

INTERIM FINANCIAL REPORT
for the period from 1 January to 30 June 2025

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A) INTERIM MANAGEMENT REPORT

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.

1. GROUP BUSINESS PERFORMANCE

1.1. Business performance of AUSTRIACARD HOLDINGS Group

Business performance of AUSTRIACARD HOLDINGS Group as monitored by Management

The following analysis is based on the business performance as monitored by Group management with a separate presentation of Special Items which include i.a. effects from Management participation programs, foreign exchange and other valuation related effects below adjusted Profit (Loss) before tax. Starting with 2025 the Management view also includes effects from Hyperinflation Accounting for the Türkiye based entity in all positions, therefore previous year figures were adapted accordingly in the tables below.

Business performance in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %	Q2 2025	Q2 2024	D '25-'24 %
Revenues	163.6	195.4	(31.8)	-16.3%	81.1	103.6	-21.8%
Costs of material & mailing	(86.8)	(107.1)	20.4	-19.0%	(43.5)	(57.8)	-24.7%
Gross profit I	76.9	88.2	(11.4)	-12.9%	37.6	45.8	-18.0%
<i>Gross margin I</i>	47.0%	45.2%	1.8%		46.4%	44.2%	
Production costs	(40.1)	(39.1)	(1.0)	2.4%	(20.4)	(19.5)	4.5%
Gross profit II	36.8	49.1	(12.3)	-25.1%	17.2	26.4	-34.6%
<i>Gross margin II</i>	22.5%	25.1%	-2.7%		21.3%	25.5%	
Other income	2.5	2.0	0.5	25.0%	1.3	1.1	17.8%
Selling and distribution expenses	(11.1)	(11.9)	0.8	-6.4%	(5.6)	(6.2)	-8.9%
Administrative expenses	(13.1)	(14.3)	1.2	-8.4%	(6.8)	(8.2)	-17.3%
Research and development expenses	(4.6)	(3.5)	(1.0)	29.0%	(2.2)	(1.8)	21.5%
Other expenses	(0.8)	(0.6)	(0.2)	34.2%	(0.7)	(0.3)	103.4%
+ Depreciation, amortization and impairment	9.6	8.2	1.4	16.5%	4.8	4.2	13.7%
adjusted EBITDA	19.3	29.0	(9.7)	-33.6%	8.1	15.2	-47.0%
<i>adjusted EBITDA margin</i>	11.8%	14.8%	-3.1%		9.9%	14.7%	
- Depreciation, amortization and impairment	(9.6)	(8.2)	(1.4)	16.5%	(4.8)	(4.2)	13.7%
adjusted EBIT	9.7	20.8	(11.1)	-53.5%	3.2	11.0	-70.4%
Financial income	0.2	0.2	(0.0)	-11.7%	0.1	0.2	-53.8%
Financial expenses	(3.6)	(3.9)	0.4	-9.2%	(1.9)	(1.9)	-4.1%
Result from associated companies	0.1	0.1	(0.1)	-45.6%	0.1	0.1	-45.6%
Net finance costs	(3.3)	(3.5)	0.3	-7.7%	(1.7)	(1.7)	4.1%
adjusted Profit (Loss) before tax	6.4	17.2	(10.8)	-62.9%	1.5	9.3	-83.7%
Special items	(2.6)	(2.4)	(0.2)	7.9%	(1.1)	(1.0)	5.2%
Profit (Loss) before tax	3.8	14.9	(11.0)	-74.2%	0.4	8.2	-95.0%
Income tax expense	(1.4)	(3.7)	2.3	-63.1%	(0.5)	(2.2)	-77.8%
Profit (Loss)	2.5	11.2	(8.7)	-77.9%	(0.1)	6.0	-101.4%

Revenues by solution category in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Identity & Payment Solutions	87.9	122.1	(34.1)	-28.0%
Document Lifecycle Management	60.6	57.6	2.9	5.1%
Digital Technologies	15.1	15.7	(0.6)	-3.5%
Total	163.6	195.4	(31.8)	-16.3%

In the first half of 2025 (H1 2025), AUSTRIACARD HOLDINGS Group revenues reached € 163.6m decreasing by € -31.8m or -16.3% compared to the same period in 2024. This reduction is primarily attributed to the decline of the Turkish payment card market, which has slowed down significantly following several years of exceptional growth, resulting in a revenue decrease of € -23.4m. Moreover, a temporary moderation vs. last year's significant contribution of (metal) card sales to Fintech in Europe, resulted in a revenue reduction of € -14.1m in H1 2025. This reduction was partially compensated by higher revenues from chip module sales (€ +2.6m) and distribution services (€ +2.4m).

As a result, revenues from Identity & Payment Solutions declined by € -34.1m or -28.0% while the Document Lifecycle Management segment increased by € 2.9m or 5.1%, mainly due to higher revenues from distribution services (€ +2.5m) in the Romanian market. Revenues from Digital Technologies decreased slightly by € -0.6m or -3.5% due to the base effect in 2024 from a number of private sector digital solutions implementations in Romania as well as to administrative-related delays in certain contracted, large-scale, public sector digitalization projects in Greece.

Revenues by Segments in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Western Europe, Nordics, Americas (WEST)	54.7	64.9	(10.2)	-15.7%
Central Eastern Europe & DACH (CEE)	104.0	121.6	(17.6)	-14.5%
Türkiye / Middle East and Africa (MEA)	16.3	40.8	(24.5)	-60.0%
<i>Eliminations & Corporate</i>	(11.3)	(31.9)	20.6	-64.5%
Total	163.6	195.4	(31.8)	-16.3%

From a geographical segment perspective, the reduction in revenues adversely impacted all segments, with the most significant impact coming from the Türkiye / Middle East and Africa (MEA) segment. Revenues in the MEA segment declined by € -24.5m or -60.0%, on account of the lower revenues from the Turkish payment card market. This reduction is attributed to the current economic uncertainty and high interest rates in Türkiye as well as to the high level of prepaid customer stock following several years of exceptional growth. This adversely impacted as well the Central Eastern Europe & DACH (CEE) segment revenues, due to the decrease in the inter-segment deliveries of payment cards to the Turkish market by € -19.3m. As a result, total revenues in the CEE segment declined by € -17.6m or -14.5%, at € 104.0m. Revenues in Western Europe, Nordics and Americas (WEST) declined by € -10.2m or -15.7%, at € 54.7m, largely due to a temporary moderation vs. last year's significant contribution of metal card sales to Fintech in Europe.

Eliminations & Corporate reduced by € -20.6m from € -31.9m to € -11.3m, reflecting the lower intra-segment card deliveries between the CEE and MEA segments.

Gross Profit I of € 76.9m in H1 2025, a reduction of € -11.4m or -12.9% compared to H1 2024, largely on account of the revenue decrease. However, Gross Margin I improved from 45.2% to 47.0%, reflecting the reduction of metal card sales and increased contribution from service-related revenues, which are not burdened by the associated Costs of Material and Mailing.

Gross Profit II decreased by € -12.3m or -25.1% to € 36.8m, largely on account of the reduction to Gross Profit I and the higher depreciation charges included in Production costs. Hence, Gross Margin II narrowed by 2.7 percentage points to 22.5%.

Operating expenses (OPEX) in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Production costs	(40.1)	(39.1)	(1.0)	2.4%
Selling and distribution expenses	(11.1)	(11.9)	0.8	-6.4%
Administrative expenses	(13.1)	(14.3)	1.2	-8.4%
Research and development expenses	(4.6)	(3.5)	(1.0)	29.0%
+ Depreciation, amortization and impairment	9.6	8.2	1.4	16.5%
Total	(59.3)	(60.6)	1.3	-2.2%
<i>Operating expenses as a percentage of Sales</i>	36.2%	31.0%	5.2%	

Operating expenses (OPEX), excluding depreciation, amortization and impairment, decreased by € 1.3m or 2.2% to € 59.3m in H1 2025.

Production costs increased by € 1.0m to € 40.1m, primarily due to higher depreciation and amortization charges. Selling and distribution expenses decreased by € 0.8m to € 11.1m, thanks to lower personnel and transportation costs. Administrative expenses of € 13.1m, declined by € 1.2m or 8.4% compared to H1 2024, thanks to savings in personnel and third-party expenses. Research and Development (R&D) expenses increased by 1.0m to € 4.6m, reflecting our continued investment in R&D capabilities to support future business growth.

As a percentage of revenues, OPEX increased by 5.2 percentage points to 36.2% due to the reduction in revenues. Adjusted EBITDA decreased by € -9.7m or -33.6%, to € 19.3m, largely due to the reduction in revenue. The adjusted EBITDA margin contracted by 3.1 percentage points to 11.8% due to lower economies of scale related to the reduction in revenues.

Adjusted EBIT of € 9.7m, down by € -11.1m or -53.5% compared to H1 2024, as a result of the lower EBITDA and the higher depreciation and amortization expenses (€ +1.4m or 16.5% compared to H1 2024) associated to prior-year investments and M&A activity.

Adjusted Profit before tax of € 6.4m, decreasing slightly less than EBIT in absolute terms by € -10.8m or -62.9% thanks to lower interest costs.

Special items in € million	included in	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Management participation programs	EBITDA	(1.6)	(2.1)	0.5	-23.7%
Foreign exchange losses	Profit before tax	(0.7)	(0.0)	(0.7)	n/a
IAS 29 Hyperinflation	Profit before tax	(0.3)	(0.3)	0.0	-6.2%
Total		(2.6)	(2.4)	(0.2)	7.9%

Special Items amounted to € 2.6m expenses, marginally higher by € +0.2m compared to H1 2024, as lower charges for management participation programs were more than offset by foreign exchange losses, mainly related to US dollar intra-group receivables.

In H1 2025, corporate income tax expenses decreased by € 2.3m to € 1.4m, resulting in an effective tax rate based on adjusted Profit before tax (excluding non-deductible SOP expenses) of 21.3% compared to 21.5% H1 2024.

Profit after tax declined by € -8.7m or -77.9% to € 2.5m in H1 2025, adversely impacted by declining operating profitability in H1 2025. The Profit after tax margin narrowed to 1.5% from 5.7% in H1 2024.

1.2. Financial position

Statement of financial position in € million	30/06/2025	31/12/2024	D '25-'24	D '25-'24 %
Non-current assets	159.8	165.2	(5.4)	-3.3%
Current assets	156.1	166.4	(10.3)	-6.2%
Total assets	315.9	331.6	(15.7)	-4.7%
Total Equity	121.6	124.8	(3.3)	-2.6%
Non-current liabilities	112.1	117.3	(5.2)	-4.4%
Current Liabilities	82.2	89.5	(7.2)	-8.1%
Total Equity and Liabilities	315.9	331.6	(15.7)	-4.7%

Total assets decreased by € -15.7m from € 331.6m as of 31 December 2024 to € 315.9m as of 30 June 2025, on account of the decrease in current assets (€ -10.3m) and lower current liabilities (€ -7.2m). Non-current assets and non-current liabilities decreased by € -5.4m and € -5.2m respectively.

The decrease in non-current assets mainly relates to the depreciation & amortization being partially offset by investments into plant and equipment and software. The decrease in current assets relates to lower trade receivables (€ -7.9m) and a reduction of cash and cash equivalents (€ -5.0). The latter is attributed to a more effective group-wide cash concentration enabling the reduction of cash by temporary repayment of revolving loan facilities.

Non-current liabilities decreased by € -5.2m to € 112.1m in H1 2025 as a result of a reduction of loans and borrowings. In the same period current liabilities decreased by € -7.2m, mainly due to a decrease in trade payables by € -13.4m which was partially offset by increased contract liabilities (€ +3.3m) and other payables (€ +3.2m). The increase in other payables relates to dividends to owners of the company which were paid in early July 2025.

Total equity decreased by € -3.3m to € 121.6m as a result of profit of the period amounting to € +2.5m and the positive equity entry related to a management participation plan of € +1.5m, which were more than offset by the resolved dividend of € -3.9m and negative effects from foreign exchange translation of € -0.7m. The equity ratio of AUSTRIACARD HOLDINGS Group improved from 37.6% on 31 December 2024 to 38.5% on 30 June 2025 due to the reduction in Total assets.

Net Working Capital in € million	30/06/2025	31/12/2024	D '25-'24	D '25-'24 %
Inventories	68.4	72.8	(4.4)	-6.0%
Contract assets	20.8	15.0	5.9	39.3%
Current income tax assets	1.6	0.5	1.1	201.3%
Trade receivables	37.4	45.3	(7.9)	-17.5%
Other receivables	11.2	11.1	0.1	1.1%
	139.4	144.6	(5.3)	-3.6%
Current income tax liabilities	(3.6)	(3.6)	(0.0)	0.8%
Trade payables	(30.4)	(43.8)	13.4	-30.6%
Other payables	(20.1)	(17.0)	(3.2)	18.6%
Contract liabilities	(10.5)	(7.2)	(3.3)	45.7%
Deferred income	(1.4)	(1.8)	0.3	-18.5%
	(66.1)	(73.4)	7.2	-9.9%
Net Working Capital	73.2	71.3	2.0	2.8%

Net Working Capital increased by € 2.0m or 2.8%, from € 71.3m on 31 December 2024 to € 73.2m on 30 June 2025, mainly as a result of the decrease in trade payables, which was partially offset by lower trade receivables and higher contract liabilities and other payables. As a percentage of revenues (12-month rolling), Net Working Capital increased from 18.2% per 31 December 2024 to 20.3% per 30 June 2025, mainly due to the reduction in revenues.

Statement of cash flows in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Cash flows from operating activities	10.4	8.3	2.1	25.9%
Cash flows from investing activities	(5.5)	(10.3)	4.8	-46.6%
Cash flows from financing activities	(9.2)	(0.9)	(8.3)	946.8%
Net increase (decrease) in cash and cash equivalents	(4.3)	(2.9)	(1.4)	47.1%
Capital expenditure incl. ROU, excl. M&A (CAPEX)	(7.9)	(11.8)	3.9	-33.3%

Despite the reduction in the operating result, Cash flow from operating activities increased by € +2.1m to € 10.4m, thanks to a much lower working capital build up in H1 2025 compared to H1 2024.

The Cash flow from investing activities resulted in a net outflow of € -5.5m compared to € -10.3m in H1 2024. This reduction is mainly related to lower investments in property, plant and equipment and software (€ +2.7m), M&A activity in 2024 (€ +1.3m) and the sale of a building not used in production (€ +1.0m) in Greece. Investments in plant and equipment amounted to € 4.7m (2024: € 6.9m), of which € 2.2m related to investments in additional machinery for implementing large scale security printing projects in MEA. Investments in payment chip operating systems, Card-as-a-service offering and digitalization solutions amounted to € 2.1m (2024: € 2.5m).

Cash flow from financing activities resulted in a net outflow of € -9.2m compared to € -0.9m in H1 2024. This outflow primarily relates to interest (€ -3.6m) and lease payments (€ -2.1m) as well as to net repayments of loans and borrowings (€ -2.8m).

Net Debt in € million	30/06/2025	31/12/2024	D '25-'24	D '25-'24 %
Cash and cash equivalents	(16.7)	(21.7)	5.0	-23.1%
Loans and borrowings	112.8	117.4	(4.5)	-3.9%
Net Debt	96.1	95.6	0.5	0.5%

Net Debt of € 96.1m on 30 June 2025 remained almost unchanged compared to € 95.6m as of 31 December 2024. Net Debt / Adjusted EBITDA (rolling 12 months) increased to 2.1x (2024: 1.9x).

1.3. Financial and non-financial performance indicators

Financial performance indicators in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Revenue	163.6	195.4	(31.8)	-16.3%
Gross profit I	76.9	88.2	(11.4)	-12.9%
Gross profit I margin	47.0%	45.2%	1.8%	n/a
Gross profit II	36.8	49.1	(12.3)	-25.1%
Gross profit II margin	22.5%	25.1%	-2.7%	n/a
Total OPEX excluding depreciation	(59.3)	(60.6)	1.3	-2.2%
Total OPEX excluding depreciation as % on sales	-36.2%	-31.0%	-5.2%	n/a
adjusted EBITDA	19.3	29.0	(9.7)	-33.6%
adjusted EBITDA margin	11.8%	14.8%	-3.1%	n/a
adjusted EBIT	9.7	20.8	(11.1)	-53.5%
adjusted EBIT margin	5.9%	10.6%	-4.7%	n/a
adjusted Profit before tax	6.4	17.2	(10.8)	-62.9%
adjusted Profit before tax margin	3.9%	8.8%	-4.9%	n/a
adjusted Profit after tax	5.0	13.5	(8.5)	-62.9%
adjusted Profit after tax margin	3.1%	6.9%	-3.9%	n/a
Profit after Tax	2.5	11.2	(8.7)	-77.9%
Profit after Tax margin	1.5%	5.7%	-4.2%	n/a
Operating Cash Flow	10.4	8.3	2.1	25.9%
Operating Cash Flow as % on sales	6.4%	4.2%	2.1%	n/a
Net Equity / Total Assets (30 June vs. 31 December)	38.5%	37.6%	0.8%	n/a
Net Working Capital as of 30 June	73.2	74.1	(0.9)	-1.2%
Net Working Capital as % on revenues (12 months)	20.3%	19.6%	0.7%	n/a
Net Debt as of 30 June	96.1	103.3	(7.2)	-7.0%
Net Debt / adjusted EBITDA (12 months)	2.1	1.9	0.2	n/a

Non-financial performance indicators	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Number of sold cards (in million)	55.7	80.1	(24.4)	-30.5%
Average number of employees in Full-time equivalents	2,115	2,384	(269)	-11.3%
Number of employees in Headcount as of 30 June	2,379	2,657	(278)	-10.5%

1.4. Report on segments

1.4.1. Western Europe, Nordics, Americas (WEST)

Business performance in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Revenues	54.7	64.9	(10.2)	-15.7%
Costs of material & mailing	(29.5)	(35.9)	6.4	-17.9%
Gross profit I	25.2	28.9	(3.8)	-13.0%
<i>Gross margin I</i>	<i>46.0%</i>	<i>44.6%</i>	<i>1.4%</i>	
Production costs	(12.0)	(11.3)	(0.6)	5.6%
Gross profit II	13.2	17.6	(4.4)	-25.0%
<i>Gross margin II</i>	<i>24.1%</i>	<i>27.1%</i>	<i>-3.0%</i>	
Other income	0.0	0.1	(0.0)	-50.8%
Selling and distribution expenses	(4.1)	(4.4)	0.3	-7.5%
Administrative expenses	(4.0)	(4.3)	0.3	-7.3%
Research and development expenses	(0.3)	(0.5)	0.2	-39.4%
Other expenses	(0.1)	(0.0)	(0.0)	88.0%
+ Depreciation, amortization & impairment	3.4	3.0	0.3	11.2%
adjusted EBITDA	8.2	11.5	(3.3)	-28.7%
<i>adjusted EBITDA margin</i>	<i>15.0%</i>	<i>17.7%</i>	<i>-2.7%</i>	
- Depreciation, amortization & impairment	(3.4)	(3.0)	(0.3)	11.2%
adjusted EBIT	4.8	8.5	(3.6)	-43.0%

The Western Europe, Nordics, and Americas (WEST) segment reported revenues of € 54.7m in H1 2025, lower by € -10.2m or -15.7% compared to H1 2024. The decline is primarily attributed to lower sales of metal and regular payment cards (€ -12.7m) and personalization services (€ -1.2m) which were partially offset by higher revenues from chip module (€ +1.3m) and distribution services (€ +1.9m).

Gross Profit I decreased by € -3.8m or -13.0% to € 25.2m due to the reduction in revenues. Gross Margin I improved by 1.4 percentage points to 46.0%, reflecting the reduction in metal card sales, which typically carry higher material costs.

Gross Profit II decreased by € -4.4m or -25.0% to € 13.2m as a result of reduced revenues while production costs increased by € +0.6m due to higher depreciation and amortization expenses (€ +0.4m). Gross Margin II thus narrowed by 3.0 percentage points to 24.1%.

Operating expenses excl. D, A & I (OPEX) in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Production costs	(12.0)	(11.3)	(0.6)	5.6%
Selling and distribution expenses	(4.1)	(4.4)	0.3	-7.5%
Administrative expenses	(4.0)	(4.3)	0.3	-7.3%
Research and development expenses	(0.3)	(0.5)	0.2	-39.4%
+ Depreciation, amortization & impairment	3.4	3.0	0.3	11.2%
Total	(16.9)	(17.5)	0.5	-3.1%
Operating expenses as a percentage of revenues	31.0%	26.9%	4.0%	

Operating expenses (OPEX), excluding depreciation, amortization and impairment, decreased by € -0.5m to € 16.9m in H1 2025 as a result of achieved savings in personnel and transportation costs. As a percentage of revenues, OPEX increased from 26.9% to 31.0% due to the revenue reduction.

Adjusted EBITDA of € 8.2m, a decline of € -3.3m or -28.7%, due to the reduction in revenues. Adjusted EBIT decreased by € -3.6m or -43.0% to € 4.8m as a result of the weaker operating performance.

1.4.2. Central Eastern Europe & DACH (CEE)

Business performance in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Revenues	104.0	121.6	(17.6)	-14.5%
Costs of material & mailing	(56.2)	(67.8)	11.6	-17.1%
Gross profit I	47.7	53.8	(6.0)	-11.2%
<i>Gross margin I</i>	<i>45.9%</i>	<i>44.2%</i>	<i>1.7%</i>	
Production costs	(25.1)	(25.2)	0.1	-0.2%
Gross profit II	22.6	28.6	(6.0)	-21.0%
<i>Gross margin II</i>	<i>21.7%</i>	<i>23.5%</i>	<i>-1.8%</i>	
Other income	2.4	1.9	0.5	24.6%
Selling and distribution expenses	(6.3)	(6.6)	0.3	-4.8%
Administrative expenses	(8.3)	(9.2)	1.0	-10.5%
Research and development expenses	(3.9)	(2.9)	(0.9)	32.0%
Other expenses	(0.7)	(0.5)	(0.2)	41.5%
+ Depreciation, amortization and impairment	5.8	5.0	0.8	16.6%
adjusted EBITDA	11.6	16.2	(4.6)	-28.2%
<i>adjusted EBITDA margin</i>	<i>11.2%</i>	<i>13.3%</i>	<i>-2.1%</i>	
- Depreciation, amortization and impairment	(5.8)	(5.0)	(0.8)	16.6%
adjusted EBIT	5.8	11.2	(5.4)	-48.1%

The Central Eastern Europe & DACH (CEE) segment reported revenues of € 104.0m in H1 2025, a reduction of € -17.6m or -14.5% compared to H1 2024. This decrease is primarily associated to the reduction in inter-segment payment card deliveries to the Turkish market (€ -19.3m) which was only marginally compensated by an increase in chip module sales (€ +1.5m).

Gross Profit I decreased by € -6.0m or -11.2% to €22.6m, on account of the reduction in revenues. Gross Margin I improved to 45.9%, reflecting a higher share of service-related revenues without associated Costs of material and mailing.

Gross Profit II decreased in line with Gross Profit I, a reduction of € -6.0m or -21.0% to € 22.6m, since Production costs were maintained at the same level vs. H1 2024. Gross Margin II narrowed by 1.8 percentage to 21.7%.

Operating expenses excl. D, A & I (OPEX) in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Production costs	(25.1)	(25.2)	0.1	-0.2%
Selling and distribution expenses	(6.3)	(6.6)	0.3	-4.8%
Administrative expenses	(8.3)	(9.2)	1.0	-10.5%
Research and development expenses	(3.9)	(2.9)	(0.9)	32.0%
+ Depreciation, amortization and impairment	5.8	5.0	0.8	16.6%
Total	(37.8)	(39.0)	1.2	-3.1%
Operating expenses as a percentage of revenues	36.3%	32.1%	4.3%	

Operating expenses (OPEX), excluding depreciation, amortization and impairment, decreased by € -1.2m or -3.1% to € 37.8m in H1 2025, mainly thanks to savings in personnel expenses in the Production, Selling and Admin functions which more than offset higher costs related to our continued investments in research and development. As a percentage of revenues, OPEX increased from 32.1% to 36.3% due to the reduction in revenues.

Adjusted EBITDA decreased by € -4.6m or -28.2% to € 11.6m as a result of the reduction in Gross profit I, which was only partially compensated by savings in OPEX. Adjusted EBIT decreased by € -5.4m or -48.1% to € 5.8m as a result of the reduction in EBITDA and higher depreciation & amortization.

1.4.3. Türkiye / Middle East and Africa (MEA)

Business performance in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Revenues	16.3	40.8	(24.5)	-60.0%
Costs of material & mailing	(11.7)	(33.7)	22.0	-65.4%
Gross profit I	4.7	7.2	(2.5)	-35.1%
<i>Gross margin I</i>	<i>28.5%</i>	<i>17.6%</i>	<i>11.0%</i>	
Production costs	(3.0)	(2.6)	(0.4)	14.0%
Gross profit II	1.7	4.5	(2.9)	-63.6%
<i>Gross margin II</i>	<i>10.1%</i>	<i>11.1%</i>	<i>-1.0%</i>	
Other income	0.0	0.0	(0.0)	-100.0%
Selling and distribution expenses	(0.7)	(0.8)	0.1	-14.3%
Administrative expenses	(0.5)	(0.5)	(0.1)	11.5%
Research and development expenses	(0.3)	0.0	(0.3)	n/a
Other expenses	(0.0)	(0.0)	0.0	-69.1%
+ Depreciation, amortization and impairment	0.4	0.2	0.2	86.7%
adjusted EBITDA	0.5	3.5	(3.0)	-85.6%
<i>adjusted EBITDA margin</i>	<i>3.1%</i>	<i>8.5%</i>	<i>-5.5%</i>	
- Depreciation, amortization and impairment	(0.4)	(0.2)	(0.2)	86.7%
adjusted EBIT	0.1	3.3	(3.2)	-96.5%

The Türkiye, Middle East, and Africa (MEA) segment reported revenues of € 16.3m in H1 2025, a decline of € -24.5m or -60.0% compared to H1 2024. This decline is primarily attributed to significantly lower sales of payment cards and personalization services in the Turkish market, amid current economic uncertainty, higher interest rates in Türkiye as well as high levels of prepaid customer stock following several years of exceptional growth.

Gross Profit I declined by € -2.5m to € 4.7m, reflecting the impact of reduced revenues. Gross Margin I improved from 17.6% to 28.5% thanks to a significantly improved sales mix.

Gross Profit II decreased by € -2.9m or -63.6% to € 1.7m, due to the lower Gross profit I and higher Production costs (€ 0.4m). The latter was mainly due to higher depreciation and amortization charges (€ +0.2m). Gross Margin II narrowed by 1.0 percentage point to 10.1%.

Operating expenses excl. D, A & I (OPEX) in € million	H1 2025	H1 2024	D '25-'24	D '25-'24 %
Production costs	(3.0)	(2.6)	(0.4)	14.0%
Selling and distribution expenses	(0.7)	(0.8)	0.1	-14.3%
Administrative expenses	(0.5)	(0.5)	(0.1)	11.5%
Research and development expenses	(0.3)	0.0	(0.3)	0.0%
+ Depreciation, amortization and impairment	0.4	0.2	0.2	86.7%
Total	(4.1)	(3.7)	(0.5)	13.1%
Operating expenses as a percentage of revenues	25.4%	9.0%	16.4%	

Operating expenses (OPEX), excluding depreciation, amortization and impairment, increased by € +0.5m or +13.1% to € 4.1m in H1 2025. This increase is primarily attributed to the investment in the development of ID & Government solutions, which resulted in higher Research & Development (R&D) expenses (€ +0.3m). As a percentage of revenues, OPEX increased significantly from 9.0% to 25.4%, mainly due to the decline in revenues.

Adjusted EBITDA decreased by € -3.0m or -85.6% to € 0.5m due to the reduction in Gross profit I and higher OPEX. Adjusted EBIT declined by € -3.2m or -96.5% due to the weak operating performance.

2. SIGNIFICANT RISKS AND FUTURE DEVELOPMENT

There were no material differences in the categories of risk exposure in the course of the first half of the financial year 2025 and we do not foresee any material differences with regards to risk exposure and future development for the second half of 2025 compared with those described in detail in section 4, "FUTURE DEVELOPMENT AND RISKS", of the group management report of the 2024 consolidated financial statements.

Vienna, 28 August 2025

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

B) CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Consolidated statement of financial position

in € thousand		30 June 2025	31 December 2024
Assets			
Property, plant and equipment and right of use assets		97,475	100,545
Intangible assets and goodwill		57,092	59,555
Equity-accounted investees		423	395
Other receivables		1,207	1,259
Deferred tax assets		3,638	3,474
Non-current assets		159,836	165,227
Inventories		68,420	72,795
Contract assets		20,825	14,952
Current income tax assets		1,577	523
Trade receivables		37,353	45,297
Other receivables		11,187	11,061
Cash and cash equivalents		16,726	21,737
Current assets		156,086	166,366
Total assets		315,922	331,593
Equity			
Share capital		36,354	36,354
Share premium		32,749	32,749
Own shares	9	(2,584)	(2,064)
Other reserves	9	17,898	19,856
Retained earnings	9	33,801	37,385
Equity attributable to owners of the Company		118,218	124,281
Non-controlling interests	9	3,336	524
Total Equity		121,553	124,805
Liabilities			
Loans and borrowings	10	96,702	101,261
Employee benefits		3,819	4,005
Other payables		1,785	1,726
Deferred tax liabilities		9,826	10,336
Non-current liabilities		112,132	117,328
Current tax liabilities		3,644	3,615
Loans and borrowings	10	16,123	16,097
Trade payables		30,407	43,807
Other payables		20,148	16,985
Contract liabilities		10,473	7,188
Deferred income		1,442	1,769
Current Liabilities		82,237	89,460
Total Liabilities		194,369	206,788
Total Equity and Liabilities		315,922	331,593

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

Consolidated income statement

in € thousand	Note	H1 2025	H1 2024	Q2 2025	Q2 2024
Revenues	5	163,621	195,374	81,055	103,609
Cost of sales		(126,854)	(146,278)	(63,821)	(77,238)
Gross profit		36,766	49,096	17,234	26,371
Other income	6	2,482	1,985	1,290	1,093
Selling and distribution expenses	6	(11,087)	(11,851)	(5,618)	(6,164)
Administrative expenses	6	(14,682)	(16,372)	(7,551)	(9,049)
Research and development expenses	6	(4,563)	(3,539)	(2,243)	(1,846)
Other expenses	6	(834)	(620)	(654)	(321)
+ Depreciation, amortization and impairment		9,587	8,228	4,814	4,233
EBITDA		17,671	26,928	7,272	14,317
- Depreciation, amortization and impairment		(9,587)	(8,228)	(4,814)	(4,233)
EBIT		8,083	18,700	2,458	10,084
Financial income	7	224	248	82	74
Financial expenses	7	(4,545)	(4,224)	(2,197)	(2,038)
Result from associated companies		70	129	70	129
Net finance costs		(4,251)	(3,846)	(2,045)	(1,835)
Profit (Loss) before tax		3,833	14,854	413	8,248
Income tax expense		(1,357)	(3,674)	(497)	(2,244)
Profit (Loss)		2,476	11,180	(84)	6,005
Profit (Loss) attributable to:					
Owners of the Company		1,361	10,633	(628)	5,555
Non-controlling interests		1,114	546	544	450
Profit (Loss)		2,476	11,180	(84)	6,005
Earnings (loss) per share					
basic	8	0.04	0.29	(0.02)	0.15
diluted	8	0.04	0.27	(0.02)	0.14

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

Consolidated statement of comprehensive income

in € thousand	H1 2025	H1 2024	Q2 2025	Q2 2024
Profit (Loss)	2,476	11,180	(84)	6,005
Other comprehensive income				
Items that will never be reclassified to profit or loss	0	0	0	0
	0	0	0	0
Items that are or may be reclassified to profit or loss				
Cash flow hedges	(271)	234	(240)	55
Related tax	62	(54)	55	(13)
Foreign currency translation differences	(2,719)	434	(2,419)	630
	(2,927)	614	(2,604)	673
Other comprehensive income, net of tax	(2,927)	614	(2,604)	673
Total comprehensive income	(451)	11,794	(2,688)	6,677
Total comprehensive income attributable to:				
Owners of the Company	(1,560)	11,288	(3,227)	6,242
Non-controlling interests	1,109	505	538	436
	(451)	11,794	(2,688)	6,677

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

Consolidated statement of changes in equity

in € thousand	For the period 01/01 – 30/06/2025											
	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	Non-controlling interests	Total equity
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)	-	-	-	-	-	-	-	-	1,361	1,361	1,114	2,476
Other comprehensive income	-	-	-	(2,713)	-	-	(208)	-	-	(2,921)	(6)	(2,927)
Total comprehensive income	0	0	0	(2,713)	0	0	(208)	0	1,361	(1,560)	1,109	(451)
Own Shares	-	-	(520)	-	-	-	-	-	-	(520)	-	(520)
Dividend distribution	-	-	-	-	-	-	-	-	(3,950)	(3,950)	10	(3,940)
Effect hyperinflation IAS 29	-	-	-	-	-	-	-	-	346	346	-	346
Management participation program	-	-	-	-	-	-	-	1,470	-	1,470	-	1,470
Transfer of revaluation reserve	-	-	-	-	(559)	-	-	-	559	0	-	0
Acquisition of non-controlling interests without loss of control	-	-	-	52	-	-	-	-	(1,901)	(1,849)	1,693	(156)
Balance at 30 June 2025	36,354	32,749	(2,584)	(9,644)	14,289	(592)	59	13,787	33,801	118,218	3,336	121,553

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

	For the period 01/01 – 30/06/2024											
	Attributable to owners of the Company											
in € thousand	Share capital	Share premium	Own shares	Translation reserve	Revaluation reserve	IAS 19 reserve	Cash flow hedge reserve	Reserve for share-based payments	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2024	36,354	32,749	0	(7,860)	14,491	(519)	1,187	10,004	19,995	106,401	753	107,154
Profit (Loss)	-	-	-	-	-	-	-	-	10,633	10,633	546	11,180
Other comprehensive income	-	-	-	475	-	-	180	-	-	655	(41)	614
Total comprehensive income	0	0	0	475	0	0	180	0	10,633	11,288	505	11,794
Own Shares	-	-	(498)	-	-	-	-	-	-	(498)	-	(498)
Effect hyperinflation IAS 29	-	-	-	-	-	-	-	-	470	470	-	470
Management participation program	-	-	-	-	-	-	-	1,930	-	1,930	-	1,930
Reclassification of cancelled share-based payments	-	-	-	-	-	-	-	(1,097)	1,097	0	-	0
Acquisition of non-controlling interests without loss of control	-	-	-	-	-	-	-	-	(19)	(19)	18	(1)
Balance at 30 June 2024	36,354	32,749	(498)	(7,385)	14,491	(519)	1,368	10,837	32,177	119,573	1,276	120,849

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

Condensed consolidated statement of cash flows

in € thousand	Note	H1 2025	H1 2024
Cash flows from operating activities			
Profit (Loss) before tax		3,833	14,854
Adjustments for:			
-Depreciation, amortization and impairment		9,587	8,228
-Net finance costs	7	4,251	3,846
-Other non-cash transactions		187	1,110
		17,858	28,039
Changes in:			
-Inventories		4,375	(11,457)
-Contract assets		(5,873)	1,507
-Trade receivables and other receivables		7,818	(3,200)
-Contract liabilities		3,285	(6,591)
-Trade payables and other payables		(14,079)	2,218
-Taxes paid		(2,994)	(2,262)
Net cash from (used in) operating activities		10,391	8,255
Cash flows from investment activities			
Interest received		219	248
Acquisition of subsidiary, net of cash acquired		0	(1,297)
Proceeds from sale of property, plant and equipment	9	995	0
Dividends received from associated companies		42	0
Payments for acquisition of property, plant and equipment & intangible assets		(6,756)	(9,242)
Net cash from (used in) investing activities		(5,500)	(10,291)
Cash flows from financing activities			
Interest paid		(3,565)	(3,511)
Proceeds from loans and borrowings		5,420	10,561
Repayment of borrowings		(8,222)	(6,103)
Payment of lease liabilities		(2,143)	(1,824)
Acquisition of own shares	9	(520)	0
Dividends paid to non-controlling interest		10	0
Acquisition of non-controlling interests	3, 9	(156)	0
Net cash from (used in) financing activities		(9,176)	(877)
Net increase (decrease) in cash and cash equivalents		(4,285)	(2,913)
Cash and cash equivalents at 1 January		21,737	23,825
Effect of movements in exchange rates on cash held		(727)	(26)
Cash and cash equivalents at 30 June		16,726	20,886

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

Selected explanatory notes to the condensed consolidated interim 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 condensed consolidated interim financial statements (hereinafter "financial statements") have been prepared by Management in accordance with IAS 34 (Interim Financial Reporting). The interim report was prepared on the basis of the historical cost principle, which was modified by adjusting certain assets and liabilities to fair values. These financial statements are presented in euro, which is the functional currency of the Company.

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

Material assumptions and estimates made for the 2024 consolidated financial statements as well as accounting policies as of 31.12.2024 are applied consistently. Exceptions are new or amended IFRSs, which are mandatory from 1 January 2025. The interim report should therefore be read together with the consolidated financial statements as of 31.12.2024.

These condensed consolidated interim financial statements were neither subject to a complete audit nor to an audit review by an auditor.

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 expected on consolidated financial statements
IAS 21	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	01/01/2025	No

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

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 9 and IFRS 7	Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	01/01/2026	No
IFRS 9 and IFRS 7	Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	01/01/2026	No
diverse	Annual Improvements Volume 11	01/01/2026	No
IFRS 18	Presentation and Disclosure in Financial Statements	01/01/2027	Yes
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01/01/2027	No

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

On April 9, 2024, the International Accounting Standard Board (IASB) published the new accounting standard IFRS 18 - Presentation and Disclosure in Financial Statements. IFRS 18 will replace the previous standard IAS 1 - Presentation of Financial Statements. It is intended to improve the presentation of financial information and make financial statements more transparent and easier to compare. Companies need to apply IFRS 18 for financial years beginning on or after January 1, 2027 - with a corresponding retrospective adjustment of the comparative period.

IFRS 18 introduces a new structure for the income statement with mandatory subtotals. IFRS 18 also requires additional disclosures in the notes, one of which relates to management-defined performance measures (MPMs). These are performance measures communicated publicly by management outside the consolidated financial statements that are not specified by IFRS accounting standards. IFRS 18 therefore brings significant changes for all companies, the potential impacts on AUSTRIACARD HOLDINGS AG are currently under investigation.

IAS 29 Financial Reporting in hyperinflationary economies

IAS 29 is applied for a subsidiary in Türkiye, as the cumulative three-year inflation rate has led to Turkey's classification as a hyperinflationary country within the meaning of IAS 29. 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 30.6.2025. 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 30.6.2025 was 3,132.17. The change in the index in fiscal year 2025 and 2024 can be found in the following table:

Date	Index CPI 2003 H1 2025	Monthly change 2025	Index CPI 2003 H1 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%

3. Consolidation range

The consolidated financial statements include all significant domestic and foreign companies in which AUSTRIACARD directly or indirectly holds a majority of the voting rights.

In the first six months of 2025 the group of consolidated companies did not change compared to 31 December 2024:

	30/06/2025	31/12/2024
As of beginning of the period – fully consolidated	24	22
Disposal because of final consolidation	0	(1)
Addition because of acquisition	0	3
As of end of the period – fully consolidated	24	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	25	25
<i>Not consolidated</i>	<i>1</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 30 June 2025.

Since May 2024 Tag Nitecrest Ltd, which is in liquidation, is not consolidated anymore due to immateriality.

Performance of the period

4. 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 below.

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 board level.

ii. Intersegment transactions

Transactions between the segments involve mainly the sale of goods and provision of services and are eliminated in the column "Eliminations". Intragroup transactions between the segments generally reflect ordinary market conditions.

iii. Information about reportable segments

Information related to each reportable segment is set out below. Segment adjusted EBITDA is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments.

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

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

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

Reportable Segments
1-6 2025

in € thousand

	WEST	CEE	MEA	Corporate	Eliminations	Total
Revenues	52,930	100,406	16,309	941	(6,965)	163,621
Intersegment revenues	1,754	3,553	5	935	(6,247)	0
Segment revenues	54,684	103,959	16,314	1,876	(13,213)	163,621
Costs of material & mailing	(29,526)	(56,230)	(11,663)	0	10,652	(86,767)
Gross profit I	25,158	47,729	4,652	1,876	(2,561)	76,854
Production costs	(11,959)	(25,131)	(2,998)	0	0	(40,088)
Gross profit II	13,199	22,598	1,654	1,876	(2,561)	36,766
Other income	38	2,393	0	49	0	2,480
Selling and distribution expenses	(4,085)	(6,326)	(675)	0	0	(11,087)
Administrative expenses	(3,956)	(8,253)	(505)	(2,941)	2,552	(13,103)
Research and development expenses	(300)	(3,884)	(350)	(29)	0	(4,563)
Other expenses	(66)	(727)	(10)	(37)	9	(831)
+ Depreciation, amortization and impairment	3,364	5,823	385	15	0	9,587
adjusted EBITDA	8,193	11,623	500	(1,066)	0	19,250
- Depreciation, amortization and impairment	(3,364)	(5,823)	(385)	(15)	0	(9,587)
adjusted EBIT	4,829	5,800	115	(1,081)	0	9,663
Financial income						219
Financial expenses						(3,566)
Result from associated companies						70
Net finance costs						(3,277)
adjusted Profit (Loss) before tax						6,386
Special items						(2,553)
Profit (Loss) before tax						3,832
Income tax expense						(1,357)
Profit (Loss)						2,475

Reportable Segments
1-6 2024

in € thousand

	WEST	CEE	MEA	Corporate	Eliminations	Total
Revenues	63,354	104,693	40,798	476	(13,948)	195,374
Intersegment revenues	1,525	16,887	30	1,000	(19,442)	0
Segment revenues	64,879	121,580	40,828	1,477	(33,389)	195,374
Costs of material & mailing	(35,950)	(67,808)	(33,660)	0	30,272	(107,146)
Gross profit I	28,929	53,772	7,168	1,477	(3,118)	88,228
Production costs	(11,325)	(25,183)	(2,629)	0	4	(39,132)
Gross profit II	17,605	28,590	4,539	1,477	(3,114)	49,096
Other income	77	1,922	4	(17)	0	1,985
Selling and distribution expenses	(4,416)	(6,647)	(787)	0	0	(11,851)
Administrative expenses	(4,265)	(9,222)	(452)	(3,477)	3,114	(14,303)
Research and development expenses	(495)	(2,942)	0	(101)	0	(3,539)
Other expenses	(35)	(514)	(32)	(38)	0	(619)
+ Depreciation, amortization and impairment	3,025	4,996	206	2	0	8,228
adjusted EBITDA	11,494	16,182	3,477	(2,156)	0	28,998
- Depreciation, amortization and impairment	(3,025)	(4,996)	(206)	(2)	0	(8,228)
adjusted EBIT	8,470	11,186	3,271	(2,157)	0	20,770
Financial income						248
Financial expenses						(3,927)
Result from associated companies						129
Net finance costs						(3,549)
adjusted Profit (Loss) before tax						17,221
Special items						(2,367)
Profit (Loss) before tax						14,854
Income tax expense						(3,674)
Profit (Loss)						11,180

Special items

in € thousand

	included in	H1 2025	H1 2024
Management participation program	EBITDA	(1,579)	(2,069)
Foreign exchange losses	Profit before tax	(711)	(13)
Income from financial assets and liabilities at fair value through profit or loss	Profit before tax	5	0
Expense from financial assets and liabilities at fair value through profit or loss	Profit before tax	(3)	(3)
Effect Hyperinflation IAS 29	Profit before tax	(264)	(282)
Total		(2,553)	(2,367)

Selected notes to the consolidated income statement

5. 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.

H1 2025 Revenues by region in € thousand	WEST	CEE	MEA	Corporate	Elimini- nations	Total
Western Europe, UK, Nordics	34,098	2,053	361	172	(1,039)	35,646
Central & Eastern Europe & DACH	5,734	93,803	157	1,705	(2,663)	98,736
Türkiye, MEA, Asia & others	2,554	7,892	15,795	0	(9,414)	16,828
Americas	12,298	210	0	0	(97)	12,411
	54,684	103,959	16,314	1,876	(13,213)	163,621
Type of revenue						
Revenues from sale of goods	28,725	52,424	12,935	0	(9,828)	84,256
Revenues from services	9,976	19,407	2,880	1,876	(2,558)	31,581
Revenues from licenses & royalties	0	417	5	0	0	422
Revenues from sale of merchandise	4,038	3,549	316	0	(721)	7,181
Revenues from transportation services	11,945	28,161	179	0	(105)	40,181
	54,684	103,959	16,314	1,876	(13,213)	163,621
Timing of revenue recognition						
Products and services transferred over time	50,646	99,992	15,994	1,876	(12,491)	156,018
Products transferred at a point of time	4,038	3,966	320	0	(721)	7,603
	54,684	103,959	16,314	1,876	(13,213)	163,621

H1 2024 Revenues by region in € thousand	WEST	CEE	MEA	Corporate	Elimini- nations	Total
Western Europe, UK, Nordics	32,169	4,981	2,122	0	(876)	38,396
Central & Eastern Europe & DACH	17,431	94,021	215	1,477	(2,716)	110,428
Türkiye, MEA, Asia & others	3,479	22,294	38,491	0	(29,637)	34,627
Americas	11,799	284	0	0	(160)	11,923
	64,879	121,580	40,828	1,477	(33,389)	195,374
Type of revenue						
Revenues from sale of goods	31,298	70,287	36,361	0	(30,001)	107,945
Revenues from services	10,558	14,367	3,661	1,477	(3,278)	26,785
Revenues from licenses & royalties	3	292	0	0	(0)	295
Revenues from sale of merchandise	12,867	9,318	750	0	(13)	22,922
Revenues from transportation services	10,152	27,316	57	0	(98)	37,427
	64,879	121,580	40,828	1,477	(33,389)	195,374
Timing of revenue recognition						
Products and services transferred over time	52,009	111,595	40,079	1,477	(33,377)	171,782
Products transferred at a point of time	12,870	9,985	750	0	(13)	23,592
	64,879	121,580	40,828	1,477	(33,389)	195,374

6. Income and expenses

A. Other Income

in € thousand	H1 2025	H1 2024
Capitalised development expenses	1,714	1,365
Government grants	546	181
Reversal of accruals	47	6
Rental income from property leases	31	35
Gain on sale of equipment	2	2
Other income	142	396
Total	2,482	1,985

B. Other Expenses

in € thousand	H1 2025	H1 2024
Property and other taxes	281	72
Depreciation of assets not used in production	170	0
Impairment loss on trade receivables and contract assets	126	48
Bank charges	111	94
Contractual penalties	39	222
Re-invoiced expenses	33	52
Losses from write-downs of inventories	0	22
Loss on disposal of non-current assets	0	16
Other expenses	74	94
Total	834	620

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	H1 2025	H1 2024
Costs of inventories recognized as expense	54,579	80,034
Employee compensation and expenses	40,791	42,756
Mailing costs	32,188	27,113
Depreciation, amortization and impairment	9,417	8,228
Third party fees	6,962	6,497
Utilities and maintenance expenses	5,596	5,350
Inks and similar consumable materials	1,828	1,896
Transportation expenses	1,572	2,008
Commissions paid	831	727
Tax and duties	423	435
Rentals from property and machinery	361	513
Other expenses	2,638	2,482
Total	157,186	178,039

7. Net Finance costs

in € thousand	H1 2025	H1 2024
Interest income under the effective interest method	219	248
Financial assets at fair value through profit or loss – net change in fair value	5	0
Financial income	224	248
Interest expense on Financial liabilities measured at amortized cost	(3,119)	(3,463)
Foreign exchange losses	(711)	(12)
Effect hyperinflation IAS 29	(264)	(282)
Commissions of letters of guarantee	(228)	(193)
Financial assets and liabilities at fair value through profit or loss – net change in fair value	(3)	(3)
Other financial expenses	(220)	(271)
Financial expenses	(4,545)	(4,224)
Result from associated companies	70	129
Net finance costs	(4,251)	(3,846)

8. Earnings per share and number of shares

A. Basic and diluted earnings per share

Earnings per share (basic)	H1 2025	H1 2024
Profit (loss) attributable to owners of the Company in € thousand	1,361	10,633
Weighted average number of shares per 30 June	35,920,223	36,324,534
Earnings per share (basic) in €	0.04	0.29

Earnings per share (diluted)	H1 2025	H1 2024
Profit (loss) attributable to owners of the Company in € thousand	1,361	10,633
Weighted average number of shares per 30 June	38,246,380	39,081,557
Earnings per share (diluted) in €	0.04	0.27

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. Per 30 June 2025 the company has share options as potential dilutive ordinary shares amounting to 2,325,175 (maximum 6.08% of shares). Weighted average number of potential dilutive ordinary shares amounts to 2,326,157.

B. Weighted-average number of ordinary shares

	H1 2025	H1 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)	(84,238)
Total number of ordinary shares at 30 June	35,905,069	36,269,630

Selected notes to consolidated financial statement of position

9. Capital and additional paid in capital

A. Share capital and additional paid in capital

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 Programm 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 share capital. The total price without incidental expenses of the repurchased shares was t€ 519.4.

After the transactions of the Share Buy-Back Program I-III on the basis of the authorization granted by the annual general meeting on 30 June 2023, the Company in total acquired 448,799 own shares, which represent 1,2345% of the total shares based on the authorization.

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 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.

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

In 15th Annual General Meeting of AUSTRIACARD HOLDINGS AG held on 24 June 2025 a dividend in amount of € 0.11 (2024: € 0.10) per share was resolved for Financial Year 2024. Total dividend amount of t€ 3,950 paid on 4 July 2025 is reflected in the Equity reconciliation per 30 June 2025.

The line transfer of revaluation reserve showing a reduction in revaluation reserve amounting to t€ -559 and an increase in the same of amount of retained earnings relate mainly to a sale real estate in Greece. The line acquisition of non-controlling interests without loss of control resulting in a reduction in equity and retained earnings of t€ 156 respectively t€ 1,901 and in an increase in non-controlling interest of t€ 1,693 relate to the acquisition of the remaining 40% non-controlling interest in TAG SYSTEMS USA INC in January 2025.

10. Loans and Borrowings

in € thousand	30/06/2025	31/12/2024
Non-current financial liabilities		
Secured bank loans	86,208	87,450
Unsecured bank loans	250	1,976
Lease liabilities	10,244	11,835
	96,702	101,261
Current financial liabilities		
Secured bank loans	11,100	10,876
Unsecured bank loans	886	1,008
Lease liabilities	4,137	4,213
	16,123	16,097
Total	112,825	117,358

Financial instruments

11. Financial instruments – Fair values and risk management

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.

30 June 2025 in € thousand	At amortized cost	FVTPL	FVTOCI	Non-financial instruments	Total
Assets					
Trade receivables	37,353	0	0	0	37,353
Other receivables	2,727	234	582	8,852	12,394
Cash and cash equivalents	16,726	0	0	0	16,726
Total	56,805	234	582	8,852	66,472
Liabilities					
Loans and borrowings	112,825	0	0	0	112,825
Trade payables	30,407	0	0	0	30,407
Other payables	9,312	3,641	474	8,506	21,932
Total	152,544	3,641	474	8,506	165,165

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

Other disclosures

12. 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 companies, subsidiaries, associates and joint ventures. 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. Key management personnel transactions

Directors of the Company control 74.84% of the voting shares of the ultimate Parent Company, whereas Nikolaos Lykos (Supervisory Board member) holds a majority stake of 74.48% and can exercise control over the Group. Jon Neeras, member of the management board, and his related parties exercise direct control in Norwegian company "Aktiv Vekst AS" 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.

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 is given at market conditions, the non-executive management function is served without compensation.

Key management personnel compensation is as following:

in € thousand	H1 2025	H1 2024
Short-term employee benefits	915	1,464
Management participation programs (long-term)	1,285	1,599
	2,200	3,063

For Mr. Nikolaos Lykos, who stepped down from his position as Chairman of the Management Board in June 2025, a severance payment in amount of t€ 141 was resolved in July 2025.

iii. Transactions with members of the Supervisory Board

There have been no transactions with members of the Supervisory Board in the first 6 months of 2025. In same period of previous year 2024, Mr. Michael Butz, member of the Supervisory Board, invoiced t€ 48 for consulting services to the Group.

iv. Transactions with associated companies

As of the balance sheet date 30.06.2025, there was only one investment in one immaterial associated company. The balance sheet items as of 30.06.2025 included no trade receivables or trade payables from associates. In the income statement for the first half of financial year 2025, income of t€ 70 (H1 2024: t€ 129) is reported with associates.

13. Subsequent events

Concerning the changes in the Supervisory Board and Management Board with effectiveness after 30 June 2025 we refer to note 12.i.

Dividend for Financial Year 2024 was paid on 4 July 2025; we refer to Note 9.B.

Other than that there were no significant subsequent events after the balance sheet date 30 June 2025.

14. Statement by the Management Board of AUSTRIACARD HOLDINGS AG pursuant to section 125 (1) of the Stock Exchange Act

We confirm to the best of our knowledge that the condensed consolidated interim financial statements, which have been prepared in accordance with the applicable accounting standards, present a true and fair view of the Group's assets, liabilities, financial position and results of operations and that the Group's interim management report presents a true and fair view of the important events that occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements and with regard to the material risks and uncertainties in the remaining six months of the financial year and with regard to the material related party transactions to be disclosed.

Vienna, 28 August 2025

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