ANY BIZTONSÁGI NYOMDA
SECURITY PRINTING COMPANY
FORMER STATE PRINTING COMPANY
Halom utca 5, 1102 Budapest, Hungary | www.any.hu
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ANY Security Printing Company Public Limited Company by Shares

Independent Auditors' Report and Consolidated Financial Statements

for the year ended December 31, 2021

BIZTONSÁGI NYOMDA
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ANY Security Printing Company Public Limited Company by Shares

Audited Consolidated Financial Statements

December 31, 2021

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Consolidated Statement of Financial Position as at December 31, 2021 and December 31, 2020

In HUF thousands:	Notes	December 31, 2021	December 31, 2020
Current assets			
Cash and bank	3	1,297,507	2,330,336
Accounts receivables	4	5,683,056	4,248,185
Inventories	5	3,278,612	4,008,340
Other current assets and prepayments (without current tax receivable)	6	1,536,437	937,780
Current tax receivables	6	80,677	151,788
Total current assets		**11,876,289**	**11,676,429**
Non-current assets			
Property, plant and equipment	7	9,884,215	9,748,338
Right of use	8	1,054,572	1,205,983
Goodwill	9	335,857	335,857
Intangibles	10	-	989
Other assets		10,222	9,814
Total non-current assets		**11,284,866**	**11,300,981**
Total assets		**23,161,155**	**22,977,410**
Current liabilities			
Trade accounts payables		3,184,623	3,658,081
Short term part of lease liabilities	23	359,248	463,025
Other payables and accruals (without current tax liabilities)	11	1,543,265	2,020,720
Current tax liabilities	11	1,250,925	520,237
Short term loans	12	2,315,408	2,507,501
Total current liabilities		**8,653,469**	**9,169,564**
Long term liabilities			
Deferred tax liability	19	668,993	398,817
Long term part of lease liabilities	23	287,721	432,373
Long term loans	12	3,087,534	4,477,903
Other long term liabilities		21,764	8,471
Total long term liabilities		**4,066,012**	**5,317,564**
Shareholders' equity			
Share capital	13	1,449,876	1,449,876
Capital reserve	14	250,686	250,686
Retained earnings	15	8,054,043	5,765,633
Treasury shares	14	(455,048)	(455,048)
Other comprehensive income	20	94,107	122,827
Total owners' equity		**9,393,664**	**7,133,974**
Non controlling interest	15	1,048,010	1,356,308
Total shareholders' equity		**10,441,674**	**8,490,282**
Total liabilities and shareholders' equity		**23,161,155**	**22,977,410**

The Supplementary Notes are inseparable parts of the consolidated financial statements.

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Consolidated Statement of Comprehensive Income as at December 31, 2021 and December 31, 2020

In HUF thousands:	Notes	FY 2021	FY 2020
Net sales	16	40,657,532	27,424,022
Cost of sales	18	(26,730,445)	(20,287,271)
Gross profit		**13,927,087**	**7,136,751**
Selling general and administration	18	(8,711,659)	(6,096,251)
Gain on sale of fixed assets		8,603	64,382
Foreign currency (loss) / gain		35,584	47,634
Other expense, net	17	(806,513)	345,197
Operating income		**4,453,102**	**1,497,713**
Interest income		13,627	4,252
Interest expense		(83,862)	(149,432)
Gains on sales of investments	27	498,781	-
Profit before tax and non-controlling interest		**4,881,648**	**1,352,533**
Deferred tax income / (expense)	19	(270,176)	(56,594)
Income tax expense	19	(639,407)	(284,049)
Total tax expense		**(909,583)**	**(340,643)**
Profit after tax		**3,972,065**	**1,011,890**
Other comprehensive income for the year	**20**	**16,672**	**259,011**
out of which: effect of revaluation based on IAS 21		16,672	203,510
out of which: fair value effect of derivative financial liability		-	55,501
Total comprehensive income for the year		**3,988,737**	**1,270,901**
Profit after tax attributable to			
Shareholders of the Company		***3,606,617***	***784,778***
Non controlling interests		*365,448*	*227,112*
Other comprehensive income attributable to			
Shareholders of the Company		***8,912***	***162,920***
Non controlling interests		*7,760*	*96,091*
Earnings per share (EPS):			
Basic (HUF per share)	21	***251***	***55***
Fully diluted (HUF per share)	21	***251***	***55***
Dividend per share paid (DPS)		**86**	**-**

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Consolidated Statement of Changes in Shareholders' Equity as at December 31, 2021 and December 31, 2020

	Issued Capital	Capital Reserve	Retained Earnings	Treasury Shares	Other comprehensive income	Non controlling Interest	Total
January 1, 2020	**1,449,876**	**250,686**	**4,987,621**	**(455,048)**	**(40,092)**	**1,105,487**	**7,298,530**
Dividend paid (after FY 2019)	-	-	(6,767)	-	-	-	**(6,767)**
Dividend paid to minority shareholders (after FY 2019 income)	-	-	-	-	-	(72,383)	**(72,383)**
Effect of revaluation based on IAS 21	-	-	-	-	-	227,112	**227,112**
Profit after tax attributable to non-controlling interests	-	-	-	-	107,419	96,091	**203,510**
Profit after tax attributable to owners of the Company	-	-	784,778	-	-	-	**784,778**
Other comprehensive income attributable to owners of the Company	-	-	-	-	55,501	-	**55,501**
December 31, 2020	**1,449,876**	**250,686**	**5,765,633**	**(455,048)**	**122,828**	**1,356,307**	**8,490,282**
Dividend paid (after FY 2020)	-	-	(1,233,586)	-	-	-	**(1,233,586)**
Dividend paid to minority shareholders (after FY 2020 income)	-	-	-	-	-	(218,791)	**(218,791)**
Profit after tax attributable to non-controlling interests	-	-	-	-	-	365,448	**365,448**
Effect of revaluation based on IAS 21	-	-	-	-	8,912	7,760	**16,672**
Changes connected to Direct Services transaction	-	-	(74,220)	-	(37,633)	(336,314)	**(448,167)**
Changes connected to Zipper Services transaction (without change in ownership control)	-	-	(10,400)	-	-	(126,400)	**(136,800)**
Profit after tax attributable to owners of the Company	-	-	3,606,617	-	-	-	**3,606,617**
December 31,2021	**1,449,876**	**250,686**	**8,054,043**	**(455,048)**	**94,107**	**1,048,010**	**10,441,674**

The Supplementary Notes are inseparable parts of the consolidated financial statements.

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Consolidated Statement of Cash-flow as at December 31, 2021 and December 31, 2020

In HUF thousands:	Notes	FY 2021	FY 2020
Cash flows from operating activities			
Profit before tax and non-controlling interest		4,881,648	1,352,533
of which foreign currency (loss) / gain		*30,867*	*47,634*
Depreciation cost of fixed assets	7	1,710,561	1,486,487
Amortization cost of intangibles	10	989	11,863
Foreign exchange differences on the line of the other comprehensive income		(16,822)	162,919
Changes in provisions	17	650,093	36,030
Gain on sale of property, plant and equipment		(8,603)	(64,382)
(Gains) / losses on sale of investments	27	(498,781)	-
Interest expense		83,862	149,432
Interest income		(13,627)	(4,252)
Operating cash-flow before working capital changes:		**6,789,320**	**3,130,630**
Changes in accounts receivable and other current assets	4,6	(1,559,440)	353,287
Changes in inventories	5	79,850	(1,084,564)
Changes in accounts payables, provision and accruals	11	(206,758)	201,431
Cash provided by operations		**5,102,972**	**2,600,784**
Interest income		(84,036)	(145,795)
Interest expense		(32,516)	(3,706)
Taxes paid, net	20	(624,502)	(293,667)
Net cash provided by operating activities		**4,361,918**	**2,157,616**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1,413,510)	(1,720,718)
Proceeds on sale of property, plant and equipment		8,603	64,382
Proceeds on sale of investments	27	877,028	-
Purchase of investments	27	(668,160)	-
Changes in loans to employees		(408)	1,128
Net cash flow used in investing activities		**(1,196,447)**	**(1,655,208)**
Cash flows from financing activities			
Non controlling interest changes		(852,304)	23,709
Changes in short term loans	12	(192,093)	(2,388,191)
Increase in long term debt	12	-	4,469,440
Repayment of long term debts	12	(1,390,369)	(1,037,207)
Repayment of lease liabilities	23	(529,948)	(519,723)
Dividend paid		(1,233,586)	(6,767)
Net cash flow used in financing activities		**(4,198,300)**	**541,261**
Changes in cash and cash equivalents		**(1,032,829)**	**1,043,669**
Cash and cash equivalents at beginning of period		**2,330,336**	**1,286,667**
Cash and cash equivalents at end of the period	3	**1,297,507**	**2,330,336**

The Supplementary Notes are inseparable parts of the consolidated financial statements.

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Supplementary Notes to the Consolidated Financial Statements Dec. 31, 2021

1 General

ANY Security Printing Company Public Limited Company by Shares (ANY PLC or the Company) is a limited liability company incorporated under the laws of the Republic of Hungary. The Company operated as a State enterprise until 1992 when it was transformed into a limited liability company (Rt.). The Company's registered office is located at Halom u.5, Budapest, District 10. The Company's webpage: www.any.hu.

The persons authorized to represent the Company, and to sign the annual report: Gábor Zsámboki, CEO (Address: 1028 Budapest, Csokonai utca 22). The person responsible for the accounting services registered in IFRS: Tamás Karakó, CFO (Address: 1112 Budapest, Őrség u. 9/B). The auditor of the Company Ernst & Young Könyvvizsgáló Kft. (Address: 1132 Budapest, Váci út 20.), registered statutory auditor: Zsuzsanna Bartha (MKVK: 005268) (Address: 5900 Orosháza, Rákóczi út 25.). The audit fee in 2021 is HUF 19.9 million.

As of December 31, 2021 and 2020 – based on the Company's share book – the following owners have more than 5% voting right or the following groups of investors own the Company:

	FY 2021		FY 2020	
Investor	**Voting right (%)**	**Ownership (%)**	**Voting right (%)**	**Ownership (%)**
Owners above 5% share				
EG CAPITAL LLC(*)	11.98%	11.62%	11.98%	11.62%
DIGITAL FOREST LLC(**)	6.97%	6.76%	6.97%	6.76%
AEGON ALFA SZÁRMAZTATOTT ALAP	9.50%	9.21%	6.27%	6.08%
Owners below 5% share				
Domestic Institutional Investors	29.17%	28.28%	29.81%	28.90%
Foreign Institutional Investors	10.74%	10.40%	12.08%	10.71%
Foreign Individual Investors	0.50%	0.49%	0.43%	0.42%
Domestic Individual Investors	27.58%	26.75%	28.79%	27.92%
Management, employees	2.45%	2.44%	2.45%	2.37%
Treasury shares	0.00%	3.03%	0.00%	3.03%
Other	1.05%	1.02%	1.22%	1.18%

(*) The Chairman of the Board of Directors of ANY Security Printing Company PLC as owner of EG Capital LLC has a further indirect ownership through Fortunarum Kft.
(**) Based on the AGM of March 31, 2014 the Tamás Erdős has been elected as a member of the Board of Directors of ANY Security Printing Company PLC has indirect ownership.

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The Group produces security products and solutions (tax stamps. stickers with security elements), plastic and paper cards (document cards. bank and telephone cards. as well as commercial cards), personalized business and administration forms, as well as conventional printing products.

The consolidated subsidiaries of the Group at December 31, 2021 and at December 31, 2020 are as follows:

		FY 2021		FY 2020		
Name of the Company	**Equity**	**Share of ownership**	**Voting right [1]**	**Share of ownership**	**Voting right [1]**	**Classification [2]**
Gyomai Kner Nyomda Zrt.	HUF 200,000,000	99.48%	99.48%	99.48%	99.48%	L
Specimen Zrt.	HUF 100,000,000	100.00%	100.00%	100.00%	100.00%	L
Techno-progress Kft.	HUF 5,000,000	100.00%	100.00%	100.00%	100.00%	L
ANY Ingatlanhasznosító Kft.	HUF 3,000,000	100.00%	100.00%	100.00%	100.00%	L
Zipper Services SRL (**)	RON 2,060,310	60.00%	60.00%	50.00%	50.00%	L*
Tipo Direct Serv SRL (**)	30.308 MDL	60.00%	60.00%	50.00%	50.00%	L
Direct Services OOD (***)	BGN 570,000	0.00%	0.00%	50.00%	50.00%	L*
Slovak Direct SRO	EUR 63,965	100.00%	100.00%	100.00%	100.00%	L

[1] Voting rights that entitle the holder to participate in decision making at the general meeting of the company included in consolidation.

[2] Fully controlled subsidiaries (L); Joint ventures (K); Associated undertakings (T)

(*) Classification as subsidiary is the result of the co-operational agreement signed by the co-owner of the Company until 30th December 2021. From 31st December 2021 Zipper Service SRL is subsidiary based on ownership as well. Direct Services was consolidated based on the previous agreement until 31st July 2021.

(**) ANY Plc. purchased 50% share quota in Zipper Services SRL previously owned by Tipo Offset SRL in value of EUR 1.8 million on 13th December 2021, of which 40% share quota in value of EUR 1.44 million was sold to the general director of Zipper Services SRL, so the parent company has 60% ownership in Zipper Services SRL as at 31st December 2021.

(***) ANY Plc. sold its 50% ownership stake in Direct Services OOD to the co-owner Power Solutions OOD on 29th July 2021. The consideration received was EUR 2 million. The consideration received is deducted by the value of net assets derecognised, which resulted in HUF 499 million gain on gains on sale of investments line.

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ESEF information	
Homepage of parent company:	www.any.hu
LEI code of parent company:	529900YYR637SPJ0JR59
Name of parent company:	ANY Security Printing Company Plc.
Domicile of parent company:	Hungary
Legal form of parent company:	Public Limited Company by Shares
Country of incorporation:	Hungary
Address of parent company's registered office:	H-1102, Budapest, Halom street 5., Hungary
Principal place of business:	H-1102, Budapest, Halom street 5., Hungary
Description of nature of parent company's operation and principal activities:	The Group produces security products and solutions (tax stamps. stickers with security elements), plastic and paper cards (document cards. bank and telephone cards. as well as commercial cards), personalized business and administration forms, as well as conventional printing products.

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2 Significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the "EU"). The Parent Company, ANY Security Printing company Plc. prepares its separate financial statements in accordance with International Financial Reporting Standards from January 1, 2017. Its domestic subsidiaries prepare their financial statements in accordance with Hungarian Accounting Law, while foreign subsidiaries prepare their financial statements according to accounting principles generally accepted in their own countries, that are adjusted in accordance with IFRS from the consolidation package through the consolidation process.

The consolidated financial statements are mainly prepared due to the regulations related to listed companies based on the accounting act, so it contains reclassifications and adjustments through which it complies with IFRS.

IFRS as adopted by the EU do not currently differ from IFRS as issued by the International Accounting Standards Board (IASB), except for portfolio hedge accounting under IAS 39 which has not been approved by the EU. The Company does not have any transactions which would qualify as a portfolio hedge.

The reporting currency of the Group is the Hungarian Forint ("HUF").

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies are set out below.
Financial Statements are prepared based on the assumption of going concern of the activity of the Group in the foreseeable future.

Basis of consolidation

The consolidated financial statements include the financial statements of ANY PLC and its subsidiaries after elimination of all intercompany transactions and balances, including unrealized intercompany profits. Subsidiaries are those companies in which one company of the Group has control over the subsidiary, so the company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to effect those returns through its power over the subsidiary.

On acquisition, the assets and liabilities of a subsidiary are measured in the consolidated statements at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognized. Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable net assets of a subsidiary at the date of acquisition. Goodwill is included as intangible in the balance sheet, to which impairment loss is calculated, if necessary. For the purpose of impairment test, the value of goodwill is allocated to those Cash Generating Units (hereinafter: CGU) of the Group that probably will have positive effects from the synergies. Those CGU-s, to which goodwill is allocated are subject to goodwill impairment test annually or more often if circumstances indicate any loss in the value of the Unit. If the book value of the goodwill is higher than the fair value of the CGU, impairment loss is accounted on the goodwill. The impairment loss decreases mainly the value of the goodwill allocated on the CGU, then the remaining amount decreases the net book value of the CGU's other assets, in proportion of the book value of the assets. The goodwill impairment loss once accounted cannot be reversed in the future. On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal. The goodwill impairment

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calculation is based upon companies' budgets containing more financial years. Present value of net sales and earnings before interest, tax and depreciation are calculated to the date of year end, using the companies' expected net sales and earnings before interest, tax and depreciation ratio as a discount factor. Thus enterprise values are calculated by using the enterprise value based on the market share price effective on the date of preparing the financial statements and net sales ratio and by using the enterprise value based on the market share price effective on the date of preparing the financial statements and earnings before interest, tax and depreciation ratio of ANY Security Printing Company Plc as a listed company operating in the same sector, which are assessed by the Group in proportion of the ownership regarding the proportional equity and accounted goodwill of the given subsidiary.

The results of subsidiaries acquired or disposed during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The transactions between the associated enterprises, including unrealized gains and losses as well as realized intra-group gains, were eliminated during consolidation.

The equity and net income attributable to minority interests are shown as separate items in the consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash at bank in hand, balances of bank accounts and short-term deposits with an original maturity of three months or less and the risk of their impairment is not significant.

Consolidated statement of cash flows

For the cash flow statement the Cash and cash equivalents include cash and the value of bank deposits, as well as other short term (a term of three months or less at the time of their purchase) liquid investments, which may be immediately exchanged for the amount indicated on them, and their conversion does not come with the risk of a change in their value. Statement of cash-flow is prepared based upon the indirect cash-flow method.

Inventory

Inventory is stated at the lower of cost or net realizable value after making impairment for any obsolete or slow moving items. Cost is determined at standard cost adjusted to actual purchase price at period end. For purchased inventories cost comprises purchase price, possible additional customs, delivery costs, non-refundable taxes and any other costs related to acquiring the inventory. For finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate allocation of manufacturing fixed and variable overheads.

Inventory impairment is calculated on obsolete or slow moving stocks item by item after judgement of the inventory item based on its physical status and future usage and selling opportunities. Full impairment is raised on inventories of which future usage and selling opportunities based on the unique debtors related characteristics of the inventories after the expiration of the contract or in lack of further orders are not probable. In case of inventories not connected directly to debtors, impairment on inventory is posted, if there was no consumption or sale in that item for a longer period before balance sheet day, based on individual assessment in this case as well. Furthermore the Group accounts impairment for inventories where cost of inventory is higher than the possible future net realizable

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value at a level until the net realizable value. Furthermore raises the Group full impairment on inventories that are falling out of production during the different technological processes, checked but proved to be not sufficient quality, and which were moved to scrap inventory location during the year, but have not been scrapped yet.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Freehold land is not depreciated. Depreciation is provided using the straight-line method at rates calculated to write off the cost of the asset over its expected economic useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The rates used are as follows:

Buildings	2% to 5%
Machinery and equipment	14.5 to 33%

At each balance sheet date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication in accordance with internal or external information that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of such an impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognized as an expense immediately.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Right of use assets

The Group recognises its assets owned in connection with lease contracts as right of use assets from 1st January 2019 based on the regulations of IFRS 16. Based on these regulations all assets are classified as right of use assets which are owned or controlled through lease contracts or long term rental contracts. As there is no guaranteed residual value or lease payments due at the end of the contractual period, in the lease contracts of the Group, initial value of right of use assets are equal to initial value of the lease liabilities. The Group has three different classes of right of use assets. These are real estates, machineries and equipments and vehicles and other equipments. Depreciation is calculated on right of use assets based on IAS 16 through the entire life of the lease contracts and long term rental contracts applying the following rates:

Buildings	10.0% - 46%
Machinery and equipment	14.5% - 33%
Vehicles	25.0% - 33%

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Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with infinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Amortization is provided at rates between 16.7% and 33% per year.

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Goodwill

On acquisition, the assets and liabilities of a subsidiary are measured in the consolidated statements at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognized. Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable net assets of a subsidiary at the date of acquisition. Goodwill is included as intangible in the balance sheet, to which impairment loss is calculated, if necessary. For the purpose of impairment test, the value of goodwill is allocated to those Cash Generating Units (hereinafter: CGU) of the Group that probably will have positive effects from the synergies. Those CGU-s, to which goodwill is allocated are subject to goodwill impairment test annually or more often if circumstances indicate any loss in the value of the Unit. If the book value of the goodwill is higher than the fair value of the CGU, impairment loss is accounted on the goodwill. The impairment loss decreases mainly the value of the goodwill allocated on the CGU, then the remaining amount decreases the net book value of the CGU's other assets, in proportion of the book value of the assets. The goodwill impairment loss once accounted cannot be reversed in the future. On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal. The goodwill impairment calculation is based upon companies' budgets containing more financial years. Present value of earnings before interest, tax and depreciation is calculated to the date of year end, using the companies' expected earnings before interest, tax and depreciation ratio as a discount factor. Thus enterprise values are adjusted by cash balance and net debt balance resulting in final enterprise value. This final enterprise value is compared to the net book value of the goodwill.

Financial instruments

In order to define the category of financial assets, the Group defines whether the financial asset is a debt instrument or an equity instrument. Debt instruments must be measured through fair value to profit and loss statement, though when recognizing, the Group can decide that debt instruments not held for sale can be measured through fair value to other comprehensive income. If the financial asset is a debt instrument, the following has to be considered.

- Amortised cost – purpose is to have the contractual cash-flows, which contains only and only the principle part of the liability and the interests.
- Fair value through other comprehensive income (FVTOCI) – purpose is to held, which achieves its goal by having contractual cash-flows and the sale of the financial instrument and the contractual conditions of the financial asset contain in defined periods cash-flows only from principle part of the liability and interests.
- Fair value through profit and loss statement (FVTPL) – which do not belong into neither of the above mentioned categories, or when recognition were marked as FVTPL financial assets.

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Financial liabilities must be measured at amortised cost, except for those, which must be measured FVTPL or the Group chose to measure at fair value.

Financial liabilities and derivative products must be measured at FVTPL. When recognizing, the Group can mark a financial liability to be measured at FVTPL irrevocably if:

- it ceases or significantly decreases a measurement inconsistency, or
- a group of financial liabilities or a group of financial assets and liabilities are measured at fair value in accordance with a documented risk or investment strategy.

Subsequent measurement

Subsequent measurement is based upon the category of the financial instrument.

Amortised cost

Amortised cost is the original historical cost of the financial asset or liability decreased by the principal payments increased or decreased by the accumulated amortised cost of the difference between the original historical cost and the maturity cost and decreased by the possible impairment costs or loss of value. Effective rate of interest method should be used, interest has to be accounted in P&L.

Any difference in the fair value of the asset has to be accounted in the P&L when derecognizing or reclassifying the liability.

Debt instruments measured FVTOCI

The asset must be measure at fair value. Interest income, impairment and foreign exchange differences must be accounted in P&L (similar to amortised cost assets). Fair value differences must be accounted in OCI. When derecognizing the asset, the previously accounted loss or gain must be reclassified to P&L. When reclassifying or derecognizing the asset, the previously accounted fair value differences accumulated in equity must be reclassified to P&L in a way like the asset would have been measured by amortised cost from initial recognition.

Equity instrument measured FVTOCI

Dividend can be recognised, if:

- the entity is eligible for that,
- economic benefits will flow to the entity and can be reliably measured.

Dividend has to be accounted in P&L, except when dividend is obviously partial return for the costs of the investment, in which case it has to be accounted in OCI.

Fair value differences are accounted in OCI. Fair value differences accounted in OCI cannot be reclassified to P&L later, even if the asset is impaired or sold.

Debt instruments measured FVTPL

Assets must be measured at fair value, and fair value differences must be accounted in P&L.

Fair value measurement

Based on market prices valid on the date of the statement of financial position without deducting transaction costs. If such cannot be found, then based upon market price of similar assets, or based upon the cash-flows deriving from the net assets of the investment.

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Impairment of financial assets

The Group analysed whether how much credit loss on trade receivables should be raised based on expected credit loss of IFRS 9, but found that as impairment on trade receivables posted to Statement on Profit and Loss and Other Comprehensive Income (SPLOCI) has not reached even 0.01% of turnover for several years now, does not calculate any impairment on trade receivables due to expected credit losses. The Group has significant number of trade debtors with governmental background, and the Group also ensures the inflow of trade receivables in the form of advances or other payment guarantees. General credit losses are not significant based on the Group's assessment, although based on individual trade debtors' assessment the necessary impairment on trade receivables is accounted.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract entered into and are subsequently remeasured at fair value. Derivative are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gain or losses arises from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash-flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item effects profit or loss.

Taxation

The amount of company tax is based on the taxation obligation defined according to the law on corporate income tax and dividend taxes, which is modified by the deferred tax.

Deferred taxes are calculated using the balance sheet liability method. Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realized or settled. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to realize or settle the carrying amount of its assets and liabilities. The conditions of netting deferred tax liabilities and deferred tax assets are met, as deferred tax arises only as deferred tax assets and deferred tax liabilities under the legislation of Hungarian tax authorities.

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Deferred tax assets are recognized only if it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each balance sheet date, the Group re-assesses unrecognized deferred tax assets and the carrying amount of deferred tax assets. The Group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. The Company classifies the local taxes and innovation contribution to corporate tax in profit and loss statement based on IAS 12 requirement.

Treasury shares

Shares repurchased are included in shareholders' equity. Premiums and discounts arising on sale of treasury shares, and differences on repurchase, are credited or debited to retained earnings.

Revenue recognition

Applying IFRS 15 is compulsory for all the Companies applying IFRS from 1st January 2018. IFRS 15 defines a five step model to recognize revenue coming from the contracts with the clients, which – apart from a few exceptions – irrespectively to the type of the transaction or the industry must be applied in all cases. Rules of the standard must be applied for the sale of some non-financial assets as well, where such sale is out of the standard business activity of the company. (E.g. sale of fixed assets or intangible assets.)

Revenue is recognized at the time goods are dispatched and services rendered by the Group, as this is the point at which the significant risks and rewards of ownership of the goods and services are transferred to the customer.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is separated into five different product segment by the Group. The management considers these product segments strategically important. These segments are monitored and these are the basis of evaluating the performance. However, classification of turnover by product segments do not mean that these products can be produced in a clearly separable way in terms of assets and liabilities. According to this preparation of segment reporting under IFRS 8 is not possible.

Revenue from contracts with customers

The Group is in the business of providing printing and security printing solution services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

Revenue from sale of printing solutions is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location. The normal credit term is 30 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of printing solutions, the Group considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer (if any).

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Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Rights of return

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

Volume rebates

The Group applies either the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future rebates (i.e., the amount not included in the transaction price).

Significant financing component

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

Non-cash consideration

The fair value of such non-cash consideration received from the customer is included in the transaction price and measured when the Group obtains control of the equipment. The Group estimates the fair value of the non-cash consideration by reference to its market price. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the fire prevention equipment.

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are

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recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Cost to obtain a contract

The Group pays sales commission to its employees for each contract that they obtain for sales of printing solutions and services. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of employee benefits.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). (Dividend realized within the Group will be eliminated during consolidation.)

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leases

The Group recognises its lease liabilities based on IFRS 16 instead of previous regulation of IAS 17 from 1st January 2019. In accordance with that all liabilities are recognised as lease liabilities which are connected to lease contracts or long term rental contracts. The Group measures its lease liabilities based upon the present value of contractual net cash-flows, with credit interest rate available on the market for the Group for similar periods using as a discount rate. The Group has no initial lease obligations, no dismantling or removing costs, variable lease conditions and does not receive any lease incentives. The members of the Group have no option to prolong the contracts neither in lease contracts nor in long term rental contracts, though not even the lessor has the right to change the lease conditions during the lease period.

The Group has no small value leases, has no sub-lease contracts and has no sale-and-lease-back type transactions.

Lease interest is calculated on lease liabilities with effective interest rate method, which is recognised in the comprehensive profit and loss statement on the line interest expenditures.

Provisions

The Group is involved in a low number of ongoing legal disputes. Based upon historical experience and expert reports, the Group assesses the developments in these cases, and the likelihood and the amount of potential financial losses which are appropriately provided for. The Group recognises provision in case when:

- an entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

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Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation recognised in accordance with IFRS 15 *Revenue*.

Government grants

Assistance by the government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to operating activities of the entity. Government grants are mostly used by the Group to purchase assets, but in 2020 due to the COVID-19 pandemic also government grants for covering losses were used. In case of purchasing assets the Group accounts government grants based on income approach. Grants related to income should be recognised in the income statement on a systematic basis that matches them with the related costs.

Earnings per share

Basic earnings per share data is calculated based on the weighted average number of shares outstanding during the period excluding treasury held by the Company and employee shares. Fully diluted earnings per share is calculated based on the weighted average number of shares outstanding as calculated for basic earnings per share and as adjusted for giving effect to the assumed issuance of all potentially dilutive securities. Net income is adjusted in the fully diluted earnings per share calculation for any income or expense associated with the potentially dilutive securities.

Foreign currencies

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (HUF) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are expressed in Currency Units using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period.

From the foreign subsidiaries of the Group Zipper Services S.R.L. prepares its financial statements in Romanian Lei, Tipo Direct SERV S.R.L. in Moldavian Lei, while Slovak Direct S.R.O. prepares its financial statement in EURO (presentational currency). The balances of foreign currency assets and liabilities of the foreign subsidiaries of the Group are retranslated at the relevant MNB (National Bank of Hungary) foreign exchange rate in the consolidated financial statements in the parent company’s presentational currency (HUF), which is the functional currency of the Group at the same time. The details of the conversion have been presented in table 27 Risk Management.

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The effect of adopting new and revised International Financial Reporting Standards effective from 1 January 2021.

The following amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform – Phase 2 - adopted by EU on 13 January 2021 (effective for annual periods beginning on or after 1 January 2021)

Amendments to IFRS 4 "Insurance Contracts" deferral of IFRS 9 - adopted by EU on 15 December 2020 (effective for annual periods beginning on or after 1 January 2021)

Amendments to IFRS 16 "Leases" Covid-19 Related Rent Concessions beyond 30 June 2021 - adopted by EU on 30 August 2021 (effective for annual periods beginning on or after 1 April 2021)

The adoption of these amendments to the existing standards has not led to any material changes in the Group's financial statements.

New and revised Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

Amendments to IFRS 3 "Business Combinations"; IAS 16 "Property, Plant and Equipment"; IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" - Annual Improvements (effective for annual periods beginning on or after 1 January 2022),

IFRS 17 "Insurance Contracts" including amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023),

The adoption of these amendments to the existing standards and the new standards have not led to any material changes in the Group's financial statements.

Standards and Interpretations issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards, amendments to the existing standards and new interpretation, which were not endorsed for use in EU as at [date of publication of financial statements] (the effective dates stated below is for IFRS in full):

Amendments to IAS 1 "Presentation of Financial Statements" - Classification of Liabilities as Current or Non-Current (effective for annual periods beginning on or after 1 January 2023),

Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 - Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023),

Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" – Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023),

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Amendments to IAS 12 "Income Taxes" – Deferred Tax related to Assets and Liabilities arising from a Single Transaction ((effective for annual periods beginning on or after 1 January 2023)

Amendments to IFRS 17 "Insurance contracts" Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023),

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),

IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.

The Group anticipates that the adoption of these new standards, amendments to the existing standards and new interpretations will have no material impact on the financial statements of the Group in the period of initial application.

Critical accounting judgements and estimates by applying the accounting policy

The process of preparing financial statements in accordance with International Financial Reporting Standards requires the use of estimates and assumptions regarding the carrying amounts of assets and liabilities presented in the consolidated financial statements and the Notes.

Critical assumptions by applying the accounting policy

The Management of the Group had certain assumptions when applying the accounting policy, that can influence the carrying amounts of assets and liabilities presented in the consolidated financial statements (apart from the impact of the estimates. presented at the next point). These assumptions are presented in details in the Notes, but the most important ones are the following:

- The temporary differences calculated with deferred tax liabilities will reverse in the foreseeable future, and the corporate tax rate is 9%, which is effective from 1st January 2017.
- The outcome of certain contingent liabilities.
- Zipper Services Srl, and TipoDirect Moldva Srl are subsidiaries of the Group because the Group owns a 60% ownership interest in these companies since 31st December 2021. Based on the contractual arrangements between the Group and other investors, the Group also has the power to appoint and remove the majority of the board of management of these companies that has the power to direct the relevant activities of these companies. Therefore, the management of the Company concluded that the Group had and has the practical ability to direct the relevant activities of these companies unilaterally and hence the Group has control over these companies. Since 31st December 2021 the Group has majority ownership as well beside control through arrangements.
- Direct Services OOD achievement was disclosed in the financial statements due to the mid-year quota sales between the period 1st January 2021 and 31st July 2021.

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Uncertainties in the estimates

The process of preparing consolidated financial statements in accordance with International Financial Reporting Standards requires the use of estimates and assumptions regarding the carrying amounts of assets and liabilities presented in the consolidated financial statements and the Notes. These estimates are based on the best knowledge of the Management, in spite of this actual results may differ from estimated amounts. These estimates are presented in details in the Notes, but the most important ones are the following:

- Determining the fair value of Financial Instruments
- Determining the economic useful life of fixed assets
- Calculating the impairment loss on fixed assets and goodwill
- Calculating provisions

The effect of COVID-19 on the IFRS report

The Company assessed on 31st December 2021 the effects of the COVID-19 epidemic on the financial reports prepared in accordance with IFRS, and found that although the epidemic affected the Printing Company's operations, the effect of it on the report was not significant.

The Company assessed on 31st December 2021 whether it can continue its operation in the future under going concern, and found that the majority of the measures taken in year 2020 and 2021 are set to ensure this, therefore going concern is ensured in the year 2022, which is also supported by the continuous operations in the crisis situation, and the returning volume of orders in 2021. Production stayed continuous every single day in the plants of ANY Plc, even during the announcements of emergencies in 2021. Based on the above mentioned facts the Group does not consider significant changes even in case of a continuing disease in 2022.

The Company evaluates goodwill based on future plans, calculates the value of goodwill by using the DCF method. In the past years the Company calculated with excessively conservative growth and return rates, therefore in the planning phase there were no changes because of the COVID-19 epidemic, however in the upcoming years the planned values for subsidiaries were determined by taking the effects of the COVID-19 epidemic into consideration.

The Company's leasing- and rent contracts were not modified by the consequences of the COVID-19 epidemic. The Company did not use its opportunities coming from the moratorium to ease its leasing or loan payment obligations as at 31 December 2021.

The Ukrainian – Russian conflict

Apart from the global effect on the world economy of the Ukrainian – Russian conflict the Group does not hold any investment neither in the Ukraine, nor in Russia, does not have any business partner neither in the Ukraine, nor in Russia, so does not have direct relationship which could significantly influence the business or operation or the IFRS financial statements of the Group.

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3 Cash and bank

	December 31, 2021	December 31, 2020
Cash and cash equivalents	1,297,507	2,330,336
Total cash and cash equivalents:	**1,297,507**	**2,330,336**

4 Accounts receivables

	December 31, 2021	December 31, 2020
Trade receivables	5,686,174	4,251,087
Allowance for doubtful debts	(3,118)	(2,902)
Total:	**5,683,056**	**4,248,185**

The carrying value of trade receivables is fair value. Balance of trade debtors is HUF 5,683 million, which is HUF1,435 million (34%) higher than at the end of 2020.

Movement of the allowance in doubtful debts is broken down below:

	December 31, 2021	December 31, 2020
Balance at the beginning of the year	**2,902**	**4,403**
Impairment losses recognised on receivables	1,438	3,262
Impairment losses reversed	(1,222)	(4,763)
Derecognition of receivables as uncollectable debt	-	-
Balance at the end of the year	**3,118**	**2,902**

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5 Inventories

	December 31, 2021	December 31, 2020
Raw materials	2,439,544	1,953,995
Work in progress	1,349,298	1,478,048
Finished goods	1,016,004	737,639
Goods	42,402	148,807
Cumulated loss in value for inventories (*)	(1,568,636)	(310,149)
Total:	**3,278,612**	**4,008,340**

The total amount of inventories is HUF 3,279 million, which decreased by HUF 730 million (18,2%) compared to 31 December 2020. The amount of work in progress increased by HUF 129 million (8,7%), the amount of goods decreased by HUF 106 million compared to the prior period.

(*) Inventory impairment is calculated on stocks item by item after judgement of the inventory item based on its physical status and future usage and selling opportunities. Increase in inventory impairment is due to the higher volume of technologically reasonable scrap inventories connected to higher turnover, and to the impairment on inventories connected to projects which are based on business information will not continue. From inventory impairment presented here HUF 871 million was accounted against other expenditures, while HUF 609 million was accounted against material type expenditures, as remaining inventories connected to the technology.

6 Other current assets and prepayments

	December 31, 2021	December 31, 2020
Prepayments	218,622	245,568
Of which: revenue recognized but not invoiced	*39,929*	*23,659*
Of which: prepaid interest	*78,748*	*32,605*
Of which: rental fee of softwares	*39,785*	*168,672*
Guarantee receivables	357,480	216,348
Advances paid	339,858	311,045
Of which: advances paid for PP&E	325,050	299,495
Of which: other advances paid	14,808	11,550
Employee loans	3,680	58,771
Other receivables	616,797	106,048
Of which: receivables due to sale of investment	*371,952*	-
Total other current assets and prepayments:	**1,536,437**	**937,780**

	December 31, 2021	December 31, 2020
VAT receivable	62,848	71,334
Other taxes receivable	16,397	64,117
Corporate income tax receivable	1,432	16,337
Total current tax receivables	**80,677**	**151,788**

Year-end balance of current tax receivables is HUF 71 million lower than in previous period, due to overpayment of local income tax and corporate tax for the current year.
Interest in employees loans are the same for each employee, Hungarian prime rate + 5%.

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7 Property, Plant and Equipment

	Land and buildings	Machinery and equipment	Property rights	Vehicles and other equipments	Capital projects	Total
Cost:						
January 1, 2020	**4,760,001**	**13,524,658**	**51,099**	**3,024,784**	**1,962,712**	**23,323,254**
Capitalization	2,566,487	1,522,603	20,166	482,414	2,615,058	**7,206,728**
Disposals	2,616	770,560	20,146	37,859	4,065,267	**4,896,448**
Reclassification	-	(315,714)	-	(30,290)	(499,461)	**(845,465)**
December 31, 2020	**7,323,872**	**14,848,698**	**51,119**	**3,439,049**	**13,042**	**24,788,069**
January 1, 2021	**7,323,872**	**14,848,698**	**51,119**	**3,439,049**	**13,042**	**24,788,069**
Capitalization	739,007	1,019,957	-	426,533	2,435,437	**4,620,934**
Disposals	-	1,063,035	,	40,335	2,028,220	**3,131,590**
Reclassification	-	78,200	-	(78,200)	(344,214)	**(344,214)**
December 31, 2021	**8,062,879**	**13,996,109**	**51,119**	**3,747,047**	**76,046**	**25,933,200**
Accumulated depreciation:						
January 1, 2020	**1,655,918**	**10,607,949**	**10,767**	**1,886,454**	**-**	**14,161,088**
Charge for year	202,606	934,299	-	344,544	-	**1,481,449**
Disposals	22,575	531,307	-	48,924	-	**602,806**
December 31, 2020	**1,835,949**	**11,010,941**	**10,767**	**2,182,074**	**-**	**15,039,731**
January 1, 2021	**1,835,949**	**11,010,941**	**10,767**	**2,182,074**	**-**	**15,039,731**
Charge for year	325,086	1,053,506	-	331,969	-	**1,710,561**
Disposals	-	665,397	-	35,910	-	**701,307**
December 31, 2021	**2,161,035**	**11,399,050**	**10,767**	**2,478,133**	**-**	**16,048,985**
Net book value:						
January 1, 2020	**3,104,083**	**2,916,709**	**40,332**	**1,138,330**	**1,962,712**	**9,162,166**
December 31, 2020	**5,487,923**	**4,079,123**	**40,352**	**1,256,975**	**13,042**	**9,748,338**
December 31, 2021	**5,901,844**	**2,597,059**	**40,352**	**1,268,914**	**74,046**	**9,884,215**

Fair value of the PP&E exceeds book value, therefore no impairment loss was calculated. Frame mortgage right is registered on the real estates of ANY Ingatlanhasznosító Kft., covering the risk of the loan of ANY Nyrt.

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8 Right of use assets

Rights of use movement table (values in thousands of HUF)	Property rights	Machinery and equipment	Vehicles and other equipments	Total
Cost:				
January 1, 2020	**133,500**	**1,057,920**	**255,253**	**1,446,673**
Additions	-	520,555	69,320	**350,646**
Disposals	-	22,302	-	**22,302**
December 31, 2020	**133,500**	**1,556,173**	**324,573**	**2,014,246**
January 1, 2021	**133,500**	**1,556,173**	**324,573**	**2,014,246**
Additions	-	320,415	-	**320,415**
Disposals	-	-	-	**-**
December 31, 2021	**133,500**	**1,876,588**	**324,573**	**2,334,661**
Accumulated depreciation:				
January 1, 2020	**61,615**	**256,646**	**96,754**	**415,015**
Charge for year	61,616	248,155	83,478	**393,249**
December 31, 2020	**123,231**	**504,801**	**180,232**	**808,264**
January 1, 2021	**123,231**	**504,801**	**180,232**	**808,264**
Charge for year	10,269	389,443	72,114	**471,826**
December 31, 2021	**133,500**	**894,243**	**252,346**	**1,280,090**
Net book value:				
January 1, 2020	**71,885**	**801,274**	**158,499**	**1,031,658**
January 1, 2021	**10,269**	**1,051,372**	**144,341**	**1,205,983**
December 31, 2021	**-**	**982,345**	**72,227**	**1,054,572**

Right of use assets were increasing due to the increase of leased assets of ANY Nyrt.

9 Goodwill

	December 31, 2021	December 31, 2020
Zipper Services SRL.	276,231	276,231
Gyomai Kner Nyomda Zrt.	26,994	26,994
Techno-Progress Kft.	20,509	20,509
Specimen Zrt.	12,123	12,123
Goodwill	**335,857**	**335,857**

The 5 five year term budgets used for the evaluation of the goodwill are reflecting the management's best knowledge and information about the expected conditions of the financial environment. The expected net sales revenue growth rate is between 4-6% based on the financial achievement and market conditions. Discount rate used is 8%.

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Cost

	December 31, 2021	December 31, 2020
Balance at the beginning of the year	335,857	335,857
Balance at the end of the year	**335,857**	**335,857**

Accumulated impairment losses

At the end of the year the Group examined goodwill's remunerative value and recognized that there was no need to account impairment losses on the goodwill. When evaluating the goodwill the Group uses 5 year plans and uses DCF method for EBITDA, which is adjusted by cash balance and net debt balance resulting in final enterprise value. This final enterprise value is compared to the net book value of the goodwill.

10 Intangibles

	Research and development costs	Softwares	Total intangibles
Historical cost:			
January 1, 2020	**269,161**	**100,544**	**369,705**
December 31, 2020	**269,161**	**100,544**	**369,705**
January 1, 2021	**269,161**	**100,544**	**369,705**
Additions	**-**	-	-
December 31, 2021	**269,161**	**100,544**	**369,705**
Accumulated amortisation:			
January 1, 2020	**256,308**	**100,544**	**356,853**
Amortisation	11,863	-	11,863
December 31, 2020	**268,172**	**100,544**	**368,716**
January 1, 2021	**268,172**	**100,544**	**368,716**
Amortisation	989	-	989
December 31, 2021	**269,161**	**100,544**	**369,705**
Net book value			
January 1, 2020	**12,852**	**-**	**12,852**
December 31, 2020	**989**	**-**	**989**
December 31, 2021	**-**	**-**	**-**

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11 Other payables tax liabilities, government grants and accruals

	December 31, 2021	December 31, 2020
Accrued management bonuses	589,675	-
Other accruals	475,760	297,264
Of which: accrued creditors	*56,707*	*68,656*
Social security	233,895	118,558
Salaries and wages	180,576	174,755
Advance payments from customers*	36,147	1,148,143
Other short term liabilities	27,215	282,000
Other payables and accruals	**1,543,265**	**2,020,720**

* Advance payment from customers contained last year the advances paid connected to the African system delivery.

	December 31, 2021	December 31, 2020
VAT	576,015	274,363
Personal income tax	188,017	76,741
Social contribution	30,807	67,694
Other taxes	456,086	101,439
Total current tax liabilities	**1,250,925**	**520,237**

Total current tax liabilities, other payables and accruals amounts to HUF 2,794 million, which increased by HUF 253 million compared to December 31, 2020.

	December 31, 2021	December 31, 2020
Opening balance of accrued government grant:	**259,739**	**-**
Government grant received in current year:	-	762,025
Government grant posted to other income in current year:	46,727	502,286
Closing balance of accrued government grant:	**213,012**	**259,739**
Out of which long term part::	**166,285**	**213,012**
Out of which short term part:	**46,727**	**46,727**

From government grants received in 2020 HUF 502,286 thousands were connected to compensation of costs, while HUF 259,739 thousands were connected to purchase of assets.

Government grants

Other revenues increased mainly due to the non-repayable government grant received in value of HUF 502 million in 2020. The application of ANY Security Printing Company Plc for HIPA (Nemzeti Befektetési Ügynökség Nonprofit Zrt.) subsidy to increase of competitiveness (7/2021. VI.16. Decree of Ministry for Foreign Affairs) was judged favourably in 2020. Applicants were eligible to subsidy for compensating the losses occurred in connection with COVID-19 pandemic, where precondition was to make CAPEX investments in order to increase competitiveness until 30 June 2022 and to preserve the average number of employees. The value of undertaken investments is HUF 1,120,405 thousands, out of which incoming invoices approved by the rules of application are in value of HUF 603,090 thousands, investment not yet

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accounted on the balance sheet day is HUF 517,315 thousands. It is highly probable that the Company will meet the covenant requirements as at 30th June 2022.

Gyomi Kner Nyomda Zrt won government grant in PM/3935 subsidy project for purchasing innovative, modern printing machine in 2020. The grant received was in amount of HUF 259,739 thousands in 2020, out of which was accounted to SPLOCI in 2021 in value of HUF 46,727 thousands parallel to the depreciation charged to SPLOCI in connection to the assets purchased from the grant, so accrued balance of the grant was HUF 213,012 thousands as at 31st December 2021.

12 Short term and long term loans

	December 31, 2020	Increase	Decrease	December 31, 2021
Bank overdraft of the Parent Company	-	-	-	-
Short term part of long term loan of Parent Company	1,327,161	3,102,305	2,435,646	1,993,820
Short term part of long term loan of subsidiaries	1,037,207	-	1,037,207	-
Other short term loans of subsidiaries	143,133	219,623	41,168	321,588
Total short term loans and overdrafts	**2,507,501**	**3,321,928**	**3,514,021**	**2,315,408**
Long term loan of Parent Company	4,174,506	885,552	2,194,483	2,865,575
Long term loan of subsidiary	303,397	-	81,438	221,959
Total loans and borrowings:	**6,985,404**	**4,207,480**	**5,789,942**	**5,402,942**

The Group has overdraft limit (market interest rate, based on 1 month BUBOR) in value of HUF 4.8 billion from which HUF 0.3 billion is secured by mortgage and sales revenue assignment. Amount of the long term loan taken during the purchase of ANY Ingatlanhasznosító Kft, that owns the real-estates was fully repaid in 2021 from a loan taken by ANY Nyrt. in amount of HUF 1 billion.
Based on the overdraft limit contracts the available amount of overdraft can be used is HUF 4.8 billion. For the long term loans mortgages of real estates and current assets were involved.

13 Share capital

Share capital (at par value, in HUF thousands) authorized, issued and outstanding at year-end:

	December 31, 2021		December 31, 2020	
	Issued	Treasury	Issued	Treasury
Registered shares	1,449,876	43,986	1,449,876	43,986
Total	**1,449,876**	**43,986**	**1,449,876**	**43,986**

The number of shares issued by the Company is 14,794,650 of which par value is HUF 98 per share.

14 Treasury shares

Number of treasury shares held by the Company on 31st December 2021 is 448,842 which were purchased at an average price of HUF 1,014 per share.

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15 Retained earnings, non-controlling interest

Retained earnings available for distribution are based on the unconsolidated financial statements of the Company prepared in accordance with IFRS and related Hungarian Accounting and Civil Law. The amount of the retained earnings in the Company's IFRS financial statement is HUF 8,054,043 thousands of which not distributable HUF 3,203,615 thousands. Retained earnings available for distribution is HUF 4,850,428 thousands.

Non-controlling interest is a part of the Shareholders' equity, which belongs to the owners of the subsidiaries other than the parent Company in the proportion of their ownership.

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16 Net sales

Sales	**2021**	**2020**
Sales revenue from customer contracts	**40,657,532**	**27,424,022**
Revenue from other sources	-	-
Total sales	**40,657,532**	**27,424,022**

Impairment of receivables	**2021**	**2020**
Impairment recognized on trade receivables, contractual assets	-	-
Impairment from other contracts	-	-
Total impairment	**-**	**-**

Sales segments	**2021**	**2020**
Security products and solutions	10,579,350	6,950,172
Card production and personalization	16,227,288	7,900,547
Form production and personalization. data processing	10,858,361	10,308,465
Traditional printing products	1,815,532	1,495,421
Other	1,177,001	769,417
Total net sales	**40,657,532**	**27,424,022**

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Total revenue in 2021 by countries:

Revenue by Countries	2021	2020
Hungary	26,193,318	15,769,715
Romania	8,259,803	6,890,420
Africa	3,113,880	1,508,084
Bulgaria	1,183,730	1,582,029
Slovakia	482,575	273,702
Germany	340,742	321,496
Austria	252,301	200,860
Norway	181,618	142,448
Moldova	176,235	172,518
Poland	129,382	102,620
Other European countries	310,136	380,595
Other countries of the world	33,812	79,535
Total:	**40,657,532**	**27,424,022**

17 Other expenses, net

Other incomes and expenses	2021	2020
Received subsidy	7,499	23,213
Reversed loss in value for inventories	5,000	2,716
Reversed loss in value for trade receivables	1,561	4,763
Received discount	46,727	502,286
Other items	77,104	86,790
Total other incomes	***137,891***	***619,768***
Loss in value for inventories (*)	871,044	141,383
Building tax, land tax	30,874	29,986
Permanent cash contribution	13,853	57,629
Loss in value for trade receivables	1,438	3,600
Fines, penalties	-	13,304
Provision raised	-	18,207
Other items	27,195	10,462
Total other expenses	***944,404***	***274,571***
Total	***(806,513)***	***345,197***

The customers' and inventories' impairment haven't been occurred in one company so the presentation of current years' impairment and impairment reversal on a net basis is not possible.

(*) Inventory impairment is calculated on stocks item by item after judgement of the inventory item based on its physical status and future usage and selling opportunities. Increase in

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inventory impairment is due to the higher volume of technologically reasonable scrap inventories connected to higher turnover, and to the impairment on inventories connected to projects which are based on business information will not continue.

Government grants

Other revenues increased mainly due to the non-repayable government grant received in value of HUF 502 million. The application of ANY Security Printing Company Plc for HIPA (Nemzeti Befektetési Ügynökség Nonprofit Zrt.) subsidy to increase of competitiveness (7/2021. VI.16. Decree of Ministry for Foreign Affairs) was judged favourably. Applicants were eligible to subsidy for compensating the losses occurred in connection with COVID-19 pandemic, where precondition was to make CAPEX investments in order to increase competitiveness until 30 June 2022 and to preserve the average number of employees. It is highly probable that the Company will meet the covenant requirements as at 30th June 2022.

18 Cost of sales and selling general and administration costs

Breakdown of cost of sales and selling general and administration cost is the following:

	2021 (thHUF)	2020 (thHUF)
Material type expenditures	24,455,733	18,748,657
Personal type expenditures	9,596,627	6,875,988
Depreciation and amortization	1,711,550	1,498,350
Changes in inventory and own performance	(321,806)	(739,473)
Total cost and expenditures	**35,442,104**	**26,383,522**
Cost of sales	26,730,445	20,287,271
Selling general and administration	8,711,659	6,096,251
Total direct and indirect cost of sales	**35,442,104**	**26,383,522**

The average number of employees of the Group during the year was 991 (2020: 1,012).

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19 Taxation

	December 31, 2021	December 31, 2020
Current year local business tax	390,721	193,782
Current year corporate income tax	189,823	61,043
Innovation contribution	58,863	29,224
Current year tax expense	**639,407**	**284,049**
Deferred tax (income) / expense	270,176	56,594
Total tax expense	**909,583**	**340,643**

Based on the decision of the Hungarian Parliament, 9% corporate tax rate has to be applied for the Hungarian companies from the calendar year of 2017. In case of the domestic subsidiaries we applied the new 9% corporate tax rate when calculating deferred tax. The tax liability of the foreign companies of the Group is taken into consideration with the effective tax legislation of their country of incorporation.

Under the tax legislation the Group is allowed to establish a tax-deductible development reserve. Assets acquired using this reserve then do not qualify for tax depreciation up to the value of the reserve. Therefore this is effectively a form of accelerated depreciation. Development reserves have been established based on the Group’s current year and previous years pre-tax profit and a deferred tax liability has been recognized on the deferred tax effect of the accounting and tax depreciation difference of the assets. The Group decreased its deferred tax liabilities by the valuation difference for treasury shares based on the Hungarian Accounting Standards.

Tax losses can be carried forward up to the next years offset future taxable profits (until its 100%). Deferred tax assets relating to tax losses are netted off against deferred tax liabilities.

ANY PLC and its subsidiaries are subject to periodic audits by the Hungarian Tax Authority (NAV). Since the application of tax laws and regulations may be susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities. In 2020 the Parent Company was subject to a comprehensive audit by NAV (National Tax and Customs Administration) for the years 2017 and 2018 to all kind of taxes. No material misstatement was explored by the Tax Authority.

In line with IAS 12 Company reclassifies local income tax and innovation contribution to corporate tax P&L line.

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	December 31, 2021	December 31, 2020
Opening deferred tax liability	**421,586**	**360,953**
Deferred tax liability due to development reserve	240,717	49,212
Deferred tax on accounting and tax depreciation difference of assets not connected to development reserve	(12,308)	11,421
	40,261	-
	(7,778)	-
Closing deferred tax liability	**682,477**	**421,586**
	December 31, 2021	**December 31, 2020**
Opening deferred tax assets	**22,769**	**18,730**
Deferred tax asset on write-off for bad debts	(260)	129
Deferred tax asset on deferred yearly losses	(9,025)	3,910
Closing deferred tax assets	**13,484**	**22,769**
	December 31, 2021	**December 31, 2020**
Opening deferred tax liability net	**398,817**	**342,223**
Closing deferred tax liability net	**668,993**	**398,817**

The effective income tax rate defers from the statutory income tax rate due to the following items:

	December 31, 2021	December 31, 2020
Profit before tax and non-controlling interest	**4,881,648**	**1,352,533**
Tax at statutory rate of 9%(*)	439,348	121,728
Effect of the development reserve raised	(288,000)	(65,592) (**)
Other permanent differences(***)	38,475	4,907
Corporate income tax expense	**189,823**	**61,043**

* The foreign tax rules were not considered in this calculation. The differences from that method can be find in row of Other permanent differences (net). In this calculation 9% tax rate valid in 2021 has been applied.

** Hungarian companies used opportunity of government decree (171/2021 (IV.30.)), which made possible to decrease the tax base of 2020. The decree of 30 April the amount of restricted reserve, and the balance of restricted reserve as at the last day of the tax year was increased to up to the amount of pre tax profit (but maximum HUF 10 billion each tax year).

*** Other permanent differences are coming from tax base modification items, and from the different tax rates used abroad.

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20 Other comprehensive income for the year

Other comprehensive income for the year	31 December, 2021	31 December, 2020
Revaluation effect of non-monetary SOFP items in other currency than HUF based on IAS 21 (*)	16,672	203,510
Fair value effect of derivative financial liability(**)	-	55,501
Deferred tax recognized in other comprehensive income	-	-
Total other comprehensive income for the year	**16,672**	**259,011**

* Revaluation effect of increasing EUR fx exchange rate from consolidation

** The Group hedged its variable interest long-term loan with an interest rate swap transaction that matures at the same time whith the loan. The fair value of the interest rate swap was recognised as a derivative financial liability in value of HUF 55,501 thousands in 2020. The loan contract was quitted with notice in 2021, then on 5th January 2022 was totally reimbursed, so the connected derivative financial liability was derecognised from the financial state of position as at 31 December 2022.

21 Earnings per share

Weighted average shares outstanding, net income used in the calculation of earnings per share and calculated earning per share details are set out below: (number of weighted average shares and net income is the same both at 'Basic' and 'Fully diluted' EPS calculation)

	December 31, 2021	December 31, 2020
Weighted average shares outstanding for:	14,345,808	14,345,808
Net income used in the calculation	3,606,617	784,778
Basic and diluted earnings per share:		
Basic (HUF per share)	251	55
Fully diluted (HUF per share)	251	55

22 Contingent liabilities

The Company has arranged bank guarantees. The guarantees largely relate to commitments under Government and corporate tenders. Guarantees are provided up to a maximum limit of HUF 2,500 million. The Company uses HUF 1,082 million from its guarantee limit which is connected to tenders, and the guarantee received from MKB Bank in value of HUF 502 million connected to HIPA subsidy.

The Group reclassified HUF 3,204 million to the restricted reserves, which has not been utilised yet. Corporate tax base was decreased by this amount in line with the relevant Hungarian regulations under the condition, that this amount will be spent for capital expenditures in the following six years, otherwise the deducted corporate tax has to be repaid to the Hungarian Tax Authority grossed up with its fines and interests.

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23 Short term and long term part of lease liabilities

Leasing liabilities expiry analysis (in thHUF)	Leasing liabilities related to real estates	Leasing liabilities related to machinery and equipment	Leasing liabilities related to vehicles	Total
Expired leasing liabilities in 2022:	-	308,895	50,353	359,248
Expired leasing liabilities in 2023:	-	229,852	12,283	242,135
Expired leasing liabilities in 2024:	-	36,586	-	36,586
Total:	**-**	**575,333**	**62,636**	**637,969**

Leasing liabilities expiry analysis (in thHUF)	Leasing liabilities related to real estates	Leasing liabilities related to machinery and equipment	Leasing liabilities related to vehicles	Total
Expired leasing liabilities in 2021:	14,174	365,184	83,668	463,025
Expired leasing liabilities in 2022:	-	222,174	59,174	281,348
Expired leasing liabilities in 2023	-	138,739	12,282	151,020
Total:	**14,174**	**726,097**	**155,123**	**895,393**

Leasing interest analysis (in thHUF)	Leasing interest relating to real estates	Leasing interest relating to machinery and equipment	Leasing interest relating to vehicles	Total
Leasing interest in 2021	-	16,076	2,132	**18,208**
Leasing interest in 2020	832	8,503	3,766	**13,101**

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Leasing obligation movement table (values in thousands of HUF)	Leasing liabilities related to real estates	Leasing liabilities related to machinery and equipment	Leasing liabilities related to vehicles	Total
January 1, 2020	**70,184**	**648,720**	**169,949**	**888,854**
Additions	-	520,555	-	520,555
Disposals	56,011	443,178	14,826	514,015
December 31, 2020	**14,173**	**726,097**	**155,123**	**895,393**
January 1, 2021	**14,173**	**726,097**	**155,123**	**895,393**
Additions	-	320,415	-	320,415
Disposals	14,173	471,179	92,488	577,840
December 31, 2021	**-**	**575,333**	**62,635**	**637,967**
Long term part of closing balance	**-**	**266,438**	**12,283**	**278,721**
Short term part of closing balance	**-**	**308,895**	**50,353**	**359,248**

SPLOCI items connected to leasing transaction (in HUF thousands)	2021.12.31	2020.12.31
Depreciation charged of leased assets:	471,826	393,249
Interest expenses of lease liabilities:	18,208	13,101
Total costs / expenditures:	**490,034**	**406,350**

The book value of the leased assets is fair value. The estimated present value of the minimum lease payments equals to the book value of the lease liabilities. Fixed assets are the cover in Group's leasing transactions.

24 Related party transactions

The ANY Security Printing Company's related party are Gyomai Kner Nyomda Zrt., ANY Ingatlanhasznosító Kft., Techno-Progress Kft, Specimen Zrt. Direct Services OOD (until 29th July, 2021), Slovak Direct s.r.o., Zipper Services S.r.l. and Tipo Direct s.r.l. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions. Through related party transactions mainly ANY Security Printing Company PLC (the Company) sells finished goods to the other members of the Group, who resell them to third party companies. Related party transactions also consist of short term intercompany loans and rental fee for machineries.

The Group purchased management services from EG Capital in value of HUF 154 million in 2021 (HUF 159 million in 2020).

All amounts in HUF thousands unless otherwise indicated.

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25 Remuneration of the members of the Supervisory Board and the Board of Directors

HUF 11,884 thousands remuneration was paid to the Supervisory Board, while HUF 6,120 thousands to the Board of Directors in 2021.
The following table presents the beginning and the end of the assignment of the members of the Board of Directors, the members of the Supervisory Board and the senior officers. The number of shares hold in ANY Security Printing Company PLC is also presented as at 31 December 2021.

Type [1]	Name	Position	Assignment started	Assignment ends	ANY shares owned (no.)**
BD	Dr. Ákos Erdős[2]	Chairman of Board of Directors	1993*	April 30, 2023	2,245,253
BD	Gábor Zsámboki	Deputy chairman of Board of Directors**	August 11, 2005*	April 30, 2023	143,923
BD	György Gyergyák	Member of Board of Directors	1994*	April 30, 2023	150,000
BD	Péter Kadocsa	Member of Board of Directors	April 30, 2010*	April 05, 2020	-
BD	Dr. Gábor Kepecs	Member of Board of Directors	May 31, 2018	April 30, 2023	-
BD	Tamás Erdős[3]	Member of Board of Directors	May 31, 2014	April 30, 2023	1,000,001
BD	Erwin Fidelis Reisch	Member of Board of Directors	May 31, 2014	April 30, 2023	-
SB	Prof. Dr. István Stumpf	Chairman of Supervisory Board	April 27, 2021***	May 31, 2024	-
SB	Dr. Istvánné Gömöri[4]	Deputy chairman of Supervisory Board	August 11, 2005*	May 31, 2024	536,703
SB	Ferenc Berkesi	Member of Supervisory Board	August 11, 2005*	May 31, 2024	-
SB	Dr. Imre Repa	Member of Supervisory Board	March 30, 2007*	May 31, 2024	-
SB	Katalin Hegedűs	Member of Supervisory Board	May 31,2020	May 31, 2024	-
SB	László Hanzsek	Member of Supervisory Board	May 31,2020	May 31, 2024	-
SB	Gábor Kun	Member of Supervisory Board	May 31,2020	May 31, 2024	-
Number of ANY shares hold, TOTAL:					**4,075,880**

[1] Employee in a strategic position (SP), Board of Directors member (BD), Supervisory Board member (SB)
[2] Dr. Ákos Erdős controls ANY shares indirectly through EG Capital LLC and Fortunarum Kft.
[3] Tamás Erdős controls ANY shares indirectly through Digital Forest LLC.
[4] Dr. Istvanné Gömöri controls ANY shares indirectly through BELU S.A.R.L.
* Re-elected by the Annual General Meeting held on 31st March, 2014
** Gábor Zsámboki has been the deputy chairman of the Board of Directors since 11th August, 2014.
*** Elected by the Board of Directors entitled with AGM rights on 27th April. 2020

26 Risk management

Foreign currency risk
Among foreign currency transactions of the Group EURO based transactions are the most important ones. Foreign currency liabilities mainly occur from raw material purchases, which are hedged by the receivables from the export sales in foreign currency as a natural hedge. Due to

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the balance of foreign currency receivables and liabilities the foreign currency risk of the Group is moderate.

ANY Group	Currency	December 31, 2021	December 31, 2020
Foreign currency receivables	EUR	2,540,334	1,782,047
	BGN	-	1,053,872
	RON	31,862,322	23,734,822
	MDL	662,422	836,402
	DKK	27,638	46,756
	SEK	-	13,042
	USD	(1,337)	9,120
Total (in HUF thousands)		**3,326,175**	**2,647,216**
Foreign currency cash	EUR	1,167,049	2,250,758
	USD	3,386	114,266
	GBP	1,019	676
	BGN	-	1,146,797
	RON	7,417,506	10,921,819
	MDL	3,602,436	9,169,509
	DKK	-	-
	SEK	-	-
Total (in HUF thousands)		**1,046,731**	**2,047,540**
Foreign currency liabilities	EUR	1,943,340	1,652,732
	USD	2,300	197,627
	CHF	29,959	8,146
	BGN	-	705,217
	RON	19,758,154	18,116,145
	MDL	792,150	1,444,288
Total (in HUF thousands)		**2,220,832**	**2,183,566**
Impact of a possible 1% foreign exchange rate decrease in each foreign currency (in HUF thousands)		**December 31, 2021**	**December 31, 2020**
Impact on foreign currency assets		**43,778**	**49,948**
Impact on foreign currency liabilities		**(22,208)**	**(21,836)**
Total impact of possible foreign exchange rate change		**21,569**	**25,112**

The fair value of the financial instruments equals the book value. The Group holds no financial assets held to maturity or available for sale.

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Interest rate risk

Due to the moderate level of debts in the Group potential interest rate changes would not influence significantly the amount of interests to be paid by the Group. Based on the balance of Credits of the Group. a potential interest rate increase of 100 basis points relevant to our credits would increase our interest expenses by approximately HUF 54,029 thousands in the year 2021. (This was HUF 52,564 thousands in the year 2020.)

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash-flows and by matching the maturity profiles of financial assets and liabilities.
Liquidity risk of the Group, due to the high balance of net working capital, is low.
The maturity of trade payables, lease liabilities and credits is shown in the next table:

ANY Group FY 2021	In 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total:
Trade payables	3,034,146	90,290	16,184	44,003	-	**3,184,623**
Lease liabilities	29,938	59,874	269,436	287,721	-	**646,969**
Credits	192,951	385,901	1,736,556	3,087,534	-	**5,402,942**
Other liabilities and accruals (without taxes)	1,543,194	-	-	71	-	**1,543,265**
Current tax liabilities	1,250,925	-	-	-	-	**1,250,925**
Total	**6,051,154**	**536,065**	**2,022,176**	**3,419,329**	**-**	**12,028,724**

ANY Group FY 2020	In 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total:
Trade payables	3,626,652	10,956	13,708	6,765	-	3,658,081
Lease liabilities	55,459	99,926	252,968	147,395	335,790	891,538
Credits	11,693	1,358,922	105,240	1,031,646	4,477,903	6,985,404
Other liabilities and accruals (without taxes)	1,892,896	-	-	127,824	-	2,020,720
Current tax liabilities	496,719	23,518	-	-	-	520,237
Total	**6,083,419**	**1,493,322**	**371,916**	**1,313,630**	**4,813,693**	**14,075,980**

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Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Trade receivables consist of a large number of costumers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The financial discipline of the debtors of the Group is really good, which is also represented by the low portion of cumulated provision on trade receivables compared to the gross amount of trade receivables: 0.07%. (This was 0.07% in 2020.) The more than 90 days overdue receivables out of total aged receivables of the Group is 0,1%.

27 Purchasing and selling of subsidiaries

ANY Plc. purchased 50% share quota in Zipper Services SRL previously owned by Tipo Offset SRL in value of EUR 1.8 million (HUF 668,160 thousands) on 13th December 2021, of which 40% share quota in value of EUR 1.44 million (HUF 531.360 thousands) was sold to the general director of Zipper Services SRL, so the parent company has 60% ownership in Zipper Services SRL as at 31st December 2021. ANY Plc had 50% ownership in Zipper Services Srl. and consolidated as a subsidiary based on agreements even before the transaction, therefore due to the transaction non-controlling interest decreased by HUF 126,400 thousands and retained earnings decreased by HUF 10,400 thousands. These changes contain the changes related to TipoDirect SERV Srl. due to the 100% ownership of Zipper Services Srl. in the Moldavian subsidiary.

ANY Plc. sold its 50% ownership stake in Direct Services OOD to the co-owner Power Solutions OOD on 29th July 2021. The consideration received was EUR 2 million (HUF 717,620 thousands). The following assets and liabilities were deconsolidated as a consequence of the Direct Services OOD transaction:

Details of profit in sales of investment (Direct Services OOD)	Amounts (in HUF thousands)
Consideration received:	717,620
Value of assets deconsolidated:	(896,770)
Value of liabilities deconsolidated:	229,765
Decrease in non-controlling interest:	336,314
Decrease in other comprehensive income (reversed fx differences):	37,632
Decrease in retained earnings (reversed fx differences):	74,220
Profit on sales of investment:	**498,781**

28 Significant events after the reporting period

Purchase of investment

Zipper Services SRL, the 60% ownership subsidiary of ANY Plc. signed quota sales-purchase agreement about purchasing 100% ownership stake of Romanian based ATLAS SRL on 30th December 2021. Authorities registering the ownership in trade registry is a condition to close

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the transaction, which was finalized on 15th February 2022, so achievement of ATLAS SRL will be presented from 15th February 2022 in the consolidated financial statements. Value of the transaction is EUR 1.371 million. Though based on IFRS rules assets and liabilities acquired value of goodwill and non-controlling interest should be presented in the Notes of the 31st December 2021 financial statement, as until the preparation of the consolidated financial statements ATLAS SRL did not prepare its individual financial statements as at 31st December 2021, the disclosure of the assets and liabilities acquired, possible value of goodwill and non-controlling interest is not possible.

The Ukrainian – Russian conflict

Apart from the global effect on the world economy of the Ukrainian – Russian conflict the Group does not hold any investment neither in the Ukraine, nor in Russia, does not have any business partner neither in the Ukraine, nor in Russia, so does not have direct relationship which could significantly influence the business or operation or the IFRS financial statements of the Group.

Decisions of the 8th March 2022 Board of Directors' meeting

The Consolidated Financial Statements were accepted by the Board of Directors of ANY Nyrt. on 8th March, 2022. The Board of Directors proposes HUF 163 dividend per share to the shareholders on the annual general meeting to be held in April 2022.

Budapest, 10th March 2022 ....

Chief Executive Officer

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ANY Security Printing Company Public Limited Company by Shares

Consolidated business report

for the year ended 31 December, 2021

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Analysis of the Group's performance in FY 2021

Operations in the first quarter of 2020 were already affected by the epidemic, which is also reflected in the lower base period figures.

Net sales of ANY PLC for 2021 amounted to HUF 40,7 billion which is higher by HUF 13,2 billion (48%) than in the previous year. Changes in case of strategic product segments were as follows: sales of security products, solutions were HUF 10,6 billion, which is HUF 3,6 billion (52%) higher than the figure in the basis period; data processing were HUF 10,9 billion, which is HUF 0,5 billion (5%) higher than the figure in the basis period, whilst sales of card production, personalisation were HUF 16,2 billion, which is HUF 8,3 billion (105%) higher than the figure in the basis period. Ratio of strategic products segments in total net sales was 93% in 2021.

Export sales amounted to HUF 14,3 billion as at December 31, 2021, which is HUF 2,6 billion higher than in the previous year, representing 35% export sales ratio.

The sale of the Bulgarian subsidiary generated an extraordinary profit of HUF 499 million in the third quarter.

Consolidated EBITDA is HUF 6,664 million, an increase of HUF 3,668 million compared to 2020 base period due to the higher net sales.

Consolidated operating income is HUF 4,952 million, which is HUF 3,434 million higher than the profit for the base period due to the increase in turnover.

Consolidated net income after interest income, taxation and non-controlling interest is HUF 3,607 million, which shows an increase of HUF 3,822 million compared to the previous year's same period.

Income statement analysis

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

1. Table: Net sales by segments

Sales segments	2020 HUF millions	2021 HUF millions	Change (B-A)	Change % (B/A-1)
Security products and solutions	6,950	10,579	3,629	52.22%
Card production and personalization	7,900	16,227	8,327	105.41%
Form production and personalization, data processing	10,309	10,858	549	5.33%
Traditional printing products	1,495	1,816	321	21.47%
Other	770	1,177	407	52.86%
Total net sales	**27,424**	**40,657**	**13,233**	**48.25%**

ANY PLC had consolidated net sales of 40,657 million in 2021, which is HUF 13,233 million (48%) higher than the sales for the base period.

Sales of **security products and solutions** came to HUF 10,579 million in 2021 which means an increase of HUF 3,629 million (52%) compared to the base period. The increase is mainly due to the

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higher sales of tax stamps, security documents, security solutions and to the increasing sales of high value-added export products.

The Company's revenues from **card production and personalisation** totalled HUF 16,227 million in the period of reference, a HUF 8,327 million (105%) increase compared to similar period of year 2020. The mass renewal of card documents that expired in 2020, and the sales of immunity certificates also contributed to the growth.

The Company's revenues from **form production, personalisation and data processing** came to HUF 10,858 million in 2021, HUF 549 million (5%) higher than the sales for the base period. The change derives from higher volume of printed forms in export sales.

Sales of **traditional printing products** amounted to HUF 1,816 million in the period of reference, which means a HUF 321 million (21%) increase compared to the previous year's similar period. Higher volume of book orders is behind the change.

Other sales totalled HUF 1,177 million in 2021, which is an increase of HUF 407 million compared to the correspondent period of the last year. This segment mainly comprises revenues from the sale of commercial materials and goods.

Operating income came to HUF 4,952 million, an increase of HUF 3,454 million compared to the previous period.
Gross profit totalled HUF 13,927 million, which means a 34% gross margin. General (SG&A) expenses amounted to HUF 8,712 million in 2021, which equals to 21% of net sales. Material expenses amounted to HUF 23,847 million, higher by HUF 5,098 million in the current period due to the higher turnover.
The capitalized value of own performance line shows the capitalized value of assets produced and the change in inventories manufactured. These figures were driven mainly by the change in inventories in both periods presented; the most significant of these is the value of work-in-production (WIP) connected to security and card products.
Personnel expenses totalled HUF 9,576 million, which is HUF 2,700 million higher than in the base period due to the higher achievement based personnel costs connected to higher turnover, to overtime work costs and to the salary and wage increase.
Other expenses increased compared to the similar period of the previous year due to the higher local taxes connected to higher turnover and to the scrapping and impairment losses on inventories.
As a result of the sale of Direct Services, we recorded a one-time profit of HUF 499 million.

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EBITDA amounted to HUF 6,664 million due to the change in operating income and depreciation, which represents an increase of HUF 3,664 million compared to previous period's EBITDA. Therefore EBITDA margin is 16%.

Net interest income amounted to -70 million HUF in 2021. Net income – after financial operations, taxation and minority interest – came to HUF 3,607 million in 2021, which is HUF 2,822 higher in the base period.

Balance sheet analysis

The Company had total assets of HUF 23,161 million on 31 December 2021, which increased by HUF 184 million compared to the previous year-end.

Receivables amounted to HUF 5,683 million which represents a HUF 1,435 million increase compared to the 2020 year-end due to the higher turnover.

Cash and bank totalled HUF 1,298 million which represents a HUF 1,033 million increase compared to the 2020 year-end balance.

Inventories totalled HUF 3,279 million, which is a HUF 730 million (18%) decrease compared to the 31 December 2020 figure mainly due to lower self-produced stock on inventory, which is the result of high volume deliveries and turnover near to the end of the period.

Other current assets and prepayments amounted to HUF 1,617 million, which is increased by HUF 528 million compared to previous year-end.

The balance of property, plant and equipment at the end of September 2021 was HUF 9,884 million, an increase of HUF 136 million compared to the end of 2020.

Goodwill amounted to HUF 336 million which is the same as last year's balance.

Accounts payable totalled HUF 3,185 million, HUF 473 million (12%) lower compared to the end of December 2020.

Other payables and accruals amounted to 2,794 million, which is increased by HUF 253 million (10%) compared to the 31 December 2020 figure mainly due to the increase in tax liabilities and procurements and to performance-based wage accruals.

Lease liabilities relating to the purchase of fixed assets have a balance of HUF 647 million, from which HUF 288 million is long-term part, HUF 359 million is short-term liability.

Balance of long-term loans totalled HUF 3,088 million which represents a HUF 1,390 million increase compared to the 2020 year-end. The Company's operation is financed by short term loans, which reached HUF 2,315 million on 31 December, 2021, out of which short term part of long term loan is HUF 1,982 million and overdraft is HUF 108 million.

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Risk management

Foreign currency risk

Among foreign currency transactions of the Group EURO based transactions are the most important ones. Foreign currency liabilities mainly occur from raw material purchases, which are hedged by the receivables from the export sales in foreign currency as a natural hedge. The balance of foreign currency receivables and liabilities are almost the same within the Group, therefore the foreign currency risk of the Group is not significant.

Interest rate risk

Due to the moderate level of debts in the Group. potential interest rate changes would not influence significantly the amount of interests to be paid by the Group. Based on the balance of Credits of the Group. a potential interest rate increase of 100 basis points relevant to our credits would increase our interest expenses by approximately HUF 21,569 thousands in the year 2021. (This was HUF 25,075 thousands in the year 2020.)

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash-flows and by matching the maturity profiles of financial assets and liabilities.
Liquidity risk of the Group, due to the high balance of net working capital, is low.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Trade receivables consist of a large number of costumers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.
The financial discipline of the debtors of the Group is really good, which is also represented by the low portion of cumulated provision on trade receivables compared to the gross amount of trade receivables: 0.07%. (This was 0.07% in 2020.) The more than 90 days overdue receivables out of total aged receivables of the Group is 0.1%.

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Supplementary information for the business report of ANY Group

The Company's employment policy

ANY Group places high priority on keeping labour law, labour safety, employment, tax and social insurance regulations connected to working. The Group considers the employees' continuous training and education as of strategic importance in order to ensure the renewal of professional knowledge within the Group and the adaptability of employees. ANY Group gives wide scale of social benefits to its employees, helping to create the balance between private life and the workplace. The principles of benefits and wages are set out in the Collective Agreement. Besides keeping the regulations, the Group is trying to create a workplace with proper working relations, taking the family obligations into consideration which increases the Group's profitability on the long term as well.

Environment protection

The parent company has ISO 14000:2005 Environmental Control System certificate audited by Det-Norske Veritas. The expiry date of the certification is January 11, 2025. The environmental certificate covers the following fields: printed products, security products, documents, development, production and personalization of plastic cards and bankcards. Research and development and production of security materials. Electronic reprocessing and delivering of printed forms. Chip embedding and encoding at smart cards. Research and development of traditional/general and mobile information technology solutions, operation and support of connected services. Electronic archiving of data, data processing, database management, setting up archives, storing of documents for fee.
Dangerous waste is continuously eliminated after leaving the company sites. In 2021, 19,487 kg dangerous waste was transported and eliminated. The parent company has being awarded Green Printing House Award for eleven consecutive years this year.

Research and development

The parent company has two significant R&D areas:
1, R&D projects included in the activity of the Document Security Laboratory. The nanotechnology project has a key importance in this area. Using nanotechnology in security inks may contribute to drawing back forgeries and the fight against black economy.

2, The development of products has a significant role related to new tenders.
The direct cost of basic research, applied research and experimental development incurred in the current year is HUF 80 million.

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Significant events after the reporting period

The Consolidated Financial Statements were accepted by the Board of Directors of ANY Group on 11th March, 2022.

Treasury shares in FY2021

2. Table: Treasury shares

Description	Number of shares	Nominal value (HUF thousands)	Purchase value (HUF thousands)
Opening balance as at 1 January, 2021	**448,842**	**43,987**	**455,048**
Closing balance as at 31 December, 2021	**448,842**	**43,987**	**455,048**

Number of treasury shares held by the Group on 31st December 2021 is 448,842 which were purchased at an average price of HUF 1,014 per share.
The Group's total share equity was HUF 1,449,876 thousands on 31 December 2021 which consists of 14,794,650 pieces of series 'A' registered, dematerialized ordinary shares with a nominal value of HUF 98 each.

Competence, election and removal of corporate officers

Statutes effective from 31st March 2014 of ANY Security Printing Company PLC point 10.10 prescribes the competence of the General Meeting, of which point 'd' regulates the election (simple majority of the votes of the shareholders present) and the removal (three-quarters of the votes of the shareholders present) of the corporate officers (Members of the Board of Directors, Members of the Supervisory Board or Members of the Audit Committee).
Competence and operation is regulated in point 12 of the Statutes for the Board of Directors is, while point 14 for the Supervisory Board and point 15 for the Audit Committee.
Purchase of treasury shares is regulated by point 9.3 of Statutes, according to which General Meeting authorises the Board of Directors for purchasing treasury shares of the Company by simple majority of the votes of the shareholders present. The Board of Directors authorises the management for purchasing treasury shares of the Company by simple majority of the votes of the Board members present. The regulation effective at present in connection with purchasing treasury shares is the General Meeting Resolution No 11/2015 (20th April).
Statutes effective of the ANY Security Printing Company PLC can be found on the website of the Company under the link of Investors.
(https://www.any.hu/wp-content/files_mf/1557324630ANY_Statutes_20200408.pdf)

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Modification of the Statutes

Statutes effective from 31st March 2014 of ANY Security Printing Company PLC point 10.10 prescribes the competence of the General Meeting, of which point 'a' regulates the modification of the Statutes, which is connected to three-quarters of the votes of the shareholders present.
Statutes effective of the ANY Security Printing Company PLC can be found on the website of the Company under the link of Investors.
(https://www.any.hu/wp-content/files_mf/1557324630ANY_Statutes_20200408.pdf)

Structure of shareholders over 5% share

3. Table: Structure of shareholders

Investor	Voting right (%)	Ownership (%)
Owners above 5% share		
EG CAPITAL LLC(*)	11.98%	11.62%
DIGITAL FOREST LLC(**)	6.97%	6.76%
AEGON ALFA SZÁRMAZTATOTT ALAP	9.50%	9.21%
Owners below 5% share		
Domestic Institutional Investors	29.17%	28.28%
Foreign Institutional Investors	10.74%	10.40%
Foreign Individual Investors	0.50%	0.49%
Domestic Individual Investors	27.58%	26.75%
Management, employees	2.51%	2.44%
Treasury shares	0.00%	3.03%
Other	1.05%	1.02%

(*) The Chairman of the Board of Directors of ANY Security Printing Company PLC as owner of EG Capital LLC has a further indirect ownership through Fortunarum Kft (3.22%).
(**) Indirect ownership of Tamás Erdős, member of the Board of Directors of ANY Security Printing Company PLC based on the AGM held on 31st March, 2014.

Budapest, 10th March 2022

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Chief Executive Officer