

INTERIM FINANCIAL REPORT
for the period from 1 January to 30 June 2023

CONTENTS

A) INTERIM MANAGEMENT REPORT	3
B) CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	11
Consolidated statement of financial position	11
Consolidated income statement	12
Consolidated statement of comprehensive income	13
Consolidated statement of changes in equity	14
Condensed consolidated statement of cash flows	16
Selected explanatory notes to the condensed consolidated interim financial statements	17
Basis of preparation	17
1. Reporting entity	17
2. Basis of accounting	17
3. Consolidation range	18
4. Cross-border merger	19
5. Changes in presentation	19
Performance of the period	21
6. Segment reporting	21
Selected notes to the consolidated income statement	24
7. Revenues	24
8. Income and expenses	25
9. Net Finance costs	26
10. Earnings per share	26
Selected notes to consolidated financial statement of position	27
11. Loans and Borrowings	27
Financial instruments	28
12. Financial instruments – Fair values and risk management	28
Other disclosures	29
13. Related parties	29
14. Subsequent events	29
15. Statement by the Management Board of AUSTRIACARD HOLDINGS AG pursuant to section 125 (1) of the Stock Exchange Act	30

A) INTERIM MANAGEMENT REPORT

1. GROUP BUSINESS PERFORMANCE

1.1. Business performance of AUSTRIACARD HOLDINGS Group

Business performance in € million	H1 2023	H1 2022	D '23-'22	D '23-'22 %	Q2 2023	Q2 2022
Revenues	181.2	137.1	44.0	32.1%	91.4	76.7
Costs of material & mailing	(102.8)	(75.8)	(27.1)	35.7%	(51.1)	(42.5)
Gross profit I	78.3	61.4	17.0	27.6%	40.3	34.2
<i>Gross margin I</i>	43.2%	44.7%	-1.5%		44.1%	44.6%
Production costs	(34.4)	(27.2)	(7.2)	26.6%	(18.3)	(14.2)
Gross profit II	43.9	34.2	9.7	28.5%	22.0	20.0
<i>Gross margin II</i>	24.2%	24.9%	-0.7%		24.1%	26.1%
Other income	1.5	1.3	0.2	14.2%	0.9	0.6
Selling and distribution expenses	(11.0)	(10.0)	(1.0)	10.5%	(5.7)	(5.3)
Administrative expenses	(12.5)	(9.1)	(3.4)	37.4%	(6.9)	(4.9)
Research and development expenses	(3.5)	(3.0)	(0.5)	16.4%	(1.8)	(1.6)
Other expenses	(0.1)	(0.4)	0.3	-75.6%	0.0	(0.2)
+ Depreciation, amortization and impairment	7.7	6.8	0.9	13.8%	4.0	3.5
adjusted EBITDA	26.0	19.8	6.2	31.5%	12.5	12.2
<i>adjusted EBITDA margin</i>	14.4%	14.4%	-0.1%		13.7%	15.9%
- Depreciation, amortization and impairment	(7.7)	(6.8)	(0.9)	13.8%	(4.0)	(3.5)
adjusted EBIT	18.3	13.0	5.3	40.7%	8.5	8.7
Financial income	0.1	0.0	0.1	249.3%	0.1	0.0
Financial expenses	(3.0)	(1.9)	(1.1)	56.4%	(1.5)	(1.0)
Result from associated companies	0.0	0.0	(0.0)	-100.0%	0.0	0.0
Net finance costs	(2.9)	(1.8)	(1.0)	56.9%	(1.5)	(1.0)
adjusted Profit (Loss) before tax	15.4	11.2	4.2	38.1%	7.1	7.7
Adjustments	(0.5)	(4.6)	4.2	-90.2%	1.6	(3.8)
Profit (Loss) before tax	15.0	6.6	8.4	128.0%	8.7	3.9
Income tax expense	(2.7)	(1.8)	(0.9)	51.8%	(1.2)	(1.2)
Profit (Loss)	12.3	4.8	7.5	156.8%	7.5	2.7

AUSTRIACARD HOLDINGS Group revenues reached € 181.2 million in H1 2023 increasing by € 44.0 million or 32.1% compared to same period of 2022. From products and services perspective this increase mainly results from a significant increase in sales of smart cards (€ +19.8 million), as well as printing and postal services (€ +10.1 million) mainly attributed to the Romanian market through the majority stake acquisition of Pink Post solutions business (€ +9.8 million). The number of cards sold increased by 13.1% and reached € 68.9 million in the first half 2023. From segment perspective, all market clusters contributed to the revenue growth compared to H1 2022 as presented in the table below.

Revenues by Segments in € million	H1 2023	H1 2022	D '23-'22	D '23-'22 %
Western Europe, Nordics, Americas	68.2	52.3	15.9	30.4%
Central Eastern Europe & DACH	84.5	70.6	13.9	19.7%
Türkiye / Middle East and Africa	32.0	18.3	13.7	74.7%
<i>Eliminations & Corporate</i>	<i>(3.5)</i>	<i>(4.0)</i>	<i>0.5</i>	<i>-12.9%</i>
Total	181.2	137.1	44.0	32.1%

Gross profit I increased by € 17.0 million or 27.6% from € 61.4 million to € 78.3 million in the first half of 2023 mainly as a result of profitable sales growth. Gross margin I decreased by 1.5 percentage points to 43.2% mainly due to higher material costs and a change in sales mix.

Gross profit II increased by € 9.7 million or 28.5% from € 34.2 million to € 43.9 million in the first half 2023 in line with revenue growth and Gross margin II decreased slightly by 0.7 percentage points to 24.2% as economies of scale mostly offset the reduction in Gross margin I.

Operating expenses (OPEX) in € million	H1 2023	H1 2022	D '23-'22	D '23-'22 %
Production Costs	(34.4)	(27.2)	(7.2)	26.6%
Selling and distribution expenses	(11.0)	(10.0)	(1.0)	10.5%
Administrative expenses	(12.5)	(9.1)	(3.4)	37.4%
Research and development expenses	(3.5)	(3.0)	(0.5)	16.4%
+ Depreciation & amortization	7.7	6.8	0.9	13.8%
Total	(53.7)	(42.5)	(11.2)	26.5%
<i>Operating expenses as a percentage of Sales</i>	<i>29.6%</i>	<i>31.0%</i>		

Operating expenses as presented in the table above increased by € 11.2 million or 26.5% mainly because of higher personnel costs (€ +7.1 million) and expenses for third party services (€ +2.3 million). The main underlying reason for this increase is the incremental business activities, shown by the increase in headcount by nearly 1,000 employees, among others as a result of the addition of the Pink Post business in Romania, as well as the salary inflationary raises and costs associated with the cross-border merger with Inform P. Lykos, Greece and the new listing at ASEX and VSE that was concluded in H1 2023. Nevertheless OPEX as percentage of revenues, decreased from 31.0% to 29.6% having the additional activities being integrated with accretive margin.

Adjusted EBITDA increased by € 6.2 million in the first half of 2023 and reached € 26.0 million as a result of an increased Gross profit which was only partially offset by the increase in Operating expenses. As a result of these economies of scale the adjusted EBITDA margin remained at 14.4%. Adjusted EBIT increased by € 5.3 million or 40.7% as the increase in adjusted EBITDA was partially compensated by regular depreciation & amortization (€ 0.9 million).

Adjusted Profit before tax increased by € 4.2 million or 38.1% as the increase in adjusted EBIT was partially offset by higher interest expenses related to the significant increase interest rates and the ensuing high interest costs (€ +1 million). Profit after tax increased by € 7.5 million or 156.8% from € 4.8 million to € 12.3 million mainly due to a significantly lower balance of Adjustments as presented in the table below amounting to € -0.5 million in the first half 2023 compared € -4.6 million in H1 2022.

Adjustments in € million	Included in	H1 2023	H1 2022	D '23-'22	D '23-'22 %
Management participation programs	EBITDA	(0.6)	(1.3)	0.7	-51.3%
Foreign exchange gains	Profit before tax	0.0	0.2	(0.2)	-100.0%
Foreign exchange losses	Profit before tax	(0.1)	0.0	(0.1)	n/a
Effect Hyperinflation IAS 29	Profit before tax	0.2	(0.4)	0.6	-162.4%
Expense from financial assets and liabilities at fair value through profit or loss	Profit before tax	0.0	(3.1)	3.1	-100.0%
Total		(0.5)	(4.6)	4.2	-90.2%

1.2. Report on segments

1.2.1. Western Europe, Nordics, Americas

Business performance in € million	H1 2023	H1 2022	D '23-'22	D '23-'22 %
Revenues	68.2	52.3	15.9	30.4%
Costs of material & mailing	(38.6)	(29.4)	(9.3)	31.6%
Gross profit I	29.5	22.9	6.6	28.9%
<i>Gross margin I</i>	<i>43.3%</i>	<i>43.8%</i>	<i>-0.5%</i>	
Production costs	(11.3)	(8.8)	(2.5)	28.3%
Gross profit II	18.2	14.1	4.1	29.3%
<i>Gross margin II</i>	<i>26.7%</i>	<i>26.9%</i>	<i>-0.2%</i>	
Other income	0.0	0.0	(0.0)	-15.6%
Selling and distribution expenses	(4.3)	(3.8)	(0.5)	12.1%
Administrative expenses	(4.4)	(2.7)	(1.8)	66.5%
Research and development expenses	(0.4)	(0.3)	(0.1)	23.2%
Other expenses	0.4	(0.1)	0.5	-496.4%
+ Depreciation, amortization and impairment	2.8	2.5	0.4	14.5%
adjusted EBITDA	12.4	9.7	2.7	28.0%
<i>adjusted EBITDA margin</i>	<i>18.1%</i>	<i>18.5%</i>	<i>-0.4%</i>	
- Depreciation, amortization and impairment	(2.8)	(2.5)	(0.4)	14.5%
adjusted EBIT	9.5	7.2	2.3	32.6%
Operating expenses excl. D&A (OPEX)	17.6	13.2	4.4	33.8%
<i>OPEX as a percentage of Sales</i>	<i>25.8%</i>	<i>25.2%</i>	<i>0.7%</i>	

The revenues of the segment Western Europe, Nordics and Americas reached € 68.2 million in the first half of 2023 increasing by € 15.9 million or 30.4% compared to H1 2022. This increase mainly relates to higher metal card and chip module & wafer sales growing by € 6.5 million and € 5.3 million respectively. Payment card revenue grew by € 2.5 million as a result of a better average sales price and growth in the US, Spain and the Nordics markets.

Gross profit I increased by € 6.6 million or 28.9% from € 22.9 million to € 29.5 million in the first half 2023 mainly as a result of profitable sales growth while the Gross margin I decreased by 0.5 percentage points to 43.3% mainly due to a change in sales mix and higher material costs which were partially offset by higher average selling prices.

Gross profit II increased by 4.1 million or 29.3% from € 14.1 million to € 18.2 million in the first half due to revenue growth and Gross margin II decreased by 0.2 percentage points to 26.7% as economies of scale mostly offset the reduction in Gross margin I.

Operating expenses increased by € 4.4 million or 33.8% due to finalization of the new personalization center in New Jersey, USA which will allow the Group to support the growth in the USA market, increased business activity, inflation related increases and higher group allocations for central costs. As a percentage of revenues, OPEX increased slightly from 25.2% to 25.8%.

Adjusted EBITDA increased by € 2.7 million in the first half of 2023 and reached € 12.4 million as a result of an increased Gross profit which was partially offset by the increase in OPEX and benefited from the release of allowances for impaired receivables which improved the balance of other income and expenses by € 0.5 million. Due to the increased OPEX, adjusted EBITDA margin decreased from 18.5% to 18.1%. Adjusted EBIT increased by € 2.3 million or 32.6% as the increase in adjusted EBITDA was slightly reduced by regular depreciation & amortization (€ 0.4 million).

1.2.2 Central Eastern Europe & DACH

Business performance in € million	H1 2023	H1 2022	D '23-'22	D '23-'22 %
Revenues	84.5	70.6	13.9	19.7%
Costs of material & mailing	(48.2)	(40.2)	(8.0)	19.8%
Gross profit I	36.4	30.4	6.0	19.7%
<i>Gross margin I</i>	<i>43.0%</i>	<i>43.0%</i>	<i>0.0%</i>	
Production costs	(17.9)	(14.5)	(3.4)	23.6%
Gross profit II	18.5	15.9	2.6	16.1%
<i>Gross margin II</i>	<i>21.9%</i>	<i>22.6%</i>	<i>-0.7%</i>	
Other income	1.3	1.1	0.2	19.5%
Selling and distribution expenses	(5.6)	(5.1)	(0.5)	9.3%
Administrative expenses	(6.8)	(5.3)	(1.4)	26.4%
Research and development expenses	(2.5)	(2.3)	(0.2)	7.5%
Other expenses	(0.5)	(0.5)	(0.0)	10.4%
+ Depreciation, amortization and impairment	4.1	3.6	0.5	13.3%
adjusted EBITDA	8.6	7.4	1.2	15.7%
<i>adjusted EBITDA margin</i>	<i>10.2%</i>	<i>10.5%</i>	<i>-0.3%</i>	
- Depreciation, amortization and impairment	(4.1)	(3.6)	(0.5)	13.3%
adjusted EBIT	4.5	3.8	0.7	18.0%
Operating expenses excl. D&A (OPEX)	28.6	23.6	5.0	21.1%
<i>OPEX as a percentage of Sales</i>	<i>33.8%</i>	<i>33.5%</i>	<i>0.4%</i>	

The revenues of the segment Central Eastern Europe & DACH reached € 84.5 million in the first half 2023 increasing by € 13.9 million or 19.7% compared to 2022. This increase mainly relates to higher revenues from Printing & Postal services related to the addition of the Pink Post business (€ +10.5 million) in Romania.

Gross profit I increased by € 6.0 million or 19.7% from € 30.4 million to € 36.4 million in the first half 2023 mainly as a result of profitable sales growth. Gross margin I remained stable at 43.0% mainly due to a higher revenue contribution of service related solutions and higher average sales prices which compensated the increase in material costs.

Gross profit II increased by € 2.6 million or 16.1% from € 15.9 million to € 18.5 million in the first half due to revenue growth while Gross margin II decreased by 0.7 percentage points to 21.9% due the higher production costs resulting from the increase in postal business.

Operating expenses increased by € 5.0 million or 21.1% mainly due to the addition of the Pink Post business. As a percentage of revenues, OPEX increased slightly from 33.5% to 33.8%.

Adjusted EBITDA increased by € 1.2 million in the first half of 2023 and reached € 8.6 million as a result of an increased Gross profit which was only partially compensated by higher Operating expenses. Due to the increased OPEX, adjusted EBITDA margin decreased from 10.5% to 10.2%. Adjusted EBIT increased by € 0.7 million or 18.0% as the increase in adjusted EBITDA was reduced by regular depreciation & amortization (€ 0.5 million).

1.2.3 Türkiye / Middle East and Africa

Business performance in € million	H1 2023	H1 2022	D '23-'22	D '23-'22 %
Revenues	32.0	18.3	13.7	74.7%
Costs of material & mailing	(18.7)	(10.2)	(8.5)	83.6%
Gross profit I	13.2	8.1	5.1	63.4%
<i>Gross margin I</i>	<i>41.4%</i>	<i>44.3%</i>	<i>-2.9%</i>	
Production costs	(5.1)	(3.8)	(1.4)	36.9%
Gross profit II	8.1	4.4	3.8	86.3%
<i>Gross margin II</i>	<i>25.3%</i>	<i>23.8%</i>	<i>1.6%</i>	
Other income	0.2	0.1	0.1	57.9%
Selling and distribution expenses	(1.2)	(1.0)	(0.2)	18.4%
Administrative expenses	(1.0)	(0.9)	(0.1)	11.1%
Research and development expenses	(0.6)	(0.4)	(0.2)	64.3%
Other expenses	(0.3)	(0.0)	(0.2)	1067.4%
+ Depreciation, amortization and impairment	0.8	0.7	0.1	20.2%
adjusted EBITDA	6.0	2.8	3.2	112.5%
<i>adjusted EBITDA margin</i>	<i>18.9%</i>	<i>15.5%</i>	<i>3.4%</i>	
- Depreciation, amortization and impairment	(0.8)	(0.7)	(0.1)	20.2%
adjusted EBIT	5.2	2.2	3.0	140.6%
Operating expenses excl. D&A (OPEX)	7.2	5.4	1.8	33.0%
<i>OPEX as a percentage of Sales</i>	<i>22.4%</i>	<i>29.4%</i>	<i>-7.0%</i>	

The revenues of the segment Türkiye, Middle East and Africa reached € 32.0 million in the first half 2023 increasing by € 13.7 million or 74.7% compared to 2022. This increase mainly relates to significant growth in the area of payment cards and related personalization services in the Turkish market and relates to both volume growth as well as to an increase in average sales prices.

Gross profit I increased by € 5.1 million or 63.4% from € 8.1 million to € 13.2 million in the first half 2023 mainly as a result of profitable sales growth. The Gross margin I decreased by 2.9 percentage points to 41.4% due to the impact of the Kenya election project which increased Gross margin I in 2022.

Gross profit II increased by € 3.8 million or 86.3% from € 4.4 million to € 8.1 million in the first half of 2023 due to revenue growth and Gross margin II increased by 1.6 percentage points to 25.3% as economies of scale mostly offset the reduction in Gross margin I.

Operating expenses increased by € 1.8 million or 33.0% reaching € 7.2 million in the first half 2023 due to the significantly increased activity. As a percentage of revenues, OPEX decreased from 29.4% to 22.4%.

Adjusted EBITDA increased by € 3.2 million in the first half of 2023 and reached € 6.0 million as a result of an increased Gross profit which was only partially offset by the increase in OPEX. The adjusted EBITDA margin increased from 15.5% to 18.9%. Adjusted EBIT increased by € 3.0 million or 140.6% and reached € 5.2 million as the increase in adjusted EBITDA was slightly reduced by regular depreciation & amortization.

1.3. Financial position

Consolidated statement of financial Position in € million	30/06/2023	31/12/2022 adjusted	D '23-'22	D '23-'22 %
Non-current assets	156.6	153.7	2.9	1.9%
Current assets	127.9	116.4	11.5	9.9%
Total assets	284.6	270.2	14.4	5.3%
Equity	100.9	82.6	18.4	22.2%
Non-current liabilities	83.8	89.6	(5.7)	-6.4%
Current Liabilities	99.8	98.0	1.8	1.8%
Total Equity and Liabilities	284.6	270.2	14.4	5.3%

Total assets increased by € 14.4 million from € 270.2 million as of 31.12.2022 to € 284.6 million as of 30.06.2023 which is mainly related to higher inventory and contract assets due to a higher business activity level during the financial year. The reduction in non-current liabilities mainly concerns the de-recognition of put-option liabilities related to a divisional share option plan that was cancelled in H1 2023 (see section 13 of the Condensed consolidated interim financial statements).

As a result of the strong earnings and the consolidation of the Group's formerly divisional share option plans on the level of the Company as one equity-settled plan, Equity increased by € 18.4 million and the Group's equity ratio increased from 30.6% to 35.5% as of 30 June 2023.

Working Capital in € million	30/06/2023	31/12/2022	D '23-'22	D '23-'22 %
Inventories	46.2	36.1	10.1	28.0%
Contract assets	14.7	10.9	3.8	35.3%
Current income tax assets	0.2	0.3	(0.1)	-39.0%
Trade receivables	42.2	40.0	2.2	5.4%
Other receivables	8.4	7.5	0.9	11.4%
	111.6	94.8	16.8	17.7%
Current income tax liabilities	(3.9)	(3.5)	(0.4)	11.4%
Trade payables	(42.9)	(44.0)	1.1	-2.5%
Other payables	(16.1)	(12.4)	(3.7)	29.8%
Contract liabilities	(4.6)	(7.1)	2.5	-35.5%
Deferred income	(0.3)	(3.4)	3.1	-91.8%
	(67.7)	(70.4)	2.7	-3.8%
Net Working Capital	43.9	24.4	19.5	79.6%

As of 30 June 2023 Net working capital amounted to € 43.9 million increasing by € 19.5 million or 79.6% compared to 31 December 2022 mainly as a result of the high growth during this business year which resulted in higher inventories for raw materials, Contract assets as well as Trade receivables.

Statement of cash flows in € million	H1 2023	H1 2022	D '23-'22	D '23-'22 %
Cash flows from operating activities	2.5	9.4	(6.9)	-73.2%
Cash flows from investing activities	(7.7)	(8.3)	0.6	-7.0%
Cash flows from financing activities	0.3	4.3	(4.0)	-93.9%
Net decrease in cash and cash equivalents	(4.9)	5.4	(10.3)	-190.8%
Capital expenditure incl. ROU, excl. M&A (CAPEX)	(9.9)	(13.0)	3.1	-23.7%

The Group's cash flow from operating activities decreased by € 6.9 million from € 9.4 million in 2022 to € 2.5 million in the first half of 2023. This decrease is essentially linked to the increase in Net working capital by € 19.5 million which mostly offset the strong business performance in the first half of 2023 while in 2022 increase in Net working capital only amounted to € 8.8 million.

Net cash flow from investing activities was a net outflow of € 7.7 million, mainly related to investments in tangible and intangible assets. Additions to tangible and intangible assets decreased to € 9.9 million in 2023 from € 13.0 million in the first half of 2022. The investments mainly relate to research & development, software, photovoltaics installation at our production facility in Vienna (Austria), finalization of our new personalization site in the USA, enlargement of our sites in Poland and the UK to support the increased demand, ramping up our new postal/courier business in Romania (Pink Post) as well as production and personalization machinery.

Net cash flow from financing activities was a net inflow of € 0.3 million compared to a net inflow of € 4.3 million in the first half of 2022 and mostly relates to the higher use of existing credit lines for financing net working capital and investments.

Net Debt in € million	H1 2023	31/12/2022	D '23-'22	D '23-'22 %
Cash and cash equivalents	(16.3)	(21.6)	5.3	-24.6%
Loans and borrowings	103.4	98.2	5.2	5.3%
Net Debt	87.1	76.6	10.5	13.7%

Net debt increased by € 10.5 million from € 76.6 million as at 31 December 2022 to € 87.1 million as at 30 June 2023 which is mainly due to the increase in Inventory and Contract assets paired with continued investment in the Group's businesses. The net debt / adjusted EBITDA (12 months) ratio decreased from 2.8x in H1 2022 to 1.9x in H1 2023.

1.4. Financial performance indicators

Key performance indicators in € million	H1 2023	H1 2022	D '23-'22	D '23-'22 %
Revenue	181.2	137.1	44.0	32.1%
Gross profit I	78.3	61.4	17.0	27.6%
Gross profit I margin	43.2%	44.7%	-1.5%	n/a
Gross profit II	43.9	34.2	9.7	28.5%
Gross profit II margin	24.2%	24.9%	-0.7%	n/a
Total OPEX excluding depreciation	53.7	42.5	11.2	26.5%
Total OPEX excluding depreciation as % on sales	29.6%	31.0%	-1.3%	n/a
adjusted EBITDA	26.0	19.8	6.3	31.5%
adjusted EBITDA margin	14.4%	14.4%	-0.1%	n/a
adjusted EBIT	18.3	13.0	5.3	40.7%
adjusted EBIT margin	10.1%	9.5%	0.6%	n/a
adjusted Profit before tax	15.4	11.2	4.3	38.1%
adjusted Profit before tax margin	8.5%	8.2%	0.4%	n/a
adjusted Profit after tax	12.7	9.4	3.3	35.5%
adjusted Profit after tax margin	7.0%	6.8%	0.2%	n/a
Profit after Tax	12.3	4.8	7.5	156.8%
Profit after Tax margin	6.8%	3.5%	3.3%	n/a
Net Equity / Total Assets	35.5%	30.6%	4.9%	n/a
Operating Cash Flow	2.5	9.4	(6.9)	-73.2%
Operating Cash Flow as % on sales	1.4%	6.9%	-5.5%	n/a
Net Working Capital as of 30 June	43.9	37.0	6.8	18.5%
Working Capital as % on sales (12 months)	12.2%	15.8%	-3.6%	n/a
Net Debt as of 30 June	87.1	93.9	(6.8)	-7.3%
Net Debt / Adjusted EBITDA (12 months)	1.9	2.8	(0.9)	n/a

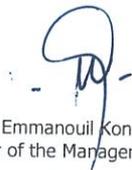
Non-financial indicators	H1 2023	H1 2022	D '23-'22	D '23-'22 %
Number of sold cards (in million)	68.9	61.0	7.9	13.1%
Average number of employees in Full-time equivalents	1,998	1,392	606	43.5%
Number of employees in Headcount as of 30 June	2,573	1,456	1,117	76.7%

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 2023 and we do not foresee any material differences with regards to risk exposure and future development for the second half of 2023 compared with those described in detail in section 6, "FUTURE DEVELOPMENT AND RISKS", of the group management report of the 2022 consolidated financial statements.

Vienna, 30 August 2023

Nikolaos Lykos
Chairman of the Management Board



Emmanouil Kontos
Member of the Management Board



Burak Bilge
Member of the Management Board



Panagiotis Spyropoulos
Vice Chairman & Group CEO



Jon Neeras
Member of the Management Board



Markus Kirchmayr
Member of the Management Board



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

Note	30 June 2023	31 December 2022 restated	01 January 2022 restated
Assets			
Property, plant and equipment and right of use assets	93,143,799	90,417,978	82,955,114
Intangible assets and goodwill	57,588,843	57,165,908	60,650,884
Equity-accounted investees	291,790	291,790	260,000
Other receivables	4,386,658	4,533,021	634,484
Other long-term assets	227,276	318,187	500,008
Deferred tax assets	985,903	995,731	339,015
Non-current assets	156,624,269	153,722,615	145,339,505
Inventories	46,182,229	36,074,378	23,187,892
Contract assets	14,683,850	10,852,463	8,692,836
Current income tax assets	205,765	337,521	387,421
Trade receivables	42,187,643	40,037,312	29,266,953
Other receivables	8,356,356	7,500,523	8,026,225
Cash and cash equivalents	16,310,698	21,628,404	11,484,243
Current assets	127,926,541	116,430,601	81,045,570
Total assets	284,550,810	270,153,216	226,385,076
Equity			
Share capital	18,176,934	16,862,067	14,638,053
Share premium	50,926,119	34,510,986	6,999,933
Other reserves	14,003,126	6,874,926	6,224,775
Retained earnings	17,645,430	12,706,989	27,055,412
Equity attributable to owners of the Company	100,751,610	70,954,968	54,918,173
Non-controlling interests	173,177	11,610,180	12,971,476
Total Equity	100,924,786	82,565,149	67,889,649
Liabilities			
Loans and borrowings	11 71,365,825	70,625,737	75,842,814
Employee benefits	5,566,110	11,995,374	5,076,511
Other payables	11,332	11,332	8,644,733
Deferred tax liabilities	6,888,198	6,936,386	6,773,511
Non-current liabilities	83,831,466	89,568,830	96,337,569
Current tax liabilities	3,932,283	3,528,716	1,644,924
Loans and borrowings	11 32,025,655	27,599,805	20,737,061
Trade payables	42,860,931	43,969,030	24,279,428
Other payables	16,073,297	12,380,054	11,143,748
Contract liabilities	4,559,493	7,072,840	4,157,584
Deferred income	279,947	3,405,841	132,162
Provisions	62,951	62,951	62,951
Current Liabilities	99,794,558	98,019,237	62,157,858
Total Liabilities	183,626,024	187,588,068	158,495,427
Total Equity and Liabilities	284,550,810	270,153,216	226,385,076

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

Consolidated income statement

	Note	H1 2023	H1 2022 restated	Q2 2023	Q2 2022 restated
Revenue	7	181,165,675	137,144,570	91,357,749	76,733,367
Cost of sales		(137,271,842)	(102,975,716)	(69,348,024)	(56,721,992)
Gross profit		43,893,833	34,168,854	22,009,725	20,011,375
Other income	8	1,973,120	1,297,882	1,438,937	629,144
Selling and distribution expenses	8	(10,998,071)	(9,953,096)	(5,706,489)	(5,252,200)
Administrative expenses	8	(13,149,997)	(10,408,079)	(5,717,669)	(5,562,488)
Research and development expenses	8	(3,459,767)	(2,973,046)	(1,814,617)	(1,599,822)
Other expenses	8	(594,451)	(428,435)	(469,088)	(201,429)
+ Depreciation, amortization and impairment		7,705,530	6,770,995	3,967,338	3,532,872
EBITDA		25,370,198	18,475,075	13,708,136	11,557,453
- Depreciation, amortization and impairment		(7,705,530)	(6,770,995)	(3,967,338)	(3,532,872)
EBIT		17,664,667	11,704,080	9,740,798	8,024,581
Financial income	9	365,369	195,196	338,179	67,121
Financial expenses	9	(3,040,502)	(5,370,975)	(1,374,308)	(4,083,039)
Result from associated companies		0	45,536	0	45,536
Net finance costs		(2,675,133)	(5,130,242)	(1,036,130)	(3,970,381)
Profit (Loss) before tax		14,989,534	6,573,837	8,704,669	4,054,199
Income tax expense		(2,730,516)	(1,799,312)	(1,246,514)	(1,201,115)
Profit (Loss)		12,259,018	4,774,526	7,458,155	2,853,084
Profit (Loss) attributable to:					
Owners of the Company		11,790,113	4,226,170	7,424,278	2,336,595
Non-controlling interests		468,905	548,356	33,877	516,490
Profit (Loss)		12,259,018	4,774,526	7,458,155	2,853,084
Earnings (loss) per share					
Basic and diluted	10	0.669	0.289	0.408	0.160

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

Consolidated statement of comprehensive income

	H1 2023	H1 2022 restated
Profit (Loss)	12,259,018	4,774,526
Other comprehensive income		
Items that will never be reclassified to profit or loss		
Revaluation of property, plant and equipment	0	0
Related tax	0	38,585
Revaluation of defined benefit liability	0	0
Related tax	0	(21,739)
	0	16,846
Items that are or may be reclassified to profit or loss		
Cash flow hedges	(276,724)	1,965,788
Related tax	66,414	(471,789)
Foreign currency translation differences	35,829	(1,012,680)
	(174,482)	481,319
Other comprehensive income, net of tax	(174,482)	498,165
Total comprehensive income	12,084,537	5,272,691
Total comprehensive income attributable to:		
Owners of the Company	11,598,198	4,743,928
Non-controlling interests	486,339	528,762
	12,084,537	5,272,691

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

Consolidated statement of changes in equity

	For the period 01/01 – 30/06/2023										
	Attributable to owners of the Company								Total	Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Revaluation reserve	IAS 19 reserve	Cash flow hedge reserve	Other Reserves	Retained earnings			
Balance at 1 January 2023	16,862,067	34,510,986	(7,725,890)	13,135,120	(391,916)	2,229,503	0	13,360,308	71,980,179	11,683,352	83,663,531
Adjustments previous year	0	0	(371,891)	0	0	0	0	(653,319)	(1,025,210)	(73,172)	(1,098,382)
Balance at 1 January current year restated	16,862,067	34,510,986	(8,097,781)	13,135,120	(391,916)	2,229,503	0	12,706,989	70,954,968	11,610,180	82,565,149
Profit (Loss)	0	0	0	0	0	0	0	11,790,113	11,790,113	468,905	12,259,018
Other comprehensive income	0	0	226,327	0	0	(210,311)	0	(207,932)	(191,916)	17,434	(174,482)
Total comprehensive income	0	0	226,327	0	0	(210,311)	0	11,582,181	11,598,198	486,339	12,084,537
Cross-border merger and capital increase	1,314,867	16,415,133	(391,817)	0	0	0	0	(6,017,637)	11,320,546	(11,320,546)	0
Dividend distribution	0	0	0	0	0	0	0	(908,845)	(908,847)	0	(908,847)
Effect hyperinflation IAS 29	0	0	0	0	0	0	0	282,744	282,744	0	282,744
Share-based payment through equity instruments	0	0	0	0	0	0	7,504,000	0	7,504,000	(602,796)	6,901,204
Balance at 30 June 2023	18,176,934	50,926,119	(8,263,270)	13,135,120	(391,916)	2,019,193	7,504,000	17,645,430	100,751,610	173,177	100,924,786

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

	For the period 01/01 –30/06/2022										
	Attributable to owners of the Company									Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Revaluation reserve	IAS 19 reserve	Cash flow hedge reserve	Other Reserves	Retained earnings	Total		
Balance at 1 January last year as disclosed	14,638,053	6,999,933	(5,845,620)	13,070,071	(600,409)	(174,210)	0	27,305,791	55,393,609	13,040,822	68,434,431
Adjustments previous year	0	0	(225,058)	0	0	0	0	(250,378)	(475,436)	(69,346)	(544,782)
Balance at 1 January last year restated	14,638,053	6,999,933	(6,070,678)	13,070,071	(600,409)	(174,210)	0	27,055,412	54,918,173	12,971,476	67,889,649
Profit / (loss) disclosed	0	0	0	0	0	0	0	4,185,203	4,185,203	589,323	4,774,526
Other comprehensive income	0	0	(983,129)	38,585	(21,739)	1,493,999	0	0	527,716	(29,551)	498,165
Total comprehensive income	0	0	(983,129)	38,585	(21,739)	1,493,999	0	4,185,203	4,712,919	559,772	5,272,691
Dividend distribution	0	0	0	0	0	0	0	0	0	(415,679)	(415,679)
Effect hyperinflation IAS 29	0	0	0	0	0	0	0	684,001	684,001	9,231	693,232
Acquisition of non-controlling interests without loss of control	0	0	1,337	0	0	0	0	(2,158,903)	(2,157,566)	(903,702)	(3,061,268)
Share-based payment through equity instruments	0	0	0	0	0	0	0	0	0	570,000	570,000
Other movements	0	0	0	0	0	0	0	11,889	11,889	(1,600)	10,289
Balance at 30 June 2022 restated	14,638,053	6,999,933	(7,062,427)	13,108,656	(622,148)	1,319,789	0	29,818,570	58,200,426	12,758,488	70,958,914

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

Condensed consolidated statement of cash flows

	Note	H12023	H1 2022 restated
Cash flows from operating activities			
Profit (Loss) before tax		14,989,534	6,573,837
Adjustments for:			
-Depreciation, amortization and impairment		7,705,530	6,770,995
-Net finance costs	9	2,675,133	5,130,242
- Net gain or loss on disposal of non-current assets		(28,850)	(23,657)
-Other non-cash transactions		(297,891)	1,461,620
		25,043,457	19,913,038
Changes in:			
-Inventories		(10,107,851)	(12,280,685)
-Contract assets		(3,831,387)	(5,726,724)
-Trade receivables and other receivables		(3,006,164)	(11,781,784)
-Contract liabilities		(2,513,347)	4,378,222
-Trade payables and other payables		(540,750)	15,479,302
Taxes paid		(2,516,720)	(567,275)
Net cash from (used in) operating activities		2,527,238	9,414,096
Cash flows from investment activities			
Interest received		109,795	31,432
Proceeds from sale of property, plant and equipment		3,718	10,092
Payments for acquisition of property, plant and equipment & intangible assets		(7,804,654)	(8,315,325)
Net cash from (used in) investing activities		(7,691,141)	(8,273,802)
Cash flows from financing activities			
Interest paid		(2,575,739)	(1,791,918)
Acquisition of non-controlling interests		0	(3,061,268)
Proceeds from loans and borrowings		15,249,728	15,969,241
Repayment of borrowings		(10,679,406)	(4,588,190)
Payment of lease liabilities		(1,734,225)	(1,852,997)
Dividends paid to non-controlling interest		0	(415,679)
Net cash from (used in) financing activities		260,358	4,259,189
Net increase (decrease) in cash and cash equivalents		(4,903,545)	5,399,483
Cash and cash equivalents at 1 January		21,628,404	11,484,243
Effect of movements in exchange rates on cash held		(414,162)	(370,929)
Cash and cash equivalents at 30 June		16,310,698	16,512,797

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, 2021 is the ultimate legal parent of AUSTRIACARD HOLDINGS Group. The Company's registered office is in Lamezanstraße 4-8, 1232, 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 "Digital Security" under the brand AUSTRIACARD and TAG SYSTEMS and "Information Management" under the brand INFORM.

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 2022 consolidated financial statements as well as accounting policies as of 31.12.2022 are applied consistently. Exceptions are new or amended IFRSs, which are mandatory from 1 January 2023 as well as the changes in presentation applied retrospectively described in section 5. The interim report should therefore be read together with the consolidated financial statements as of 31.12.2022.

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 01/01/2023.

Standard		Effective date*)	Material impact expected on consolidated financial statements
IFRS 17	Insurance contracts	01/01/2023	No
IAS 8	Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	01/01/2023	No
IAS 1	Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	01/01/2023	No
IAS 12	Amendment to IAS 12 Income Taxes: Deferred tax related to Assets and Liabilities arising from a Single Transaction	01/01/2023	No
IFRS 17	Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	01/01/2023	No

The following amendments and interpretations of the IFRS have been issued by the International Accounting Standards Board (IASB) but have not been applied yet or have not been adopted by the European Union:

Standard		Effective date*)	Material impact expected on consolidated financial statements
IAS 12	Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Models Rules	Immediately and 01/01/2023	No
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants	01/01/2024	No
IFRS 16	Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	01/01/2024	No
IAS 7 and IFRS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	01/01/2024	No

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

IAS 29 Financial Reporting in hyperinflationary economies

The standard is to be applied when the functional currency of a company is that of a country with pronounced high inflation. In this half-year report, this again concerns a subsidiary in Turkey, same as in 2022, as the cumulative three-year inflation rate has led to Turkey's classification as a hyperinflationary country within the meaning of IAS 29. IAS 29 requires the adjustment of affected financial statements by applying a general price index:

- Monetary items of the balance sheet are not adjusted.
- Non-monetary items of the balance sheet that are measured at cost are adjusted to the price changes that occurred in the financial year before translation into Group currency on the basis of an appropriate price index to measure purchasing power.
- All items in the statement of comprehensive income and all components of equity are also adjusted on the basis of suitable price indices.
- Gains or losses from the net position of monetary items are reported in the financial result of the consolidated income statement.
- Prior-year figures have not been adjusted in accordance with IAS 21.42 (b).

The financial statements of the Turkish subsidiary – previously 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 30.6.2023. The CPI 2003 consumer price index published by the Turkish Statistical Institute, the national institute for statistics, was used as an appropriate price index. The price index as of 30.6.2023 was 1351.59. The change in the index in fiscal year 2023 can be found in the following table:

Date	Index CPI 2003	Monthly change
31/12/2022	1128.45	
31/01/2023	1203.48	6.6%
28/02/2023	1241.33	3.1%
31/03/2023	1269.75	2.3%
30/04/2023	1300.04	2.4%
31/05/2023	1300.60	0.0%
30/06/2023	1351.59	3.1%

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 2023 the group of consolidated companies changed as follows:

	30/06/2023	31/12/2022
As of beginning of the period – fully consolidated	21	22
Disposal because of merger	(1)	0
Disposal because of final consolidation	0	(1)
Addition because of start-up	3	0
As of end of the period – fully consolidated	23	21
As of beginning of the period – at equity consolidated	1	2
Disposal because of final consolidation	0	(1)
As of end of the period – at equity consolidated	1	1
As of end of the period - total	24	22
<i>Not consolidated</i>	2	3

As of 30.06.2023, two companies were not consolidated due to immateriality, both of them are already in liquidation. The third company not consolidated per 31.12.2022, TAG Biometrics SL, was founded shortly before year end 2022 and was initially consolidated in March 2023.

For two new group companies, ILRA POST HOLDING S.R.L. and ILRA PINK POST OPERATIONS S.R.L., initial consolidation was done in March 2023. The newly formed companies are controlled by TERRANE LTD holding 50.1%, and the minority shareholders DERIVAT INVESTMENT HOLDING S.R.L. and PB DELIVERY EXPRESS S.R.L., holding 37.2% and 12.7% respectively of the share capital.

The group of companies also decreased by one company as Inform P. Lykos Holdings SA was merged into AUSTRIACARD HOLDINGS AG, see note 4.

4. Cross-border merger

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

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

As a result of the cross-border merger the assets of the absorbed company, representing a total value of € 17,730,000 were contributed to the absorbing company as a contribution in kind, and the share capital of the absorbing company was increased by a nominal amount of € 1,314,867 from currently € 16,862,067 to € 18,176,934 by issuing 1,314,867 new bearer shares. € 16,415,133 of the contribution in kind was transferred to the share premium. As a result of the merger former non-controlling interests in related to the former shareholders of Inform P. Lykos Holdings SA amounting to € 11,320,546 were reclassified to equity attributable to the owners of the Company.

5. Changes in presentation

As a part of his remuneration package the managing director of a subsidiary is entitled to receive – assuming all targets are achieved – one percent of the subsidiary's shares per anno with a ceiling of 10%. In addition, both the beneficiary as well as the parent company of the subsidiary dispose of a mutual put- and call-option once the managing director leaves the subsidiary. A reassessment of this incentive program led to a retrospective restatement as of 31.12.2022, 30.06.2022 and 01.01.2022 based on IAS 8.42. The liability related to the put-option for the shares in the subsidiary of the beneficiary is now shown as long term liability for employee benefits in the balance sheet, the corresponding share option expense is included in personnel expenses of the Administrative function. The non-controlling interest in the subsidiary have been eliminated. The effects of restatement can be seen in detail in the table below.

In addition, compared to previous year, there is a reclassification of the position "Result from associated companies" in the consolidated income statement of the group. This position was reclassified from its former position within EBITDA and is now shown as part of Net finance costs.

The comparative figures of the balance sheet as of 31 December 2022 and 01 January 2022 have been adjusted as follows:

Consolidated statement of financial position	31 December 2022 adjusted	adjustment	31 December 2022 previous year report
Other reserves	6,874,926	(371,891)	7,246,817
Retained earnings	12,706,989	(653,319)	13,360,308
Equity attributable to owners of the Company	70,954,969	(1,025,210)	71,980,179
Non-controlling interests	11,610,180	(73,172)	11,683,352
Total Equity	82,565,149	(1,098,382)	83,663,531
Employee benefits	11,995,374	1,098,382	10,896,992
Non-current liabilities	89,568,830	1,098,382	88,470,448
Total liabilities	187,588,068	1,098,382	186,489,685

Consolidated statement of financial position	01 January 2022 adjusted	adjustment	01 January 2022 previous year report
Other reserves	6,224,775	(225,058)	6,449,833
Retained earnings	27,055,413	(250,378)	27,305,791
Equity attributable to owners of the Company	54,918,173	(475,436)	55,393,609
Non-controlling interests	12,971,476	(69,346)	13,040,822
Total Equity	67,889,649	(544,782)	68,434,431
Employee benefits	5,076,511	544,782	4,531,729
Non-current liabilities	96,337,569	544,782	95,792,787
Total liabilities	158,495,427	544,782	157,950,645

The comparative figures in the income statement as of 30 June 2022 have been adjusted as follows:

Consolidated income statement	30 June 2022 adjusted	adjustment	30 June 2022 previous year report
Administrative expenses	(10,408,079)	(276,800)	(10,131,279)
Result from associated companies	0	(45,536)	45,536
EBITDA	18,475,075	(322,336)	18,797,411
EBIT	11,704,080	(322,336)	12,026,416
Result from associated companies	45,536	45,536	0
Net finance costs	(5,130,242)	45,536	(5,175,779)
Profit (Loss) before tax	6,573,837	(276,800)	6,850,637
Profit (Loss)	4,774,526	(276,800)	5,051,326
Profit attributable to:			
Owners of the Company	4,226,170	(235,833)	4,462,003
Non-controlling interests	548,356	(40,967)	589,323
Earnings (Loss) per share	0.289	(0.016)	0.305

In the first half of 2023, the Group's segment reporting was restructured, see note 6. The segments are now reported according to the regional responsibilities of the respective responsible regional Executive Vice Presidents and members of the Management Board for the main market clusters. The main market clusters reported are:

- Western Europe, Nordics, Americas
- Central Eastern Europe and DACH
- Türkiye, Middle East and Africa

Performance of the period

6. Segment reporting

i. Basis for segmentation

The identification of reportable segments is based on information that is regularly used by the Group's chief decision maker to allocate resources and assess performance. The CEO is the Group's chief decision maker. The Group's CEO reviews the internal report on a monthly and year to date basis. The financial information that forms the basis for internal reporting is based on the accounting policies of IFRSs. In internal reporting, various adjustments are made in order to present non-operating earnings separately.

Since 2023 internal reporting to the CEO is based on business areas which comprise 3 regional segments. For these segments, there are separate responsibilities for the sale of products and services at the management level. Therefore segment reporting for current period interim reporting 30.06.2023 as well as for prior period 30.06.2022 (for comparative purposes) is presented in new structure in tables below.

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	Region
Western Europe, Nordics, Americas	UK, Ireland, Norway, Sweden, Finland, Denmark, Netherlands, Belgium, France, Luxembourg, Monaco, Liechtenstein, Spain, Portugal, Andorra, Baltics, North & Latin America
Central Eastern Europe and DACH	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	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".

01/01 – 30/06/2023	Western Europe, Nordics, Americas	Central Eastern Europe & DACH	Türkiye, Middle East and Africa	Total	Corporate	Elimination	Total
Revenues	66,275,915	82,920,149	31,969,611	181,165,675	0	0	181,165,675
Intersegment Revenues	1,888,503	1,606,433	21,385	3,516,321	233,000	(3,749,321)	0
Segment Revenues	68,164,418	84,526,582	31,990,995	184,681,996	233,000	(3,749,321)	181,165,675
Cost of Materials & Mailing	(38,648,087)	(48,157,091)	(18,747,995)	(105,553,172)	0	2,713,251	(102,839,921)
Gross profit I	29,516,331	36,369,492	13,243,001	79,128,824	233,000	(1,036,070)	78,325,754
<i>Gross margin I</i>	<i>43.3%</i>	<i>43.0%</i>	<i>41.4%</i>	<i>42.8%</i>	<i>100.0%</i>		<i>43.2%</i>
Production Cost	(11,349,173)	(17,867,137)	(5,134,538)	(34,350,848)	0	(81,073)	(34,431,921)
Gross profit II	18,167,158	18,502,355	8,108,463	44,777,976	233,000	(1,117,143)	43,893,833
<i>Gross margin II</i>	<i>26.7%</i>	<i>21.9%</i>	<i>25.3%</i>	<i>24.2%</i>	<i>100.0%</i>		<i>24.2%</i>
Other income	524,340	1,342,103	229,784	2,096,227	1,595	(126,279)	1,971,543
Selling and distribution expenses	(4,299,991)	(5,605,175)	(1,170,129)	(11,075,295)	0	77,224	(10,998,071)
Administrative expenses	(4,418,971)	(6,753,657)	(1,028,164)	(12,200,792)	(1,199,594)	880,212	(12,520,175)
Research and development expenses	(369,540)	(2,464,104)	(626,123)	(3,459,767)	0	(0)	(3,459,767)
Other expenses	(58,735)	(518,905)	(269,877)	(847,517)	(906)	254,484	(593,940)
+ Depreciation & amortization	2,824,508	4,081,355	797,956	7,703,819	1,413	298	7,705,530
adjusted EBITDA	12,368,769	8,583,971	6,041,910	26,994,650	(964,492)	(31,205)	25,998,953
<i>adjusted EBITDA margin</i>	<i>18.1%</i>	<i>10.2%</i>	<i>18.9%</i>	<i>14.6%</i>	<i>-413.9%</i>		<i>14.4%</i>
- Depreciation & amortization	(2,824,508)	(4,081,355)	(797,956)	(7,703,819)	(1,413)	(298)	(7,705,530)
adjusted EBIT	9,544,261	4,502,617	5,243,954	19,290,831	(965,905)	(31,503)	18,293,423
Financial income							109,795
Financial expenses							(2,960,959)
Result from associated companies							0
Net finance costs							(2,851,164)
adjusted Profit (Loss) before tax							15,442,259
Adjustments							(452,725)
Profit (Loss) before tax							14,989,534
Income tax expense							(2,730,516)
Profit (Loss)							12,259,018

01/01 – 30/06/2022	Western Europe, Nordics, Americas	Central Eastern Europe & DACH	Türkiye, Middle East and Africa	Total	Corporate	Elimination	Total
Revenues	50,935,908	68,132,498	18,076,164	137,144,570	0	0	137,144,570
Intersegment Revenues	1,343,874	2,456,603	236,352	4,036,830	0	(4,036,830)	0
Segment Revenues	52,279,782	70,589,101	18,312,516	141,181,400	0	(4,036,830)	137,144,570
Cost of Materials & Mailing	(29,378,929)	(40,206,687)	(10,208,668)	(79,794,284)	0	4,010,986	(75,783,298)
Gross profit I	22,900,853	30,382,414	8,103,848	61,387,116	0	(25,844)	61,361,272
<i>Gross margin I</i>	43.8%	43.0%	44.3%	43.5%			44.7%
Production Cost	(8,846,124)	(14,451,872)	(3,751,830)	(27,049,825)	0	(142,593)	(27,192,418)
Gross profit II	14,054,730	15,930,543	4,352,018	34,337,291	0	(168,437)	34,168,854
<i>Gross margin II</i>	26.9%	22.6%	23.8%	24.3%			24.9%
Other income	41,199	1,123,055	145,500	1,309,755	0	(12,040)	1,297,715
Selling and distribution expenses	(3,834,683)	(5,130,573)	(987,878)	(9,953,134)	0	37	(9,953,096)
Administrative expenses	(2,653,393)	(5,345,141)	(925,610)	(8,924,143)	(198,285)	8,150	(9,114,279)
Research and development expenses	(299,836)	(2,292,164)	(381,046)	(2,973,046)	0	(0)	(2,973,046)
Other expenses	(108,679)	(470,220)	(23,118)	(602,017)	(317)	174,288	(428,046)
+ Depreciation & amortization	2,467,347	3,600,908	663,839	6,732,094	1,413	37,488	6,770,995
adjusted EBITDA	9,666,685	7,416,409	2,843,706	19,926,800	(197,190)	39,486	19,769,097
<i>adjusted EBITDA margin</i>	18.5%	10.5%	15.5%	14.1%			14.4%
- Depreciation & amortization	(2,467,347)	(3,600,908)	(663,839)	(6,732,094)	(1,413)	(37,488)	(6,770,995)
adjusted EBIT	7,199,338	3,815,501	2,179,868	13,194,706	(198,602)	1,998	12,998,101
Financial income							31,432
Financial expenses							(1,893,745)
Result from associated companies							45,536
Net finance costs							(1,816,777)
adjusted Profit (Loss) before tax							11,181,325
Adjustments							(4,607,487)
Profit (Loss) before tax							6,573,837
Income tax expense							(1,799,312)
Profit (Loss)							4,774,526

Adjustments	Included in	H1 2023	H1 2022
Management participation programs	EBITDA	(629,822)	(1,293,800)
Foreign exchange gains	Profit before tax	0	163,543
Foreign exchange losses	Profit before tax	(72,354)	0
Effect Hyperinflation IAS 29	Profit before tax	249,451	(399,787)
Expense from financial assets and liabilities at fair value through profit or loss	Profit before tax	0	(3,077,443)
Total		(452,725)	(4,607,487)

Selected notes to the consolidated income statement

7. Revenues

A. Revenues from contracts with customers

01/01 - 30/06/2023 Revenue by Region ¹	Segments					Total
	Western Europe, Nordics, Americas	Central Eastern Europe & DACH	Türkiye, Middle East and Africa	Corporate	Elimination	
Western Europe, UK, Nordics	43,927,570	2,435,283	0	44,000	(1,195,150)	45,211,703
Central & Eastern Europe & DACH	10,602,673	80,897,263	268,359	189,000	(626,895)	91,330,400
Türkiye, MEA, Asia & others	1,927,003	986,719	31,722,637	0	(1,813,276)	32,823,082
Americas	11,707,172	207,318	0	0	(114,000)	11,800,490
	68,164,418	84,526,582	31,990,995	233,000	(3,749,321)	181,165,675
Type of revenue						
Revenues from sale of goods	40,415,363	45,187,022	25,088,136	0	(2,705,820)	107,984,701
Revenues from services	5,960,686	8,810,172	3,496,268	233,000	(994,209)	17,505,916
Revenues from licenses & royalties	2,549	27,875	0	0	0	30,424
Revenues from sale of merchandise	14,960,384	3,961,324	3,354,494	0	0	22,276,202
Revenues from transportation services	6,825,436	26,540,189	52,098	0	(49,291)	33,368,432
	68,164,418	84,526,582	31,990,995	233,000	(3,749,321)	181,165,675
Timing of revenue recognition						
Products and services transferred over time	53,204,034	80,565,258	28,636,502	233,000	(3,749,321)	158,889,473
Products transferred at a point of time	14,960,384	3,961,324	3,354,494	0	0	22,276,202
	68,164,418	84,526,582	31,990,995	233,000	(3,749,321)	181,165,675
01/01 - 30/06/2022 Revenue by Region¹	Western Europe, Nordics, Americas	Central Eastern Europe & DACH	Türkiye, Middle East and Africa	Corporate	Elimination	Total
Western Europe, UK, Nordics	38,245,339	2,193,928	0	0	(834,925)	39,604,342
Central & Eastern Europe & DACH	5,496,483	66,621,214	160,005	0	(1,396,852)	70,880,850
Türkiye, MEA, Asia & others	169,499	1,610,991	18,152,511	0	(1,714,328)	18,218,673
Americas	8,368,461	162,968	0	0	(90,724)	8,440,705
	52,279,782	70,589,102	18,312,516	0	(4,036,830)	137,144,570
Type of revenue						
Revenues from sale of goods	28,098,512	43,417,643	15,418,946	0	(2,692,560)	84,242,541
Revenues from services	6,018,494	7,377,284	2,406,020	0	(41,180)	15,760,618
Revenues from licenses & royalties	1,145	26,246	0	0	0	27,391
Revenues from sale of merchandise	11,693,224	2,425,780	462,868	0	(1,293,225)	13,288,647
Revenues from transportation services	6,468,407	17,342,148	24,683	0	(9,866)	23,825,372
	52,279,782	70,589,102	18,312,516	0	(4,036,830)	137,144,570
Timing of revenue recognition						
Products and services transferred over time	40,586,558	68,163,322	17,849,648	0	(2,743,605)	123,855,923
Products transferred at a point of time	11,693,224	2,425,780	462,868	0	(1,293,225)	13,288,647
	52,279,782	70,589,102	18,312,516	0	(4,036,830)	137,144,570

¹ Revenues are attributed to the presented regions following the geographic location of the customers.

8. Income and expenses

A. Other Income

	H1 2023	H1 2022
Government grants	20,729	28,308
Gain on sale of equipment	39,563	16,874
Rental income from property leases	43,150	40,043
Reversal of accruals	580,008	86,886
Capitalised development expenses	1,256,538	1,089,389
Other income	33,131	36,382
Total	1,973,120	1,297,882

B. Other Expenses

	H1 2023	H1 2022
Losses on disposal of non-current assets	10,713	6,782
Contract penalties	20,053	7,750
Impairment loss on trade receivables and contract assets	302,013	80,976
Losses from write-downs of inventories	0	23,658
Property and other taxes	56,762	56,482
Re-invoiced expenses	20,902	3,828
Bank charges	92,800	76,331
Other expenses	91,209	172,628
Total	594,451	428,435

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.

	H1 2023	H1 2022 restated
Employee compensation and expenses	34,274,340	27,832,549
Costs of inventories recognized as expense	76,516,272	54,802,569
Mailing costs	26,323,649	20,980,729
Third party fees	6,565,884	4,244,833
Commissions paid	531,275	704,187
Utilities and maintenance expenses	5,474,504	4,800,430
Rentals from property and machinery	604,035	411,376
Tax and duties	365,587	169,693
Transportation expenses	2,162,343	1,926,742
Inks and similar consumable materials	1,749,774	1,912,837
Depreciation & amortization	7,726,432	6,770,995
Other expenses	2,585,582	1,752,996
Total	164,879,677	126,309,937

Employee compensation and expenses include management participation program expense amounting to € 0.6 million (2022: € 1.3 million).

9. Net Finance costs

	H1 2023	H1 2022
Interest income under the effective interest method	109,795	31,432
Foreign exchange gains	0	163,754
Effect Hyperinflation IAS 29 Türkiye	249,451	0
Other income	6,124	0
Finance income	365,369	195,196
Financial liabilities measured at amortised cost	2,599,180	1,592,328
Commissions of letters of guarantee	134,255	101,827
Foreign exchange losses	74,788	0
Effect Hyperinflation IAS 29 Türkiye	0	399,787
Financial assets at fair value through profit or loss – net change in fair value	0	3,077,443
Other financial expenses	232,280	199,590
Finance costs	3,040,502	5,370,975
Result from associated companies	0	45,536
Net finance costs	(2,675,133)	(5,130,242)

10. Earnings per share

A. Basic and diluted earnings or (losses)

	H1 2023	H1 2022 restated
Profit (loss) attributable to the owners of the Company	11,790,113	4,226,170
Weighted profit (loss) per share attributable to the owners of the Company	0.669	0.289

B. Weighted-average number of ordinary shares

	H1 2023	H1 2022
Issued ordinary shares at 1 January	16,862,067	14,638,053
Effects in the year	1,314,867	0
Total number of ordinary shares at 30th June	18,176,934	14,638,053
Weighted-average number of ordinary shares at 30th June	17,624,835	14,638,053

Selected notes to consolidated financial statement of position
11. Loans and Borrowings

	30/06/2023	31/12/2022
Non-current liabilities		
Secured bank loans	38,271,791	34,242,061
Unsecured bank loans	19,180,348	21,667,986
Bonds	5,425,000	6,112,500
Lease liabilities	8,488,686	8,603,190
	71,365,825	70,625,737
Current liabilities		
Secured bank loans	14,137,160	12,167,764
Unsecured bank loans	10,024,993	8,246,628
Bonds	4,875,000	4,875,000
Lease liabilities	2,988,502	2,310,413
	32,025,655	27,599,805
Total	103,391,480	98,225,542

Financial instruments

12. Financial instruments – Fair values and risk management

Accounting classifications and fair values

The financial instruments carried at fair value through profit and loss concerns an investment in a quoted mixed fund consisting of a mix of securities and equity investments. The financial instruments carried at fair value through OCI concerns 3 interest rate swaps. The fair value of all financial instruments approximates the carrying amount and corresponds to a Level 2 fair value according to IFRS 13.

30 June 2023	At amortized cost	FVTPL	FVTOCI	Non-financial instruments	Total
Assets					
Trade receivables	42,187,643	0	0	0	42,187,643
Other receivables	2,242,032	459,489	2,653,162	7,388,331	12,743,014
Cash and cash equivalents	16,310,698	0	0	0	16,310,698
Total	60,740,373	459,489	2,653,162	7,388,331	71,241,354
Liabilities					
Loans and borrowings	103,391,480	0	0	0	103,391,480
Trade payables	42,860,931	0	0	0	42,860,931
Other payables	6,037,275	0	0	10,047,355	16,084,630
Total	152,289,686	0	0	10,047,355	162,337,041

31 December 2022	At amortized cost	FVTPL	FVTOCI	Non-financial instruments	Total
Assets					
Trade receivables	40,037,313	0	0	0	40,037,313
Other receivables	2,362,182	504,607	3,018,754	6,148,001	12,033,544
Cash and cash equivalents	21,628,404	0	0	0	21,628,404
Total	64,027,899	504,607	3,017,754	6,148,001	73,699,261
Liabilities					
Loans and borrowings	98,225,542	0	0	0	98,225,542
Trade payables	43,969,030	0	0	0	43,969,030
Other payables	3,830,301	0	0	8,561,084	12,391,386
Total	146,024,874	0	0	8,561,084	154,585,958

Other disclosures

13. 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. Key management personnel transactions

Directors of the Company control 79.01% of the voting shares of the ultimate Parent Company. Nikolaos Lykos holds a majority stake and can exercise control over the Group. No post-employment benefits exist. None of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies. Key management personnel compensation is as following:

	H1 2023	H1 2022
Short-term employee benefits	959,939	938,477
Management participation programs (long-term)	566,375	381,000

In the supervisory board meeting held on 21 Juni 2023 the board resolved to enlarge the management board of AUSTRIACARD HOLDINGS AG, consisting of Nikolaos Lykos and Panagiotis Spyropoulos, by four additional members. With effectiveness on 1 July 2023 the following new members of the management board were appointed:

- Emmanouil Kontos, Deputy CEO and Executive Vice President CEE
- Burak Bilge, Executive Vice President Türkiye, Middle East and Africa
- Jon Neeraas, Executive Vice President Western Europe, Nordics and Americas
- Markus Kirchmayr, Group CFO

The above transactions only concern the board members active during the first half of 2023 and 2022.

In the first half of 2023, the Group amended the initial separate management participation plans (SOPs) it had for its senior management on divisional level and consolidated them with similar terms on Company/Group-level as an equity-settled plan with a Company call-option for stock options. In the course of the adaption, the number of the share options due upon target achievement was reduced by 20% compared to the initial programs. The existing put-options of the initial management participation plans (SOPs), which had affected FY 2022 by € 6.8 million, were cancelled in 2023, resulting to a € 6.8 million reversal in H1 2023, while the assessment of the amended SOP for the period 01/01/2022 – 30/06/2023 led to an expense of € 6.9 million in the first half of 2023. The effect of the new SOP for the next two years (2024 & 2025) until its expiration by the end of 2025, is expected to be approximately € 5 million per annum.

Further, a reassessment of an existing management participation program on subsidiary level containing also put-options resulted in a SOP expense in H1 2023 amounting to € 0.5 m. As a result, the total net SOP expenses in the first half 2023 amounted to € 0.6 million. For the second half 2023 an additional expense of approximately € 2.5 m is expected.

ii. Transactions with members of the Supervisory Board

In first 6 months of 2023 there have been no transactions with members of the Supervisory Board. In same period of previous year 2022 Mr. Ilias Karantzalis, Board Member until 30.11.2022, invoiced € 8,000 for legal consulting services to the Group.

iii. Transactions with associated companies

As of the balance sheet date 30.06.2023, there was only one investment in one immaterial associated company. The balance sheet items as of 30.06.2023 included no trade receivables or trade payables from associates. In the income statement for the financial year, no income (2022: € 45,536) is reported with associates.

14. Subsequent events

At the 13th Annual General Meeting of AUSTRIACARD HOLDINGS AG, held on 30 June 2023, it was resolved to distribute a dividend of € 0.05 per share for the financial year 2022. Payment was done on 13 July 2023. There has been no dividend distribution in previous year.

In addition, the Annual General Meeting resolved an increase of the share capital of AUSTRIACARD HOLDINGS AG by € 18,176,934 from € 18,176,934 to € 36,353,868 by converting a partial amount of € 18,176,934 of the fixed capital reserves into share capital with the simultaneous issue of 18,176,934 new shares in the ratio 1:1. The shares were converted from par value shares into no-par value shares. The transaction was implemented in August 2023.

15. 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 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, 30 August 2023

Nikolaos Lykos
Chairman of the Management Board



Emmanouil Kontos
Member of the Management Board



Burak Bilge
Member of the Management Board



Panagiotis Spyropoulos
Vice Chairman & Group CEO



Jon Neeras
Member of the Management Board



Markus Kirchmayr
Member of the Management Board

