

ANY Security Printing Company Public Limited Company

Independent Auditors' Report and Financial Statements

for the year ended December 31, 2022

ANY Security Printing Company Public Limited Company

Audited Financial Statements

December 31, 2022

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Statement of Financial Position as at December 31, 2022 December 31, 2021

In HUF thousands:	Notes	December 31, 2022	December 31, 2021
Current assets			
Cash and bank	<u>3</u>	5,194,455	402,816
Accounts receivables	<u>4</u>	3,395,636	3,226,644
Inventories	<u>5</u>	5,887,390	2,995,296
Other current assets and prepayments (without current tax receivable)	<u>6</u>	3,269,509	3,744,429
Current tax receivables	<u>6</u>	95,428	121
Total current assets		17,842,418	10,369,306
Non-current assets			
Property, plant and equipment	<u>7</u>	7,582,243	4,497,295
Right of use	<u>8</u>	2,584,834	3,450,164
Investments	<u>9</u>	1,747,819	1,747,819
Intangibles	<u>10</u>	-	-
Deferred tax assets		1,394	1,394
Other assets	<u>9</u>	6,029	3,162
Total non-current assets		11,922,319	9,699,834
Total assets		29,764,737	20,069,140
Current liabilities			
Trade accounts payables	<u>11</u>	2,968,657	2,005,243
Short term part of lease liabilities	<u>22</u>	735,137	757,485
Other payables and accruals (without current tax liabilities)	<u>12</u>	8,910,777	1,051,710
Current tax liabilities	<u>12</u>	946,080	1,228,661
Short term loans	<u>13</u>	2,202,009	1,981,659
Total current liabilities		15,762,660	7,024,758
Long term liabilities			
Deferred tax liability	<u>20</u>	629,309	523,177
Long term part of lease liabilities	<u>22</u>	2,110,526	2,656,279
Long term loans	<u>13</u>	4,212,925	2,877,736
Total long term liabilities		6,952,760	6,057,192
Shareholders' equity			
Share capital	<u>14</u>	1,449,876	1,449,876
Capital reserve	<u>15</u>	250,686	250,686
Retained earnings	<u>15</u>	5,803,803	5,741,676
Treasury shares	<u>15</u>	(455,048)	(455,048)
Total owners' equity	<u>15</u>	7,049,317	6,987,190
Total liabilities and shareholders' equity		29,764,737	20,069,140

Financial Statement of Comprehensive Income as at December 31, 2022

In HUF thousands:	Notes	FY 2022	FY 2021
Net sales	<u>16</u>	30,419,070	29,149,011
Cost of sales	<u>18</u>	(21,510,866)	(18,191,241)
Gross profit		8,908,204	10,957,770
Selling general and administration	<u>18</u>	(6,987,013)	(7,051,354)
Gain/(Loss) on sale of fixed assets		2,298	854
Dividend income	<u>19</u>	1,263,458	426,881
Foreign currency loss		(68,730)	959
Other expense, net	<u>17</u>	(248,416)	(912,222)
Operating income		2,869,801	3,422,888
Interest income / expense		38,394	(72,710)
Gains on sale of investments	<u>9</u>	-	672,428
Profit before tax		2,908,195	4,022,606
Deferred tax expense	<u>20</u>	(106,132)	(225,616)
Income tax expense	<u>20</u>	(329,854)	(444,591)
Total tax expense		(435,986)	(670,207)
Profit after tax		2,472,209	3,352,399
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,472,209	3,352,399

Changes in Shareholders' Equity as at December 31, 2022

in HUF thousands	Share capital	Capital reserve	Retained earnings	Treasury shares	Total
1, January 2021	1,449,876	250,686	3,622,863	(455,048)	4,868,377
Dividend paid (after FY 2020)	-	-	(1,233,586)	-	(1,233,586)
Total comprehensive income for the year	-	-	3,352,399	-	3,352,399
31, December 2021	1,449,876	250,686	5,741,676	(455,048)	6,987,190
Dividend paid (after FY 2021)	-	-	(2,410,082)	-	(2,410,082)
Total comprehensive income for the year	-	-	2,472,209	-	2,472,209
31, December 2022	1,449,876	250,686	5,803,803	(455,048)	7,049,317

Cash-flow as at December 31, 2022

In HUF thousands:	Notes	FY 2022	FY 2021
Cash flows from operating activities			
Profit before tax		2,908,195	4,022,606
Depreciation cost of fixed assets	<u>7</u>	1,448,048	1,148,270
Amortization cost of intangibles	<u>10</u>	-	989
Changes in provisions	<u>17</u>	(7)	645,698
Gain/(loss) on sale of property, plant and equipment		(2,298)	(854)
Gains on sale of investments		-	(672,428)
Dividend income		(1,263,458)	(426,881)
Interest expense		288,574	145,801
Interest income		(326,968)	(73,091)
Operating cash-flow before working capital changes:		3,052,086	4,790,110
Changes in accounts receivable and other current assets	<u>4,6</u>	285,454	(1,983,192)
Changes in inventories	<u>5</u>	(2,892,094)	186,754
Changes in accounts payables, provision and accruals	<u>12</u>	8,535,307	87,712
Cash provided by operations		8,980,753	3,081,384
Interest received	<u>13, 22</u>	(363,400)	(97 215)
Interest paid	<u>23</u>	331,562	70 588
Taxes paid, net	<u>20</u>	(329,854)	(444,591)
Net cash provided by operating activities		8,619,061	2,610,166
Cash flows from investing activities			
Purchase of property, plant and equipment	<u>7</u>	(4,213,420)	(745,821)
Proceeds on sale of property, plant and equipment		2,298	854
Received dividend	<u>19</u>	1,263,458	426,881
Proceeds on sale of investments	<u>9</u>	-	877,028
Purchase of investments	<u>9</u>	-	(668,160)
Changes in loans to employees		(2,867)	3,250
Net cash flow used in investing activities		(2,950,531)	(105,968)
Cash flows from financing activities			
Changes in short term loans	<u>13</u>	220,350	654,498
Changes in long term loans	<u>13</u>	1,335,189	(1,296,770)
Repayment of lease obligations	<u>22</u>	(22,348)	(1,021,358)
Dividend paid		(2,410,082)	(1,233,586)
Net cash flow used in financing activities		(876,891)	(2,897,216)
Changes in cash and cash equivalents		4,791,639	(393,018)
Cash and cash equivalents at beginning of period		402,816	795,834
Cash and cash equivalents at end of the period	<u>3</u>	5,194,455	402,816

Supplementary Notes to the Financial Statements Dec. 31, 2022

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: 1056 Budapest, Belgrád rakpart 21. IV/1.). 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 2022 is HUF 11.7 million. Ernst & Young Kft. provided advisory services to ANY Security Printing company Plc. in connection with Purchase Price Allocation (PPA) report based on IFRS 3 rules connected to ATLAS Trade Distribution SRL acquisition ended on 15th February 2022. Advisory fee is posted to 2023, the advisory fee is EUR 9,000.

As of December 31, 2021, December 31, 2022 – based on the Company's share book – the following owners have more than 5% voting right or the following Companies of investors own the Company:

Investor	December 31, 2022		December 31, 2021	
	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	8.87%	8.60%	9.50%	9.21%
Owners below 5% share				
Domestic Institutional Investors	28.94%	28.06%	29.17%	28.28%
Foreign Institutional Investors	10.75%	10.42%	10.74%	10.40%
Foreign Individual Investors	0.54%	0.52%	0.50%	0.49%
Domestic Individual Investors	28.53%	27.66%	27.58%	26.75%
Management, employees	2.42%	2.34%	2.51%	2.44%
Treasury shares	0.00%	3.03%	0.00%	3.03%
Other	1.00%	0.99%	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.

(**) 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.

ANY PLC 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 Company at December 31, 2021 and December 31, 2022 are as follows (except for Tipo Direct Serv SRL, all the subsidiaries are owned directly by the parent company, Tipo Direct Serv SRL owned by Zipper Services SRL). For further notes about investments see Note 9

Name of the Company	Place of registration	Equity	December 31, 2022		December 31, 2021		Classification ²
			Share of ownership	Voting right ¹	Share of ownership	Voting right ¹	
Gyomai Kner Nyomda Zrt.	Hungary	HUF 200,000,000	99.48%	99.48%	99.48%	99.48%	L
Specimen Zrt.	Hungary	HUF 100,000,000	100.00%	100.00%	100.00%	100.00%	L
Techno-progress Kft.	Hungary	HUF 5,000,000	100.00%	100.00%	100.00%	100.00%	L
ANY Ingatlanhasznosító Kft.	Hungary	HUF 3,000,000	100.00%	100.00%	100.00%	100.00%	L
Zipper Services SRL**	Romania	RON 2,060,310	60.00%	60.00%	60.00%	60.00%	L*
Tipo Direct Serv SRL **	Moldavia	30,308 MDL	60.00%	60.00%	60.00%	60.00%	L*
Atlas Trade Distribute SRL ****	Romania	RON 1,000	60.00%	60.00%	0.00%	0.00%	L
Slovak Direct SRO	Slovakia	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 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 672 million gain on gains on sale of investments line.

(****) Zipper Services SRL acquired 100% share in Atlas Trade Distribute SRL, the ownership was registered by the authorities on 15th February 2022.

ESEF information	
Homepage of the Company:	www.any.hu
LEI code of the Company:	529900YYR637SPJ0JR59
Name of the Company:	ANY Security Printing Company Plc.
Domicile of the Company:	Hungary
Legal form of the Company:	Public Limited Company by Shares
Country of incorporation:	Hungary
Address of the 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 the Company's operation and principal activities:	The Company 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.

2 Significant accounting policies

Basis of preparation

The accounting records of ANY Security Printing Plc have been prepared in accordance with International Financial Reporting Standards (IFRS)

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the "EU"). 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 Company is the Hungarian Forint ("HUF), rounded to nearest thousand forints.

The 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 Company in the foreseeable future.

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.

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 Company accounts impairment for inventories where cost of inventory is higher than the possible future net realizable value at a level until the net realizable value. Furthermore raises the Company 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 rates used are as follows:

Buildings	2% to 3%
Leasehold improvements	6%
Machinery and equipment	14.5 to 33%
Vehicles	20%

At each balance sheet date, the Company 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. 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. 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. Depreciation of assets directly attributed to operation is posted to cost of sales, depreciation of assets directly not attributed to operation is posted to selling, general and administration costs.

Right of use assets

The Company 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 Company, initial value of right of use assets are equal to initial value of the lease liabilities. The Company 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%

Leases

The Company 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 Company measures its lease liabilities based upon the present value of contractual net cash-flows, with credit interest rate available on the market for the Company for similar periods using as a discount rate. The Company has no initial lease obligations, no dismantling or removing costs, variable lease conditions and does not receive any lease incentives. The members of the Company 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 Company 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.

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 16.7-33% 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.

Financial assets

In order to define the category of financial assets, the Company 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 Company 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.

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

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

- it ceases or significantly decreases a measurement inconsistency, or
- a Company of financial liabilities or a Company 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

Financial liabilities are measured at amortized costs, so do lease liabilities as well, and also those parts of financial liabilities which are held by the Group based on the business model for collecting contractual cash-flows and contractual cash-flows consist solely payments of principle and interest on the principal amount outstanding. 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.

Impairment of financial assets

The Company analysed whether how much credit loss on trade receivables should be raised based on expected credit loss of IFRS 9, and found that based on return of previous years' trade receivables as impairment on trade receivables will account to Statement on Profit and Loss and Other Comprehensive Income (SPLOCI) 0.1% of gross value of trade receivables. The Company has significant number of trade debtors with governmental background, and the Company 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 Company'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.

Investments

In the separate financial statements investments in subsidiaries are presented at cost according to IAS 27. Cost at initial recognition is the paid amount in cash or cash equivalent, or the fair value of other consideration given by the purchaser. Cost include those costs which are directly attributable to the acquisition.

Investments in subsidiaries are subject to impairment test when indicator of potential impairment exists. When an external or internal indicator of impairment exists, the recoverable amount has to be determined and compared with the net investment. If the recoverable amount is materially or permanently lower than the net investment, impairment should be recorded. If the recoverable amount is materially or permanently higher than the net investment, impairment reversal should be recorded.

The net recoverable amount is the present value of future cash flows of the investment proportioned based on ownership.

Income taxes

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 Company expects, at the balance sheet date, to realize or settle the carrying amount of its assets and liabilities.

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 Company re-assesses unrecognized deferred tax assets and the carrying amount of deferred tax assets. The Company 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 Company 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 income 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

IFRS 15 "Revenue from Contracts with Customers" - The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some nonfinancial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles).

Revenue is recognized at the time goods are dispatched and services rendered by the Company, 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 Company. 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 Company 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 Company expects to be entitled in exchange for those goods or services. The Company 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 Company 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 Company considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company 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 Company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Company 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 Company 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

Company 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 Company 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 Company obtains control of the equipment. The Company estimates the fair value of the non-cash consideration by reference to its market price.

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 Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer). Advances paid by the customer also accounted based on the rules of contract liabilities.

Cost to obtain a contract

The Company pays sales commission to its employees for each contract that they obtain for sales of printing solutions and services. The Company 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 Company and the amount of revenue can be measured reliably).

Interest revenue is recognised when it is probable that the economic benefits will flow to the Company 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.

Provisions

The Company 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.

The Company has no legal affairs.

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. Grants connected to asset purchases are accounted to the period and in that proportion, which period and which proportion the depreciation of the asset is also accounted. Grants are accounted in compliance with gross method.

Segment reporting

The Company does not separate different segments based on IFRS 8 – Segment reporting, but revenue is separated into five different product segment. The management of the Company 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.

Foreign currencies

In preparing the financial statements of the Company, 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.

The effect of adopting new and revised International Financial Reporting Standards effective from 1 January 2022.

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 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).

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

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

- **IFRS 17 “Insurance Contracts” including amendments to IFRS 17** (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),
- **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).

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 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 Company 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 Company 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 Company had certain assumptions when applying the accounting policy, that can influence the carrying amounts of assets and liabilities presented in the 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 parent company because the parent company owns a 60% ownership interest in these companies since 31st December 2021. Based on the contractual arrangements between the parent company and other investors, the parent company 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 Company had and has the practical ability to direct the relevant activities of these companies unilaterally and hence the Company has control over these companies. Since 31st December 2021 the parent company has majority ownership as well beside control through arrangements.

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
- Calculating provisions
- Determining the impairment of investments

The Ukrainian – Russian conflict

Apart from the global effect on the world economy of the Ukrainian – Russian conflict the Company 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, operation or the IFRS financial statements of the Company.

3 Cash and bank

	December 31, 2022	December 31, 2021
Cash and cash equivalents	5,194,455	402,816
Total cash and cash equivalents:	5,195,455	402,816

4 Accounts receivables

	December 31, 2022	December 31, 2021
Trade receivables	3,395,884	3,226,885
<i>Allowance for doubtful debts</i>	(248)	(241)
Total:	3,395,636	3,226,644

The carrying value of trade receivables is fair value. Balance of trade debtors is HUF 3,396 million, which is HUF 169 million (5.2%) higher than at the end of 2021.

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

	December 31, 2022	December 31, 2021
Balance at the beginning of the year	241	321
Impairment losses recognised on receivables	7	-
Impairment losses decrease	0	(80)
Balance at the end of the year	248	241

5 Inventories

	December 31, 2022	December 31, 2021
Raw materials	4,515,255	2,167,090
Work in progress	1,733,174	1,334,128
Finished goods	1,114,740	1,012,680
Goods	119,043	37,467
<i>Cumulated loss in value for inventories (*)</i>	(1,594,822)	(1,556,069)
Total:	5,887,390	2,995,296

The total amount of inventories is HUF 5,887 million, which increased by HUF 2,892 million (97%) compared to 31 December 2021. The amount of raw materials and consumables increased by HUF 2,348 million (108%) compared to the prior period because of the increase in price of raw materials.

(*) 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.

Movement of the allowance loss in value for inventories is broken down below:

	December 31, 2022	December 31, 2021
Balance at the beginning of the year	1,556,069	301,760
Impairment losses recognised on inventories	38,753	1,467,483
Impairment losses decrease	0	(213,174)
Balance at the end of the year	1,594,822	1,556,069

6 Other current assets and prepayments

	December 31, 2022	December 31, 2021
Prepayments	514,486	240,029
<i>Of which: rental fee of software's</i>	92,553	60,483
<i>Of which: real estate rental</i>	76,390	100,798
<i>Of which: prepaid interest</i>	345,543	78,748
Advances paid	283,656	454,222
<i>Of which: advances paid for PP&E</i>	204,249	325,050
<i>Of which: other advances paid</i>	79,407	129,172
Employee loans	63	2,136
Other receivables	66,304	446,142
<i>Of which: accounts receivables from sales of investments</i>	-	371,952
Loan to a subsidiary	2,405,000	2,601,900
Total other current assets and prepayments:	3,269,509	3,744,429

	December 31, 2022	December 31, 2021
VAT receivable	4,441	-
Corporate income tax receivable	15,410	-
Other taxes receivable	75,577	121
Total current tax receivables	95,428	121

Year-end balance of current tax receivables is HUF 95 million higher than in previous period. The significant increase in the amount of prepayments is caused by software, property and plant rental fee. Interest in employees loans are the same for each employee, Hungarian prime rate + 5%.

Loans given to subsidiaries

	December 31, 2022	December 31, 2021
Gyomai Kner Nyomda Zrt.	-	36,900
ANY Ingatlanhasznosító Zrt.	2,405,000	2,565,000
Given loan total	2,405,000	2,601,900

The short term loans given to subsidiaries have market interest rate, based on 1 month BUBOR.
The given loan to the ANY Ingatlanhasznosító for a new building investment of HUF 2,405 million.

7 Property, Plant and Equipment

	Land and buildings	Machinery and equipment	Property rights	Vehicles and other equipments	Capital projects	Total
Cost:						
January 1, 2021	1,378,816	7,940,887	1,698,599	3,054,039	17,314	14,089,655
Capitalization	181,922	1,179,340	279,267	383,546	2,016,584	4,040,659
Reclassification	-	59,578	18,622	(78,200)	344,214	(344,214)
Disposals	-	638,628	199,342	34,152	1,654,540	2,526,662
December 31, 2021	1,560,738	8,541,177	1,797,146	3,325,233	35,144	15,259,438
January 1, 2022	1,560,738	8,541,177	1,797,146	3,325,233	35,144	15,259,438
Capitalization	546,780	3,123,802	69,036	371,733	4,083,395	8,194,746
Reclassification	-	-	-	-	29,284	29,284
Disposals	-	303,964	76	81,352	3,999,407	4,384,799
December 31, 2022	2,107,518	11,361,015	1,866,106	3,615,614	89,848	19,040,101
Accumulated depreciation:						
January 1, 2021	358,273	6,525,366	1,390,718	1,956,578	17,314	10,248,249
Charge for year	86,922	646,696	121,904	292,749	-	1,148,271
Reclassification	-	7,167	-	-	-	7,167
Disposals	-	607,393	57	34,095	-	641,545
December 31, 2021	445,195	6,571,836	1,512,565	2,215,232	17,314	10,762,142
January 1, 2022	445,195	6,571,836	1,512,565	2,215,232	17,314	10,762,142
Charge for year	115,990	457,370	124,446	358,974	-	1,056,781
Reclassification	-	-	-	-	-	-
Disposals	-	295,284	76	65,706	-	361,066
December 31, 2022	561,185	6,733,922	1,636,935	2,508,500	17,314	11,457,857
Net book value:						
January 1, 2021	1,020,543	1,415,521	307,881	1,097,461	-	3,841,405
December 31, 2021	1,115,543	1,969,341	284,581	1,110,001	17,830	4,497,295
December 31, 2022	1,546,333	4,627,093	229,171	1,107,114	72,534	7,582,244

Fair value of the PP&E exceeds book value, therefore no impairment loss was calculated. Increase of fixed assets are mainly due to purchase of technical equipment and machineries.

8 Right of use asset

Right of use asset movement table (values in thousands of HUF)	Property rights	Machinery and equipment	Vehicles and other equipments	Total
Cost:				
January 1, 2022	3,396,975	2,000,555	185,872	5,583,403
Additions	-	-	-	-
Disposals	-	-	-	-
December 31, 2022	3,396,975	2,000,555	185,872	5,583,403
Accumulated depreciation:				
January 1, 2022	1,015,140	994,184	123,915	2,133,239
Charge for year	390,790	433,233	41,305	865,329
December 31, 2022	1,405,931	1,427,418	165,220	2,998,568
Net book value:				
January 1, 2022	2,381,835	1,006,372	61,957	3,450,164
December 31, 2022	1,991,044	573,138	20,652	2,584,834

9 Investments

	January 1, 2022	Increase	Decrease	December 31, 2022
Long term participations in affiliated undertakings	1,777,147	-	-	1,777,147
-Gyomai Kner Nyomda Zrt.	363,596	-	-	363,596
-Specimen Nyomdaipari Zrt.	180,380	-	-	180,380
-ZIPPER Services	591,340	-	-	591,340
-Slovak Direct	19,838	-	-	19,838
-TECHNO-PROGRESS Kft.	25,000	-	-	25,000
-ANY Inगतlanhasznosító Kft	596,993	-	-	596,993
Other long term loan	3,162	6,000	3,133	6,029
Loss in value for long term participations in affiliated undertakings	(29,328)	-	-	(29,328)
Net value of investments	1,750,981	6,000	3,133	1,753,848

The 5 five year term budgets used for the evaluation of the investments 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%. At the end of the year the Company examined investments' remunerative value and recognized that there was no need to account impairment losses on the investments. When evaluating the investments the Company 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.

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 Company has 60% ownership in Zipper Services SRL as at 31st December 2021.

Shareholders equity of subsidiaries (in thousands of HUF)

	2022.12.31			2021.12.31		
	Ownership (%)	Equity (HUF thousand s)	Proportionate equity (HUF thousands)	Ownership (%)	Equity (HUF thousand s)	Proportionate equity (HUF thousands)
Gyomai Kner Nyomda Zrt.	99.48%	935,653	930,788	99.48%	799,552	795,394
Specimen Zrt.	100.00%	171,507	171,507	100.00%	153,694	153,694
Techno-Progress Kft.	100.00%	102,891	102,891	100.00%	133,660	133,660
ANY Ingatlanhasznosító Kft.	100.00%	2,758,193	2,758,193	100.00%	2,423,561	2,423,561
Zipper Services SRL	60.00%	2,107,882	1,264,729	60.00%	2,294,746	1,376,848
Tipo Direct Serv SRL	60.00%	155,633	93,380	60.00%	74,180	44,508
Atlas Trade Distribute SRL	60.00%	212,354	127,412	0.00%	-	-
Slovak Direct SRO	100.00%	63,181	63,181	100.00%	56,741	56,741

10 Intangibles

	Opening	Increase	Decrease	Closing balance
Cost				
2021	269,160	-	-	269,160
2022	269,160	-	-	269,160
Accumulated depreciation				
2021	268,171	-	(989)	269,160
2022	269,160	-	-	269,160
net book value				
December 31, 2021	989	-	989	-
December 31, 2022	-	-	-	-

11 Trade accounts payables

	December 31, 2022	December 31, 2021
Trade account payables to related parties	163,538	300,621
Trade accounts payables to third parties	2,805,119	1,704,622
Total trade accounts payables	2,968,657	2,005,243

Related party transactions are disclosed in details in point 23 of Notes. Trade payables increased due to the higher turnover.

12 Other payables and accruals

	December 31, 2022	December 31, 2021
Accrued management bonuses	690,336	517,492
Other accruals	231,200	228,864
<i>Of which: accrued creditors</i>	<i>138,685</i>	<i>182,595</i>
Salaries and wages	313,333	127,496
Advance payments from customers	7,529,220	26,142
Other short term liabilities	5,689	10,716
Short term loan from subsidiaries	141,000	141,000
Other payables and accruals	8,910,778	1,051,710

*Based on the contract signed with the Angolan Ministry of Interior the Angolan Ministry of Interior transferred advance payment connected to the sales of passport system and passport booklets. The advance payment is shown as cash and cash equivalent and advance payments from customers on line other payables and accruals.

	December 31, 2022	December 31, 2021
VAT	639,569	414,325
Social contribution	104,044	181,591
Income tax	86,138	178,830
Other taxes	116,330	453,915
Total current tax liabilities	946,081	1,228,661

Total current tax liabilities, other payables and accruals amounts to HUF 9,857 million, which increased by HUF 7,576 million compared to December 31, 2021.

Intercompany loans and their conditions at the balance sheet date were the following:
Specimen Zrt– ANY Plc.: HUF 141 million, interest rate is based on 1 month BUBOR.

13 Short term and long term loans

	December 31, 2022	December 31, 2021
Part of a long-term loan within one year	2,202,009	1,981,659
Total short term loans and overdrafts	2,202,009	1,981,659
Long term loans	4,212,925	2,877,736
Total long term loans	4,212,925	2,877,736
Total loans and borrowings:	6,414,934	4,859,395

The parent company has overdraft limit (market interest rate, based on 1 month BUBOR) in value of HUF 4 billion which was totally available at the end of 2022. Based on the overdraft limit contracts the available amount of overdraft can be used is HUF 4 billion.

For the long term loans mortgages of real estates and current assets were involved.

14 Share capital

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

	December 31, 2022		December 31, 2021	
	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.

15 Shareholders' equity

In HUF thousands:	FY 2022	FY 2021
Section 114 B (4) Equity under IFRS		
Share capital	1,449,876	1,449,876
Reserves	3,127,232	2,184,915
Profit/(loss) for the year	2,472,209	3,352,399
Total equity	7,049,317	6,987,190
Section 114 B (4) a) Equity		
Equity under IRFS	7,049,317	6,987,190
Supplementary payments as liabilities under IFRS (+)	-	-
Supplementary payments as assets under IFRS (-)	-	-
Sum of the deferred income from cash, assets that received and transferred to the capital reserve under legislation (+)	-	-
Sum of receivables from owners classified as equity instrument under capital contribution (-)	-	-
Total equity	7,049,317	6,987,190
Section 114 B (4) b) Share capital under IFRS		
Share capital according to the effective articles of association if classified as an equity instrument	1,449,876	1,449,876
Total share capital	1,449,876	1,449,876
Section 114 B (4) c) Registered but unpaid capital		
Unpaid capital under IFRS	-	-
Total registered but unpaid capital	-	-
Section 114 B (4) d) Capital reserve		
Sum of all equity components that are not considered as share capital, registered but unpaid capital, retained earnings, revaluation reserve, profit/(loss) for the period or tied-up reserve	250,686	250,686
Total capital reserve	250,686	250,686
Section 114 B (4) e) Retained earnings		
Accumulated profit after taxation of previous' years under IFRS that is not yet distributed among owners and not include other comprehensive income	3,331,594	2,389,277
Supplementary payments as assets under IFRS (-)	-	-
Unused reserve for development purposes (-)	(2,311,230)	(3,203,615)
Unused reserve for development purposes net of deferred tax liabilities under IAS 12 (+)	208,011	288,325
Total retained earnings	1,228,375	(526,013)
Section 114 B (4) f) Revaluation reserve		
Accumulated other comprehensive income from statement of other comprehensive income (±)	-	-

Accumulated and current year other comprehensive income from statement of other comprehensive income (±)	-	-
Total revaluation reserve	-	-
Section 114 B (4) g) Profit after taxation		
Net profit or loss after tax from ongoing activities in the comprehensive income statement or in the statement of profit or loss (±)	2,472,209	3,352,399
Net profit or loss after tax from discontinued activities in the comprehensive income statement or in the statement of profit or loss (±)	-	-
Total profit after taxation	2,472,209	3,352,399
Section 114 B (4) h) Tied-up reserve		
Supplementary payments as liabilities under IFRS (+)	-	-
Unused reserve for development purposes (+)	2,311,230	3,203,615
Unused reserve for development purposes net of deferred tax liabilities under IAS 12 (-)	-208,011	(288,325)
Total tied-up reserve	2,103,219	2,915,290
Section 114 B (5) a) Reconciliation of registered capital with the share capital under IFRS		
Registered share capital	1,449,876	1,449,876
Share capital under IFRS	1,449,876	1,449,876
Difference (treasury shares at nominal value)	-	-
Section 114 B (5) b) Retained earnings available for distribution		
Retained earnings (include the net profit after tax for last financial year closed with annual financial statements)	3,700,584	2,826,386
Accumulated, unrealised profit from the increase of fair value of investment properties under IAS 40	-	-
Retained earnings available for distribution	3,700,584	2,826,386

The capital share according to HAS and IFRS is the same, and its value is HUF 1,449,876 thousands.

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 5,803,803 thousands of which not distributable HUF 2,103,219 thousands. Retained earnings available for distribution is HUF 3,700,584 thousands.

Treasury shares

Number of treasury shares held by the Company on 31st December 2022 is 448,842 which were purchased at an average price of HUF 1,014 per share remained unchanged.

16 Net sales

Sales	2022	2021
Sales revenue from customer contracts	30,419,070	29,149,011
Total sales	30,419,070	29,149,011

Sales segments	2022	2021
Security products and solutions	10,743,597	9,495,938
Card production and personalization	13,177,656	16,078,281
Form production and personalization. data processing	4,569,299	2,119,514
Traditional printing products	731	3,672
Other	1,927,787	1,451,606
Total net sales	30,419,070	29,149,011

Total revenue in 2022 by countries:

Revenue by Countries	2022	2021
Domestic sales	25,128,629	24,476,043
Sales within the EU	1,672,509	1,177,523
Germany	421,422	336,633
Austria	337,594	199,645
Slovakia	325,023	249,983
Romania	164,426	56,147
Poland	129,547	129,382
Bulgaria	116,679	60,404
Belgium	74,923	-
Czech Republic	53,298	85,837
Croatia	15,225	-
France	10,002	13,036
Slovenia	7,512	801
Finland	7,159	6,662
Netherlands	5,275	28,901
Italy	4,425	2,323
Estonia	-	7,769
Other exports within the EU	-	-
Exports outside the EU	3,617,932	3,495,445
Africa	2,894,648	3,113,880
Norway	235,832	181,618
Turkey	165,207	3,086
Sri Lanka	110,198	2,748
Iceland	68,872	81,303
Albania	57,370	46,249
Hong Kong	52,017	25,443
United Kingdom	19,666	22,672
Serbia	7,240	4,411
Switzerland	5,222	7,086
Uzbekistan	855	-
Iraq	531	-
Saudi Arabia	274	-
United Arab Emirates	-	5,621
Republic of Moldova	-	1,328
Total:	30,419,070	29,149,011

17 Other expenses, net

Other incomes and expenses	2022	2021
Subsidy	16,882	2,746
Reversed loss in value for trade receivables	0	80
Other items	17,324	35,830
Total other incomes	34,206	38,656
Loss in value for inventories (*)	151,861	858,873
Donation given	110,623	43,882
Loss in value for trade receivables	-	254
Other items	20,138	47,869
Total other expenses	282,622	950,878
Total	(248,416)	(912,222)

(*) 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.

18 Cost of sales and selling general and administration costs

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

	2022 (thHUF)	2021 (thHUF)
Material type expenditures	20,327,264	16,932,906
Personal type expenditures	7,325,847	7,484,774
Depreciation and amortization	1,448,048	1,149,259
Changes in inventory and own performance	(603,280)	(324,444)
Total cost and expenditures	28,497,879	25,242,595
Cost of sales	21,510,866	18,191,241
Selling general and administration	6,987,013	7,051,354
Total direct and indirect cost of sales	28,497,879	25,242,595

The average number of employees of the Group during the year was 672 (2021: 651).

19 Dividend income

The approved dividends received from subsidiaries are the following:

	2022	2021
Zipper Services Srl	750,672	148,120
ANY Ingatlanhasznosító Kft.	221,938	85,764
Gyomai Kner Nyomda Zrt.	181,044	64,197
Techno Progress Kft.	107,371	56,598
Specimen Zrt.	2,433	-
Direct Services OOD	-	72,202
Total dividend income	1,263,458	426,881

20 Taxation

	December 31, 2022	December 31, 2021
Current year corporate income tax	13,469	45,536
Current year local business tax	275,117	346,955
Current year innovation contribution	41,268	52,100
Current year tax expense	329,854	444,591
Deferred tax (income) / expense	106,132	225,616
Total tax expense	435,986	670,207

Based on the decision of the Hungarian Parliament, 9% corporate tax rate has to be applied for the Hungarian companies.

Under the tax legislation the Company 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 Company'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 Company 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 50% and 5 years). 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.

	December 31, 2022	December 31, 2021
Opening deferred tax liability	523,177	297,568
Deferred tax liability due to development reserve	102,043	239,036
Deferred tax on accounting and tax depreciation difference of assets not connected to development reserve	4,089	(13,427)
Closing deferred tax liability	629,309	523,177
	December 31, 2022	December 31, 2021
Opening deferred tax assets	1,394	1,401
Deferred tax asset on write-off for bad debts	-	(7)
Closing deferred tax assets	1,394	1,394

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

	December 31, 2022	December 31, 2021
Profit before tax	2,908,195	4,022,606
Tax base adjustment items	(316,385)	(399,055)
Profit before tax (corrected)	2,591,810	3,623,551
Tax at statutory rate of 9%(*)	233,263	326,120
Effect of development reserve raised	(162,000)	(288,000)
Other permanent differences (**)	(57,794)	7,416
<i>from which: Dividend</i>	<i>(113,711)</i>	<i>(25,088)</i>
<i>Other</i>	<i>55,917</i>	<i>32,504</i>
Current year corporate tax	13,469	45,536
Deferred tax expense	106,132	225,616
Total tax expense	119,601	271,152

(*) In this calculation 9% tax rate valid in 2021 has been applied.

(**) Other permanent differences arose from tax base adjustment items.

21 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 543 million from its guarantee limit which is connected to tenders.

The Company raised HUF 1,800 million development reserve to finance future capital expenditures, which has 2,311 million 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. From development reserve raised dividend cannot be paid based on the Hungarian Accounting Law.

22 Short term and long term part of lease liabilities

Short term and long term financial lease principal liabilities belong to the company lease contracts for real estates, machineries and equipments and vehicles of which short term part is HUF 735,137 thousands and long term part is HUF 2,110,526 thousands, due in the next years.

Leasing Obligation Maturity Analysis (in thHUF)	Leasing obligations related to real estate	Leasing obligations related to machinery and equipment	Leasing obligations relating to vehicles	Total
Expired leasing liabilities in 2023:	450,705	272,151	12,282	735,138
Expired leasing liabilities in 2024:	578,257	80,657	-	658,914
Expired leasing liabilities in 2025:	450,237	91,228	-	541,465
Expired leasing liabilities in 2026:	140,203	70,554	-	210,757
Expired leasing liabilities in 2027:	146,146	47,782	-	193,928
Expired leasing liabilities in 2028:	152,272	31,584	-	184,126
Expired leasing liabilities after 2029	321,335	-	-	321,335
Total:	2,239,156	594,226	12,282	2,845,664

Leasing Obligation Maturity Analysis (in thHUF)	Leasing obligations related to real estate	Leasing obligations related to machinery and equipment	Leasing obligations relating to vehicles	Total
Expired leasing liabilities in 2022:	399,493	314,297	43,696	757,485
Expired leasing liabilities in 2023:	412,831	272,155	12,282	697,267
Expired leasing liabilities in 2024:	431,236	138,976	-	570,212
Expired leasing liabilities in 2025:	450,237	73,681	-	523,918
Expired leasing liabilities in 2026:	140,203	71,232	-	211,435
Expired leasing liabilities in 2027:	146,146	33,694	-	179,840
Expired leasing liabilities after 2028	473,607	-	-	473,607
Total:	2,453,753	904,035	55,977	3,413,764

Leasing Obligation movement table (values in thousands of HUF)	Leasing obligations related to real estate	Leasing obligations related to machinery and equipment	Leasing obligations relating to vehicles	Total
January 1, 2021	2,988,677	814,178	99,342	3,902,196
Additions	-	320,415	-	320,415
Disposals	534,924	230,558	43,364	808,846
December 31, 2021	2,453,753	904,035	55,977	3,413,765
January 1, 2022	2,453,753	904,035	55,977	3,413,765
Additions	-	-	-	-
Disposals	214,597	309,809	43,696	568,102
December 31, 2022	2,239,156	594,226	12,282	2,845,663
Long term part of closing balance	1,788,451	322,075	-	2,110,526
Short term part of closing balance	450,705	272,151	12,282	735,137

Leasing interest analysis (in thHUF)	Leasing interest relating to real estate	Leasing interest relating to machinery and equipment	Leasing interest relating to vehicles	Total
Lease interests in 2022:	48,720	13,668	720	63,108
Lease interests in 2021:	57,282	17,946	1,586	76,815

23 Related party transactions

Related party transactions	FY 2022 in HUF thousands	FY 2021 in HUF thousands
Total receivables and accrued assets at the end of the year	3,558,886	2,777,050
Total liabilities and accrued liabilities at the end of the year	323,999	300,652
Total revenue for the period	782,025	357,920
Total expenditures for the period	1,544,072	1,180,187

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. ANY Security Printing Company PLC also purchases finished goods from its subsidiaries and rents assets. Related party transactions also consist of short term intercompany loans. In 2022, the Company purchased management services from EG Capital in value of HUF 190 million.

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

HUF 11,436 thousands remuneration was paid to the Supervisory Board, while HUF 6,120 thousands to the Board of Directors in 2022.

The following table presents the beginning and the end of the assignment of the members of the Board of Directors and Supervisory Board and the number of shares hold in ANY Security Printing Company PLC is also presented as at 31 December 2022.

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	2,265,987
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, 2021	-
BD	Dr. Gábor Kepecs	Member of Board of Directors	May 31, 2021	April 30, 2023	-
BD	Tamás Erdős ³	Member of Board of Directors	May 31, 2014	April 30, 2023	999,536
BD	Erwin Fidelis Reisch	Member of Board of Directors	May 31, 2014	April 30, 2023	-
SB	Dr. István Stumpf	Chairman of Supervisory Board	April 27, 2021 ^{***}	May 31, 2024	-
SB, AB	Dr. Istvánné Gömöri ⁴	Deputy chairman of Supervisory Board, Chairman of AB	August 11, 2005*	May 31, 2024	536,703
SB	Ferenc Berkesi	Member of Supervisory Board	August 11, 2005*	May 31, 2024	-
SB, AB	Dr. Imre Repa	Member of Supervisory Board, Member of AB	March 30, 2007*	May 31, 2024	-
SB	Katalin Hegedűs	Member of Supervisory Board	May 31, 2021	May 31, 2024	-
SB	László Hanzsek	Member of Supervisory Board	May 31, 2021	May 31, 2024	-
SB	Gábor Kun	Member of Supervisory Board	May 31, 2021	May 31, 2024	-
Number of ANY shares hold, TOTAL:					4,096,149

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. Istvánné 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

25 Risk management

Foreign currency risk

Among foreign currency transactions of the Company 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 the balance of foreign currency receivables and liabilities the foreign currency risk of the Company is HUF -208 million in case of 10% change of EUR, USD, GBP, CHF currencies at the same time to the same direction.

ANY Company	Currency	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021
Foreign currency receivables	EUR	2,172,721	2,172,721	2,283,576	2,283,576
	USD	117,889	117,889	(1,337)	(1,337)
	GBP	-	-	-	-
Total (in HUF thousands)		913,920	913,920	842,204	842,204
Foreign currency cash	EUR	6,818,359	6,818,359	495,773	495,773
	USD	6,033,620	6,033,620	3,386	3,386
	GBP	959	959	1,019	1,019
Total (in HUF thousands)		4,996,192	4,996,192	184,491	184,491
Foreign currency liabilities	EUR	19,811,106	19,811,106	1,759,279	1,759,279
	CHF	16,062	16,062	29,959	29,959
	USD	156,062	156,062	2,300	2,300
	GBP	-	-	6,029	6,029
	SEK	44	44	-	-
Total (in HUF thousands)		7,994,573	7,994,573	663,268	663,268
Impact of a possible 1% foreign exchange rate decrease in each foreign currency (in HUF thousands)		December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021
Impact on foreign currency assets		591,011	591,011	102,670	102,670
Impact on foreign currency liabilities		(799,457)	(799,457)	(66,327)	(66,327)
Total impact of possible foreign exchange rate change		(208,446)	(208,446)	36,343	36,343

Company measures financial instruments (cash, receivables, sreditors, credit liabilities) based on amortised costs. In case of receivables and liabilities over 1 year appropriate discount rate is used for time value of money, while in case of credit liabilities affective interest rate is being considered. The Company holds no financial assets held to maturity or available for sale. Foreign currency receivables and liabilities of the Company are revalued at MNB foreign exchanged rates as at 31. December 2022.

Receivables and liabilities of the Company denominated in foreign currency were revalued based on foreign currency rates of MNB (Hungarian National Bank) as at 31 December 2022.

Interest rate risk

Due to the moderate level of debts in the Company potential interest rate changes would not influence significantly the amount of interests to be paid by the Company. Based on the balance of Credits of the Company. a potential interest rate increase of 100 basis points relevant to our credits would increase our interest expenses by approximately HUF 64,149 thousands in the year 2022. (This was HUF 48,593 thousands in the year 2021.)

Liquidity risk

The Company 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 Company, 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 Company FY 2022	In 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total:
Trade payables	2,967,842	815	-	-	-	2,968,657
Lease liabilities	61,261	122,522	551,349	1,605,070	505,461	2,845,663
Credits	183,501	367,001	1,651,507	4,212,925	-	6,414,934
Other liabilities and accruals (without taxes)	8,910,778	-	-	-	-	8,910,778
Current tax liabilities	946,080	-	-	-	-	946,080
Total	13,069,462	490,338	2,173,696	5,941,965	505,461	22,086,112

ANY Company FY 2021	In 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total:
Trade payables	2,004,591	652	-	-	-	2,005,243
Lease liabilities	63,124	126,248	568,113	2,002,832	653,447	3,413,764
Credits	165,138	330,277	1,486,244	2,877,736	-	4,859,395
Other liabilities and accruals (without taxes)	1,051,710	-	-	-	-	1,051,710
Current tax liabilities	1,228,661	-	-	-	-	1,228,661
Total	4,513,224	455,177	2,054,357	4,880,568	653,447	12,558,773

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting financial loss to the Company. The Company 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 Company 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%. (This was 0.01% in 2021.) The more than 90 days overdue receivables out of total aged receivables of the Company is less than 0%.

26 Significant events after the reporting period

Decisions of the 22nd March 2022 Board of Directors' meeting

The Consolidated Financial Statements were accepted by the Board of Directors of ANY Nyrt. on 22nd March, 2023.

The Board of Directors proposes HUF 156 dividend per share to the shareholders on the annual general meeting to be held in April 2023.

Budapest, 22nd March, 2023

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Chief Executive Officer

ANY Security Printing Company PLC

Business report

for the year ended December 31, 2022

General information on the Company

Company name:	ANY Security Printing Company Limited by Shares
Abbreviate company name:	ANY Plc.
Tax registration number:	10793509-2-44
Seat:	1102 Budapest, Halom u. 5.
Premises of the Company:	1106 Budapest, Fátyolka utca 1-5. 3060 Pásztó, Fő utca 141.

Analysis of the FY 2022 achievement of the Company

Net sales revenue of ANY Security Printing Company Plc amounted to HUF 30,419 million in 2022, of which export sales totalled HUF 5,290 million. Operating income came to HUF 2,870 million, a decrease of HUF 553 million (16.2 %) compared to the previous year. Income before tax was HUF 2,908 million while EBITDA amounted to HUF 4,318 million. Net income after financial operations and taxation was HUF 2,472 million.

Analysis of profit and loss statement

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

Table 1: Net sales by categories

Sales categories	FY 2021 in HUF millions	FY 2022 in HUF millions	Change in HUF millions	Change %
Security products and solutions	9,496	10,744	1,248	13.14%
Card production and personalization	16,078	13,178	(2,900)	-18.04%
Form production and personalization, data processing	2,210	4,569	2,449	115.52%
Traditional printing products	4	1	(3)	-75.00%
Other	1,451	1,928	477	32.87%
Total net sales	29,149	30,419	1,270	4.36%

Security Printing Company Plc. had net sales of HUF 30,419 million in 2022, increase of 4.36% (HUF 1,270 million) compared to prior year figure.

Sales of **security products and solutions** income is HUF 10,744 million in 2022 which means a year-on-year increase HUF 1,248 million (13%). The change was due to the higher sales of tax stamps, security solutions and to the increasing sales of high value-added export products.

The Company's revenues from **card production and personalization** totalled HUF 13,178 million in 2022, a HUF 2,900 million (18%) decrease compared to the previous year. The higher base period value was due to the sales revenue of the security documents accounted for in 2021.

The Company's revenues from **form production, personalization and data processing** came to HUF 4,569 million in 2022, a HUF 2,449 million (116%) increase compared to 2021. The change derives from higher volume of printed forms in export sales.

Sales of **traditional printing products** amounted to HUF 1 million in 2022, which lower with HUF 3 million compared to the previous year.

Other sales totalled HUF 1,928 million in 2022, which increased by HUF 477 million (33%) year-on-year. This segment mainly comprises revenues from the sale of commercial materials and goods.

Operating income came to HUF 2,870 million, lower with HUF 553 million (16.2%) compared to the previous year.

Gross profit totalled HUF 8,908 million, which means a 29.3% gross margin. General (SG&A) expenses amounted to HUF 6,987 million in 2022, which equals 23.0 % of net sales.

Material type expenditures increased by 20% (HUF 3,394 million) in 2022, due to the higher turnover.

Personnel expenses totalled HUF 7,326 million, which means a 2% decrease compared to the base period.

Headcount of full time employees in ANY Security Printing Company Plc. was 672 people at the end of 2022, while it amounted to 651 persons at the end of 2021, which means a 21 person (3.16%) increase compared to the previous year.

EBITDA amounted to HUF 4,318 million due to the change in operating income and depreciation, which means a decrease of HUF 253 million compared to 2021. According to EBITDA margin amounts to 14.2%.

In 2022 dividends received from subsidiaries increase by HUF 837 million.

Corporate tax came to HUF 13 million in 2022, which HUF 33 million lower than last year.

Profit after tax was HUF 2,472 million, which means a decrease of HUF 880 million (26%) compared to 2021.

Balance sheet analysis

The Company had total assets of HUF 29,765 million at the end of 2022, which means an increase of 48.3% (HUF 9,696 million) compared to a year ago. This change is due to the increase of cash and cash equivalents, current tax receivables, inventories, other current assets and prepayments and property, plants and equipment.

Non-current assets totalled HUF 11,922 million at the end of 2022 which is higher than the prior year figure by HUF 2,222 million (22.9%).

Current assets amounted to 17,842 million at the end of December 2022, an increase of HUF 7,473 million (72.1%) compared to the previous year.

Shareholder's equity was HUF 7,049 million, which increased by HUF 62 million.

The company has HUF 6,953 million long term liabilities.

Short term liabilities amounted to HUF 15,463 million which shows an increase of HUF 8,738 million mainly due to increase of other short term liabilities and accruals.

Strategic plans of the Company

ANY Security Printing Company's strategy is focused on secure person and product identification and payment-related products. The Company's activities are characterised by references such as the production of Hungarian electronic ID documents and the personalisation of biometric passports. As a result of our export activities, our products are well known in more than 50 countries. Its development is supported by its R&D activities and innovative in the Central and Eastern European and international markets.

The Company's employment policy

Security Printing Company Plc. places high priority on keeping labour law, labour safety, employment, tax and social insurance regulations connected to working. The Company considers the employees' continuous training and education as of strategic importance in order to ensure the renewal of

professional knowledge within the Company and the adaptability of employees. Security Printing Company Plc. 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 Company is trying to create a workplace with proper working relations, taking the family obligations into consideration which increases the Company's profitability on the long term as well.

Risk management

Foreign currency risk

Among foreign currency transactions of the ANY Security Printing Company Plc 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, therefore the foreign currency risk of the Company is not significant.

Interest rate risk

Due to the debts in the ANY Security Printing Company Plc, potential interest rate changes would not influence significantly the amount of interests to be paid by the Company. The Company had HUF 64,149 million credit loan at the end of 2022.

Liquidity risk

The Company 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 Company, due to the high balance of net working capital, is also low.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting financial loss to the Company. The Company 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 ANY Security Printing Company Plc 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.

Supplementary information to the Business report of Security Printing Company Plc.

Off balance sheet date events

There were no significant event after year end date.

Environment protection

The company has ISO 14001:2015 Environmental Control System certificate audited by Det-Norske Veritas. The expiry date of the certification is January 11, 2022. 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 document security and security materials. Chip embedding and encoding at smart cards. Electronic reprocessing and delivering of printed forms and data. Research and development of traditional/general and mobile IT solutions, operation and support of connected services. Electronic archiving of data, database management, setting up archives, storing of documents for fee.

Dangerous waste is continuously eliminated after leaving the company sites. In 2022, 12,919 kg dangerous waste was transported and eliminated. Our Company has being awarded Green Printing House Award for twelfth consecutive years this year.

Research and development

The 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 84 million.

Treasury shares in the year 2022:

Table 2: Repurchased treasury shares

Description	Number of shares	Nominal value (HUF thousands)	Purchase value (HUF thousands)
Opening balance January 1, 2022	448,842	43,987	455,048
Closing balance December 31, 2022	448,842	43,987	455,048

The Company's share capital amounted to HUF 1,449,876 thousands on 31 December 2022 which consisted of 14,794,650 pieces of registered, dematerialized ordinary shares Series 'A' with a nominal value of HUF 98 each.

Non-financial reporting

Integrated management policy

The long-term strategic objective of ANY Security Printing Company, one of the leading security printing companies of the Central and Eastern European region, is to provide special, high value added, original products for its business partners by applying modern information technology. Another strategic objective of the Company is to provide complete business solutions and innovative services on the market of security and traditional printing products. In order to achieve its strategic objectives, the Company operates its business processes safely, on a low risk level, in accordance with the relevant legal requirements and regulations. In order to achieve its objectives, ANY Security Printing Company has introduced an integrated management system in line with the ISO 9001, ISO 14001, ISO 27001, ISO 14298 standards, the NATOAQAP 2110 and MasterCard CQM normative requirements and the payment card production requirements of MasterCard and Visa payment systems (PCI CP). By operating and continuously developing the integrated management system, the Company ensures – the production and performance of products and services that fulfil the requirements and needs of the customers in every respect, – the improvement of business partner satisfaction and trust through quality, planning and implementation of technological processes and quality control, by applying the best technological solutions available, – product and production safety and high quality of the related physical and information security environment, – maintenance and development of an environmentally responsible operation, manifested in measures such as prevention of pollution, mitigation of environmental impacts, reasonable resource management, separate collection of waste, reduction and management of hazardous waste, – sub-suppliers and business partners supporting performance that meet the quality, security and environmental requirements of both the Company and its customers, – reliable, suitably qualified professionals with constantly expanding knowledge, – balanced relationship

and continuous dialogue with customers, authorities, the general public, partners and internal employees

Code of Ethics of ANY Security Printing Company

Code of Ethics of ANY Security Printing Company contains the ideas of the Company about the behaviour and processes in connection with corporate and business ethics, market competition and social environment. By publishing the Code of Ethics the Company wanted to provide an opportunity to both employees and to present and future shareholders to be familiar with the basis of the ANY Security Printing Company's corporate culture.

Employment management, social issues

It is one of the strategic goals of the Company to adjust the corporate structure to the changing financial issues and to the growing market challenges. Human resources have key role in effective operation of the Company. It applies the highest level of prudence when looking for a new employee, while keeping the employees and ensuring their professional development are with high priority. Our inner policies ensure that the Company can operate with respect to the human rights.

Based on the report on corporate governance the corporate management practice as follow at ANY Security Printing Company Plc.

Description of governing bodies of the Company

Operation of the Board of Directors

The Company is managed by the Board of Directors consisting of 6 members. Members are elected by the General Meeting of Shareholders (GM) for a maximum 5 year term. Following the expiration of their mandate members can be re-elected.

Members of the Board of Directors on 31 December 2022 (names of independent members are underlined and printed in italics):

Name		Mandate
<i><u>Dr. Ákos Erdős</u></i>	chairman	30 April 2023
Gábor Zsámboki	vice-chairman	30 April 2023
<i><u>Tamás Erdős</u></i>	member	30 April 2023
<i><u>Erwin Fidelis Reisch</u></i>	member	30 April 2023
<i><u>György Gyergyák</u></i>	member	30 April 2023
<i><u>Dr. Gábor Kepecs</u></i>	member	30 April 2023

The Board of Directors elects its chairman from among its members with a simple majority of votes. Those members who are not employees of the Company decide as a board over the assignment of the Chief Executive Officer. The President of the Board of Directors exercises the employer's rights over the Chief Executive Officer.

The Board of Directors establishes its own Rules of Procedure in which it gives orders on the scope of competence and tasks among themselves.

A meeting of the Board of Directors may be convened by the chairman or a member of the Board of Directors indicating the reason and purpose of the meeting. Minutes are kept of the meetings.

Tasks and competence of the Board of Directors

- (a) Any of issues concerning the management and business operations of the Company, which do not fall within the General Meeting's exclusive competence on the basis of the Statutes or provisions of the Civil Code. The Board of Directors is responsible for any of its decisions taken in the frame of the activities of the Company or in the frame of delegated competence and is entitled to place into its competence, decisions on issues, which do not fall within the scope of the exclusive competence of the General Meeting.
- (b) The Board of Directors shall present the report of the Company prepared in accordance with the Accounting Act and the proposal on the appropriation of after-tax profits and the report on corporate governance.
- (c) The Board of Directors shall prepare a report on the management, the financial situation and the business policy of the Company and submit same to the annual ordinary General Meeting at least once every year, and to the Supervisory Board at least once every three months.
- (d) The members of the Board of Directors shall treat business secrets concerning the Company's issues as confidential. Upon the request of the shareholders, the Board of Directors shall provide information on the affairs of the Company, and allow an inspection of its books and documents provided that business interest and business secret of the Company will not be infringed. In the event that the Board of Directors does not comply with such request, upon the request of the shareholder concerned, the Court of Registration will oblige the Company to provide information or to allow inspection.
- (e) The Board of Directors shall ensure that the books of the company, including accounting books and Register of Shareholders, are kept according to the applicable regulations.
- (f) The Board of Directors shall report to the Court of Registration in accordance with the laws and the Statutes and shall take measures on the necessary publications.
- (g) The Board of Directors shall convene the ordinary and the extraordinary General Meeting except the cases set out in the Civil Code.
- (h) The Board of Directors shall prepare and approve the proposals concerning issues in the competence of the General Meeting and present same to the General Meeting.

- (i) The Board of Directors shall decide with respect to the annual and mid-term business plan of the Company, the implementation of which belongs to the scope of competence of the operative management of the Company.
- (j) The Board of Directors shall determine the competence of the General Manager responsible for the operative management. The employer's rights over the General Manager shall be exercised by the members of the Board of Directors who are not employed by the Company acting as a body, they shall decide on the appointment, dismissal and remuneration of the General Manager, whilst the Chairman of the Board of Directors shall exercise the employer's rights himself/herself, in case of his/her incapacity, his/her deputy or a person appointed by the Board of Directors shall exercise such rights.
- (k) The Board of Directors may confer the right to sign on behalf of the Company to the employees of the Company.
- (l) The Board of Directors shall approve the Company's Organizational and Operational Regulations.
- (m) The Board of Directors shall issue and divide consolidated shares.
- (n) On the basis of the General Meeting's authorization, the Board of Directors shall provide for the purchase of treasury shares and shall decide on the sale of treasury shares owned by the Company.
- (o) With the approval of the Supervisory Board granted in advance, the Board of Directors shall approve the interim balance sheet concerning the acquisition of treasury shares, payment of interim dividends and the increase of the share capital by its assets exceeding the share capital.
- (p) The Board of Directors shall increase the share capital according to the Section 17.8 of the Statutes.
- (q) The Board of Directors shall decide on the payment of interim dividends with the approval of the Supervisory Board granted in advance.
- (r) The Board of Directors may set up committees, the members of which may be solely the members of the Board of Directors, and the Board of Directors can transfer a part of its competence to such committees, and the Board of Directors shall be also entitled to set up committees consisting of both the members of the Board of Directors and persons who are not members of the Board of Directors and provide such committees the appropriate authorization.
- (s) The Board of Directors may undertake financial obligations in the scope of ordinary business operations, the individual value of which exceeds 20% of the share capital (e.g.: guarantee, etc.).
- (t) The Board of Directors may undertake any transaction, financial obligation which are neither included in the annual business plan approved by the Board of Directors nor in the ordinary business operations, value of which exceeds 20% of the share capital of the Company; with respect to the threshold, the amount shall be calculated with the aggregated value of transactions concluded in one year (purchase, rental, leasing, sale, investment, sale of

investment of assets, providing services which are outside of ordinary business operations, crediting, taking loans, etc.).

- (u) Concluding transactions between the Company and:
- (i) one of its shareholders holding at least ten per cent. of the voting rights or his/her close relative; or
 - (ii) a person in which a shareholder holding at least ten per cent. of the voting rights or his/her close relative – directly or indirectly or based on an agreement – holds more than fifty per cent. of the voting rights or he/she is entitled to elect or withdraw the majority of its executive officers or its members of the Supervisory Board;
 - (iii) a person which holds more than fifty per cent. of the voting rights – directly or indirectly or based on an agreement – in the shareholder holding at least ten per cent. of the voting rights of the Company or which is entitled to elect or withdraw the majority of the executive officers or members of the Supervisory Board of shareholder holding at least ten per cent. of the voting rights of the Company;
 - (iv) a person in which the person set forth in point (iii) – directly or indirectly or based on an agreement – holds more than fifty per cent. of the voting rights or the majority of whose executive officers or members of the Supervisory Board may be elected or withdrawn by the person set forth in point (iii);

with the exception of transactions of ordinary value within the activities of the Company. The Board of Directors shall prepare a comprehensive annual report on transactions concluded with the persons mentioned above which also includes the transactions of ordinary value falling within the activities of the Company and it shall submit same to the Supervisory Board.

- (v) The members of the Board of Directors attend the General Meeting of the Company with a right of consultation and to make proposals. The Chairman of the Board of Directors or the appointed member thereof must attend the General Meeting and the meetings of the Supervisory Board to which he/she receives an invitation.

The chairman of the Board of Directors convenes and conducts the meetings, appoints the keeper of the minutes from the meeting of the Board of Directors, orders voting and announces its results.

The Board of Directors passes its resolutions with a simple majority of votes. Under extraordinary circumstances, when it is impossible to call for a meeting of the Board of Directors, the chairman of the Board of Directors shall order a written voting. The Rules of Procedure of the Board of Directors contains the applying rules and regulations.

The Board of Directors held 5 meetings in 2022 with 6 persons present as an average.

Division of responsibility and duties between the Board of Directors and the Chief Executive Officer / Management

The operating activities of the Company are directed by the Chief Executive Officer. The Chief Executive Officer is personally liable for performing his/her duties within the framework defined by law, the Statutes, and in accordance with the decisions of the Board of Directors and the General Meeting. The Chief Executive Officer may delegate his authority to the Company's managers and employees in accordance with the Rules of Organization and Operation within the limits of the Company's internal regulations by means of defining job descriptions and with general or limited authorizations, but limitations on his scope of authority as a member of the Board of Directors shall have no effect with respect to third parties.

The Chief Executive Officer is entitled to make decisions in all affairs not falling within the scope of authority of the General Meeting or the Board of Directors. The Chief Executive Officer concludes a labour contract with the Company, signed by the chairman of the Board of Directors.

The Chief Executive Officer exercises employer's rights with respect to employees of the Company. In order to carry out the business of the Company, the Chief Executive Officer concludes contracts and represents the firm before third parties, authorities and courts.

Competence and tasks of the Chief Executive Officer

- (a) The Chief Executive Officer shall decide with respect to all issues which do not fall within the exclusive competence of the General Meeting, the Board of Directors or the Chairman of the Board of Directors.
- (b) The Board of Directors may transfer any of its competence regarding the daily management to the Chief Executive Officer under the provisions and conditions established by it and the Board of Directors may withdraw or change the totality or a certain part of such competences from time to time, however, such transfer does not affect the liability of the Board of Directors.
- (c) The Chief Executive Officer shall conclude agreements for the purpose of performing the Company's tasks and represent the Company towards third parties, before courts and other authorities.
- (d) The Chief Executive Officer shall prepare the agenda of the General Meeting and the Board of Directors and he/she shall submit proposals concerning decisions.
- (e) The Chief Executive Officer shall execute passed resolutions and decisions, and he/she shall manage the performance of tasks within the scope of activities of the Company.
- (f) The Chief Executive Officer shall exercise employer's rights over other employees of the Company. The Chief Executive Officer can delegate the exercise of employer's rights over employees in accordance with the Organizational and Operational Regulations of the Company.
- (g) The Chief Executive Officer can transfer his/her competence to the executives and employees within the framework of the internal administration of the Company in accordance with the Organizational and Operational Regulations based on a general or an ad-hoc decision, by describing the respective scope of activities, however, the limitation of the competence attached to his/her membership of the Board of Directors shall be null and void against third parties.

The Board of Directors may delegate a portion of its authority, with restrictions and conditions determined at its discretion, to the Chief Executive Officer, and it may withdraw or change all or any portion of such authority from time to time, but such delegation shall not affect the liability of the Board of Directors.

Members of the management on 31 December 2022:

Gábor Zsámboki chief executive officer
Dr. István Ignác chief security officer
Zoltán Fejes chief sales officer
Gábor Péter chief IT officer
Nikoletta Sajó chief operating officer
Zoltán Tóth chief technical and production officer
Tamás Karakó chief financial officer

Evaluation and remuneration of the management

The Board of Directors is making a continuous assessment of the management's activity, and makes an additional extensive performance evaluation once a year. The remuneration of managers (Chief Executive Officer) has an established system at the Company. On top of the base salary, managers are entitled to receive bonus if the development of the Company meets the long term targets and targets of the relevant business year. The bonus is linked to the fulfilment of planned sales revenues and planned earnings per share (EPS) and to the fulfilment of most important specific tasks set in advance for the business year.

The Board of Directors is entitled to work out the detailed guidelines of the Management Share Option Programme according to the decision of the 2009 Annual General Meeting. The members of the management are entitled to the acquisition of the Company's shares in a preferential way within the framework of this Programme.

The Supervisory Board

The Supervisory Board consists of seven members who are elected by the General Meeting for a maximum five-year term. One third of the members of the Supervisory Board is designated by the Factory Council, following a statement of opinion of the trade unions operating at the Company. The General Meeting is obliged to elect these employee members for the period unless statutory grounds for disqualification exist in respect of the nominees.

The members of the Supervisory Board elect the chairman by a simple majority of votes at their first meeting. The Chairman convenes and conducts the meetings of the Supervisory Board, appoints the person keeping the minutes, orders the voting and announces its results.

The meeting of the Supervisory Board may be convened by any member indicating the reason and purpose thereof if his/her request for convening the meeting has not been fulfilled by the chairman within 8 days.

Tasks and competence of the Supervisory Board

- (a) The Supervisory Board may request information from the executive officers or employees in executive positions of the Company and may inspect the books and documents of the Company.
- (b) The Supervisory Board shall inspect all important business reports appearing in the agenda of the General Meeting and all other submissions concerning the issues falling within the exclusive competence of the General Meeting.
- (c) The General Meeting may pass resolutions on the report prepared in accordance with Accounting Act and on the appropriation of after-tax profits and on the report on corporate governance only after having the written report of the Supervisory Board.
- (d) Members of the Supervisory Board shall treat business secrets concerning the Company's issues as confidential.
- (e) Members of the Supervisory Board shall take part at the General Meeting of the Company with a right of consultation.
- (f) If the Supervisory Board finds the activities of the management in violation of the laws, the Statutes or the resolutions of the General Meeting, or otherwise infringes the interests of the Company or its shareholders, the Supervisory Board shall convene an extraordinary General Meeting and shall make a proposal regarding its agenda.
- (g) The Supervisory Board must previously provide its consent to the interim balance sheet to be approved by the Board of Directors, concerning the acquisition of treasury shares, payment of interim dividends, increase of its share capital by its assets exceeding the share capital.

The Supervisory Board defines its Rules of Procedure and submits them to the General Meeting for approval. Minutes are kept of the meetings of the Supervisory Board.

Members of the SB on 31 December 2022 (names of independent members are underlined and printed in italics):

Prof. Dr. István Stumpf chairman

Dr. Istvánné Gömöri vice-chairman

Ferenc Berkesi

Dr. Imre Repa

Katalin Hegedűs

László Hanzsek

Gábor Kun

The Supervisory Board convened 4 times in 2022 and with an attendance of 6 members as an average.

The Audit Committee

The Audit Committee consists of three members elected by the General Meeting from the independent members of the Supervisory Board.

Tasks and competence of the Audit Committee

- a) approval of the report prepared pursuant to the Accounting Act
- b) proposal on the person and remuneration of the auditor
- c) preparation of the contract with the auditor, signing of the contract on behalf of the Company which is authorized by the Statutes
- d) monitoring of enforcement of professional requirements and conflict-of-interest regulations towards the auditor, cooperation with the auditor, and – if necessary – proposal to the Board of Directors or the Supervisory Board on certain provisions
- e) evaluation of the operation of the financial reporting system and proposal on certain provisions, and
- f) assistance of the tasks of the Board of Directors and the Supervisory Board in controlling the financial reporting system properly.

Members of the Audit Committee on 31 December 2022:

Dr. Istvánné Gömöri chairwoman
Ferenc Berkesi
Dr. Imre Repa

The Audit Committee convened 4 times in 2022 and full attendance was recorded at any meeting.

The Company has no Nomination Committee and no Remuneration Committee, these functions are carried out by the independent members of the Board of Directors without formal setup as a committee.

The Auditor

The Auditor of the Company is elected following the recommendation of the Audit Committee for a maximum five-year period from among those internationally recognized auditing companies that have an office in Hungary.

Tasks and competence of the auditor

The Company shall have the auditor examine the authenticity and legal compliance of the report prepared in accordance with the Accounting Act. Without a statement of opinion by the auditor, the General Meeting may not decide on the report prepared in accordance with the Accounting Act.

- (b) The auditor shall examine all substantial business reports proposed to the General Meeting from the aspect of whether such reports contain true data and comply with all legal regulations.
- (c) The auditor may inspect the books of the Company, may request information from the members of the Board of Directors and the Supervisory Board and the employees of the Company and may examine the bank account, the petty cash, the stocks of securities and goods and the agreements of the Company.
- (d) The auditor shall treat all business secrets related to the operation of the Company as confidential.
- (e) The auditor shall participate at the General Meeting but his/her absence does not prevent the holding of the meeting.
- (f) If it is required, the auditor may be invited to attend the meeting of the Board of Directors with a right of consultation, or the auditor himself may initiate his/her attendance at the meetings. In this latter case, the request of the auditor may be refused only in exceptionally justified cases.
- (g) The auditor may attend the meeting of the Supervisory Board with a right of consultation, Upon the invitation of the Supervisory Board, the auditor is required to attend the meeting of the Supervisory Board. The Supervisory Board shall put on the agenda the issues proposed for consideration by the auditor.
- (h) If the auditor ascertains or otherwise learns that a considerable decrease in assets of the Company is probable, or perceives any other issue which entails the liability of the members of the Board of Directors or the Supervisory Board as set forth in the Civil Code, he/she shall request that the General Meeting be convened. If the General Meeting is not convened, or if it fails to render the resolutions required by laws, the auditor shall inform the Court of Registration exercising legal supervision.

The Auditor of the Company has not carried out any activities which are not related to auditing.

Disclosure policy of the Company

The Company's disclosures are managed in compliance with the rules of the Budapest Stock Exchange. In quarterly reports, annual reports the Company publishes results, and in form of extraordinary reports makes all information public that are occurring in the operations with direct or indirect relevance to the share price or information that is necessary to the most important investment decisions of market participants. The Company participates regularly in the forums of investor coverage by way of road-shows, conferences. In addition, it keeps contact with investors continuously and is available for investors in answering their questions.

The Company's guidelines regarding insider trading

ANY Security Printing Company Plc has created a regulation compulsory for all of its subsidiaries and joint ventures to execute the Capital Market Act so that the prohibition of insider trading is effective. The regulation states that it is prohibited to make trades for securities and stock exchange products concerned by the insider information using insider information, or to give a commission for such trade and to pass on the insider information to another person with the goal of trading. Based on the law's use of terms and phrases, the Company's regulation defines the scope of insider information and insider persons. The members of the Board of Directors, the Supervisory Board of ANY Security Printing Company Plc, its senior officers, and its employees involved in balance sheet preparation are not allowed to buy or sell shares issued by the Company in the periods defined by law, that is the period between the balance sheet date and the release date of the an annual report (in the fifteen days preceding the release date of the interim report). The insider person must publish the transaction and announce it to the Hungarian National Bank in 2 days after the transaction. In case of the Board of Directors, the Supervisory Board and senior officers, ANY Security Printing Company Plc meets these requirements based on the statement of those obliged for the announcement.

Exercising shareholder rights and presentation of rules on the conducting of the general meeting

The share capital of the Company consists of 14,794,650 pieces of dematerialised ordinary shares with a par value of HUF 98 each.

Each shareholder who owns Series 'A' shares has one voting right per share at the General Meeting.

The Board of Directors of the Company or its proxy assigned according to the rules of the law on capital market keeps a share ledger containing at least the following information:

- shareholder's, nominee's name (company);
- shareholder's, nominee's address (headquarters);
- number of shares, interim shares of shareholder (shareholder's stake) as per type and series of shares.

The Register of Shareholders is accessible to anyone for inspection. Change in ownership is settled by the securities account keeper who simultaneously notifies the Board of Directors, or an entrusted organisation to register the shareholder in the Register of Shareholders, unless otherwise provided by the shareholder. A shareholder whose name does not appear in the Register of Shareholders may not exercise shareholder's rights.

The supreme organ of the Company is the General Meeting consisting of all the shareholders. Invitations to the General Meeting are publicly announced in the same manner as required for announcements of the Company 30 days prior to the planned General Meeting by the Board of

Directors. Separate notification of the General Meeting is sent to the members of the Board of Directors and the Supervisory Board, as well as to the auditor of the Company.

All invitations to, and announcements of, the General Meeting should indicate the name and headquarters of the Company, the venue and date of the General Meeting, its agenda, the conditions of exercising voting rights, the venue and the date of the reconvened meeting if the General Meeting fails to achieve a quorum.

The General Meeting has a quorum if more than half of the shareholders entitled to vote are either present in person or represented by proxy. Authorization for such representation is included in a notarial document or a private document of full force which is presented not later than at the beginning of the General Meeting to the person keeping the minutes at the place and date indicated in the invitation to the General Meeting. Authorization for representation is valid for one General Meeting, including the General Meeting reconvened due to failure to achieve a quorum.

In case the General Meeting fails to achieve a quorum, the General Meeting has to be reconvened. Such a reconvened General Meeting has a quorum with respect to the issues included in the agenda of the original General Meeting irrespective of the number of shareholders present. At least 10 days may pass between the dates of the original and reconvened General Meeting.

Shareholders may exercise their shareholders rights personally or through representatives.

a, In case of personal attendance, shareholders must prove their identity with an ID card while their ownership is certified by their certificates of ownership of the shares. The shareholder registered in the register of shareholders who does not bring a certificate of ownership of the shares, may participate at the General Meeting but cannot exercise his/her voting right and cannot make proposals.

b, In case of a mandate, authorizations shall be submitted to the Company in the form of a notarial document or private document representing conclusive evidence. The authorisation shall be given to the representative of the Board of Directors before the General Meeting. As for certificate of ownership, Section a, is governing.

c, The securities account manager included in the Register of Shareholders as a shareholder delegate shall act as specified in the Capital Market Act in the representation of the shareholder.

Shareholders may exercise their shareholders rights if the shareholder or the representative is registered in the Register of Shareholders before the date of the General Meeting. The securities account managers shall provide for the registration of the shareholder in the Register of Shareholders based on the assignment of the shareholder. Securities account managers shall give information to the shareholders on the deadline of executing the assignments of registry in the Register of Shareholders. The Company does not accept responsibility for execution of assignments given to securities account managers and for the consequences of their failures.

The Chairman of the Board of Directors, or if he/she is unable to be present, the vice-Chairman of the Board of Directors, or if he/she is also unable to be present, the person appointed by the Board of Directors prior to the General Meeting shall chair the General Meeting. The appointment of the Chairman of the General Meeting shall be effectuated prior to the discussion on the agenda issues, and as long as same does not take place, the General Meeting cannot render resolutions on the merits of the agenda issues.

The chairman of the General Meeting appoints the person keeping the minutes, conducts the meeting on the basis of the agenda, orders voting and announces results of voting and the resolutions of the General Meeting.

In accordance with the provisions of the Company Act, minutes are kept of the General Meeting.

In the above description ANY Security Printing Company Plc is providing comprehensive overview of corporate processes and practices. Detailed rules to any function summarized in this report can be found in the Statutes, freely available on the company website (www.any.hu).

Budapest, 22nd March, 2023

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Chief Executive Officer