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

Independent Auditors’ Report and Financial Statements

for the year ended December 31, 2020

Halom utca 5, 1102 Budapest, Hungary | www.any.hu
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ANY Security Printing Company Public Limited Company

Audited Financial Statements

December 31, 2020

Table of content

TABLE OF CONTENT 2

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020 DECEMBER 31, 2019....10

FINANCIAL STATEMENT OF COMPREHENSIVE INCOME AS AT DECEMBER 31, 2020 11

CHANGES IN SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2020....12

CASH-FLOW AS AT DECEMBER 31, 2020....13

SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS DEC. 31, 2020 14

1 GENERAL 14

2 SIGNIFICANT ACCOUNTING POLICIES....16

3 CASH AND BANK....27

4 ACCOUNTS RECEIVABLES 27

5 INVENTORIES 27

6 OTHER CURRENT ASSETS AND PREPAYMENTS....28

7 PROPERTY, PLANT AND EQUIPMENT 30

8 RIGHT OF USE ASSET 31

9 INVESTMENTS 31

10 INTANGIBLES 32

11 OTHER PAYABLES AND ACCRUALS....33

BIZTONSÁGI NYOMDA
SECURITY PRINTING COMPANY
FORMER STATE PRINTING COMPANY
Halom utca 5, 1102 Budapest, Hungary | www.any.hu
Phone: +36 1 431 1200 | info@any.hu

12 SHORT TERM AND LONG TERM LOANS 33

13 SHARE CAPITAL 34

14 SHAREHOLDERS' EQUITY..35

15 NET SALES...38

16 OTHER EXPENSES, NET 40

17 COST OF SALES AND SELLING GENERAL AND ADMINISTRATION COSTS 40

18 DIVIDEND INCOME 41

19 TAXATION 41

20 CONTINGENT LIABILITIES..42

21 SHORT TERM AND LONG TERM PART OF LEASE LIABILITIES..................43

22 RELATED PARTY TRANSACTIONS 44

23 REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD AND THE BOARD OF DIRECTORS 45

24 RISK MANAGEMENT 45

25 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD...........................48

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INDEPENDENT AUDITOR'S REPORT

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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 financial statements

Opinion

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

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

Basis for opinion

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

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

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

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Key audit matters

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

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

Valuation of Investments

The Company's investments in affiliated companies represent HUF 1,656,211 thousand, which is approximately 9% of total assets. Valuation of investments in affiliated companies is a significant judgmental area. Management annually assesses if the investments are impaired in accordance with EU IFRSs. This is a key audit matter as investments in affiliates represent a significant share in total assets and also require significant judgement to determine if the investments are recoverable.	Our audit procedures included, among others, involving specialists who assisted us in evaluating assumptions and methodologies used by the Company to assess whether investments in affiliated companies are impaired. We evaluated the Company's assessment of any triggering events and assessed the accuracy of key inputs used in the model. We reconciled the model to the approved business plan of the subsidiaries and assessed historical accuracy of management's estimates. With the involvement of specialists, we assessed the compliance of the valuation method with EU IFRSs and the consistency of application compared to the prior year. We assessed the adequacy of the Company's disclosures about investments in affiliated companies in accordance with EU IFRSs including the information how the impairment is evaluated by the Company.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the business report and, in doing so, consider whether 1) the business report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and 2) the business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.
Our opinion on the business report of the Company should include the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law have been made available.

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

Appointment and Approval of Auditor

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

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Consistency with Additional Report to Audit Committee

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

Non-audit Services

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

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

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

Budapest, 11 March 2021

(The original Hungarian version has been signed.)

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

Bartha Zsuzsanna Éva
Registered auditor
Chamber membership No.: 005268

ANY Biztonsági Nyomda Security Printing Company
Former State Printing Company
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Statement of Financial Position as at December 31, 2020 December 31, 2019

In HUF thousands:	Notes	December 31, 2020	December 31, 2019
Current assets			
Cash and bank	3	795,834	288,105
Accounts receivables	4	2,208,270	3,096,762
Inventories	5	3,827,668	2,777,069
Other current assets and prepayments (without current tax receivable)	6	2,386,153	2,066,528
Current tax receivables	6	70,293	3,769
Total current assets		**9,288,218**	**8,232,233**
Non-current assets			
Property, plant and equipment	7	3,841,405	3,515,610
Right of use	8	3,975,572	2,670,002
Investments	9	1,656,211	1,656,211
Intangibles	10	989	12,852
Deferred tax assets		1,401	1,407
Other assets	9	6,412	8,196
Total non-current assets		**9,481,990**	**7,864,278**
Total assets		**18,770,208**	**16,096,511**
Current liabilities			
Trade accounts payables		2,412,546	1,961,355
Short term part of lease liabilities	21	822,632	690,280
Other payables and accruals (without current tax liabilities)	11	1,428,698	1,682,054
Current tax liabilities	11	359,161	526,558
Short term loans	12	1,327,161	4,614,087
Total current liabilities		**6,350,198**	**9,474,334**
Long term liabilities			
Deferred tax liability	19	297,568	235,422
Long term part of lease liabilities	21	3,079,559	1,878,935
Long term loans	12	4,174,506	0
Total long term liabilities		**7,551,633**	**2,114,357**
Shareholders' equity			
Share capital	13	1,449,876	1,449,876
Capital reserve	14	250,686	250,686
Retained earnings	14	3,622,863	3,262,306
Treasury shares	14	(455,048)	(455,048)
Total owners' equity	**14**	**4,868,377**	**4,507,820**
Total liabilities and shareholders' equity		**18,770,208**	**16,096,511**

The Supplementary Notes are inseparable parts of the financial statements.

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Financial Statement of Comprehensive Income as at December 31, 2020

In HUF thousands:	Notes	FY 2020	FY 2019
Net sales	15	17,339,261	23,272,608
Cost of sales	17	(12,509,680)	(16,935,317)
Gross profit		**4,830,281**	**6,337,291**
Selling general and administration	17	(4,588,734)	(5,007,738)
Gain/(Loss) on sale of fixed assets		2,052	16,012
Dividend income	18	192,831	389,192
Foreign currency loss		(77,784)	1,206
Other expense, net	16	344,819	(166,214)
Operating income		**703,465**	**1,569,749**
Interest income		22,290	10,242
Interest expense		(145,991)	(108,233)
Profit before tax		**579,764**	**1,471,758**
Deferred tax expense	19	(62,151)	(17,301)
Income tax expense	19	(150,289)	(298,917)
Total tax expense		**(212,440)**	**(316,218)**
Profit after tax		**367,324**	**1,155,540**
Other comprehensive income for the year		0	0
Total comprehensive income for the year		**367,324**	**1,155,540**

The Supplementary Notes are inseparable parts of the financial statements.

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Changes in Shareholders' Equity as at December 31, 2020

in HUF thousands	Share capital	Capital reserve	Profit reserve	Own shares	Total
1, January 2019.	**1,449,876**	**250,686**	**3,268,926**	**(455,048)**	**4,514,440**
Dividend paid (after FY 2018)	0	0	(1,162,160)	0	(1,162,160)
Total comprehensive income for the year	0	0	1,155,540	0	1,155,540
31, December 2019	**1,449,876**	**250,686**	**3,262,306**	**(455,048)**	**4,507,820**
Dividend paid (after FY 2018)	0	0	(6,767)	0	(6,767)
Total comprehensive income for the year	0	0	367,324	0	367,324
31, December 2020	**1,449,876**	**250,686**	**3,622,863**	**(455,048)**	**4,868,377**

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Cash-flow as at December 31, 2020

In HUF thousands:	Notes	FY 2020	FY 2019
Cash flows from operating activities			
Profit before tax		579,764	1,471,758
Depreciation cost of fixed assets	7	988,032	778,196
Amortization cost of intangibles	10	11,863	112,408
Changes in provisions		2,334	461
Gain/(loss) on sale of property, plant and equipment		(2,052)	(16,012)
Dividend income		(192,831)	(389,192)
Interest income		145,991	108,233
Interest expense		(22,290)	(10,242)
Operating cash-flow before working capital changes:		**1,510,811**	**2,055,610**
Changes in accounts receivable and other current assets	4,6	481,556	(691,586)
Changes in inventories	5	(1,050,599)	547,436
Changes in accounts payables, provision and accruals	11	28,592	832,967
Cash provided by operations		**970,357**	**2,744,426**
Interest received		(136,900)	(99,150)
Interest paid		24,139	12,091
Taxes paid, net	19	(92,398)	(241,026)
Net cash provided by operating activities		**765,198**	**2,416,349**
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,619,397)	(3,327170)
Proceeds on sale of property, plant and equipment		2,052	82,504
Received dividend		144,303	282,245
Development costs		-	-
Changes in loans to employees		1,784	(5,734)
Net cash flow used in investing activities		**(2,471,258)**	**(2,968,155)**
Cash flows from financing activities			
Changes in long term loans	12	4,174,506	0
Changes in short term loans	12	(3,286,926)	63,139
Increase in capital lease obligations	21	2,151,795	2,470,484
Decrease in capital lease obligations	21	(818,815)	(729,314)
Dividend paid		(6,767)	(1,162,160)
Net cash flow used in financing activities		**2,213,793**	**642,152**
Changes in cash and cash equivalents		**507,729**	**90,346**
Cash and cash equivalents at beginning of period		**288,105**	**197,759**
Cash and cash equivalents at end of the period	**3**	**795,834**	**288,105**

* Change due to a correction related to 2019, details in notes to the financial statement

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Supplementary Notes to the Financial Statements Dec. 31, 2020

1 General

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

The persons authorized to represent the Company, and to sign the annual report: Gábor Zsámboki, CEO (Address: 1028 Budapest, Csokonai utca 22). The person responsible for the accounting services registered in IFRS: Tamás Karakó, CFO (Address: 1112 Budapest, Őrség u. 9/B). The auditor of the Company Ernst & Young Könyvvizsgáló Kft. (Address: 1132 Budapest, Váci út 20.), registered statutory auditor: Zsuzsanna Bartha (MKVK: 005268) (Address: 5900 Orosháza, Rákóczi út 25.). The audit fee in 2020 is HUF 9,5 million.

As of December 31, 2019, December 31, 2020 – based on the Company's share book – the following owners have more than 5% voting right or the following Companys of investors own the Company:

	December 31, 2019		December 31, 2020	
Investor	**Voting right (%)**	**Ownership (%)**	**Voting right (%)**	**Ownership (%)**
Owners above 5% share				
EG CAPITAL LLC(*)	11.98%	11.62%	11.98%	11.62%
DIGITAL FOREST LLC(**)	6.97%	6.76%	6.97%	6.76%
AEGON ALFA SZÁRMAZTATOTT ALAP	7.43%	7.20%	6.27%	6.08%
Owners below 5% share				
Domestic Institutional Investors	28.26%	27.41%	29.81%	28.90%
Foreign Institutional Investors	12.92%	12.53%	12.08%	11.71%
Foreign Individual Investors	0.42%	0.40%	0.43%	0.42%
Domestic Individual Investors	27.94%	27.09%	28.79%	27.92%
Management, employees	2.81%	2.72%	2.45%	2.37%
Treasury shares	0.00%	3.03%	0.00%	3.03%
Other	1.27%	1.23%	1.22%	1.18%

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

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

The consolidated subsidiaries of the Company at December 31, 2019 and December 31, 2020 are as follows (except for Tipo Direct Serv SRL, all the subsidiaries are owned directly by the parent company, Tipo Direct Serv SRL owned by Zipper Services SRL). For further notes about investments see Note 9.

			December 31, 2019		December 31, 2020		
Name of the Company	**Place of registration Country**	**Equity**	**Share of ownership**	**Voting right [1]**	**Share of ownership**	**Voting right [1]**	**Classification [2]**
Gyomai Kner Nyomda Zrt.	Hungary	HUF 200,000,000	99.48%	99.48%	99.48%	99.48%	L
Specimen Zrt.	Hungary	HUF 100,000,000	100.00%	100.00%	100.00%	100.00%	L
Techno-progress Kft.	Hungary	HUF 5,000,000	100.00%	100.00%	100.00%	100.00%	L
ANY Ingatlanhasznosító Kft.	Hungary	HUF 3,000,000	100.00%	100.00%	100.00%	100.00%	L
Zipper Services SRL	Romania	RON 2,060,310	50.00%	50.00%	50.00%	50.00%	L*
Tipo Direct Serv SRL	Moldavia	30,308 MDL	50.00%	50.00%	50.00%	50.00%	L*
Direct Services OOD	Bulgaria	BGN 570,000	50.00%	50.00%	50.00%	50.00%	L*
Slovak Direct SRO	Slovakia	SKK 1,927,000	100.00%	100.00%	100.00%	100.00%	L

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

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

(*) Classification as subsidiary is the result of the co-operational agreement signed by the co-owner of the Company.

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2 Significant accounting policies

Basis of preparation

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

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the "EU"). IFRS as adopted by the EU do not currently differ from IFRS as issued by the International Accounting Standards Board (IASB), except for portfolio hedge accounting under IAS 39 which has not been approved by the EU. The Company does not have any transactions which would qualify as a portfolio hedge.

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

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

Financial Statements are prepared based on the assumption of going concern of the activity of the Company in the foreseeable future.

Cash and cash equivalents

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

Statement of cash flows

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

Inventory

Inventory is stated at the lower of cost or net realizable value after making loss-in-value 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.

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Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Freehold land is not depreciated. Depreciation is provided using the straight-line method at rates calculated to write off the cost of the asset over its expected economic useful life. The rates used are as follows:

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

At each balance sheet date, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication in accordance with internal or external information that those assets have suffered an impairment loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of such an impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognized as an expense immediately.

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

Right of use assets

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

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

Intangible assets

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

An item of intangible asset is derecognised upon disposal or when no future economic benefits

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are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Financial assets

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

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

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

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

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

Subsequent measurement

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

Amortised cost

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

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

Debt instruments measured FVTOCI

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

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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.
CompanyCompanyCompanyCompanyCompanyCompany

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. IFRS

Investments

In the separate financial statements investments in subsidiaries are presented at cost according to IAS 27. Cost at initial recognition is the paid amount in cash or cash equivalent, or the fair value of other consideration given by the purchaser. Cost include those costs which are directly attributable to the acquisition.
Investments in subsidiaries are subject to impairment test when indicator of potential impairment exists. When an external or internal indicator of impairment exists, the recoverable amount has

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to be determined and compared with the net investment. If the recoverable amount is materially or permanently lower than the net investment, impairment should be recorded. If the recoverable amount is materially or permanently higher than the net investment, impairment reversal should be recorded.
The net recoverable amount is the present value of future cash flows of the investment proportioned based on ownership.

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

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

Treasury shares

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

Revenue recognition

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

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

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

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

Dividend and interest revenue

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

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

Leases

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

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

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

Provisions

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

The Company has no legal affairs.

Contingent liabilities acquired in a business combination

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

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cumulative amortisation recognised in accordance with IFRS 15 *Revenue*.

Government grants

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

Foreign currencies

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

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The effect of adopting new and revised International Financial Reporting Standards effective from 1 January 2020.

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 References to the Conceptual Framework in IFRS Standards – adopted by EU on 29 November 2019 (effective for annual periods beginning on or after 1 January 2020),

Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Material **–** adopted by EU on 29 November 2019 (effective for annual periods beginning on or after 1 January 2020),

Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures" – Interest rate Benchmark Reform - adopted by EU on 15 December 2019 (effective for annual periods beginning on or after 1 January 2020),

Amendments to IFRS 16 "Leases" – Covid 19-Related Rent Concessions adopted by EU on 9 October 2020 (effective for annual periods beginning on or after 1 June 2020),

Amendments to IFRS 3 "Business Combinations" – adopted by EU on 21 April 2020 (effective for annual periods beginning on or after 1 January 2020).

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

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

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform – Phase 2 adopted by EU on 13 January 2021 (effective for annual periods beginning on or after 1 January 2021)
Amendments to IFRS 4 "Insurance Contracts" deferral of IFRS 9 adopted by EU on 15 December 2020 (effective for annual periods beginning on or after 1 January 2021)

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):

IFRS 17 "Insurance Contracts" including amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023),
Amendments to IFRS 3 "Business Combinations"; IAS 16 "Property, Plant and Equipment"; IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" - Annual Improvements (effective fog annual periods beginning on or after 1 January 2022),

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),

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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).

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

Critical accounting judgements and estimates by applying the accounting policy

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

Critical assumptions by applying the accounting policy

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

- The temporary differences calculated with deferred tax liabilities will reverse in the foreseeable future, and the corporate tax rate is 9%, which is effective from 1st January 2017.
- The outcome of certain contingent liabilities.
- The Company has 50% ownership interest in Zipper Services Srl and Direct Services Ood. Based on the contractual arrangements between the Company and other investors, the Company has the power to appoint and remove the majority of the board of management of these companies that has the power to direct the relevant activities of these companies. Therefore, the management of the Company concluded that the Company has the practical ability to direct the relevant activities of these companies unilaterally and hence the Company has control over these companies.

Uncertainties in the estimates

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

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

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The effect of COVID-19 on the IFRS report

The Company assessed on 31st December 2020 the effects of the COVID-19 epidemic on the financial reports prepared in accordance with IFRS, and found that although the epidemic affected the Printing Company's operations, the effect of it on the report was not significant.

The Company assessed on 31st December 2020 whether it can continue its operation in the future under going concern, and found that the majority of the measures taken in year 2020 are set to ensure this, therefore going concern is ensured in the year 2021, which is also supported by the continuous operations in the crisis situation. Production stayed continuous every single day in the plants of ANY Plc, even during the announcements of emergencies in 2020.

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

By restructuring short-term loans into long-term loans short-term loans declined by 2.4 HUF billion, while long term loans increased in value of 3.4 HUF billion, therefore the parent company fully paid back its overdraft liabilities. This freed up a source of 5.0 HUF billion, which is supported by the 550 million HUF cash balance on 2020. Dec. 31, which mitigated the liquidity risk of ANY Nyrt to a bare minimum? The Board of Directors' of ANY Nyrt. also took the mitigation of liquidity risks as primary consideration, when on 2020. Apr. 27 within the competence of the General Assembly did not pay out the dividends after the results of the year 2019, but placed it as a whole in retained earnings.

The revenue of ANY Nyrt. substantially declined because of the COVID-19 epidemic and accompanying government measures in year 2020., affecting most product segments of the Printing Company, especially the documents and document security solutions. Although the prolonged expiration dates of the documents as sanctioned by the announced emergency will surely affect the income of ANY Nyrt. negatively int he first quarter of 2021, given the nature of the documents the income will not be lost, just shifted to a later date, as they will need to be renewed in the future, ensuring the business continuity of ANY Nyrt. from the income side.

During the year 2020, resulting from the deterioration of the macro economic environment, many companies needed to face the fact that their partners have payment issues. Despite lower incomes, ANY Nyrt. did not have to face these problems. Its most important customers are government bodies and large corporations which are not struggling with liquidity issues, where no significant payment issue surfaced, therefore the impairment loss on the receivables of the Company did not grow significantly. In accordance with this, the Company did not amend its accounting policy on aged debtor. This proves the balance of impaired loss on receivables which decreased by 1.5 HUF million (34%) compared to the 2019 figure.

As in none of the product segments did the demand cease, it only declined at most, and is expected to grow in 2021, the Company has no tangible asset which should be accounted for impairment loss for caused by the lower demand coming from COVID-19. As the business operations and production was continuous even during the announced emergency, furthermore the demand for the Company's products only decreased temporarily, there is no circumstance which would imply a change in fair value evaluations. Regarding current assets, the Company accounts impairments according to its accounting policy, there is no factor

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justifying an additional impairment due to the COVID-19 epidemic.

Similarly to a lot of governments, because of the COVID-19 pandemic the Hungarian government also proposed subsidies to companies affected by COVID. From this, ANY Nyrt, applied for 30 million HUF value of wage subsidies for R&D in 2020, which was granted. The subsidy meant 3 months of wage subsidies, with a precondition: the R&D employees were needed to be employed for the following 3 months. To increase competitiveness, ANY Nyrt. took a grant of 502 million HUF from HIPA (Hungarian Investment Promotion Agency), from which the Company will invest in machineries related to its main activity. It was possible to apply for the grant as a countermeasure against the losses caused by COVID-19. The precondition of the application was that the Company is needed to invest in enhancing its competitiveness until 30 June 2022, meanwhile keeping its average number of employees.

The Company’s leasing- and rent contracts were not modified by the consequences of the COVID-19 epidemic. The Company did not use its opportunities coming from the moratorium to ease its leasing or loan payment obligations as at 31 December 2020.

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3 Cash and bank

	December 31, 2020	December 31, 2019
Cash and cash equivalents	795,834	288,105
Total cash and cash equivalents:	**795,834**	**288,105**

4 Accounts receivables

	December 31, 2020	December 31, 2019
Trade receivables	2,208,591	3,099,417
Allowance for doubtful debts	(321)	(2,655)
Total:	**2,208,270**	**3,096,762**

The carrying value of trade receivables is fair value. Balance of trade debtors is HUF 2,208 million, which is HUF 888 million (28,7 %) lower than at the end of 2019.

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

	December 31, 2020	December 31, 2019
Balance at the beginning of the year	**2,655**	**3,116**
Impairment losses recognised on receivables	80	147
Impairment losses decrease	(2,414)	(608)
Balance at the end of the year	**321**	**2,655**

5 Inventories

	December 31, 2020	December 31, 2019
Raw materials	1,792,143	1,474,062
Work in progress	1,460,396	908,266
Finished goods	734,257	562,789
Goods	142,632	25,812
Cumulated loss in value for inventories	(301,760)	(193,860)
Total:	**3,827,668**	**2,777,069**

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The total amount of inventories is HUF 3,828 million, which increased by HUF 1051 million (38%) compared to 31 December 2019. The amount of raw materials and consumables increased by HUF 318 million (22%) compared to the prior period, caused by the higher raw material needs of security and card products.

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

	December 31, 2020	December 31, 2019
Balance at the beginning of the year	**193,859**	**120,736**
Impairment losses recognised on inventories	238,854	309,922
Impairment losses decrease	(130,953)	(236,799)
Balance at the end of the year	**301,760**	**193,859**

6 Other current assets and prepayments

	December 31, 2020	December 31, 2019
Prepayments	158,229	131,514
Of which: rental fee of software's	*54,587*	*51,943*
Of which: real estate rental	*37,249*	*23,524*
Of which: prepaid interest	*32,605*	*24,567*
Advances paid	314,743	73,765
Of which: advances paid for PP&E	*299,495*	*71,178*
Of which: other advances paid	*15,248*	*2,587*
Employee loans	58,771	7,350
Other receivables	22,898	28,899
Loan to a subsidiary	1,831,513	1,825,000
Total other current assets and prepayments:	**2,386,154**	**2,066,528**

	December 31, 2020	December 31, 2019
VAT receivable	4,279	3,769
Corporate income tax receivable	7,892	-
Other taxes receivable	58,121	-
Total current tax receivables	**70,292**	**3,769**

Year-end balance of current tax receivables is HUF 67 million higher than in previous period which caused by the decrease of VAT receivables and local business tax.
The significant increase in the amount of prepayments is caused by software, property and plant rental fee. Interest in employees loans are the same for each employee, Hungarian prime rate + 5%.

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Loans given to a subsidiaries

	December 31, 2020	December 31, 2019
Gyomai Kner Nyomda Zrt.	36,513	70,000
ANY Ingatlanhasznosító Zrt.	1,795,000	1,755,000
Given loan total	**1,831,513**	**1,825,000**

The short term loans given to subsidiaries have market interest rate, based on 1 month BUBOR. The reason for the increase in the given loan to the subsidiary is the loan to the ANY Ingatlanhasznosító for a new building investment of HUF 1,795 million.

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7 Property, Plant and Equipment

	Land and buildings	Machinery and equipment	Property rights	Vehicles and other equipments	Capital projects	Total
Cost:						
January 1, 2019	**668,406**	**8,958,974**	**1,493,171**	**2,295,825**	**28,420**	**13,444,796**
Capitalization	90,854	371,943	258,910	478,303	1,193,684	2,393,694
Reclassification into rights of use asset	-	887,711	-	-	-	887,711
Disposals	-	525,941	72,150	68,925	967,788	1,634,804
December 31, 2019	**759,260**	**7,917,265**	**1,679,931**	**2,705,204**	**254,316**	**13,315,975**
January 1, 2020	**759,260**	**7,917,265**	**1,679,931**	**2,705,204**	**254,316**	**13,315,975**
Capitalization	622,172	120,075	160,973	420,173	1,928,954	3,252,347
Additions	-	30,290	-	(30,290)	(519,607)	(519,607)
Disposals	2,616	126,743	142,305	41,048	1,646,349	1,959,061
December 31, 2020	**1,378,816**	**7,940,887**	**1,698,599**	**3,054,039**	**17,314**	**14,089,655**
Accumulated depreciation:						
January 1, 2019	**247,556**	**6,617,493**	**1,334,376**	**1,524,927**	**17,314**	**9,741,666**
Additions	44,614	496,804	97,426	242,177	-	881,021
Reclassification into rights of use asset	-	241,339	-	-	-	241,339
Disposals	-	513,124	82	67,777	-	580,983
December 31, 2019	**292,170**	**6,359,834**	**1,431,720**	**1,699,327**	**17,314**	**9,800,365**
January 1, 2020	**292,170**	**6,359,834**	**1,431,720**	**1,699,327**	**17,314**	**9,800,365**
Charge for year	66,579	290,485	98,666	299,339	-	**755,069**
Reclassification into rights of use asset	-	1,405	-	(1,405)	-	**-**
Disposals	476	126,358	139,668	40,683	-	**307,185**
December 31, 2020	**358,273**	**6,525,366**	**1,390,718**	**1,956,578**	**17,314**	**10,248,249**
Net book value:						
January 1, 2019	**420,850**	**2,341,481**	**158,795**	**770,897**	**11,106**	**3,703,130**
December 31, 2019	**467,090**	**1,557,431**	**248,211**	**1,005,877**	**254,316**	**3,515,610**
December 31, 2020	**1,020,543**	**1,415,521**	**307,881**	**1,097,461**	**-**	**3,841,405**

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

8 Right of use asset

Right of use asset movement table (values in thousands of HUF)	Property rights	Machinery and equipment	Vehicles and other equipments	Total
Cost:				
January 1, 2020	**1,936,975**	**1,159,586**	**185,872**	**3,282,434**
Additions	1,460,000	520,555	-	**1,980,555**
Disposals	-	-	-	**-**
December 31, 2020	**3,396,975**	**1,680,140**	**185,872**	**5,262,988**
Accumulated depreciation:				
January 1, 2020	**276,711**	**294,415**	**41,305**	**612,431**
Charge for year	347,639	286,039	41,305	**674,983**
December 31, 2020	**624,350**	**580,455**	**82,610**	**1,287,415**
Net book value:				
January 1, 2020	**1,660,264**	**865,170**	**144,567**	**2,670,002**
December 31, 2020	**2,772,625**	**1,099,685**	**103,262**	**3,975,572**

9 Investments

	December 1, 2020	Increase	Decrease	December 31, 2020
Long term participations in affiliated undertakings	**1,685,539**	**-**	**-**	**1,685,539**
-Gyomai Kner Nyomda Zrt.	363,596			363,596
-Specimen Nyomdaipari Zrt.	180,380			180,380
-ZIPPER Services	454,540			454,540
-Direct Services	45,192			45,192
-Slovak Direct	19,838			19,838
-TECHNO-PROGRESS Kft.	25,000			25,000
-ANY Ingatlanhasznosító Kft	596,993			596,993
Other long term loan	**8,196**	**1,500**	**3,284**	**6,412**
Loss in value for long term participations in affiliated undertakings	**(29,328)**	**-**	**-**	**(29,328)**
Net value of investments	**1,664,407**	**1,500**	**3,284**	**1,662,623**

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	December 1, 2019	Increase	Decrease	December 31, 2019
Long term participations in affiliated undertakings	1,685,539	-	-	1,685,539
-Gyomai Kner Nyomda Zrt.	363,596			363,596
-Specimen Nyomdaipari Zrt.	180,380			180,380
-ZIPPER Services	454,540			454,540
-Direct Services	45,192			45,192
-Slovak Direct	19,838			19,838
-TECHNO-PROGRESS Kft.	25,000			25,000
-ANY Ingatlanhasznosító Kft	596,993			596,993
Other long term loan	2,462	10,500	4,766	8,196
Loss in value for long term participations in affiliated undertakings	(29,328)	-	-	(29,328)
Net value of investments	**1,658,573**	**10,500**	**4,766**	**1,664,407**

Investments are stated at cost. The Company has examined the investments and their expected return is not recognized for impairment.
The Company did not increase its share during the year.

Shareholders equity of subsidiaries (in thousands of HUF)

	2019.12.31	2020.12.31
Gyomai Kner Nyomda Zrt.	686,190	677,859
Specimen Zrt.	151,072	151,261
Techno-Progress Kft.	70,018	82,888
ANY Ingatlanhasznosító Kft.	1,646,986	1,949,572
Zipper Services SRL	1,555,188	1,912,255
Tipo Direct Serv SRL	106,138	161,970
Direct Services OOD	577,379	664,776
Slovak Direct SRO	49,264	54,786

10 Intangibles

	opening	increase	decrease	closing balance
Cost				
2019	369,705	-	100,545	269,160
2020	269,160	-	-	269,160
Accumulated depreciation				
2019	244,445	11,863	-	256,308
2020	256,308	11,863	-	268,171
net book value				
December 31, 2019	**125,260**	**(11,863)**	**(100,545)**	**12,852**
December 31, 2020	**12,852**	**(11,863)**	**-**	**989**

There are capitalized research and development costs on line intangibles in value of HUF 1 million.

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11 Other payables and accruals

	December 31, 2020	December 31, 2019
Accrued management bonuses	-	240,662
Other accruals	67,880	119,172
Of which: accrued creditors	*33,994*	*78,120*
Salaries and wages	104,223	220,445
Advance payments from customers	1,134,681	963,942
Other short term liabilities	913	7,833
Short term loan from subsidiaries	121,000	130,000
Other payables and accruals	**1,428,698**	**1,682,054**

	December 31, 2020	December 31, 2019
VAT	143,805	275,043
Social contribution	57,394	69 580
Income tax	56,614	59,475
Other taxes	101,348	122,460
Total current tax liabilities	**359,161**	**526,558**

Total current tax liabilities, other payables and accruals amounts to HUF 1,788 million, which decreased by HUF 421 million compared to December 31, 2019.

The Company has no present obligation, neither legal nor constructive, arisen as a result of a past event, hence no provision was raised.

Intercompany loans and their conditions at the balance sheet date were the following:
Specimen Zrt– ANY Plc.: HUF 130 million, interest rate is based on 1 month BUBOR

12 Short term and long term loans

	December 31, 2020	December 31, 2019
Bank overdraft	-	4,614,087
Part of a long-term loan within one year	1,327,161	-
Total short term loans and overdrafts	**1,327,161**	**4,614,087**
Long term loans	4,174,506	**-**
Total long term loans	**4,174,506**	**-**
Total loans and borrowings:	**5,501,667**	**4,614,087**

The carrying value of loans and overdrafts is fair value. The parent company has overdraft limit (market interest rate, based on 1 month BUBOR) in value of HUF 5 billion from which the utilised

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amount at the end of 2020 is HUF 1,082 million.
The overdraft limits of the company were partly restructured due to the new long term loan contracts. Based on new overdraft frame contract HUF 5.0 billion overdraft can be used.
During the year 2020 HUF 5.9 billion long term loan was taken from three different financial institutes with maturity of 3 or 5 years. For the new long term loans mortgages of real estates and current assets were involved.

13 Share capital

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

	December 31, 2020		December 31, 2019	
	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.

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14 Shareholders' equity

In HUF thousands:	FY 2020	FY 2019
Section 114 B (4) Equity under IFRS		
Share capital	1,405,889	1,405,889
Reserves	3,506,225	2,357,452
Profit/(loss) for the year	367,324	1,155,540
Total equity	**5,279,438**	**4,918,881**
Section 114 B (4) a) Equity		
Equity under IRFS	5,279,438	4,918,881
Supplementary payments as liabilities under IFRS (+)	-	-
Supplementary payments as assets under IFRS (-)	-	-
Sum of the deferred income from cash, assets that received and transferred to the capital reserve under legislation (+)	-	-
Sum of receivables from owners classified as equity instrument under capital contribution (-)	-	-
Total equity	**5,279,438**	**4,918,881**
Section 114 B (4) b) Share capital under IFRS		
Share capital according to the effective articles of association if classified as an equity instrument	1,449,876	1,449,876
Treasury shares at nominal value (-)	(43,987)	(43,987)
Total share capital	**1,405,889**	**1,405,889**
Section 114 B (4) c) Registered but unpaid capital		
Unpaid capital under IFRS	-	-
Total registered but unpaid capital	**-**	**-**
Section 114 B (4) d) Capital reserve		
Sum of all equity components that are not considered as share capital, registered but unpaid capital, retained earnings, revaluation reserve, profit/(loss)for the period or tied-up reserve	250,686	250,686
Total capital reserve	**250,686**	**250,686**
Section 114 B (4) e) Retained earnings		
Accumulated profit after taxation of previous' years under IFRS that is not yet distributed among owners and not include other comprehensive income	3,255,539	2,106,766
Supplementary payments as assets under IFRS (-)	-	-
Unused reserve for development purposes (-)	-	-
Unused reserve for development purposes net of deferred tax liabilities under IAS 12 (+)	-	-
Total retained earnings	**3,255,539**	**2,106,766**

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Section 114 B (4) f) Revaluation reserve		
Accumulated other comprehensive income from statement of other comprehensive income (±)	-	-
Accumulated and current year other comprehensive income from statement of other comprehensive income (±)	-	-
Total revaluation reserve	**-**	**-**
Section 114 B (4) g) Profit after taxation		
Net profit or loss after tax from ongoing activities in the comprehensive income statement or in the statement of profit or loss (±)	367,324	1,155,540
Net profit or loss after tax from discontinued activities in the comprehensive income statement or in the statement of profit or loss (±)	-	-
Total profit after taxation	**367,324**	**1,155,540**
Section 114 B (4) h) Tied-up reserve		
Supplementary payments as liabilities under IFRS (+)	-	-
Unused reserve for development purposes (+)	-	-
Unused reserve for development purposes net of deferred tax liabilities under IAS 12 (-)	-	-
Total tied-up reserve	**-**	**-**
Section 114 B (5) a) Reconciliation of registered capital with the share capital under IFRS		
Registered share capital	1,449,876	1,449,876
Share capital under IFRS	1,405,889	1,405,889
Difference (treasury shares at nominal value)	**43,987**	**43,987**
Section 114 B (5) b) Retained earnings available for distribution		
Retained earnings (include the net profit after tax for last financial year closed with annual financial statements)	3,622,863	3,262,306
Accumulated, unrealised profit from the increase of fair value of investment properties under IAS 40	-	-
Retained earnings available for distribution	**3,622,863**	**3,262,306**

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

Retained earnings available for distribution are based on the unconsolidated financial statements of the Company prepared in accordance with IFRS and related Hungarian Accounting and Civil Law. The amount of the retained earnings in the Company's IFRS financial statement is HUF 3,622,863 thousands of which not distributable HUF 1,362,680 thousands. Retained earnings available for distribution is HUF 2,260,183 thousands.

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Profit based on Hungarian Accounting Act and IFRS

	FY 2020	FY 2019
Profit after tax according Hungarian law	596,376	1,223,425
Deferred tax expense	(62,151)	(17,301)
Other items	(166,901)	(50,584)
Comprehensive income for the year according to IFRS	367,324	1,155,540

Treasury shares

Number of treasury shares held by the Company on 31st December 2020 is 448,842 which were purchased at an average price of HUF 1,014 per share remained unchanged.

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15 Net sales

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

Sales	**2020**	**2019**
Sales revenue from customer contracts	**17,339,961**	**23,272,608**
Revenue from other sources	**-**	-
Total sales	**17,339,961**	**23,272,608**

Impairment of receivables	**2020**	**2019**
Impairment recognized on trade receivables, contractual assets	-	-
Impairment from other contracts	-	-
Total impairment	**-**	**-**

Sales segments	**2020**	**2019**
Security products and solutions	6,024,818	9,944,722
Card production and personalization	7,728,960	10,682,495
Form production and personalization. data processing	2,267,403	1,341,987
Traditional printing products	8,842	91,311
Other	1,309,938	1,212,093
Total net sales	**17,339,961**	**23,272,608**

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Total revenue in 2020 by countries:

Revenue by Countries	2020	2019
Domestic sales	**14,216,200**	**19,863,534**
Sales within the EU	**1,199,063**	**2,116,509**
Germany	321,496	1,165,690
Slovakia	231,343	82,455
Austria	200,019	171,810
Czech Republic	128,388	128,588
Poland	102,620	95,795
Bulgaria	76,687	17,860
Romania	76,560	119,841
France	9,499	163
Netherlands	7,195	16,027
Italy	3,895	5,072
Finland	-	25,666
United Kingdom	-	8,300
Slovenia	-	333
Other exports within the EU	41,361	278,908
Exports outside the EU	**1,924,701**	**1,292,564**
Africa	1,602,578	1,099,147
Norway	142,448	134,163
Albania	47,060	-
Iceland	41,240	21,726
United Arab Emirates	39,635	9,868
Hong Kong	19,902	20,310
Sri Lanka	18,219	-
Switzerland	5,663	3,440
Serbia	3,175	2,419
Libya	2,999	-
Mexico	1,782	-
Russian Federation	-	1,491
Total:	**17,339,961**	**23,272,607**

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16 Other expenses, net

Other incomes and expenses	2020	2019
Subsidy*	532,735	-
Reversed loss in value for trade receivables	7	608
Other items	15,213	37,975
Total other incomes	***547,955***	***38,583***
Loss in value for inventories	34,271	143,926
Donation given	57,629	32,198
Loss in value for trade receivables	2,414	339
Other items	108,822	28,334
Total other expenses	***203,136***	***204,797***
Total	***344,819***	***(166,214)***

* Other revenues increased mainly due to the non-repayable government grant received in value of HUF 502 million. The application of ANY Security Printing Company Plc for HIPA (Nemzeti Befektetési Ügynökség Nonprofit Zrt.) subsidy to increase of competitiveness (7/2020. VI.16. Decree of Ministry for Foreign Affairs) was judged favourably. Applicants were eligible to subsidy for compensating the losses occurred in connection with COVID-19 pandemic, where precondition was to make CAPEX investments in order to increase competitiveness until 30 June 2022 and to preserve the average number of employees. Furthermore due to COVID-19 epidemic, ANY Plc was applying to salary compensation in value of HUF 30 million in 2020, which was granted. Subsidy was for three month salary, which precondition was to employ R&D employees in the next three months as well.

17 Cost of sales and selling general and administration costs

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

	2020 (thHUF)	2019 (thHUF)
Material type expenditures	12,035,828	15,232,146
Personal type expenditures	4,801,627	5,807,217
Depreciation and amortization	999,895	890,604
Changes in inventory and own performance	(738,936)	13,088
Total cost and expenditures	**17,098,414**	**21,943,055**
Cost of sales	12,509,680	16,935,317
Selling general and administration	4,588,734	5,007,738
Total direct and indirect cost of sales	**17,098,414**	**21,943,055**

The average number of employees of the Group during the year was 617 (2019: 622).

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18 Dividend income

The approved dividends received from subsidiaries are the following:

	2020	2019
Gyomai Kner Nyomda Zrt.	72,485	105,393
Direct Services Ood	71,818	48,118
Techno Progress Kft.	48,528	82,554
Zipper Services Srl	0	153,127
Total dividend income	**192,831**	**389,192**

19 Taxation

	December 31, 2020	December 31, 2019
Current year corporate income tax	(31,687)	50,422
Current year local business tax	158,240	216,083
Current year innovation contribution	23,736	32,412
Current year tax expense	**150,289**	**298,917**
Deferred tax (income) / expense	62,151	17,301
Total tax expense	**212,440**	**316,218**

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

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 Company is taken into consideration with the effective tax legislation of their country of incorporation.
Under the tax legislation the Company is allowed to establish a tax-deductible development reserve. Assets acquired using this reserve then do not qualify for tax depreciation up to the value of the reserve. Therefore this is effectively a form of accelerated depreciation. Development reserves have been established based on the Company's current year and previous years pre-tax profit and a deferred tax liability has been recognized on the deferred tax effect of the accounting and tax depreciation difference of the assets. The Company decreased its deferred tax liabilities by the valuation difference for treasury shares based on the Hungarian Accounting Standards.
Tax losses can be carried forward up to the next years offset future taxable profits (until its 50%). Deferred tax assets relating to tax losses are netted off against deferred tax liabilities. The company raised deferred tax asset on write-off for bad debts in 2020. The Company derecognised deferred tax asset in 2020 based on differences of bad debt receivables.

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 2019 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.

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	December 31, 2020	December 31, 2019
Opening deferred tax liability	**235,422**	**218,388**
Deferred tax liability due to development reserve	48,970	15,801
Deferred tax on accounting and tax depreciation difference of assets not connected to development reserve	13,176	1,233
Closing deferred tax liability	**297,568**	**235,422**
	December 31, 2020	**December 31, 2019**
Opening deferred tax assets	**1,674**	**1,674**
Deferred tax asset on write-off for bad debts	(6)	(267)
Closing deferred tax assets	**1,401**	**1,407**

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

	December 31, 2020	December 31, 2019
Profit before tax	564,692	1,221,366
Tax at statutory rate of 9%(*)	50,822	114,484
Effect of 171/2020. (IV. 30) government decree(**)	(52,210)	-
Other permanent differences	(30,299)	(59,501)
from which: Dividend	*(17,355)*	*(35,027)*
Other	*(12,944)*	*(24,474)*
Current year corporate tax	**(31,687)**	**50,422**
Deferred tax expense	**62,151**	**17,301**
Total tax expense	**30,464**	**67,723**

(*) In this calculation 9% tax rate valid in 2020 has been applied.

(**)Hungarian companies used opportunity of government decree (171/2020 (IV.30.)), which made possible to decrease the tax base of 2019. The decree of 30 April the amount of restricted reserve, and the balance of restricted reserve as at the last day of the tax year was increased to up to the amount of pre tax profit (but maximum HUF 10 billion each tax year).

20 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 1,432 million. The Company uses HUF 918 million from its guarantee limit which is connected to tenders, and the guarantee received from MKB Bank in value of HUF 502 million connected to HIPA subsidy.

Real estates of ANY Ingatlanhasznosító Kft. secured by mortgage in favour of Unicredit Bank Zrt. in the value of HUF 1,300 million, relating to this loan ANY Biztonsági Nyomda Nyrt. provided a guarantee to the Unicredit Bank Zrt. Furthermore ANY Biztonsági Nyomda Nyrt. provided a guarantee to the Unicredit Bank Zrt. in the value of EUR 0.6 million in connection with the credit line agreement for the treasury transaction of ANY Ingatlanhasznosító Kft. The guarantee ceased on 5th January 2021 as the loan was reimbursed.

The Company reclassified HUF 500 million to the restricted reserves to finance future capital expenditures, which has 998 million not been utilised yet. Corporate tax base was decreased by this amount in line with the relevant Hungarian regulations under the condition, that this amount will

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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.

21 Short term and long term part of lease liabilities

Short term and long term financial lease principal liabilities belong to the company lease contracts for machineries, of which short term part is HUF 822,631 thousands and long term part is HUF 3,079,475 thousands, due in the next years.

Leasing Obligation Maturity Analysis (in thHUF)	Leasing obligations related to real estate	Leasing obligations related to machinery and equipment	Leasing obligations relating to vehicles	Total
Expired leasing liabilities in 2021:	404,908	374,360	43,364	822,632
Expired leasing liabilities in 2022:	423,417	227,557	43,696	694,669
Expired leasing liabilities in 2023:	442,530	181,037	12,282	635,849
Expired leasing liabilities in 2024:	462,266	27,420	-	489,685
Expired leasing liabilities in 2025:	482,641	3,805	-	486,446
Expired leasing liabilities in 2026:	142,594	-	-	142,594
Expired leasing liabilities in 2027:	630,321	-	-	630,321
Összesen:	**2,988,677**	**814,178**	**99,342**	**3,902,107**

Leasing Obligation Maturity Analysis (in thHUF)	Leasing obligations related to real estate	Leasing obligations related to machinery and equipment	Leasing obligations relating to vehicles	Total
Expired leasing liabilities in 2020:	252,919	387,573	49,786	690,278
Expired leasing liabilities in 2021:	264,688	204,082	43,364	512,134
Expired leasing liabilities in 2022:	276,848	52,846	43,696	373,390
Expired leasing liabilities in 2023:	289,413	42,298	12,282	343,993
Expired leasing liabilities in 2024:	302,393	27,420	-	329,813
Expired leasing liabilities in 2025:	315,801	3,805	-	319,606
Összesen:	**1,702,062**	**718,023**	**149,127**	**2,569,212**

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Leasing interest analysis (in thHUF)	Leasing interest relating to real estate	Leasing interest relating to machinery and equipment	Leasing interest relating to vehicles	Total
Lease interests in 2020:	58,621	14,892	2,526	**76,039**

Leasing interest analysis (in thHUF)	Leasing interest relating to real estate	Leasing interest relating to machinery and equipment	Leasing interest relating to vehicles	Total
Lease interests in 2019:	42,365	21,066	3,469	**66,900**

22 Related party transactions

Related party transactions	FY 2020 in HUF thousands	FY 2019 in HUF thousands
Total receivables and accrued assets at the end of the year	1,915,345	1,997,377
Total liabilities and accrued liabilities at the end of the year	354,462	234,660
Total revenue for the period	212,706	349,964
Total expenditures for the period	932,798	915,697

Related party transactions were made on terms equivalent to those that prevail in arm’s length transactions. Through related party transactions mainly ANY Security Printing Company PLC (the Company) sells finished goods to the other members of the Group, who resell them to third party companies. ANY Security Printing Company PLC also purchases finished goods from its subsidiaries and rents assets. Related party transactions also consist of short term intercompany loans. The Company purchased management services from EG Capital in value of HUF 158 million in 2020.

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

HUF 10,890 thousands remuneration was paid to the Supervisory Board, while HUF 4,760 thousands to the Board of Directors in 2020.
The following table presents the beginning and the end of the assignment of the members of the Board of Directors and Supervisory Board and the number of shares hold in ANY Security Printing Company PLC is also presented as at 31 December 2020.

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

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

24 Risk management

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

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

ANY Company	Currency	December 31, 2020	December 31, 2019
Foreign currency receivables	EUR	1,585,475	4,205,673
	USD	9,120	2,237
	GBP	-	-
Total (in HUF thousands)		**581,616**	**1,390,718**
Foreign currency cash	EUR	1,384,906	438,156
	USD	114,266	456,375
	GBP	676	731
Total (in HUF thousands)		**539,924**	**279,614**
Foreign currency liabilities	EUR	1,328,575	488,696
	CHF	197,627	39,412
	BGN	8,146	7,963
	RON	5,983	5,335
Total (in HUF thousands)		**549,048**	**177,633**
Impact of a possible 1% foreign exchange rate decrease in each foreign currency (in HUF thousands)		**December 31, 2020**	**December 31, 2019**
Impact on foreign currency assets		**112,154**	**167,033**
Impact on foreign currency liabilities		**(54,905)**	**(17,763)**
Total impact of possible foreign exchange rate change		**57,249**	**149,270**

Company measures financial instruments (cash, receivables, sreditors, credit liabilities) based on amortised costs. In case of receivables and liabilities over 1 year appropriate discount rate is used for time value of money, while in case of credit liabilities affective interest rate is being considered. The Company holds no financial assets held to maturity or available for sale. Foreign currency receivables and liabilities of the Company are revalued at MNB foreign exchanged rates as at 31. December 2020.
Receivables and liabilities of the Company denominated in foreign currency were revalued based on foreign currency rates of MNB (Hungarian National Bank) as at 31 December 2020.

Interest rate risk

Due to the moderate level of debts in the Company potential interest rate changes would not influence significantly the amount of interests to be paid by the Company. Based on the balance of Credits of the Company. a potential interest rate increase of 100 basis points relevant to our credits would increase our interest expenses by approximately HUF 52,564 thousands in the year 2020. (This was HUF 46,140 thousands in the year 2019.)

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Liquidity risk

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

ANY Company FY 2020	In 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total:
Trade payables	2,401,840	10,788	12	(94)	-	**2,412,546**
Lease liabilities	68,231	137,060	411,181	2,655,398	630,321	**3,902,191**
Credits	-	1,327,161	-	4,174,506	-	**5,501,667**
Other liabilities and accruals (without taxes)	1,428,698	-	-	-	-	**1,428,698**
Current tax liabilities	359,161	-	-	-	-	**359,161**
Total	**4,257,930**	**1,475,009**	**411,193**	**6,829,810**	**630,321**	**13,604,263**

ANY Company FY 2019	In 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total:
Trade payables	1,960,390	852	207	(94)	-	**1,961,355,**
Lease liabilities	57,539	115,045	517,703	1,878,925	-	**2,569,212,**
Credits	-	-	4,614,087	-	-	**4,614,087**
Other liabilities and accruals (without taxes)	1,441,392	240,662	-	-	-	**1,682,054**
Current tax liabilities	526,558	-	-	-	-	**526,558**
Total	**3,985,879**	**356,559**	**5,131,997**	**1,878,831**	**-**	**11,353,250**

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Trade receivables consist of a large number of costumers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.
The financial discipline of the debtors of the Company is really good, which is also represented by the low portion of cumulated provision on trade receivables compared to the gross amount of trade receivables: 0.01%. (This was 0.1% in 2019.) The more than 90 days overdue receivables out of total aged receivables of the Company is less than 0,02%.

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25 Significant events after the reporting period

The Consolidated Financial Statements were accepted by the Board of Directors of ANY Nyrt. on 11st March, 2021.
The Board of Directors proposes HUF 55 dividend per share to the shareholders on the annual general meeting to be held in April 2021.

Budapest, 11st March 2021 ....

Chief Executive Officer

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ANY Security Printing Company PLC

Business report

for the year ended December 31, 2020

ANY BIZTONSÁGI NYOMDA
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General information on the Company

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

Analysis of the FY 2020 achievement of the Company

Net sales revenue of ANY Security Printing Company Plc amounted to HUF 17,340 million in 2020, of which export sales totalled HUF 3,124 million. Operating income came to HUF 703 million, a decrease of HUF 867 million (55,2 %) compared to the previous year. Income before tax was HUF 580 million while EBITDA amounted to HUF 1,703 million. Net income after financial operations, extraordinary profit and taxation was HUF 367 million.

Analysis of profit and loss statement

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

Table 1: Net sales by categories

Sales categories	FY 2019 in HUF millions	FY 2020 in HUF millions	Change in HUF millions	Change %
Security products and solutions	9,945	6,025	(3,920)	(39.42%)
Card production and personalization	10,682	7,729	(2,954)	(27.65%)
Form production and personalization, data processing	1,342	2,267	925	68.96%
Traditional printing products	91	9	(82)	(90.32%)
Other	1,212	1,310	98	8.09%
Total net sales	**23,273**	**17,340**	**(5 930)**	**(25.48%)**

Security Printing Company Plc. had net sales of HUF 17,340 million in 2020, increase of 25.48% (HUF 5,930 million) compared to prior year figure.

Sales of security products and solutions income is HUF 6,025 million in 2020 which means a year-on-year decrease HUF 3,920 million (39.42%). The change was due to the net sales of election ballots with security elements and the decreasing net sales of meal vouchers, other documents and document security products.

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The Company's revenues from card production and personalization totalled HUF 7,729 million in 2020, a HUF 2,954 million (27.65%) decrease compared to the previous year. The change was due to the decreasing document orders, which is obvious consequence of the COVID-19 epidemic.

The Company's revenues from form production, personalization and data processing came to HUF 2,267 million in 2020, a HUF 925 million (5.83%) increase compared to 2019. The change derives from lower volume of printed domestic tax forms.

Sales of traditional printing products amounted to HUF 9 million in 2020, which lower with HUF 82 million (90.32%) compared to the previous year, due to the decreasing book orders.

Other sales totalled HUF 1,310 million in 2020, which increased by HUF 98 million (8.09 %) year-on-year. This segment mainly comprises revenues from the sale of commercial materials and goods.

Operating income came to HUF 703 million, lower with HUF 867 million (55.2 %) compared to the previous year.

Gross profit totalled HUF 4,830 million, which means a 28.0% gross margin. General (SG&A) expenses amounted to HUF 4,589 million in 2020, which equals 26.5 % of net sales.

Material type expenditures decreased by 20.6% (HUF 3136 million) in 2020, due to the lower turnover connected to the epidemic.

Personnel expenses totalled HUF 4,802 million, which means a 17% decrease compared to the base period, due to the personal expenses related to the higher net sales.

Headcount of full time employees in ANY Security Printing Company Plc. was 622 people at the end of 2020, while it amounted to 617 persons at the end of 2019. which means a 5 person (1%) decrease compared to the previous year.

EBITDA amounted to HUF 1,703 million due to decrease of profit financial transactions and income from operations, which means an decrease of HUF 745 million compared to 2019. According to EBITDA margin amounts to 9.82%.

In 2020 dividends received from subsidiaries decrease by HUF 196 million.

Corporate tax came to HUF (32) million in 2020, which HUF 82 million lower than last year.

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Profit after tax was HUF 367 million, which means a decrease of HUF 788 million (68.21%) compared to 2019.

Balance sheet analysis

The Company had total assets of HUF 18,770 million at the end of 2020, which means an increase of 16.6% (HUF 2,673 million) compared to a year ago. This changes due to accounts receivables and inventories.

Non-current assets totalled HUF 9,482 million at the end of 2020, which is higher than the prior year figure by HUF 1,618 million (20.6%).

Current assets amounted to 9,288 million at the end of December 2020, an increase of HUF 1,056 million (12.8%) compared to the corresponding period of last year.

Shareholder's equity was HUF 4,867 million, increased HUF 359 million.

The company has HUF 7,553 million long term liabilities.

Short term liabilities amounted to HUF 6,350 million which shows as decrease of HUF 3,124 million mainly due to Company has been called down HUF 3,532 million credit loan.

Strategic plans of the Company

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

The Company's employment policy

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

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Company Plc. gives wide scale of social benefits to its employees, helping to create the balance between private life and the workplace. The principles of benefits and wages are set out in the Collective Agreement. Besides keeping the regulations, the Company is trying to create a workplace with proper working relations, taking the family obligations into consideration which increases the Company's profitability on the long term as well.

Risk management

Foreign currency risk

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

Interest rate risk

Due to the debts in the ANY Security Printing Company Plc, potential interest rate changes would not influence significantly the amount of interests to be paid by the Company. The Company had HUF 52,564 million credit loan at the end of 2020.

Liquidity risk

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

Credit risk

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

The financial discipline of the debtors of the ANY Security Printing Company Plc is really good, which is also represented by the low portion of cumulated provision on trade receivables compared to the gross amount of trade receivables.

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

Off balance sheet date events

There were no significant event after year end date.

Environment protection

The company has ISO 14001:2015 Environmental Control System certificate audited by Det-Norske Veritas. The expiry date of the certification is January 11, 2022. The environmental certificate covers the following fields: printed products, security products, documents, development, production and personalization of plastic cards and bankcards. Research and development and production of 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 2020, 19,366 kg dangerous waste was transported and eliminated. Our Company has being awarded Green Printing House Award for ten consecutive years this year.

Research and development

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

2, The development of products has a significant role related to new tenders.

The direct cost of basic research, applied research and experimental development incurred in the current year is HUF 52 million.

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Treasury shares in the year 2020:

Table 2: Repurchased treasury shares

Description	Number of shares	Nominal value (HUF thousands)	Purchase value (HUF thousands)
Opening balance January 1, 2020	**448,842**	**43,987**	**455,048**
Closing balance December 31, 2020	**448,842**	**43,987**	**455,048**

The Company's share capital amounted to HUF 1,449,876 thousands on 31 December 2020 which consisted of 14,794,650 pieces of registered, dematerialized ordinary shares Series 'A' with a nominal value of HUF 98 each.

Non-financial reporting

Integrated management policy

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

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expanding knowledge, – balanced relationship and continuous dialogue with customers, authorities, the general public, partners and internal employees

Code of Ethics of ANY Security Printing Company

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

Employment management, social issues

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

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

Description of governing bodies of the Company

Operation of the Board of Directors
The Company is managed by the Board of Directors consisting of 6 members. Members are elected by the General Meeting of Shareholders (GM) for a maximum 5 year term. Following the expiration of their mandate members can be re-elected.
Members of the Board of Directors on 31 December 2020 (names of independent members are underlined and printed in italics):

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

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

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

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

Tasks and competence of the Board of Directors

(a) Any of issues concerning the management and business operations of the Company, which do not fall within the General Meeting’s exclusive competence on the basis of the Statutes or provisions of the Civil Code. The Board of Directors is responsible for any of its decisions taken in the frame of the activities of the Company or in the frame of delegated competence and is entitled to place into its competence, decisions on issues, which do not fall within the scope of the exclusive competence of the General Meeting.

(b) The Board of Directors shall present the report of the Company prepared in accordance with the Accounting Act and the proposal on the appropriation of after-tax profits and the report on corporate governance.

(c) The Board of Directors shall prepare a report on the management, the financial situation and the business policy of the Company and submit same to the annual ordinary General Meeting at least once every year, and to the Supervisory Board at least once every three months.

(d) The members of the Board of Directors shall treat business secrets concerning the Company’s issues as confidential. Upon the request of the shareholders, the Board of Directors shall provide information on the affairs of the Company, and allow an inspection of its books and documents provided that business interest and business secret of the Company will not be infringed. In the event that the Board of Directors does not comply with such request, upon the request of the shareholder concerned, the Court of Registration will oblige the Company to provide information or to allow inspection.

(e) The Board of Directors shall ensure that the books of the company, including accounting books and Register of Shareholders, are kept according to the applicable regulations.

(f) The Board of Directors shall report to the Court of Registration in accordance with the laws and the Statutes and shall take measures on the necessary publications.

(g) The Board of Directors shall convene the ordinary and the extraordinary General Meeting except the cases set out in the Civil Code.

(h) The Board of Directors shall prepare and approve the proposals concerning issues in the competence of the General Meeting and present same to the General Meeting.

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(i) The Board of Directors shall decide with respect to the annual and mid-term business plan of the Company, the implementation of which belongs to the scope of competence of the operative management of the Company.

(j) The Board of Directors shall determine the competence of the General Manager responsible for the operative management. The employer's rights over the General Manager shall be exercised by the members of the Board of Directors who are not employed by the Company acting as a body, they shall decide on the appointment, dismissal and remuneration of the General Manager, whilst the Chairman of the Board of Directors shall exercise the employer's rights himself/herself, in case of his/her incapacity, his/her deputy or a person appointed by the Board of Directors shall exercise such rights.

(k) The Board of Directors may confer the right to sign on behalf of the Company to the employees of the Company.

(l) The Board of Directors shall approve the Company's Organizational and Operational Regulations.

(m) The Board of Directors shall issue and divide consolidated shares.

(n) On the basis of the General Meeting's authorization, the Board of Directors shall provide for the purchase of treasury shares and shall decide on the sale of treasury shares owned by the Company.

(o) With the approval of the Supervisory Board granted in advance, the Board of Directors shall approve the interim balance sheet concerning the acquisition of treasury shares, payment of interim dividends and the increase of the share capital by its assets excessing the share capital.

(p) The Board of Directors shall increase the share capital according to the Section 17.8 of the Statutes.

(q) The Board of Directors shall decide on the payment of interim dividends with the approval of the Supervisory Board granted in advance.

(r) The Board of Directors may set up committees, the members of which may be solely the members of the Board of Directors, and the Board of Directors can transfer a part of its competence to such committees, and the Board of Directors shall be also entitled to set up committees consisting of both the members of the Board of Directors and persons who are not members of the Board of Directors and provide such committees the appropriate authorization.

(s) The Board of Directors may undertake financial obligations in the scope of ordinary business operations, the individual value of which exceeds 20% of the share capital (e.g.: guarantee, etc.).

(t) The Board of Directors may undertake any transaction, financial obligation which are neither included in the annual business plan approved by the Board of Directors nor in the ordinary business operations, value of which exceeds 20% of the share capital of the Company; with respect to the threshold, the amount shall be calculated with the aggregated value of

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transactions concluded in one year (purchase, rental, leasing, sale, investment, sale of investment of assets, providing services which are outside of ordinary business operations, crediting, taking loans, etc.).

(u) Concluding transactions between the Company and:

(i) one of its shareholders holding at least ten per cent. of the voting rights or his/her close relative; or

(ii) a person in which a shareholder holding at least ten per cent. of the voting rights or his/her close relative – directly or indirectly or based on an agreement – holds more than fifty per cent. of the voting rights or he/she is entitled to elect or withdraw the majority of its executive officers or its members of the Supervisory Board;

(iii) a person which holds more than fifty per cent. of the voting rights – directly or indirectly or based on an agreement – in the shareholder holding at least ten per cent. of the voting rights of the Company or which is entitled to elect or withdraw the majority of the executive officers or members of the Supervisory Board of shareholder holding at least ten per cent. of the voting rights of the Company;

(iv) a person in which the person set forth in point (iii) – directly or indirectly or based on an agreement – holds more than fifty per cent. of the voting rights or the majority of whose executive officers or members of the Supervisory Board may be elected or withdrawn by the person set forth in point (iii);

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

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

The chairman of the Board of Directors convenes and conducts the meetings, appoints the keeper of the minutes from the meeting of the Board of Directors, orders voting and announces its results.
The Board of Directors passes its resolutions with a simple majority of votes. Under extraordinary circumstances, when it is impossible to call for a meeting of the Board of Directors, the chairman of the Board of Directors shall order a written voting. The Rules of Procedure of the Board of Directors contains the applying rules and regulations.
The Board of Directors held 7 meetings in 2020 with 6 persons present as an average.

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

The operating activities of the Company are directed by the Chief Executive Officer. The Chief Executive Officer is personally liable for performing his/her duties within the framework defined by law, the Statutes, and in accordance with the decisions of the Board of Directors and the General Meeting.
The Chief Executive Officer may delegate his authority to the Company's managers and employees in accordance with the Rules of Organization and Operation within the limits of the Company's internal regulations by means of defining job descriptions and with general or limited authorizations, but limitations on his scope of authority as a member of the Board of Directors shall have no effect with respect to third parties.
The Chief Executive Officer is entitled to make decisions in all affairs not falling within the scope of authority of the General Meeting or the Board of Directors. The Chief Executive Officer concludes a labour contract with the Company, signed by the chairman of the Board of Directors.
The Chief Executive Officer exercises employer's rights with respect to employees of the Company.
In order to carry out the business of the Company, the Chief Executive Officer concludes contracts and represents the firm before third parties, authorities and courts.

Competence and tasks of the Chief Executive Officer

(a) The Chief Executive Officer shall decide with respect to all issues which do not fall within the exclusive competence of the General Meeting, the Board of Directors or the Chairman of the Board of Directors.

(b) The Board of Directors may transfer any of its competence regarding the daily management to the Chief Executive Officer under the provisions and conditions established by it and the Board of Directors may withdraw or change the totality or a certain part of such competences from time to time, however, such transfer does not affect the liability of the Board of Directors.

(c) The Chief Executive Officer shall conclude agreements for the purpose of performing the Company's tasks and represent the Company towards third parties, before courts and other authorities.

(d) The Chief Executive Officer shall prepare the agenda of the General Meeting and the Board of Directors and he/she shall submit proposals concerning decisions.

(e) The Chief Executive Officer shall execute passed resolutions and decisions, and he/she shall manage the performance of tasks within the scope of activities of the Company.

(f) The Chief Executive Officer shall exercise employer’s rights over other employees of the Company. The Chief Executive Officer can delegate the exercise of employer’s rights over employees in accordance with the Organizational and Operational Regulations of the Company.

(g) The Chief Executive Officer can transfer his/her competence to the executives and employees within the framework of the internal administration of the Company in accordance with the Organizational and Operational Regulations based on a general or an ad-hoc decision, by describing

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the respective scope of activities, however, the limitation of the competence attached to his/her membership of the Board of Directors shall be null and void against third parties.

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

Members of the management on 31 December 2020:

Gábor Zsámboki chief executive officer
Dr. István Ignácz chief security officer
Gábor Péter chief IT officer
Lajos Székelyhidi chief research and development officer
Zoltán Tóth chief technical and production officer
Tamás Karakó chief financial officer

Evaluation and remuneration of the management

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

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

The Supervisory Board

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

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The members of the Supervisory Board elect the chairman by a simple majority of votes at their first meeting. The Chairman convenes and conducts the meetings of the Supervisory Board, appoints the person keeping the minutes, orders the voting and announces its results.
The meeting of the Supervisory Board may be convened by any member indicating the reason and purpose thereof if his/her request for convening the meeting has not been fulfilled by the chairman within 8 days.

Tasks and competence of the Supervisory Board

(a) The Supervisory Board may request information from the executive officers or employees in executive positions of the Company and may inspect the books and documents of the Company.

(b) The Supervisory Board shall inspect all important business reports appearing in the agenda of the General Meeting and all other submissions concerning the issues falling within the exclusive competence of the General Meeting.

(c) The General Meeting may pass resolutions on the report prepared in accordance with Accounting Act and on the appropriation of after-tax profits and on the report on corporate governance only after having the written report of the Supervisory Board.

(d) Members of the Supervisory Board shall treat business secrets concerning the Company's issues as confidential.

(e) Members of the Supervisory Board shall take part at the General Meeting of the Company with a right of consultation.

(f) If the Supervisory Board finds the activities of the management in violation of the laws, the Statutes or the resolutions of the General Meeting, or otherwise infringes the interests of the Company or its shareholders, the Supervisory Board shall convene an extraordinary General Meeting and shall make a proposal regarding its agenda.

(g) The Supervisory Board must previously provide its consent to the interim balance sheet to be approved by the Board of Directors, concerning the acquisition of treasury shares, payment of interim dividends, increase of its share capital by its assets exceeding the share capital.

The Supervisory Board defines its Rules of Procedure and submits them to the General Meeting for approval. Minutes are kept of the meetings of the Supervisory Board.
Members of the SB on 31 December 2020 (names of independent members are underlined and printed in italics):

Prof. Dr. István Stumpf chairman
Dr. Istvánné Gömöri vice-chairman
Ferenc Berkesi
Dr. Imre Repa
Katalin Hegedűs
László Hanzsek

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Gábor Kun

The Supervisory Board convened 3 times in 2020 and with an attendance of 7 members as an average.

The Audit Committee

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

Tasks and competence of the Audit Committee

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

Members of the Audit Committee on 31 December 2020:

Dr. Istvánné Gömöri chairwoman

Dr. Imre Repa

The Audit Committee convened 4 times in 2020 and full attendance was recorded at any meeting.

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

The Auditor

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

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Tasks and competence of the auditor

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

(b) The auditor shall examine all substantial business reports proposed to the General Meeting from the aspect of whether such reports contain true data and comply with all legal regulations.

(c) The auditor may inspect the books of the Company, may request information from the members of the Board of Directors and the Supervisory Board and the employees of the Company and may examine the bank account, the petty cash, the stocks of securities and goods and the agreements of the Company.

(d) The auditor shall treat all business secrets related to the operation of the Company as confidential.

(e) The auditor shall participate at the General Meeting but his/her absence does not prevent the holding of the meeting.

(f) If it is required, the auditor may be invited to attend the meeting of the Board of Directors with a right of consultation, or the auditor himself may initiate his/her attendance at the meetings. In this latter case, the request of the auditor may be refused only in exceptionally justified cases.

(g) The auditor may attend the meeting of the Supervisory Board with a right of consultation, Upon the invitation of the Supervisory Board, the auditor is required to attend the meeting of the Supervisory Board. The Supervisory Board shall put on the agenda the issues proposed for consideration by the auditor.

(h) If the auditor ascertains or otherwise learns that a considerable decrease in assets of the Company is probable, or perceives any other issue which entails the liability of the members of the Board of Directors or the Supervisory Board as set forth in the Civil Code, he/she shall request that the General Meeting be convened. If the General Meeting is not convened, or if it fails to render the resolutions required by laws, the auditor shall inform the Court of Registration exercising legal supervision.

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

Disclosure policy of the Company

The Company's disclosures are managed in compliance with the rules of the Budapest Stock Exchange. In quarterly reports, annual reports the Company publishes results, and in form of extraordinary reports makes all information public that are occurring in the operations with direct or indirect relevance to the share price or information that is necessary to the most important investment decisions of market participants. The Company participates regularly in the forums of investor

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coverage by way of road-shows, conferences. In addition, it keeps contact with investors continuously and is available for investors in answering their questions.

The Company's guidelines regarding insider trading

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

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

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

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

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

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

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

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The supreme organ of the Company is the General Meeting consisting of all the shareholders. Invitations to the General Meeting are publicly announced in the same manner as required for announcements of the Company 30 days prior to the planned General Meeting by the Board of Directors. Separate notification of the General Meeting is sent to the members of the Board of Directors and the Supervisory Board, as well as to the auditor of the Company.

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

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

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

Shareholders may exercise their shareholders rights personally or through representatives.
a, In case of personal attendance, shareholders must prove their identity with an ID card while their ownership is certified by their certificates of ownership of the shares. The shareholder registered in the register of shareholders who does not bring a certificate of ownership of the shares, may participate at the General Meeting but cannot exercise his/her voting right and cannot make proposals.
b, In case of a mandate, authorizations shall be submitted to the Company in the form of a notarial document or private document representing conclusive evidence. The authorisation shall be given to the representative of the Board of Directors before the General Meeting. As for certificate of ownership, Section a, is governing.
c, The securities account manager included in the Register of Shareholders as a shareholder delegate shall act as specified in the Capital Market Act in the representation of the shareholder.
Shareholders may exercise their shareholders rights if the shareholder or the representative is registered in the Register of Shareholders before the date of the General Meeting. The securities account managers shall provide for the registration of the shareholder in the Register of Shareholders

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based on the assignment of the shareholder. Securities account managers shall give information to the shareholders on the deadline of executing the assignments of registry in the Register of Shareholders. The Company does not accept responsibility for execution of assignments given to securities account managers and for the consequences of their failures.

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

The chairman of the General Meeting appoints the person keeping the minutes, conducts the meeting on the basis of the agenda, orders voting and announces results of voting and the resolutions of the General Meeting.
In accordance with the provisions of the Company Act, minutes are kept of the General Meeting.

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

Budapest, 11. March, 2021

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Chief Executive Officer