

ANY Security Printing Company Public Limited Company by Shares

Consolidated Financial Statements

for the year ended December 31, 2023

ANY Security Printing Company Public Limited Company by Shares

Audited Consolidated Financial Statements

December 31, 2023

Table of content

TABLE OF CONTENT	2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023 AND DECEMBER 31, 2022	4
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT DECEMBER 31, 2023 AND DECEMBER 31, 2022	5
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2022 AND DECEMBER 31, 2021	6
CONSOLIDATED STATEMENT OF CASH-FLOW AS AT DECEMBER 31, 2023 AND DECEMBER 31, 2022	7
SUPPLEMENTARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DEC. 31, 2023	8
1 GENERAL	8
2 SIGNIFICANT ACCOUNTING POLICIES	11
3 CASH AND BANK	23
4 ACCOUNTS RECEIVABLES	23
5 INVENTORIES	24
6 OTHER CURRENT ASSETS AND PREPAYMENTS	24
7 PROPERTY, PLANT AND EQUIPMENT	25
8 RIGHT OF USE ASSETS	26
9 GOODWILL	27
10 INTANGIBLES	29

11	CONTRACTED LIABILITIES, OTHER PAYABLES TAX LIABILITIES, GOVERNMENT GRANTS AND ACCRUALS.....	29
12	SHORT TERM AND LONG TERM LOANS	31
13	SHARE CAPITAL.....	31
14	TREASURY SHARES	31
15	RETAINED EARNINGS, NON-CONTROLLING INTEREST.....	31
16	NET SALES.....	32
17	OTHER EXPENSES, NET	34
18	INTEREST INCOME / EXPENDITURE	34
19	COST OF SALES AND SELLING GENERAL AND ADMINISTRATION COSTS 35	
20	TAXATION	36
21	OTHER COMPREHENSIVE INCOME FOR THE YEAR	38
22	EARNINGS PER SHARE	38
23	CONTINGENT LIABILITIES AND PROVISIONS.....	38
24	SHORT TERM AND LONG TERM PART OF LEASE LIABILITIES.....	39
25	RELATED PARTY TRANSACTIONS	40
26	REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD AND THE BOARD OF DIRECTORS	41
27	RISK MANAGEMENT	42
28	SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD.....	44

Consolidated Statement of Financial Position as at December 31, 2023 and December 31, 2022

In HUF thousands:	Notes	December 31, 2023	December 31, 2022
Current assets			
Cash and bank	<u>3</u>	6,056,275	6,393,330
Accounts receivables	<u>4</u>	12,674,854	5,607,294
Inventories	<u>5</u>	6,625,554	6,487,058
Other current assets and prepayments (without current tax receivable)	<u>6</u>	1,826,006	982,797
Current tax receivables	<u>6</u>	137,847	160,315
Total current assets		27,320,536	19,630,794
Non-current assets			
Property, plant and equipment	<u>7</u>	12,839,007	13,083,997
Right of use	<u>8</u>	489,831	578,557
Goodwill	<u>9</u>	639,352	569,823
Intangibles	<u>10</u>	171,420	247,615
Other assets		18,223	16,914
Total non-current assets		14,157,833	14,496,906
Total assets		41,478,369	34,127,700
Current liabilities			
Trade accounts payables	<u>27</u>	5,908,538	4,326,200
Short term part of lease liabilities	<u>24</u>	134,219	287,807
Contracted liabilities	<u>11</u>	2,644,678	7,411,258
Other payables and accruals (without current tax liabilities)	<u>11</u>	4,614,676	2,498,326
Current tax liabilities	<u>11</u>	1,687,520	1,142,542
Short term loans	<u>12</u>	8,474,190	2,540,520
Total current liabilities		23,463,821	18,206,653
Long term liabilities			
Deferred tax liability	<u>20</u>	941,763	839,984
Long term part of lease liabilities	<u>24</u>	104,886	112,396
Long term loans	<u>12</u>	4,049,259	4,357,787
Other long term liabilities		1,978	15,444
Total long term liabilities		5,097,886	5,325,611
Shareholders' equity			
Share capital	<u>13</u>	1,449,876	1,449,876
Capital reserve		250,686	250,686
Retained earnings	<u>15</u>	9,845,826	7,888,003
Treasury shares	<u>14</u>	(455,048)	(455,048)
Other comprehensive income	<u>21</u>	224,320	232,040
Total owners' equity		11,315,660	9,365,557
Non controlling interest	<u>15</u>	1,601,002	1,229,879
Total shareholders' equity		12,916,662	10,595,436
Total liabilities and shareholders' equity		41,478,369	34,127,700

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

Consolidated Statement of Comprehensive Income as at December 31, 2023 and December 31, 2022

In HUF thousands:	Notes	FY 2023	FY 2022
Net sales	<u>16</u>	55,475,269	43,179,930
Cost of sales	<u>19</u>	(37,790,901)	(30,555,068)
Gross profit		17,684,368	12,624,862
Selling general and administration costs	<u>19</u>	(10,247,827)	(8,830,160)
Gain on sale of fixed assets		(133)	227
Foreign currency (loss) / gain		(178,195)	149,804
Other expense, net	<u>17</u>	(856,058)	(358,675)
Operating income		6,402,155	3,586,058
Interest income	<u>18</u>	158,677	45,994
Interest expense	<u>18</u>	(698,442)	(246,169)
Profit before tax and non-controlling interest		5,862,390	3,385,883
Deferred tax income / (expense)	<u>20</u>	(101,779)	(117,722)
Income tax expense	<u>20</u>	(1,062,974)	(573,862)
Total tax expense		(1,164,753)	(691,584)
Profit after tax		4,697,637	2,694,299
Other comprehensive income for the year	<u>21</u>	(65,291)	205,027
<i>out of which: effect of revaluation based on IAS 21*</i>		(65,291)	205,027
Total comprehensive income for the year		4,632,346	2,899,326
<i>Profit after tax attributable to</i>			
Shareholders of the Company		4,267,289	2,244,042
<i>Non controlling interests</i>		430,348	450,257
Other comprehensive income attributable to			
Shareholders of the Company		(7,720)	137,933
<i>Non controlling interests</i>		(57,571)	67,094
Earnings per share (EPS):			
Basic (HUF per share)	<u>22</u>	298	156
Fully diluted (HUF per share)	<u>22</u>	298	156
Dividend per share paid (DPS)		161	168

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

* In case of derecognition of a foreign subsidiary the relevant part will be reclassified to profit and loss.

Consolidated Statement of Changes in Shareholders' Equity as at December 31, 2022 and December 31, 2021

	Notes	Issued Capital	Capital Reserve	Retained Earnings	Treasury Shares	Other comprehensive income	Non controlling Interest	Total
January 1, 2022		1,449,876	250,686	8,054,043	(455,048)	94,107	1,048,010	10,441,674
Dividend paid (after FY 2021)		-	-	(2,410,082)	-	-	-	(2,410,082)
Dividend paid to minority shareholders (after FY 2021 income)	<u>15</u>	-	-	-	-	-	(498,738)	(498,738)
Profit after tax attributable to non-controlling interests	<u>15</u>	-	-	-	-	-	450,257	450,257
Effect of revaluation based on IAS 21	<u>15</u>	-	-	-	-	137,933	67,094	205,027
Changes connected to Atlas	<u>15</u>	-	-	-	-	-	163,256	163,256
Profit after tax attributable to owners of the Company		-	-	2,244,042	-	-	-	2,244,042
December 31, 2022		1,449,876	250,686	7,888,003	(455,048)	232,040	1,229,879	10,595,436
Dividend paid (after FY 2022)		-	-	(2,309,466)	-	-	-	(2,309,466)
Dividend paid to minority shareholders (after FY 2022 income)	<u>15</u>	-	-	-	-	-	(1,654)	(1,654)
Profit after tax attributable to non-controlling interests	<u>15</u>	-	-	-	-	-	430,348	430,348
Effect of revaluation based on IAS 21	<u>15</u>	-	-	-	-	(7,720)	(57,571)	(65,291)
Profit after tax attributable to owners of the Company		-	-	4,267,289	-	-	-	4,267,289
December 31, 2023		1,449,876	250,686	9,845,826	(455,048)	224,320	1,601,002	12,916,662

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

Consolidated Statement of Cash-flow as at December 31, 2023 and December 31, 2022

In HUF thousands:	Notes	FY 2023	FY 2022
Cash flows from operating activities			
Profit before tax and non-controlling interest		5,862,390	3,385,883
<i>of which foreign currency (loss) / gain</i>		(178,195)	149,804
Effect of revaluation based on IAS 21		(65,291)	205,027
Depreciation cost of fixed assets	<u>7</u>	2,296,323	1,962,562
Amortization cost of intangibles	<u>10</u>	76,195	84,607
Changes in provisions	<u>17</u>	483,055	78,012
Gain on sale of property, plant and equipment		133	(2,906)
Interest expense		698,442	246,169
Interest income		(158,677)	(45,994)
Operating cash-flow before working capital changes:		9,192,570	5,913,360
Changes in accounts receivable and other current assets	<u>4,6</u>	(7,915,575)	802,543
Changes in inventories	<u>5</u>	(595,942)	(3,218,547)
Changes in accounts payables, provision and accruals	<u>11</u>	(617,199)	8,925,226
Cash provided by operating activities		63,854	12,422,582
Interest paid		(617,624)	(224,054)
Interest received		135,879	101,953
Taxes paid, net	<u>20</u>	(1,038,509)	(591,855)
Net cash provided by operating activities		(1,456,400)	11,708,626
Cash flows from investing activities			
Purchase of property, plant and equipment	<u>7</u>	(1,963,893)	(4,504,249)
Gain on sale of property, plant and equipment		(133)	2,906
Proceeds on sale of investments	<u>9</u>	-	(425,016)
Changes in loans to employees		(1,309)	(4,658)
Net cash flow used in investing activities		(1,965,335)	(4,931,017)
Cash flows from financing activities			
Non controlling interest changes		(71,182)	(498,738)
Increase in short term loans	<u>12</u>	5,933,670	198,506
Increase in long term debt	<u>12</u>	-	3,330,576
Repayment of long term loans	<u>12</u>	(308,528)	(2,060,323)
Increase of lease liabilities	<u>24</u>	139,661	96,630
Repayment of lease liabilities	<u>24</u>	(299,475)	(338,356)
Dividend paid		(2,309,466)	(2,410,081)
Net cash flow used in financing activities		3,084,680	(1,681,786)
Changes in cash and cash equivalents		(337,055)	5,095,823
Cash and cash equivalents at beginning of period		6,393,330	1,297,507
Cash and cash equivalents at end of the period	<u>3</u>	6,056,275	6,393,330

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

Supplementary Notes to the Consolidated Financial Statements Dec. 31, 2023

1 General

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

The persons authorized to represent the Company, and to sign the annual report: Gábor Zsámboki, CEO (Address: 1056 Budapest, Belgrád rakpart 21. IV/1.). The person responsible for the accounting services registered in IFRS: Tamás Karakó, CFO (Address: 1112 Budapest, Órség u. 9/B). The auditor of the Company Deloitte Könyvvizsgáló és Tanácsadó Kft. (Address: 1068 Budapest, Dózsa György út 84/C.), registered statutory auditor: Tamás Horváth (MKVK: 003449) (Address: 1028 Budapest, Bölény utca 16.). The audit fee in 2023 is HUF 39.1 million (HUF 31.2 million in 2022). Deloitte Üzletviteli és Vezetési Tanácsadó Zrt. provided advisory services to ANY Security Printing Company Plc. in connection with taxation issues in the amount of 18,000 USD.

As of December 31, 2023 and 2022 – based on the Company's share book – the following owners have more than 5% voting right or the following groups of investors own the Company:

Investor	FY 2023		FY 2022	
	Voting right (%)	Ownership (%)	Voting right (%)	Ownership (%)
Owners above 5% share				
EG CAPITAL LLC(*)	11.98%	11.62%	11.98%	11.62%
DIGITAL FOREST LLC(**)	7.11%	6.89%	6.97%	6.76%
AEGON ALFA SZÁRMAZTATOTT ALAP	5.20%	5.04%	8.87%	8.60%
Owners below 5% share				
Domestic Institutional Investors	30.15%	29.23%	28.94%	28.06%
Foreign Institutional Investors	10.83%	10.50%	10.75%	10.42%
Foreign Individual Investors	0.57%	0.55%	0.54%	0.52%
Domestic Individual Investors	31.70%	30.75%	28.53%	27.66%
Management, employees	1.46%	1.42%	2.42%	2.34%
Treasury shares	0.00%	3.03%	0.00%	3.03%
Other	1.00%	0.97%	1.00%	0.99%

(*) The Chairman of the Board of Directors of ANY Security Printing Company PLC as owner of EG Capital LLC has a further indirect ownership through Fortunarum Kft.

(**) Based on the AGM of March 31, 2014 the Tamás Erdős has been elected as a member of the Board of Directors of ANY Security Printing Company PLC has indirect ownership.

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

The consolidated subsidiaries of the Group at December 31, 2023 and at December 31, 2022 are as follows. The parent company primarily examines ownership when investigating control over subsidiaries based on IFRS 3.

Name of the Company	Place of registration and operation	Share capital	FY 2023		FY 2022		Classification ²
			Share of ownership	Voting right ¹	Share of ownership	Voting right ¹	
Gyomai Kner Nyomda Zrt.	Hungary	HUF 200,000,000	99.48%	99.48%	99.48%	99.48%	L
Specimen Zrt.	Hungary	HUF 100,000,000	100.00%	100.00%	100.00%	100.00%	L
Techno-Progress Kft.	Hungary	HUF 5,000,000	100.00%	100.00%	100.00%	100.00%	L
ANY Ingatlanhasznosító Kft.	Hungary	HUF 3,000,000	100.00%	100.00%	100.00%	100.00%	L
Zipper Services SRL	Romania	RON 2,060,310	60.00%	60.00%	60.00%	60.00%	L
Tipo Direct Serv SRL	Moldova	30.308 MDL	60.00%	60.00%	60.00%	60.00%	L
ATLAS Trade Distrib. SRL	Romania	RON 1,000	60.00%	60.00%	60.00%	60.00%	L
Slovak Direct SRO	Slovakia	EUR 63,965	100.00%	100.00%	100.00%	100.00%	L

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

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

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

2 Significant accounting policies

Basis of preparation

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

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

IFRS as adopted by the EU does not significantly differ from IFRS as issued by the International Accounting Standards Board (IASB).

The reporting currency of the Group is the Hungarian Forint (“HUF”), rounded to nearest thousand forints.

The reporting period of the Group is equivalent to calendar years. Base period from 1st January 2022 to 31st December 2022, referred as FY 2022 in text and table headings as well, and current period from 1st January 2023 to 31st December 2023, referred as FY 2023 in text and table headings as well.

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

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

Basis of consolidation

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

On acquisition, the assets and liabilities of a subsidiary are measured in the consolidated financial statements at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognized. Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable net assets of a subsidiary at the date of acquisition.

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

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

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

Cash and cash equivalents

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

Consolidated statement of cash flows

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

Inventory

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

Inventory impairment is calculated on obsolete or slow moving stocks item by item after judgement of the inventory item based on its physical status and future usage and selling opportunities. Full impairment is raised on inventories of which future usage and selling opportunities based on the unique debtors related characteristics of the inventories after the expiration of the contract or in lack of further orders are not probable. In case of inventories not connected directly to debtors, impairment on inventory is posted, if there was no consumption or sale in that item for a longer period before balance sheet day, based on individual assessment in this case as well. Furthermore the Group accounts impairment for inventories where cost of inventory is higher than the possible future net realizable value at a level until the net realizable value. Furthermore raises the Group full impairment on inventories that are falling out of production during the different technological processes, checked but proved to be not sufficient quality, and which were moved to scrap inventory location during the year, but have not been scrapped yet.

Property, plant and equipment (PP&E)

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

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

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

of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognized as an expense immediately.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Depreciation of assets directly attributed to operation is posted to cost of sales, depreciation of assets directly not attributed to operation is posted to selling, general and administration costs.

Right of use assets

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

Real estates	10.0% - 46%
Machineries and equipments	14.5% - 33%
Vehicles and other equipments	25.0% - 33%

Lease liabilities (as Lessee)

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

The Group has no small value or short term leases based on IFRS 16, has no sub-lease contracts and has no sale-and-lease-back type transactions.

Lease interest is calculated on lease liabilities applying the interest rate implicit in the lease or incremental borrowing rate (if the implicit interest rate is not available), which is recognised in the statement of profit or loss and other comprehensive income on the line interest expense.

Intangible assets

Intangible assets are considered to be definite useful life by the Group. Intangible assets can be purchased, self produced or recognised in compliance with IFRS3 business combinations. Intangible assets with definite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with infinite useful lives that are

acquired separately are carried at cost less accumulated impairment losses. Amortization is provided at rates between 16.7% and 33% per year.

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

Goodwill

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

Financial instruments

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

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

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

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

- it ceases or significantly decreases a measurement inconsistency, or
- a group of financial liabilities or a group of financial assets and liabilities are measured at fair value

in accordance with a documented risk or investment strategy.

Subsequent measurement

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

Amortised cost

Financial liabilities are measured at amortized costs, so do lease liabilities as well, and also those parts of financial liabilities which are held by the Group based on the business model for collecting contractual cash-flows and contractual cash-flows consist solely payments of principle and interest on the principal amount outstanding. Amortised cost is the original historical cost of the financial asset or liability decreased by the principal payments increased or decreased by the accumulated amortised cost of the difference between the original historical cost and the maturity cost and decreased by the possible impairment costs or loss of value. Effective rate of interest method should be used, interest has to be accounted in P&L.

Debt instruments measured FVTOCI

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

Equity instrument measured FVTOCI

Dividend can be recognised, if:

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

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

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

Debt instruments measured FVTPL

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

Fair value measurement

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

Impairment of financial assets

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount

of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group analysed whether how much credit loss on trade receivables should be raised based on expected credit loss of IFRS 9, and found that based on the return of previous years' trade receivables as future expected credit loss on trade receivables will account to Statement on Profit and Loss and Other Comprehensive Income (SPLOCI) 0.15% of gross value of trade receivables. The Group has significant number of trade debtors with governmental background, and the Group also ensures the inflow of trade receivables in the form of advances or other payment guarantees. General credit losses are not significant based on the Group's assessment, although based on individual trade debtors' assessment the necessary impairment on trade receivables is accounted.

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

2018.12.31	2019.12.31	2020.12.31	2021.12.31	2022.12.31
0.07%	0.09%	0.07%	0.07%	0.15%

Receivables by due date	Not overdue or 0-90 days overdue	More than 90 days overdue
Amount of write-off receivable	0.95%	Individually measured

De-recognition of financial assets

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

Taxation

The amount of company tax is based on the taxation obligation defined according to the law on corporate income tax and dividend taxes, which is modified by the deferred tax. Based on the decision of the Hungarian Parliament, 9% corporate tax rate has to be applied for the Hungarian companies from the calendar year of 2017. In case of the domestic subsidiaries we applied the new 9% corporate tax rate when calculating deferred tax. The tax liability of the foreign companies of the Group is taken into consideration with the effective tax legislation of their country of incorporation.

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

Deferred tax assets are recognized only if it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each balance sheet date, the Group re-assesses

unrecognized deferred tax assets and the carrying amount of deferred tax assets. The Group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. The Company classifies the local taxes and innovation contribution to corporate tax in profit and loss statement based on IAS 12 requirement.

Treasury shares

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

Revenue recognition

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

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

Revenue is measured from contracts with customers at the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

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

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

Variable consideration

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

Rights of return

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

Volume rebates

The Group applies either the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Significant financing component

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

Non-cash consideration

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

Contract balances

Trade receivables

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

Contract liabilities

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

Cost to obtain a contract

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

Interest revenue

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

Provisions

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

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative income 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 not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are mostly used by the Group to purchase assets. In case of purchasing assets the Group accounts government grants based on income approach. 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. Grants related to income should be recognised as deferred income in the statement of profit or loss and other comprehensive income on a systematic basis that matches them with the related costs.

Segment reporting

The Group does not separate different segments based on IFRS 8 – Segment reporting, but revenue is separated into five different product segment. The management of the Group considers these product segments strategically important. These segments are monitored and these are the basis of evaluating the performance. However, classification of turnover by product segments do not mean that these products can be produced in a clearly separable way in terms of assets and liabilities.

Earnings per share

Basic earnings per share data is calculated based on the weighted average number of shares outstanding during the period excluding treasury held by the Company and employee shares. Fully diluted earnings per

share is calculated based on the weighted average number of shares outstanding as calculated for basic earnings per share and as adjusted for giving effect to the assumed issuance of all potentially dilutive securities. Net income is adjusted in the fully diluted earnings per share calculation for any income or expense associated with the potentially dilutive securities.

Foreign currencies

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's presentational 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.

From the foreign subsidiaries of the Group Zipper Services S.R.L. prepares its financial statements in Romanian Lei, Tipo Direct SERV S.R.L. in Moldavian Lei, while Slovak Direct S.R.O. prepares its financial statement in EURO (presentational currency, and functional currency as well). The balances of foreign currency assets and liabilities of the foreign subsidiaries of the Group are translated at the relevant year-end MNB (National Bank of Hungary) foreign exchange rate, while incomes and expenditures are translated at the yearly average MNB rates in the consolidated financial statements in the parent company's presentational currency (HUF), which is the functional currency of the Group at the same time. Differences arising from translation are presented in other comprehensive income. The details of the conversion have been presented in table 27 Risk Management.

The effect of adopting new and revised International Financial Reporting Standards effective from 1 January 2023.

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standard	Title
IFRS 17	New standard IFRS 17 "Insurance Contracts" including the June 2020 and December 2021 Amendments to IFRS 17
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules*

* exception specified in amendments to IAS 12 (that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes) is applicable immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following revised IFRS Accounting Standards that have been issued by IASB and adopted by EU but are not yet effective:

Standard	Title	Effective date
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants	1 January 2024

New and revised IFRS Accounting Standards in issue but not adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as at 8th March 2024:

Standard	Title	EU adoption status
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements (IASB effective date: 1 January 2024)	Not yet adopted by EU
Amendments to IAS 21	Lack of Exchangeability (IASB effective date: 1 January 2025)	Not yet adopted by EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Group does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Group's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to **IAS 39: "Financial Instruments: Recognition and Measurement"** would not significantly impact the financial statements, if applied as at the balance sheet date.

Critical accounting judgements and estimates by applying the accounting policy

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

Critical assumptions by applying the accounting policy

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

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

Uncertainties in the estimates

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

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

3 Cash and bank

	December 31, 2023	December 31, 2022
Cash and cash equivalents	6,056,275	6,393,330
Total cash and cash equivalents:	6,056,275	6,393,330

Balance of cash and cash equivalents at the end of the period is HUF 6,056 million, which is HUF 337 million lower than at the end of year 2022.

4 Accounts receivables

	December 31, 2023	December 31, 2022
Trade receivables	12,728,095	5,634,926
<i>Allowance for doubtful debts</i>	(53,241)	(27,632)
Total:	12,674,854	5,607,294

The carrying value of trade receivables is fair value. Balance of trade debtors is HUF 12,675 million, which is HUF 7,068 million higher than at the end of 2022.

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

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	27,632	3,118
Impairment losses recognised on receivables	25,545	24,514
Impairment losses reversed	64	-
De-recognition of receivables as uncollectable debt	-	-
Balance at the end of the year	53,241	27,632

5 Inventories

	December 31, 2023	December 31, 2022
Raw materials	4,714,129	5,118,640
Work in progress	2,814,394	1,746,709
Finished goods	1,082,172	1,117,948
Goods	94,439	125,895
<i>Cumulated loss in value for inventories (*)</i>	(2,079,580)	(1,622,134)
Total:	6,625,554	6,487,058

The total amount of inventories is HUF 6,626 million, which increased by HUF 138 million (2%) compared to 31 December 2022.

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

6 Other current assets and prepayments

	December 31, 2023	December 31, 2022
Prepayments	285,772	203,400
<i>Of which: revenue recognized but not invoiced</i>	87,530	92,553
<i>Of which: rental fee of softwares</i>	127,227	76,390
<i>Of which: other prepayment</i>	71,015	34,457
Guarantee receivables	201,965	367,093
Advances paid	839,018	298,967
<i>Of which: advances paid for PP&E</i>	808,560	164,927
<i>Of which: other advances paid</i>	30,458	88,852
Employee loans	-	2,124
Other receivables	499,251	110,159
Total other current assets and prepayments:	1,826,006	981,473

	December 31, 2023	December 31, 2022
Other taxes receivable	80,881	94,044
Corporate income tax receivable	9,865	34,330
VAT receivable	47,101	33,265
Total current tax receivables	137,847	161,639

Year-end balance of current tax receivables is HUF 24 million lower than in previous period. Interest in employees loans are the same for each employee, Hungarian prime rate + 5%.

7 Property, Plant and Equipment

	Land and buildings	Machinery and equipment	Property rights	Vehicles and other equipments	Capital projects	Total
Cost:						
January 1, 2022	8,062,879	13,996,109	51,119	3,747,047	76,046	25,933,200
Capitalization	1,134,946	3,274,300	1,517	410,591	5,932	4,827,286
Increase due to acquisition	-	61,422	-	-	-	61,422
Disposals	4,801	509,780	267	79,538	-	594,386
Reclassification	-	70,445	-	-	-	70,445
December 31, 2022	9,193,026	16,892,496	52,369	4,078,100	81,977	30,297,968
January 1, 2023	9,193,026	16,892,496	52,369	4,078,100	81,977	30,297,968
Capitalization	506,654	897,273	14,746	471,016	-	1,889,689
Disposals	3,718	523,424	1,550	136,048	17,084	681,824
Reclassification	-	-	-	23,274	-	23,274
December 31, 2023	9,695,962	17,266,345	65,565	4,436,342	64,893	31,529,107
Accumulated depreciation:						
January 1, 2022	2,161,035	11,399,050	10,767	2,478,133		-16,048,985
Charge for year	330,098	901,820	3,201	402,198		1,637,317
Impairment	-	-	-	-	-	-
Disposals	2,400	400,725	-	69,206		472,331
December 31, 2022	2,488,733	11,900,145	13,968	2,811,125		-17,213,971
January 1, 2023	2,488,733	11,900,145	13,968	2,811,125		-17,213,971
Charge for year	287,185	1,313,177	13,178	452,762		2,066,302
Impairment	-	-	-	-		-
Disposals	3,718	477,295	-	109,160		590,173
December 31, 2023	2,772,200	12,736,027	27,146	3,154,727		-18,690,100
Net book value:						
December 31, 2021	5,901,844	2,597,059	40,352	1,268,914	76,046	9,884,215
December 31, 2022	6,704,293	4,992,351	38,401	1,266,975	81,977	13,083,997
December 31, 2023	6.923.762	4.530.318	38.419	1.281.615	64.893	12.839.007

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

the loan of ANY Nyrt.

8 Right of use assets

Rights of use movement table (values in thousands of HUF)	Property rights	Machinery and equipment	Vehicles and other equipments	Total
Cost:				
January 1, 2022	-	1,876,588	324,573	2,201,161
Additions	-	-	96,628	96,628
Disposals	-	-	-	-
December 31, 2022	-	1,876,588	421,201	2,297,789
January 1, 2023	-	1,876,588	421,201	2,297,789
Additions	-	-	139,275	139,275
Disposals	-	-	-	-
Reclassification	-	1,408,265	-	1,408,265
December 31, 2023	-	468,323	560,476	1,028,799
Accumulated depreciation:				
January 1, 2022	-	894,243	252,346	1,146,590
Charge for year	-	479,887	92,755	572,643
December 31, 2022	-	1,374,130	345,102	1,719,232
January 1, 2023	-	1,374,130	345,102	1,719,232
Charge for year	-	158,455	69,502	228,000
Reclassification	-	1,408,265	-	1,408,265
December 31, 2023	-	124,363	414,604	538,968
Net book value:				
January 1, 2022	-	982,345	72,227	1,054,572
January 1, 2023	-	502,457	76,100	578,557
December 31, 2023	-	343,960	145,872	489,831

Right of use assets were increasing due to the increase of leased assets of ANY Nyrt. Further details about leases can be found in Note 24 Leases.

9 Goodwill

	December 31, 2023	December 31, 2022
Zipper Services SRL	276,231	276,231
ATLAS Trade SRL	233,966	233,966
Gyomai Kner Nyomda Zrt.	26,994	26,994
Techno-Progress Kft.	20,509	20,509
Specimen Zrt.	12,123	12,123
Foreign currency goodwill revaluation effect (Zipper and ATLAS)	69,529	-
Goodwill	639,352	569,823

The five year term budgets used for the evaluation of the goodwill are reflecting the management's best knowledge and information about the expected conditions of the financial environment. The expected net sales revenue growth rate is between 4-6% based on the financial achievement and market conditions. Discount rate used is 10%.

Cost

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	335,857	335,857
ATLAS transaction	233,966	233,966
Foreign currency goodwill revaluation effect (Zipper and ATLAS)	69,529	-
Balance at the end of the year	639,352	569,823

Accumulated impairment losses

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

Goodwill impairment indications calculated on cash-generation units (CGU) in HUF thousands:	December 31, 2023		December 31, 2022	
	Recoverable amount	Proportionate part of carrying value of CGU	Recoverable amount	Proportionate part of carrying value of CGU
Zipper Services SRL	3,703,458	824,134	2,333,267	778,583
ATLAS Trade SRL	686,052	371,969	413,835	412,484
Gyomai Kner Nyomda Zrt.	734,376	746,887	1,402,914	865,692
Techno-Progress Kft.	1,273,261	76,228	485,870	119,290
Specimen Zrt.	214,865	13,785	202,545	14,395
Net value of Goodwill	6,612,012	2,033,003	4,838,431	2,190,444

10 Intangibles

	Research and development costs	Softwares	Value of contracts recognised based on IFRS 3	Total intangibles
Historical cost:				
January 1, 2022	269,161	100,544	-	369,705
December 31, 2022	269,161	100,544	332,222	701,927
January 1, 2023	269,161	100,544	332,222	701,927
Additions	-	-	-	-
Revaluation	-	-	11,205	11,205
December 31, 2023	269,161	100,544	343,427	713,132
Accumulated amortisation:				
January 1, 2022	269,161	100,544	-	369,705
Amortisation	-	-	84,607	84,607
December 31, 2022	269,161	100,544	84,607	454,312
January 1, 2023	269,161	100,544	84,607	454,312
Amortisation	-	-	87,400	87,400
December 31, 2023	269,161	100,544	172,007	541,712
Net book value				
January 1, 2022	-	-	-	-
December 31, 2022	-	-	247,615	247,615
December 31, 2023	-	-	171,420	171,420

11 Contracted liabilities, other payables tax liabilities, government grants and accruals

Contracted liabilities:

	December 31, 2022	Increase	Decrease	Revaluation	December 31, 2023
Contracted liabilities:	7,411,258	261,242	5,108,225	80,403	2,644,678

Tax liabilities, other liabilities, accruals:

	December 31, 2023	December 31, 2022
Accrued management bonuses	598,908	716,455
Other accruals	2,088,602	516,626
<i>Of which: accrued creditors*</i>	1,244,076	146,801
Social security	280,563	64,373
Salaries and wages	496,407	408,340
Advance payments from customers	970,802	231,903
Other short term liabilities	179,395	560,629
Other payables and accruals	4,614,676	2,498,326

* Mainly contains current year expenses occurred but not invoiced connected to Angolan project

	December 31, 2023	December 31, 2022
VAT	906,685	775,243
Personal income tax	143,838	102,583
Social contribution	56,010	109,281
Other taxes	636,997	155,435
Total current tax liabilities	1,687,520	1,142,542

Total current tax liabilities, other payables and accruals amounts to HUF 8,947 million, which decreased by HUF 2,105 million compared to December 31, 2022.

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

	December 31, 2023	December 31, 2022
Opening balance of accrued government grant:	176,361	213,012
Government grant posted to other income in current year:	36,652	36,652
Closing balance of accrued government grant:	139,709	176,361
Out of which long term part::	103,057	139,709
Out of which short term part:	36,652	36,652

Support received

Gyomai Kner Nyomda Zrt. won government grant in PM/3935 subsidy project for purchasing innovative, modern printing machine in 2020. The grant received was in amount of HUF 259,739 thousands in 2020, out of which was accounted to SPLOCI in 2022 in value of HUF 36,652 thousands parallel to the depreciation charged to SPLOCI in connection to the assets purchased from the grant, so accrued balance of the grant was HUF 139,709 thousands as at 31st December 2023.

12 Short term and long term loans

	December 31, 2022	Increase	Decrease	December 31, 2023
Parent company overdraft facility, HUF based	-	3,273,325	-	3,273,325
Parent company short-term loan, EUR based	-	3,827,800	-	3,827,800
Short term part of long term loan of Parent Company	2,202,009	25,775	1,125,007	1,102,777
Other short term loans of subsidiaries	338,511	112,312	180,535	270,288
Total short term loans and overdrafts	2,540,520	7,239,212	1,305,542	8,474,190
Long term loan of Parent Company	4,212,925	875,979	1,106,561	3,982,343
Long term loan of subsidiary	144,862	0	77,946	66,916
Total long term loans	4,357,787	875,979	1,184,507	4,049,259
Total loans and borrowings:	6,898,307	8,115,191	2,490,049	12,523,449

The Group has overdraft limit (market interest rate, based on 1 month BUBOR) in value of HUF 4.3 billion from which HUF 0.3 billion is secured by mortgage and sales revenue assignment. Based on the overdraft limit contracts the available amount of overdraft can be used is HUF 4.3 billion. For the long term loans mortgages of real estates and current assets were involved. For the financing of export projects parent company uses 10 million EUR revolving loan, which is covered by 11 million USD fixed-term deposit.

13 Share capital

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

	December 31, 2023		December 31, 2022	
	Issued	Treasury	Issued	Treasury
Registered shares	1,449,876	43,986	1,449,876	43,986
Total	1,449,876	43,986	1,449,876	43,986

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

14 Treasury shares

Number of treasury shares held by the Company on 31st December 2023 is 448,842 which were purchased at an average price of HUF 1,014 per share.

15 Retained earnings, non-controlling interest

Retained earnings available for distribution are based on the unconsolidated financial statements of the Company prepared in accordance with IFRS as adopted by EU and related Hungarian Accounting and Civil Law. The amount of the retained earnings in the Company's IFRS financial statement is HUF 7,738,702 thousands of which not distributable HUF 3,395,377 thousands. Retained earnings available for distribution is HUF 4,343,324 thousands.

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

Non-controlling interest in HUF thousands	FY 2023	FY 2022
Opening balance	1,229,879	1,048,010
Dividend paid to minority shareholders (after FY 2022 income)	(1,654)	(498,738)
Profit after tax attributable to non-controlling interests	430,348	450,257
Effect of revaluation based on IAS 21	(57,571)	67,094
Changes connected to Atlas transaction	-	163,256
Closing balance	1,601,002	1,229,879

16 Net sales

Sales	2023	2022
Sales revenue from customer contracts	55,475,269	43,179,930
Total sales	55,475,269	43,179,930

Sales segments	2023	2022
Security products and solutions	29,060,715	15,292,099
Card production and personalization	12,163,248	13,302,257
Form production and personalization. data processing	11,151,497	11,366,285
Traditional printing products	1,991,933	2,106,850
Other	1,107,876	1,112,439
Total net sales	55,475,269	43,179,930

The Group does not separate different segments based on IFRS 8 – Segment reporting, but revenue is separated into five different product segment. The management of the Group considers these product segments strategically important. These segments are monitored and these are the basis of evaluating the performance. However, classification of turnover by product segments do not mean that these products can be produced in a clearly separable way in terms of assets and liabilities.

Total revenue in 2023 by countries:

Revenue by Countries	2023	2022
Hungary	25,182,912	27,095,453
Africa	13,116,997	2,894,648
Romania	9,723,433	10,369,121
Iraq	2,528,120	531
Germany	2,236,590	410,551
Turkey	743,156	532,657
Austria	421,463	279,714
Slovakia	413,118	448,457
Moldova	279,407	165,207
Poland	166,032	129,547
Other European countries	334,026	689,991
Other countries of the world	330,015	164,053
Total:	55,475,269	43,179,930

17 Other expenses, net

Other incomes and expenses	2023	2022
Received subsidy	40,171	38,415
Other items	62,047	27,058
Received discount	6,869	22,857
Reversed loss in value for inventories	2,545	20,257
Reversed loss in value for trade receivables	14,445	5,419
Total other incomes	126,077	114,006
Loss in value for inventories (*)	521,984	186,849
Permanent cash contribution	200,273	81,316
Fines, penalties	6,905	36,423
Building tax, land tax	33,427	29,985
Loss in value for trade receivables	8,777	24,508
Other items	210,769	113,600
Total other expenses	982,135	472,681
Total	(856,058)	(358,675)

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

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

18 Interest income / expenditure

	2023 (thHUF)	2022 (thHUF)
Interest income	158,677	45,994
Interest expenditure	(698,442)	(246,169)
Net profit on interest	(539,765)	(200,175)

19 Cost of sales and selling general and administration costs

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

	2023 (thHUF)	2022 (thHUF)
Material type expenditures	34,151,407	28,199,935
Personal type expenditures	12,716,902	9,739,651
Depreciation and amortization	2,372,518	2,047,169
Changes in inventory and own performance	(1,202,099)	(601,527)
Total cost and expenditures	48,038,728	39,385,228
Cost of sales	37,790,901	30,555,068
Selling general and administration	10,247,827	8,830,160
Total direct and indirect cost of sales	48,038,728	39,385,228

During the year 2023, 2,373 million depreciation was accounted for, which is 325 million (16%) higher than the base period value.

Cost of sales amounted to 37,791 million, compared to the last year's figure 30,555 million.

Personal type expenditures amounted to 12,717 million, compared to the last year's figure 9,740 million.

Selling general and administration amounted to 10,248 million, compared to the last year's figure 8,830 million.

The average number of employees of the Group during the year was 1,075 (2022: 1,082).

20 Taxation

	December 31, 2023	December 31, 2022
Current year local business tax	549,852	325,380
Current year corporate income tax	430,409	199,427
Innovation contribution	82,713	49,055
Current year tax expense	1,062,974	573,862
Deferred tax (income) / expense	101,779	117,722
Total tax expense	1,164,753	691,584

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

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

Tax losses can be carried forward up to the next years offset future taxable profits (until its 50% and 5 years). Deferred tax assets relating to tax losses are netted off against deferred tax liabilities.

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

	December 31, 2023	December 31, 2022
Opening deferred tax liability	852,368	682,477
Deferred tax liability due to development reserve	98,225	127,405
Deferred tax on accounting and tax depreciation difference of assets not connected to development reserve	19,738	3,979
Financial leasing	171	-
ANY Ingatlanhasznosító Kft. revaluation reserve opening balance 2016	-	-
Depreciation accounted on ANY Ingatlanhasznosító Kft. revaluation reserve between 2017 and 2021	-	-
Depreciation accounted on ANY Ingatlanhasznosító Kft. revaluation reserve in 2022	(1,556)	(1,556)
Deferred tax liability arising from ATLAS transaction	(14,611)	40,063
Closing deferred tax liability	954,337	852,368
	December 31, 2023	December 31, 2022
Opening deferred tax assets	12,385	13,484
Deferred tax asset on write-off for bad debts	1,227	448
Deferred tax asset on deferred yearly losses	(1,038)	(1,796)
Deferred tax asset arising from ATLAS transaction	-	249
Closing deferred tax assets	12,574	12,385
	December 31, 2023	December 31, 2022
Opening deferred tax liability net	839,984	668,993
Closing deferred tax liability net	941,763	839,984

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

	December 31, 2023	December 31, 2022
Profit before tax and non-controlling interest	5,862,390	3,385,883
Tax at statutory rate of 9%(*)	527,615	304,729
Effect of the development reserve raised	(181,350)	(162,000)
Other permanent differences(**)	84,144	56,698
Corporate income tax expense	430,409	199,427

* The foreign tax rules were not considered in this calculation. The differences from that method can be find in row of Other permanent differences (net). In this calculation 9% tax rate valid in 2023 has been applied.

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

21 Other comprehensive income for the year

Other comprehensive income for the year	31 December, 2023	31 December, 2022
Revaluation effect of non-monetary SOFP items in other currency than HUF based on IAS 21 (*)	(65,291)	137,932
Total other comprehensive income for the year	(65,291)	137,932

* Revaluation effect of increasing RON fx exchange rate from consolidation

22 Earnings per share

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

	December 31, 2023	December 31, 2022
Weighted average shares outstanding for:	14,345,808	14,345,808
Net income used in the calculation	4,267,289	2,244,042
Basic and diluted earnings per share:		
Basic (HUF per share)	298	156
Fully diluted (HUF per share)	298	156

23 Contingent liabilities and provisions

The Company has arranged bank guarantees. The guarantees largely relate to commitments under Government and corporate tenders. Guarantees are provided up to a maximum limit of HUF 2,500 million. The Company uses HUF 862 million from its guarantee limit which is connected to tenders.

The Group reclassified HUF 3,731 million to the restricted reserves, which has not been utilised yet. Corporate tax base was decreased by this amount in line with the relevant Hungarian regulations under the condition, that this amount will be spent for capital expenditures in the following six years, otherwise the deducted corporate tax has to be repaid to the Hungarian Tax Authority grossed up with its fines and interests.

The Group does not have any provisions.

24 Short term and long term part of lease liabilities

Leasing liabilities expiry analysis as at 31.12.2023 (in thHUF)	Leasing liabilities related to real estates	Leasing liabilities related to machinery and equipment	Leasing liabilities related to vehicles	Total
Expired leasing liabilities in 2023:	-	88,825	45,394	134,219
Expired leasing liabilities in 2024:	-	11,515	38,357	49,872
Expired leasing liabilities in 2025:	-	8,616	38,231	46,847
Expired leasing liabilities in 2026:	-	2,216	5,950	8,166
Expired leasing liabilities in 2027:	-	-	-	-
Total:	-	111,172	127,932	239,105

Leasing liabilities expiry analysis as at 31.12.2022 (in thHUF)	Leasing liabilities related to real estates	Leasing liabilities related to machinery and equipment	Leasing liabilities related to vehicles	Total
Expired leasing liabilities in 2022:	-	229,871	57,935	287,807
Expired leasing liabilities in 2023:	-	53,007	4,875	57,882
Expired leasing liabilities in 2024:	-	24,938	1,403	26,341
Expired leasing liabilities in 2025:	-	25,616	391	26,007
Expired leasing liabilities in 2026:	-	2,166	-	2,166
Total:	-	335,599	64,604	400,203

Leasing interest analysis (in thHUF)	Leasing interest relating to real estates	Leasing interest relating to machinery and equipment	Leasing interest relating to vehicles	Total
Leasing interest in 2023	-	-	1,960	1,960
Leasing interest in 2022	-	12,031	3,630	15,661

Leasing obligation movement table (values in thousands of HUF)	Leasing liabilities related to real estates	Leasing liabilities related to machinery and equipment	Leasing liabilities related to vehicles	Total
January 1, 2022	-	575,333	62,635	637,967
Additions	-	-	96,630	96,630
Disposals	-	239,734	94,661	334,395
December 31, 2022	-	335,599	64,604	400,203
January 1, 2023	-	335,599	64,604	400,203
Additions	-	-	139,275	139,275
Disposals	-	224,426	75,946	300,372
December 31, 2023	-	112,383	127,576	239,958
Long term part of closing balance	-	22,770	84,573	107,343
Short term part of closing balance	-	88,825	45,394	134,219

SPLOCI items connected to leasing transaction (in HUF thousands)	2023.12.31	2022.12.31
Depreciation charged of leased assets:	228,000	502,198
Interest expenses of lease liabilities:	1,969	15,661
Total costs / expenditures:	229,969	517,859

25 Related party transactions

The Group has no other partner considered to be be related party based on IAS 24 than members of the Board of Directors, members of the Supervisory Board and management personnel. The Group purchased management services from EG Capital in value of HUF 183 million in 2023 (HUF 190 million in 2022).

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

HUF 11,436 thousands remuneration was paid to the Supervisory Board, while HUF 4,760 thousands to the Board of Directors in 2023.

The following table presents the beginning and the end of the assignment of the members of the Board of Directors, the members of the Supervisory Board and the senior officers. The number of shares hold in ANY Security Printing Company PLC is also presented as at 31 December 2023.

Type ¹	Name	Position	Assignment started	Assignment ends	ANY shares owned (no.)**
BD	Dr. Ákos Erdős ²	Chairman of Board of Directors	1993*	May 1, 2028	2,297,987
BD	Gábor Zsámboki	Deputy chairman of Board of Directors**	August 11, 2005*	May 1, 2028	143,923
BD	Robert Elton Brooker III.	Member of Board of Directors	May 1, 2023	May 1, 2028	12,285
BD	Dr. Gábor Kepecs	Member of Board of Directors	May 31, 2018	May 1, 2028	-
BD	Tamás Erdős ³	Member of Board of Directors	May 31, 2014	May 1, 2028	1,020,001
BD	Erwin Fidelis Reisch	Member of Board of Directors	May 31, 2014	May 1, 2028	-
SB	Prof. Dr. István Stumpf	Chairman of Supervisory Board	April 27, 2021***	May 31, 2024	-
SB, AC	Dr. Istvánné Gömöri ⁴	Deputy chairman of Supervisory Board and member of Audit Committee	August 11, 2005*	May 31, 2024	536,703
SB, AC	Ferenc Berkesi	Member of Supervisory Board and Audit Committee	August 11, 2005*	May 31, 2024	-
SB, AC	Dr. Imre Repa	Member of Supervisory Board and Audit Committee	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:					4,010,899

¹ Board of Directors member (BD), Supervisory Board member (SB), Audit Committee member (AC)

² Dr. Ákos Erdős controls ANY shares indirectly through EG Capital LLC and Fortunarum Kft.

³ Tamás Erdős controls ANY shares indirectly through Digital Forest LLC.

⁴ Dr. Istvánné Gömöri controls ANY shares indirectly through BELU S.A.R.L.

* Re-elected by the Annual General Meeting held on 31st March, 2014

** Gábor Zsámboki has been the deputy chairman of the Board of Directors since 11th August, 2014.

*** Elected by the Board of Directors entitled with AGM rights on 27th April. 2020

27 Risk management

Foreign currency risk

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

ANY Group	Currency	December 31, 2023		December 31, 2022	
		in original currency	in HUF thousands	in original currency	in HUF thousands
Foreign currency receivables	EUR	16,149,990	6,182,216	2,395,050	958,619
	BGN	-	-	-	-
	RON	37,833,671	2,911,301	35,250,377	2,851,050
	MDL	942,600	18,635	4,027,770	79,065
	GBP	-	-	2,167	979
	USD	825	304	117,889	44,289
Total (in HUF thousands)			9,112,457		3,934,002
Foreign currency cash	EUR	2,446,428	936,493	7,295,995	2,920,222
	USD	586,314	216,209	6,034,117	2,266,897
	GBP	1,300	587	3,236	1,463
	RON	9,998,883	769,414	9,103,299	736,275
	MDL	6,725,968	132,972	12,681,411	248,936
Total (in HUF thousands)			2,055,675		6,173,793
Foreign currency liabilities	EUR	20,021,782	7,664,338	20,376,217	8,155,581
	USD	81,100	29,906	156,062	58,629
	CHF	-	-	16,062	6,536
	SEK	-	-	44	12
	RON	28,482,231	2,192,015	34,745,978	2,810,255
	MDL	488,717	9,662	4,817,695	94,571
	GBP	15,476	6,983	-	-
	BGN	101,539	19,872	-	-
Total (in HUF thousands)			9,922,778		11,125,585
Impact of a possible 1% foreign exchange rate decrease in each foreign currency (in HUF thousands)*		December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
Impact on foreign currency assets			1,116,813		1,010,780
Impact on foreign currency liabilities			(992,278)		(1,112,559)
Total impact of possible foreign exchange rate change			124,535		(101,779)

In case of a same percentage forint exchange rate increase the same numbers apply like in the table up, only with opposite sign.

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

Interest rate risk

Due to the moderate level of debts in the Group potential interest rate changes would not influence significantly the amount of interests to be paid by the Group. Based on the balance of Credits of the Group a potential interest rate increase of 100 basis points relevant to our credits would increase our interest expenses by approximately HUF 125,345 thousands in the year 2023. (This was HUF 68,754 thousands in the year 2022.)

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash-flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk of the Group, due to the high balance of net working capital, is low.

The maturity of trade payables, lease liabilities and credits is shown in the next table (not discounted values):

ANY Group FY 2023	In 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total:
Trade payables	5,646,661	261,877	-	-	-	5,908,538
Lease liabilities	22,010	22,103	88,502	106,478	-	239,105
Credits	771,477	1,462,495	6,240,218	4,049,259	-	12,523,449
Other liabilities and accruals (without taxes)	6,795,647	23,299	440,408	-	-	7,259,354
Current tax liabilities	1,659,570	27,950	-	-	-	1,687,520
Total	14,895,365	1,797,724	6,769,129	4,155,749	-	27,617,967

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

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, and obtaining sufficient collateral, where appropriate, as a means of mitigating the

risk of financial loss from defaults. Trade receivables consist of a large number of costumers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The financial discipline of the debtors of the Group is really good, which is also represented by the low portion of cumulated provision on trade receivables compared to the gross amount of trade receivables: 0.95%. (This was 0.15% in 2022.) (For further details see page 16.) The more than 90 days overdue receivables out of total aged receivables of the Group is 0,1%.

28 Significant events after the reporting period

Decisions of the 8th March 2024 Board of Directors' meeting

The Consolidated Financial Statements were authorized for issue by the Board of Directors of ANY Nyrt. on 8th March, 2024. The Board of Directors proposes HUF 250 dividend per share to the shareholders on the annual general meeting to be held in April 2024.

Budapest, 8th March 2024

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Chief Executive Officer

ANY Security Printing Company Public Limited Company by Shares

Consolidated business report
for the year ended 31 December, 2023

General information on the Group

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

Subsidiaries

Gyomai Kner Nyomda Zrt., Seat: 5500 Gyomaendrőd, Kossuth Lajos u. 10-12.
Specimen Zrt., Seat: 1102 Budapest, Halom u. 5.
ANY Ingatlanhasznosító Kft., Seat: 1102 Budapest, Halom u. 5.
Techno-Progress Kft., Seat: 1102 Budapest, Halom u. 5.
Zipper Services s.r.l., Seat: Bucuresti, Bd 1 Decembrie 1918, Nr. 1G, Sect. 3
ATLAS Trade Distribution SRL., Seat: Str. Valea Cascadelor nr. 21, cladirea 4 Sector 6, Bucuresti
Slovak Direct s.r.o., Seat: Nové Záhřady I/11, 821 05 Bratislava
Tipo Direct Serv SRL, Seat: Chişinău 2001, str. Tighina 49/3, ap. 41C

Analysis of the Group's performance in FY 2023

Net sales of ANY PLC for 2023 amounted to HUF 55.5 billion which is higher by HUF 12.3 billion (28%) than in the previous year. Changes in case of strategic product segments were as follows: sales of security products, solutions were HUF 29.1 billion, which is HUF 13.8 billion (90%) higher than the figure in the basis period; data processing were HUF 11.2 billion, which is HUF 0.2 billion (9%) lower than the figure in the basis period, whilst sales of card production, personalisation were HUF 12.2 billion, which is HUF 1.1 billion (9%) lower than the figure in the basis period. Ratio of strategic products segments in total net sales was 94% in 2023.

Export sales amounted to HUF 30.3 billion as at December 31, 2023, which is HUF 14.2 billion higher than in the previous year, representing 55% export sales ratio.

Consolidated EBITDA is HUF 8,774 million.

Consolidated operating income is HUF 6,402 million.

Consolidated net income after interest income, taxation and non-controlling interest is HUF 4,267 million.

Income statement analysis

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

1. Table: Net sales by segments

Sales segments	2022 HUF millions	2023 HUF millions	Change	Change %
Security products and solutions	15,292	29,061	13,769	90.04%
Card production and personalization	13,302	12,163	(1,139)	-8.56%
Form production and personalization, data processing	11,367	11,151	(216)	-1.90%
Traditional printing products	2,107	1,992	(115)	-5.46%
Other	1,113	1,108	(5)	-0.45%
Total net sales	43,181	55,475	12,294	28.47%

ANY PLC had consolidated net sales of 55,475 million in Q1-Q4 2023, which is HUF 12,294 million (28%) higher than the sales for the base period.

Sales of **security products and solutions** came to HUF 29,061 million in Q1-Q4 2023 which means an increase of HUF 13,769 million (90%) compared to the base period. The increase was mainly driven by the export projects, higher tax stamps turnover, and invoiced revenue from the roll-out of passport issuing systems.

The Company's revenues from **card production and personalisation** totalled HUF 12,163 million in the period of reference, a HUF 1,139 million (9%) decrease compared to similar period of year 2022. The main reason for the change is the declining turnover of other document cards.

The Company's revenues from **form production, personalisation and data processing** came to HUF 11,151 million in Q1-Q4 2023, HUF 216 million (2%) lower than the sales for the base period. The main reason for the change is the decrease in turnover from export form production and personalization.

Sales of **traditional printing products** amounted to HUF 1,992 million in the period of reference, which means a HUF 115 million (5%) decrease compared to the previous year's similar period. Lower volume of book orders is behind the change.

Other sales totalled HUF 1,108 million in Q1-Q4 2023, which is a decrease of HUF 5 million compared to the correspondent period of the last year. This segment mainly comprises revenues from the sale of commercial materials and goods.

Operating income came to HUF 6,402 million, an increase of HUF 2,815 million compared to the previous period.

Gross profit totalled HUF 17,684 million, which means a 32% gross margin. General (SG&A) expenses amounted to HUF 10,248 million in Q1-Q4 2023, which equals to 18% of net sales.

Material expenses amounted to HUF 34,151 million, higher by HUF 5,951 million (21%) in the current period due to increased raw material prices and due to services used and consignment services connected to export projects.

The capitalized value of own performance line shows the capitalized value of assets produced and the change in inventories manufactured. These figures were driven mainly by the change in inventories in both periods presented; the most significant of these is the value of work-in-production (WIP) connected to security and card products.

Personnel expenses totalled HUF 12,717 million, which is HUF 2,977 million higher than in the base period, due to the increase in staffing levels, the wage increase implemented and to the achievement based salaries connected to higher turnover and its contributions.

EBITDA amounted to HUF 8,774 million due to the change in operating income and depreciation, which represents an increase of HUF 3,141 million compared to previous period's EBITDA. Therefore EBITDA margin is 16%.

Net interest income amounted to -540 million HUF in Q1-Q4 2023, due to higher interest rates. The foreign currency gain is HUF -178 million, which is the result of the favourable change in the foreign exchange rates. Net income – after financial operations, taxation and minority interest – came to HUF 4,269 million in Q1-Q4 2023, which is HUF 2,025 million higher in the base period.

Balance sheet analysis

The Company had total assets of HUF 41,478 million on 31 December 2023, which increased by HUF 7,351 million compared to the previous year-end.

Receivables amounted to HUF 12,675 million which represents a HUF 7,068 million increase compared to the 2022 year-end, due to increased turnover and to the invoices of big projects issued at the end of the year.

Cash and bank totalled HUF 6,056 million which represents a HUF 337 million decrease compared to the 2022 year-end balance.

Inventories totalled HUF 6,626 million, which is a HUF 138 million (2%) increase compared to the 31 December 2022 figure mainly due to increased work-in progress and semi-finished products.

Other current assets and prepayments amounted to HUF 1,964 million, which is increased by HUF 821 million compared to previous year-end mainly due to the increase in the paid advances related to the Angolan projects.

The balance of property, plant and equipment at the end of December 2023 was HUF 12,839 million, a decrease of HUF 245 million compared to the end of 2022.

Goodwill amounted to HUF 639 million which is the same as last year's balance.

Accounts payable totalled HUF 5,909 million, HUF 1,582 million (37%) higher compared to the end of December 2022, mainly due to the increase in accounts payable related to the Angolan projects.

Other payables and accruals amounted to 8,944 million, which is decreased by HUF 2,105 million (23%) compared to the 31 December 2022 figure mainly due to a decrease in advances received from customers related to the Angolan projects.

Lease liabilities relating to the purchase of fixed assets have a balance of HUF 239 million, from which HUF 105 million is long-term part, HUF 134 million is short-term liability.

Balance of long-term loans totalled HUF 4,049 million which represents a HUF 309 million decrease compared to the 2022 year-end. The Company's operation is financed by short term loans, which reached HUF 8,474 million on 31 December, 2023, out of which short term part of long term loan is HUF 4,930 million.

Risk management

Foreign currency risk

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

Interest rate risk

Due to the moderate level of debts in the Group, potential interest rate changes would not influence significantly the amount of interests to be paid by the Group. Based on the balance of Credits of the Group a potential interest rate increase of 100 basis points relevant to our credits would increase our interest expenses by approximately HUF 125,345 thousands in the year 2023. (This was HUF 68,754 thousands in the year 2022.)

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash-flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk of the Group, due to the high balance of net working capital, is low.

Credit risk

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

The financial discipline of the debtors of the Group is really good, which is also represented by the low portion of cumulated provision on trade receivables compared to the gross amount of trade receivables: 0.95%. (This was 0.15% in 2022.) The more than 90 days overdue receivables out of total aged receivables of the Group is 0.1%.

Supplementary information for the business report of ANY Group

The Company's employment policy

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

Environment protection

The parent company has ISO 14000:2015 Environmental Control System certificate audited by Det-Norske Veritas. The expiry date of the certification is January 11, 2025. The environmental certificate covers the following fields: printed products, security products, documents, development, production and personalization of plastic cards and bankcards. Research and development and production of security materials. Electronic reprocessing and delivering of printed forms. Chip embedding and encoding at smart cards. Research and development of traditional/general and mobile information technology solutions, operation and support of connected services. Electronic archiving of data, data processing, database management, setting up archives, storing of documents for fee.

Dangerous waste is continuously eliminated after leaving the company sites. In 2023, 20,829 kg dangerous waste was transported and eliminated. The parent company has being awarded Green Printing House Award for thirteen consecutive years this year.

Research and development

The parent company has two significant R&D areas:

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

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

The direct cost of basic research, applied research and experimental development incurred in the current year is HUF 110 million.

Significant events after the reporting period

The Consolidated Financial Statements were accepted by the Board of Directors of ANY Group on 8th March, 2024.

Treasury shares in FY2023

2. Table: Treasury shares

Description	Number of shares	Nominal value (HUF thousands)	Purchase value (HUF thousands)
Opening balance as at 1 January, 2023	448,842	43,987	455,048
Closing balance as at 31 December, 2023	448,842	43,987	455,048

Number of treasury shares held by the Group on 31st December 2023 is 448,842 which were purchased at an average price of HUF 1,014 per share.

The Group's total share equity was HUF 1,449,876 thousands on 31 December 2023 which consists of 14,794,650 pieces of series 'A' registered, dematerialized ordinary shares with a nominal value of HUF 98 each.

Competence, election and removal of corporate officers

Statutes effective from 31st March 2014 of ANY Security Printing Company PLC point 10.10 prescribes the competence of the General Meeting, of which point 'd' regulates the election (simple majority of the votes of the shareholders present) and the removal (three-quarters of the votes of the shareholders present) of the corporate officers (Members of the Board of Directors, Members of the Supervisory Board or Members of the Audit Committee).

Competence and operation is regulated in point 12 of the Statutes for the Board of Directors is, while point 14 for the Supervisory Board and point 15 for the Audit Committee.

Purchase of treasury shares is regulated by point 9.3 of Statutes, according to which General Meeting authorises the Board of Directors for purchasing treasury shares of the Company by simple majority of the votes of the shareholders present. The Board of Directors authorises the management for purchasing treasury shares of the Company by simple majority of the votes of the Board members present. The regulation effective at present in connection with purchasing treasury shares is the General Meeting Resolution No 11/2015 (20th April).

Statutes effective of the ANY Security Printing Company PLC can be found on the website of the Company under the link of Investors.

(https://www.any.hu/wp-content/files_mf/1557324630ANY_Statutes_20200408.pdf)

Modification of the Statutes

Statutes effective from 31st March 2014 of ANY Security Printing Company PLC point 10.10 prescribes the competence of the General Meeting, of which point 'a' regulates the modification of the Statutes, which is connected to three-quarters of the votes of the shareholders present.

Statutes effective of the ANY Security Printing Company PLC can be found on the website of the Company under the link of Investors.

(https://www.any.hu/wp-content/files_mf/1557324630ANY_Statutes_20200408.pdf)

Structure of shareholders over 5% share

3. Table: Structure of shareholders

Investor	Voting right (%)	Ownership (%)
Owners above 5% share		
EG CAPITAL LLC(*)	11.98%	11.62%
DIGITAL FOREST LLC(**)	7.11%	6.89%
AEGON ALFA SZÁRMAZTATOTT ALAP	5.20%	5.04%
Owners below 5% share		
Domestic Institutional Investors	30.15%	29.23%
Foreign Institutional Investors	10.83%	10.50%
Foreign Individual Investors	0.57%	0.55%
Domestic Individual Investors	31.70%	30.75%
Management, employees	1.46%	1.42%
Treasury shares	0.00%	3.03%
Other	1.00%	0.97%

(*) The Chairman of the Board of Directors of ANY Security Printing Company PLC as owner of EG Capital LLC has a further indirect ownership through Fortunarum Kft (3.70%).

(**) Indirect ownership of Tamás Erdős, member of the Board of Directors of ANY Security Printing Company PLC based on the AGM held on 31st March, 2014.

Budapest, 8th March 2024

.....
 Chief Executive Officer

ANY Security Printing Company Public Limited Company

Separate Financial Statements

for the year ended December 31, 2023

ANY Security Printing Company Public Limited Company

Separate Financial Statements

December 31, 2023

Table of content

TABLE OF CONTENT	55
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023 DECEMBER 31, 2022.....	57
FINANCIAL STATEMENT OF COMPREHENSIVE INCOME AS AT DECEMBER 31, 2023	58
CHANGES IN SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2023.....	59
CASH-FLOW AS AT DECEMBER 31, 2023.....	60
SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS DEC. 31, 2023	61
1 GENERAL	61
2 SIGNIFICANT ACCOUNTING POLICIES.....	64
4 ACCOUNTS RECEIVABLES.....	76
5 INVENTORIES	76
6 OTHER CURRENT ASSETS AND PREPAYMENTS	77
7 PROPERTY, PLANT AND EQUIPMENT	79
8 RIGHT OF USE ASSET	80
9 INVESTMENTS	81
10 INTANGIBLES	82

11	TRADE ACCOUNTS PAYABLES.....	82
12	CONTRACTED LIABILITIES, OTHER PAYABLES AND ACCRUALS	83
13	SHORT TERM AND LONG TERM LOANS	84
14	SHARE CAPITAL.....	84
15	SHAREHOLDERS' EQUITY	85
16	NET SALES	87
17	OTHER EXPENSES, NET.....	89
18	COST OF SALES AND SELLING GENERAL AND ADMINISTRATION COSTS	90
19	DIVIDEND INCOME	90
20	TAXATION	90
21	CONTINGENT LIABILITIES	92
22	SHORT TERM AND LONG TERM PART OF LEASE LIABILITIES.....	92
23	RELATED PARTY TRANSACTIONS	95
24	REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD AND THE BOARD OF DIRECTORS	96
25	RISK MANAGEMENT	97
26	SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD	99

Statement of Financial Position as at December 31, 2023 December 31, 2022

In HUF thousands:	Notes	December 31, 2023	December 31, 2022
Current assets			
Cash and bank	<u>3</u>	4,883,222	5,194,455
Accounts receivables	<u>4</u>	9,861,212	3,395,636
Inventories	<u>5</u>	6,277,422	5,887,390
Other current assets and prepayments (without current tax receivable)	<u>6</u>	4,295,432	3,269,509
Current tax receivables	<u>6</u>	5,273	95,428
Total current assets		25,322,561	17,842,418
Non-current assets			
Property, plant and equipment	<u>7</u>	7,526,499	7,582,243
Right of use	<u>8</u>	1,990,732	2,584,834
Investments	<u>9</u>	1,747,819	1,747,819
Intangibles	<u>10</u>	-	-
Deferred tax assets		2,570	1,394
Other assets	<u>9</u>	8,200	6,029
Total non-current assets		11,275,820	11,922,319
Total assets		36,598,381	29,764,737
Current liabilities			
Trade accounts payables	<u>11</u>	4,482,509	2,968,657
Short term part of lease liabilities	<u>22</u>	574,277	735,137
Contracted liabilities	<u>12</u>	2,644,678	7,411,258
Other payables and accruals (without current tax liabilities)	<u>12</u>	3,893,931	1,499,519
Current tax liabilities	<u>12</u>	1,577,917	946,080
Short term loans	<u>13</u>	8,233,447	2,202,009
Total current liabilities		21,406,759	15,762,660
Long term liabilities			
Deferred tax liability	<u>20</u>	755,844	629,309
Long term part of lease liabilities	<u>22</u>	1,576,471	2,110,526
Long term loans	<u>13</u>	3,952,799	4,212,925
Total long term liabilities		6,285,114	6,952,760
Shareholders' equity			
Share capital	<u>14</u>	1,449,876	1,449,876
Capital reserve	<u>15</u>	250,686	250,686
Retained earnings	<u>15</u>	7,660,994	5,803,803
Treasury shares	<u>15</u>	(455,048)	(455,048)
Total owners' equity	<u>15</u>	8,906,508	7,049,317
Total liabilities and shareholders' equity		36,598,381	29,764,737

Financial Statement of Comprehensive Income as at December 31, 2023

In HUF thousands:	Notes	FY 2023	FY 2022
Net sales	<u>16</u>	43,284,822	30,419,070
Cost of sales	<u>18</u>	(28,999,730)	(21,510,866)
Gross profit		14,285,092	8,908,204
Selling general and administration	<u>18</u>	(8,239,969)	(6,987,013)
Gain/(Loss) on sale of fixed assets		6	2,298
Dividend income	<u>19</u>	445,847	1,263,458
Foreign currency loss		(105,887)	(68,730)
Other expense, net	<u>17</u>	(902,692)	(248,416)
Operating income		5,482,397	2,869,801
Interest income		495,386	326,968
Interest expense		(729,439)	(288,574)
Gains on sale of investments	<u>9</u>	-	-
Profit before tax		5,248,344	2,908,195
Deferred tax expense	<u>20</u>	(125,358)	(106,132)
Income tax expense	<u>20</u>	(847,968)	(329,854)
Total tax expense		(973,326)	(435,986)
Profit after tax		4,275,018	2,472,209
Other comprehensive income for the year		-	-
Total comprehensive income for the year		4,275,018	2,472,209

Changes in Shareholders' Equity as at December 31, 2023

in HUF thousands	Share capital	Capital reserve	Retained earnings	Treasury shares	Total
1, January 2022	1,449,876	250,686	5,741,676	(455,048)	6,987,190
Dividend paid (after FY 2021)	-	-	(2,410,082)	-	(2,410,082)
Total comprehensive income for the year	-	-	2,472,209	-	2,472,209
31, December 2022	1,449,876	250,686	5,803,803	(455,048)	7,049,317
Dividend paid (after FY 2022)	-	-	(2,309,466)	-	(2,309,466)
Total comprehensive income for the year	-	-	4,275,018	-	4,275,018
Right of use assets correction*	-	-	(108,361)	-	(108,361)
31, December 2023	1,449,876	250,686	7,660,994	(455,048)	8,906,508

(*) see more information at point of 8 – table of Right of use asset

Cash-flow as at December 31, 2023

In HUF thousands:	Notes	FY 2023	FY 2022
Cash flows from operating activities			
Profit before tax		5,248,344	2,908,195
Depreciation cost of fixed assets	<u>7</u>	2,243,815	1,448,048
Amortization cost of intangibles	<u>10</u>	-	-
Changes in provisions	<u>17</u>	(18,994)	(7)
Gain/(loss) on sale of property, plant and equipment		(6)	(2,298)
Gains on sale of investments		-	-
Dividend income		(445,847)	(1,263,458)
Interest expense		729,439	288,574
Interest income		(495,386)	(326,968)
Operating cash-flow before working capital changes:		7,261,365	3,052,086
Changes in accounts receivable and other current assets	<u>4,6</u>	(7,466,815)	285,454
Changes in inventories	<u>5</u>	(390,032)	(2,892,094)
Changes in accounts payables, provision and accruals	<u>12</u>	168,628	8,535,307
Cash provided by operations		(426,854)	8,980,753
Interest received	<u>13, 22</u>	(644,974)	(363,400)
Interest paid	<u>23</u>	100,279	331,562
Taxes paid, net	<u>20</u>	(847,968)	(329,854)
Net cash provided by operating activities		(1,819,517)	8,619,061
Cash flows from investing activities			
Purchase of property, plant and equipment	<u>7</u>	(2,236,385)	(4,213,420)
Proceeds on sale of property, plant and equipment		6	2,298
Received dividend	<u>19</u>	445,847	1,263,458
Proceeds on sale of investments	<u>9</u>	-	-
Purchase of investments	<u>9</u>	-	-
Changes in loans to employees		(2,171)	(2,867)
Net cash flow used in investing activities		(1,792,703)	(2,950,531)
Cash flows from financing activities			
Increase in short term loans	<u>13</u>	7,156,443	428,683
Decrease in short term loans	<u>13</u>	(1,125,006)	(208,333)
Increase in long term loans	<u>13</u>	846,436	3,407,673
Decrease in long term loans	<u>13</u>	(1,106,560)	(2,072,484)
Repayment of lease obligations	<u>22</u>	(160,860)	(22,348)
Dividend paid		(2,309,466)	(2,410,082)
Net cash flow used in financing activities		3,300,987	(876,891)
Changes in cash and cash equivalents		(311,233)	4,791,639
Cash and cash equivalents at beginning of period		5,194,455	402,816
Cash and cash equivalents at end of the period	<u>3</u>	4,883,222	5,194,455

Supplementary Notes to the Financial Statements Dec. 31, 2023

1 General

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

The persons authorized to represent the Company, and to sign the annual report: Gábor Zsámboki, CEO (Address: 1056 Budapest, Belgrád rakpart 21. IV/1.). The person responsible for the accounting services registered in IFRS: Tamás Karakó, CFO (Address: 1112 Budapest, Őrség u. 9/B). The auditor of the Company Deloitte Könyvvizsgáló és Tanácsadó Kft. (Address: 1068 Budapest, Dózsa György út 84/C.), registered statutory auditor: Tamás Horváth (MKVK: 003449) (Address: 1028 Budapest, Bölény utca 16.). The audit fee in 2023 is HUF 22.5 million. Deloitte Üzletviteli és Vezetési Tanácsadó Zrt. provided advisory services to ANY Security Printing company Plc. in connection with taxation issues in the amount of 18,000 USD.

As of December 31, 2022, December 31, 2023 – based on the Company's share book – the following owners have more than 5% voting right or the following Companies of investors own the Company:

Investor	December 31, 2023		December 31, 2022	
	Voting right (%)	Ownership (%)	Voting right (%)	Ownership (%)
Owners above 5% share				
EG CAPITAL LLC(*)	11.98%	11.62%	11.98%	11.62%
DIGITAL FOREST LLC(**)	7.11%	6.89%	6.97%	6.76%
AEGON ALFA SZÁRMAZTATOTT ALAP	5.20%	5.04%	8.87%	8.60%
Owners below 5% share				
Domestic Institutional Investors	30.15%	29.23%	28.94%	28.06%
Foreign Institutional Investors	10.83%	10.50%	10.75%	10.42%
Foreign Individual Investors	0.57%	0.55%	0.54%	0.52%
Domestic Individual Investors	31.70%	30.75%	28.53%	27.66%
Management, employees	1.46%	1.42%	2.42%	2.34%
Treasury shares	0.00%	3.03%	0.00%	3.03%
Other	1.00%	0.97%	1.00%	0.99%

(*) The Chairman of the Board of Directors of ANY Security Printing Company PLC as owner of EG Capital LLC has a further indirect ownership through Fortunarum Kft.

(**) Based on the AGM of March 31, 2014 the Tamás Erdős has been elected as a member of the Board of Directors of ANY Security Printing Company PLC has indirect ownership.

ANY PLC produces security products and solutions (tax stamps, stickers with security elements), plastic and paper cards (document cards, bank and telephone cards, as well as commercial cards), personalized business and administration forms, as well as conventional printing products. ANY PLC prepares its separate financial statements based on IAS 27.

The consolidated subsidiaries of the Company at December 31, 2022 and December 31, 2023 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, about related party transactions Note 23.

Name of the Company	Place of registration on Country	Equity	December 31, 2023		December 31, 2022		Classification ²
			Share of ownership	Voting right ¹	Share of ownership	Voting right ¹	
Gyomai Kner Nyomda Zrt.	Hungary	HUF 200,000,000	99.48%	99.48%	99.48%	99.48%	L
Specimen Zrt.	Hungary	HUF 100,000,000	100.00%	100.00%	100.00%	100.00%	L
Techno-progress Kft.	Hungary	HUF 5,000,000	100.00%	100.00%	100.00%	100.00%	L
ANY Ingatlanhasznosító Kft.	Hungary	HUF 3,000,000	100.00%	100.00%	100.00%	100.00%	L
Zipper Services SRL**	Romania	RON 2,060,310	60.00%	60.00%	60.00%	60.00%	L*
Tipo Direct Serv SRL**	Moldavia	30,308 MDL	60.00%	60.00%	60.00%	60.00%	L*
Atlas Trade Distribute SRL****	Romania	RON 1,000	60.00%	60.00%	60.00%	60.00%	L
Slovak Direct SRO	Slovakia	EUR 63,965	100.00%	100.00%	100.00%	100.00%	L

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

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

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

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

(***) ANY Plc. sold its 50% ownership stake in Direct Services OOD to the co-owner Power Solutions OOD on 29th July 2021. The consideration received was EUR 2 million. The consideration received is deducted by the value of net assets derecognised, which resulted in HUF 672 million gain on gains on sale of investments line.

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

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

2 Significant accounting policies

Basis of preparation

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

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).

The reporting currency of the Company is the Hungarian Forint ("HUF), rounded to nearest thousand forints.

The reporting period of the Group is equivalent to calendar years. Base period from 1st January 2022 to 31st December 2022, referred as FY2022 in text and table headings as well, and current period from 1st January 2023 to 31st December 2023, referred as FY2023 in text and table headings as well.

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

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

Cash and cash equivalents

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

Statement of cash flows

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

Inventory

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

Inventory impairment is calculated on obsolete or slow moving stocks item by item after judgement of the inventory item based on its physical status and future usage and selling opportunities. Full impairment is raised on inventories of which future usage and selling opportunities based on the unique debtors related characteristics of the inventories after the expiration of the contract or in lack of further orders are not probable. In case of inventories not connected directly to debtors, impairment on inventory is posted, if there was no consumption or sale in that item for a longer period before balance sheet day, based on individual assessment in this case as well. Furthermore the Company accounts impairment for inventories where cost of inventory is higher than the possible future net realizable value at a level until the net realizable value. Furthermore raises the Company full impairment on inventories that are falling out of production during the different technological processes, checked but proved to be not sufficient quality, and which were moved to scrap inventory location during the year, but have not been scrapped yet.

Property, plant and equipment

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Depreciation of assets directly attributed to operation is posted to cost of sales, depreciation of assets directly not attributed to operation is posted to selling, general and administration costs.

Right of use assets

The Company evaluates its lease obligations based on the regulations of IFRS 16 from 1st January 2019, replacing the previous provisions of IAS 17. Based on these regulations, liabilities arising from lease contracts and long-term rental contracts are presented as lease liabilities. The Company recognises its assets over which it has control 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, if the term of the lease at least equal to or exceeds the useful life of the right to use the asset. If the term of the lease is shorter than the two, the depreciation of the right to use the asset is amortised over the lease term. The term of the lease is the same as the term of the long-term rental contract.

Buildings	10.0% - 46%
Machineries and equipments	14.5% - 33%
Vehicles	25.0% - 33%

Leases (as Lessee)

The Company recognises its lease liabilities based on IFRS 16. 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 nominal 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 or terminate 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 or short term leases based on IFRS 16, has no sub-lease contracts and has no sale-and-lease-back type transactions.

Lease interest is calculated on lease liabilities applying the interest rate implicit in the lease or incremental borrowing rate (if the implicit interest rate is not available), which is recognised in the statement of profit or loss and other comprehensive income on the line interest expense.

Intangible assets

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

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

Financial assets and liabilities

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

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

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

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

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

Subsequent measurement

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

Amortised cost

Financial liabilities are measured at amortized costs, so do lease liabilities as well, and also those parts of financial liabilities which are held by the Company based on the business model for collecting contractual cash-flows and contractual cash-flows consist solely payments of principle and interest on the principal amount outstanding. Amortised cost is the original historical cost of the financial asset or liability decreased by the principal payments increased or decreased by the accumulated amortised cost of the difference between the original historical cost and the maturity cost and decreased by the possible impairment costs or loss of value. Effective rate of interest method should be used, interest has to be accounted in P&L.

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

Debt instruments measured FVTOCI

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

Equity instrument measured FVTOCI

Dividend can be recognised, if:

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

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

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

Debt instruments measured FVTPL

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

Fair value measurement

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

Impairment of financial assets

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Company analysed whether how much credit loss on trade receivables should be raised based on expected credit loss of IFRS 9, and found that based on return of previous years' trade receivables as future expected credit loss on trade receivables will account to Statement on Profit and Loss and Other Comprehensive Income (SPLOCI) 0.15% of gross value of trade receivables. The Company has significant number of trade debtors with governmental background, and the Company also ensures the inflow of trade receivables in the form of advances or other payment guarantees. General credit losses are not significant based on the Company's assessment, although based on individual trade debtors' assessment the necessary impairment on trade receivables is accounted.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Investments

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

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

The 5 five year term budgets used for the evaluation of the investments are reflecting the management's best knowledge and information about the expected conditions of the financial environment. The expected net sales revenue growth rate is between 4-6% based on the financial achievement and market conditions. Discount rate used is 10%. When evaluating the investments the Company uses 5 year plans and uses DCF method for EBITDA, which is adjusted by cash balance and net debt balance resulting in final enterprise value.

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

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

Deferred tax assets are recognized only if it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each balance sheet date, the Company re-assesses unrecognized deferred tax assets and the carrying amount of deferred tax

assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized.

The Company classifies the local taxes and innovation contribution to income tax in profit and loss statement based on IAS 12 requirement.

Treasury shares

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

Revenue recognition

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 from contracts with customers at the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

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

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

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

Rights of return

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

Volume rebates

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

Significant financing component

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

Non-cash consideration

The fair value of such non-cash consideration received from the customer is included in the transaction price and measured when the Company obtains control of the equipment. The Company estimates the fair value of the non-cash consideration by reference to its market price.

Contract balances

Trade receivables

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

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer). Advances paid by the customer also accounted based on the rules of contract liabilities.

Cost to obtain a contract

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

Dividend and interest revenue

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

Provisions

The Company recognises provision in case when:

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

The Company has no legal affairs.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative income 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 not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are mostly used by the Company to purchase assets. In case of purchasing assets the Company accounts government grants based on income approach. 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. Grants related to income should be recognised as deferred income in the statement of profit or loss and other comprehensive income on a systematic basis that matches them with the related costs

Segment reporting

The Company does not separate different segments based on IFRS 8 – Segment reporting, but revenue is separated into five different product segment. The management of the Company considers these product segments strategically important. These segments are monitored and these are the basis of evaluating the performance. However, classification of turnover by product segments do not mean that these products can be produced in a clearly separable way in terms of assets and liabilities.

Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's presentational 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.

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standard	Title
IFRS 17	New standard IFRS 17 "Insurance Contracts" including the June 2020 and December 2021 Amendments to IFRS 17
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules*

* exception specified in amendments to IAS 12 (that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes) is applicable immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following revised IFRS Accounting Standards that have been issued by IASB and adopted by EU but are not yet effective:

Standard	Title	Effective date
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants	1 January 2024

New and revised IFRS Accounting Standards in issue but not adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as at 8th March 2024:

Standard	Title	EU adoption status
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements (IASB effective date: 1 January 2024)	Not yet adopted by EU
Amendments to IAS 21	Lack of Exchangeability (IASB effective date: 1 January 2025)	Not yet adopted by EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Company does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Company's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to **IAS 39: "Financial Instruments: Recognition and Measurement"** would not significantly impact the financial statements, if applied as at the balance sheet date.

Critical accounting judgements and estimates by applying the accounting policy

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

Critical assumptions by applying the accounting policy

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

- The temporary differences calculated with deferred tax liabilities will reverse in the foreseeable future, and the corporate tax rate is 9%, which is effective from 1st January 2017.
- The outcome of certain contingent liabilities.
- Zipper Services Srl, and TipoDirect Moldova Srl are subsidiaries of the parent company because the parent company owns a 60% ownership interest in these companies since 31st December 2021. Based on the contractual arrangements between the parent company and other investors, the parent company also has the power to appoint and remove the majority of the board of management of these companies that has the power to direct the relevant activities of these companies. Therefore, the management of the Company concluded that

the Company had and has the practical ability to direct the relevant activities of these companies unilaterally and hence the Company has control over these companies. Since 31st December 2021 the parent company has majority ownership as well beside control through arrangements.

Uncertainties in the estimates

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

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

3 Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash and cash equivalents	4,883,222	5,194,455
Total cash and cash equivalents:	4,883,222	5,195,455

4 Accounts receivables

	December 31, 2023	December 31, 2022
Trade receivables	9,880,455	3,395,884
<i>Allowance for doubtful debts</i>	(19,243)	(248)
Total:	9,861,212	3,395,636

The carrying value of trade receivables is fair value. Balance of trade debtors is HUF 9,861 million, which is HUF 6,466 million (190.4%) higher than at the end of 2022.

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

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	248	241
Impairment losses recognised on receivables	191,002	7
Impairment losses decrease	(7)	-
Balance at the end of the year	19,243	248

5 Inventories

	December 31, 2023	December 31, 2022
Raw materials	4,368,935	4,515,255
Work in progress	2,805,500	1,733,174
Finished goods	1,075,891	1,114,740
Goods	89,892	119,043
<i>Cumulated loss in value for inventories (*)</i>	(2,062,796)	(1,594,822)
Total:	6,277,422	5,887,390

The total amount of inventories is HUF 6,277 million, which increased by HUF 390 million (7%) compared to 31 December 2022.

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

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

	December 31, 2023	December 31, 2022
Balance at the beginning of the year	1,594,822	1,556,069
Impairment losses recognised on inventories	467,973	38,753
Impairment losses decrease	-	-
Balance at the end of the year	2,062,795	1,594,822

6 Other current assets and prepayments

	December 31, 2023	December 31, 2022
Prepayments	855,972	514,486
<i>Of which: rental fee of software's</i>	104,005	92,553
<i>Of which: real estate rental</i>	106,994	76,390
<i>Of which: prepaid interest</i>	644,974	345,543
Advances paid	1,265,356	283,656
<i>Of which: advances paid for PP&E</i>	808,560	204,249
<i>Of which: other advances paid</i>	456,796	79,407
Employee loans	21	63
Other receivables	24,082	66,304
<i>Of which: accounts receivables from sales of investments</i>	-	-
Loan to a subsidiary	2,150,000	2,405,000
Total other current assets and prepayments:	4,295,432	3,269,509

	December 31, 2023	December 31, 2022
VAT receivable	5,273	4,441
Corporate income tax receivable	-	15,410
Other taxes receivable	-	75,577
Total current tax receivables	5,273	95,428

Year-end balance of current tax receivables is HUF 90 million lower than in previous period.

The significant increase in the amount of prepayments is caused by software, property and plant rental fee. Interest in employees loans are the same for each employee, Hungarian prime rate + 5%.

Loans given to subsidiaries

	December 31, 2023	December 31, 2022
ANY Ingatlanhasznosító Zrt.	2,150,000	2,405,000
Given loan total	2,150,000	2,405,000

The short term loans given to subsidiaries have market interest rate, based on 1 month BUBOR.
The given loan to the ANY Ingatlanhasznosító for a new building investment of HUF 2,150 million.

7 Property, Plant and Equipment

	Land and buildings	Machinery and equipment	Property rights	Vehicles and other equipments	Capital projects	Total
Cost:						
January 1, 2022	1,560,738	8,541,177	1,797,146	3,325,233	35,144	15,259,438
Capitalization	546,780	3,123,802	69,036	371,733	4,083,395	8,194,746
Reclassification	-	-	-	-	29,284	29,284
Disposals	-	303,964	76	81,352	3,999,407	4,384,799
December 31, 2022	2,107,518	11,361,015	1,866,106	3,615,614	89,848	19,040,101
January 1, 2023	2,107,518	11,361,015	1,866,106	3,615,614	89,848	19,040,101
Capitalization	397,625	646,474	114,174	439,229	1,399,553	2,997,057
Reclassification	-	-	-	23,274	-	23,274
Disposals	-	213,926	137,512	116,510	1,428,218	1,896,167
December 31, 2023	2,505,143	11,793,563	1,842,768	3,961,607	61,183	20,164,264
Accumulated depreciation:						
January 1, 2022	445,195	6,571,836	1,512,565	2,215,232	17,314	10,762,142
Charge for year	115,990	457,370	124,446	358,974	-	1,056,781
Reclassification	-	-	-	-	-	-
Disposals	-	295,284	76	65,706	-	361,066
December 31, 2022	561,185	6,733,922	1,636,935	2,508,500	17,314	11,457,857
January 1, 2023	561,185	6,733,922	1,636,935	2,508,500	17,314	11,457,857
Charge for year	139,899	945,208	124,757	408,978	-	1,618,842
Reclassification	-	-	-	-	-	-
Disposals	-	205,464	137,512	95,957	-	438,934
December 31, 2023	701,084	7,473,666	1,624,180	2,821,521	17,314	12,637,765
Net book value:						
January 1, 2022	1,115,543	1,969,341	284,581	1,110,001	17,830	4,497,295
December 31, 2022	1,546,333	4,627,093	229,171	1,107,114	72,534	7,582,244
December 31, 2023	1,804,059	4,319,897	218,588	1,140,086	43,869	7,526,499

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

8 Right of use asset

Right of use asset movement table (values in thousands of HUF)	Property rights	Machinery and equipment	Vehicles and other equipments	Total
Cost:				
January 1, 2022	3,396,975	2,000,555	185,872	5,583,403
Additions	-	-	-	-
Disposals	-	-	-	-
December 31, 2022	3,396,975	2,000,555	185,872	5,583,403
January 1, 2023	3,396,975	2,000,555	185,872	5,583,403
Additions	-	-	139,275	139,275
Disposals	-	-	185,872	185,872
Reclassification	60,715	1,408,265	-	1,468,980
December 31, 2023	3,336,260	592,290	139,275	4,067,825
Accumulated depreciation:				
January 1, 2022	1,015,140	994,184	123,915	2,133,239
Charge for year	390,790	433,233	41,305	865,329
December 31, 2022	1,405,931	1,427,418	165,220	2,998,568
January 1, 2023	1,405,931	1,427,418	165,220	2,998,569
Charge for year	400,983	178,761	45,274	625,018
Reclassification	47,643	-	-	47,643
Derecognition	-	1,408,265	185,872	1,594,137
December 31, 2023	1,854,557	197,913	24,622	2,077,092
Net book value:				
January 1, 2022	2,381,835	1,006,372	61,957	3,450,164
December 31, 2022	1,991,044	573,138	20,652	2,584,834
December 31, 2023	1,481,702	394,377	114,653	1,990,732

9 Investments

	January 1,	Increase	Decrease	December
	2023			31, 2023
Long term participations in affiliated undertakings	1,777,147	-	-	1,777,147
-Gyomai Kner Nyomda Zrt.	363,596	-	-	363,596
-Specimen Nyomdaipari Zrt.	180,380	-	-	180,380
-ZIPPER Services	591,340	-	-	591,340
-Slovak Direct	19,838	-	-	19,838
-TECHNO-PROGRESS Kft.	25,000	-	-	25,000
-ANY Ingatlanhasznosító Kft	596,993	-	-	596,993
Other long term loan	6,029	3,000	829	8,200
Loss in value for long term participations in affiliated undertakings	(29,328)	-	-	-29,328
Net value of investments	1,753,848	3,000	829	1,756,019

At the end of the year the Company examined investments' remunerative value and recognized that there was no need to account impairment losses on the investments. The net value of long term participations in affiliated undertakings is HUF 1,747,819 thousands.

Shareholders equity of subsidiaries (in thousands of HUF)

	2023.12.31			2022.12.31		
	Ownership (%)	Equity (HUF thousands)	Proportionate equity (HUF thousands)	Ownership (%)	Equity (HUF thousands)	Proportionate equity (HUF thousands)
Gyomai Kner Nyomda Zrt.	99.48%	629,350	626,077	99.48%	935,653	930,788
Specimen Zrt.	100.00%	171,441	171,441	100.00%	171,507	171,507
Techno-Progress Kft.	100.00%	231,939	231,939	100.00%	102,891	102,891
ANY Ingatlanhasznosító Kft.	100.00%	2,925,730	2,925,730	100.00%	2,758,192	2,758,192
Zipper Services SRL	60.00%	2,798,564	1,679,138	60.00%	2,107,882	1,264,729
Tipo Direct Serv SRL	60.00%	154,783	92,870	60.00%	155,633	93,380
Atlas Trade Distribute SRL	60.00%	315,264	189,158	60.00%	212,354	127,412
Slovak Direct SRO	100.00%	63,203	63,203	100.00%	63,181	63,181

10 Intangibles

	Research and development costs
Historical cost:	
January 1, 2022	269,160
December 31, 2022	269,160
January 1, 2023	269,160
Additions	-
December 31, 2023	269,160
Accumulated amortisation:	
January 1, 2022	268,171
Amortisation	989
December 31, 2022	269,160
January 1, 2023	269,160
Amortisation	-
December 31, 2023	269,160
Net book value	
January 1, 2022	-
December 31, 2022	-
December 31, 2023	-

11 Trade accounts payables

	December 31, 2023	December 31, 2022
Trade account payables to related parties	405,522	163,538
Trade accounts payables to third parties	4,076,987	2,805,119
Total trade accounts payables	4,482,509	2,968,657

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

12 Contracted liabilities, other payables and accruals

Contracted liabilities:

	December 31, 2022	Increase	Decrease	Revaluation	December 31, 2023
Contracted liabilities:	7,411,258	261,242	5,108,225	80,403	2,644,678

Tax liabilities, other liabilities, accruals:

	December 31, 2023	December 31, 2022
Accrued management bonuses	577,946	690,336
Other accruals	1,865,741	231,200
<i>Of which: accrued creditors*</i>	1,244,076	138,685
Salaries and wages	389,061	313,333
Advance payments from customers	916,618	117,962
Other short term liabilities	1,564	5,689
Short term loan from subsidiaries	143,000	141,000
Other payables and accruals	3,893,931	1,449,520

* Mainly contains current year expenses occurred but not invoiced connected to Angolan project.

	December 31, 2023	December 31, 2022
VAT	737,207	639,569
Social contribution	154,485	104,044
Income tax	117,218	86,138
Other taxes	569,007	116,330
Total current tax liabilities	1,577,917	946,081

Total current tax liabilities, other payables and accruals amounts to HUF 9,366 million, which increased by HUF 5,421 million compared to December 31, 2022.

Intercompany loans and their conditions at the balance sheet date were the following:
Specimen Zrt– ANY Plc.: HUF 143 million, interest rate is based on 1 month BUBOR.

13 Short term and long term loans

	December 31, 2023	December 31, 2022
Part of a long-term loan within one year	1,132,321	2,202,009
Overdraft facility, HUF based	3,273,325	-
Parent company short-term loan, EUR based	3,827,800	-
Total short term loans and overdrafts	8,233,446	2,202,009
Long term loans	3,952,800	4,212,925
Total long term loans	3,952,800	4,212,925
Total loans and borrowings:	12,186,246	6,414,934

The parent company has overdraft limit (market interest rate, based on 1 month BUBOR) in value of HUF 4 billion, of which the balance used was HUF 3.3 billion at the end of 2023. Based on the overdraft limit contracts the available amount of overdraft can be used is HUF 4 billion.

For the long term loans mortgages of real estates and current assets were involved. To finance the export projects, the parent company will take out a EUR 10 million revolving working capital loan, backed by a USD 11 million term deposit.

14 Share capital

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

	December 31, 2023		December 31, 2022	
	Issued	Treasury	Issued	Treasury
Registered shares	1,449,876	43,986	1,449,876	43,986
Total	1,449,876	43,986	1,449,876	43,986

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

15 Shareholders' equity

In HUF thousands:	FY 2022	FY 2023
Section 114 B (4) Equity under IFRS		
Share capital	1,449,876	1,449,876
Reserves	3,181,614	3,127,232
Profit/(loss) for the year	4,275,018	2,472,209
Total equity	8,906,508	7,049,317
Section 114 B (4) a) Equity		
Equity under IFRS	8,906,508	7,049,317
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	8,906,508	7,049,317
Section 114 B (4) b) Share capital under IFRS		
Share capital according to the effective articles of association if classified as an equity instrument	1,449,876	1,449,876
Total share capital	1,449,876	1,449,876
Section 114 B (4) c) Registered but unpaid capital		
Unpaid capital under IFRS	-	-
Total registered but unpaid capital	-	-
Section 114 B (4) d) Capital reserve		
Sum of all equity components that are not considered as share capital, registered but unpaid capital, retained earnings, revaluation reserve, profit/(loss) for the period or tied-up reserve	250,686	250,686
Total capital reserve	250,686	250,686
Section 114 B (4) e) Retained earnings		
Accumulated profit after taxation of previous' years under IFRS that is not yet distributed among owners and not include other comprehensive income	3,385,976	3,331,594
Supplementary payments as assets under IFRS (-)	-	-
Unused reserve for development purposes (-)	(3,731,184)	(2,311,230)
Unused reserve for development purposes net of deferred tax liabilities under IAS 12 (+)	335,807	208,011
Total retained earnings	(9,401)	1,228,375
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 (±)	4,275,018	2,472,209
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	4,275,018	2,472,209
Section 114 B (4) h) Tied-up reserve		
Supplementary payments as liabilities under IFRS (+)	-	-
Unused reserve for development purposes (+)	3,731,184	2,311,230
Unused reserve for development purposes net of deferred tax liabilities under IAS 12 (-)	(335,807)	(208,011)
Total tied-up reserve	3,395,377	2,103,219
Section 114 B (5) a) Reconciliation of registered capital with the share capital under IFRS		
Registered share capital	1,449,876	1,449,876
Share capital under IFRS	1,449,876	1,449,876
Difference (treasury shares at nominal value)	-	-
Section 114 B (5) b) Retained earnings available for distribution		
Retained earnings (include the net profit after tax for last financial year closed with annual financial statements)	4,265,617	3,700,584
Accumulated, unrealised profit from the increase of fair value of investment properties under IAS 40	-	-
Retained earnings available for distribution	4,265,617	3,700,584

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 7,660,994 thousands of which not distributable HUF 3,395,377 thousands. Retained earnings available for distribution is HUF 4,265,617 thousands.

Treasury shares

Number of treasury shares held by the Company on 31st December 2023 is 448,842 which were purchased at an average price of HUF 1,014 per share remained unchanged.

16 Net sales

Sales	2023	2022
Sales revenue from customer contracts	43,284,822	30,419,070
Total sales	43,284,822	30,419,070

Sales segments	2023	2022
Security products and solutions	25,622,427	10,743,597
Card production and personalization	12,039,056	13,177,656
Form production and personalization. data processing	2,908,645	4,569,299
Traditional printing products	-	731
Other	2,714,694	1,927,787
Total net sales	43,284,822	30,419,070

The Company does not separate different segments based on IFRS 8 – Segment reporting, but revenue is separated into five different product segment. The management of the Company considers these product segments strategically important. These segments are monitored and these are the basis of evaluating the performance. However, classification of turnover by product segments do not mean that these products can be produced in a clearly separable way in terms of assets and liabilities.

Total revenue in 2023 by countries:

Revenue by Countries	2023	2022
Domestic sales	23,154,695	25,128,629
Sales within the EU	3,454,522	1,672,509
Germany	2,186,429	421,422
Slovakia	327,132	325,023
Austria	322,834	337,594
Poland	166,032	129,547
Romania	113,916	164,426
Belgium	108,210	74,923
Bulgaria	85,251	116,679
Czech Republic	56,903	53,298
Croatia	31,447	15,225
Finland	29,564	7,159
France	11,267	10,002
Italy	8,780	4,425
Slovenia	6,757	7,511
Netherlands	-	5,275
Other exports within the EU	-	-
Exports outside the EU	16,675,605	3,617,932
Africa	13,116,997	2,894,648
Iraq	2,528,120	531
Turkey	743,156	165,207
Norway	103,573	235,832
Albania	52,451	57,370
Iceland	28,541	68,872
Hong Kong	27,160	52,017
United Kingdom	22,722	19,666
Pakistan	21,514	-
Switzerland	13,546	5,222
Serbia	10,071	7,240
Sri Lanka	2,479	110,198
Mexico	2,073	-
Thailand	1,659	-
Uzbekistan	880	855
Argentina	663	-
Saudi Arabia	-	274
Total:	43,284,822	30,419,070

17 Other expenses, net

Other incomes and expenses	2023	2022
Subsidy	4,776	16,882
Reversed loss in value for trade receivables	(7)	-
Other items	15,518	17,324
<i>Total other incomes</i>	20,287	34,206
Loss in value for inventories (*)	671,558	151,861
Donation given	200,273	110,623
Loss in value for trade receivables	19,002	-
Other items	32,146	20,138
<i>Total other expenses</i>	922,979	282,622
Total	(902,692)	(248,416)

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

18 Cost of sales and selling general and administration costs

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

	2023 (thHUF)	2022 (thHUF)
Material type expenditures	26,173,183	20,327,264
Personal type expenditures	10,026,367	7,325,847
Depreciation and amortization	2,243,815	1,448,048
Changes in inventory and own performance	-1,203,666	(603,280)
Total cost and expenditures	37,239,699	28,497,879
Cost of sales	28,999,730	21,510,866
Selling general and administration	8,239,969	6,987,013
Total direct and indirect cost of sales	37,239,699	28,497,879

The average number of employees of the Company during the year was 715 (2022: 672).

19 Dividend income

The approved dividends received from subsidiaries are the following:

	2023	2022
Gyomai Kner Nyomda Zrt.	316,430	181,044
Techno-Progress Kft.	76,601	107,371
ANY Ingatlanhasznosító Kft.	32,570	221,938
Specimen Zrt.	20,246	2,433
Zipper Services SRL	-	750,672
Total dividend income	445,847	1,263,458

20 Taxation

	December 31, 2023	December 31, 2022
Current year corporate income tax	275,791	13,469
Current year local business tax	497,545	275,117
Current year innovation contribution	74,632	41,268
Current year tax expense	847,968	329,854
Deferred tax (income) / expense	125,358	106,132
Total tax expense	973,327	435,986

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

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

Tax losses can be carried forward up to the next years offset future taxable profits (until its 50% and 5 years). Deferred tax assets relating to tax losses are netted off against deferred tax liabilities.

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

	December 31, 2023	December 31, 2022
Opening deferred tax liability	629,309	523,177
Deferred tax liability due to development reserve	99,783	102,043
Deferred tax on accounting and tax depreciation difference of assets not connected to development reserve	26,751	4,089
Closing deferred tax liability	755,843	629,309

	December 31, 2023	December 31, 2022
Opening deferred tax assets	1,394	1,394
Deferred tax asset on write-off for bad debts	1,176	-
Closing deferred tax assets	2,570	1,394

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

	December 31, 2023	December 31, 2022
Profit before tax	5,248,345	2,908,195
Tax base adjustment items	(572,177)	(316,385)
Profit before tax (corrected)	4,676,168	2,591,810
Tax at statutory rate of 9%(*)	420,885	233,263
Effect of development reserve raised	(180,000)	(162,000)
Other permanent differences (**)	34,936	(57,794)
<i>from which: Dividend</i>	<i>(40,126)</i>	<i>(113,711)</i>
<i>Other</i>	<i>75,062</i>	<i>55,917</i>
Current year corporate tax	273,791	13,469
Deferred tax expense	125,358	106,132
Total tax expense	401,149	119,601

(*) In this calculation 9% tax rate valid in 2024 has been applied.

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

21 Contingent liabilities

The Company has arranged bank guarantees. The guarantees largely relate to commitments under Government and corporate tenders. Guarantees are provided up to a maximum limit of HUF 2,500 million. The Company uses HUF 862 million from its guarantee limit which is connected to tenders.

The Company raised HUF 2,000 million development reserve to finance future capital expenditures, which has 3,731 million not been utilised yet. Corporate tax base was decreased by this amount in line with the relevant Hungarian regulations under the condition, that this amount will be spent for capital expenditures in the following six years, otherwise the deducted corporate tax has to be repaid to the Hungarian Tax Authority grossed up with its fines and interests. From development reserve raised dividend cannot be paid based on the Hungarian Accounting Law.

22 Short term and long term part of lease liabilities

Short term and long term financial lease principal liabilities belong to the company lease contracts for real estates, machineries and equipments and vehicles of which short term part is HUF 574,277 thousands and long term part is HUF 1,576,471 thousands, due in the next years.

Leasing Obligation Maturity Analysis (in thHUF) December 31, 2023	Leasing obligations related to real estate	Leasing obligations related to machinery and equipment	Leasing obligations relating to vehicles	Total
Expired leasing liabilities in 2024:	406,856	126,418	41,003	574,277
Expired leasing liabilities in 2025:	466,289	78,743	36,660	581,692
Expired leasing liabilities in 2026:	239,225	74,671	27,948	341,844
Expired leasing liabilities in 2027:	149,972	2,166	5,950	158,088
Expired leasing liabilities in 2028:	157,900	-	-	157,900
Expired leasing liabilities after 2029	166,135	-	-	166,135
Expired leasing liabilities after 2030	170,812	-	-	170,812
Total:	1,757,189	281,998	111,561	2,150,748

Leasing Obligation Maturity Analysis (in thHUF) December 31, 2022	Leasing obligations related to real estate	Leasing obligations related to machinery and equipment	Leasing obligations relating to vehicles	Total
Expired leasing liabilities in 2023:	450,705	272,151	12,282	735,138
Expired leasing liabilities in 2024:	578,257	80,657	-	658,914
Expired leasing liabilities in 2025:	450,237	91,228	-	541,465
Expired leasing liabilities in 2026:	140,203	70,554	-	210,757
Expired leasing liabilities in 2027:	146,146	47,782	-	193,928
Expired leasing liabilities in 2028:	152,272	31,584	-	184,126
Expired leasing liabilities after 2029	321,336	-	-	321,336
Total:	2,239,156	594,226	12,282	2,845,664

Leasing Obligation movement table (values in thousands of HUF)	Leasing obligations related to real estate	Leasing obligations related to machinery and equipment	Leasing obligations relating to vehicles	Total
January 1, 2022	2,453,753	904,035	55,977	3,413,765
Additions	-	-	-	-
Disposals	214,597	309,809	43,696	568,102
December 31, 2022	2,239,156	594,226	12,282	2,845,663
January 1, 2023	2,239,156	594,226	12,282	2,845,663
Additions	-	-	139,275	139,275
Disposals	481,967	312,227	39,995	834,189
December 31, 2023	1,757,189	281,999	111,561	2,150,748
Long term part of closing balance	1,350,332	155,580	70,558	1,576,471
Short term part of closing balance	406,856	126,418	41,003	574,277

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 2023:	48,614	1,580	2,987	53,181
Lease interests in 2022:	48,720	13,668	720	63,108

23 Related party transactions

Related party transactions	FY 2023 in HUF thousands	FY 2022 in HUF thousands
Total receivables and accrued assets at the end of the year	3,182,406	3,558,886
Total liabilities and accrued liabilities at the end of the year	548,553	323,999
Total revenue for the period	860,088	782,025
Total expenditures for the period	1,718,119	1,544,072

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions. Through related party transactions mainly ANY Security Printing Company PLC (the Company) sells finished goods to the other members of the Group, who resell them to third party companies. ANY Security Printing Company PLC also purchases finished goods from its subsidiaries and rents assets. Related party transactions also consist of short term intercompany loans. In 2023, the Company purchased management services from EG Capital in value of HUF 183 million.

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

HUF 11,436 thousands remuneration was paid to the Supervisory Board, while HUF 4,760 thousands to the Board of Directors in 2023.

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 2023.

Type ¹	Name	Position	Assignment started	Assignment ends	ANY shares owned (no.) ^{**}
BD	Dr. Ákos Erdős ²	Chairman of Board of Directors	1993*	May 1, 2028	2,297,987
BD	Gábor Zsámboki	Deputy chairman of Board of Directors ^{**}	August 11, 2005*	May 1, 2028	143,923
BD	Robert Elton Brooker III.	Member of Board of Directors	May 1, 2023	May 1, 2028	12,285
BD	Dr. Gábor Kepecs	Member of Board of Directors	May 31, 2021	May 1, 2028	-
BD	Tamás Erdős ³	Member of Board of Directors	May 31, 2014	May 1, 2028	1,020,001
BD	Erwin Fidelis Reisch	Member of Board of Directors	May 31, 2014	May 1, 2028	-
SB	Prof. Dr. István Stumpf	Chairman of Supervisory Board	April 27, 2021 ^{***}	May 31, 2024	-
SB, AC	Dr. Istvánné Gömöri ⁴	Deputy chairman of Supervisory Board, Chairman of AC	August 11, 2005*	May 31, 2024	536,703
SB, AC	Ferenc Berkesi	Member of Supervisory Board, Member of AC	August 11, 2005*	May 31, 2024	-
SB, AC	Dr. Imre Repa	Member of Supervisory Board, Member of AC	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:					4,010,899

¹ Board of Directors member (BD), Supervisory Board member (SB), Audit Committee member (AC)

² Dr. Ákos Erdős controls ANY shares indirectly through EG Capital LLC and Fortunarum Kft.

³ Tamás Erdős controls ANY shares indirectly through Digital Forest LLC.

⁴ Dr. Istvánné Gömöri controls ANY shares indirectly through BELU S.A.R.L.

* Re-elected by the Annual General Meeting held on 31st March, 2014

** Gábor Zsámboki has been the deputy chairman of the Board of Directors since 11th August, 2014

*** Elected by the Board of Directors entitled with AGM rights on 27th April, 2020

25 Risk management

Foreign currency risk

Among foreign currency transactions of the Company EURO based transactions are the most important ones. Foreign currency liabilities mainly occur from raw material purchases, which are hedged by the receivables from the export sales in foreign currency as a natural hedge. Due to the balance of foreign currency receivables and liabilities the foreign currency risk of the Company is HUF -46 million in case of 10% change of EUR, USD, GBP, CHF currencies at the same time to the same direction.

ANY Company	Currency	December 31, 2023 fair value	December 31, 2023 carrying value	December 31, 2022 fair value	December 31, 2022 carrying value
Foreign currency receivables	EUR	15,886,441	15,886,441	2,172,721	2,172,721
	USD	825	825	117,889	117,889
	GBP	-	-	-	-
Total (in HUF thousands)			6,081,634		913,920
Foreign currency cash	EUR	2,185,861	2,185,861	6,818,359	6,818,359
	USD	585,882	585,882	6,033,620	6,033,620
	GBP	959	959	959	959
Total (in HUF thousands)			1,053,230		4,996,192
Foreign currency liabilities	EUR	5,789,768	5,789,768	19,811,106	19,811,106
	CHF	-	-	16,062	16,062
	USD	81,100	81,100	156,062	156,062
	GBP	13,976	13,976	-	-
	SEK	-	-	44	44
	BGN	101,539	101,539	-	-
Total (in HUF thousands)			2,272,408		7,994,573
Impact of a possible 1% foreign exchange rate decrease in each foreign currency (in HUF thousands)		December 31, 2023 fair value	December 31, 2023 carrying value	December 31, 2022 fair value	December 31, 2022 carrying value
Impact on foreign currency assets			713,486		591,011
Impact on foreign currency liabilities			(759,333)		(799,457)
Total impact of possible foreign exchange rate change			(45,846)		(208,446)

Company measures financial instruments (cash, receivables, creditors, 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.

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 2023.

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 121,862 thousands in the year 2023. (This was HUF 64,149 thousands in the year 2022.)

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash-flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk of the Company, due to the high balance of net working capital, is low. The maturity of trade payables, lease liabilities and credits is shown in the next table:

ANY Company FY 2023	In 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total:
Trade payables	4,367,884	86,324	28,301	-	-	4,482,509
Lease liabilities	47,856	95,713	430,709	1,239,523	336,947	2,150,748
Credits	686,121	1,372,241	6,175,084	3,952,800	-	12,186,246
Other liabilities and accruals (without taxes)	3,893,931	-	-	-	-	3,893,931
Current tax liabilities	1,577,917	-	-	-	-	1,577,917
Total	10,573,709	1,554,278	6,634,093	5,192,323	336,947	24,291,350

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

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: 0.2%. (This was 0% in 2022.) The more than 90 days overdue receivables out of total aged receivables of the Company is less than 0%.

26 Significant events after the reporting period

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

The Consolidated Financial Statements were accepted by the Board of Directors of ANY Nyrt. on 8th March, 2024.

The Board of Directors proposes HUF 250 dividend per share to the shareholders on the annual general meeting to be held in April 2024.

Budapest, 8th March, 2023

.....
Chief Executive Officer

ANY Security Printing Company PLC

Separate business report

for the year ended December 31, 2023

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 2023 achievement of the Company

Net sales revenue of ANY Security Printing Company Plc amounted to HUF 43,285 million in 2023, of which export sales totalled HUF 20,130 million. Operating income came to HUF 5,482 million, an increase of HUF 2,613 million (91%) compared to the previous year. Income before tax was HUF 5,248 million while EBITDA amounted to HUF 7,726 million. Net income after financial operations and taxation was HUF 4,275 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 2022 in HUF millions	FY 2023 in HUF millions	Change in HUF millions	Change %
Security products and solutions	10,744	25,622	14,878	138.49%
Card production and personalization	13,178	12,039	(1,139)	-8.64%
Form production and personalization, data processing	4,569	2,909	(1,661)	-36.34%
Traditional printing products	1	-	(1)	-100.00%
Other	1,928	2,715	787	40.82%
Total net sales	30,419	43,285	12,866	42.30%

Security Printing Company Plc. had net sales of HUF 43,285 million in 2023, increase of 42.30% (HUF 12,866 million) compared to prior year figure.

Sales of **security products and solutions** income is HUF 25,622 million in 2023 which means a year-on-year increase HUF 14,878 million (138%). The increase was mainly driven by the export projects, higher tax stamps turnover, and invoiced revenue from the roll-out of passport issuing systems.

The Company's revenues from **card production and personalization** totalled HUF 12,039 million in 2023, a HUF 1,139 million (9%) decrease compared to the previous year. The change was mainly due to the decreasing turnover of other document cards.

The Company's revenues from **form production, personalization and data processing** came to HUF 2,909 million in 2023, a HUF 1,661 million (36%) decrease compared to 2022. The change derives from lower volume of printed forms in export sales.

Other sales totalled HUF 2,715 million in 2023, which increased by HUF 787 million (41%) year-on-year. This segment mainly comprises revenues from the sale of commercial materials and goods.

Operating income came to HUF 5,482 million, higher with HUF 2,570 million (91%) compared to the previous year.

Gross profit totalled HUF 14,285 million, which means a 33% gross margin. General (SG&A) expenses amounted to HUF 8,240 million in 2023, which equals 19% of net sales.

Material type expenditures increased by 28.8% (HUF 5,846 million) in 2023, due to the increased raw material prices and mediated services related to export projects.

Personnel expenses totalled HUF 10,026 million, which means a 36.9% increase compared to the base period.

Headcount of full time employees in ANY Security Printing Company Plc. was 715 people at the end of 2023, while it amounted to 672 persons at the end of 2022, which means a 44 person (6.51%) increase compared to the previous year.

EBITDA amounted to HUF 7,726 million, which means an increase of HUF 3,408 million compared to 2022. According to EBITDA margin amounts to 17.85%.

In 2023 dividends received from subsidiaries decrease by HUF 818 million.

Corporate tax came to HUF 276 million in 2022, which HUF 262 million higher than last year.

Profit after tax was HUF 4,275 million, which means an increase of HUF 1,803 million (73%) compared to 2022.

Balance sheet analysis

The Company had total assets of HUF 36,598 million at the end of 2023, which means an increase of 23% (HUF 6,834 million) compared to a year ago. This change is due to the increase of other current assets and prepayment, accounts receivables, inventories and deferred tax assets.

Non-current assets totalled HUF 11,276 million at the end of 2023 which is lower than the prior year figure by HUF 647 million (5.4%).

Current assets amounted to 25,323 million at the end of December 2023, an increase of HUF 7,480 million (41.9%) compared to the previous year.

Shareholder's equity was HUF 8,907 million, which increased by HUF 1,857 million.

The company has HUF 6,285 million long term liabilities.

Short term liabilities amounted to HUF 21,407 million which shows as increase of HUF 5,644 million mainly due to increase of other short term loans, other payables and accruals and trade accounts payables.

Strategic plans of the Company

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

The Company's employment policy

Security Printing Company Plc. places high priority on keeping labour law, labour safety, employment, tax and social insurance regulations connected to working. The Company considers the employees' continuous training and education as of strategic importance in order to ensure the renewal of professional knowledge within the Company and the adaptability of employees. Security Printing Company Plc. gives wide scale of social benefits to its employees, helping to create the balance between private life and the workplace. The principles of benefits and wages are set out in the Collective

Agreement. Besides keeping the regulations, the Company is trying to create a workplace with proper working relations, taking the family obligations into consideration which increases the Company's profitability on the long term as well.

Risk management

Foreign currency risk

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

Interest rate risk

Due to the debts in the ANY Security Printing Company Plc, potential interest rate changes would not influence significantly the amount of interests to be paid by the Company. 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 121,862 thousands in the year 2023. (This was HUF 64,149 thousands in the year 2022.)

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash-flows and by matching the maturity profiles of financial assets and liabilities.

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

Credit risk

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

The financial discipline of the debtors of the ANY Security Printing Company Plc is really good, which is also represented by the low portion of cumulated provision on trade receivables compared to the gross amount of trade receivables, 0.2%. (This was 0% in 2022.) The more than 90 days overdue receivables out of total aged receivables of the Company is less than 0%.

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, 2025. The environmental certificate covers the following fields: printed products, security products, documents, development, production and personalization of plastic cards and bankcards. Research and development and production of document security and security materials. Chip embedding and encoding at smart cards. Electronic reprocessing and delivering of printed forms and data. Research and development of traditional/general and mobile IT solutions, operation and support of connected services. Electronic archiving of data, database management, setting up archives, storing of documents for fee.

Dangerous waste is continuously eliminated after leaving the company sites. In 2023, 20,829 kg dangerous waste was transported and eliminated. Our Company has being awarded Green Printing House Award for thirteenth 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 110 million.

Treasury shares in the year 2023:

Table 2: Repurchased treasury shares

Description	Number of shares	Nominal value (HUF thousands)	Purchase value (HUF thousands)
Opening balance January 1, 2023	448,842	43,987	455,048
Closing balance December 31, 2023	448,842	43,987	455,048

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

Non-financial reporting

Integrated management policy

The long-term strategic objective of ANY Security Printing Company, one of the leading security printing companies of the Central and Eastern European region, is to provide special, high value added, original products for its business partners by applying modern information technology. Another strategic objective of the Company is to provide complete business solutions and innovative services on the market of security and traditional printing products. In order to achieve its strategic objectives, the Company operates its business processes safely, on a low risk level, in accordance with the relevant legal requirements and regulations. In order to achieve its objectives, ANY Security Printing Company has introduced an integrated management system in line with the ISO 9001, ISO 14001, ISO 27001, ISO 14298 standards, the NATOAQAP 2110 and MasterCard CQM normative requirements and the payment card production requirements of MasterCard and Visa payment systems (PCI CP). By operating and continuously developing the integrated management system, the Company ensures

- the production and performance of products and services that fulfil the requirements and needs of the customers in every respect,
- the improvement of business partner satisfaction and trust through quality, planning and implementation of technological processes and quality control, by applying the best technological solutions available,
- product and production safety and high quality of the related physical and information security environment,
- maintenance and development of an environmentally responsible operation, manifested in measures such as prevention of pollution, mitigation of environmental impacts, reasonable resource management, separate collection of waste, reduction and management of hazardous waste,

- sub-suppliers and business partners supporting performance that meet the quality, security and environmental requirements of both the Company and its customers,
- reliable, suitably qualified professionals with constantly expanding knowledge,
- balanced relationship and continuous dialogue with customers, authorities, the general public, partners and internal employees

Code of Ethics of ANY Security Printing Company

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

Employment management, social issues

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

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

Description of governing bodies of the Company

Operation of the Board of Directors

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

Members of the Board of Directors on 31 December 2023 (names of independent members are underlined and printed in italics):

Name		Mandate
<u>Dr. Ákos Erdős</u>	chairman	1 May 2028
Gábor Zsámboki	vice-chairman	1 May 2028
<u>Tamás Erdős</u>	member	1 May 2028
<u>Erwin Fidelis Reisch</u>	member	1 May 2028
<u>Robert Elton Brooker III.</u>	member	1 May 2028
<u>Dr. Gábor Kepecs</u>	member	1 May 2028

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

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

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

Tasks and competence of the Board of Directors

- (a) Any of issues concerning the management and business operations of the Company, which do not fall within the General Meeting's exclusive competence on the basis of the Statutes or provisions of the Civil Code. The Board of Directors is responsible for any of its decisions taken in the frame of the activities of the Company or in the frame of delegated competence and is entitled to place into its competence, decisions on issues, which do not fall within the scope of the exclusive competence of the General Meeting.
- (b) The Board of Directors shall present the report of the Company prepared in accordance with the Accounting Act and the proposal on the appropriation of after-tax profits and the report on corporate governance.

- (c) The Board of Directors shall prepare a report on the management, the financial situation and the business policy of the Company and submit same to the annual ordinary General Meeting at least once every year, and to the Supervisory Board at least once every three months.
- (d) The members of the Board of Directors shall treat business secrets concerning the Company's issues as confidential. Upon the request of the shareholders, the Board of Directors shall provide information on the affairs of the Company, and allow an inspection of its books and documents provided that business interest and business secret of the Company will not be infringed. In the event that the Board of Directors does not comply with such request, upon the request of the shareholder concerned, the Court of Registration will oblige the Company to provide information or to allow inspection.
- (e) The Board of Directors shall ensure that the books of the company, including accounting books and Register of Shareholders, are kept according to the applicable regulations.
- (f) The Board of Directors shall report to the Court of Registration in accordance with the laws and the Statutes and shall take measures on the necessary publications.
- (g) The Board of Directors shall convene the ordinary and the extraordinary General Meeting except the cases set out in the Civil Code.
- (h) The Board of Directors shall prepare and approve the proposals concerning issues in the competence of the General Meeting and present same to the General Meeting.
- (i) The Board of Directors shall decide with respect to the annual and mid-term business plan of the Company, the implementation of which belongs to the scope of competence of the operative management of the Company.
- (j) The Board of Directors shall determine the competence of the General Manager responsible for the operative management. The employer's rights over the General Manager shall be exercised by the members of the Board of Directors who are not employed by the Company acting as a body, they shall decide on the appointment, dismissal and remuneration of the General Manager, whilst the Chairman of the Board of Directors shall exercise the employer's rights himself/herself, in case of his/her incapacity, his/her deputy or a person appointed by the Board of Directors shall exercise such rights.
- (k) The Board of Directors may confer the right to sign on behalf of the Company to the employees of the Company.
- (l) The Board of Directors shall approve the Company's Organizational and Operational Regulations.
- (m) The Board of Directors shall issue and divide consolidated shares.
- (n) On the basis of the General Meeting's authorization, the Board of Directors shall provide for the purchase of treasury shares and shall decide on the sale of treasury shares owned by the Company.

- (o) With the approval of the Supervisory Board granted in advance, the Board of Directors shall approve the interim balance sheet concerning the acquisition of treasury shares, payment of interim dividends and the increase of the share capital by its assets exceeding the share capital.
- (p) The Board of Directors shall increase the share capital according to the Section 17.8 of the Statutes.
- (q) The Board of Directors shall decide on the payment of interim dividends with the approval of the Supervisory Board granted in advance.
- (r) The Board of Directors may set up committees, the members of which may be solely the members of the Board of Directors, and the Board of Directors can transfer a part of its competence to such committees, and the Board of Directors shall be also entitled to set up committees consisting of both the members of the Board of Directors and persons who are not members of the Board of Directors and provide such committees the appropriate authorization.
- (s) The Board of Directors may undertake financial obligations in the scope of ordinary business operations, the individual value of which exceeds 20% of the share capital (e.g.: guarantee, etc.).
- (t) The Board of Directors may undertake any transaction, financial obligation which are neither included in the annual business plan approved by the Board of Directors nor in the ordinary business operations, value of which exceeds 20% of the share capital of the Company; with respect to the threshold, the amount shall be calculated with the aggregated value of transactions concluded in one year (purchase, rental, leasing, sale, investment, sale of investment of assets, providing services which are outside of ordinary business operations, crediting, taking loans, etc.).
- (u) Concluding transactions between the Company and:
 - (i) one of its shareholders holding at least ten per cent. of the voting rights or his/her close relative; or
 - (ii) a person in which a shareholder holding at least ten per cent. of the voting rights or his/her close relative – directly or indirectly or based on an agreement – holds more than fifty per cent. of the voting rights or he/she is entitled to elect or withdraw the majority of its executive officers or its members of the Supervisory Board;
 - (iii) a person which holds more than fifty per cent. of the voting rights – directly or indirectly or based on an agreement – in the shareholder holding at least ten per cent. of the voting rights of the Company or which is entitled to elect or withdraw the majority of the executive officers or members of the Supervisory Board of shareholder holding at least ten per cent. of the voting rights of the Company;
 - (iv) a person in which the person set forth in point (iii) – directly or indirectly or based on an agreement – holds more than fifty per cent. of the voting rights or the majority of whose executive officers or members of the Supervisory Board may be elected or withdrawn by the person set forth in point (iii);

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

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

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

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

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

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

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

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

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

Competence and tasks of the Chief Executive Officer

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

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

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

Members of the management on 31 December 2023:

Gábor Zsámboki chief executive officer

Dr. István Ignác chief security officer

Zoltán Fejes chief sales officer

Gábor Péter chief IT officer

Nikoletta Sajó chief operating officer

Balázs Megyeri chief research and development officer

Tamás Karakó chief financial officer

Evaluation and remuneration of the management

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

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

The Supervisory Board

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

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

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

Tasks and competence of the Supervisory Board

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

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

Members of the SB on 31 December 2023 (names of independent members are underlined and printed in italics):

Prof. Dr. István Stumpf chairman

Dr. Istvánné Gömöri vice-chairman

Ferenc Berkesi

Dr. Imre Repa

Katalin Hegedűs

László Hanzsek

Gábor Kun

The Supervisory Board convened 4 times in 2023 and with an attendance of 6 members as an average.

The Audit Committee

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

Tasks and competence of the Audit Committee

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

Members of the Audit Committee on 31 December 2023:

Dr. Istvánné Gömöri chairwoman

Ferenc Berkesi

Dr. Imre Repa

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

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

The Auditor

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

Tasks and competence of the auditor

- a) The Company shall have the auditor examine the authenticity and legal compliance of the report prepared in accordance with the Accounting Act. Without a statement of opinion by the auditor, the General Meeting may not decide on the report prepared in accordance with the Accounting Act.
- (b) The auditor shall examine all substantial business reports proposed to the General Meeting from the aspect of whether such reports contain true data and comply with all legal regulations.
- (c) The auditor may inspect the books of the Company, may request information from the members of the Board of Directors and the Supervisory Board and the employees of the Company and may examine the bank account, the petty cash, the stocks of securities and goods and the agreements of the Company.
- (d) The auditor shall treat all business secrets related to the operation of the Company as confidential.
- (e) The auditor shall participate at the General Meeting but his/her absence does not prevent the holding of the meeting.
- (f) If it is required, the auditor may be invited to attend the meeting of the Board of Directors with a right of consultation, or the auditor himself may initiate his/her attendance at the meetings. In this latter case, the request of the auditor may be refused only in exceptionally justified cases.
- (g) The auditor may attend the meeting of the Supervisory Board with a right of consultation, Upon the invitation of the Supervisory Board, the auditor is required to attend the meeting of the Supervisory Board. The Supervisory Board shall put on the agenda the issues proposed for consideration by the auditor.
- (h) If the auditor ascertains or otherwise learns that a considerable decrease in assets of the Company is probable, or perceives any other issue which entails the liability of the members of the Board of Directors or the Supervisory Board as set forth in the Civil Code, he/she shall request that the General Meeting be convened. If the General Meeting is not convened, or if it fails to render the resolutions required by laws, the auditor shall inform the Court of Registration exercising legal supervision.

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

Disclosure policy of the Company

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

The Company's guidelines regarding insider trading

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

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

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

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

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

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

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

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

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

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

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

Shareholders may exercise their shareholders rights personally or through representatives.

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

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

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

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

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

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

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

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

Budapest, 8th March, 2024

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Chief Executive Officer

STATEMENT OF RESPONSIBILITY

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

Budapest, 8th March 2024

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Chief Executive Officer