustments	(4.9)	(11.4)	6.5	-56.9%	(2.8)	(6.3)
Profit (Loss) before tax	21.2	8.7	12.5	142.1%	3.1	(5.6)
Income tax expense	(4.2)	(3.4)	(0.8)	23.2%	(0.8)	(0.1)
Profit (Loss)	17.0	5.3	11.7	220.9%	2.4	(5.7)

Consolidated Statement of financial position in € million	31/12/2023	31/12/2022 restated	D '23-'22	D '23-'22 %
Non-current assets	156.8	153.8	3.0	1.9%
Current assets	164.9	116.4	48.5	41.7%
Total assets	321.7	270.2	51.5	19.1%
Total Equity	107.2	80.8	26.3	32.6%
Non-current liabilities	115.2	90.0	25.3	28.1%
Current Liabilities	99.3	99.4	(0.1)	-0.1%
Total Equity and Liabilities	321.7	270.2	51.5	19.1%

Statement of cash flows in € million	1-12 2023	1-12 2022 restated	D '23-'22	D '23-'22 %
Cash flows from operating activities	9.1	40.9	(31.8)	-77.7%
Cash flows from investing activities	(11.8)	(17.4)	5.5	-31.8%
Cash flows from financing activities	5.6	(12.8)	18.4	-143.8%
Net (decrease) increase in cash and cash equivalents	2.9	10.7	(7.9)	-73.1%
Capital expenditure incl. right-of-use assets, excl. M&A (CAPEX)	(18.3)	(21.4)	3.1	-14.5%

Net Debt in € million	31/12/2023	31/12/2022	D '23-'22	D '23-'22 %
Cash and cash equivalents	(23.8)	(21.6)	(2.2)	10.2%
Loans and borrowings	118.9	98.2	20.6	21.0%
Net Debt	95.0	76.6	18.5	24.1%

B) PRIMARY FINANCIAL STATEMENTS
Consolidated statement of financial position

in € thousand	31 December 2023	31 December 2022 restated	01 January 2022 restated
Assets			
Property, plant and equipment and right of use assets	96,275	90,418	82,955
Intangible assets and goodwill	55,526	57,166	60,651
Equity-accounted investees	324	292	260
Other receivables	2,386	4,533	634
Other long-term assets	136	318	500
Deferred tax assets	2,116	1,046	370
Non-current assets	156,764	153,772	145,370
Inventories	58,164	36,074	23,188
Contract assets	20,386	10,852	8,693
Current income tax assets	791	338	387
Trade receivables	44,677	40,037	29,267
Other receivables	17,082	7,501	8,026
Cash and cash equivalents	23,825	21,628	11,484
Current assets	164,924	116,431	81,046
Total assets	321,688	270,203	226,416
Equity			
Share capital	36,354	16,862	14,638
Share premium	32,749	34,511	7,000
Other reserves	17,303	7,008	6,358
Retained earnings	19,995	10,825	25,275
Equity attributable to owners of the Company	106,401	69,206	53,271
Non-controlling interests	753	11,610	12,971
Total Equity	107,154	80,816	66,242
Liabilities			
Loans and borrowings	102,432	70,626	75,843
Employee benefits	4,207	10,897	4,532
Other payables	81	11	8,645
Deferred tax liabilities	8,497	8,424	8,261
Non-current liabilities	115,217	89,958	97,280
Current tax liabilities	2,968	3,529	1,645
Loans and borrowings	16,440	27,600	20,737
Trade payables	43,649	43,969	24,279
Other payables	18,317	13,790	11,879
Contract liabilities	17,442	7,073	4,158
Deferred income	501	3,405	132
Provisions	0	63	63
Current Liabilities	99,317	99,429	62,893
Total Liabilities	214,534	189,387	160,174
Total Equity and Liabilities	321,688	270,203	226,416

Consolidated income statement

in € thousand	1-12 2023	1-12 2022 restated	Q4 2023	Q4 2022 restated
Revenue	364,563	314,720	103.046	83.509
Cost of sales	(276,255)	(239,855)	(77.895)	(64.357)
Gross profit	88,308	74,865	25.150	19.152
Other income	3,837	2,926	685	1.179
Selling and distribution expenses	(23,483)	(22,107)	(6.992)	(7.043)
Administrative expenses	(28,222)	(28,864)	(7.462)	(13.273)
Research and development expenses	(7,360)	(6,254)	(2.120)	(1.628)
Other expenses	(1,675)	(3,771)	(774)	(1.896)
+ Depreciation, amortization and impairment	16,127	14,408	0	96
EBITDA	47,533	31,204	4.471	4.001
- Depreciation, amortization and impairment	(16,127)	(14,408)	12.958	587
EBIT	31,406	16,796	(4.471)	(4.001)
Financial income	534	76	375	1
Financial expenses	(10,978)	(8,606)	(5.944)	(2.582)
Result from associated companies	54	125	0	80
Net finance costs	(10,391)	(8,405)	(5.569)	(2.502)
Profit (Loss) before tax	21,015	8,390	2.917	(5.915)
Income tax expense	(4,231)	(3,544)	(746)	(207)
Profit (Loss)	16,784	4,847	2.171	(6.122)
Profit (Loss) attributable to:				
Owners of the Company	15,812	4,150	1.801	(4.915)
Non-controlling interests	972	697	370	(1.207)
Profit (Loss)	16,784	4,847	2.171	(6.122)
Earnings (loss) per share				
basic	0.65	0.28	0.05	(0.31)
diluted	0.61	0.28	0.05	(0.31)

Consolidated statement of cash flows

in € thousand	1-12 2023	1-12 2022 restated
Cash flows from operating activities		
Profit (Loss) before tax	21,015	8,390
Adjustments for:		
-Depreciation, amortization and impairment	16,127	14,408
-Net finance costs	10,391	8,405
-Net gain or loss on disposal of non-current assets	(24)	(685)
-Change in associated companies	32	32
-Change in provisions	(143)	6,365
-Other non-cash transactions	3,402	2,839
	50,800	39,755
Changes in:		
-Inventories	(22,090)	(12,886)
-Contract assets	(9,534)	(2,160)
-Trade receivables and other receivables	(14,221)	(10,791)
-Contract liabilities	10,369	2,915
-Trade payables and other payables	180	25,670
Taxes paid	(6,383)	(1,630)
Net cash from (used in) operating activities	9,121	40,874
Cash flows from investment activities		
Interest received	329	72
Proceeds from sale of property, plant and equipment	24	12
Dividends received from associated companies	22	14
Payments for acquisition of subsidiaries and business, net of cash acquired	(1,140)	(2,905)
Payments for acquisition of property, plant and equipment & intangible assets	(11,065)	(14,503)
Payments for acquisition of equity of other companies	0	(45)
Net cash from (used in) investing activities	(11,829)	(17,355)
Cash flows from financing activities		
Interest paid	(7,700)	(4,169)
Acquisition of non-controlling interests	0	(3,095)
Proceeds from loans and borrowings	107,905	12,770
Repayment of borrowings	(90,807)	(14,047)
Payment of lease liabilities	(2,895)	(3,799)
Dividends paid to non-controlling interest	0	(433)
Dividends paid to owners of the company	(909)	0
Net cash from (used in) financing activities	5,594	(12,773)
Net increase (decrease) in cash and cash equivalents	2,886	10,746
Cash and cash equivalents at 1 January	21,628	11,484
Effect of movements in exchange rates on cash held	(690)	(602)
Cash at 31 December	23,825	21,628