ASBISc Enterprises Plc

INTERIM REPORT
FOR THE THREE AND TWELVE MONTHS ENDED
31 DECEMBER 2021

Limassol, February 24th, 2022

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DIRECTORS' REPORT ON THE COMPANY'S AND GROUP'S OPERATIONS

We have prepared this report as required by Paragraph 60 section 2 of the Regulation of the Ministry of Finance dated 29 March 2018 on current and periodic information to be published by issuers of securities and conditions of recognition of information required by the law of non-member country as equal.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this quarterly report, all references to the Company apply to ASBISc Enterprises Plc and all references to the Group apply to ASBISc Enterprises Plc and its consolidated subsidiaries. Expressions such as "we", "us", "our" and similar apply generally to the Group (including its particular subsidiaries, depending on the country discussed) unless from the context it is clear that they apply to the Company alone.

Financial and Operating Data

This quarterly report contains financial statements of, and financial information relating to the Group. In particular, this quarterly report contains our interim consolidated financial statements for the three and twelve months ended 31 December 2021. The financial statements appended to this quarterly report are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34.

The functional currency of the Company is U.S. dollars. Accordingly, transactions in currencies other than our functional currency are translated into U.S. dollars at the exchange rates prevailing on the applicable transaction dates.

Certain arithmetical data contained in this quarterly report, including financial and operating information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this quarterly report may not conform exactly to the total figure given for that column or row.

Currency Presentation

Unless otherwise indicated, all references in this quarterly report to "U.S. $" or "U.S. dollars" are to the lawful currency of the United States; all references to "€" or the "Euro" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty, which means the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997) and includes, for this purpose, Council Regulations (EC) No. 1103/97 and No. 974/98; and all references to "PLN" or "Polish Zloty" are to the lawful currency of the Republic of Poland.

All references to U.S. dollars, Polish Zloty, Euro and other currencies are in thousands, except share and per share data, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements relating to our business, financial condition and results of operations. You can find many of these statements by looking for words such as "may", "will", "expect", "anticipate", "believe", "estimate" and similar words used in this quarterly report. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. We caution you not to place undue reliance on such statements, which speak only as of the date of this quarterly report.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that we -or persons acting on our behalf- may issue. We do not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this quarterly report.

Part I Interim Management Report

1. Overview

ASBISc Enterprises Plc is one of the leading distributors of Information Technology ("IT") products in Europe, Middle East and Africa (“EMEA”) Emerging Markets: Central and Eastern Europe, the Baltic States, the Former Soviet Union, the Middle East and Africa, combining a broad geographical reach with a wide range of products distributed on a "one-stop-shop" basis. Our main focus is on the following countries: Slovakia, Poland, Czech Republic, Romania, Croatia, Slovenia, Bulgaria, Serbia, Hungary, Middle East countries (i.e., United Arab Emirates, Qatar and other Gulf states), Russia, Belarus, Kazakhstan, Ukraine and Latvia.

The Group distributes IT components (to assemblers, system integrators, local brands and retail) as well as A-branded finished products like desktop PCs, laptops, servers, and networking to SMB and retail. Our IT product portfolio encompasses a wide range of IT components, blocks and peripherals, and mobile IT systems. We currently purchase most of our products from leading international manufacturers, including Apple, Intel, Advanced Micro Devices ("AMD"), Seagate, Western Digital, Samsung, Microsoft, Toshiba, Dell, Acer, Lenovo and Hitachi. In addition, a part of our revenues is comprised of sales of IT products under our private labels: Prestigio, Canyon, Perenio, AENO and LORGAR.

ASBISc commenced business in 1990 in Belarus and in 1995 we incorporated our holding Company in Cyprus and moved our headquarters to Limassol. Our Cypriot headquarters support, through two master distribution centres (located in the Czech Republic and the United Arab Emirates), our network of 31 warehouses located in 27 countries. This network supplies products to the Group's in-country operations and directly to its customers in approximately 56 countries.

The Company’s registered and principal administrative office is at Diamond Court, 43 Kolonakiou Street, Ayios Athanasios, CY-4103 Limassol, Cyprus.

2. Executive summary for the three- and twelve-month periods ended 31 December 2021.

In the fourth quarter of 2021, ASBIS continued its strong momentum, showing once again its ability and capacity to deliver super-strong results, despite the recent turmoil around our regions, product shortages and price increases in many raw materials and finished products as well as the significant increases of cargo and transportation costs.

In the fourth quarter of 2021, ASBIS significantly improved both revenues and profits, delivering the strongest results for this quarter in its history.

In Q4 2021 revenues amounted to USD 948.0 million (up 9.5%, compared to Q4 2021). In Q4 2021, the Group significantly improved its gross profit margin to a record-high level of 7.53% from 6.33% in Q4 2020. Operating profit (EBIT) increased by 43.8% and amounted to USD 40.8 million, compared to USD 28.4 million in Q4 2020. Net profit after tax has recorded a 34.0% growth and amounted to USD 28.7 million, compared to USD 21.4 million a year earlier.

In the 12M of 2021, ASBIS generated revenues of USD 3,078.0 million (30.1% higher than in the 12M of 2020) and earned a net profit after tax of USD 77.1 million, a stunning increase of 111.1% as compared to the same period of last year.

In Q4 2021, we also had improvements in cash flow from operating activities on a year-on-year basis.

In Q4 2021 and the 12M of 2021, multiple product lines have significantly grown. Our main drivers were smartphones, CPUs and laptops.

As regards our own brands, in Q4 2021 we added to our portfolio two more new own brands: AENO - a brand of smart home appliances and LORGAR - a brand of ultimate accessories for gamers. All our own brands have been selling well. As a result, our own brands significantly contributed to both our revenues and profitability. It is the Company’s aim to push private label revenues to higher levels.

Looking at the regions we cover, the Former Soviet Union and Central & Eastern Europe regions traditionally had the largest share in the Group's revenues. The share of the Former Soviet Union in total revenues was 64.01% in Q4 2021, as compared to 56.72% in Q4 2020.

A country-by-country analysis confirms the excellent growth rates the Group was able to achieve in all major countries of operations. The countries with the highest sales growth in Q4 2021 were:

- Belarus – a growth of 40%
- Ukraine – a growth of 30%
- Russia – a growth of 22%
- Kazakhstan – a growth of 18%

In Q4 2021, the Company experienced several important business events:

- ASBIS has expanded the existing distribution agreement with Vertiv - a global provider of critical digital infrastructure and business continuity solutions. This agreement allows ASBIS to extend its authorized territory into the Lithuanian, Latvian and Estonian markets,

- ASBIS has invested in EMBIO Diagnostics Ltd purchasing 20% of its stake - a Cypriot biotechnology company that designs and develops full custom-based hardware and software solutions that can address rapid detection requirement at food safety, environmental testing, and health industry at a global level,

- ASBIS has also been promoted to NVIDIA Elite Partner across the EMEA region. This new level of partnership offers ASBIS new opportunities and closer cooperation with NVIDIA.

Following our dividend policy, we paid out our investors an interim dividend from the Company's profits for 2021 in the total amount of USD 11,100,000.00, which represented a USD 0.20 per share payout. Seeing our Q4 2021 results, we can assume that if no unforeseen circumstances arise, the entire dividend for 2021 will be the highest in our history.

It is worth mentioning that in Q4 2021, the Company entered the WIGdiv index, which brings together companies listed on the Warsaw Stock Exchange classified in the indices WIG20, mWIG40 or sWIG80, which in the last 5 financial years have regularly paid the dividend.

In summary, we are extremely satisfied with the Group's results in Q4 2021 and the 12M of 2021. We have officially joined the prestigious group of companies with annual revenues of USD 3 billion. This is a great achievement for us that we are all proud of. The past year has been extraordinary for us. We not only achieved record-high revenues but also a record-high net profit after tax. We have strengthened our presence in all markets in which we operate and sales of all our product lines have significantly grown. We have been also actively investing in alternative revenue streams. We plan to continue our success being confident for the years to come.

The principal events of the three months ended 31 December 2021 were as follows (in U.S. $ thousand):

- Revenues in Q4 2021 grew by 9.5% to U.S. $ 947,989 from U.S. $ 865,814 in Q4 2020.
- Gross profit in Q4 2021 significantly increased by 30.2% to U.S. $ 71,370 from U.S. $ 54,810 in Q4 2020.
- Gross profit margin in Q4 2021 much improved and reached a record-high 7.53% as compared to 6.33% in Q4 2020.
- Selling expenses in Q4 2021 increased by 5.5% to U.S. $ 17,498 from U.S. $ 16,591 in Q4 2020.
- Administrative expenses in Q4 2021 increased by 32.8% to U.S. $ 13,052 from U.S. $ 9,828 in Q4 2020.
- EBITDA in Q4 2021 was significantly higher year-on-year and reached 42,217 as compared to U.S. $ 29,528 in Q4 2020, a strong improvement of 43.0%.
- The Group finished Q4 2021 with an impressive net profit after tax amounting to U.S. $ 28,671, a 34.0% growth as compared to U.S.$ 21,403 in Q4 2020.
- In Q4 2021, net cash inflows from operating activities amounted to U.S.$ 45,569 as compared to net cash inflows of U.S.$ 41,464 in Q4 2020.

The following table presents revenues breakdown by regions for the three-month period ended December 31st, 2021 and 2020 respectively (in U.S.$ thousands):

Region	Q4 2021	Q4 2020	Change %
Former Soviet Union	606,844	491,079	23.6%
Central and Eastern Europe	201,900	189,592	6.5%
Middle East and Africa	84,554	96,708	-12.6%
Western Europe	48,813	74,126	-34.1%
Other	5,878	14,309	-58.9%
Total	**947,989**	**865,814**	**9.5%**

The principal events of the twelve months ended 31 December 2021 were as follows (in U.S.$ thousands):

- Revenues in Q1-Q4 2021 strongly increased by 30.1% to U.S. $ 3,077,976 from U.S. $ 2,366,441 in Q1-Q4 2020.

- Gross profit in Q1-Q4 2021 increased by 58.0% to U.S. $ 218,528 from U.S. $ 138,285 in Q1-Q4 2020.

- Gross profit margin in Q1-Q4 2021 much improved to 7.10% from 5.84% in Q1-Q4 2020.

- Selling expenses in Q1-Q4 2021 increased by 28.3% to U.S. $ 62,286 from U.S. $ 48,541 in Q1-Q4 2020

- Administrative expenses in Q1-Q4 2021 grew by 28.5% to U.S. $ 42,493 from U.S. $ 33,071 in Q1-Q4 2020.

- EBITDA in Q1-Q4 2021 amounted to U.S. $ 118,823 in comparison to U.S. $ 61,061 in Q1-Q4 2020, a stunning improvement of 94.6%.

- As a result of a strong growth in revenues, gross profit and controlled expenses, in Q1-Q4 2021 the net profit after tax, outstandingly improved by 111.1% to U.S. $ 77,067 in comparison to U.S. $ 36,515 in Q1-Q4 2020. We consider this as a remarkable and historical achievement for the Group - the highest net income in ASBIS history.

- In Q1-Q4 2021, net cash inflows from operating activities amounted to U.S.$ 41,367 as compared to net cash inflows of U.S.$ 42,175 in Q1-Q4 2020.

The following table presents revenues breakdown by regions for the twelve-month periods ended December 31st, 2021 and 2020 respectively (in U.S.$ thousands):

Region	Q1-Q4 2021	Q1-Q4 2020	Change %
Former Soviet Union	1,774,834	1,289,513	37.6%
Central and Eastern Europe	654,117	574,389	13.9%
Middle East and Africa	327,799	279,419	17.3%
Western Europe	266,607	171,104	55.8%
Other	54,621	52,016	1.77%
Total	**3,077,976**	**2,366,441**	**30.1%**

Definitions and use of Alternative Performance Measures:

Gross profit
Gross profit is the residual profit made after deducting the cost of sales from revenue.

Gross profit margin
Gross profit margin is calculated as the gross profit divided by revenue, presented as a percentage.

EBITDA
EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) is calculated as the Profit before Tax, Net financial expenses, Other income, Share of profit/loss of equity-accounted investees, Depreciation, Amortization, Goodwill impairment and Negative goodwill, all of which are directly identifiable in financial statements.

The use of the above Alternative Performance Measures ("APM") is made for the purpose of providing a more detailed analysis of the financial results.

3. Summary of historical financial data

The following data set out our summary historical consolidated financial information for the periods presented. You should read the information in conjunction with the interim condensed consolidated financial statements and results of operations contained elsewhere in this interim report.

For your convenience, certain U.S.$ amounts as of and for the three and twelve months ended December 31st, 2021 and 2020, have been converted into Euro and PLN as follows:

- Individual items of the balance sheet – based at average exchange rates quoted by the National Bank of Poland for the balance sheet date of December 31st, 2020, that is: 1 US$ = 3.7584 PLN and 1 EUR = 4.6148 PLN and December 31st, 2021, that is: 1 US$ = 4.0600 PLN and 1 EUR = 4.5994 PLN.

- Individual items in the income statement and cash flow statement – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month for the period from October 1st to December 31st, 2020, that is 1 US$ = 3.8170 PLN and 1 EUR = 4.5705 PLN and October 1st to December 31st, 2021, that is 1 US$ = 4.0493 PLN and 1 EUR = 4.6345 PLN.

- Individual items in the income statement and cash flow statement – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month for the given period from January 1st to December 31st, 2020, that is 1 US$ = 3.9045 PLN and 1 EUR = 4.4742 PLN and January 1st to December 31st, 2021, that is 1 US$ = 3.8757 PLN and 1 EUR = 4.5775 PLN.

	Period from 1 October to 31 December 2021			**Period from 1 October to 31 December 2020**		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**947,989**	**3,838,660**	**828,273**	**865,814**	**3,304,841**	**723,081**
Cost of sales	(876,620)	(3,549,668)	(765,917)	(811,004)	(3,095,629)	(677,306)
Gross profit	**71,369**	**288,992**	**62,356**	**54,810**	**209,212**	**45,774**
Gross profit margin	*7.53%*			*6.33%*		
Selling expenses	(17,498)	(70,854)	(15,288)	(16,591)	(63,328)	(13,856)
Administrative expenses	(13,052)	(52,851)	(11,404)	(9,828)	(37,514)	(8,208)
Profit from operations	**40,819**	**165,287**	**35,664**	**28,391**	**108,369**	**23,711**
Financial expenses	(7,450)	(30,167)	(6,509)	(5,555)	(21,204)	(4,639)
Financial income	1,660	6,722	1,450	2,599	9,920	2,171
Other gains and losses	(155)	(628)	(135)	103	393	86
Share of profit/(loss) of equity-accounted investees	6	24	5	6	23	5
Profit before taxation	**34,880**	**141,238**	**30,475**	**25,544**	**97,502**	**21,333**
Taxation	(6,209)	(25,142)	(5,425)	(4,141)	(15,806)	(3,458)
Profit after taxation	**28,671**	**116,097**	**25,050**	**21,403**	**81,696**	**17,875**
Attributable to:						
Non-controlling interest	59	239	52	33	126	28
Equity holders of the parent	**28,612**	**115,858**	**24,999**	**21,370**	**81,570**	**17,847**

EBITDA calculation

	USD	PLN	EUR	USD	PLN	EUR
Profit before tax	34,880	141,238	30,475	25,544	97,502	21,333
Add back:						
Financial expenses/net	5,791	23,449	5,060	2,956	11,283	2,469
Other income	155	628	135	(103)	(393)	(86)
Share of loss of equity-accounted investees	(6)	(24)	(5)	(6)	(23)	(5)
Depreciation	1,094	4,430	956	855	3,264	714
Amortization	303	1,227	265	282	1,076	236
EBITDA for the period	**42,217**	**170,948**	**36,886**	**29,528**	**112,709**	**24,660**

	Period from 1 October to 31 December 2021			**Period from 1 October to 31 December 2020**		
	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	51.55	208.74	45.04	38.51	146.99	32.16

	USD	PLN	EUR	USD	PLN	EUR
Net cash inflows from operating activities	45,569	184,521	39,814	41,464	158,269	34,628
Net cash outflows from investing activities	(3,968)	(16,067)	(3,467)	(1,511)	(5,768)	(1,262)
Net cash inflows/(outflows) from financing activities	4,036	16,343	3,526	(8,694)	(33,185)	(7,261)
Net increase in cash and cash equivalents	**45,637**	**184,796**	**39,874**	**31,259**	**119,317**	**26,106**
Cash at the beginning of the period	**105,283**	**426,319**	**91,987**	**82,424**	**314,615**	**68,836**
Cash at the end of the period	**150,920**	**611,115**	**131,861**	**113,683**	**433,932**	**94,942**

	As at 31 December 2021			**As at 31 December 2020**		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Current assets	874,760	3,551,526	772,172	751,844	2,825,730	612,319
Non-current assets	48,427	196,614	42,748	37,068	139,316	30,189
Total assets	**923,187**	**3,748,139**	**814,919**	**788,912**	**2,965,047**	**642,508**
Liabilities	733,723	2,978,915	647,675	653,274	2,455,265	532,041
Equity	189,464	769,224	167,244	135,638	509,782	110,467

	Period from 1 January to 31 December 2021			Period from 1 January to 31 December 2020		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**3,077,976**	**11,929,389**	**2,606,093**	**2,366,441**	**9,239,867**	**2,065,163**
Cost of sales	(2,859,448)	(11,082,434)	(2,421,067)	(2,228,156)	(8,699,928)	(1,944,484)
Gross profit	**218,528**	**846,954**	**185,026**	**138,285**	**539,940**	**120,680**
Gross profit margin	*7.1%*			*5.84%*		
Selling expenses	(62,286)	(241,403)	(52,737)	(48,541)	(189,530)	(42,361)
Administrative expenses	(42,493)	(164,691)	(35,978)	(33,071)	(129,127)	(28,861)
Profit from operations	**113,749**	**440,860**	**96,310**	**56,673**	**221,282**	**49,458**
Financial expenses	(24,313)	(94,231)	(20,586)	(16,708)	(65,237)	(14,581)
Financial income	4,626	17,929	3,917	4,319	16,864	3,769
Other gains and losses	180	698	152	377	1,472	329
Share of profit/(loss) of equity-accounted investees	0	0	0	6	23	5
Profit before taxation	**94,242**	**365,256**	**79,794**	**44,667**	**174,404**	**38,980**
Taxation	(17,175)	(66,566)	(14,542)	(8,152)	(31,830)	(7,114)
Profit after taxation	**77,067**	**298,690**	**65,252**	**36,515**	**142,574**	**31,866**
Attributable to:						
Non-controlling interests	44	171	37	(2)	(8)	(2)
Equity holders of the parent	**77,023**	**298,520**	**65,215**	**36,517**	**142,582**	**31,868**

EBITDA calculation

	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Profit before tax	94,242	365,256	79,794	44,667	174,404	38,980
Add back:						
Financial expenses/net	19,687	76,301	16,669	12,389	48,373	10,812
Other income	(180)	(698)	(152)	(377)	(1,472)	(329)
Share of loss of equity-accounted investees	0	0	0	(5)	(20)	(4)
Depreciation	3,910	15,154	3,311	3,388	13,299	2,957
Amortization	1,164	4,511	986	999	3,901	872
EBITDA for the period	**118,823**	**460,525**	**100,606**	**61,061**	**238,415**	**53,287**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	138.78	537.87	117.50	66.15	258.29	57.73

	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Net cash inflows from operating activities	41,367	160,327	35,025	42,175	164,647	36,806
Net cash outflows from investing activities	(15,029)	(58,248)	(12,725)	(4,755)	(18,566)	(4,150)
Net cash inflows/(outflows) from financing activities	10,899	42,242	9,228	(2,043)	(7,977)	(1,783)
Net increase in cash and cash equivalents	**37,237**	**144,324**	**31,528**	**35,377**	**138,131**	**30,873**
Cash at the beginning of the year	**113,683**	**440,604**	**96,254**	**78,306**	**305,749**	**68,337**
Cash at the end of the year	**150,920**	**584,924**	**127,783**	**113,683**	**443,880**	**99,210**

4. Organization of ASBIS Group

The following table presents our corporate structure as at December 31st, 2021:

Company	Consolidation Method
ASBISC Enterprises PLC	**Mother company**
Asbis Ukraine Limited (Kiev, Ukraine)	Full (100%)
Asbis PL Sp.z.o.o (Warsaw, Poland)	Full (100%)
Asbis Poland Sp. z o.o. (Warsaw, Poland)	Full (100%)
Asbis Romania S.R.L (Bucharest, Romania)	Full (100%)
Asbis Cr d.o.o (Zagreb, Croatia)	Full (100%)
Asbis d.o.o Beograd (Belgrade, Serbia)	Full (100%)
Asbis Hungary Commercial Limited (Budapest, Hungary)	Full (100%)
Asbis Bulgaria Limited (Sofia, Bulgaria)	Full (100%)
Asbis CZ,spol.s.r.o (Prague, Czech Republic)	Full (100%)
UAB Asbis Vilnius (Vilnius, Lithuania)	Full (100%)
Asbis Slovenia d.o.o (Trzin, Slovenia)	Full (100%)
Asbis Middle East FZE (Dubai, U.A.E)	Full (100%)
Asbis SK sp.l sr.o (Bratislava, Slovakia)	Full (100%)
FPUE Automatic Systems of Business Control (Minsk, Belarus)	Full (100%)
E.M. Euro-Mall Ltd (Limassol, Cyprus)	Full (100%)
OOO ‘Asbis’-Moscow (Moscow, Russia)	Full (100%)
Asbis Morocco Limited (Casablanca, Morocco)	Full (100%)
Prestigio Plaza Ltd (formerly Prestigio Technologies) (Limassol, Cyprus)	Full (100%)
Perenio IoT spol. s.r.o. (Prague, Czech Republic)	Full (100%)
Asbis Kypros Ltd (Limassol, Cyprus)	Full (100%)
“ASBIS BALTICS” SIA (Riga, Latvia)	Full (100%)
Asbis d.o.o. (Sarajevo, Bosnia Herzegovina)	Full (90%)
ASBIS Close Joint-Stock Company (Minsk, Belarus)	Full (100%)
ASBIS Kazakhstan LLP (Almaty, Kazakhstan)	Full (100%)
Euro-Mall SRO (Bratislava, Slovakia)	Full (100%)
Asbis China Corp. (former Prestigio China Corp.) (Shenzhen, China)	Full (100%)
ASBIS DE GMBH, (Munchen, Germany)	Full (100%)
EUROMALL BULGARIA EOOD (Sofia, Bulgaria)	Full (100%)
E-vision Production Unitary Enterprise (Minsk, Belarus)	Full (100%)
iSupport Ltd (Kiev, Ukraine) (former ASBIS SERVIC Ltd)	Full (100%)
I ON Ltd (Kiev, Ukraine)	Full (100%)
ASBC MMC LLC (Baku, Azerbaijan)	Full (65.85%)
ASBC KAZAKHSTAN LLP (Almaty, Kazakhstan)	Full (100%)
Atlantech Ltd (Ras Al Khaimah, U.A.E)	Full (100%)
ASBC LLC (Tbilisi, Georgia)	Full (100%)
Private Educational Institution “Center of excellence in Education for executives and specialists in Information Technology” (Minsk, Belarus)	Full (100%)
OOO Must (Moscow, Russia)	Full (100%)
Real Scientists Limited (London, United Kingdom)	Full (55%)
i-Care LLC (Almaty, Kazakhstan)	Full (100%)
ASBIS IT Solutions Hungary Kft. (Budapest, Hungary)	Full (100%)
Breezy LLC (Minsk, Belarus) (former Café-Connect LLC)	Full (100%)
MakSolutions LLC (Minsk, Belarus)	Full (100%)

Breezy TOO (Almaty, Kazakhstan) (former TOO "ASNEW")	Full (100%)
Breezy Ltd (Kiev, Ukraine)	Full (100%)
I.O.N. Clinical Trading Ltd (Limassol, Cyprus)	Full (70%)
R.SC. Real Scientists Cyprus Ltd (Limassol, Cyprus)	Full (85%)
ASBIS CA LLC (Tashkent, Uzbekistan)	Full (100%)
Breezy Service LLC (Kiev, Ukraine)	Full (100%)
Breezy Trade-In Ltd (Limassol, Cyprus) (former Redmond Europe Ltd)	Full (80%)
I.O. Clinic Latvia SIA (Riga, Latvia)	Full (100%)
SIA Joule Production (Riga, Latvia)	Full (100%)
ASBC LLC (Yerevan, Armenia)	Full (100%)
Breezy Georgia LLC (Tbilisi, Georgia)	Full (100%)
ASBC Entity OOO (Tashkent, Uzbekistan)	Full (100%)

5. Changes in the structure of the Company

During the three months ended December 31st, 2021 there were the following changes in the structure of the Company and the Group:

- On October 13th, 2021, the Issuer has disposed the 20% shares of the company Breezy Trade-In Ltd (Limassol, Cyprus) for the consideration of USD 80.
- On October 25th, 2021, the Issuer has disposed the 100% shares of the company Prestigio Plaza Sp. z o.o (Warsaw, Poland) for zero consideration.
- On October 30th, 2021, the Issuer has disposed the 100% shares of the company Advanced Systems Company LLC (Riyadh, Kingdom of Saudi Arabia) for zero consideration.
- On November 30th, 2021, the Issuer has disposed the 100% shares of the company Asbis TR Bilgisayar Limited Sirketi (Istanbul, Turkey) for zero consideration.
- On November 30th, 2021, the Issuer has come to an agreement to dispose the 100% of the shares of AVECTIS and the agreement was finalized and signed on February 11th, 2022.
- On December 15th, 2021, the Issuer has acquired 100% shares of the company ASBC Entity OOO (Tashkent, Uzbekistan). The Issuer holds 100% in this subsidiary, being equal to share capital of UZS 550,000 (USD 51). We acquired this entity to expand the retail business with Apple stores.

6. Discussion of the difference of the Company's results and published forecasts

On March 29th, 2021 the Company announced its official financial forecast for 2021 that assumed revenues between US$ 2.7 billion and 2.9 billion and net profit after tax between US$ 47.0 and US$ 51.0 million

On August 25th, 2021, the Company upgraded its forecast with revenues to be between US$ 2.9 and US$ 3.1 billion and net profit after tax between US$ 71.0 and US$ 74.0 million.

Having seen Q1-Q4 2021 results, it is clear that the Company not only delivered to its forecast but in terms of net profit after tax even exceeded the upgraded forecast.

7. Information on the dividend payment

On November 3rd, 2021, the Company's Board of Directors decided on the payment of an interim dividend from 2021 profits. The interim dividend of US$ 0.20 per share was paid out on December 2nd, 2021. The interim dividend record date was November 18th, 2021.

8. Shareholders possessing more than 5% of the Company's shares as of the date of publication of the interim report

The following table presents shareholders possessing more than 5% of the Company's shares as of the date of publication of this report, according to our best knowledge. The information included in the table is based on the information received from the shareholders pursuant to Art. 69, sec. 1, point 2 of the Act on Public Offering, conditions governing the introduction of financial instruments to organized trading and public companies.

Name	Number of shares	% of the share capital	Number of votes	% of votes
KS Holdings Ltd*	20,443,127	36.83%	20,443,127	36.83%
Free-float	35,056,873	63.17%	35,056,873	63.17%
TOTAL	**55,500,000**	**100%**	**55,500,000**	**100%**

*Siarhei Kostevitch holds shares as the ultimate beneficial owner of KS Holdings Ltd

There were no changes in the number of shares possessed by major shareholders during the period between November 4th, 2021 (the date of the publication of the Interim Report for Q3 2021) and the date of this report.

Information on buy-back program:

On January 25th, 2022, the Extraordinary General Meeting of Shareholders approved the Company's buy-back program. According to the resolution, the Board of Directors has been authorized to buy back up to 300,000 shares for a maximum of USD 1.000,000 within 12 months since the respective resolution.

9. Changes in the number of shares owned by the members of the Board of Directors

During the three-month period ended on December 31st, 2021, Mr. Constantinos Tziamalis purchased 1,150 of ASBIS shares.

Besides above-mentioned transactions, during the three-month period ended on December 31st, 2021 as well as for the period between November 4th, 2021 (the date of the publication of the Interim Report for Q3 2021) and February 24th, 2022 (date of this report) there were no other changes in the number of shares possessed by the members of the Board of Directors.

The table below presents the number of shares held by the members of the Board of Directors as of the date of this report. The information included in the table below is based on information received from members of our Management Board:

Name	Number of Shares	% of the share capital
Siarhei Kostevitch (directly and indirectly) *	20,443,127	36.83%
Constantinos Tziamalis	556,150	1.00%
Marios Christou	463,061	0.83%
Julia Prihodko	0	0%
Maria Petridou	0	0%
Tasos A. Panteli	0	0%

*Siarhei Kostevitch holds shares as the shareholder of KS Holdings Ltd.

The members of the Board of Directors do not have any rights to the Company's shares.

10. Changes in the members of managing bodies

During the three-month period ended December 31st, 2021, there were no changes in the members of the Company's Board of Directors.

11. Significant administrative and court proceedings against the Company

Neither the Company nor any of the members of our Group are involved in any significant proceedings before a court, competent body or a body of public administration concerning payables or debt of the Company or its subsidiaries.

12. Related party transactions

In the three-month period ended December 31st, 2021 neither the Company nor any of the members of our Group have concluded any material related party transaction, other than with market conditions.

13. Information on guarantees granted to third parties

The total corporate guarantees the Company has issued, as of December 31st, 2021 to support its subsidiaries' local financing, amounted to U.S.$ 230,835. The total bank guarantees and letters of credit raised by the Group (mainly to Group suppliers) as of December 31st, 2021, was U.S.$ 60,275 – as per note number 16 to the financial statements.

14. Information on changes in conditional commitments or conditional assets occurred since the end of last fiscal year

No changes in conditional commitments or conditional assets have occurred since the end of the last fiscal year.

15. Other information important for the assessment of our personnel, economic and financial position, as well as our financial results

In the three- and twelve-month periods ended December 31st, 2021, the Company's results of operations have been affected and are expected to continue to be affected by a number of factors. These factors are presented in brief below:

The situation between Russia and Ukraine

For the last several months, the developments between the two main markets we operate in, Russia and Ukraine, have been constantly on the edge and the situation in this region is very fragile. A possible war between these countries would constitute a major disruption in demand in both countries and the whole region around them. The overall sentiment and the constant news flowing in the markets have been extremely negative and this has played a significant role in the overall business environment. The strategy of the Group shall be flexible and easily amended if necessary, however should a full-scale war start, the consequences might be unprecedented.

The pandemic situation with COVID- 19 update

The COVID-19 pandemic has had, and continues to have, a significant impact around the world. We are in the fifth wave of pandemic and countries one after the other are again imposing measures to weather the situation.

The imposed shutdown of the economies in countries of our operation might lead to an un-precedent economic slowdown which creates a significant uncertainty on how the international landscape would evolve when the markets will reopen. Although the Company's business has not been adversely affected by the COVID-19 pandemic so far, we cannot exclude a possibility that the operations of the Group will be significantly affected in the future.

The full extent of the future impact of the COVID-19 pandemic on the Company's operational and financial performance is currently uncertain and will depend on many factors outside the Company's control, including, without limitation: a) the timing, extent, duration of the pandemic; b) the availability, distribution and effectiveness of vaccines; c) the imposition of protective public safety measures and d) the impact of the pandemic on the global economy and demand for consumer products.

It is of extreme importance for the Company to be able to weather this situation and take all necessary steps to avoid any serious impact from the overall situation.

The in-country crisis affecting our major markets, gross profit and gross profit margin

Throughout the years of operation, the Company has from time to time suffered from specific in-country problems, emanating from the deterioration of specific countries' financial situation, due to a number of issues including but not limited to political instability. We need to monitor any developments, react fast and weather every risk showing up in a specific market to secure our results.

The Company needs to keep in mind that different in-country problems might arise at any time and affect our operations. Even though we have improved our procedures, we cannot be certain that all risks are mitigated.

Currency fluctuations

The Company's reporting currency is the U.S. dollar. In the 12M of 2021 approximately 50% of our revenues were denominated in U.S. dollars, while the balance is denominated in Euro, Ruble, UAH, KZT and other currencies, certain of which are linked to the Euro. Our trade payable balances are principally (about 80%) denominated in U.S. dollars.

In addition, approximately half of our operating expenses are denominated in U.S. dollars and the other half in Euro or other currencies, certain of which are linked to the Euro.

As a result, reported results are affected by movements in exchange rates, particularly in the exchange rate of the U.S. dollar against the Euro and other currencies of the countries in which we operate, including the Russian Ruble, the Ukrainian Hryvnia, the Czech Koruna, the Polish Zloty, the Croatian Kuna, the Kazakhstani Tenge and the Hungarian Forint.

In particular, a strengthening of the U.S. dollar against the Euro and other currencies of the countries in which we operate may result in a decrease in revenues and gross profit, as reported in U.S. dollars, and foreign exchange loss relating to trade receivables and payables, which would have a negative impact on our operating and net profit despite a positive impact on our operating expenses.

On the other hand, a devaluation of the U.S. dollar against the Euro and other currencies of the countries in which we operate may have a positive impact on our revenues and gross profit, as reported in U.S. dollars, which would have a positive impact on operating and net profit despite a negative impact on our operating expenses. In addition, foreign exchange fluctuation between the U.S. dollar and the Euro or other currencies of the countries in which we operate may result in translation gains or losses affecting foreign exchange reserves.

Furthermore, a major devaluation or depreciation of any such currencies may result in a disruption in the international currency markets and may limit the ability to transfer or to convert such currencies into U.S. dollars and other currencies.

Despite all efforts of the Company, there can be no assurance that fluctuations in the exchange rates of the Euro and/or other currencies of the countries in which we operate against the U.S. dollar will not have a material adverse effect on our business, financial condition and results of operations. Therefore, careful observation of the current environment remains a crucial factor for our success.

Competition and price pressure

The IT distribution industry is a highly competitive market, particularly with regards to products selection and quality, inventory, price, customer services and credit availability and hence is open to margin pressure from competitors and new entrants.

The Company competes at the international level with a wide variety of distributors of varying sizes, covering different product categories and geographic markets. In particular, in each of the markets in which the Company operates it faces competition from:

1. International IT and CE distributors with presence in all major markets we operate
2. Regional IT and CE distributors who cover mostly a region but are quite strong
3. Local distributors who focus mostly on a single market but are very strong
4. International IT and mobile phone brokers, who opportunistically sell in any region and/or country

Competition and price pressures from market competitors and new market entrants may lead to significant reductions in the Company's sales prices.

Such pressures may also lead to a loss of market share in certain of the Group's markets. Price pressures can have a material adverse effect on the Company's profit margins and its overall profitability, especially since our gross profit margins, like those of most of its competitors, are low and sensitive to sales price fluctuations.

Low gross profit margins

The Company's business is comprised of both a traditional distribution of third-party products and own brand. This allows the Company to deliver healthier gross profit margins when conditions are favorable.

In the traditional distribution business, the Company's gross profit margins, like those of other distributors of IT products, are low and the Company expects that in the distribution arm of its business they will remain low in the foreseeable future.

Increased competition arising from industry consolidation and low demand for certain IT products may hinder the Company's ability to maintain or improve its gross margins. A portion of the Company's operating expenses is relatively fixed, and planned expenditures are based in part on anticipated orders that are forecasted with limited visibility of future demand. As a result, the Company may not be able to reduce its operating expenses as a percentage of revenue to mitigate any reductions in gross margins in the future.

To increase gross margins, the Company has developed its own brand business, that allows for higher gross profit margins. It has also invested in the VAD business which is also expected to deliver higher gross profit margins.

Inventory obsolescence and price erosion

The Company is often required to buy components and finished products according to forecasted requirements and orders of its customers and in anticipation of market demand. The market for IT finished products and components is characterized by rapid changes in technology and short product shelf life, and, consequently, inventory may rapidly become obsolete. Due to the fast pace of technological changes, the industry may sometimes face a shortage or, at other times, an oversupply of IT products.

As the Company increases the scope of its business and of inventory management for its customers, there is an increasing need to hold inventory to serve as a buffer in anticipation of the actual needs of the Company's customers. This increases the risk of inventory becoming devalued or obsolete and could affect the Company's profits either because prices for obsolete products tend to decline quickly, or because of the need to make provisions or even write-offs.

In an oversupply situation, other distributors may elect to proceed with price reductions to dispose of their existing inventories, forcing the Company to lower its prices to stay competitive. The Company's ability to manage its inventory and protect its business against price erosion is critical to its success.

Several the Company's most significant contracts with its major suppliers contain advantageous contract terms that protect the Company against exposure to price fluctuations, defective products and stock obsolescence.

Credit risk

The Company buys components and finished products from its suppliers on its own account and resells them to its customers. The Company extends credit to some of its customers at terms ranging from 21 to 90 days or, in a few cases, to 120 days.

The Company's payment obligations towards its suppliers under such agreements are separate and distinct from its customers' obligations to pay for their purchases, except in limited cases where the Company's arrangements with its suppliers require the Company to resell to certain resellers or distributors. Thus, the Company is liable to pay its suppliers regardless of whether its customers pay for their respective purchases.

As the Company's profit margin is relatively low compared to the total price of the products sold, in the event where the Company is not able to recover payments from its customers, it is exposed to financial liquidity risk. The Company has in place credit insurance which covers such an eventuality for most of its revenue.

Despite all efforts to secure our revenues, certain countries remained non-insured (Ukraine and Belarus) therefore it is very important for us to ensure that we find other sources of securities that help us minimize our credit risk. The Board of Directors decided to enhance the Company's risk management procedures.

These do not guarantee that all issues will be avoided, however, they have granted the Company with confidence that is in a position to weather any possible major credit issue that may arise.

Worldwide financial environment

The world's financial crisis has eased throughout the last few years. Following partial recovery, the Company has undertaken certain efforts to benefit from this recovery both in revenues and profitability.

The revised strategy and adaptation to the new environment, i.e., by rebuilding our product portfolio, has paid off in terms of profitability and sales in the last three years.

However, there are many uncertainties about the world economy following turmoil in different countries, the volatility of currencies and the fragility of demand in many markets. Additionally, from time to time, unpredictable situations may happen in selected markets.
A recent example is the highest in years tensions between Ukraine and Russia on Ukraine's border, violent protests in Kazakhstan, the next waves of Covid-19 pandemic and the extreme weather around the world – wildfires, volcanoes eruption and massive flooding. We believe that the Company is much more flexible and better prepared to weather any obstacles that may arise due to the worldwide financial environment.
In addition to the above, recently it has been noticed that multiple raw materials and finished product prices have risen dramatically, and this might significantly impact demand generation. This must be closely monitored, and the Company is alerted to manage any market anomalies.

Development of own-brand business

The Company's strategy is to focus more on profitability than on revenues, thus we continue to develop the own-brand business that allows for higher gross profit margins. This includes the development of tablets and other product lines that are sold under Prestigio and Canyon brands in all regions of the Company's operations. The Company has also invested in another own brand, Perenio - which includes sales of smart-home, smart-security sensors and other products.

In the three-month period ended December 31st, 2021 the Company launched two new own brands: Lorgar - a brand of ultimate accessories for gamers and AENO - a brand of smart home appliances.

In order to keep quality under control and achieve the maximum possible gross profit margins, the Company's Directors have decided to go under a back-to-back scheme. This implies that orders are placed with ODMs, only if they are in advance confirmed by customers.

The Company is undertaking a number of quality control measures to mitigate this risk but given the volumes and a large number of factories used to produce these products, these controls might not be sufficient. Moreover, competition has already been intensified and the Company may not be able to sustain its profitability levels.
Despite the Company's efforts, there can be no assurance of a similar development pace in the own-brand business in future periods. This is because there may be a significant change in market trends, customer preferences or technology changes that may affect the development of own-brand business and, therefore, its results.

Warranty claims from own-brand products

The own-brand business requires us to put extra efforts to avoid any problems with the quality of devices. Despite all our efforts, we cannot predict if consumers decide to return significant amounts of products.
This situation has much improved in previous years and in the course of the twelve months of 2021.
This risk has negatively affected our results in the past when certain ODMs have not honored their contractual obligations on products with epidemic failure.

The Group is undertaking all possible steps towards ensuring proper provisions for all past and future sales. The Group might be affected by changes in certifications and/or any other compliance matters from countries we offer our private label products.

High cost of debt

The distribution business entails a higher need for cash available to support growth. The Group has managed to raise cash from various financial institutions, however, in certain cases, the cost of this financing is expensive.
The Company has already negotiated improved terms with some of its supply-chain financiers and is currently undertaking certain extra steps to further lower its cost of financing. However, the sanctions imposed to Russia and tensions related to the Ukrainian crisis have resulted in increased financing cost in these countries and this may limit our efforts to further decrease our average cost of debt.
In the course of the twelve months of 2021, we have experienced a stable cost of financing in the F.S.U. and this is reflected in our overall financial cost.

Environmental and climate changes

In terms of transition risks that arise from the transition to a low-carbon and climate-resilient economy, we may face the following risks: policy and legal risks (there may be laws or policies put in place that may require a more environmentally cautious approach to raw materials and land use), technology risks (changes in technology used to produce IT equipment) – these both may lead to growing prices in terms of IT equipment and solutions.

We may also face market risk with consumers switching to more energy-efficient appliances or making more savvy purchases to limit their own impact on the environment. We will monitor these trends and introduce the latest hardware for our customers.
We may also face reputational risks with difficulties in attracting customers, business partners and employees if we do not take strong enough actions against climate changes. In terms of physical risks resulting from climate changes, we may face both acute and chronic risks.
Acute physical risks may arise from weather-related events in the form of floods, fires or droughts that may damage factories in certain regions, cause factories to limit or temporarily stop their production or disrupt our supply chain in other ways.
These may result in temporary limitations in our product offering or rising prices of hardware and components. Chronic physical risks i.e., risks that may result from long-term changes in the climate, may also affect ASBIS.

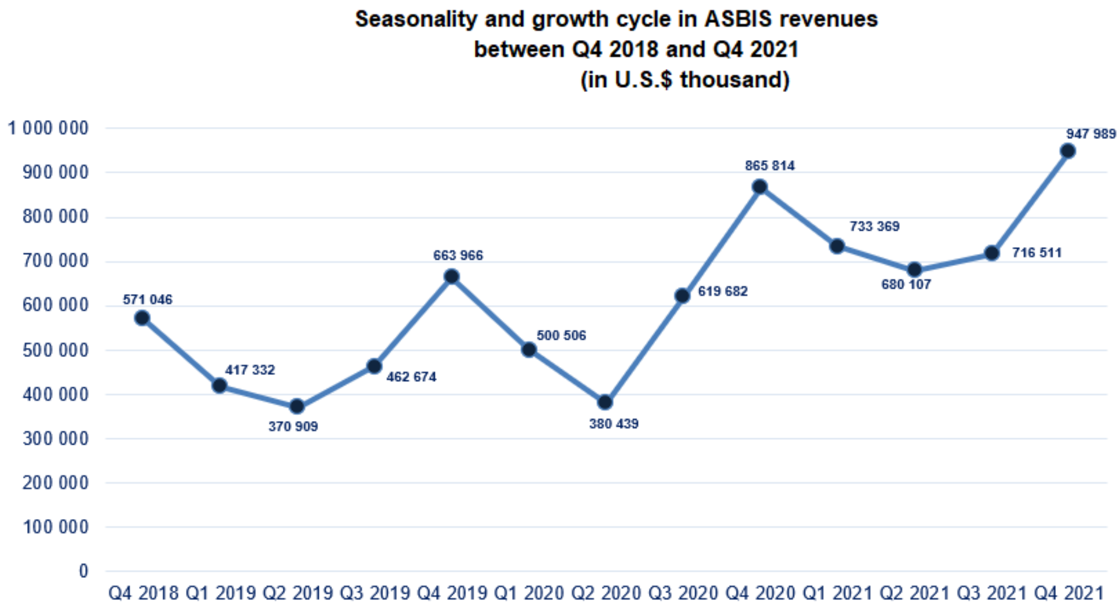
Growing temperatures worldwide may cause a need for more temperature-resilient hardware and appliances and may also result in more hardware malfunctions that may increase warranty claims.

Shortages of specific components in the IT industry
Throughout the last quarters, and with the demand for IT products to rise significantly, there have been shortages in the market of semiconductors and microchips. This might lead to higher cost price for multiple products which will have an adverse effect on Group revenues.
The situation is expected to stabilize in the second half of 2022. The Group must take all necessary measures to ensure constant supply of components and finished products to satisfy the demand from its customers.

Results of Operations (in U.S. $ thousands):

For the three- and twelve-month periods ended December 31st, 2021 compared to the three and twelve-month periods ended December 2020:

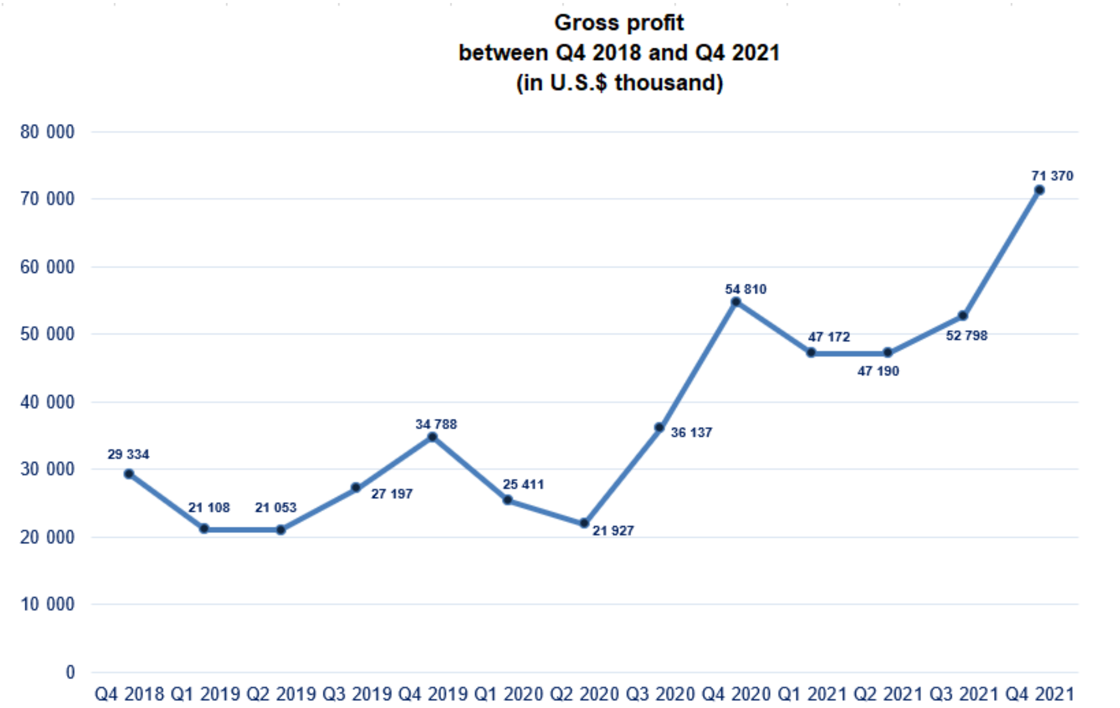
- **Revenues**:
  In Q4 2021 revenues increased by 9.5% to U.S. $ 947,989 from U.S. $ 865,814 in Q4 2020.
  In Q1-Q4 2021 revenues strongly increased by 30.1% to U.S. $ 3,077,976 from U.S. $ 2,366,441 in Q1-Q4 2020.



- **Gross profit**: In Q4 2021 and Q1-Q4 2021 gross profit has strongly increased compared to the corresponding periods of 2020.

  Gross profit in Q4 2021 increased to as high as U.S. $ 71,370 from U.S. $ 54,810 in Q4 2020.

  Gross profit in Q1-Q4 2021 highly increased by 58.0% to U.S. $ 218,528 from U.S. $ 138,285 in Q1-Q4 2020.



- **Gross profit margin**: Gross profit margin much increased both in Q4 2021 and in Q1-Q4 2021 as compared to the corresponding periods of 2020.

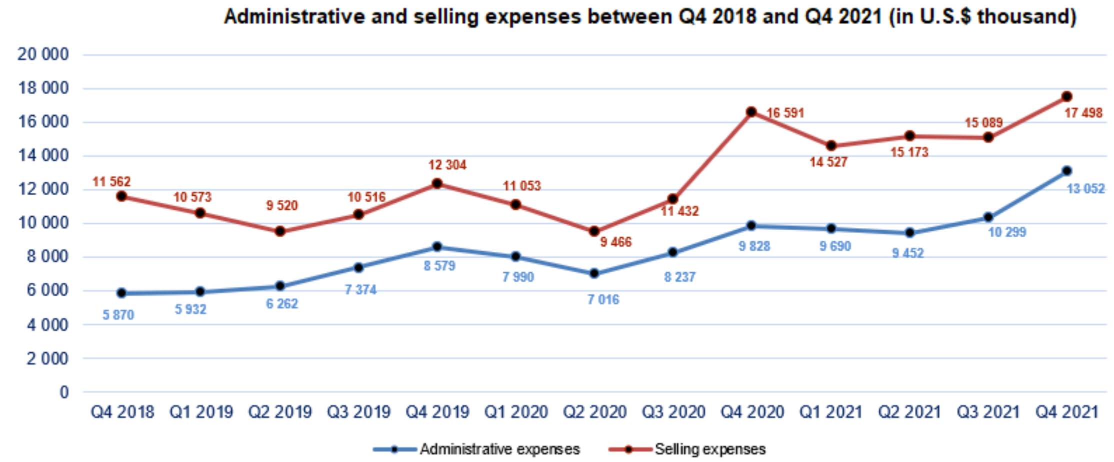
  Gross profit margin in Q4 2021 strongly increased to record-high 7.53% from 6.33% in Q4 2020.
  Gross profit margin in Q1-Q4 2021 grew to 7.10% from 5.84% in Q1-Q4 2020.

- **Selling expenses** largely comprise of salaries and benefits paid to sales employees (sales, marketing and logistics departments), marketing and advertising fees, commissions, and travelling expenses. Selling expenses usually grow together (but not in-line) with growing sales and, most importantly, gross profit.

  Selling expenses in Q4 2021 increased by 5.5% to U.S. $ 17,498 from U.S. $ 16,591 in Q4 2020.
  Selling expenses in Q1-Q4 2021 increased by 28.3% to U.S. $ 62,286 from U.S. $ 48,541 in Q1-Q4 2020.

- **Administrative expenses** largely comprise of salaries and wages of administrative personnel.

  Administrative expenses in Q4 2021 increased by 32.8% to U.S. $ 13,052 from U.S. $ 9,828 in Q4 2020.
  Administrative expenses in Q1-Q4 2021 increased by 28.5% to U.S. $ 42,493 from U.S. $ 33,071 in Q1-Q4 2020.



- **EBITDA**: In Q4 2021 EBITDA amounted to U.S. $ 42,217. in comparison to U.S. $ 29,528 in Q4 2020 (a strong improvement of 43.0%).

  EBITDA in Q1-Q4 2021 amounted to U.S. $ 118,823 in comparison to U.S. $ 61,061 in Q1-Q4 2020 (an excellent improvement of 94.6%).

- **Net profit**: Because of strong increase of sales, gross profit, operating cost under strict control, the Group achieved a historical its net result both in Q4 2021 and Q1-Q4 2021.

  In Q4 2021 net profit after taxation increased by 34.0% to U.S. $ 28,671 as compared to U.S.$ 21,403 in Q4 2020.

  In Q1-Q4 2021 the net profit after tax skyrocketed to U.S. $ 77,067 in comparison to U.S. $ 36,515 in Q1-Q4 2020.

Sales by regions and countries

The F.S.U. and the CEE regions traditionally contribute the majority of Group revenues. This has not changed either for Q4 or for the 12M of 2021. In Q4 2021 sales in the F.S.U and in the CEE increased by 23.6% and 6.5% respectively. Sales in the 12M of 2021 in the F.S.U and the CEE also increased by 37.6% and 13.9% accordingly. Following all the above-mentioned changes, the share of the F.S.U in our total revenues increased to 57.66% in the 12M of 2021 from 54.49% in the 12M of 2020.

Country-by-country analysis confirms the excellent growth rates the Group was able to achieve in all major countries of operations. Growth in F.S.U. has arisen from an improvement in Russia (+22.3% in Q4 2021 and +32.5% in the 12M of 2021), Ukraine (+30.3% in Q4 2021 and +34.9% in the 12M of 2021), Kazakhstan (+18.0% in Q4 2021 and +54.3% in the 12M of 2021) and Belarus (+40.1% in Q4 2021 and +28.5% in the 12M of 2021). The increase of sales in the F.S.U. region was mostly driven by Apple new products sales and VAD business projects.

At the same time, a robust growth in the CEE was a result of positive upward trend in Slovakia (+12.0% in Q4 2021 and +11.7% in the 12M of 2021), the Czech Republic (+1.4% in Q4 2021 and +25.2% in the 12M of 2021), and in Romania (+6.2% in Q4 2021 and +8.3% in the 12M of 2021).

Poland generated a growth both in Q4 2021 and the 12M of 2021 (+2.2% and 9.6% respectively). The growth of sales in Poland was mainly attributed to the sales of CPUs, video cards and software.

The MEA result which is mainly determined by revenues in the UAE dropped by 12.6% in Q4 2021 but grew by +17.3% in the 12M of 2021, as compared to the corresponding periods of 2020.

Sales in Western Europe recorded a decrease in Q4 2021 by 34.1% but in the 12M of 2021 recorded a significant growth by 55.8%, as compared to the corresponding periods of 2020.

The tables below provide a geographical breakdown of sales in the three- and twelve-month periods ended 31 December 2021 and 2020 (in U.S.$ thousands).

	Q4 2021		Q4 2020	
	U.S. $ thousand	**% of total revenues**	**U.S. $ thousand**	**% of total revenues**
Former Soviet Union	606,844	64.01%	491,079	56.72%
Central and Eastern Europe	201,900	21.30%	189,592	21.90%
Middle East and Africa	84,554	8.92%	96,708	11.17%
Western Europe	48,813	5.15%	74,126	8.56%
Other	5,878	0.62%	14,309	1.65%
Total	**947,989**	**100%**	**865,814**	**100%**

	Q1-Q4 2021		Q1-Q4 2020	
	U.S. $ thousand	**% of total revenues**	**U.S. $ thousand**	**% of total revenues**
Former Soviet Union	1,774,834	57.66%	1,289,513	54.49%
Central and Eastern Europe	654,117	21.25%	574,389	24.27%
Middle East and Africa	327,799	10.65%	279,419	11.81%
Western Europe	266,607	8.66%	171,104	7.23%
Other	54,619	1.77%	52,016	2.20%
Total	**3,077,976**	**100%**	**2,366,441**	**100%**

Revenue breakdown – Top 10 countries in Q4 2021 and Q4 2020 (in U.S. $ thousand)

	Q4 2021		Q4 2020	
	Country	**Sales**	**Country**	**Sales**
1.	Ukraine	178,768	Russia	146,106
2.	Russia	178,750	Ukraine	137,224
3.	Kazakhstan	138,293	Kazakhstan	117,158
4.	Slovakia	67,477	United Arab Emirates	68,167
5.	Belarus	63,771	Slovakia	60,258
6.	United Arab Emirates	57,279	Belarus	45,528
7.	Czech Republic	32,886	Czech Republic	32,422
8.	Poland	25,573	Germany	31,947
9.	Romania	19,958	Poland	25,027
10.	Azerbaijan	16,607	Romania	18,796

Revenue breakdown – Top 10 countries in Q1-Q4 2021 and Q1-Q4 2020 (in U.S. $ thousand)

Q1-Q4 2021			Q1-Q4 2020	
	Country	**Sales**	**Country**	**Sales**
1.	Russia	575,615	Russia	434,334
2.	Ukraine	475,303	Ukraine	352,350
3.	Kazakhstan	383,141	Kazakhstan	248,381
4.	United Arab Emirates	219,940	United Arab Emirates	189,360
5.	Slovakia	197,708	Slovakia	177,063
6.	Belarus	190,028	Belarus	147,874
7.	Czech Republic	107,577	Czech Republic	85,934
8.	Netherlands	78,746	Poland	71,164
9.	Poland	77,981	Netherlands	66,795
10.	Romania	64,067	Romania	59,135

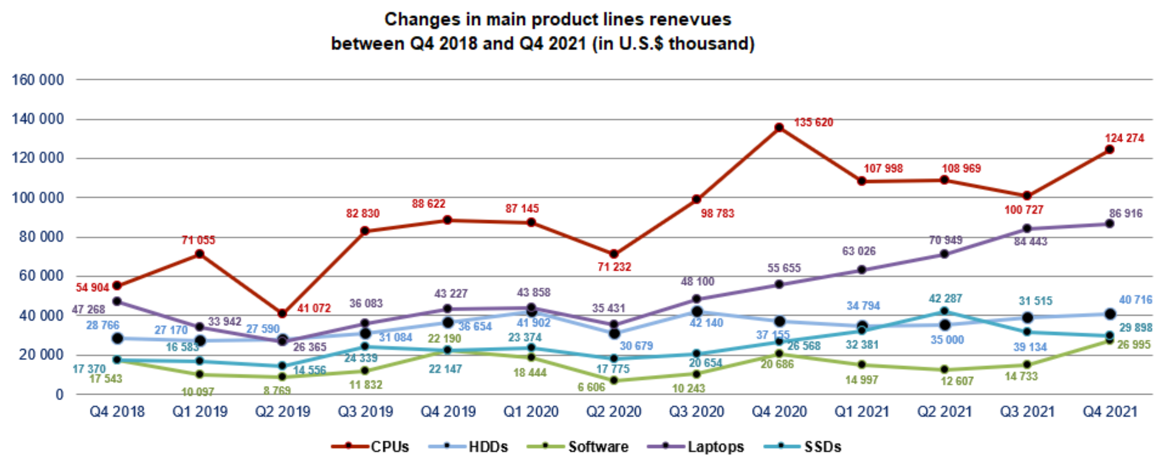
Sales by product lines

The fourth quarter of 2021 has showed that despite the turmoil at the Ukraine's border, the shortages in several product groups (i.e., semiconductors, SSD and selected CPUs), ASBIS had no issue in raising its revenues.

ASBIS has proved that thanks to its strong position on the market, a complete products portfolio and the priority gained among manufacturers was able to manage crises and secure sales continuity.

During Q4 2021, the majority of ASBIS's product groups have noticed a significant growth on a year-on-year basis. We experienced very good growth rates in video cards and GPUs, laptops and smart devices. These categories were leaders in terms of growth.

The chart below indicates the trends in sales per product line:



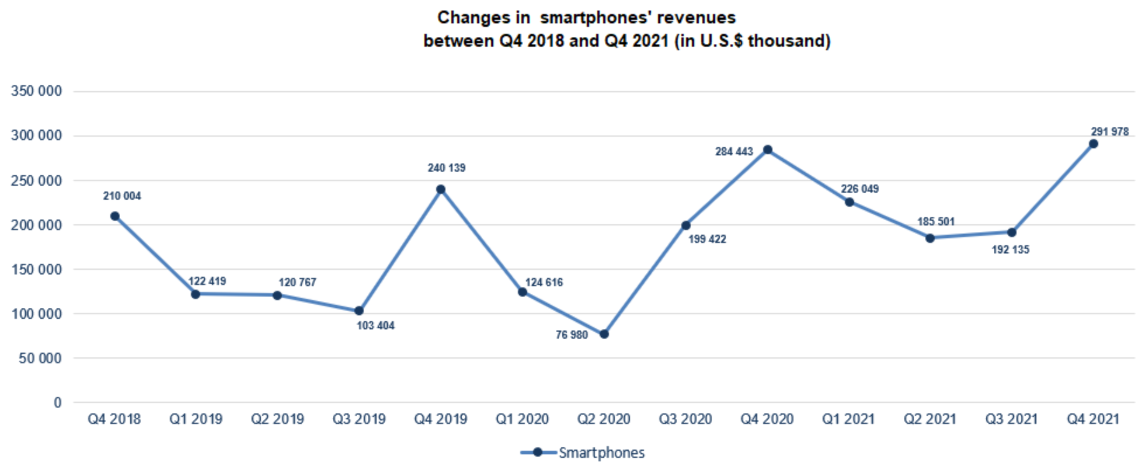
In Q4 2021 and 12M of 2021 the main drivers for our strong growth in revenues were smartphones, CPUs and laptops.

On a year-on-year basis revenues from CPUs decreased by 8.4% in Q4 2021 but increased by 11.3% in the 12M of 2021. Sales of HDDs grew by 9.6% in Q4 2021 but declined by 2.7% in the 12M of 2021. In Q4 2021 revenues from software increased by 30.5% and by 18.9% in the 12M of 2021. Laptop's business increased by 56.2% in Q4 2021 and 71.6% in the 12M of 2021. Revenues from SSDs increased by 12.5% in Q4 2021 and 52.1% in the 12M of 2021.

PC desktop business grew by 24.0% in Q4 2021 and 38.3% in the 12M of 2021. The tablet segment recorded a decline by 36.0% in Q4 2021 but increased by 8.4% in the 12M of 2021.

It is also worth mentioning that all" Other" product lines have noticed a super positive trend in the 12M of 2021.

The chart below indicates the trends in smartphones sales



Sales of smartphones, which contribute to the majority of our revenues increased in Q4 2021 by 2.6% and 30.9% in the 12M of 2021, as compared to the corresponding periods of 2020. This was a result of higher sales of new iPhone models launched in the fourth quarter of 2021 and a different mix of iPhone sales.

The table below sets a breakdown of revenues, by product lines, for Q4 2021 and Q4 2020 (in U.S. $ thousand)

	Q4 2021		**Q4 2020**	
	U.S. $ thousand	**% of total revenues**	**U.S. $ thousand**	**% of total revenues**
Smartphones	291,978	30.80%	284,443	32.85%
Central processing units (CPUs)	124,274	13.11%	135,620	15.66%
PC mobile (laptops)	86,916	9.17%	55,655	6.43%
Peripherals	45,376	4.79%	42,070	4.86%
Servers & server blocks	44,046	4.65%	36,220	4.18%
Audio devices	42,402	4.47%	51,818	5.98%
Hard disk drives (HDDs)	40,716	4.29%	37,155	4.29%

Solid-state drives (SSDs)	29,898	3.15%	26,568	3.07%
Smart devices	29,323	3.09%	21,238	2.45%
Software	26,995	2.85%	20,686	2.39%
Video cards and GPUs	24,676	2.60%	9,278	1.07%
PC desktop	24,372	2.57%	19,657	2.27%
Networking products	19,543	2.06%	20,249	2.34%
Display products	18,893	1.99%	17,728	2.05%
Multimedia	16,226	1.71%	13,790	1.59%
Memory modules (RAM)	14,236	1.50%	14,015	1.62%
Tablets	13,459	1.42%	21,032	2.43%
Other	54,663	5.77%	38,591	4.46%
Total revenue	**947,989**	**100%**	**865,814**	**100%**

The table below sets a breakdown of revenues, by product lines, for Q1-Q4 2021 and Q1-Q4 2020

	Q1-Q4 2021		**Q1-Q4 2020**	
	U.S. $ thousand	**% of total revenues**	**U.S. $ thousand**	**% of total revenues**
Smartphones	895,664	29.10%	684,482	28.92%
Central processing units (CPUs)	441,968	14.36%	397,093	16.78%
PC mobile (laptops)	305,333	9.92%	177,967	7.52%
Hard disk drives (HDDs)	149,644	4.86%	153,793	6.50%
Peripherals	148,669	4.83%	104,494	4.42%
Audio devices	137,456	4.47%	115,839	4.90%
Solid-state drives (SSDs)	136,080	4.42%	89,443	3.78%
Servers & server blocks	119,608	3.89%	109,780	4.64%
PC desktop	76,589	2.49%	55,398	2.34%
Smart devices	72,735	2.36%	50,154	2.12%
Networking products	71,308	2.32%	60,077	2.54%
Software	69,331	2.25%	58,331	2.46%
Memory modules (RAM)	63,578	2.07%	47,049	1.99%
Display products	60,607	1.97%	44,483	1.88%
Tablets	59,266	1.93%	54,649	2.31%
Multimedia	58,204	1.89%	33,164	1.40%
Video cards and GPUs	54,503	1.77%	19,789	0.84%
Other	157,431	5.11%	110,454	4.67%
Total revenue	**3,077,976**	**100%**	**2,366,441**	**100%**

Liquidity and Capital Resources

The Company has in the past funded its liquidity requirements, including ongoing operating expenses and capital expenditures and investments, for the most part, through operating cash flows, debt financing and equity financing. Cash flow for Q4 2021 and the 12 months of 2021 has been impacted by strong revenue growth, improved working capital utilization and final and interim dividend payout.

The following table presents a summary of cash flows for the twelve months ended December 31st, 2021 and 2020 (in U.S. $ thousand):

	Twelve months ended December 31st	
	2021	**2020**
Net cash inflows from operating activities	41,367	42,175
Net cash outflows from investing activities	(15,029)	(4,755)
Net cash inflows/(outflows) from financing activities	10,899	(2,043)
Net increase in cash and cash equivalents	37,237	35,377

Net cash inflows from operations

Net cash inflows from operations amounted to U.S. $ 41,367 for the twelve months of 2021, compared to inflows of U.S. $ 42,175 in the corresponding period of 2020.

Net cash outflows from investing activities

Net cash outflows from investing activities were U.S. $ 15,029 for the twelve months of 2021, compared to outflows of U.S. $ 4,755 in the corresponding period of 2020.

Net cash inflows from financing activities

Net cash inflows from financing activities were U.S. $ 10,899 for the twelve months of 2021, compared to outflows of U.S. $ 2,043 in the corresponding period of 2020.

Net increase in cash and cash equivalents

As a result of a higher profitability and increased working capital efficiency, in Q1-Q4 2021 cash and cash equivalents have increased by U.S. $ 37,237 as compared to an increase of U.S. $ 35,377 in the corresponding period of 2020.

16. Factors which may affect our results in the future

Possibility of a War between Russia and Ukraine

As previously stated, a possibility of a war between the two countries which are the two major markets for ASBIS can be a major factor which might affect our results in the future. Despite the large geographical presence of the Group, it would not be possible to totally weather the impact of a full-scale war between the two countries. The Company is well prepared to defend its position should there be sanctions for one of the two countries, however in the event of a full-blown war undertaking, we cannot be certain of the situation.

Spreading of the Covid-19 Virus and possible repetition of the lockdown situation

A novel strain of coronavirus ("COVID-19") does not stop, spreading rapidly throughout the world, prompting governments and businesses to take unprecedented measures in response. Such measures included restrictions on travel and business operations, temporary closures of businesses, and quarantines.

The COVID-19 pandemic has significantly affected the economies across the globe which has caused significant disruptions to the overall economic environment.

We should bear in mind that the pandemic effects will continue to occur at all levels of demand (consumers, corporations, governments, etc.) and may in the future materially and adversely impact the Company's business, results of operations and financial condition.

The Company closely monitors the evolution of this virus and has already undertaken certain measures to weather the situation. Despite that the pandemic has not adversely affected our results so far, we are ready to take more actions following any developments over this situation.

Political and economic stability in Europe and our regions and trade wars across the globe

The markets the Group operates into have traditionally shown vulnerability in the political and economic environment. The volatile economies in the F.S.U. region and certain politically driven events in all markets are considered by the management as a crucial external factor, which might adversely affect our results, in the short term. We see the high tensions between Russia and Ukraine at their borders.

Additionally, we currently develop more markets in our regions with new product lines and our revenues and profitability should benefit from that. We will continue this strategy and focus more on our core regions and strengths, to maximize profits and take advantage of market changes. It is of high importance to follow all developments and swiftly adapt to any significant changes arising.

The Group's ability to increase revenues and market share while focusing on profits

The diversified geographic coverage of the Group's revenues ensures that we do mitigate the risk of lower sales in a particular country with the possibility of higher sales in a few other countries. Russia and Ukraine are currently the markets that lead in terms of revenues. The F.S.U. and CEE regions are expected to continue having the leading share in our revenues' breakdown. This follows the focus of the Group to its strong competencies and further development of the product portfolio at these marketplaces.

In 2022 the primary target for the Group remains unchanged, it is profitability but always with a strong cash flow.

Despite all measures undertaken by the Company in the pandemic era and Russia-Ukraine tensions, the possibility of a decrease in demand and sales in a particular country or region remains quite high. Such situations may limit overall growth.

It is of extreme importance for the Company to best prepare its structure to offset such situations with higher sales in other markets. This means both a constant upgrade of the product portfolio and close relations with customers to gain an increased market share from weaker competitors.

The Group's ability to increase gross profit margins

The Group's ability to increase its gross profit margin is of a huge importance. The strong increase observed in the Q4 2021 and in Q1-Q4 2021 as compared to the corresponding periods of 2020 was a result of products shortages and the continuation of the current Company's strategy to mostly focus on high margin products and IT solutions.

The pace of growth in gross profit margins is hard to estimate, as the margins may remain under pressure, due to enhanced competition together with lower demand in several markets we trade in. It is quite important for the Group to manage its stock levels and refine its product portfolio to achieve optimum gross profit margins.

Currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. We have been successfully shielded by our hedging policy in the 12M of 2021. Therefore, the hedging strategy should be followed and further improved without any exception in the course of 2022.

Ability of the Group to control expenses

Selling and administrative expenses in total increased in Q4 2021 and for the 12M of 2021 by 15.6% and 28.4% respectively as compared to corresponding periods of 2020. This was a result of the strong increase in revenues and gross profit and investments made in human capital in all regions of our operations.

We consider cost control to be a significant factor towards delivering improved results going forward and it is very important that the Group is undertaking all necessary actions to scale down its expenses should there is a decrease in revenue and gross profit.

Ability to further develop the Group's product portfolio, both third party and own brands

Because of its size, geographical coverage and good relationship with vendors, the Company has managed to build an extensive product portfolio.

It is crucial for the Company to continue refining its product mix constantly by adding new product lines with higher gross (and net) profit margins to boost its profitability. Such additions like VAD products and Electronic Distribution (ESD) give a new stream of income with improved gross margin for the Group.

Ability to cover warranty claims from customers

The own-brand business requires us to be very careful with quality as it may affect both consumer satisfaction and increase costs. Since we do not manufacture the devices ourselves, we have built increased warranty provisions and signed separate agreements with our suppliers to cover us against warranty losses of such products. We have much improved our procedures and this has covered us to a large extent.

As a result, we have not faced any specific problems in this area in Q4 and Q1-Q4 2021. However, we need to be constantly overlooking and analysing the situation to avoid any possible losses.

17. Information about important events that occurred after the period ended on December 31st, 2021 and before this report release.

According to our best knowledge, in the period between December 31st, 2021 and February 24th, 2022 no events have occurred that could affect either the Company's operations or its financial stability.

Part II Financial Information

The financial information of ASBISc Enterprises Plc presented as a part of this report is as follows:

Report and Interim Condensed Consolidated Financial Statements for the period ended December 31st, 2021

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

	Note	For the three months ended 31 December 2021 US$	For the three months ended 31 December 2020 US$	For the twelve months ended 31 December 2021 US$	For the twelve months ended 31 December 2020 US$
Revenue	4,23	947,989	865,814	3,077,976	2,366,441
Cost of sales		(876,620)	(811,004)	(2,859,448)	(2,228,156)
Gross profit		71,369	54,810	218,528	138,285
Selling expenses		(17,498)	(16,591)	(62,286)	(48,541)
Administrative expenses		(13,052)	(9,828)	(42,493)	(33,071)
Profit from operations		40,819	28,391	113,749	56,673
Financial income	7	1,660	2,599	4,626	4,319
Financial expenses	7	(7,450)	(5,555)	(24,313)	(16,708)
Net finance costs		(5,790)	(2,956)	(19,687)	(12,389)
Other gains and losses	5	(155)	103	180	377
Share of profit of equity-accounted investees		6	6	-	6
Profit before tax	6	34,880	25,544	94,242	44,667
Taxation	8	(6,209)	(4,141)	(17,175)	(8,152)
Profit for the period		28,671	21,403	77,067	36,515
Attributable to:					
Equity holders of the parent		28,612	21,370	77,023	36,517
Non-controlling interests		59	33	44	(2)
		28,671	21,403	77,067	36,515
		US$ cents	US$ cents	US$ cents	US$ cents
Earnings per share					
Basic and diluted from continuing operations		51,55	38.51	138.78	66.15

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

	For the three months ended 31 December 2021 US$	**For the three months ended 31 December 2020 US$**	**For the twelve months ended 31 December 2021 US$**	**For the twelve months ended 31 December 2020 US$**
Profit for the period	28,671	21,403	77,067	36,515
Other comprehensive (loss)/income				
Exchange difference on translating foreign operations	(902)	1,998	(1,764)	629
Reclassification adjustments relating to foreign operations liquidated and disposed of in the period	63	-	62	-
Other comprehensive income for the period	(839)	1,998	(1,702)	629
Total comprehensive income for the period	27,832	23,401	75,365	37,144
Total comprehensive income attributable to:				
Equity holders of the parent	27,778	23,368	75,344	37,122
Non-controlling interests	54	33	21	22
	27,832	23,401	75,365	37,144

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(in thousands of US$)

	Note	As at 31 December 2021 US$	As at 31 December 2020 US$
ASSETS			
Non-current assets			
Property, plant and equipment	9	43,724	32,728
Intangible assets	10	1,903	2,418
Equity-accounted investees	11	1,749	827
Goodwill	27	595	629
Deferred tax assets	20	456	466
Total non-current assets		48,427	37,068
Current assets			
Inventories	12	324,560	277,557
Trade receivables	13	352,275	295,846
Other current assets	14	11,959	19,140
Derivative financial asset	25	192	199
Current taxation	8	1,156	204
Cash at bank and in hand	26	184,618	158,898
Total current assets		874,760	751,844
Total assets		923,187	788,912
EQUITY AND LIABILITIES			
Equity			
Share capital	15	11,100	11,100
Share premium		23,721	23,518
Retained earnings and other components of equity		154,089	100,725
Equity attributable to owners of the parent		188,910	135,343
Non-controlling interests		554	295
Total equity		189,464	135,638
Non-current liabilities			
Long-term borrowings	17	5,105	5,729
Other long-term liabilities	18	791	732
Deferred tax liabilities	20	329	306
Total non-current liabilities		6,225	6,767
Current liabilities			
Trade payables and prepayments		386,287	336,010
Trade payables factoring facilities	29	28,298	51,403
Other current liabilities	21	129,290	92,369
Short-term borrowings	16	178,704	160,962
Derivative financial liability	24	299	883
Current taxation	8	4,620	4,880
Total current liabilities		727,498	646,507
Total liabilities		733,723	653,274
Total equity and liabilities		923,187	788,912

The financial statements were approved by the Board of Directors on the 23rd of February 2022.

………………………………
Siarhei Kostevitch
Director

………………………………
Marios Christou
Director

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021
(in thousands of US$)

	Attributable to the owners of the parent							
	Share capital US$	**Share premium US$**	**Treasury stock US$**	**Translation of foreign operations US$**	**Retained earnings US$**	**Total US$**	**Non-controlling interests US$**	**Total US$**
Balance at 1 January 2020	11,100	23,518	(176)	(11,357)	84,856	107,941	254	108,195
Total comprehensive income								
Profit for the period 1 January 2020 to 31 December 2020	-	-	-	-	36,517	36,517	(2)	36,515
Other comprehensive profit for the period 1 January 2020 to 31 December 2020	-	-	-	605	-	605	24	629
Transactions with owners of the Company								
Changes in ownership interests								
Minority interest on establishment of new subsidiary	-	-	-	-	-	-	19	19
Contributions and distributions								
Payment of final dividend	-	-	-	-	(9,684)	(9,684)	-	(9,684)
Acquisition of treasury shares	-	-	(36)	-	-	(36)	-	(36)
Balance at 31 December 2020	11,100	23,518	(212)	(10,752)	111,689	135,343	295	135,638
Total comprehensive income								
Profit for the period 1 January 2021 to 31 December 2021	-	-	-	-	77,023	77,023	44	77,067
Other comprehensive loss for the period 1 January 2021 to 31 December 2021	-	-	-	(1,679)	-	(1,679)	(23)	(1,702)
Transactions with owners of the Company								
Changes in ownership interests								
Minority interest on increase of the share capital of subsidiary	-	-	-	-	-	-	103	103
Disposal of non-controlling interest without a change in control	-	-	-	-	-	-	108	108
Elimination of minority interest at disposal	-	-	-	-	-	-	27	27
Contributions and distributions								
Payment of final dividend	-	-	-	-	(22,192)	(22,192)	-	(22,192)
Treasury shares sold	-	203	212	-	-	415	-	415
Balance at 31 December 2021	11,100	23,721	-	(12,431)	166,520	188,910	554	189,464

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 31 DECEMBER 2021
(in thousands of US$)

	Note	For the three months ended 31 December 2021 US$	For the three months ended 31 December 2020 US$	For the twelve months ended 31 December 2021 US$	For the twelve months ended 31 December 2020 US$
Profit for the period before tax and minority interest		34,880	25,544	94,242	44,667
Adjustments for:					
Exchange difference arising on consolidation		(289)	1,275	(580)	205
Depreciation of property, plant and equipment	9	1,095	855	3,910	3,388
Amortization of intangible assets	10	303	282	1,164	999
Impairment losses on intangible assets	5	-	-	-	39
Provision for slow moving and obsolete stock		(93)	2,322	(604)	1,410
Share of loss of equity-accounted investees	11	-	(6)	-	(6)
Loss/(profit) from the sale of property, plant and equipment and intangible assets	5	22	14	67	(24)
Provision for bad debts and receivables written off		(882)	(130)	352	477
Bad debts recovered	5	-	(15)	(11)	(24)
Interest received	7	(67)	(21)	(146)	(231)
Interest paid		2,034	1,194	6,065	4,308
Operating profit before working capital changes		37,003	31,314	104,459	55,208
Increase in inventories		(51,078)	(34,723)	(46,400)	(12,926)
Increase in trade receivables		(72,751)	(95,182)	(56,770)	(84,131)
Decrease/(increase) in other current assets		3,769	(1,423)	7,188	(2,359)
Increase in trade payables		149,026	58,433	50,277	14,734
(Decrease)/increase in trade payables factoring facilities		(19,831)	26,910	(23,105)	22,297
Increase in other current liabilities		16,471	22,646	36,602	32,095
(Decrease)/increase in other non-current liabilities		(3)	26	60	97
(Decrease)/increase in factoring creditors		(8,854)	36,045	(6,914)	25,858
Cash inflows from operations		53,752	44,046	65,397	50,873
Interest paid		(1,924)	(1,103)	(5,660)	(3,948)
Taxation paid, net	8	(6,259)	(1,479)	(18,370)	(4,750)
Net cash inflows from operating activities		45,569	41,464	41,367	42,175

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021
(in thousands of US$)

	Note	For the three months ended 31 December 2021 US$	For the three months ended 31 December 2020 US$	For the twelve months ended 31 December 2021 US$	For the twelve months ended 31 December 2020 US$
Cash flows from investing activities					
Purchase of intangible assets	10	(237)	(242)	(694)	(808)
Purchase of property, plant and equipment		(2,627)	(682)	(13,284)	(3,608)
Payments for purchase of investments in subsidiaries		-	-	(37)	-
Payments for purchase of investments in associates		(1,149)	(594)	(1,149)	(594)
(Write-offs)/proceeds from sale of property, plant and equipment and intangible assets		(22)	(14)	(11)	24
Interest received	7	67	21	146	231
Net cash outflows from investing activities		(3,968)	(1,511)	(15,029)	(4,755)
Cash flows from financing activities					
Disposal/(acquisition) of treasury shares		5	-	418	(36)
Payment of final dividend		(11,100)	(5,549)	(22,192)	(9,684)
(Repayments)/proceeds of long-term loans and long-term lease liabilities		(1,309)	(319)	(2,882)	194
Proceeds/(repayments) of short-term borrowings and short-term lease liabilities		16,440	(2,826)	35,555	7,483
Net cash inflows/(outflows) from financing activities		4,036	(8,694)	10,899	(2,043)
Net increase in cash and cash equivalents		45,637	31,259	37,237	35,377
Cash and cash equivalents at beginning of the period		105,283	82,424	113,683	78,306
Cash and cash equivalents at end of the period	26	150,920	113,683	150,920	113,683

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

1. Incorporation and principal activities

Asbisc Enterprises Plc (the "Company or "the parent Company") was incorporated in Cyprus on the 9th of November 1995 with limited liability. The Group's and the Company's principal activity is the trading and distribution of computer hardware and software in a number of geographical regions as disclosed in note 23. The main shareholder of the Company is K.S. Holdings Limited, a Company incorporated in Cyprus.

The Company is listed on the Warsaw Stock Exchange since the 30th of October 2007.

2. Basis of preparation

(a) Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements and they should be read in conjunction with the audited financial statements for the year ended 31 December 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2020.

These interim financial statements were authorized for issue by the Company's Board of Directors on the 23rd of February 2022.

(b) Use of judgments and estimates

Preparing the interim financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

3. Significant accounting policies

The accounting policies adopted for the preparation of the condensed consolidated interim financial statements for the twelve months ended 31 December 2021 are consistent with those followed for the preparation of the annual financial statements for the year 2020 except for the adoption by the Group of all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on 1 January 2021. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

4. Revenue

	For the three months ended 31 December 2021 US$	For the three months ended 31 December 2020 US$	For the twelve months ended 31 December 2021 US$	For the twelve months ended 31 December 2020 US$
Sales of goods	934,916	856,967	3,042,908	2,337,831
Sales of optional warranty	127	114	370	615
Sales of licenses	10,021	7,676	29,359	27,853
Rendering of services	2,925	1,057	5,339	142
	947,989	865,814	3,077,976	2,366,441

Effect of seasonality

The Group's revenue and consequently its profitability are significantly lower during the first half of the year. The seasonality is driven by increased household expenditure during the Christmas period as well as the commencement of the academic period during the second half of the year resulting in a positive effect on demand for the Group's products.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

5. Other gains and losses

	For the three months ended 31 December 2021 US$	For the three months ended 31 December 2020 US$	For the twelve months ended 31 December 2021 US$	For the twelve months ended 31 December 2020 US$
(Loss)/profit on disposal of property, plant and equipment	(22)	(14)	(67)	24
Other income	(157)	79	150	290
Bad debts recovered	-	15	11	24
Rental income	24	23	86	78
Impairment loss on goodwill	-	-	-	(39)
	(155)	103	180	377

6. Profit before tax

	For the three months ended 31 December 2021 US$	For the three months ended 31 December 2020 US$	For the twelve months ended 31 December 2021 US$	For the twelve months ended 31 December 2020 US$
Profit before tax is stated after charging:				
(a) Amortization of intangible assets (Note 10)	303	282	1,164	999
(b) Depreciation (Note 9)	1,095	855	3,910	3,388
(c) Auditors' remuneration	112	126	437	432
(d) Directors’ remuneration – executive (Note 28)	399	498	1,706	1,047
(e) Directors’ remuneration – non-executive (Note 28)	7	7	32	28

7. Financial expense, net

	For the three months ended 31 December 2021 US$	For the three months ended 31 December 2020 US$	For the twelve months ended 31 December 2021 US$	For the twelve months ended 31 December 2020 US$
Financial income				
Interest income	67	21	146	231
Other financial income	991	1,167	3,546	2,976
Net exchange gain	602	1,411	934	1,112
	1,660	2,599	4,626	4,319
Financial expense				
Bank interest	1,924	1,103	5,660	3,948
Bank charges	1,493	1,337	4,928	3,533
Derivative charges	426	318	1,661	1,102
Interest on lease liabilities	110	92	405	360
Factoring interest	2,794	2,071	9,173	5,558
Factoring charges	101	99	386	358
Other financial expenses	246	50	358	143
Other interest	356	485	1,742	1,706
	7,450	5,555	24,313	16,708
Net	(5,790)	(2,956)	(19,687)	(12,389)

(in thousands of US$)

8. Tax

	As at 31 December 2021 US$	As at 31 December 2020 US$
Payable balance 1 January	4,676	839
Provision for the year	17,532	8,544
(Over)/under provision of prior years	(361)	40
Exchange difference on retranslation	(13)	3
Amounts paid, net	(18,370)	(4,750)
Net payable balance 31 December	3,464	4,676

	As at 31 December 2021 US$	As at 31 December 2020 US$
Tax receivable	(1,156)	(204)
Tax payable	4,620	4,880
Net	3,464	4,676

The consolidated taxation charge for the period consists of the following:

	For the three months ended 31 December 2021 US$	For the three months ended 31 December 2020 US$	For the twelve months ended 31 December 2021 US$	For the twelve months ended 31 December 2020 US$
Provision for the period	6,254	4,520	17,532	8,544
Under/(over) provision of prior years	3	23	(361)	40
Deferred tax (credit)/charge (Note 20)	(48)	(402)	4	(432)
Charge for the period	6,209	4,141	17,175	8,152

The taxation charge of the Group comprises corporation tax charge on the taxable profits of the Company, which are subject to tax in Cyprus, and those of its subsidiaries, which are subject to tax in the respective jurisdictions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

9. Property, plant and equipment

	Land and buildings US$	Assets under construction US$	Computer hardware US$	Warehouse machinery US$	Motor vehicles US$	Furniture and fittings US$	Office equipment US$	Total US$
Cost								
At 1 January 2020	29,688	-	7,250	524	3,109	2,806	3,839	47,216
Additions	2,361	-	978	115	1,573	411	616	6,054
Disposals	(575)	-	(137)	(24)	(561)	(155)	(18)	(1,470)
Foreign exchange difference on retranslation	767	-	10	25	(38)	35	(237)	562
At 31 December 2020	32,241	-	8,101	640	4,083	3,097	4,200	52,362
Additions	4,755	7,249	1,363	159	794	875	559	15,754
Disposals	(250)	-	(495)	(24)	(335)	(74)	(87)	(1,265)
Foreign exchange difference on retranslation	(896)	-	(169)	20	(57)	(68)	(72)	(1,242)
At 31 December 2021	35,850	7,249	8,800	795	4,485	3,830	4,600	65,609
Accumulated depreciation								
At 1 January 2020	5,641	-	5,447	380	1,635	2,021	2,412	17,536
Charge for the year	1,347	-	682	36	664	310	349	3,388
Disposals	(575)	-	(137)	(24)	(561)	(155)	(18)	(1,470)
Foreign exchange difference on retranslation	22	-	87	24	8	76	(37)	180
At 31 December 2020	6,435	-	6,079	416	1,746	2,252	2,706	19,634
Charge for the year	1,661	-	729	73	796	271	380	3,910
Disposals	(250)	-	(495)	(24)	(290)	(74)	(87)	(1,220)
Foreign exchange difference on retranslation	(136)	-	(140)	23	(85)	(68)	(33)	(439)
At 31 December 2021	7,710	-	6,173	488	2,167	2,381	2,966	21,885
Net book value								
At 31 December 2021	28,140	7,249	2,627	307	2,318	1,449	1,634	43,724
At 31 December 2020	25,806	-	2,022	224	2,337	845	1,494	32,728

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

9. Property, plant and equipment (continued)

	Land and buildings US$	Warehouse machinery US$	Motor vehicles US$	Total US$
Balance at 1 January 2020	3,913	-	550	4,463
Depreciation charge for the year	(1,036)	(1)	(353)	(1,390)
Additions to right of use assets	2,395	37	740	3,172
Derecognition of right of use assets	(726)	-	-	(726)
Foreign exchange difference on retranslation	509	(1)	142	650
Balance at 31 December 2020	5,055	35	1,079	6,169
Depreciation charge for the year	(1,233)	(7)	(435)	(1,675)
Additions to right of use assets	4,565	-	463	5,028
Foreign exchange difference on retranslation	(120)	(2)	12	(110)
Balance at 31 December 2021	8,267	26	1,118	9,412

The Group leases offices, warehouses and stores in various locations throughout the countries of operation. In addition, the Group leases motor vehicles for business use and employee commuting, as well as some warehouse machinery for warehouse operations.

10. Intangible assets

	Computer software US$	Patents and licenses US$	Total US$
Cost			
At 1 January 2020	10,137	1,281	11,418
Additions	398	410	808
Disposals/ write-offs	(31)	(120)	(151)
Foreign exchange difference on retranslation	88	2	90
At 31 December 2020	10,592	1,573	12,165
Additions	548	146	694
Disposals/ write-offs	(97)	(47)	(144)
Foreign exchange difference on retranslation	(35)	18	(17)
At 31 December 2021	11,008	1,690	12,698
Accumulated amortization			
At 1 January 2020	7,700	1,125	8,825
Charge for the year	905	94	999
Disposals/ write-offs	(31)	(120)	(151)
Foreign exchange difference on retranslation	71	3	74
At 31 December 2020	8,645	1,102	9,747
Charge for the year	1,008	156	1,164
Disposals/ write-offs	(93)	(39)	(132)
Foreign exchange difference on retranslation	(6)	22	16
At 31 December 2021	9,554	1,240	10,795
Net book value			
At 31 December 2021	1,454	449	1,903
At 31 December 2020	1,947	471	2,418

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

11. Equity-accounted investees

	As at 31 December 2021 US$	As at 31 December 2020 US$
Cost		
At 1 January	868	274
Additions (i), (ii)	1,149	594
Disposal of investment in associate (iii)	(227)	-
At 31 December	1,790	868
Accumulated share of loss from equity-accounted investees		
At 1 January	(41)	(47)
Share of loss from equity-accounted investees during the period/year	-	6
Exchange difference	-	-
At 31 December	(41)	(41)
Carrying amount of equity-accounted investees	1,749	827

(i) In December 2021, the Company acquired 20% shareholding in Embio Diagnostics Ltd (Cyprus), for the consideration of US$ 1,149. The investment is accounted for as an associate.
(ii) In January 2020, the Company acquired 40% shareholding in LLC Clevetura (Belarus), for the consideration of US$ 594. The investment is accounted for as an associate.
(iii) In March 2021, the Group acquired the remaining 50% shareholding of Breezy Trade-In Ltd (former Redmond Europe Ltd), for the consideration of US$ 31.

During the period ended 31 December 2020, the Group concluded a loan agreement with its associate LLC Clevetura for the amount of US$ 30. The loan bears interest of 4% p.a. and is repayable in December 2022. In addition, the Group, for the period ending 31 December 2021, acquired services for the total amount of US$ 611 (2020: US$ 374) from this associate.

12. Inventories

	As at 31 December 2021 US$	As at 31 December 2020 US$
Goods in transit	59,620	55,119
Goods held for resale	269,686	227,746
Provision for slow moving and obsolete stock	(4,746)	(5,308)
	324,560	277,557

As at 31 December 2021, inventories pledged as security for financing purposes amounted to US$ 103,948 (2020: US$ 73,274).

Movement in provision for slow moving and obsolete stock

	As at 31 December 2021 US$	As at 31 December 2020 US$
On 1 January	5,308	3,728
Provisions for the year	716	3,105
Provided stock written-off	(1,319)	(1,695)
Exchange difference	41	170
On 31 December	4,746	5,308

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

13. Trade receivables

	As at 31 December 2021 US$	As at 31 December 2020 US$
Trade receivables	344,645	294,515
Prepayments to trade vendors	10,009	3,427
Allowance for doubtful debts	(2,379)	(2,096)
	352,275	295,846

Movement in provision for doubtful debts:

	As at 31 December 2021 US$	As at 31 December 2020 US$
On 1 January	2,097	1,657
Provisions for the period/year	652	1,226
Amount written-off as uncollectible	(300)	(749)
Bad debts recovered	(11)	(24)
Exchange difference	(59)	(14)
On 31 December	2,379	2,096

As at 31 December 2021, the receivables of the Group that have been assigned as security for financing purposes amounted to US$ 89,968 (2020: US$ 66,884).

14. Other current assets

	As at 31 December 2021 US$	As at 31 December 2020 US$
Deposits and advances to service providers	302	554
Employee floats	112	171
VAT and other taxes refundable	6,886	14,065
Other debtors and prepayments	4,659	4,350
	11,959	19,140

15. Share capital

	As at 31 December 2021 US$	As at 31 December 2020 US$
Authorized		
63,000,000 (2020: 63,000,000) shares of US$ 0.20 each	12,600	12,600
Issued and fully paid		
55,500,000 (2020: 55,500,000) ordinary shares of US$ 0.20 each	11,100	11,100

(in thousands of US$)

16. Short-term borrowings

	As at 31 December 2021 US$	As at 31 December 2020 US$
Bank overdrafts (Note 26)	33,698	45,215
Current portion of long-term loans	241	61
Bank short-term loans	69,885	34,256
Current lease liabilities (Note 19)	1,737	1,373
Total short-term debt	105,561	80,905
Factoring creditors	73,143	80,057
	178,704	160,962

Summary of borrowings and overdraft arrangements

As at 31 December 2021 the Group enjoyed factoring facilities of US$ 169,727 (31 December 2020 US$ 117,775).

In addition, the Group as at 31 December 2021 had the following financing facilities with banks in the countries that the Company and its subsidiaries operate:

- overdraft lines of US$ 119,833 (31 December 2020: US$ 111,439)
- short-term loans/revolving facilities of US$ 101,450 (31 December 2020: US$ 52,939)
- bank guarantee and letters of credit lines of US$ 60,275 (31 December 2020: US$ 52,183)

The Group had for the period ending 31 December 2021 cash lines (overdrafts, loans and revolving facilities) and factoring lines.

The Weighted Average Cost of Debt (cash lines and factoring lines) for the period was 6.0% (for 2020: 8.0%)

The factoring, overdraft and revolving facilities as well as the loans granted to the Company and its subsidiaries by their bankers are secured by:

- Floating charges over all assets of the Company
- Mortgage on land and buildings that the Group owns in Cyprus, Czech Republic, Belarus, Middle East, Bulgaria, Slovakia and Ukraine
- Charge over receivables and inventories
- Corporate guarantees to the extent of facilities granted to subsidiary companies
- Assignment of insurance policies
- Pledged deposits of US$ 32,453 (31 December 2020: US$ 33,322)

17. Long-term borrowings

	As at 31 December 2021 US$	As at 31 December 2020 US$
Bank loans	123	523
Non-current lease liabilities (Note 19)	4,982	5,206
	5,105	5,729

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

18. Other long-term liabilities

	As at 31 December 2021 US$	As at 31 December 2020 US$
Other long-term liabilities	791	732

19. Lease liabilities

	As at 31 December 2021 US$	As at 31 December 2020 US$
Current lease liabilities (Note 16)	1,737	1,373
Non-current lease liabilities (Note 17)	4,982	5,206
	6,719	6,579

20. Deferred tax

	As at 31 December 2021 US$	As at 31 December 2020 US$
(Debit)/credit balance on 1 January	(160)	284
Deferred tax charge/(credit) for the year (Note 8)	4	(432)
Exchange difference on retranslation	28	(12)
At 31 December	(128)	(160)

	As at 31 December 2021 US$	As at 31 December 2020 US$
Deferred tax assets	(456)	(466)
Deferred tax liabilities	329	306
Net deferred tax assets	(127)	(160)

21. Other current liabilities

	As at 31 December 2021 US$	As at 31 December 2020 US$
Salaries payable and related costs	4,834	3,103
VAT payable	11,177	9,413
Accruals, deferred income and other provisions	77,893	56,041
Non-trade accounts payable	8,081	5,974
Provision for marketing	19,857	11,935
Provision for warranties	7,448	5,903
	129,290	92.369

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

22. Commitments and contingencies

As at 31 December 2021 the Group was committed in respect of purchases of inventories of a total cost value of US$ 32,502 (31 December 2020: US$ 35,109) which were in transit at 31 December 2021 and delivered in January 2022. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase, title of the goods has not passed to the Group at period end.

As at 31 December 2021 the Group issued bank guarantees and stand-by letters of credit from a number of financial institutions to mainly guarantee for the Group's trade payable balances in the amount of US$ 60,275 (31 December 2020: US$ 52,183).

As at 31 December 2021 the Group had no other capital or legal commitments and contingencies.

23. Operating segments

1.1 Reportable segments

The Group mainly operates in a single industry segment as a distributor of IT products. The Group's operating segments are based on geographic location, and the measure of segment profit is profit from operations. The Group operates in four principal geographical areas – Former Soviet Union, Central Eastern Europe, Western Europe and Middle East & Africa.

1.2 Segment revenues

	For the three months ended 31 December 2021 US$	**For the three months ended 31 December 2020 US$**	**For the twelve months ended 31 December 2021 US$**	**For the twelve months ended 31 December 2020 US$**
Former Soviet Union	606,844	491,079	1,774,834	1,289,513
Central Eastern Europe	187,900	189,592	654,117	574,389
Middle East & Africa	84,554	96,708	327,799	279,419
Western Europe	57,813	74,127	266,607	171,104
Other	10,878	14,308	54,619	52,016
	947,989	865,814	3,077,976	2,366,441

1.3 Segment results

	For the three months ended 31 December 2021 US$	**For the three months ended 31 December 2020 US$**	**For the twelve months ended 31 December 2021 US$**	**For the twelve months ended 31 December 2020 US$**
Former Soviet Union	22,461	15,997	58,804	29,275
Central Eastern Europe	6,189	7,434	21,577	14,500
Western Europe	2,561	1,376	11,175	3,354
Middle East & Africa	5,628	3,380	15,936	7,016
Other	3,980	204	6,257	2,528
Profit from operations	40,819	28,391	113,749	56,673
Net financial expenses	(5,790)	(2,956)	(19,687)	(12,389)
Share of loss form equity-accounted investees	6	(6)	-	6
Other gains and losses	(155)	103	180	377
Profit before taxation	34,880	25,544	94,242	44,667

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

23. Operating segments (continued)

1.4 Segment capital expenditure (CAPEX)

	As at 31 December 2021 US$	**As at 31 December 2020 US$**
Former Soviet Union	9,315	8,491
Central Eastern Europe	14,569	14,943
Middle East & Africa	3,631	3,745
Unallocated	18,707	8,596
	46,222	35,775

1.5 Segment depreciation and amortization

	For the three months ended 31 December 2021 US$	**For the three months ended 31 December 2020 US$**	**For the twelve months ended 31 December 2021 US$**	**For the twelve months ended 31 December 2020 US$**
Former Soviet Union	445	340	1,517	1,488
Central Eastern Europe	392	323	1,486	1,169
Middle East & Africa	48	50	187	199
Unallocated	513	424	1,884	1,531
	1,398	1,137	5,074	4,387

1.6 Segment assets

	As at 31 December 2021 US$	**As at 31 December 2020 US$**
Former Soviet Union	500,800	453,802
Central Eastern Europe	68,868	69,654
Western Europe	168,729	125,934
Middle East & Africa	104,370	65,653
Total	842,767	715,043
Assets allocated in capital expenditure (1.4)	46,222	35,775
Other unallocated assets	34,198	38,093
Consolidated assets	923,187	788,911

For the purposes of monitoring segment performance and allocating resources between segments only assets were allocated to the reportable segments. As the Group liabilities are mainly used jointly by the reportable segments, these were not allocated to each segment.

1.7 Geographical information

Since the Group's operating segments are based on geographical location and this information has been provided above (1.2 – 1.6) no further analysis is included.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

24. Derivative financial liability

	As at 31 December 2021 US$	As at 31 December 2020 US$
Derivative financial liabilities carried at fair value through profit or loss		
Foreign currency derivative contracts	299	883

25. Derivative financial asset

	As at 31 December 2021 US$	As at 31 December 2020 US$
Derivative financial assets carried at fair value through profit or loss		
Foreign currency derivative contracts	192	199

26. Cash and cash equivalents

	As at 31 December 2021 US$	As at 31 December 2020 US$
Cash at bank and in hand	184,618	158,898
Bank overdrafts (Note 16)	(33,698)	(45,215)
	150,920	113,683

The cash at bank and in hand balance includes an amount of US$ 32,453 (31 December 2020: US$ 33,322) which represents pledged deposits against financial facilities granted and margin accounts for foreign exchange hedging.

27. Goodwill

	As at 31 December 2021 US$	As at 31 December 2020 US$
At 1 January	629	591
Additions	-	39
Impairment loss (note ii)	-	(39)
Foreign exchange difference on retranslation	(34)	38
At 31 December (note i)	595	629

(in thousands of US$)

27. Goodwill (continued)

(i) The capitalized goodwill arose from the business combinations of the following subsidiaries:

	As at 31 December 2021 US$	As at 31 December 2020 US$
OOO Must	201	201
ASBIS d.o.o. (BA)	394	428
	595	629

(ii) The impairment loss on goodwill relates to the following cash generating units and subsidiaries:

	As at 31 December 2021 US$	As at 31 December 2020 US$
MakSolutions LLC	-	(27)
Breezy LLC (former Café-Connect LLC)	-	(12)
	-	(39)

28. Transactions and balances of key management

	For the three months ended 31 December 2021 US$	For the three months ended 31 December 2020 US$	For the twelve months ended 31 December 2021 US$	For the twelve months ended 31 December 2020 US$
Directors' remuneration - executive (Note 6)	399	498	1,706	1,047
Directors' remuneration - non-executive (Note 6)	7	7	32	28
	406	505	1,738	1,175

29. Trade payables factoring facilities

	As at 31 December 2021 US$	As at 31 December 2020 US$
Trade payables factoring facilities	28,298	51,403

The Group and the Company participate in trade payables factoring facilities (or "supply chain financing facilities" - "SCFs") programs which enable the Group and the Company to obtain extended payment terms for pre-approved suppliers. The Group incurs additional interest towards the SCFs on the amounts due to suppliers. The Company may elect to have any of its SCFs pay its suppliers either on the discount date or on due date and then obtain extended payment terms from them.

The Group discloses the amounts factored by suppliers separately from trade payables because the nature and function of the financial liabilities is sufficiently different from a trade payable that a separate presentation is appropriate. The payments to the supply-chain-financiers are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e., payments for the purchase of goods and services.

As at the 31st of December 2021, the Company and the Group enjoyed trade payables factoring facilities of US$ 70,749 (2020: US$ 52,000).

(in thousands of US$)

30. Business combinations

1. Acquisitions

1.1 Acquisitions of subsidiaries to 31 December 2021

During the year, the Group has acquired the remaining 50% of the share capital of Breezy Trade-In Ltd (former Redmond Europe Ltd) and the 100% share capital of ASBIS CA LLC, Vizuators LLC, Breezy Service LLC, I.O. Clinic Latvia SIA, Joule Production SIA, ASBC LLC (Armenia), Breezy Georgia LLC and ASBC Entity LLC.

Name of entity	Type of operations	Date acquired	% Acquired	% Owned
Breezy Trade-In Ltd (Cyprus) (former Redmond Europe Ltd)	Information Technology	30 March 2021	50%	100%
ASBIS CA LLC (Uzbekistan)	Information Technology	5 February 2021	100%	100%
Vizuators LLC (Belarus)	Information Technology	1 February 2021	100%	100%
Breezy Service LLC (Ukraine)	Information Technology	15 March 2021	100%	100%
I.O. Clinic Latvia SIA (Latvia)	Information Technology	3 February 2021	100%	100%
Joule Production SIA (Latvia)	Information Technology	8 January 2021	100%	100%
ASBC LLC (Armenia)	Information Technology	23 August 2021	100%	100%
Breezy Georgia LLC (Georgia)	Information Technology	7 September 2021	100%	100%
ASBC Entity OOO (Uzbekistan)	Information Technology	15 December 2021	100%	100%

Acquisitions of subsidiaries to 31 December 2020

During the year, the Group has acquired 55% of the share capital of Real Scientists Ltd, 70% of the share capital of I.O.N Clinical Trading Ltd, 85% of the share capital of R.SC. Real Scientists Cyprus Ltd and 100% of share capital of ASBIS IT Solutions Hungary Kft, MakSolutions LLC, Breezy LLC (former Café-Connect LLC), Breezy Kazakhstan TOO (former TOO "ASNEW") and Breezy Ltd.

Name of entity	Type of operations	Date acquired	% Acquired	% Owned
Real Scientists Ltd (United Kingdom)	Information Technology	16 March 2020	55%	55%
ASBIS IT Solutions Hungary Kft (Hungary)	Information Technology	2 September 2020	100%	100%
MakSolutions LLC (Belarus)	Information Technology	10 September 2020	100%	100%
Breezy LLC (Belarus) (former Café-Connect LLC)	Information Technology	10 September 2020	100%	100%
Breezy Kazakhstan TOO (Kazakhstan) (former TOO "ASNEW")	Information Technology	11 November 2020	100%	100%
Breezy Ltd (Ukraine)	Information Technology	24 October 2020	100%	100%
I.O.N Clinical Trading Ltd (Cyprus)	Information Technology	2 October 2020	70%	70%
R.SC. Real Scientists Cyprus Ltd (Cyprus)	Information Technology	2 October 2020	85%	85%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(in thousands of US$)

30. Business combinations (continued)

1.2 Acquired assets and liabilities

The net carrying value of underlying separately identifiable assets and liabilities transferred to the Group at the date of acquisition was as follows:

	As at 31 December 2021 US$	As at 31 December 2020 US$
Tangible and intangible assets	-	233
Inventories	-	200
Receivables	11	71
Other non-current assets	-	15
Other receivables	-	1
Short-term loans	-	(15)
Payables	-	(321)
Other payables and accruals	(1)	(135)
Other non-current liabilities	-	-
Cash and cash equivalents	53	102
Net identifiable assets	**63**	**151**
Group's interest in net assets acquired	**31**	**151**
Total purchase consideration	(31)	(190)
Net loss		**(39)**
Impairment loss on Goodwill	-	39
Goodwill capitalized in statement of financial position	**-**	**-**

2. Disposals

Disposals of subsidiaries to 31 December 2021

During the year, the following subsidiaries have been disposed of and a total loss of $124 arose on the events.

Name of disposed entity	Type of operations	Date liquidated	% liquidated
LLC Vizuatika (Belarus)	Information Technology	24 May 2021	75%
LLC Vizuator (Belarus)	Information Technology	24 May 2021	75%
Vizuators LLC (Belarus)	Information Technology	24 May 2021	100%
Prestigio Plaza Sp. Z o.o (Poland)	Information Technology	25 October 2021	100%
Advanced Systems Company LLC (Kingdom of Saudi Arabia)	Information Technology	30 October 2021	100%
Asbis TR Bilgisayar Limited Sirketi (Turkey)	Information Technology	30 November 2021	100%
OOO Avectis (Moscow)	Information Technology	30 November 2021	100%
ALC Avectis (Belarus)	Information Technology	30 November 2021	100%

Disposals of subsidiaries to 31 December 2020

During the year, the following subsidiary has been disposed. No gain or loss arose on the event.

Name of disposed entity	Type of operations	Date liquidated	% liquidated
Shark Computers a.s.	Information Technology	20 November 2020	100%

31. Fair values

Financial instruments comprise financial assets and financial liabilities. Financial assets mainly consist of bank balances, receivables and investments. Financial liabilities mainly consist of trade payables, factoring balances, bank overdrafts and loans. The Directors consider that the carrying amount of the Group's financial instruments approximate their fair value at the reporting date. Financial assets and financial liabilities carried at fair value through profit or loss represent foreign currency derivative contracts categorized as a Level 2 (inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).