

**Annual General Meeting of
ANY Security Printing Company Public Limited Company by Shares**

Budapest, 19 April 2021

Agenda

1. Report of the Board of Directors on the Company's reports under the Accounting Act for the 2020 business year (balance sheet, profit & loss account, notes to the accounts and business report, hereinafter jointly referred to as "reports under the Accounting Act")
2. Proposal of the Board of Directors for the distribution of net profit
3. Report of the Supervisory Board on the Company's reports under the Accounting Act for the 2020 business year and the proposal for the use of net earnings
4. Report of the Audit Committee on the Company's reports under the Accounting Act for the 2020 business year and the proposal for the use of net earnings
5. Report of the Auditor on the Company's reports under the Accounting Act for the 2020 business year and the proposal for the use of net earnings
6. Approval of the Company's reports under the Accounting Act for the 2020 business year, including a decision on the use of net earnings
7. Approval of the Statement on Corporate Governance Practice
8. Approval of the Company's Remuneration Report for the 2020 business year
9. Approval of the Supervisory Board's Rules of Procedure
10. Election of the Auditor, and decision on the remuneration
11. Election and removal of the members of the Board of Directors, members of the Supervisory Board, members of the Audit Committee
12. Decision on the remuneration of Board of Directors, Supervisory Board members
13. Authorization of the Board of Directors to buy treasury shares based on section 9.3 of the Company's Statutes
14. Others

Documentation

To the Annual General Meeting

Item No. 1

Report of the Board of Directors on the Company's reports under the Accounting Act for the 2020 business year (balance sheet, profit & loss account, notes to the accounts and business report, hereinafter jointly referred to as "reports under the Accounting Act")

The Printing Company is stable even in the epidemic situation

SUMMARY

- Net sales of ANY PLC for 2020 amounted to HUF 27.4 billion which is lower by HUF 6.7 billion (20%) than in the previous year. Changes in case of strategic product segments were as follows: sales of security products. solutions were HUF 7.0 billion, which is HUF 3.6 billion lower than the figure in the basis period; sales of card production, personalisation were HUF 10.3 billion, which is the same than in the base period; whilst sales of segment of form production, personalisation. data processing were HUF 7.9 billion, which is HUF 3.1 billion lower than in the base period. Ratio of strategic products segments in total net sales was 92% in January-December 2020.
- Export sales amounted to HUF 11.7 billion as at December 31. 2020. which is same compared to a year earlier, representing a HUF 1.0 billion decrease in the 42% export sales ratio.
- Consolidated EBITDA is HUF 2996 million, an decrease of HUF 376 million compared to 2019 base period.
- Consolidated operating income is HUF 1,498 million, which is HUF 585 million lower than the profit for the base period.
- Consolidated net income after interest income, taxation, non-controlling interest is HUF 785 million, which shows an decrease of HUF 488 million (38%) compared to the previous year's same period. Consolidated net income for the year contains in other income the non-repayable government grant in value of HUF 502 million received for compensating losses occurred due to COVID-19 epidemic.

Introduction of ANY Group

Name of the Company	Equity	Share of ownership (%)	Voting right ⁽¹⁾
ANY Security Printing Company PLC.	HUF 1, 449, 876,000	-	-
Gyomai Kner Nyomda Zrt.	HUF 200,000,000	99.48%	99.48%
Specimen Zrt.	HUF 100,000,000	100.0%	100.0%
Techno-Progress Kft.	HUF 5,000,000	100.0%	100.0%
ANY Ingatlanhasznosító Kft.	HUF 3,000,000	100.0%	100.0%
Zipper Services SRL	RON 2,060,310	50.0%	50.0%
Direct Services OOD	LEVA 570,000	50.0%	50.0%
Slovak Direct SRO	SKK 1,927,000	100.0%	100.0%
Tipo Direct SERV SRL	MDL 30,308	50.0%	50.0%

(1) Voting rights that entitle the holder to participate in decision making at the general meeting of the company included in consolidation

Main financial data and indicators (IFRS consolidated)

Name	FY 2019 in HUF millions	FY 2020 in HUF millions
Financial situation		
Non-current assets	10,553	11,301
Total assets	20,473	22,977
Shareholder's equity	7,299	8,490
Main categories of results		
Net sales	34,131	27,424
EBITDA	3,372	2,996
Profit after tax	1,273	785
Main indicators		
Return on sales (ROS) %	3.7%	2.9%
Return on equity (ROE) %	17.4%	9.2%
Earning per share (EPS) HUF	89	55

Sales of product groups

The breakdown of net sales by category is presented in the table below:

Sales categories	FY 2019 in HUF millions	FY 2020 in HUF millions	Change in HUF millions	Change %
Security products and solutions	10,504	6,950	(3,554)	(33.83%)
Card production and personalization	11,002	7,900	(3,102)	(28.19%)
Form production and personalization, data processing	10,255	10,309	54	0.53%
Traditional printing products	1,609	1,495	(114)	(7.09%)
Other	761	770	9	1.18%
Total net sales	34,131	27,424	(6,707)	(19.65%)

ANY PLC had consolidated net sales of HUF 27,424 million in Q4 2020, which is HUF 6,707 million (20%) lower than the sales for the base period.

Sales of **security products and solutions** came to HUF 6,950 million in Q4 2020 which means an increase of HUF 3,554 million (34%) compared to the base period. The change was due to the net sales of election ballots with security elements and the decreasing net sales of meal vouchers, other documents and document security products.

The Company's revenues from **card production and personalisation** totalled HUF 7,900 million in the period of reference, a HUF 3,102 million decrease compared to similar period of year 2019. The change was due to the decreasing document orders, which is obvious consequence of the COVID-19 epidemic.

The Company's revenues from **form production, personalisation and data processing** came to HUF 10,309 million in 2020, a HUF 54 million lower than the sales for the base period.

Sales of **traditional printing products** amounted to HUF 1,495 million in the period of reference, which means a HUF 114 million decrease compared to the previous year's similar period. The change is due to lower book sales.

Other sales totalled HUF 770 million in 2020, which is an increase of HUF 9 million. This segment mainly comprises revenues from the sale of commercial materials and goods.

Export sales by categories

Sales categories	FY 2019 in HUF millions	FY 2020 in HUF millions	Change in HUF millions	Change %
Security products and solutions	1,751	1,017	(734)	(41.92%)
Card production and personalization	1,457	815	(642)	(44.06%)
Form production and personalization, data processing	8,887	9,169	282	3.17%
Traditional printing products	23	9	(14)	(60.87%)
Other	520	649	129	24.81%
Total export sales	12,638	11,659	(979)	(7.75%)
Export %	37.01%	42.48%		

Export sales amounted to HUF 11,659 million as at December 31, 2020, which is same compared to a year earlier, representing a 7.75% decrease in the 42% export sales ratio.

Sales revenue of security products and solutions were HUF 1,017 million, which is HUF 734 million lower, than the same period of the last year. Decreasing turnover of meal vouchers was the reason for that.

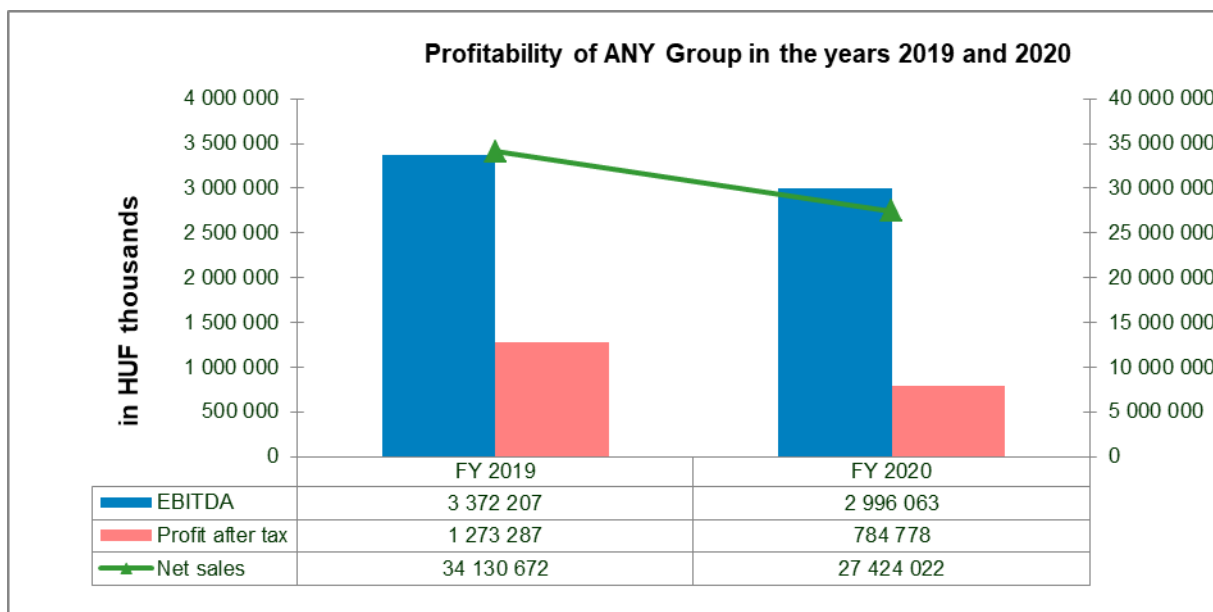
Export sales revenue of card production and personalization was HUF 815 million in 2020, which was HUF 642 million lower compared to base period. Lower volume of document card sales was the reason for the change.

In the field of form production, personalisation and related logistics services export sales revenue was HUF 9,169 million at the end of the period, increased by HUF 282 million compared to the base period.

Financial analysis

The table below presents the calculation of operating income according to the so-called “total cost accounting” method.

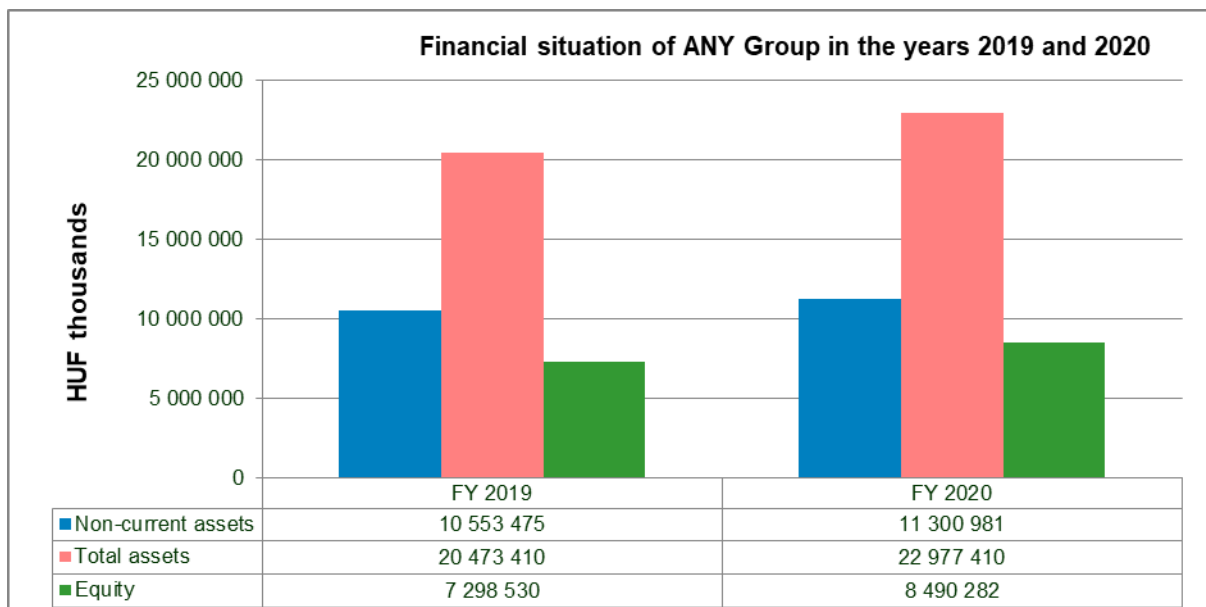
Description	2019 Q1-Q4 in HUF millions (A)	2020 Q1-Q4 in HUF millions (B)	Change (C-B)	Change % (C/B-1)
Net sales	34,131	27,424	(6,707)	(19.65%)
Capitalized value of assets produced	9	740	731	8122.22%
Material expenses	22,848	18,749	(4,099)	(17.94%)
Personnel expenses	7,716	6,876	(840)	(10.89%)
Depreciation	1,289	1,498	209	16.21%
Other expenses	204	-457	(661)	(324.02%)
Operating income	2,083	1,498	(585)	(28.08%)
Net profit	1,273	785	(488)	(38.49%)
EBITDA	3,372	2,996	(376)	(11.15%)
EBITDA margin (%)	9.88%	10.92%		



Net sales totalled HUF 27,424 million in Q1-Q4 2020, which is HUF 6,707 (20%) million decrease compared to the figure for the same period of last year.

EBITDA amounted to HUF 2,996 million due to the change in operating income and depreciation, which represents a decrease of HUF 376 million compared to previous period's adjusted EBITDA. Therefore EBITDA margin is 11%.

Net income came to HUF 785 million in 2020, an increase of 38% compared to the adjusted profit of the previous year's similar period.

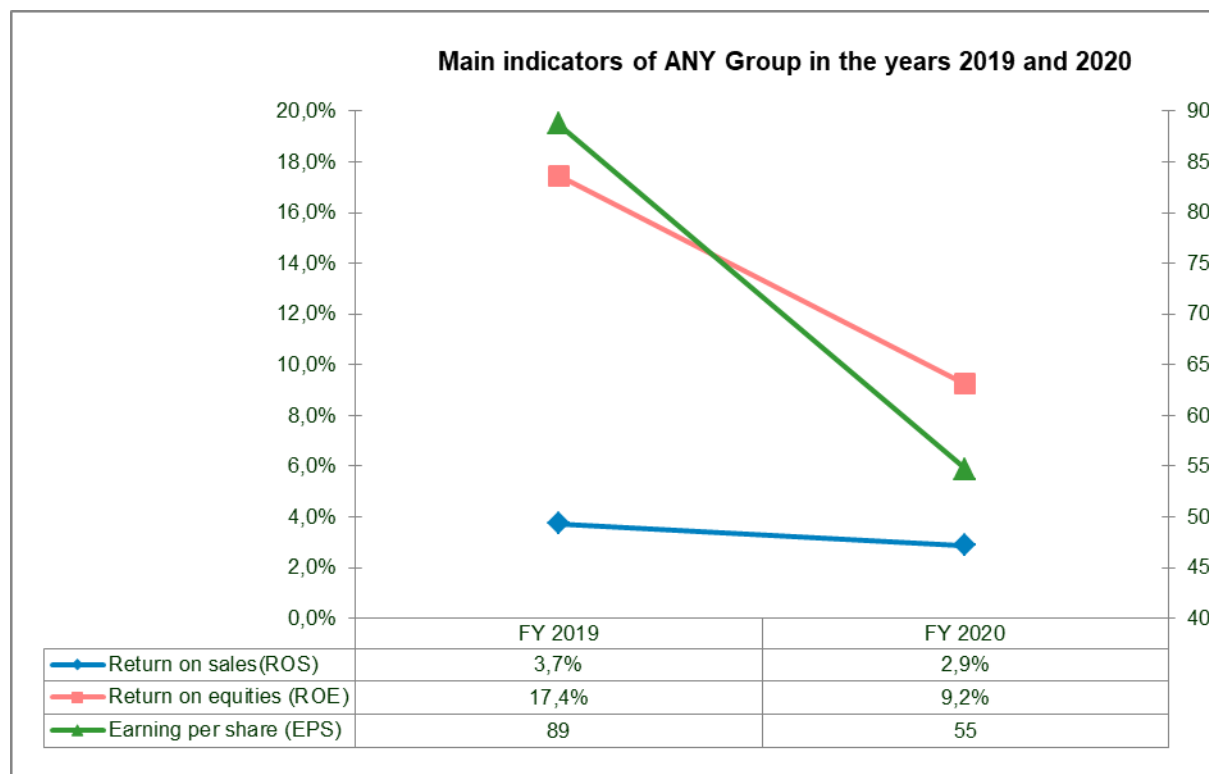


The Company had total assets of HUF 22,977 million on 31 December 2020, which increased by HUF 2,504 million compared to the previous year-end.

The Company had non-current assets of HUF 11,301 million on 31 December 2020, which increased by HUF 748 million compared to the previous year-end.

Changes in equity items (in HUF millions)

HUF millions	Share capital	Capital reserve	Retained earnings	Treasury shares	Total
January 1, 2019	1,450	251	4,802	(455)	6,121
Dividend	-	-	(1,161)	-	(1,161)
Profit for the year	-	-	1,273	-	1,273
Other comprehensive income	-	-	0	-	0
December 31, 2019	1,450	251	4,988	(455)	6,233
January 1, 2020	1,450	251	4,988	(455)	6,233
Dividend	-	-	(7)	-	(7)
Profit for the year	-	-	785	-	785
Other comprehensive income	-	-	-	-	-
December 31, 2020	1,450	251	5,766	(455)	7,011



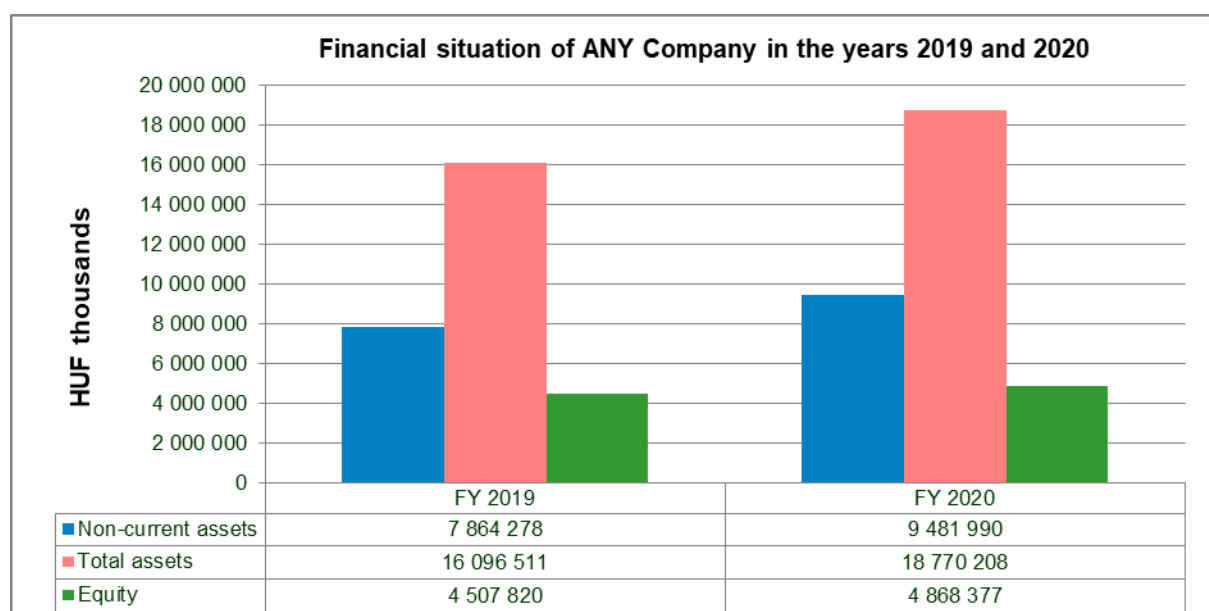
Return on sales was 9.2% and return on equities was 2.9%. Earnings per share are HUF 55.

The Board of Directors has examined the operation of the Company's internal controls and concluded that it was effective. It has not found any event when there was a deviation from internal controls.

Activity and operation of ANY Security Printing Company PLC in 2020

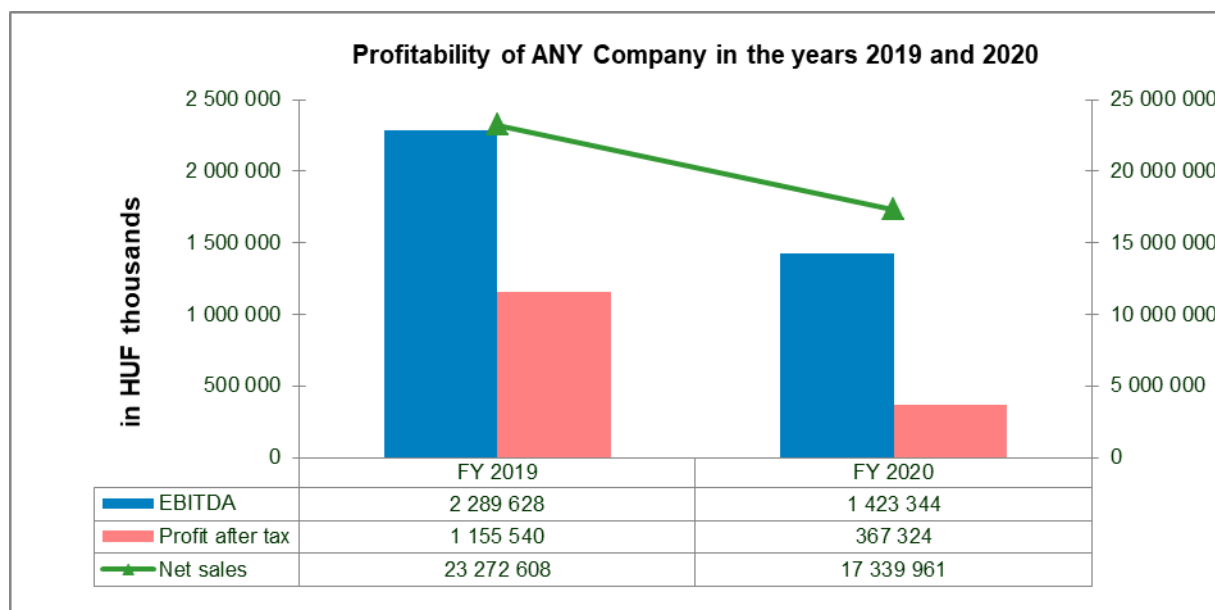
The largest company in the Group is the parent company ANY Security Printing Company PLC. which accounts for 63% of consolidated net sales prepared according to international accounting rules (IFRS) and for 82% of total assets in 2020. The Company produces security products and solutions (tax stamps, security stickers), plastic cards (document, bank and commercial cards), personalized business and administration forms. Furthermore, the company produces traditional printing products and sells other products as a supplementary activity.

Aside from the production activities, ANY Security Printing Company PLC. coordinates and controls the activities of the companies in the Group and sets the medium-term strategic goals and objectives of the Group.



Shareholder's equity amounted to HUF 4,868 million at the end of the reporting period, which presents a HUF 361 million increase compared to the previous year. The change was mainly effected by the decrease of the current year profit after tax and the reclassification of the year 2019 net profit into retained earnings.

The value of non-current assets was HUF 9,482 million, an increase of HUF 1,618 million compared to the previous year mainly as a result of increase in fixed assets. The amount of total assets was HUF 18,770 million, which increased by HUF 2,674 million than in previous year.



Sales revenue of ANY Security Printing Company PLC amounted to HUF 17,340 million in 2020, decreased by HUF 5,933 million compared to the previous year. EBITDA came to HUF 1,423 million in the current period, while profit after tax was HUF 367 million.

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the report of the Board of Directors on the Company's reports under the Accounting Act for the 2020 business year.

Item No. 2

Proposal of the Board of Directors for the use of net earnings

The Board of Directors proposes that the Corporation pays a HUF 55 dividend per share for the ANY Security Printing Company PLC ordinary shares series 'A' after the 2020 profit. According to this proposal, the General Meeting may decide on the payment of a dividend totalling HUF 813,706 thousand. The dividend payable on treasury shares owned by the Corporation will be proportionally divided among the shareholders. Proposed date for the payment of the dividend is: 15th October 2021.

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the proposal of the Board of Directors for the use of profit.

Item No. 3

Report of the Supervisory Board on the Company's reports under the Accounting Act for the 2020 business year and the proposal for the use of net earnings

Report of the Supervisory Board of ANY Security Printing Company PLC on the Company's profit reports on its operations between 1 January 2020 – 31 December 2020 and on the allocation of profit

In compliance with its obligations set forth in the relevant paragraphs about Companies of the Civil Code (Act V. 2013), the Supervisory Board was continuously monitoring the activities of the Company's executive management during the year. In addition to requesting verbal presentations, the Supervisory Board also used the written materials received to follow up on the problems the Company faced and the efforts made to solve them. The Chairman and the Vice-chairman of the Supervisory Board also attended the meetings of the Board of Directors several times.

The key issues discussed at the meetings included matters related to managing of the Company and to public operation. In addition, the agenda also included action plans laying the foundations for market success and effectiveness, and the monitoring of the financial reporting system. No notifications were received from shareholders in 2020, thus the Supervisory Board did not have to take a stand in any such matter.

ANY Group was profit making in 2020 as well. The Company's earning per share amounted to HUF 55, EBITDA came to HUF 2,996 million.

According to the independent auditor's report, the Company's 2020 annual report and Company's 2020 consolidated annual report was prepared in compliance with the applicable provisions of the International Financial Reporting Standards accepted in the European Union. The Supervisory Board discussed the report of the Board of Directors on the business operations of ANY Security Printing Company PLC. and studied the independent auditor's report on the Company's annual report. It is the opinion of the Supervisory Board that the 2020 activities of ANY Security Printing Company PLC. were in compliance with all applicable laws and regulations.

On the basis of the above, the Supervisory Board – in agreement with the independent auditor's opinion – found that the annual report is in accordance with the provisions of the International Financial Reporting Standards accepted in the European Union, and proposes that the General Meeting should approve the annual report with total assets of HUF 18,770,208 thousands and with profit after tax of HUF 367,324 thousands.

Furthermore, the Supervisory Board – in agreement with the independent auditor's opinion – found that the consolidated annual report is in accordance with the provisions of the International Financial Reporting Standards accepted in the European Union, and proposes that the General Meeting should approve the consolidated annual report with total assets of HUF 22,977,410 thousands and a net profit of HUF 784,778 thousands.

Furthermore, the Supervisory Board proposes approval of the proposal of the Board of Directors on the distribution of profits which states that HUF 55 should be paid as dividend per share after the profit of financial year 2020, which amounts to HUF 813,706 thousands in total. Dividend of treasury shares owned by the Company should be paid proportionately between the shareholders.

Budapest, 12 March 2021

Dr. István Stumpf
Chairman of the Supervisory Board

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the relevant report of the Supervisory Board on the Company's reports under the Accounting Act and on the determination of the profit for the 2020 business year.

Item No. 4

Report of the Audit Committee on the Company's reports under the Accounting Act for the 2020 business year and the proposal for the use of net earnings

Report of the Audit Committee of ANY Security Printing Company PLC on the Company's operations between 1 January 2020 – 31 December 2020

The Audit Committee has performed its duties in accordance with the provisions set out in the relevant paragraphs about Companies of the Civil Code (Act V. 2013) and the statutes of ANY Security Printing Company PLC. The committee discussed the Company's reports prepared in accordance with the provisions of the International Financial Reporting Standards accepted in the European Union. The annual report and the consolidated annual report prepared according to the international accounting standards presented to the Annual General Meeting comply with all applicable law and regulations. For this reason, the Audit committee proposes to the Annual General Meeting the approval of the presented financial reports.

Budapest, 12 March 2021

Dr. Istvánné Gömöri

Chairwoman of the Audit Committee

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the relevant report of the Audit Committee on the Company's reports under the Accounting Act and on the distribution of profit for the 2020 business year.

Item No. 5

Report of the Auditor on the Company's reports under the Accounting Act for the 2020 business year and the proposal for the use of net earnings



Ernst & Young Kft.
Ernst & Young Ltd.
H-1132 Budapest Váci út 20.
1399 Budapest 62. Pf.632, Hungary

Tel: +36 1 451 8100
Fax: +36 1 451 8199
www.ey.com/hu
Cg. 01-09-267553

This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of ANY Security Printing Company Public Limited Company by Shares

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying 2020 consolidated financial statements of ANY Security Printing Company Public Limited Company by Shares ("the Company") and its subsidiaries (altogether "the Group"), which comprise the consolidated statement of financial position as at 31 December 2020 - showing a balance sheet total of HUF 22,977,410 thousand and a total comprehensive income for the year of HUF 1,270,901 thousand -, the related consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash-flow for the year then ended and supplementary notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all materials respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for consolidated annual financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements section" of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of Goodwill

The Group's goodwill represents HUF 335,857 thousand as of 31 December 2020, which is approximately 2 % of total assets. Valuation of goodwill relies on judgmental assumptions and inputs, such as the determination of discount rate or the subsidiaries' growth rate of future profits. Management annually assesses if goodwill is impaired in accordance with EU IFRSs. This is a key audit matter as significant judgement is involved to determine if the goodwill is impaired.

Our audit procedures included, among others, involving specialists who assisted us in evaluation of assumptions and methodologies used by the Group to assess whether goodwill is impaired. We assessed the accuracy of key inputs used in the model, such as management's primary cash-flow assumptions, the applied discount- and growth rates. We reconciled the model to the approved business plan of the subsidiaries and also assessed historical accuracy of management's estimates. With the involvement of specialists, we assessed the judgmental assumptions and inputs, such as the discount rate or the subsidiaries' growth rate of future profits.

We assessed the compliance of the valuation method with EU IFRSs and the consistency of application compared to the prior year. We assessed the adequacy of the Group's disclosures about goodwill in accordance with EU IFRSs including information how the impairment is evaluated by the Group.



The Group's accounting policy and disclosures about its goodwill and related impairment are included in Note 2 Significant accounting policies - Goodwill and Note 9 Goodwill to the consolidated financial statements.

Other information

Other information consists of the 2020 consolidated business report of the Group, which we obtained prior to the date of this auditor's report and the Annual Report of the Group, which is expected to be made available to us after that date. Management is responsible for the other information, including preparation of the consolidated business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether 1) the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and 2) the consolidated business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.

Our opinion on the consolidated business report should include the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law have been made available and whether the consolidated business report includes the non-financial statement as required by Subsection (5) of Section 134 of the Hungarian Accounting Law.

In our opinion, the consolidated business report of the Group, including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2020 is consistent, in all material respects, with the 2020 consolidated financial statements of the Group and the relevant requirements of the Hungarian Accounting Law.

Since no other legal regulations prescribe for the Group further requirements with regard to its consolidated business report, we do not express opinion in this regard.

We also confirm that the Group have made available the information required according to Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law and that the consolidated business report includes the non-financial statement as required by Subsection (5) of Section 134 of the Hungarian Accounting Law.



Further to the above, based on the knowledge we have obtained about the Group and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the other information, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

When we read the Annual Report of the Group, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the EU IFRSs and for the preparation in accordance with the supplementary requirements of the Hungarian Accounting Law relevant for consolidated annual financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014, we exercise professional judgment and maintain professional scepticism throughout the audit.



We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Page 5 / 6



Report on other legal and regulatory requirements

Reporting requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014:

Appointment and Approval of Auditor

We were appointed as statutory auditor by the Board of Directors on behalf of the General Assembly of Shareholders of the Company on 27 April 2020. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 4 years.

Consistency with Additional Report to Audit Committee

Our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which we issued in accordance with Article 11 of the Regulation (EU) No. 537/2014 on the same date as the date of this report.

Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 were provided by us to the Company and its controlled undertakings and we remained independent from the Group in conducting the audit.

In addition to statutory audit services and services disclosed in the consolidated business report and in the consolidated financial statements, no other services were provided by us to the Company and its controlled undertakings.

The engagement partner on the audit resulting in this independent auditor's report is Bartha Zsuzsanna Éva.

Budapest, 11 March 2021

(The original Hungarian version has been signed.)

Bartha Zsuzsanna Éva
engagement partner
Ernst & Young Kft.
1132 Budapest, Váci út 20.
Registration No. 001165

Bartha Zsuzsanna Éva
Registered auditor
Chamber membership No.: 005268



Ernst & Young Kft.
Ernst & Young Ltd.
H-1132 Budapest Váci út 20.
1399 Budapest 62. Pf.632, Hungary

Tel: +36 1 451 8100
Fax: +36 1 451 8199
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Report on the audit of the financial statements

Opinion

We have audited the accompanying 2020 financial statements of ANY Security Printing Company Public Limited Company by Shares ("the Company"), which comprise the statement of financial position as at 31 December 2020 - showing a balance sheet total of HUF 18,770,208 thousand and a total comprehensive income for the year of HUF 367,324 thousand -, the related financial statement of comprehensive income, changes in shareholders' equity, statement of cash-flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all materials respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for annual financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements section" of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of Investments

The Company's investments in affiliated companies represent HUF 1,656,211 thousand, which is approximately 9% of total assets. Valuation of investments in affiliated companies is a significant judgmental area. Management annually assesses if the investments are impaired in accordance with EU IFRSs. This is a key audit matter as investments in affiliates represent a significant share in total assets and also require significant judgement to determine if the investments are recoverable.

Our audit procedures included, among others, involving specialists who assisted us in evaluating assumptions and methodologies used by the Company to assess whether investments in affiliated companies are impaired. We evaluated the Company's assessment of any triggering events and assessed the accuracy of key inputs used in the model. We reconciled the model to the approved business plan of the subsidiaries and assessed historical accuracy of management's estimates. With the involvement of specialists, we assessed the compliance of the valuation method with EU IFRSs and the consistency of application compared to the prior year. We assessed the adequacy of the Company's disclosures about investments in affiliated companies in accordance with EU IFRSs including the information how the impairment is evaluated by the Company.



The Company's accounting policy and disclosures about its investments in affiliated companies and related impairment are included in Note 2 Significant accounting policies - Investments and Note 9 Investments to the financial statements.

Other information

Other information consists of the 2020 business report of the Company. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the financial statements does not cover the business report.

In connection with our audit of the financial statements, our responsibility is to read the business report and, in doing so, consider whether 1) the business report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and 2) the business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.

Our opinion on the business report of the Company should include the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law have been made available.

In our opinion, the business report of the Company, including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2020 is consistent, in all material respects, with the 2020 financial statements of the Company and the relevant requirements of the Hungarian Accounting Law.

Since no other legal regulations prescribe for the Company further requirements with regard to its business report, we do not express opinion in this regard.

We also confirm that the Company have made available the information required according to Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law and that the business report includes the non-financial statement as required by Section 95/C of the Hungarian Accounting Law.

Further to the above, based on the knowledge we have obtained about the Company and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the business report, and if so, the nature of the misstatement in question. We have nothing to report in this regard.



Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU IFRSs and for the preparation in accordance with the supplementary requirements of the Hungarian Accounting Law relevant for annual financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on other legal and regulatory requirements

Reporting requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014:

Appointment and Approval of Auditor

We were appointed as the statutory auditor of the Company by the Board of Directors on behalf of the General Assembly of Shareholders of the Company on 27 April 2020. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 4 years.



Consistency with Additional Report to Audit Committee

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which we issued in accordance with Article 11 of the Regulation (EU) No. 537/2014 on the same date as the date of this report.

Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 were provided by us to the Company and its controlled undertakings and we remained independent from the Company in conducting the audit.

In addition to statutory audit services and services disclosed in the business report and in the financial statements, no other services were provided by us to the Company and its controlled undertakings.

The engagement partner on the audit resulting in this independent auditor's report is Zsuzsanna Éva Bartha.

Budapest, 11 March 2021

(The original Hungarian version has been signed.)

Bartha Zsuzsanna Éva
engagement partner
Ernst & Young Kft.
1132 Budapest, Váci út 20.
Registration No. 001165

Bartha Zsuzsanna Éva
Registered auditor
Chamber membership No.: 005268

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the relevant report of the Auditor of the Company on the Company's reports under the Accounting Act and on the determination of the profit for the 2020 business year.

Item No. 6

**Approval of the Company's reports under the Accounting Act for the 2020 business year,
including a decision on the use of net earnings**

(Please find the reports attached.)

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM of the Shareholders approved the balance sheet of the Company with assets vs. equity and liabilities of HUF 18,770,208 thousand, net profit of HUF 367,324 thousand, and approved the consolidated balance sheet of the Company with assets vs. equity and liabilities of HUF 22,977,410 thousand, net profit of HUF 784,778. A dividend totalling HUF 813,706 thousand (HUF 55 per share) will be paid for the shareholders from the net profit of 2020. The date for the payment of the dividend is: 15th October 2021.

Item No. 7

Approval of the Statement on Corporate Governance Practice

Please find the Statement attached.

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the Report on Corporate Governance.

Item No. 8.

Approval of the Company's Remuneration Report for the 2020 business year.

Please find the Report attached.

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM of Shareholders approved the Company's Remuneration Report for the 2020 business year.

General meeting agenda item no. 9.: Approval of the Supervisory Board's Rules of Procedure

Item No. 9.

Approval of the Company's Supervisory Board's Rules of Procedure..

Please find the Rules of Procedure attached.

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM of Shareholders approved the Company's Supervisory Board's Rules of Procedure.

Item No. 10.

Election of the Auditor, and decision on the remuneration

The Audit Committee suggests the AGM Ernst & Young Audit Ltd. (Registered seat: H-1132 Budapest, Váci út 20., registration number: 01-09-267553, Chamber of Auditors' registration number: 001165) to be elected as Auditor from 1st May 2021 until 31st May 2022, represented by Zsuzsanna Bartha as head of audit engagement (address: H-5900 Orosháza, Rákóczi út 25., mother's name: Ilona Németh, Chamber of Auditors' registration number: MKVK 005268).

The proposed Audit fee is HUF 9,880,000 for the year 2021.

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM elected Ernst & Young Audit Ltd. (Registered seat: H-1132 Budapest, Váci út 20., registration number: 01-09-267553, Chamber of Auditors' registration number: 001165) as Auditor from 1st May 2021 until 31st May 2022, represented by Zsuzsanna Bartha as head of audit engagement (address: H-5900 Orosháza, Rákóczi út 25., mother's name: Ilona Németh, Chamber of Auditors' registration number: MKVK 005268).

The AGM approved the Audit fee of HUF 9,880,000 for the year 2021.

Item No. 11.

Election and removal of the members of the Board of Directors, members of the Supervisory Board, members of the Audit Committee

Oral proposal

[...]/2021 Annual General Meeting Resolution (proposal)

Item No. 12.

Decision on the remuneration of Board of Directors, Supervisory Board members and the Auditor

The remuneration of the Board of Directors and Supervisory Board remain unchanged.

[...]/2021 Annual General Meeting Resolution (proposal)

The AGM of Shareholders accepted the remuneration of the Board of Directors and Supervisory Board as unchanged.

Item No.13.

Authorization of the Board of Directors to buy treasury shares based on section 9.3 of the Company's Statutes

Based on Section 3:223 of Act V of 2013 on Civil Code and section 9.3 of the Company's Statutes, the Board of Directors proposes that the General Meeting should authorize the Company's Board of Directors to buy at most 2,958,930 pieces of registered ordinary shares series A issued by ANY Security Printing Company PLC with a nominal value of HUF 98 each (up to maximum 20% of share capital) in accordance with the conditions set out in the referring regulations to cover the employee and management share option programme introduced at the Company and to ensure the possibility of a prompt intervention in the case of share price fluctuation. The share price of the share acquisitions must be at most the 120% of the average stock exchange closing price fixed at the Budapest Stock Exchange in the week preceding the stock exchange transaction. By the present authorization, the Board of Directors may exercise the right of share acquisition until 19th October 2022.

[...]/2020 Annual General Meeting Resolution (proposal)

The Board of Directors proposes that the General Meeting should authorize the Company's Board of Directors to buy at most 2,958,930 pieces of registered ordinary shares series A issued by ANY Security Printing Company PLC. with a nominal value of HUF 98 each (up to maximum 20% of share capital) in accordance with the conditions set out in the referring regulations to cover the employee and management share option programme introduced at the Company and to ensure the possibility of a prompt intervention in the case of share price fluctuation. The share price of the share acquisitions must be at most the 120% of the average stock exchange closing price fixed at the Budapest Stock Exchange in the week preceding the stock exchange transaction. By the present authorization, the Board of Directors may exercise the right of share acquisition until 19th October 2022.

Item No. 14.

Others