Annual report
2022

DEAR SHAREHOLDERS,

The Printing Company was taken out of state ownership thirty years ago. Since then, we have been preserving and developing this enterprise, whose fascinating history faithfully reflects the past 172 years of the Monarchy and Hungary, as well.

After the Austro-Hungarian Compromise, the printing company was moved from Timisoara to the government quarter of the Buda Castle. Állami's principal mission was to serve government needs in a fast manner and to a high standard. The printing house has been a supplier of maps, railway timetables, revenue stamps, postage stamps, passports, treasury bills, bills of exchange, lottery tickets, tax stamps, bonds and shares. In wartime, food and fuel tickets were added to the product range. In 1945, ballot papers were already made at the security printing company, and the tax pengő put into circulation in the period of galloping inflation was also printed here.

The football betting and lottery tickets, rich sources of state revenue as well as many of the postage stamps were made here. Since 1994, the company has been operating in Kőbánya, in Halom utca, and the new plastic card production site opened in Fátyolka utca. Today, already two Intaglios and a state-of-the-art KBA machine are used for printing passports and visas in a brand-new facility. The Document Security Laboratory produces tailor-made solutions for 87 countries, including special inks using a nano mill and special fibres for banknote and passport papers. The African market and customers play a central role in the company's business, as is reflected in the figures shown in this report.

In Bucharest, Gyomaendrőd and Pásztó, the development of digital printing, the application of artificial intelligence and the challenges of fulfilment services keep our colleagues busy.

30 years ago, the company's turnover was approximately HUF 600 million (USD 6 million), today it exceeds HUF 43 billion (nearly USD 120 million).

Together with our skilled, committed and dedicated colleagues, we are working to create even more value for the country, our employees and our shareholders.

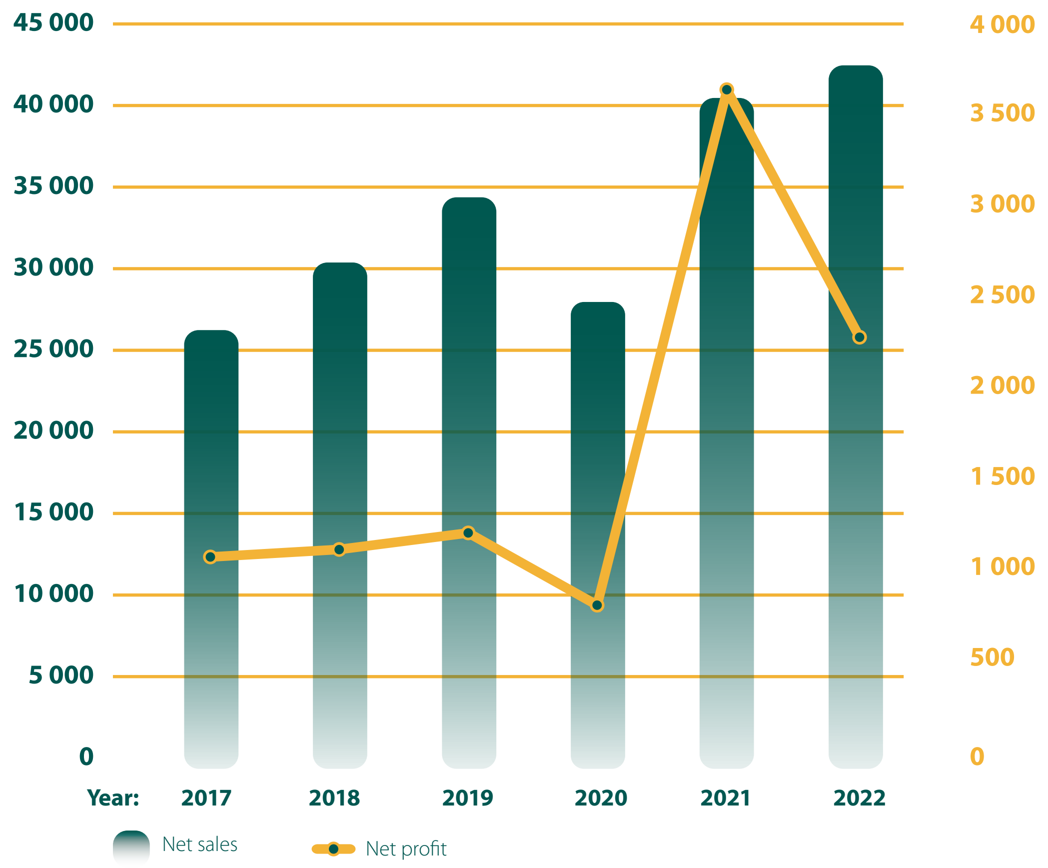
Budapest, April 28, 2023

Dr. Ákos Erdős
Chairman of the Board

TURNOVER ABOVE HUF 43 BILLION,

rising energy costs

Net sales of ANY PLC for 2022 amounted to HUF 43.2 billion which is higher by HUF 2.5 billion (6%) than in the previous year. With this turnover, the Printing Company exceeded its previous year's figures, but the net result was also affected by the energy situation. The last quarter was particularly affected by rising costs; in addition to extremely high energy prices, the difficulties in the raw materials market continue to affect ANY Group's operations.



All amounts in HUF thousands unless otherwise indicated.

Growth in the paper-based products market

Sales of security products and solutions came to HUF 15,292 million in 2022 which means an increase of HUF 4,713 million (45%) compared to the base period. The increase was mainly due to higher sales of election ballots and other printed forms and paper-based security documents.

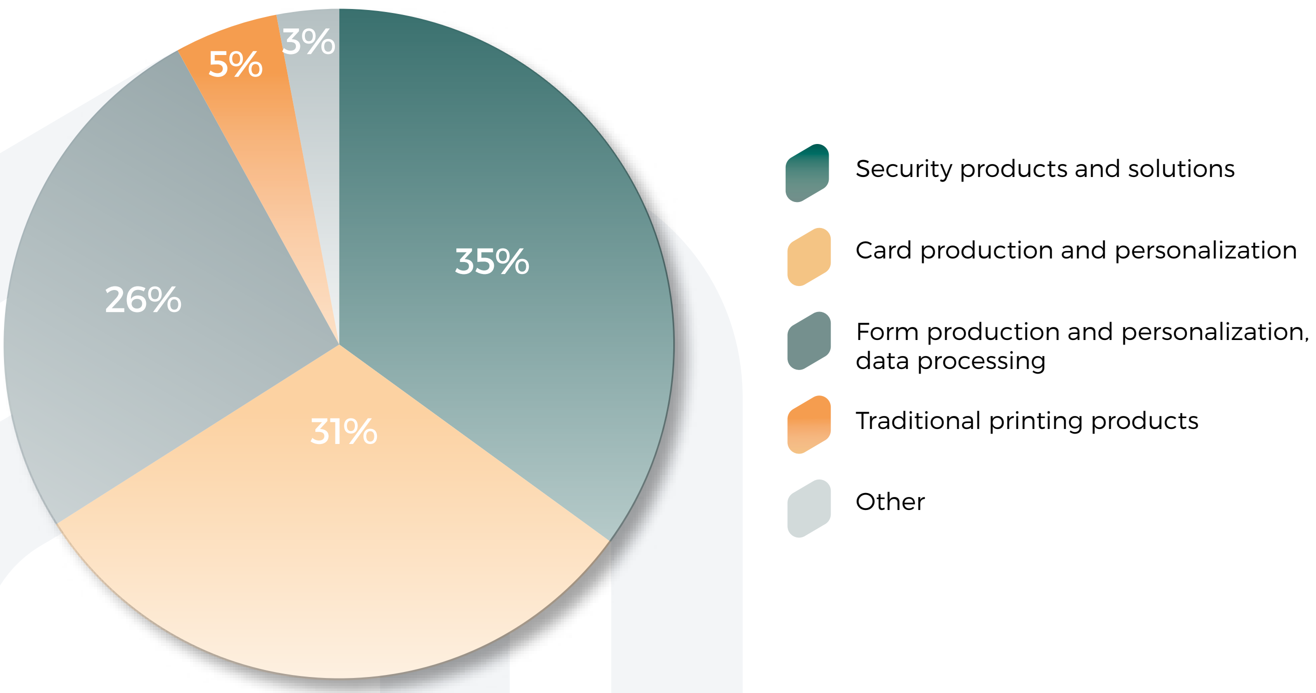
The Company's revenue from card production and personalisation totalled HUF 13,302 million in the period of reference. The higher base period value was due to the sales revenue of security documents accounted for in 2021.

The turnover from form production, personalisation and data processing came to HUF 11,367 million in 2022, HUF 509 million (5%) higher than the sales for the base period. The change was mainly driven by an increase in high value-added export sales.

Sales of traditional printing products amounted to HUF 2,107 million in the period of reference, which is HUF 291 million (16%) higher compared to the same period of the previous year. Higher volume of book orders is behind the change.

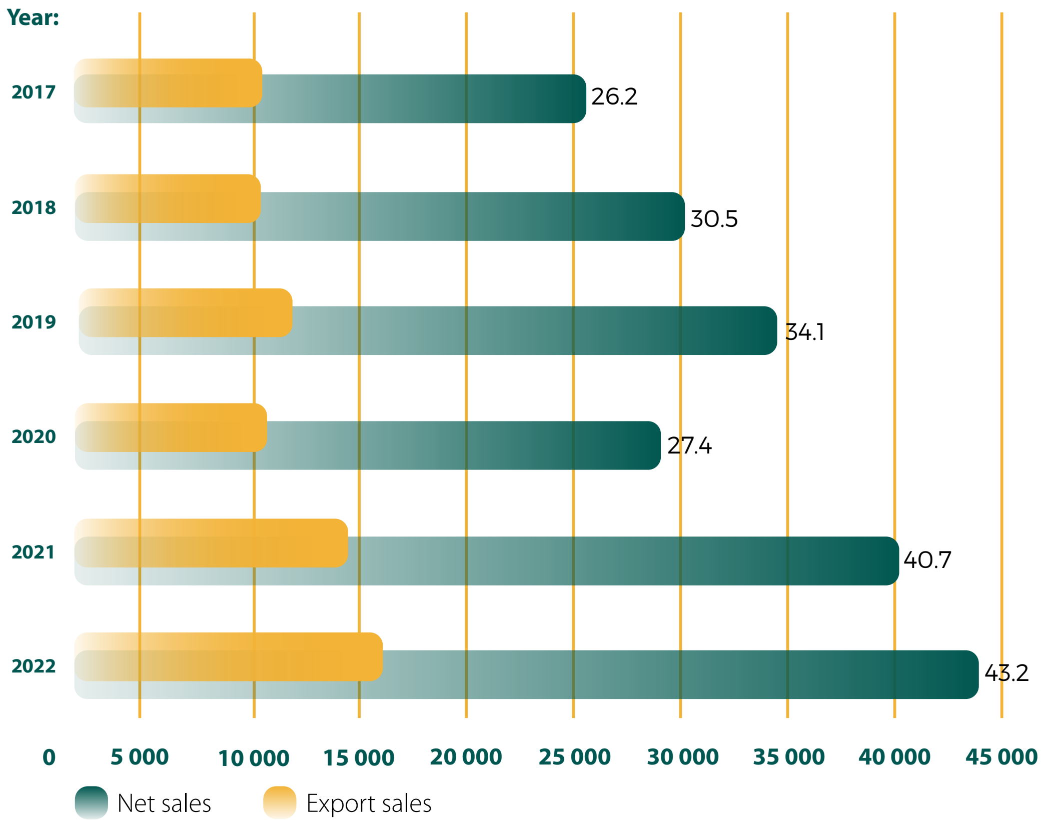
The breakdown of net sales by segment

Sales segments	2021 Q1-Q4, HUF millions (A)	2022 Q1-Q4, HUF millions (B)	Change (B–A)	Change, % (B/A–1)
Security products and solutions	10,579	15,292	4,713	44.55%
Card production and personalization	16,227	13,302	(2,925)	–18.03%
Form production and personalization, data processing	10,858	11,367	509	4.69%
Traditional printing products	1,816	2,107	291	16.02%
Other	1,177	1,113	(64)	–5.44%
Total net sales	**40,657**	**43,181**	**2,524**	**6.21%**



Growing export market

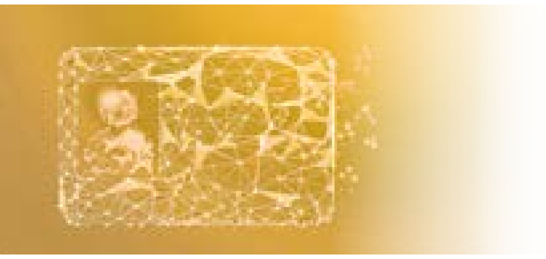
Export sales includes the direct, joint and subsidiary export activities of ANY Security Printing Company PLC. Export sales amounted to HUF 16,082 million by 31 December 2022, which was HUF 1,808 million higher compared to the same period last year, representing 37% export sales ratio.



All amounts in HUF thousands unless otherwise indicated.

Sales of card products doubled on foreign markets

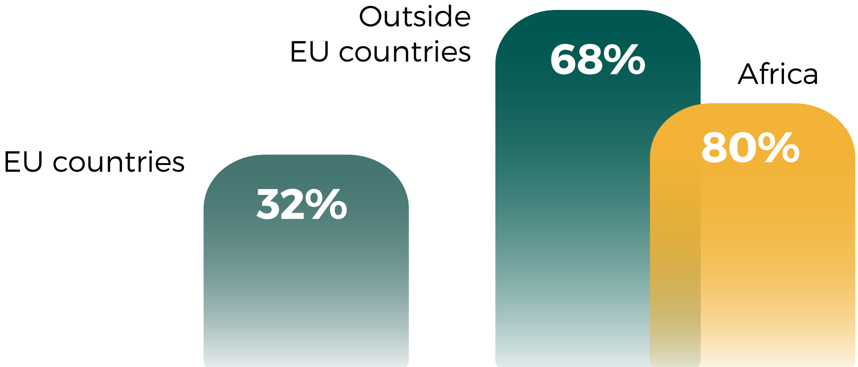
Export **sales of security products** and solutions in the period were HUF 2,917 million, which is HUF 423 million (17%) higher than in the same period of 2021.



Export turnover from **card production and personalisation** was HUF 1,694 million in 2022, which was HUF 835 million (97%) higher compared to the base period

In the field of **form production, personalisation** and related logistics services, export turnover at the end of the period was HUF 10,228 million, which is HUF 387 million (4%) higher compared to the base period.

Nearly 10% of ANY's total turnover comes from the African continent.
A significant proportion of ANY's export turnover comes from outside the EU.



Export sales by segment

Export sales by segment	2021 Q1–Q4, in HUF millions (A)	2022 Q1–Q4, in HUF millions (B)	Change (B–A)	Change, % (B/A–1)
Security products and solutions	2,494	2,917	423	16.96%
Card production and personalization	859	1,694	835	97.21%
Form production and personalization, data processing	9,841	10,228	387	3.93%
Traditional printing products	77	267	190	246.75%
Other	1,003	976	(27)	–2.69%
Total export sales	**14,274**	**16,082**	**1,808**	**12.67%**
Export %	**35.11%**	**37.24%**		

HUF 156 EARNINGS PER SHARE

Operating income came to HUF 3,586 million, a decrease of HUF 1,366 million (28%) compared to the same period last year.
Gross coverage totalled HUF 12,625 million, which means a 29% gross margin. General and unallocated (SG&A) expenses until 31 December 2022 amounted to HUF 8,830 million, which equals to 20% of net sales.
Material expenses amounted to HUF 28,200 million, which is higher by HUF 3,744 million (15%) in the current period, due to increased raw material prices, higher mediated services and higher turnover.
Personnel expenses totalled HUF 9,740 million, which is HUF 164 million higher than in the base period.
EBITDA was HUF 5,633 million due to changes in operating income and depreciation, which represents a decrease of HUF 1,031 million compared to previous period's EBITDA. Therefore EBITDA margin to sales is 13%.

Description	2021 Q1–Q4, in HUF millions (A)	2022 Q1–Q4, in HUF millions (B)	Change (B–A)	Change % (B/A–1)
Net sales	40,658	43,180	2,522	6.20%
Capitalized value of assets produced	322	602	280	86.96%
Material expenses	24,456	28,200	3,744	15.31%
Personnel expenses	9,576	9,740	164	1.71%
Depreciation	1,712	2,047	335	19.57%
Other expenses/(revenues)	284	209	(75)	–26.41%
Operating income	**4,952**	**3,586**	**(1,366)**	**–27.58%**
Net profit	**3,607**	**2,244**	**(1,363)**	**–37.79%**
EBITDA	**6,664**	**5,633**	**(1,031)**	**–15.47%**
EBITDA margin (%)	**16.39%**	**13.05%**		

BODIES AND MANAGEMENT

BOARD OF DIRECTORS

Dr. Ákos Erdős	*Chairman of Board of Directors*
Gábor Zsámboki	*Deputy Chairman of Board of Directors*

Tamás Erdős
György Gyergyák
Dr. Gábor Kepecs
Erwin Fidelis Reisch

SUPERVISORY BOARD

Dr. István Stumpf	*Chairman of Supervisory Board*
Dr. Istvánné Gömöri	*Deputy Chairman of Supervisory Board*

Ferenc Berkesi
Dr. Imre Repa
Katalin Hegedűs
László Hanzsek
Gábor Kun

MANAGEMENT

Gábor Zsámboki
Chief Executive Officer

Zoltán Fejes
Chief Sales Officer

Dr. István Ignácz
Chief Security Officer

Tamás Karakó
Chief Financial Officer

Gábor Péter
Chief Information Officer

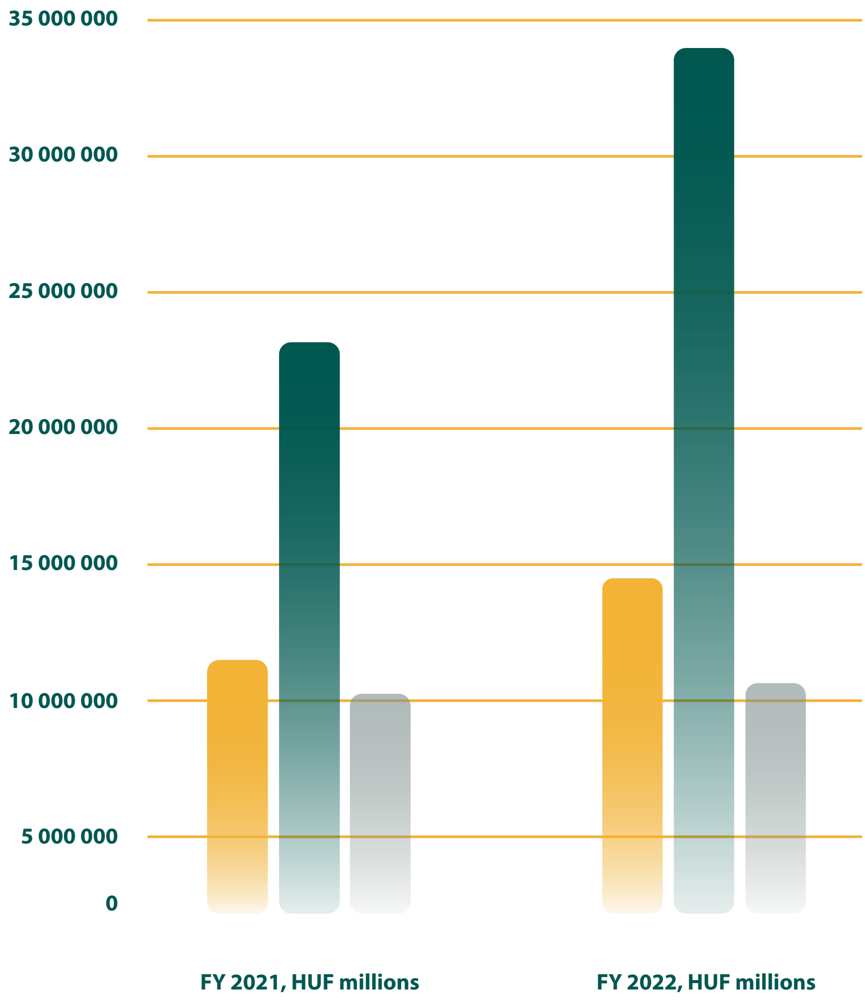
Nikoletta Sajó
Chief Operating Officer

Zoltán Tóth
Chief Technical and Production Officer
(He died on 3 March 2023)

MAIN FINANCIAL DATA AND INDICATORS
(IFRS CONSOLIDATED)

Name	FY 2021, in HUF millions	FY 2022, in HUF millions
Financial situation		
Non-current assets	11,285	14,497
Total assets	23,161	34,128
Shareholder's equity	10,442	10,595
Main categories of results		
Net sales	40,658	43,180
EBITDA	6,664	5,633
Profit after tax	3,607	2,244
Main indicators		
Return on sales (ROS, %)	8.9%	5.2%
Return on equity (ROE, %)	34.5%	21.2%
Earnings per share (EPS, HUF)	251	156

Financial situation of ANY Group in the years 2021 and 2022



	FY 2021, HUF millions	FY 2022, HUF millions
Non-current assets	11,285	14,497
Total assets	23,161	34,128
Shareholder's equity	10,442	10,595

The Company had total assets of HUF 34,128 million on 31 December 2022, which increased by HUF 10,967 million compared to the previous year-end. The Company had non-current assets of HUF 14,497 million on 31 December 2022, which increased by HUF 3,212 million compared to the previous year-end.

Changes in equity items

in HUF millions	Share capital	Capital reserve	Retained earnings	Treasury shares	Total
January 1, 2021	**1,450**	**251**	**5,766**	**(455)**	**7,011**
Dividend	–	–	(1,234)	–	(1,234)
Changes connected to DS transaction	–	–	(74)	–	(74)
Changes connected to ZS transaction	–	–	(10)	–	(10)
Profit for the year	–	–	3,607	–	3,607
Other comprehensive income	–	–	–	–	–
December 31, 2021	**1,450**	**251**	**8,054**	**(455)**	**9,300**
January 1, 2022	**1,450**	**251**	**8,054**	**(455)**	**9,300**
Dividend	–	–	(2,410)	–	(2,410)
Profit for the year	–	–	2,244	–	2,244
Other comprehensive income	–	–	–	–	–
December 31, 2022	**1,450**	**251**	**7,888**	**(455)**	**9,134**

ANY SECURITY PRINTING COMPANY PUBLIC LIMITED COMPANY BY SHARES

INDEPENDENT AUDITORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

Contents

Building a better working world

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

This is a translation of the Hungarian Report

Independent Auditors' Report

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

Report on the audit of the consolidated annual financial statements

Opinion

We have audited the 2022 consolidated annual financial statements of ANY Security Printing Plc. ("the Group") and its subsidiaries (altogether "the Group") included in the accompanying 529900YYR637SPJ0JR59-2022-12-31-hu.zip[1] digital file, which comprise the consolidated statement of financial position as at 31 December 2022 - showing a balance sheet total of HUF 34,124,700 thousand and a total comprehensive income for the year of HUF 2,899,326 thousand -, the related consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and notes to the consolidated annual financial statements, including a summary of significant accounting policies.

In our opinion the consolidated annual financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all material respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for consolidated annual financial statements prepared in accordance with EU IFRSs.

[1] Digital identification of the above referred 529900YYR637SPJ0JR59-2022-12-31-hu.htxml consolidated annual financial statements, using SHA 256 HASH algorithm is E806419B853FCED57BC5BC6C118228C97F30A8E33652C2E5FD1617E69975DC64

Basis for opinion

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

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

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

Key audit matters

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

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

Valuation of Goodwill

The goodwill represents HUF 569,823 thousands as of 31 December 2022, which is approximately 1.7 % of total assets. Valuation of goodwill relies on judgmental assumptions and estimates of prospective information, such as the determination of discount rate or the subsidiaries' future profits and their growth rate. Management annually assesses the goodwill for impairment in accordance with EU IFRSs. This is a key audit matter as significant judgement is involved to determine if the goodwill is impaired.

Our audit procedures included, among others, involving specialists who assisted us in evaluation of assumptions and methodologies used by the Group to assess whether goodwill is impaired. We assessed the accuracy of key assumptions used in the model, such as management's primary cash-flow assumptions, the applied discount- and growth rates. We reconciled the assumptions and prospective information to the approved business plan of the subsidiaries and also assessed historical accuracy of management's estimates.
We assessed the compliance of the valuation method with EU IFRSs and the consistency of application compared to prior year. We assessed the adequacy of the Group's disclosures about goodwill in accordance with EU IFRSs including information how the impairment is evaluated by the Group.

The Group's accounting policy and disclosures about its goodwill and related impairment are included in the Notes 2 Significant accounting policies and 10 Goodwill to the consolidated annual financial statements.

Business combination of Atlas S.R.L

The Group acquired 100% of the shares of Atlas S.R.L. on 15 February 2022 for a purchase price of EUR 1 350 thousand (HUF 478 851 million). This acquisition falls under the scope of IFRS 3 Business Combinations, assets and liabilities acquired are measured at their fair value. The identification and valuation of the acquired assets and liabilities assumed are sensitive to underlying assumptions. Management has exercised significant judgement based on underlying assumptions when calculating the fair value of the net assets and goodwill.

Because this is a non-routine transaction and the accounting treatment is complex, we consider this as a key audit matter.

Our audit procedures performed on the purchase price allocation included, among others, the following procedures: We analyzed the sale and purchase agreement to assess when the control was obtained. We assessed the identification and valuation of the (in)tangible assets acquired and liabilities assumed. We involved valuation specialists to evaluate the methods (recoverable amount determined based on value in use calculations). We tested the discount rates used and we validated the main assumptions against external data such as risk-free rates and beta.

The Group's accounting policy and disclosures about the business combination are included in Notes 9 Business combination to the consolidated annual financial statements.

Other information

Other information consists of the 2022 consolidated business report of the Group, which we obtained prior to the date of this auditor's report, and the Annual Report of the Group, which is expected to be made available to us after the date of this auditor's report. Management is responsible for the other information, including preparation of the consolidated business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the consolidated annual financial statements does not cover the other information.

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

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

When fulfilling this responsibility we have considered the following law: Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 on Supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation"), as such prescribing specific requirements for the consolidated business report, in relation with forming our opinion on the consolidated business report.

In our opinion, the consolidated business report of the Group, including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law or 2022 is consistent, in all material respects, with the 2022 consolidated annual financial statements of the Group and the relevant requirements of the Hungarian Accounting Law and the other law listed above.

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

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

When we read the annual report, which had not yet been made available to us at the date of this report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Report on compliance with the requirements of the regulation on the european single electronic format

We have undertaken a reasonable assurance engagement on the compliance of the consolidated annual financial statements included in the digital file - identified in our report - prepared by the Group ("consolidated annual financial statements in ESEF format") with the requirements set out in the ESEF Regulation.

Responsibilities of the management and those charged with governance for the consolidated annual financial statements in ESEF format

The Group's management is responsible for preparing the consolidated annual financial statements in ESEF format that comply with the ESEF Regulation. This responsibility includes:

- the preparation of the consolidated annal financial statements in the applicable XHTML format;
- the selection and application of appropriate iXBRL tags as required by ESEF Regulation using judgement where necessary; including completeness of use of the relevant tags, appropriateness of creation and anchoring of the extension elements; and
- the design, implementation and maintenance of internal control relevant to the application of the ESEF Regulation.

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

Our responsibility and summary of the work performed

Our responsibility is to express an opinion on whether the consolidated annual financial statements in ESEF format complies, in all material respects, with the requirements of the ESEF Regulation based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Hungarian National Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000).

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF Regulation. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation whether due to fraud or error. Our reasonable assurance engagement included obtaining an understanding of the tagging, obtaining an understanding of the Group's internal controls relevant to the application of the requirements of the ESEF Regulation, verifying whether the XHTML format was applied properly, evaluating the completeness of the Group's tagging of the consolidated annual financial statements using the XBRL markup language, evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified and evaluating the use of anchoring in relation to the extension elements.

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

Opinion

In our opinion, the consolidated annual financial statements in ESEF format of the Group for the year ended 31 December 2022 included in the digital files -identified in our report - complies, in all material respects, with the requirements of the ESEF Regulation.

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

Appointment and Approval of Auditor

We were appointed as the statutory auditor of the Group by the General Assembly of Shareholders of the Group on 12 April 2022. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 6 years.

Consistency with Additional Report to Audit Committee

Our audit opinion on the consolidated annual financial statements expressed herein is consistent with the additional report to the audit committee of the Group, which we issued in accordance with Article 11 of the Regulation (EU) No. 537/2014 on 21 March 2023.

Non-audit Services

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

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

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

Budapest, 22 March 2023

(The original Hungarian version has been signed.)

Bartha Zsuzsanna Éva Engagement Partner Ernst & Young Kft. 1132 Budapest, Váci út 20. Registration No. 001165	Bartha Zsuzsanna Éva Registered auditor Chamber membership No.: 005268

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022 AND DECEMBER 31, 2021

In HUF thousands	Notes	December 31, 2022	December 31, 2021
Current assets			
Cash and bank	3	6 393 330	1 297 507
Accounts receivables	4	5 607 294	5 683 056
Inventories	5	6 487 058	3 278 612
Other current assets and prepayments (without current tax receivable)	6	982 797	1 536 437
Current tax receivables	6	160 315	80 677
Total current assets		**19,630,794**	**11,876,289**
Non-current assets			
Property, plant and equipment	7	13,083,997	9,884,215
Right of use	8	578,557	1,054,572
Goodwill	10	569,823	335,857
Intangibles	11	247,615	–
Other assets		16,914	10,222
Total non-current assets		**14,496,906**	**11,284,866**
Total assets		**34,127,700**	**23,161,155**
Current liabilities			
Trade accounts payables	28	4,326,200	3,184,623
Short term part of lease liabilities	25	287,807	359,248
Other payables and accruals (without current tax liabilities)	12	9,909,584	1,543,265
Current tax liabilities	12	1,142,542	1,250,925
Short term loans	13	2,540,520	2,315,408
Total current liabilities		**18,206,653**	**8,653,469**
Long term liabilities			
Deferred tax liability	21	839,984	668,993
Long term part of lease liabilities	25	112,396	287,721
Long term loans	13	4,357,787	3,087,534
Other long term liabilities		15,444	21,764
Total long term liabilities		**5,325,611**	**4,066,012**
Shareholders' equity			
Share capital	14	1,449,876	1,449,876
Capital reserve		250,686	250,686
Retained earnings	16	7,888,003	8,054,043
Treasury shares	15	–455,048	(455,048)
Other comprehensive income	22	232,040	94,107
Total owners' equity		**9,365,557**	**9,393,664**
Non controlling interest	16	1,229,879	1,048,010
Total shareholders' equity		**10,595,436**	**10,441,674**
Total liabilities and shareholders' equity		**34,127,700**	**23,161,155**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT DECEMBER 31, 2022 AND DECEMBER 31, 2021

In HUF thousands	Notes	FY 2022	FY 2021
Net sales	17	43,179,930	40,657,532
Cost of sales	20	(30,555,068)	(26,730,445)
Gross profit		**12,624,862**	**13,927,087**
Selling general and administration	19	(8,830,160)	(8,711,659)
Gain on sale of fixed assets		227	8,603
Foreign currency (loss) / gain		149,804	35,584
Other expense, net	18	(358,675)	(806,513)
Operating income		**3,586,058**	**4,453,102**
Interest income/(expense)	19	(200,175)	(70,235)
Gains on sales of investments	28	–	498,781
Profit before tax and non-controlling interest		**3,385,883**	**4,881,648**
Deferred tax income / (expense)	21	(117,722)	(270,176)
Income tax expense	21	(573,862)	(639,407)
Total tax expense		**(691,584)**	**(909,583)**
Profit after tax		**2,694,299**	**3,972,065**
Other comprehensive income for the year	22	**205,027**	**16,672**
out of which: effect of revaluation based on IAS 21		*205,027*	*16,672*
out of which: fair value effect of derivative financial liability		–	–
Total comprehensive income for the year		**2,899,326**	**3,988,737**
Profit after tax attributable to			
Shareholders of the Company		**2,244,042**	**3,606,617**
Non controlling interests		*450,257*	*365,448*
Other comprehensive income attributable to			
Shareholders of the Company		137,933	8,912
Non controlling interests		*67,094*	*7,760*
Earnings per share (EPS)			
Basic (HUF per share)	23	156	251
Fully diluted (HUF per share)	23	156	251
Dividend per share paid (DPS)		168	86

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2022 AND DECEMBER 31, 2021

In HUF thousands	Issued Capital	Capital Reserve	Retained Earnings	Treasury Shares	Other comprehensive income	Non controlling Interest	Total
January 1, 2021	**1,449,876**	**250,686**	**5,765,633**	**(455,048)**	**122,828**	**1,356,307**	**8,490,282**
Dividend paid (after FY 2021)	–	–	(1,233,586)	–	–	–	(1,233,586)
Dividend paid to minority shareholders (after FY 2021 income)	–	–	–	–	–	(218,791)	(218,791)
Profit after tax attributable to non-controlling interests	–	–	–	–	–	365,448	365,448
Effect of revaluation based on IAS 21	–	–	–	–	*8,912*	*7,760*	*16,672*
Changes connected to Direct Services transaction	–	–	(74,220)	–	(37,633)	(336,314)	(448,167)
Changes connected to Zipper Services transaction (without change in ownership control)	–	–	(10,400)	–	–	(126,400)	(136,800)
Profit after tax attributable to owners of the Company	–	–	3,606,617	–	–	–	3,606,617
December 31, 2021	**1,449,876**	**250,686**	**8,054,043**	**(455,048)**	**94,107**	**1,048,010**	**10,441,674**
Dividend paid (after FY 2021)	–	–	(2,410,082)	–	–	–	(2,410,082)
Dividend paid to minority shareholders (after FY 2021 income)	–	–	–	–	–	(498,738)	(498,738)
Profit after tax attributable to non-controlling interests	–	–	–	–	–	450,257	450,257
Effect of revaluation based on IAS 21	–	–	–	–	*137,933*	*67,094*	*205,027*
Changes connected to ATLAS transaction	–	–	–	–	–	163,256	163,256
Profit after tax attributable to owners of the Company	–	–	2,244,042	–	–	–	2,244,042
December 31, 2022	**1,449,876**	**250,686**	**7,888,003**	**(455,048)**	**232,040**	**1,229,879**	**10,595,436**

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

CONSOLIDATED STATEMENT OF CASH-FLOW AS AT DECEMBER 31, 2022 AND DECEMBER 31, 2021

In HUF thousands	Notes	FY 2022	FY 2021
Cash flows from operating activities			
Profit before tax and non-controlling interest		3,385,883	4,881,648
of which foreign currency (loss)/gain		*149,804*	*30,867*
Effect of revaluation based on IAS 21		205,027	16,672
Depreciation cost of fixed assets	7	1,962,562	1,710,561
Amortization cost of intangibles	11	84,607	989
Foreign exchange differences on the line of the other comprehensive income		0	0
Changes in provisions	18	78,012	650,093
Gain on sale of property, plant and equipment		(2,906)	(8,603)
(Gains)/losses on sale of investments	29	–	(498,781)
Interest expense		246,169	83,862
Interest income		(45,994)	(13,627)
Operating cash-flow before working capital changes		**5,913,360**	**6,822,814**
Changes in accounts receivable and other current assets	4,6	802,543	(1,559,440)
Changes in inventories	5	(3,218,547)	79,850
Changes in accounts payables, provision and accruals	12	8,925,226	(206,758)
Cash provided by operations		**12,442,582**	**5,136,466**
Interest income		(224,054)	(116,552)
Interest expense		101,953	0
Taxes paid, net	21	(591,855)	(624,502)
Net cash provided by operating activities		**11,708,626**	**4,395,412**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(4,405,249)	(1,413,510)
Proceeds on sale of property, plant and equipment		2,906	8,603
Proceeds on sale of investments	29	–	877,028
Purchase of investments	9	(478,851)	(668,160)
Changes in loans to employees		(4,658)	(408)
Net cash flow used in investing activities		**(4,984,852)**	**(1,196,447)**
Cash flows from financing activities			
Non controlling interest changes		(498,738)	(885,798)
Changes in short term loans	13	198,506	(192,093)
Increase in long term debt	13	3,330,576	–
Repayment of long term debts	13	(2,060,323)	(1,390,369)
Repayment of lease liabilities	25	(241,726)	(529,948)
Dividend paid		(2,410,081)	(1,233,586)
Net cash flow used in financing activities		**(1,681,786)**	**(4,231,794)**
Changes in cash and cash equivalents		**5,041,988**	**(1,032,829)**
Cash and cash equivalents at beginning of period		**1,297,507**	**2,330,336**
Cash and cash equivalents at end of the period without funds acquired in the ATLAS transaction		**6,339,497**	**1,297,507**
Cash acquired during the ATLAS acquisition		**53,833**	**–**
Cash and cash equivalents at end of the period	3	**6,393,330**	**1,297,507**

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

SUPPLEMENTARY NOTES TO THE CONSOLIDATED 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 31.2 million. Ernst & Young Kft. provided advisory services to ANY Security Printing company Plc. in connection with non-audit service in the amount of 9000 EUR.
As of December 31, 2022 and 2021 – based on the Company's share book – the following owners have more than 5% voting right or the following groups of investors own the Company:

	FY 2022		FY 2021	
Investor	**Voting right (%)**	**Ownership (%)**	**Voting right (%)**	**Ownership (%)**
Owners above 5% share				
EG CAPITAL LLC (*)	11.98%	11.62%	11.98%	11.62%
DIGITAL FOREST LLC (**)	6.97%	6.76%	6.97%	6.76%
AEGON ALFA SZÁRMAZTATOTT ALAP	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.

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

The consolidated subsidiaries of the Group at December 31, 2022 and at December 31, 2021 are as follows:

		FY 2022		FY 2021		
Name of the Company	**Equity**	**Share of ownership**	**Voting right[1]**	**Share of ownership**	**Voting right[1]**	**Classification[2]**
Gyomai Kner Nyomda Zrt.	HUF 200,000,000	99.48%	99.48%	99.48%	99.48%	L
Specimen Zrt.	HUF 100,000,000	100.00%	100.00%	100.00%	100.00%	L
Techno-progress Kft.	HUF 5,000,000	100.00%	100.00%	100.00%	100.00%	L
ANY Ingatlanhasznosító Kft.	HUF 3,000,000	100.00%	100.00%	100.00%	100.00%	L
Zipper Services SRL	RON 2,060,310	60.00%	60.00%	60.00%	60.00%	L
Tipo Direct Serv SRL	30.308 MDL	60.00%	60.00%	60.00%	60.00%	L
ATLAS Trade Distrib. SRL (*)	RON 1,000	60.00%	60.00%	0.00%	0.00%	L
Slovak Direct SRO	EUR 63,965	100.00%	100.00%	100.00%	100.00%	L

[1] Voting rights that entitle the holder to participate in decision making at the general meeting of the company included in consolidation.
[2] Fully controlled subsidiaries (L); Joint ventures (K); Associated undertakings (T)
(*) On the 15th February 2022 the 100% ownership of Zipper Services SRL in ATLAS Trade SRL has been registered.

ESEF information

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

2 Significant accounting policies

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the "EU"). The Parent Company, ANY Security Printing company Plc. prepares its separate financial statements in accordance with International Financial Reporting Standards from January 1, 2017. Its domestic subsidiaries prepare their financial statements in accordance with Hungarian Accounting Law, while foreign subsidiaries prepare their financial statements according to accounting principles generally accepted in their own countries, that are adjusted in accordance with IFRS from the consolidation package through the consolidation process.
The consolidated financial statements are mainly prepared due to the regulations related to listed companies based on the accounting act, so it contains reclassifications and adjustments through which it complies with IFRS.
IFRS as adopted by the EU do not currently differ from IFRS as issued by the International Accounting Standards Board (IASB), except for portfolio hedge accounting under IAS 39 which has not been approved by the EU. The Company does not have any transactions which would qualify as a portfolio hedge.
The reporting currency of the Group is the Hungarian Forint ("HUF"), rounded to nearest thousand forints.

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

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of ANY PLC and its subsidiaries after elimination of all intercompany transactions and balances, including unrealized intercompany profits. Subsidiaries are those companies in which one company of the Group has control over the subsidiary, so the company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to effect those returns through its power over the subsidiary.
On acquisition, the assets and liabilities of a subsidiary are measured in the consolidated statements at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognized. Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable net assets of a subsidiary at the date of acquisition.
The results of subsidiaries acquired or disposed during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.
The transactions between the associated enterprises, including unrealized gains and losses as well as realized intra-group gains, were eliminated during consolidation.
The equity and net income attributable to minority interests are shown as separate items in the consolidated financial statements.

CASH AND CASH EQUIVALENTS

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

CONSOLIDATED STATEMENT OF CASH FLOWS

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

INVENTORY

Inventory is stated at the lower of cost or net realizable value after making impairment for any obsolete or slow moving items. Cost is determined at standard cost adjusted to actual purchase price at period end. For purchased inventories cost comprises purchase price, possible additional customs, delivery costs, non-refundable taxes and any other costs related to acquiring the inventory. For finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate allocation of manufacturing fixed and variable overheads.
Inventory impairment is calculated on obsolete or slow moving stocks item by item after judgement of the inventory item based on its physical status and future usage and selling opportunities. Full impairment is raised on inventories of which future usage and selling opportunities based on the unique debtors related characteristics of the inventories after the expiration of the contract or in lack of further orders are not probable. In case of inventories not connected directly to debtors, impairment on inventory is posted, if there was no consumption or sale in that item for a longer period before balance sheet day, based on individual assessment in this case as well. Furthermore the Group accounts impairment for inventories where cost of inventory is higher than the possible future net realizable value at a level until the net realizable value. Furthermore raises the Group full impairment on inventories that are falling out of production during the different technological processes, checked but proved to be not sufficient quality, and which were moved to scrap inventory location during the year, but have not been scrapped yet.

PROPERTY, PLANT AND EQUIPMENT

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

Buildings	2% to 5%
Machinery and equipment	14.5 to 33%
Vehicles	20%

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.
Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.
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 Group recognises its assets owned in connection with lease contracts as right of use assets from 1st January 2019 based on the regulations of IFRS 16. Based on these regulations all assets are classified as right of use assets which are owned or controlled through lease contracts or long term rental contracts. As there is no guaranteed residual value or lease payments due at the end of the contractual period, in the lease contracts of the Group, initial value of right of use assets are equal to initial value of the lease liabilities. The Group has three different classes of right of use assets. These are real estates, machineries and equipments and vehicles and other equipments. Depreciation is calculated on right of use assets based on IAS 16 through the entire life of the lease contracts and long term rental contracts applying the following rates:

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

LEASES

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

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with infinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Amortization is provided at rates between 16.7% and 33% per year.
An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

GOODWILL

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

FINANCIAL INSTRUMENTS

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

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

Financial liabilities must be measured at amortised cost, except for those, which must be measured FVTPL or the Group chose to measure at fair value.
Financial liabilities and derivative products must be measured at FVTPL. When recognizing, the Group can mark a financial liability to be measured at FVTPL irrevocably if:

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

SUBSEQUENT MEASUREMENT

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

AMORTISED COST

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.

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 Group 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 Group has significant number of trade debtors with governmental background, and the Group also ensures the inflow of trade receivables in the form of advances or other payment guarantees. General credit losses are not significant based on the Group's assessment, although based on individual trade debtors' assessment the necessary impairment on trade receivables is accounted.

Credit-loss accounted in previous years in proportion of value of gross receivables:

2017. 12. 31.	2018. 12. 31.	2019. 12. 31.	2020. 12. 30.	2021. 12. 31.
0.12%	0.07%	0.09%	0.07%	0.07%

Receivables by due date	Not overdue	More than 90 days overdue
Amount of write-off receivable	0.1%	Individually measured

DE-RECOGNITION 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.

TAXATION

The amount of company tax is based on the taxation obligation defined according to the law on corporate income tax and dividend taxes, which is modified by the deferred tax.
Deferred taxes are calculated using the balance sheet liability method. Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realized or settled. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to realize or settle the carrying amount of its assets and liabilities. The conditions of netting deferred tax liabilities and deferred tax assets are met, as deferred tax arises only as deferred tax assets and deferred tax liabilities under the legislation of Hungarian tax authorities.
Deferred tax assets are recognized only if it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each balance sheet date, the Group re-assesses unrecognized deferred tax assets and the carrying amount of deferred tax assets. The Group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. The Company classifies the local taxes and innovation contribution to corporate tax in profit and loss statement based on IAS 12 requirement.

TREASURY SHARES

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

REVENUE RECOGNITION

Applying IFRS 15 is compulsory for all the Companies applying IFRS from 1st January 2018. IFRS 15 defines a five step model to recognize revenue coming from the contracts with the clients, which – apart from a few exceptions – irrespectively to the type of the transaction or the industry must be applied in all cases. Rules of the standard must be applied for the sale of some non-financial assets as well, where such sale is out of the standard business activity of the company. (E.g. sale of fixed assets or intangible assets.)
Revenue is recognized at the time goods are dispatched and services rendered by the Group, as this is the point at which the significant risks and rewards of ownership of the goods and services are transferred to the customer.
Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.
Revenue is separated into five different product segment by the Group. The management considers these product segments strategically important. These segments are monitored and these are the basis of evaluating the performance. However, classification of turnover by product segments do not mean that these products can be produced in a clearly separable way in terms of assets and liabilities. According to this preparation of segment reporting under IFRS 8 is not possible.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is in the business of providing printing and security printing solution services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.
Revenue from sale of printing solutions is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location. The normal credit term is 30 days upon delivery.
The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of printing solutions, the Group considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

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

Rights of return

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

Volume rebates

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

Significant financing component

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

Non-cash consideration

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

Contract balances

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

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

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

DIVIDEND AND INTEREST REVENUE

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). (Dividend realized within the Group will be eliminated during consolidation.)
Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

PROVISIONS

The Group is involved in a low number of ongoing legal disputes. Based upon historical experience and expert reports, the Group assesses the developments in these cases, and the likelihood and the amount of potential financial losses which are appropriately provided for. The Group recognises provision in case when:
- an entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

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.

SEGMENT REPORTING

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

EARNINGS PER SHARE

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

FOREIGN CURRENCIES

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (HUF) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Exchange differences are recognised in profit or loss in the period in which they arise.
For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Currency Units using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period.

From the foreign subsidiaries of the Group Zipper Services S.R.L. prepares its financial statements in Romanian Lei, Tipo Direct SERV S.R.L. in Moldavian Lei, while Slovak Direct S.R.O. prepares its financial statement in EURO (presentational currency). The balances of foreign currency assets and liabilities of the foreign subsidiaries of the Group are retranslated at the relevant MNB (National Bank of Hungary) foreign exchange rate in the consolidated financial statements in the parent company's presentational currency (HUF), which is the functional currency of the Group at the same time. The details of the conversion have been presented in table 28 Risk Management.

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).
- **IFRS 16 "Leases" Rental contracts adjusted due to COVID-19** (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 Group'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).
- **IFRS 16 "Leases" Lease obligation and sale-and-lease back adjustments** (effective for annual periods beginning on or after 1 January 2022).

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

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES BY APPLYING THE ACCOUNTING POLICY

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

CRITICAL ASSUMPTIONS BY APPLYING THE ACCOUNTING POLICY

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

– The temporary differences calculated with deferred tax liabilities will reverse in the foreseeable future, and the corporate tax rate is 9%, which is effective from 1st January 2017.
– The outcome of certain contingent liabilities.
– Zipper Services Srl, and TipoDirect Moldva Srl are subsidiaries of the Group because the Group owns a 60% ownership interest in these companies since 31st December 2021, while ATLAS Trade Distribution SRL is a subsidiary of the Group since 15th February, 2022. Based on the contractual arrangements between the Group and other investors, the Group also has the power to appoint and remove the majority of the board of management of these companies that has the power to direct the relevant activities of these companies. Therefore, the management of the Company concluded that the Group had and has the practical ability to direct the relevant activities of these companies unilaterally and hence the Group has control over these companies. Since 31st December 2021 the Group has majority ownership as well beside control through arrangements.

UNCERTAINTIES IN THE ESTIMATES

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

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

THE UKRAINIAN–RUSSIAN CONFLICT

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

3 Cash and bank

	December 31, 2022	December 31, 2021
Cash and cash equivalents	6,393,330	1,297,507
Total cash and cash equivalents	**6,393,330**	**1,297,507**

Balance of cash and cash equivalents at the end of the period is HUF 6,393 million, which is HUF 5,096 million higher than at the end of year 2021 due to the advance received from customer in connection with the sales of Angolan passport system.

4 Accounts receivables

	December 31, 2022	December 31, 2021
Trade receivables	5,634,926	5,686,174
Allowance for doubtful debts	*(27,632)*	*(3,118)*
Total	**5,607,294**	**5,683,056**

The carrying value of trade receivables is fair value. Balance of trade debtors is HUF 5,607 million, which is HUF 76 million lower 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	**3,118**	**2,902**
Impairment losses recognised on receivables	24,514	1,438
Impairment losses reversed	-	(1,222)
De-recognition of receivables as uncollectable debt	-	-
Balance at the end of the year	**27,632**	**3,118**

5 Inventories

	December 31, 2022	December 31, 2021
Raw materials	5,118,640	2,439,544
Work in progress	1,746,709	1,349,298
Finished goods	1,117,948	1,016,004
Goods	125,895	42,402
Cumulated loss in value for inventories (*)	*(1,622,134)*	*(1,568,636)*
Total	**6,487,058**	**3,278,612**

(*) 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.

The total amount of inventories is HUF 6,487 million, which increased by HUF 3,208 million (98%) compared to 31 December 2021. Balance of raw materials is higher by HUF 2,779 million, balance of semi-finished product is higher by HUF 763 million due to higher raw material purchase prices.

6 Other current assets and prepayments

	December 31, 2022	December 31, 2021
Prepayments	203,400	218,622
Of which: revenue recognized but not invoiced	*92,553*	*39,929*
Of which: rental fee of softwares	*76,390*	*39,785*
Of which: other prepayment	*34,457*	*78,748*
Guarantee receivables	367,093	357,480
Advances paid	298,967	339,858
Of which: advances paid for PP&E	*164,927*	*325,050*
Of which: other advances paid	*88,852*	*14,808*
Employee loans	2,124	3,680
Other receivables	110,159	616,797
Of which: receivables due to sale of investment	–	*371,952*
Total other current assets and prepayments	**981,473**	**1,536,437**

	December 31, 2022	December 31, 2021
Other taxes receivable	94,044	16,397
Corporate income tax receivable	34,330	1,432
VAT receivable	33,265	62,848
Total current tax receivables	**161,639**	**80,677**

Year-end balance of current tax receivables is HUF 81 million higher than in previous period.
Interest in employees loans are the same for each employee, Hungarian prime rate + 5%.

7 Property, Plant and Equipment

	Land and buildings	Machinery and equipment	Property rights	Vehicles and other equipments	Capital projects	Total
Cost:						
January 1, 2021	**7,323,872**	**14,848,698**	**51,119**	**3,439,049**	**13,042**	**24,788,069**
Capitalization	739,007	1,019,957	–	426,533	407,217	2,592,716
Disposals	–	1,063,035	,	40,335	–	1,103,370
Reclassification	–	78,200	–	(78,200)	(344,214)	(344,214)
December 31, 2021	**8,062,879**	**13,996,109**	**51,119**	**3,747,047**	**76,046**	**25,933,200**
January 1, 2022	**8,062,879**	**13,996,109**	**51,119**	**3,747,047**	**76,046**	**25,933,200**
Capitalization	1,134,946	3,274,300	1,517	410,591	5,932	4,827,286
Increase due to acquisition	–	61,422	–	–	–	61,422
Disposals	4,801	509,780	267	79,538	–	594,386
Reclassification	–	70,445	–	–	–	70,445
December 31, 2022	**9,193,026**	**16,892,496**	**52,369**	**4,078,100**	**81,977**	**30,297,968**
Accumulated depreciation:						
January 1, 2021	**1,835,949**	**11,010,941**	**10,767**	**2,182,074**	**–**	**15,039,731**
Charge for year	325,086	1,053,506	–	331,969	–	1,710,561
Disposals	–	665,397	–	35,910	–	701,307
December 31, 2021	**2,161,035**	**11,399,050**	**10,767**	**2,478,133**	**–**	**16,048,985**
January 1, 2022	**2,161,035**	**11,399,050**	**10,767**	**2,478,133**	**–**	**16,048,985**
Charge for year	330,098	901,820	1,323	402,198	–	1,635,439
Disposals	2,400	400,725	1,878	69,206	–	470,453
December 31, 2022	**2,488,733**	**11,900,145**	**13,968**	**2,811,125**	–	**17,213,971**
Net book value:						
December 31, 2020	**5,487,923**	**4,079,123**	**40,352**	**1,256,975**	**13,042**	**9,748,338**
December 31, 2021	**5,901,844**	**2,597,059**	**40,352**	**1,268,914**	**76,046**	**9,884,215**
December 31, 2022	**6,704,293**	**4,992,351**	**38,401**	**1,266,975**	**81,977**	**13,083,997**

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

8 Right of use assets

Rights of use movement table (values in thousands of HUF)	Property rights	Machinery and equipment	Vehicles and other equipments	Total
Cost:				
January 1, 2021	**133,500**	**1,556,173**	**324,573**	**2,014,246**
Additions	–	320,415	–	320,415
Disposals	133,500	–	–	133,500
December 31, 2021	**–**	**1,876,588**	**324,573**	**2,201,161**
January 1, 2022	**–**	**1,876,588**	**324,573**	**2,201,161**
Additions	–	–	96,628	96,628
Disposals	–	–	–	–
December 31, 2022	**–**	**1,876,588**	**421,201**	**2,297,789**
Accumulated depreciation:				
January 1, 2021	**123,231**	**504,801**	**180,232**	**808,264**
Charge for year	10,269	389,443	72,114	471,826
Disposals	133,500	–	–	133,500
December 31, 2021	**–**	**894,243**	**252,346**	**1,146,590**
January 1, 2022	**–**	**894,243**	**252,346**	**1,146,590**
Charge for year	–	479,887	92,755	572,643
December 31, 2022	**–**	**1,374,130**	**345,102**	**1,719,232**
Net book value:				
January 1, 2021	**10,269**	**1,051,372**	**144,341**	**1,205,983**
January 1, 2022	**–**	**982,345**	**72,227**	**1,054,572**
December 31, 2022	**–**	**502,457**	**76,100**	**578,557**

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

9 Current year acquisitions

Zipper Services SRL, member of the ANY Group acquired 100% quota share in Romanian company ATLAS Trade Distribution SRL on 15th February 2022. Quota share was registered by the Romanian Trade Registry. ATLAS SRL is a Bucharest located printing company, which effectively completes portfolio of Zipper with its own contracts.
Non-controlling interest is taken into consideration by the Group in proportion of each non-controlling interest compared to the fair value of the identifiable net assets of the acquired company.
Fair value of the assets and liabilities of the acquired company at the date of acquisition:

	Fair value at the date of acquisition (in HUF thousands)
Assets	
Property, plants and equipment	61,514
Immaterial assets	332,222
Deferred tax assets	249
Inventories	43,397
Trade receivables	81,285
Cash and cash equivalents	53,833
Other receivables	33,576
Other assets	2,034
Total assets	**608,110**
Liabilities	
Deferred tax liabilities	53,516
Trade payables	94,841
Loans and borrowings	26,606
Other liabilities	25,004
Total liabilities	**199,967**
Total identified net assets at fair value	**408,143**

From the date of acquisition until the end of the reporting period net sales consolidated to financial statements of the acquired company were HUF 1,167,045 thousands, profit before tax was HUF 180,482 thousands, while total FY 2022 net sales consolidated would have been HUF 1,315,616 thousands, profit before tax would have been HUF 193,832 thousands, if the date of acquisition had been the starting date of the reporting period.

Summary of consideration transferred at acquisition:

	Breakdown of consideration (in HUF thousands)
Cash consideration	466,278
Contingent consideration	12,574
Total consideration	**478,852**

Contingent consideration consists a payment due on 31st May 2023, which is based on the average EBITDA of the last three years of ATLAS. Based on the judgement of the Group and the management of Zipper the probability of the payment is more than probable. Contingent consideration is classified as other short term liability.

Goodwill arising from the acquisition was calculated by the Group as follows:

	Values at the date of acquisition (in HUF thousands)
Total consideration (+)	478,852
Value of non-controlling interest (+)	163,257
Fair value of net assets (-)	408,143
Goodwill	**233,966**

Cash-flows connected to the acquisition is summarized as follows:

	Values at the date of acquisition (in HUF thousands)
Cash consideration	466,278
Transaction costs directly attributable to acquisition	–
Net cash and cash equivalent acquired by ATLAS	53,833
Net cash-flow of the acquisition	**412,445**

Transaction costs in connection with the acquisition are not significant, and the Group is not able to identify and measure transaction costs separately from legal and other costs arising in course of normal business.

10 Goodwill

	December 31, 2022	December 31, 2021
Zipper Services SRL.	276,231	276,231
ATLAS Trade SRL.	233,966	–
Gyomai Kner Nyomda Zrt.	26,994	26,994
Techno-Progress Kft.	20,509	20,509
Specimen Zrt.	12,123	12,123
Goodwill	**569,823**	**335,857**

The 5 five year term budgets used for the evaluation of the goodwill are reflecting the management's best knowledge and information about the expected conditions of the financial environment. The expected net sales revenue growth rate is between 4-6% based on the financial achievement and market conditions. Discount rate used is 8%. Detailed information about goodwill on ATLAS Trade SRL transaction can be found in point 9.

COST

	December 31, 2022	December 31, 2021
Balance at the beginning of the year	335,857	335,857
ATLAS transaction	233,966	–
Balance at the end of the year	**569,823**	**335,857**

ACCUMULATED IMPAIRMENT LOSSES

At the end of the year the Group examined goodwill's remunerative value and recognized that there was no need to account impairment losses on the goodwill. When evaluating the goodwill the Group uses 5 year plans and uses DCF method for EBITDA, which is adjusted by cash balance and net debt balance resulting in final enterprise value. When applying 5 year budgets, first year budget is approved, next years' budgets are calculated by considering yearly 5% growth rate. This 5% growth rate is the expected growth rate of subsidiaries by the parent company. Due to the events occurred in the economy in FY 2022 discount rate was increased by the Group by 200 basis points compared to previous year. Any further 100 basis point increase in the discount rate would result in a decrease of recoverable amount by 2%. The Group considers the subsidiaries as CGU (cash-generation unit) based upon their sizes, assets and operation.

Goodwill impairment indications calculated on cash-generation units (CGU) in HUF thousands:	December 31, 2022		December 31, 2021	
	Recoverable amount	Proportionate part of carrying value of CGU	Recoverable amount	Proportionate part of carrying value of CGU
Zipper Services SRL.	2,333,267	778,583	1,562 574	662,107
ATLAS Trade SRL	413,835	412,484	–	–
Gyomai Kner Nyomda Zrt.	1,402,914	865,692	1,341 266	922,350
Techno-Progress Kft.	485,870	119,290	681 001	78,394
Specimen Zrt.	202,545	14,395	156 828	15,103
Net value of Goodwill	**4,838,431**	**2,190,444**	**3,741 669**	**1,677,954**

11 Intangibles

	Research and development costs	Softwares	Value of contracts recognised based on IFRS 3	Total intangibles
Historical cost:				
January 1, 2021	**269,161**	**100,544**	**–**	**369,705**
December 31, 2021	**269,161**	**100,544**	**–**	**369,705**
January 1, 2022	**269,161**	**100,544**	**–**	**369,705**
Additions	–	–	332,222	332,222
December 31, 2022	**269,161**	**100,544**	**332,222**	**701,927**
Accumulated amortisation:				
January 1, 2021	**268,172**	**100,544**	**–**	**368,716**
Amortisation	989	–	–	989
December 31, 2021	**269,161**	**100,544**	**–**	**369,705**
January 1, 2022	**269,161**	**100,544**	**–**	**369,705**
Amortisation	–	–	84,607	84,607
December 31, 2022	**269,161**	**100,544**	**84,607**	**454,312**
Net book value:				
January 1, 2021	**989**	**–**	**–**	**989**
December 31, 2021	**–**	**–**	**–**	**–**
December 31, 2022	**–**	**–**	**247,615**	**247,615**

12 Other payables tax liabilities, government grants and accruals

	December 31, 2022	December 31, 2021
Accrued management bonuses	716,455	589,675
Other accruals	516,626	475,760
Of which: accrued creditors	*146,801*	*56,707*
Social security	64,373	233,895
Salaries and wages	408,340	180,573
Advance payments from customers*	7,643,161	36,147
Other short term liabilities	560,629	27,215
Other payables and accruals	**9,909,584**	**1,543,265**

* 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	775,243	576,015
Personal income tax	102,583	188,017
Social contribution	109,281	30,807
Other taxes	155,435	456,086
Total current tax liabilities	**1,142,542**	**1,250,925**

Total current tax liabilities, other payables and accruals amounts to HUF 11,052 million, which increased by HUF 8,258 million compared to December 31, 2021.

Other accruals consists government grants accrued according to the following table:

	December 31, 2022	December 31, 2021
Opening balance of accrued government grant	**213,012**	**259,739**
Government grant posted to other income in current year	36,652	46,727
Closing balance of accrued government grant	**176,361**	**213,012**
Out of which long term part	**139,709**	**166,285**
Out of which short term part	**36,652**	**46,727**

SUPPORT RECEIVED

Gyomai Kner Nyomda Zrt won government grant in PM/3935 subsidy project for purchasing innovative, modern printing machine in 2020. The grant received was in amount of HUF 259,739 thousands in 2020, out of which was accounted to SPLOCI in 2021 in value of HUF 46,727, in 2022 in value of HUF 36,652 thousands parallel to the depreciation charged to SPLOCI in connection to the assets purchased from the grant, so accrued balance of the grant was HUF 176,361 thousands as at 31st December 2022.

13 Short term and long term loans

	December 31, 2021	Increase	Decrease	December 31, 2022
Short term part of long term loan of Parent Company	1,993,820	428,683	220,494	2,202,009
Other short term loans of subsidiaries	321,588	25,294	8,371	338,511
Total short term loans and overdrafts	**2,315,408**	**453,977**	**228,865**	**2,540,520**
Long term loan of Parent Company	2,865,575	3,407,673	2,060,323	4,212,925
Long term loan of subsidiary	221,959	–	77,097	144,862
Total long term loans	**3,087,534**	**3,407,673**	**2,137,420**	**4,357,787**
Total loans and borrowings	**5,402,942**	**3,861,650**	**2,366,285**	**6,898,307**

The Group has overdraft limit (market interest rate, based on 1 month BUBOR) in value of HUF 4.3 billion from which HUF 0.3 billion is secured by mortgage and sales revenue assignment.
Based on the overdraft limit contracts the available amount of overdraft can be used is HUF 4.3 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 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.

16 Retained earnings, non-controlling interest

Retained earnings available for distribution are based on the unconsolidated financial statements of the Company prepared in accordance with IFRS and related Hungarian Accounting and Civil Law. The amount of the retained earnings in the Company's IFRS financial statement is HUF 7,888,003 thousands of which not distributable HUF 2,311,230 thousands. Retained earnings available for distribution is HUF 5,576,773 thousands.
Non-controlling interest is a part of the Shareholders' equity, which belongs to the owners of the subsidiaries other than the parent Company in the proportion of their ownership.

Non-controlling interest in HUF thousands	FY 2022	FY 2021
Opening balance	**1,048,010**	**1,356,307**
Dividend paid to minority shareholders (after FY 2021 income)	(498,738)	(218,791)
Profit after tax attributable to non-controlling interests	450,257	365,448
Effect of revaluation based on IAS 21	*67,094*	*7,760*
Changes connected to Direct Services transaction	–	(336,314)
Changes connected to Zipper Services transaction (without changing ownership control)	–	(126,400)
Changes connected to ATLAS transaction	163,256	0
Closing balance	**1,229,879**	**1,048,010**

17 Net sales

Sales	2022	2021
Sales revenue from customer contracts	43,179,930	40,657,532
Total sales	**43,179,930**	**40,657,532**

Sales segments	2022	2021
Security products and solutions	15,292,099	10,579,350
Card production and personalization	13,302,257	16,227,288
Form production and personalization. data processing	11,366,285	10,858,361
Traditional printing products	2,106,850	1,815,532
Other	1,112,439	1,177,001
Total net sales	**43,179,930**	**40,657,532**

Total revenue in 2022 by countries:

Revenue by Countries	2022	2021
Hungary	27,095,453	26,193,318
Romania	10,369,121	8,259,803
Africa	2,894,648	3,113,880
Bulgaria	532,657	1,183,730
Slovakia	448,457	482,575
Germany	410,551	340,742
Austria	279,714	252,301
Norway	235,832	181,618
Moldova	165,207	176,235
Poland	129,547	129,382
Other European countries	454,158	310,136
Other countries of the world	164,585	33,812
Total	**43,179,930**	**40,657,532**

18 Other expenses, net

Other incomes and expenses	2022	2021
Received subsidy	38,415	46,727
Other items	27,058	77,104
Received discount	22,857	7,499
Reversed loss in value for inventories	20,257	5,000
Reversed loss in value for trade receivables	5,419	–
Total other incomes	**114,006**	**137,891**
Loss in value for inventories (*)	186,849	871,044
Permanent cash contribution	81,316	13,853
Fines, penalties	36,423	–
Building tax, land tax	29,985	30,874
Loss in value for trade receivables	24,508	1,438
Other items	113,600	27,195
Total other expenses	**472,681**	**944,404**
Total	**(358,675)**	**(806,513)**

(*) 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.

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

19 Interest income/expenditure

	2022 (thHUF)	2021 (thHUF)
Interest income	45,994	13,627
Interest expenditure	(246,169)	(83,862)
Net profit on interest	**(200,175)**	**(70,235)**

20 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	28,199,935	24,455,733
Personal type expenditures	9,739,651	9,596,627
Depreciation and amortization	2,047,169	1,711,550
Changes in inventory and own performance	(601,527)	(321,806)
Total cost and expenditures	**39,385,228**	**35,442,104**
Cost of sales	30,555,068	26,730,445
Selling general and administration	8,830,160	8,711,659
Total direct and indirect cost of sales	**39,385,228**	**35,442,104**

During the year 2022, 2,047 million depreciation was accounted for, which is 335 million (20%) higher than the base period value.
Cost of sales amounted to 30,550 million, compared to the last year's figure 26,730 million.
Personal type expenditures amounted to 9,740 million, compared to the last year's figure 9,597 million.
Selling general and administration amounted to 8,830 million, compared to the last year's figure 8,712 million.
The average number of employees of the Group during the year was 1,082 (2021: 991).

21 Taxation

	December 31, 2022	December 31, 2021
Current year local business tax	325,380	390,721
Current year corporate income tax	199,427	189,823
Innovation contribution	49,055	58,863
Current year tax expense	573,862	639,407
Deferred tax (income) / expense	117,722	270,176
Total tax expense	**691,584**	**909,583**

Based on the decision of the Hungarian Parliament, 9% corporate tax rate has to be applied for the Hungarian companies from the calendar year of 2017. In case of the domestic subsidiaries we applied the new 9% corporate tax rate when calculating deferred tax. The tax liability of the foreign companies of the Group is taken into consideration with the effective tax legislation of their country of incorporation.
Under the tax legislation the Group is allowed to establish a tax-deductible development reserve. Assets acquired using this reserve then do not qualify for tax depreciation up to the value of the reserve. Therefore this is effectively a form of accelerated depreciation. Development reserves have been established based on the Group's current year and previous years pre-tax profit and a deferred tax liability has been recognized on the deferred tax effect of the accounting and tax depreciation difference of the assets. The Group decreased its deferred tax liabilities by the valuation difference for treasury shares based on the Hungarian Accounting Standards.
Tax losses can be carried forward up to the next years offset future taxable profits (until its 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	**682,477**	**421,586**
Deferred tax liability due to development reserve	127,405	240,717
Deferred tax on accounting and tax depreciation difference of assets not connected to development reserve	3,979	(12,308)
ANY Ingatlanhasznosító Kft. revaluation reserve opening balance 2016	–	40,260
Depreciation accounted on ANY Ingatlanhasznosító Kft. revaluation reserve between 2017 and 2021	–	(7,778)
Depreciation accounted on ANY Ingatlanhasznosító Kft. revaluation reserve in 2022	(1,556)	–
Deferred tax liability arising from ATLAS transaction	40,063	–
Closing deferred tax liability	**852,368**	**682,477**

	December 31, 2022	December 31, 2021
Opening deferred tax assets	**13,484**	**22,769**
Deferred tax asset on write-off for bad debts	448	(260)
Deferred tax asset on deferred yearly losses	(1,796)	(9,025)
Deferred tax asset arising from ATLAS transaction	249	–
Closing deferred tax assets	**12,385**	**13,484**

	December 31, 2022	December 31, 2021
Opening deferred tax liability net	**668,993**	**398,817**
Closing deferred tax liability net	**839,984**	**668,993**

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 and non-controlling interest	**3,385,883**	**4,881,648**
Tax at statutory rate of 9%(*)	304,729	439,348
Effect of the development reserve raised	(162,000)	(288,000)
Other permanent differences(**)	56,698	38,475
Corporate income tax expense	**199,427**	**189,823**

* The foreign tax rules were not considered in this calculation. The differences from that method can be find in row of Other permanent differences (net). In this calculation 9% tax rate valid in 2021 has been applied.
** Other permanent differences are coming from tax base modification items, and from the different tax rates used abroad.

22 Other comprehensive income for the year

Other comprehensive income for the year	31 December, 2022	31 December, 2021
Revaluation effect of non-monetary SOFP items in other currency than HUF based on IAS 21 (*)	137,932	16,672
Total other comprehensive income for the year	**137,932**	**16,672**

* Revaluation effect of increasing EUR fx exchange rate from consolidation

23 Earnings per share

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

	December 31, 2022	December 31, 2021
Weighted average shares outstanding for:	14,345,808	14,345,808
Net income used in the calculation	2,244,042	3,606,617
Basic and diluted earnings per share:		
Basic (HUF per share)	156	251
Fully diluted (HUF per share)	156	251

24 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 Group reclassified HUF 2,311 million to the restricted reserves, which has not been utilised yet. Corporate tax base was decreased by this amount in line with the relevant Hungarian regulations under the condition, that this amount will be spent for capital expenditures in the following six years, otherwise the deducted corporate tax has to be repaid to the Hungarian Tax Authority grossed up with its fines and interests.
The Group does not have any provisions.

25 Short term and long term part of lease liabilities

Leasing liabilities expiry analysis (in thHUF)	Leasing liabilities related to real estates	Leasing liabilities related to machinery and equipment	Leasing liabilities related to vehicles	Total
Expired leasing liabilities in 2023	–	229,871	57,935	287,807
Expired leasing liabilities in 2024	–	53,007	4,875	57,882
Expired leasing liabilities in 2025	–	24,938	1,403	26,341
Expired leasing liabilities in 2026	–	25,616	391	26,007
Expired leasing liabilities in 2027	–	2,166	–	2,166
Total	**–**	**335,599**	**64,604**	**400,203**

Leasing liabilities expiry analysis (in thHUF)	Leasing liabilities related to real estates	Leasing liabilities related to machinery and equipment	Leasing liabilities related to vehicles	Total
Expired leasing liabilities in 2023	–	308,895	50,353	359,248
Expired leasing liabilities in 2024	–	229,852	12,283	242,135
Expired leasing liabilities in 2025	–	36,586	–	36,586
Total	**–**	**575,333**	**62,636**	**637,969**

Leasing interest analysis (in thHUF)	Leasing interest relating to real estates	Leasing interest relating to machinery and equipment	Leasing interest relating to vehicles	Total
Leasing interest in 2022	–	12,031	3,630	15,661
Leasing interest in 2021	–	16,076	2,132	18,208

Leasing obligation movement table (values in thousands of HUF)	Leasing liabilities related to real estates	Leasing liabilities related to machinery and equipment	Leasing liabilities related to vehicles	Total
January 1, 2021	**14,173**	**726,097**	**155,123**	**895,392**
Additions	–	320,415	–	320,415
Disposals	14,173	471,179	92,488	577,840
December 31, 2021	**–**	**575,333**	**62,635**	**637,967**
January 1, 2022	**–**	**575,333**	**62,635**	**637,967**
Additions	–	–	96,630	96,630
Disposals	–	239,734	94,661	334,395
December 31, 2022	**–**	**335,599**	**64,604**	**400,203**
Long term part of closing balance	**–**	**105,727**	**6,668**	**112,396**
Short term part of closing balance	**–**	**229,871**	**57,935**	**287,807**

SPLOCI items connected to leasing transaction (in HUF thousands)	December 31, 2022	December 31, 2021
Depreciation charged of leased assets	502,198	471,826
Interest expenses of lease liabilities	15,661	18,208
Total costs / expenditures	**517,859**	**490,034**

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

26 Related party transactions

The Group purchased management services from EG Capital in value of HUF 190 million in 2022 (HUF 154 million in 2021).

27 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, the members of the Supervisory Board and the senior officers. The number of shares hold in ANY Security Printing Company PLC is also presented as at 31 December 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	Dr. Gábor Kepecs	Member of Board of Directors	May 31, 2018	April 30, 2023	–
BD	Tamás Erdős[3]	Member of Board of Directors	May 31, 2014	April 30, 2023	999,536
BD	Erwin Fidelis Reisch	Member of Board of Directors	May 31, 2014	April 30, 2023	–
SB	Prof. Dr. István Stumpf	Chairman of Supervisory Board	April 27, 2021***	May 31, 2024	–
BD, SB	Dr. Istvánné Gömöri[4]	Deputy chairman of Supervisory Board	August 11, 2005*	May 31, 2024	536,703
SB	Ferenc Berkesi	Member of Supervisory Board	August 11, 2005*	May 31, 2024	–
BD, SB	Dr. Imre Repa	Member of Supervisory Board	March 30, 2007*	May 31, 2024	–
SB	Katalin Hegedűs	Member of Supervisory Board	May 31,2020	May 31, 2024	–
SB	László Hanzsek	Member of Supervisory Board	May 31,2020	May 31, 2024	–
SB	Gábor Kun	Member of Supervisory Board	May 31,2020	May 31, 2024	–
Number of ANY shares hold, TOTAL:					**4,096,149**

[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. Istvanné Gömöri controls ANY shares indirectly through BELU S.A.R.L.
* Re-elected by the Annual General Meeting held on 31st March, 2014.
** Gábor Zsámboki has been the deputy chairman of the Board of Directors since 11th August, 2014.
*** Elected by the Board of Directors entitled with AGM rights on 27th April, 2020.

28 Risk management

FOREIGN CURRENCY RISK

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

		December 31, 2022		December 31, 2021	
ANY Group	**Currency**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**
Foreign currency receivables	EUR	2,395,050	2,395,050	2,540,334	2,540,334
	BGN	–	–	–	–
	RON	35,250,377	35,250,377	31,862,322	31,862,322
	MDL	4,027,770	4,027,770	662,422	662,422
	DKK	–	–	27,638	27,638
	SEK	–	–	–	–
	USD	117,889	117,889	(1,337)	(1,337)
Total (in HUF thousands)		**3,934,002**	**3,934,002**	**3,326,175**	**3,326,175**
Foreign currency cash	EUR	7,295,995	7,295,995	1,167,049	1,167,049
	USD	6,034,117	6,034,117	3,386	3,386
	GBP	3,236	3,236	1,019	1,019
	BGN	–	–	–	–
	RON	9,103,299	9,103,299	7,417,506	7,417,506
	MDL	12,681,411	12,681,411	3,602,436	3,602,436
	DKK	–	–	–	–
	SEK	–	–	–	–
Total (in HUF thousands)		**6,173,793**	**6,173,793**	**1,046,731**	**1,046,731**
Foreign currency liabilities	EUR	20,376,217	20,376,217	1,943,340	1,943,340
	USD	156,062	156,062	2,300	2,300
	CHF	16,062	16,062	29,959	29,959
	BGN	–	–	–	–
	RON	34,745,978	34,745,978	19,758,154	19,758,154
	MDL	4,817,695	4,817,695	792,150	792,150
Total (in HUF thousands)		**11,125,585**	**11,125,585**	**2,220,832**	**2,220,832**
Impact of a possible 1% foreign exchange rate decrease in each foreign currency (in HUF thousands)		**December 31, 2022**		**December 31, 2021**	
Impact on foreign currency assets		**1,010,780**	**1,010,780**	**43,778**	**43,778**
Impact on foreign currency liabilities		**(1,112,559)**	**(1,112,559)**	**(22,208)**	**(22,208)**
Total impact of possible foreign exchange rate change		**(101,779)**	**(101,779)**	**21,569**	**21,569**

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

INTEREST RATE RISK

Due to the moderate level of debts in the Group potential interest rate changes would not influence significantly the amount of interests to be paid by the Group. Based on the balance of Credits of the Group. a potential interest rate increase of 100 basis points relevant to our credits would increase our interest expenses by approximately HUF 68,754 thousands in the year 2022. (This was HUF 54,029 thousands in the year 2021.)

LIQUIDITY RISK

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

ANY Group FY 2022	In 1 month	1–3 months	3 months–1 year	1–5 years	Over 5 years	Total
Trade payables	4,269,702	30,242	26,230	26	–	4,326,200
Lease liabilities	23,982	47,784	215,838	112,599	–	400,203
Credits	199,006	398,012	1,943,502	4,357,787	–	6,898,307
Other liabilities and accruals (without taxes)	9,774,926	13,374	120,462	822	–	9,909,584
Current tax liabilities	1,142,028	514	–	–	–	1,142,542
Total	**15,409,644**	**489,926**	**2,306,032**	**4,471,234**	**–**	**22,676,836**

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

CREDIT RISK

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Trade receivables consist of a large number of costumers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.
The financial discipline of the debtors of the Group is really good, which is also represented by the low portion of cumulated provision on trade receivables compared to the gross amount of trade receivables: 0.1%. (This was 0.07% in 2021.) The more than 90 days overdue receivables out of total aged receivables of the Group is 0,3%.

29 Purchasing and selling of subsidiaries

ANY Plc. purchased 50% share quota in Zipper Services SRL previously owned by Tipo Offset SRL in value of EUR 1.8 million (HUF 668,160 thousands) on 13th December 2021, of which 40% share quota in value of EUR 1.44 million (HUF 531.360 thousands) was sold to the general director of Zipper Services SRL, so the parent company has 60% ownership in Zipper Services SRL as at 31st December 2021. ANY Plc had 50% ownership in Zipper Services Srl. and consolidated as a subsidiary based on agreements even before the transaction, therefore due to the transaction non-controlling interest decreased by HUF 126,400 thousands and retained earnings decreased by HUF 10,400 thousands. These changes contain the changes related to TipoDirect SERV Srl. due to the 100% ownership of Zipper Services Srl. in the Moldavian subsidiary. ANY Plc. sold its 50% ownership stake in Direct Services OOD to the co-owner Power Solutions OOD on 29th July 2021. The consideration received was EUR 2 million (HUF 717,620 thousands). The following assets and liabilities were deconsolidated as a consequence of the Direct Services OOD transaction:

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

In connection to ATLAS transaction cash consideration transferred was HUF 466,278 thousands until 31st December 2022, which was deducted by HUF 53,833 thousands carrying value of cash and cash equivalents of ATLAS. (Further details about ATLAS transaction can be found in point 9.)

30 Significant events after the reporting period

DECISIONS OF THE 22ND MARCH 2023 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 PUBLIC LIMITED COMPANY BY SHARES

CONSOLIDATED BUSINESS REPORT

FOR THE YEAR ENDED 31 DECEMBER, 2022

Analysis of the Group's performance in FY 2022

Net sales of ANY PLC for 2022 amounted to HUF 43.2 billion which is higher by HUF 2.5 billion (6%) than in the previous year. Changes in case of strategic product segments were as follows: sales of security products, solutions were HUF 15.3 billion, which is HUF 4.7 billion (45%) higher than the figure in the basis period; data processing were HUF 11.4 billion, which is HUF 0.5 billion (5%) higher than the figure in the basis period, whilst sales of card production, personalisation were HUF 13.3 billion. Ratio of strategic products segments in total net sales was 93% in 2022.
Export sales amounted to HUF 16.1 billion as at December 31, 2022, which is HUF 1.8 billion higher than in the previous year, representing 37% export sales ratio.
Consolidated EBITDA is HUF 5,633 million.
Consolidated operating income is HUF 3,586 million.
Consolidated net income after interest income, taxation and non-controlling interest is HUF 2,244 million.

INCOME STATEMENT ANALYSIS

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

1. Table: Net sales by segments

Sales segments	2021, HUF millions	2022, HUF millions	Change (B–A)	Change, % (B/A–1)
Security products and solutions	10,579	15,292	4,713	44.55%
Card production and personalization	16,227	13,302	(2,925)	–18.03%
Form production and personalization, data processing	10,858	11,367	509	4.69%
Traditional printing products	1,816	2,107	291	16.02%
Other	1,177	1,113	(64)	–5.44%
Total net sales	**40,657**	**43,181**	**2,524**	**6.21%**

ANY PLC had consolidated net sales of 43,181 million in 2022, which is HUF 2,524 million (6%) higher than the sales for the base period.
Sales of **security products and solutions** came to HUF 15,292 million in 2022 which means an increase of HUF 4,713 million (45%) compared to the base period. The increase is mainly due to the election ballots printed with security elements, other printed forms and security documents.
The Company's revenues from **card production and personalisation** totalled HUF 13,302 million in the period of reference. 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, personalisation and data processing** came to HUF 11,367 million in 2022, HUF 509 million (5%) higher than the sales for the base period. The change derives from higher volume of printed forms in export sales.
Sales of **traditional printing products** amounted to HUF 2,107 million in the period of reference, which means a HUF 291 million (16%) increase compared to the previous year's similar period. Higher volume of book orders is behind the change.
Other sales totalled HUF 1,113 million in 2022, which is a decrease of HUF 64 million compared to the correspondent period of the last year. This segment mainly comprises revenues from the sale of commercial materials and goods.

Operating income came to HUF 3,586 million, a decrease of HUF 867 million (20%) compared to the previous period.
Gross profit totalled HUF 12,625 million, which means a 29% gross margin. General (SG&A) expenses amounted to HUF 8,830 million in 2022, which equals to 20% of net sales.
Material expenses amounted to HUF 28,200 million, higher by HUF 3,744 million (15%) in the current period due to increased raw material prices, mediated services and the higher turnover.
The capitalized value of own performance line shows the capitalized value of assets produced and the change in inventories manufactured. These figures were driven mainly by the change in inventories in both periods presented; the most significant of these is the value of work-in-production (WIP) connected to security and card products.
Personnel expenses totalled HUF 9,740 million, which is HUF 164 million higher than in the base period.
EBITDA amounted to HUF 5,633 million due to the change in operating income and depreciation, which represents a decrease of HUF 1,136 million compared to previous period's EBITDA. Therefore EBITDA margin is 13%.
Net interest income amounted to -175 million HUF in 2022. Net income – after financial operations, taxation and minority interest – came to HUF 2,244 million in 2022, which is HUF 1,363 million (38%) lower in the base period.

BALANCE SHEET ANALYSIS

The Company had total assets of HUF 34,128 million on 31 December 2022, which increased by HUF 11,069 million compared to the previous year-end.
Receivables amounted to HUF 5,607 million which represents a HUF 76 million decrease compared to the 2021 year-end.
Cash and bank totalled HUF 6,393 million which represents a HUF 5,096 million increase compared to the 2021 year-end balance due to the advance payment received in connection with the sale of the Angolan passport system.
Inventories totalled HUF 6,487 million, which is a HUF 3,208 million (98%) increase compared to the 31 December 2021 figure mainly due to raw materials and increased work-in progress and semi-finished products.
Other current assets and prepayments amounted to HUF 1,143 million, which is increased by HUF 474 million compared to previous year-end mainly due to the decrease in the balance of advance payments granted and other receivables.
The balance of property, plant and equipment at the end of December 2022 was HUF 13,084 million, an increase of HUF 3,200 million compared to the end of 2021 due to the investments made in the framework of the HIPA tender and due to the KBA Mini Orlof Intaglio purchased last quarter.
Goodwill amounted to HUF 570 million which is a HUF 234 million increase compared to the 31 December 2021 figure due to the purchase of shares of ATLAS Trade Distribution SRL.
Accounts payable totalled HUF 4,326 million, HUF 1,142 million (36%) higher compared to the end of December 2021 due to the higher turnover.
Other payables and accruals amounted to 11,052 million, which is increased by HUF 8,258 million compared to the 31 December 2021 figure mainly due to advances received from customer in connection with the sale of the Angolan passport system.
Lease liabilities relating to the purchase of fixed assets have a balance of HUF 400 million, from which HUF 112 million is long-term part, HUF 288 million is short-term liability.
Balance of long-term loans totalled HUF 4,358 million which represents a HUF 1,270 million increase compared to the 2021 year-end. The Company's operation is financed by short term loans, which reached HUF 2,541 million on 31 December, 2022, out of which short term part of long term loan is HUF 2,209 million.

RISK MANAGEMENT

Foreign currency risk

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

Interest rate risk

Due to the moderate level of debts in the Group. potential interest rate changes would not influence significantly the amount of interests to be paid by the Group. Based on the balance of Credits of the Group. a potential interest rate increase of 100 basis points relevant to our credits would increase our interest expenses by approximately HUF 68,754 thousands in the year 2022. (This was HUF 54,029 thousands in the year 2021.)

Liquidity risk

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

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Trade receivables consist of a large number of costumers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.
The financial discipline of the debtors of the Group is really good, which is also represented by the low portion of cumulated provision on trade receivables compared to the gross amount of trade receivables: 0.01%. (This was 0.07% in 2021.) The more than 90 days overdue receivables out of total aged receivables of the Group is 0.03%.

Supplementary information for the business report of ANY Group

THE COMPANY'S EMPLOYMENT POLICY

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

ENVIRONMENT PROTECTION

The parent company has ISO 14000:2005 Environmental Control System certificate audited by Det-Norske Veritas. The expiry date of the certification is January 11, 2025. The environmental certificate covers the following fields: printed products, security products, documents, development, production and personalization of plastic cards and bankcards. Research and development and production of security materials. Electronic reprocessing and delivering of printed forms. Chip embedding and encoding at smart cards. Research and development of traditional/general and mobile information technology solutions, operation and support of connected services. Electronic archiving of data, data processing, database management, setting up archives, storing of documents for fee.
Dangerous waste is continuously eliminated after leaving the company sites. In 2022, 12,919 kg dangerous waste was transported and eliminated. The parent company has being awarded Green Printing House Award for twelve consecutive years this year.

RESEARCH AND DEVELOPMENT

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

The direct cost of basic research, applied research and experimental development incurred in the current year is HUF 84 million.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Consolidated Financial Statements were accepted by the Board of Directors of ANY Group on 10th March, 2023.

TREASURY SHARES IN FY2022

2. Table: Treasury shares

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

Number of treasury shares held by the Group on 31st December 2022 is 448,842 which were purchased at an average price of HUF 1,014 per share.
The Group's total share equity was HUF 1,449,876 thousands on 31 December 2022 which consists of 14,794,650 pieces of series 'A' registered, dematerialized ordinary shares with a nominal value of HUF 98 each.

COMPETENCE, ELECTION AND REMOVAL OF CORPORATE OFFICERS

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

MODIFICATION OF THE STATUTES

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

STRUCTURE OF SHAREHOLDERS OVER 5% SHARE

3. Table: Structure of shareholders

Investor	Voting right (%)	Ownership (%)
Owners above 5% share		
EG CAPITAL LLC (*)	11.98%	11.62%
DIGITAL FOREST LLC (**)	6.97%	6.76%
AEGON ALFA SZÁRMAZTATOTT ALAP	8.87%	8.60%
Owners below 5% share		
Domestic Institutional Investors	28.94%	28.06%
Foreign Institutional Investors	10.75%	10.42%
Foreign Individual Investors	0.54%	0.52%
Domestic Individual Investors	28.53%	27.66%
Management, employees	2.42%	2.34%
Treasury shares	0.00%	3.03%
Other	1.00%	0.99%

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

Budapest, 22nd March 2023

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Chief Executive Officer

STATEMENT OF RESPONSIBILITY

Gábor Zsámboki, as the CEO of ANY Security Printing Company Plc., I hereby declare that the consolidated annual report based on the applicable accounting rules and on our best knowledge gives a true and fair view about the assets, liabilities, financial position, profit and loss of the issuer and the legal entities involved into the consolidation, furthermore the consolidated management report gives a true and fair view about the position, development, and achievement of the issuer and the legal entities involved into the consolidation while reviewing the main risks and uncertainty factors.

Budapest, 22nd March 2023

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Chief Executive Officer

ANY GROUP

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