

**INTERIM REPORT
FOR THE THREE AND TWELVE MONTHS ENDED
31 DECEMBER 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 2022. 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: Kazakhstan, Ukraine, Middle East countries (i.e., United Arab Emirates, Qatar and other Gulf states), Slovakia, Poland, Czech Republic, Caucasus region (Armenia, Azerbaijan, Georgia), Romania, Croatia, Slovenia, Bulgaria, Serbia, Hungary, 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, Prestigio Solutions, Canyon, Perenio, AENO, LORGAR and CRON ROBOTICS.

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 28 countries. This network supplies products to the Group's in-country operations and directly to its customers in approximately 60 countries.

The Company's registered and principal administrative office is at 1, Iapetou Street, 4101, Agios Athanasios, Limassol, Cyprus.

2. Executive summary for the three- and twelve-month periods ended 31 December 2022.

In Q4 2022, despite the ongoing war in Ukraine, high inflation and the general, uncertain geopolitical situation, ASBIS has not slowed down but rather in the contrary has steamed up its engine and continued its strategy of focusing on profitability, developing its markets and refining its product portfolio. We have continued investing in Central Asia and Caucasus region in particular: Kazakhstan, Azerbaijan, Uzbekistan, Georgia and Armenia. In Georgia we have opened a new regional distribution center with an area of over 3,000 m². We have also dynamically invested in Adriatic and Balkans regions. In our opinion, all these markets have a much higher growth potential.

Along with the above, we are constantly improving our portfolio of products and services. Therefore, we have decided to launch a new business division related to robotics – ASBIS Robotic Solutions (AROS) based on two major segments – the distribution of collaborative robots (cobots) from leading global brands in the sector as well as own robotic platforms under own brand. It is a very promising sector, which is estimated by analysts to be worth several hundred billion dollars in few years.

In Q4 2022, we have also continued to diversify our activities by investing in two companies from the biotechnology sector i.e., PROMED BIOSCIENCE LTD and RSL Revolutionary Labs Ltd operating in a growing market and at an early stage of their development.

Looking at the Q4 2022 results, revenues amounted to USD 780.3 million (down 17.69% compared to Q4 2021). Operating profit (EBIT) decreased by 6.91% and reached USD 38.0 million, compared to USD 40.8 million in Q4 2021. In Q4 2022, the gross profit margin much improved to 9.06% from 7.53% in Q4 2021. Net profit after tax was at the Q4 2021 level (the highest ever net profit in Q4) and amounted to USD 28.7 million.

In 2022, ASBIS generated revenues of USD 2,690 million (down only 12.60% compared to 2021) and earned a net profit after tax of USD 75.9 million, as compared to USD 77.1 in the same period of last year. As of December 31, 2022, ASBIS had USD 134.6 million in cash and equivalents on its balance sheet, as compared to USD 184.6 million at the end of 2021.

It is worth mentioning that both Q4 2021 and FY2021 were the highest ever in ASBIS history in terms of revenue and profitability.

In Q4 2022 mainly due to the war in Ukraine but also due to the deteriorating economic situation and high inflation, multiple product lines have recorded a decrease.

As regards our own brands, the Company still keeps pushing its seven own brands (Aeno, Canyon, Cron Robotics, Lorgar, Perenio, Prestigio and Prestigio Solutions) to generate higher levels of revenues and at the same time higher gross profit margins.

We are very pleased with the way AENO is developing. AENO's latest success story was with the markets in Spain and Portugal making an important step in AENO's growth strategy. In Q4 2022 one of the hottest demanded products of our own brand was AENO Premium Eco Smart Heater – becoming the leader in private label sales.

For 2023 we plan further expansion of our own brands towards Western Europe and Africa.

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 53.47% in Q4 2022, as compared to 64.01% in Q4 2021.

A country-by-country analysis confirms that a major decrease in sales in Q4 2022 was noted in the markets directly affected by the war in Ukraine. On the other hand though, the Company was able to increase sales in non-conflict markets, like:

- Armenia - a growth of 217.4%
- Germany – a growth of 125.4%
- Georgia – a growth of 124.1%
- Azerbaijan– a growth of 58.3%
- United Arab Emirates - a growth of 40.3%
- Kazakhstan – a growth of 33.7%

In Q4 2022, the Company experienced several important business events:

- ASBIS has signed a distribution agreement with BAS-IP to extend ASBIS distribution portfolio with IP intercom and access control systems.
- ASBIS has signed a partnership agreement with Q-NOMY, a leading software vendor providing advanced software solutions for business.
- ASBIS has opened in Yerevan (Armenia) a new iSpace salon, with the status of Apple Premium Reseller. This is the second official store with Apple products and accessories in Yerevan, but the first and only one in this country with Premium Reseller status, reaching a total of 27 Apple stores in the area of ASBIS operations.
- ASBIS has started cooperation in expanding the presence of the Pica8 unique product line for ASBIS clients in the EMEA markets.
- ASBIS has become the official distributor of ONKRON, the world leader in the development and production of stands for business displays and interactive panels, as well as for TVs, monitors and other electronics.
- ASBIS has doubled the area of the distribution center in Prague (Czech) to 10,000 m² and opened a distribution center in Tbilisi (Georgia) with an area of over 3,000 m². The first center supplies Central and Eastern Europe, while the one in Tbilisi is a distribution base for the Caucasus region.

Following our dividend policy, we paid out our investors an interim dividend from the Company's profits for 2022 which represented a USD 0.20 per share payout. Seeing our Q4 2022 results, we can assume that if no unforeseen circumstances arise, the entire dividend for 2022 will be the highest in our history.

It is worth underling that the Company focuses not only on delivering strong results but also on being socially responsible. In the fourth edition of the Companies Climate Awareness Survey, conducted in 2022 among 152 companies listed on the Warsaw Stock Exchange, ASBIS was among the 22 companies with the highest rating receiving the title: "Climate Aware Company".

In summary, we are extremely satisfied with the Group's results in Q4 2022 and 2022. Such results are an incredible achievement and prove that the Company was well prepared to weather any difficulties and able to quickly adapt to the new realities. We look into 2023 with confidence and optimism. We have many areas of growth; we are investing further in the development of new product segments such as the robotics and in new markets such as Central Asia and Africa.

The principal events of the three months ended 31 December 2022 were as follows (in U.S. \$ thousand):

- Revenues in Q4 2022 decreased by 17.69% to U.S. \$ 780,329 from U.S. \$ 947,989 in Q4 2021.
- Gross profit in Q4 2022 was flat and amounted to U.S. \$ 70,692 from U.S. \$ 71,370 in Q4 2021.
- Gross profit margin in Q4 2022 much improved and reached 9.06% as compared to 7.53% in Q4 2021.
- Selling expenses in Q4 2022 increased by 9.67% to U.S. \$ 19,190 from U.S. \$ 17,498 in Q4 2021.
- Administrative expenses in Q4 2022 increased by only 3.45% to U.S. \$ 13,503 from U.S. \$ 13,052 in Q4 2021.
- EBITDA in Q4 2022 was positive and reached 39,710 as compared to U.S. \$ 42,217 in Q4 2021.
- The Group finished Q4 2022 with an impressive net profit after tax amounting to U.S. \$ 28,655, almost the same level as the net profit after tax in Q4 2021 - the highest ever net profit in Q4.
- In Q4 2022, net cash outflows from operating activities reached U.S.\$ 30,640, as compared to net cash inflows of U.S.\$ 45,569 in Q4 2021.

The following table presents revenues breakdown by regions for the three-month period ended December 31st, 2022 and 2021 respectively (in U.S.\$ thousands):

Region	Q4 2022	Q4 2021	Change %
Former Soviet Union	417,259	606,844	-31.2%
Central and Eastern Europe	192,521	187,900	2.5%
Middle East and Africa	107,851	84,554	27.6%
Western Europe	57,723	57,813	3.0%
Other	4,975	10,878	-54.3%
Total	780,329	947,989	-17.7%

The principal events of the twelve months ended 31 December 2022 were as follows (in U.S.\$ thousands):

- Revenues in Q1-Q4 2022 decreased by 12.60% to U.S. \$ 2,690,039 from U.S. \$ 3,077,976 in Q1-Q4 2021.
- Gross profit in Q1-Q4 2022 increased by 4.26% to U.S. \$ 227,831 from U.S. \$ 218,528 in Q1-Q4 2021.
- Gross profit margin in Q1-Q4 2022 much improved to 8.47% from 7.10% in Q1-Q4 2021.
- Selling expenses in Q1-Q4 2022 increased by 11.13% to U.S. \$ 69,217 from U.S. \$ 62,286 in Q1-Q4 2021.
- Administrative expenses in Q1-Q4 2022 grew by 12.07% to U.S. \$ 47,620 from U.S. \$ 42,493 in Q1-Q4 2021. These expenses include costs for the support of Ukraine.
- EBITDA in Q1-Q4 2022 was positive and reached U.S. \$ 116,751 in comparison to U.S. \$ 118,823 in Q1-Q4 2021.
- The net profit after tax in Q1-Q4 2022 amounted to U.S. \$ 75,870 and was almost the same as the highest ever in Q1-Q4 2021. We consider this as an incredible achievement which proves that the Company is well prepared to scale itself to the new realities and deliver results for its shareholders.
- In Q1-Q4 2022, net cash outflows from operating activities reached U.S.\$ 56,048 as compared to net cash inflows of U.S.\$ 41,367 in Q1-Q4 2021.

The following table presents revenues breakdown by regions for the twelve-month periods ended December 31st, 2022 and 2021 respectively (in U.S.\$ thousands):

Region	Q1-Q4 2022	Q1-Q4 2021	Change %
Former Soviet Union	1,407,196	1,774,834	-20.7%
Central and Eastern Europe	653,643	654,117	-0.1%
Middle East and Africa	407,717	327,799	24.4%
Western Europe	183,088	266,607	-31.3%
Other	38,395	54,621	-29.7%
Total	2,690,039	3,077,976	-12.6%

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, 2022 and 2021, 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, 2021, that is: 1 US\$ = 4.0600 PLN and 1 EUR = 4.5994 PLN and December 31st, 2022, that is: 1 US\$ = 4.4018 PLN and 1 EUR = 4.6899 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, 2021, that is 1 US\$ = 4.0493 PLN and 1 EUR = 4.6345 PLN and October 1st to December 31st, 2022, that is 1 US\$ = 4.5475 PLN and 1 EUR = 4.6891 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, 2021, that is 1 US\$ = 3.8757 PLN and 1 EUR = 4.5775 PLN and January 1st to December 31st, 2022, that is 1 US\$ = 4.4679 PLN and 1 EUR = 4.6883 PLN.

	Period from			Period from		
	1 October to 31 December 2022			1 October to 31 December 2021		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	780,329	3,548,520	756,765	947,989	3,838,660	828,273
Cost of sales	(709,637)	(3,227,051)	(688,207)	(876,620)	(3,549,668)	(765,917)
Gross profit	70,629	321,470	68,557	71,369	288,992	62,356
<i>Gross profit margin</i>	9.06%			7.53%		
Selling expenses	(19,190)	(87,266)	(18,611)	(17,498)	(70,854)	(15,288)
Administrative expenses	(13,503)	(61,404)	(13,095)	(13,052)	(52,851)	(11,404)
Profit from operations	37,999	172,799	36,852	40,819	165,287	35,664
Financial expenses	(7,894)	(35,898)	(7,656)	(7,450)	(30,167)	(6,509)
Financial income	2,925	13,301	2,837	1,660	6,722	1,450
Other gains and losses	301	1,369	292	(155)	(628)	(135)
Share of (loss)/profit of equity-accounted investees	(76)	(346)	(74)	6	24	5
Profit before taxation	33,255	151,226	32,251	34,880	141,238	30,475
Taxation	(4,600)	(20,918)	(4,461)	(6,209)	(25,142)	(5,425)
Profit after taxation	28,655	130,303	27,789	28,671	116,097	25,050
Attributable to:						
Non-controlling interest	21	95	20	59	239	52
Equity holders of the parent	28,634	130,208	27,768	28,612	115,858	24,999

EBITDA calculation

	USD	PLN	EUR	USD	PLN	EUR
Profit before tax	33,255	151,221	32,250	34,880	141,238	30,475
<i>Add back:</i>						
Financial expenses/net	4,969	22,596	4,819	5,791	23,449	5,060
Other income	(300)	(1,364)	(291)	155	628	135
Share of profit/loss of equity-accounted investees	76	346	74	(6)	(24)	(5)
Depreciation	1,396	6,348	1,354	1,094	4,430	956
Amortization	314	1,428	305	303	1,227	265
EBITDA for the period	39,710	180,580	38,511	42,217	170,948	36,886

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	51.75	235.33	50.19	51.55	208.74	45.04

	USD	PLN	EUR	USD	PLN	EUR
Net cash (outflows)/inflows from operating activities	(30,640)	(139,334)	(29,715)	45,569	184,521	39,814
Net cash outflows from investing activities	(3,840)	(17,462)	(3,724)	(3,968)	(16,067)	(3,467)
Net cash inflows from financing activities	17,447	79,340	16,920	4,036	16,343	3,526
Net (decrease)/increase in cash and cash equivalents	(17,033)	(77,457)	(16,519)	45,637	184,796	39,874
Cash at the beginning of the period	109,385	497,425	106,082	105,283	426,319	91,987
Cash at the end of the period	92,352	419,968	89,563	150,920	611,115	131,861

	As at 31 December 2022			As at 31 December 2021		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	1,003,920	4,419,055	942,249	874,760	3,551,526	772,172
Non-current assets	59,606	262,374	55,944	48,427	196,614	42,748
Total assets	1,063,526	4,681,429	998,194	923,187	3,748,139	814,919
Liabilities	819,346	3,606,597	769,014	733,723	2,978,915	647,675
Equity	244,180	1,074,832	229,180	189,464	769,224	167,244

	Period from 1 January to 31 December 2022			Period from 1 January to 31 December 2021		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	2,690,039	12,018,713	2,563,564	3,077,976	11,929,389	2,606,093
Cost of sales	(2,462,208)	(11,000,797)	(2,346,444)	(2,859,448)	(11,082,434)	(2,421,067)
Gross profit	227,831	1,017,917	217,119	218,528	846,954	185,026
<i>Gross profit margin</i>	8.47%			7.10%		
Selling expenses	(69,217)	(309,252)	(65,963)	(62,286)	(241,403)	(52,737)
Administrative expenses	(47,620)	(212,759)	(45,381)	(42,493)	(164,691)	(35,978)
Profit from operations	110,994	495,905	105,775	113,749	440,860	96,310
Financial expenses	(25,694)	(114,797)	(24,486)	(24,313)	(94,231)	(20,586)
Financial income	4,960	22,160	4,727	4,626	17,929	3,917
Other gains and losses	948	4,236	903	180	698	152
Share of loss of equity-accounted investees	(162)	(724)	(154)	0	0	0
Profit before taxation	91,046	406,781	86,765	94,242	365,256	79,794
Taxation	(15,176)	(67,804)	(14,462)	(17,175)	(66,566)	(14,542)
Profit after taxation	75,870	338,976	72,303	77,067	298,690	65,252

Attributable to:

Non-controlling interests	3	13	3	44	171	37
Equity holders of the parent	75,867	338,963	72,301	77,023	298,520	65,215

EBITDA calculation

	USD	PLN	EUR	USD	PLN	EUR
Profit before tax	91,046	406,781	86,765	94,242	365,256	79,794
<i>Add back:</i>						
Financial expenses/net	20,734	92,637	19,759	19,687	76,301	16,669
Other income	(948)	(4,236)	(903)	(180)	(698)	(152)
Share of profit/loss of equity-accounted investees	162	724	154	0	0	0
Depreciation	4,554	20,347	4,340	3,910	15,154	3,311
Amortization	1,203	5,375	1,146	1,164	4,511	986
EBITDA for the period	116,751	521,627	111,262	118,823	460,525	100,606

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	137.10	612.54	130.65	138.78	537.87	117.50

	USD	PLN	EUR	USD	PLN	EUR
Net cash (outflows)/inflows from operating activities	(56,048)	(250,415)	(53,413)	41,367	160,327	35,025
Net cash outflows from investing activities	(11,075)	(49,482)	(10,554)	(15,029)	(58,248)	(12,725)
Net cash inflows from financing activities	8,556	38,227	8,154	10,899	42,242	9,228
Net (decrease)/increase in cash and cash equivalents	(58,567)	(261,669)	(55,813)	37,238	144,324	31,529
Cash at the beginning of the year	150,919	674,285	143,823	113,683	440,604	96,254
Cash at the end of the year	92,352	412,616	88,010	150,920	584,924	127,783

4. Organization of ASBIS Group

The following table presents our corporate structure as at December 31st, 2022:

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 spol.s.r.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 (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, (Munich, 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%)
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%)
ACEAN.PL Sp. z o.o (Warsaw, Poland)	Full (100%)
Entoliva Ltd (Limassol, Cyprus)	Full (100%)
ASBIS HELLAS SINGLE MEMBER S.A. (Athens, Greece)	Full (100%)
Prestigio Plaza Kft (Budapest, Hungary)	Full (100%)
ASBC SRL (Chisinau, Moldova)	Full (100%)
Breezy-M (Chisinau, Moldova)	Full (100%)
Breezy Poland (Warsaw, Poland)	Full (100%)

5. Changes in the structure of the Company

During the three months ended December 31st, 2022 there were the following changes in the structure of the Company and the Group:

- On November 18th, 2022, the Issuer has established the company Breezy Poland (Warsaw, Poland). The Issuer holds 100% in this subsidiary, being equal to share capital of PLN 500,000 (USD 110,084). We established this entity to provide warranty services.
- On November 8th, 2022, the Issuer has established the company ASBC SRL (Chisinau, Moldova). The Issuer holds 100% in this subsidiary, being equal to share capital of MDL 4,874,000 (USD 254,412). We established this entity to distribute IT products.
- On November 18th, 2022, the Issuer has established the company ASBIS HELLAS SINGLE MEMBER S.A. (Athens, Greece). The Issuer holds 100% in this subsidiary, being equal to share capital of EUR 100,000 (USD 103,280). We established this entity to distribute IT products.
- On November 24th, 2022, the Issuer has established the company Prestigio Plaza Kft (Budapest, Hungary). The Issuer holds 100% in this subsidiary, being equal to share capital of HUF 200,000,000 (USD 532,368). We established this entity to expand our retail business.
- On December 8th, 2022, the Issuer has established the company Breezy-M (Chisinau, Moldova). The Issuer holds 100% in this subsidiary, being equal to share capital of MDL 962,500 (USD 49,509). We established this entity to provide warranty services.

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

On May 4th, 2022, the Company announced its official financial forecast for 2022 that assumed revenues between US\$ 2.2 billion and US\$ 2.4 billion and net profit after tax between US\$ 48.0 and US\$ 52.0 million.

On November 7th, 2022, the Company upgraded its forecast with revenues to be between US\$ 2.6 and US\$ 2.8 billion and net profit after tax between US\$ 70.0 and US\$ 74.0 million.

Having seen Q1-Q4 2022 results, it is clear that the Company not only delivered its forecast but in terms of net profit after tax even exceeded it.

7. Information on the dividend payment

On November 2nd, 2022, the Company's Board of Directors decided on the payment of an interim dividend from 2022 profits. The interim dividend of US\$ 0.20 per share was paid out on December 1st, 2022. The interim dividend record date was November 17th, 2022.

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*	20,448,127	36.84%	20,448,127	36.84%
ASBISc Enterprises Plc (buy-back program)	328,800	0.59%	328,800	0.59%
Free-float	34,723,073	62.56%	34,723,073	62.56%
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 3rd, 2022 (the date of the publication of the Interim Report for Q3 2022) and the date of this report.

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, 2022, as well as for the period between November 3rd, 2022 (the date of the publication of the Interim Report for Q3 2022) and February 23rd, 2023 (date of this report) there were no 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) *	20,448,127	36.84%
Constantinos Tziamalis	556,600	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, 2022, 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, 2022 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, 2022 to support its subsidiaries' local financing, amounted to U.S.\$ 176,223. The total bank guarantees and letters of credit raised by the Group (mainly to Group suppliers) as of December 31st, 2022, was U.S.\$ 41,960 – as per note number 17 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, 2022, 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 war between Russia and Ukraine and sanctions imposed on Russia and Belarus

The war between Russia and Ukraine (which were, before the war, the two major markets for ASBIS) constituted a major disruption in demand in both countries, the whole region and the globe. The war has created the most unfavorable business environment in both countries. Despite the large geographical presence of the Group, it is not possible to totally weather the impact of a full-scale war between these two countries. The Company considers the situation as critical, and it is extremely difficult to judge how this will evolve.

We have a mutual understanding with all our vendors and service providers that our partnerships will continue but we cannot warrant that the business can be retained due to the sanctions imposed on Russia. These sanctions are significant and limit the ability of the Group to sell specific products; this is expected to continue adversely impact our revenues. The Group being fully compliant to the directions given by the EU and its suppliers, has undertaken all necessary actions to prevent sales of sanctioned products to sanctioned entities and/or individuals.

Spreading of the Covid-19 Virus in the markets we operate

The COVID-19 pandemic has had and continues to have a significant impact around the world. The COVID-19 pandemic has at times caused significant volatility and disruption in global financial markets. The shutdown of the economies is no longer an option, however, the zero-COVID policy in China and Chinese Covid lockdowns have disrupted the supply chain and made consumers much concerned about the overall situation.

Having seen the development of the pandemic, the Company is in a position to manage all impacts emanating from it and it is expecting that soon it will be declared as finished.

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 2022 a good portion of our revenues was 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 85%) 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 reserve. 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. Especially at extreme cases, like the acts of war, we have suffered due to the governmentally driven exchange rates (Russian RUB) and the ability of the Company to undertake hedging has been significantly affected. Therefore, careful observation of the currency 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 sell opportunistically 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 in view of the fact that its gross profit margins, like those of most of its competitors, are low and sensitive to sales price fluctuations.

Gross profit margins sustainability

The Company's business is comprised of both a traditional distribution of third-party products and own brands. 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 dynamically developed its own brand business as this allows for higher gross profit margins. In Q4 2022 we have added to our portfolio a new own brand namely "CRON Robotics" operating under a new business division - AROS - ASBIS Robotic Solutions. The Company is also constantly investing in the VAD business which delivers 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 of 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 7 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 the majority of its revenue.

Despite all efforts to secure our revenues, certain countries remained non-insured (Ukraine), therefore it is very important for us to ensure that we find other sources of securities which 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 overall financial environment and the economic landscape of each country we operate in, always play a significant role in our performance. 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 the war in Ukraine, the volatility of currencies and the fragility of demand in many markets. Additionally, from time to time, unpredictable situations may happen in selected markets.

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, however we can see that a full-scale war between these two countries brings unprecedented consequences.

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.

Seasonality

Traditionally the IT distribution industry in which the Company operates experiences high demand during the months prior to and leading up to the Christmas and New Year holiday period. In particular, IT distributors' demand tends to increase in the period starting from September till the end of the year.

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. The results from Perenio brand were not the ones we expected to see; thus, we currently undertake certain corrective actions.

At the end of 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 Q4 2022, the Company has launched a new own brand "CRON Robotics" operating under a new business division – AROS - ASBIS Robotic Solutions. The core business of this division is based on two major segments – the distribution of collaborative robots (cobots) from leading global brands in the sector as well as own robotic platforms under own brand.

In order to keep quality under control and achieve the maximum possible gross profit margins, the Company's Directors have decided to operate 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.

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 financiers and is currently undertaking certain extra steps to further lower its cost of financing. Base rates (US Libor, Euribor, other local base rates) have recently shown a significant uptrend and this has increased the Company's WACD.

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.

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

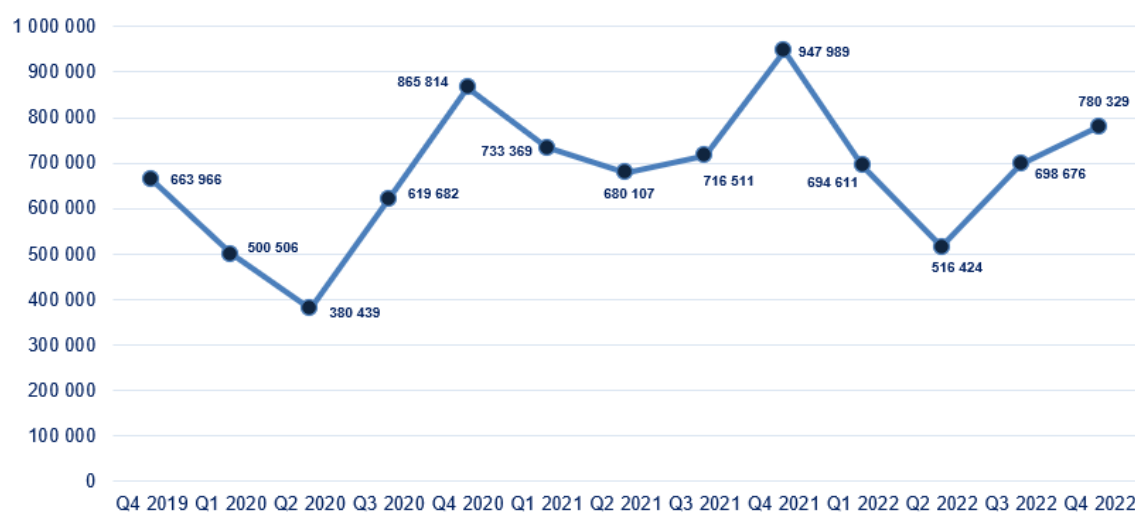
For the three- and twelve-month periods ended December 31st, 2022 compared to the three and twelve-month periods ended December 2021:

- **Revenues:** Revenues in Q4 2022 and Q1-Q4 2022 decreased as compared to the corresponding periods of 2021, mainly due to the war in Ukraine, and by far lower sales in all three countries involved in the conflict. This also destabilized the CEE region and negatively affected our business in countries involved in the war as well as nearby countries. Despite the war in Ukraine, suspended operations in Russia, and limited activity in Belarus, ASBIS was able to compensate, to a large extent, lost revenues from other markets and in particular: Kazakhstan, Armenia, Azerbaijan, Uzbekistan and Georgia but also through the restoration of its business in Ukraine.

In Q4 2022 revenues decreased by 17.69% to U.S. \$ 780,329 from U.S. \$ 947,989 in Q4 2021.

In Q1-Q4 2022 revenues decreased only by 12.60% to U.S. \$ 2,690,039 from U.S. \$ 3,077,976 in Q1-Q4 2021.

**Seasonality and growth cycle in ASBIS revenues
between Q4 2019 and Q4 2022
(in U.S.\$ thousand)**

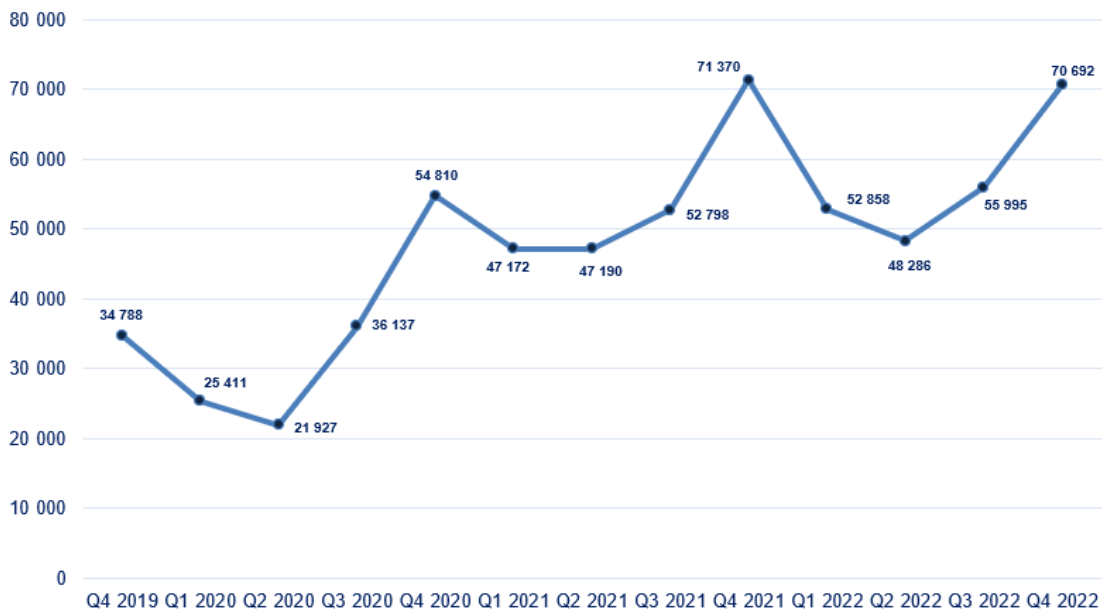


- **Gross profit:** In Q4 2022 gross profit has been flat while in Q1-Q4 2022 has increased compared to the corresponding period of 2021.

Gross profit in Q4 2022 reached U.S. \$ 70,692 as compared to U.S. \$ 71,369 in Q4 2021.

Gross profit in Q1-Q4 2022 increased by 4.26% to U.S. \$ 227,831 from U.S. \$ 218,528 in Q1-Q4 2021.

**Gross profit
between Q4 2019 and Q4 2022
(in U.S.\$ thousand)**

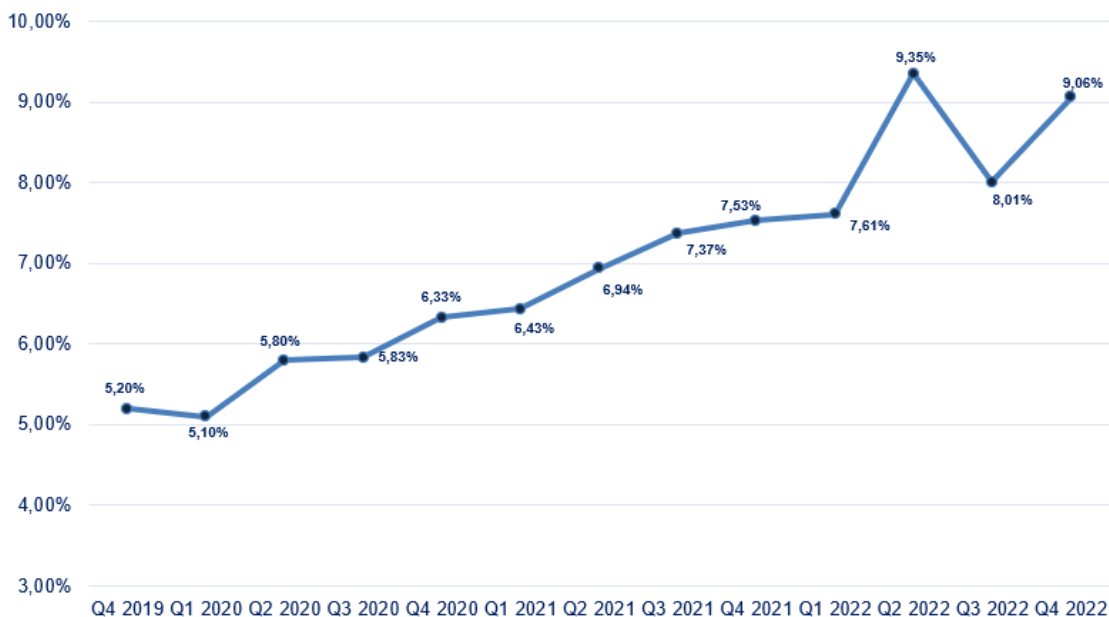


- **Gross profit margin:** Gross profit margin much increased both in Q4 2022 and Q1-Q4 2022, as compared to the corresponding periods of 2021.

Gross profit margin in Q4 2022 strongly increased, reaching 9.06% from 7.53% in Q4 2021.

Gross profit margin in Q1-Q4 2022 much improved to 8.47% from 7.10% in Q1-Q4 2021.

**Gross profit margin
between Q4 2019 and Q4 2022
(in U.S.\$ thousand)**



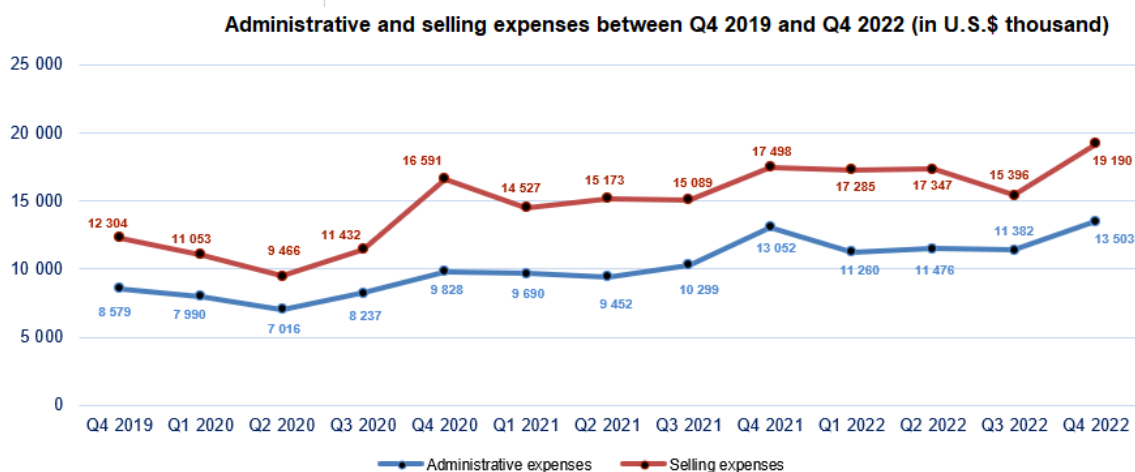
- **Selling expenses** largely comprise of salaries and benefits paid to sales employees (sales, marketing and logistics departments), marketing and advertising fees, commissions, and travelling expenses. Selling expenses usually grow together (but not in-line) with growing sales and, most importantly,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

Selling expenses in Q4 2022 increased by 9.67% to U.S. \$ 19,190 from U.S. \$ 17,498 in Q4 2021.

Selling expenses in Q1-Q4 2022 increased by 11.13% to U.S. \$ 69,217 from U.S. \$ 62,286 in Q1-Q4 2021.

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

Administrative expenses in Q4 2022 increased by only 3.45% to U.S. \$ 13,503 from U.S. \$ 13,052 in Q4 2021. Administrative expenses in Q1-Q4 2022 increased by 12.07% to U.S. \$ 47,620 from U.S. \$ 42,493 in Q1-Q4 2021.



- **EBITDA:** In Q4 2022 EBITDA was positive and reached U.S. \$ 39,710 in comparison to U.S. \$ 42,217 in Q4. In Q1-Q4 2022 EBITDA amounted to U.S. \$ 116,751 in comparison to U.S. \$ 118,823 in Q1-Q4 2021.
- **Net profit:** The net profit after tax both in Q4 2022 and Q1-Q4 2022 is considered to be excellent given the war in Ukraine, high inflation, uncertain geopolitical situation and the fact that the net profit after tax both in Q4 2021 and Q1-Q4 2022 was the highest ever in the Company’s history. The Company has proved once again its operational readiness to face the difficulties and changing geopolitical situation.

In Q4 2022 net profit after taxation amounted to as high as U.S. \$ 28,655 as compared to U.S.\$ 28,671 in Q4 2021.

In Q1-Q4 2022 the net profit after tax amounted to U.S. \$ 75,870 in comparison to U.S. \$ 77,067 in Q1-Q4 2021.

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 2022 or for the 12M of 2022. In Q4 2022 and the 12M 2022 sales in the F.S.U. decreased by 31.2% and 20.7% respectively, while the sales in the CEE increased by 2.5% in Q4 2022 and was flat in the 12M 2022. It is worth mentioning that the sales in Middle East and Africa increased significantly both in Q4 2022 and the 12M 2022 by 27.6.% and 24.4% respectively, as compared to last year.

This shows that the Company was able to offset lower sales in the F.S.U. (due to the sanctions on Russia and Belarus) with higher sales in other regions of operations. The major reasons for lower sales are mainly attributed to the war in Ukraine (that has also affected nearby countries), high inflation and lower customer demand.

As a result of the above-mentioned facts, the contribution of certain regions – like the CEE region, in total revenues of the Company for Q4 2022 and the 12M 2022 has changed compared to the corresponding periods of 2021. Central and Eastern Europe contribution has grown both in Q4 2022 and the 12M 2022 to 24.67% from 19.82% and 24.30% from 21.25% respectively. At the same time, the F.S.U. region contribution has decreased to 53.47% (from 64.01%) in Q4 2022 and 52.31% (from 57.66%) in the 12M 2022.

Country-by-country analysis confirms that a major decrease in sales is noted in the markets directly affected by the war in Ukraine. Our business in Ukraine was inevitably the one with the highest negative effects but due to the strong and amazing characters of our team members who continued to work successfully between the attacks of missiles and electricity cut offs, the Group was able to fill out the gap and deliver strong revenues both in Q4 2022 and in the 12M 2022, making Ukraine our second largest market.

On the other hand, the Company was able to much increase sales in markets that were not directly affected by the war in Ukraine, like Kazakhstan – currently our biggest market, where revenues grew by 33.7% in Q4 2022 and 52.6% in the 12M 2022 as compared to Q4 2021 and the 12M 2021 respectively.

United Arab Emirates - our third biggest market, delivered revenues of USD 312.7 million in the 12M 2022 (an increase by 42.2% year-over-year).

Azerbaijan and Georgia grew exceptionally both in Q4 2022 and for the 12M 2022, as compared to the corresponding periods of 2022.

Poland generated a solid growth both in Q4 2022 and for the 12M 2022 (+4.5% and 10.0% respectively). The growth of sales in Poland was mainly attributed to the sales of CPUs, phones and servers.

The tables below provide a geographical breakdown of sales in the three and twelve-month periods ended 31 December 2022 and 2021 (in U.S.\$ thousands).

	Q4 2022		Q4 2021	
	U.S. \$ thousand	% of total revenues	U.S. \$ thousand	% of total revenues
Former Soviet Union	417,259	53.47%	606,844	64.01%
Central and Eastern Europe	192,521	24.67%	187,900	19.82%
Middle East and Africa	107,851	13.82%	84,554	8.92%
Western Europe	57,723	7.40%	57,813	6.10%
Other	4,975	0.64%	10,878	1.15%
Total	780,329	100%	947,989	100%

	Q1-Q4 2022		Q1-Q4 2021	
	U.S. \$ thousand	% of total revenues	U.S. \$ thousand	% of total revenues
Former Soviet Union	1,407,196	52.31%	1,774,834	57.66%
Central and Eastern Europe	653,643	24.30%	654,117	21.25%
Middle East and Africa	407,717	15.16%	327,799	10.65%
Western Europe	183,088	6.81%	266,607	8.66%
Other	38,395	1.43%	54,619	1.77%
Total	2,690,039	100%	3,077,976	100%

Revenue breakdown – Top 10 countries in Q4 2022 and Q4 2021 (in U.S. \$ thousand)

Q4 2022			Q4 2021	
	Country	Sales	Country	Sales
1.	Kazakhstan	184,962	Ukraine	178,768
2.	Ukraine	107,746	Russia	178,750
3.	United Arab Emirates	80,348	Kazakhstan	138,293
4.	Slovakia	74,744	Slovakia	67,477
5.	Germany	33,044	Belarus	63,771
6.	Georgia	31,695	United Arab Emirates	57,279
7.	Poland	26,711	Czech Republic	32,886
8.	Azerbaijan	26,296	Poland	25,573
9.	Czech Republic	24,993	Romania	19,958
10.	Armenia	24,551	Azerbaijan	16,607

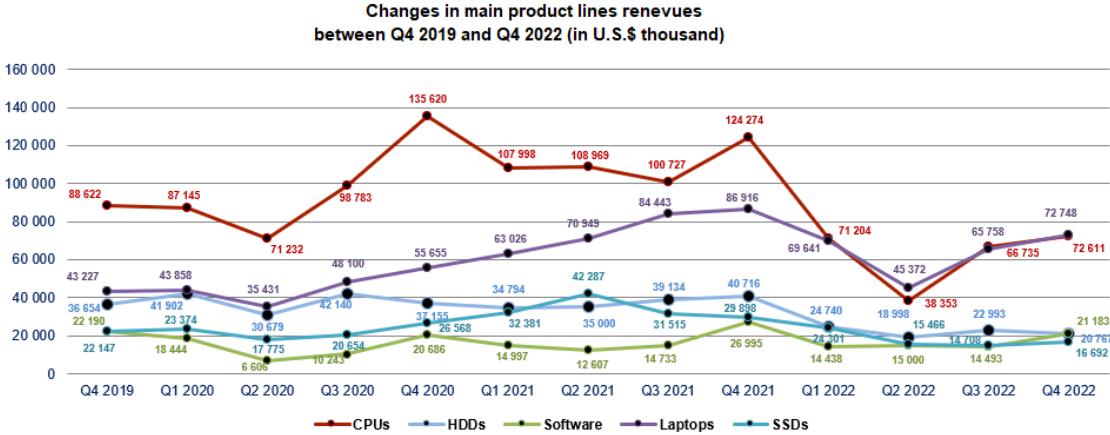
Revenue breakdown – Top 10 countries in Q1-Q4 2022 and Q1-Q4 2021 (in U.S. \$ thousand)

Q1-Q4 2022			Q1-Q4 2021	
	Country	Sales	Country	Sales
1.	Kazakhstan	584,849	Russia	434,334
2.	Ukraine	326,143	Ukraine	352,350
3.	United Arab Emirates	312,705	Kazakhstan	248,381
4.	Slovakia	239,905	United Arab Emirates	189,360
5.	Russia	134,520	Slovakia	177,063
6.	Czech Republic	97,583	Belarus	147,874
7.	Azerbaijan	91,414	Czech Republic	85,934
8.	Poland	85,780	Netherlands	71,164
9.	Georgia	80,942	Poland	66,795
10.	Germany	79,540	Romania	59,135

Sales by product lines

Starting from the 24th of February 2022, revenues have been under a serious pressure caused by the invasion of Russia in Ukraine that affected sales in a number of countries across our operations. Covid lockdowns in China and reduced spending due to economic slowdown have also negatively affected sales. As a result, in Q4 2022 revenues from all main product lines decreased compared to Q4 2021.

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



In Q4 2022 and 12M of 2022 the main drivers in terms of revenues were smartphones, laptops and CPUs.

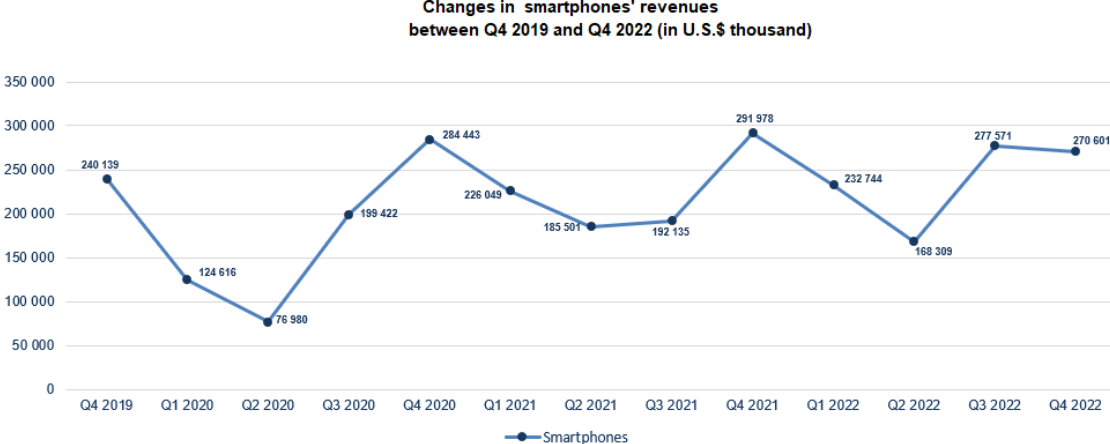
On a year-on-year basis revenues from CPUs decreased by 41.6% in Q4 2022 and 43.7% in the 12M of 2022. Sales of HDDs decreased by 49.0% in Q4 2022 and 41.5% in the 12M of 2022. In Q4 2022 revenues from software decreased by 21.5% and 6.1% in the 12M of 2022. Laptop business decreased by 16.3% in Q4 2022 and 17.0% in the 12M of 2022. Revenues from SSDs decreased by 44.2% in Q4 2022 and 47.7% in the 12M of 2021.

PC desktop business declined by 45.3% in Q4 2022 and 28.8% in the 12M of 2022.

The tablet segment recorded growth of 37.4% in Q4 2022 but declined by 18.3% in the 12M of 2021.

From "Other" product lines, in the 12M 2022 a positive trend has been noticed in smart devices (+10.3%) and display products (+12.1%).

The chart below indicates the trends in smartphones sales



Sales of smartphones, which contribute to the majority of our revenues decreased in Q4 2022 by 7.3% but increased by 6.0% in the 12M of 2022, as compared to the corresponding periods of 2021. The decline observed in Q4 2022 was a result of the shortage faced due to a factory shut down (Covid related) and bombarding in Ukraine that has broken the supply chain. In 2023 we already experience much better supply of products.

The table below sets a breakdown of revenues, by product lines, for Q4 2022 and Q4 2021 (in U.S. \$ thousand)

	Q4 2022		Q4 2021	
	U.S. \$ thousand	% of total revenues	U.S. \$ thousand	% of total revenues
Smartphones	270,601	34.68%	291,978	30.80%
PC mobile (laptops)	72,748	9.32%	86,916	9.17%
Central processing units (CPUs)	72,611	9.31%	124,274	13.11%
Audio devices	43,431	5.57%	42,402	4.47%
Peripherals	36,448	4.67%	45,376	4.79%
Servers & server blocks	31,455	4.03%	44,046	4.65%
Smart devices	26,547	3.40%	29,323	3.09%
Networking products	24,382	3.12%	19,543	2.06%
Display products	22,318	2.86%	18,893	1.99%
Software	21,183	2.71%	26,995	2.85%
Hard disk drives (HDDs)	20,767	2.66%	40,716	4.29%
Tablets	18,493	2.37%	13,459	1.42%
Solid-state drives (SSDs)	16,692	2.14%	29,898	3.15%
Multimedia	15,496	1.99%	16,226	1.71%
PC desktop	13,328	1.71%	24,372	2.57%
Accessories	12,411	1.59%	13,294	1.40%
Home appliances	9,079	1.16%	7,739	0.82%
Other	52,340	6.71%	72,542	7.65%
Total revenue	780,329	100%	947,989	100%

The table below sets a breakdown of revenues, by product lines, for Q1-Q4 2022 and Q1-Q4 2021

	Q1-Q4 2022		Q1-Q4 2021	
	U.S. \$ thousand	% of total revenues	U.S. \$ thousand	% of total revenues
Smartphones	949,226	35.29%	895,664	29.10%
PC mobile (laptops)	253,519	9.42%	305,333	9.92%
Central processing units (CPUs)	248,903	9.25%	441,968	14.36%
Peripherals	140,754	5.23%	148,669	4.83%
Audio devices	117,158	4.36%	137,456	4.47%
Servers & server blocks	113,673	4.23%	119,608	3.89%
Hard disk drives (HDDs)	87,498	3.25%	149,644	4.86%
Smart devices	80,244	2.98%	72,735	2.36%
Networking products PC desktop	71,646	2.66%	71,308	2.32%
Solid-state drives (SSDs)	71,166	2.65%	136,080	4.42%

Display products	67,957	2.53%	60,607	1.97%
Software	65,115	2.42%	69,331	2.25%
Multimedia	57,972	2.16%	58,204	1.89%
PC desktop	54,516	2.03%	76,589	2.49%
Tablets	48,422	1.80%	59,266	1.93%
Memory modules (RAM)	46,415	1.73%	63,578	2.07%
Accessories	36,704	1.36%	36,190	1.18%
Other	179,150	6.66%	175,745	5.71%
Total revenue	2,690,039	100%	3,077,976	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 2022 and the 12 months of 2022 has been negatively impacted by increased working capital utilization (mainly due to increased inventories).

The following table presents a summary of cash flows for the twelve months ended December 31st, 2022 and 2021 (in U.S. \$ thousand):

	Twelve months ended December 31st	
	2022	2021
Net cash (outflows)/inflows from operating activities	(56,048)	41,367
Net cash outflows from investing activities	(11,075)	(15,029)
Net cash inflows from financing activities	8,556	10,899
Net (decrease)/increase in cash and cash equivalents	(58,567)	37,237

Net cash outflows from operations

Net cash outflows from operations amounted to U.S. \$ 56,048 for the twelve months of 2022, compared to inflows of U.S. \$ 41,367 in the corresponding period of 2021.

Net cash outflows from investing activities

Net cash outflows from investing activities were U.S. \$ 11,075 for the twelve months of 2022, compared to outflows of U.S. \$ 15,029 in the corresponding period of 2021.

Net cash inflows from financing activities

Net cash inflows from financing activities were U.S. \$ 8,556 for the twelve months of 2022, compared to inflows of U.S. \$ 10,899 in the corresponding period of 2021.

Net decrease in cash and cash equivalents

As a result of the increase in working capital utilization (mainly due to increased inventories) in Q1-Q4 2022, cash and cash equivalents reached U.S. \$ 92,352, as compared to U.S. \$ 150,920 at the end of 2021.

16. Factors which may affect our results in the future

War between Russia and Ukraine and sanctions imposed on Russia and Belarus

The war between Russia and Ukraine (the two major markets for ASBIS before the war) is a key factor which has affected our results. Despite the large geographical presence of the Group, it would not be possible to totally weather the impact of this war. The Company is well prepared to defend its position considering the sanctions imposed on Russia and Belarus; however, the Company considers the situation as critical and difficult to judge as to how it will evolve. We are strictly abiding with all sanctions that the EU imposed, and we are making the utmost to support our Ukrainian colleagues and operations.

Spreading of the Covid-19 virus in the markets we operate

The COVID-19 pandemic has had, and continues to have, a significant impact around the world. The shutdowns of the economies are no longer options, however Chinese covid lockdowns have disrupted supply chains and made consumers much concerned about the overall situation.

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.

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.

Growing inflation and interest rates and decreased purchasing power of consumers are of extreme importance and the Company is working hard to find mechanisms to overcome the obstacles currently faced.

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

The very well 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. Since the F.S.U. and CEE regions are the biggest contributors to the Company's revenues, it is very important to adapt to any market changes that might arise in these geographies. This is especially important while facing the war in Ukraine also affecting nearby countries. Therefore, we decided to enter new markets in Africa and Western Europe and expand our product portfolio by launching ASBIS Robotic Solutions (AROS) division.

In 2023 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, the possibility of a decrease in demand and sales in a particular country or region remains quite high. Such a situation may limit overall growth.

It is of extreme importance for the Company to best prepare its structure to offset such a situation 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 and weather any unforeseen issues that may appear in the future.

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 Q4 2022 and the 12M 2022 as compared to the corresponding periods of 2021 was a result of among other:

- focus on high-margin products and services,
- development of own brands,
- strong position in the region,
- expansion of the APR stores network,
- suspended operations in Russia where margins were lower than average.

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 2022. Therefore, the hedging strategy should be followed and further improved without any exception in the coming months of 2022 and going forward.

Ability of the Group to control expenses

Selling and administrative expenses increased both in Q4 2022 and the 12M 2022 by 11.5% and by 7.0% respectively as compared to the corresponding periods of 2021. This was mostly due to investments in human capital to support the Company's development.

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.

17. Information about important events that occurred after the period ended on December 31st, 2022 and before this report release.

According to our best knowledge, in the period between December 31st, 2022 and February 23rd, 2023 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, 2022

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ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

	Note	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Revenue	4,24	780,329	947,989	2,690,039	3,077,976
Cost of sales		(709,637)	(876,620)	(2,462,208)	(2,859,448)
Gross profit		70,692	71,369	227,831	218,528
Selling expenses		(19,190)	(17,498)	(69,217)	(62,286)
Administrative expenses		(13,503)	(13,052)	(47,620)	(42,493)
Profit from operations		37,999	40,819	110,994	113,749
Financial income	7	2,925	1,660	4,960	4,626
Financial expenses	7	(7,894)	(7,450)	(25,694)	(24,313)
Net finance costs		(4,969)	(5,790)	(20,734)	(19,687)
Other gains and losses	5	301	(155)	948	180
Share of (loss)/ profit of equity-accounted investees		(76)	6	(162)	-
Profit before tax	6	33,255	34,880	91,046	94,242
Taxation	8	(4,600)	(6,209)	(15,176)	(17,175)
Profit for the period		<u>28,655</u>	<u>28,671</u>	<u>75,870</u>	<u>77,067</u>
Attributable to:					
Equity holders of the parent		28,634	28,612	75,867	77,023
Non-controlling interests		<u>21</u>	<u>59</u>	<u>3</u>	<u>44</u>
		<u>28,655</u>	<u>28,671</u>	<u>75,870</u>	<u>77,067</u>
		US\$ cents	US\$ cents	US\$ cents	US\$ cents
Earnings per share					
Basic and diluted from continuing operations		<u>51.75</u>	<u>51.55</u>	<u>137.10</u>	<u>138.78</u>

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Profit for the period	<u>28,655</u>	<u>28,671</u>	<u>75,870</u>	<u>77,067</u>
Other comprehensive loss				
Exchange difference on translating foreign operations	(1,706)	(902)	(4,039)	(1,764)
Reclassification adjustments relating to foreign operations liquidated and disposed of in the period	<u>-</u>	<u>63</u>	<u>282</u>	<u>62</u>
Other comprehensive loss for the period	<u>(1,706)</u>	<u>(839)</u>	<u>(3,757)</u>	<u>(1,702)</u>
Total comprehensive income for the period	<u><u>26,949</u></u>	<u><u>27,832</u></u>	<u><u>72,113</u></u>	<u><u>75,365</u></u>
Total comprehensive income attributable to:				
Equity holders of the parent	26,900	27,778	72,128	75,344
Non-controlling interests	<u>49</u>	<u>54</u>	<u>(15)</u>	<u>21</u>
	<u><u>26,949</u></u>	<u><u>27,832</u></u>	<u><u>72,113</u></u>	<u><u>75,365</u></u>

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(in thousands of US\$)

	Note	As at 31 December 2022 US\$	As at 31 December 2021 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	9	50,313	43,724
Intangible assets	10	1,077	1,903
Investment property	11	4,404	-
Equity-accounted investees	12	1,640	1,749
Goodwill	28	372	595
Financial assets at fair value through other comprehensive income	30	1,515	-
Deferred tax assets	21	285	456
Total non-current assets		<u>59,606</u>	<u>48,427</u>
Current assets			
Inventories	13	514,804	324,560
Trade receivables	14	328,931	352,275
Other current assets	15	23,586	11,959
Derivative financial asset	26	413	192
Current taxation	8	1,588	1,156
Cash at bank and in hand	27	134,598	184,618
Total current assets		<u>1,003,920</u>	<u>874,760</u>
Total assets		<u><u>1,063,526</u></u>	<u><u>923,187</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	11,100	11,100
Share premium		23,721	23,721
Retained earnings and other components of equity		208,650	154,089
Equity attributable to owners of the parent		243,471	188,910
Non-controlling interests		709	554
Total equity		<u>244,180</u>	<u>189,464</u>
Non-current liabilities			
Long-term borrowings	18	9,183	5,105
Other long-term liabilities	19	859	791
Deferred tax liabilities	21	120	329
Total non-current liabilities		<u>10,162</u>	<u>6,225</u>
Current liabilities			
Trade payables and prepayments	23	417,976	386,287
Trade payables factoring facilities		18,024	28,298
Other current liabilities	22	164,023	129,290
Short-term borrowings	17	205,296	178,704
Derivative financial liability	25	263	299
Current taxation	8	3,602	4,620
Total current liabilities		<u>809,184</u>	<u>727,498</u>
Total liabilities		<u>819,346</u>	<u>733,723</u>
Total equity and liabilities		<u><u>1,063,526</u></u>	<u><u>923,187</u></u>

The financial statements were approved by the Board of Directors on the 22nd of February 2023.

.....
Constantinos Tziamalis
 Director

.....
Marios Christou
 Director

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

	Attributable to the owners of the parent							Total US\$
	Share capital US\$	Share premium US\$	Treasury stock US\$	Translation of foreign operations US\$	Retained earnings US\$	Total US\$	Non-controlling interests US\$	
Balance at 1 January 2021	11,100	23,518	(212)	(10,752)	111,689	135,343	295	135,638
<i>Total comprehensive income</i>								
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)
<i>Transactions with owners of the Company</i>								
<i>Changes in ownership interests</i>								
Non-controlling 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 non-controlling interest at disposal	-	-	-	-	-	-	27	27
<i>Contributions and distributions</i>								
Payment of final dividend	-	-	-	-	(22,192)	(22,192)	-	(22,192)
Treasury shares sold	-	203	212	-	-	415	-	415
Balance at 31 December 2021	<u>11,100</u>	<u>23,721</u>	<u>-</u>	<u>(12,431)</u>	<u>166,520</u>	<u>188,910</u>	<u>554</u>	<u>189,464</u>
<i>Total comprehensive income</i>								
Profit for the period 1 January 2022 to 31 December 2022	-	-	-	-	75,867	75,867	3	75,870
Other comprehensive loss for the period 1 January 2022 to 31 December 2022	-	-	-	(3,739)	-	(3,739)	(18)	(3,757)
<i>Transactions with owners of the Company</i>								
<i>Changes in ownership interests</i>								
Increase of share capital of subsidiary with non-controlling interest	-	-	-	-	-	-	170	170
<i>Contributions and distributions</i>								
Acquisition of treasury shares	-	-	(997)	-	-	(997)	-	(997)
Payment of final dividend	-	-	-	-	(16,571)	(16,571)	-	(16,571)
Balance at 31 December 2022	<u>11,100</u>	<u>23,721</u>	<u>(997)</u>	<u>(16,170)</u>	<u>225,816</u>	<u>243,470</u>	<u>709</u>	<u>244,179</u>

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

	Note	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Profit for the period before tax and non-controlling interest		33,255	34,880	91,046	94,242
Adjustments for:					
Exchange difference arising on consolidation		(2,824)	(283)	(2,766)	(580)
Depreciation of property, plant and equipment	9	1,397	1,095	4,554	3,910
Amortization of intangible assets	10	315	303	1,203	1,164
Depreciation of investment property	11	15	-	30	-
Provision for slow moving and obsolete stock		894	(93)	2,740	(604)
Share of (loss)/profit of equity-accounted investees	12	76	(6)	162	-
Loss from the sale of property, plant and equipment and intangible assets	5	47	22	48	67
Profit from disposal of subsidiaries		-	-	(1)	-
Provision for bad debts and receivables written off		(858)	(882)	1,029	352
Bad debts recovered	5	(5)	-	(7)	(11)
Interest received	7	(336)	(67)	(999)	(146)
Interest paid		3,612	2,034	11,387	6,065
Operating profit before working capital changes		35,588	37,003	108,427	104,459
Increase in inventories		(175,748)	(51,078)	(192,983)	(46,400)
(Increase)/decrease in trade receivables		(136)	(72,751)	22,321	(56,770)
(Increase)/decrease in other current assets		(1,512)	3,769	(11,848)	7,188
Increase in trade payables		91,612	149,026	31,688	50,277
Increase/(decrease) in trade payables factoring facilities		2,171	(19,831)	(10,274)	(23,105)
Increase in other current liabilities		25,524	16,471	34,697	36,602
Increase/(decrease) in other non-current liabilities		23	(3)	68	60
Increase/(decrease) in factoring creditors		1,258	(8,854)	(10,857)	(6,914)
Cash (outflows)/inflows from operations		(21,221)	53,752	(28,761)	65,397
Interest paid		(3,405)	(1,924)	(10,886)	(5,660)
Taxation paid, net	8	(6,014)	(6,259)	(16,401)	(18,370)
Net cash (outflows)/inflows from operating activities		(30,640)	45,569	(56,048)	41,367

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$	
Cash flows from investing activities					
Purchase of intangible assets	10	(39)	(237)	(400)	(694)
Purchase of property, plant and equipment		(2,579)	(2,627)	(11,109)	(13,284)
Payments for acquisition of subsidiaries		-	-	-	(37)
Payments for purchase of investments in associates		(1,515)	(1,149)	(1,568)	(1,149)
Net proceeds from disposal of subsidiaries		-	-	14	-
Net cash disposed of from disposal of subsidiaries		-	-	188	-
Increase of share capital of subsidiary with non-controlling interest		-	-	170	-
(Write-offs)/proceeds from sale of property, plant and equipment and intangible assets		(43)	(22)	631	(11)
Interest received	7	336	67	999	146
Net cash outflows from investing activities		<u>(3,840)</u>	<u>(3,968)</u>	<u>(11,075)</u>	<u>(15,029)</u>
Cash flows from financing activities					
Disposal/(acquisition) of treasury shares		-	5	(997)	418
Payment of final dividend		(11,034)	(11,100)	(16,571)	(22,192)
Proceeds/(repayments) of long-term loans and long-term lease liabilities		290	(1,309)	(1,188)	(2,882)
Proceeds of short-term borrowings and short-term lease liabilities		28,191	16,440	27,312	35,555
Net cash inflows from financing activities		<u>17,447</u>	<u>4,036</u>	<u>8,556</u>	<u>10,899</u>
Net (decrease)/increase in cash and cash equivalents		(17,033)	45,637	(58,567)	37,237
Cash and cash equivalents at beginning of the period		<u>109,385</u>	<u>105,283</u>	<u>150,919</u>	<u>113,683</u>
Cash and cash equivalents at end of the period	27	<u><u>92,352</u></u>	<u><u>150,920</u></u>	<u><u>92,352</u></u>	<u><u>150,920</u></u>

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(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 24. 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 2021. 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 2021.

These interim financial statements were authorized for issue by the Company's Board of Directors on the 22nd of February 2023.

(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 2021.

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 2022 are consistent with those followed for the preparation of the annual financial statements for the year 2021 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 2022. 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 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Sales of goods	772,347	934,916	2,661,703	3,042,908
Sales of optional warranty	300	127	426	370
Sales of licenses	5,845	10,021	21,852	29,359
Rendering of services	<u>1,837</u>	<u>2,925</u>	<u>6,058</u>	<u>5,339</u>
	<u>780,329</u>	<u>947,989</u>	<u>2,690,039</u>	<u>3,077,976</u>

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.

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

5. Other gains and losses

	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Loss on disposal of property, plant and equipment	(47)	(22)	(48)	(67)
Other income/loss	202	(157)	636	150
Bad debts recovered	5	-	7	11
Rental income	141	24	353	86
	<u>301</u>	<u>(155)</u>	<u>948</u>	<u>180</u>

6. Profit before tax

	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Profit before tax is stated after charging:				
(a) Amortization of intangible assets (Note 10)	315	303	1,203	1,164
(b) Depreciation of property, plant and equipment (Note 9)	1,397	1,095	4,554	3,910
(c) Depreciation of investment property (Note 11)	15	-	30	-
(d) Auditors' remuneration	125	112	536	437
(e) Directors' remuneration – executive (Note 29)	456	399	1,650	1,706
(f) Directors' remuneration – non-executive (Note 29)	6	7	25	32
	<u>6</u>	<u>7</u>	<u>25</u>	<u>32</u>

7. Financial expense, net

	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Financial income				
Interest income	336	67	999	146
Other financial income	1,200	991	3,365	3,546
Net exchange gain	<u>1,389</u>	<u>602</u>	<u>596</u>	<u>934</u>
	<u>2,925</u>	<u>1,660</u>	<u>4,960</u>	<u>4,626</u>
Financial expense				
Bank interest	3,405	1,924	10,886	5,660
Bank charges	1,303	1,493	4,617	4,928
Derivative charges	251	426	798	1,661
Interest on lease liabilities	208	110	501	405
Factoring interest	2,343	2,794	7,478	9,173
Factoring charges	69	101	276	386
Other financial expenses	33	246	112	358
Other interest	<u>282</u>	<u>356</u>	<u>1,026</u>	<u>1,742</u>
	<u>7,894</u>	<u>7,450</u>	<u>25,694</u>	<u>24,313</u>
Net	<u>(4,969)</u>	<u>(5,790)</u>	<u>(20,734)</u>	<u>(19,687)</u>

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

8. Tax

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Payable balance 1 January	3,464	4,676
Provision for the year	15,223	17,532
Over provision of prior years	(51)	(361)
Exchange difference on retranslation	(221)	(13)
Amounts paid, net	<u>(16,401)</u>	<u>(18,370)</u>
Net payable balance 31 December	<u>2,014</u>	<u>3,464</u>
	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Tax receivable	(1,588)	(1,156)
Tax payable	<u>3,602</u>	<u>4,620</u>
Net	<u>2,014</u>	<u>3,464</u>

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

	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Provision for the period	4,624	6,254	15,223	17,532
Under/(over) provision of prior years	-	3	(51)	(361)
Deferred tax (credit)/charge (Note 21)	<u>(24)</u>	<u>(48)</u>	<u>4</u>	<u>4</u>
Charge for the period	<u>4,600</u>	<u>6,209</u>	<u>15,176</u>	<u>17,175</u>

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.

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

(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 2021	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/write-offs	(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
Additions	8,923	2,991	1,368	52	726	1,617	1,784	17,461
Disposals/write-offs	(382)	-	(2,672)	(3)	(695)	(867)	(848)	(5,467)
Transfers	4,054	(9,855)	-	-	-	-	-	(5,801)
Foreign exchange difference on retranslation	(429)	-	(258)	(1)	(77)	(330)	(211)	(1,306)
At 31 December 2022	48,016	385	7,238	843	4,439	4,250	5,325	70,496
Accumulated depreciation								
At 1 January 2021	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/write-offs	(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
Charge for the year	1,999	-	811	84	734	461	465	4,554
Disposals/write-offs	(99)	-	(2,604)	(1)	(434)	(804)	(848)	(4,790)
Transfers	(1,367)	-	-	-	-	-	-	(1,367)
Foreign exchange difference on retranslation	(173)	-	108	(1)	(71)	161	(123)	(99)
At 31 December 2022	8,070	-	4,488	570	2,396	2,199	2,460	20,183
Net book value								
At 31 December 2022	39,946	385	2,750	273	2,043	2,051	2,865	50,313
At 31 December 2021	28,140	7,249	2,627	307	2,318	1,449	1,634	43,724

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(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 2021	5,075	35	1,059	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	8,287	26	1,099	9,412
Depreciation charge for the year	(1,625)	(6)	(400)	(2,031)
Additions to right of use assets	6,155	-	234	6,389
Derecognition of right of use assets	(36)	-	-	(36)
Foreign exchange difference on retranslation	(99)	(2)	(118)	(219)
Balance at 31 December 2022	12,682	18	815	13,515

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.

The total cash outflows for the leases related to the above right-of-use assets were US\$ 2,252 (2021: US\$ 2,504).

10. Intangible assets

	Computer software US\$	Patents and licenses US\$	Total US\$
Cost			
At 1 January 2021	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
Additions	335	65	400
Disposals/ write-offs	(2,198)	(338)	(2,536)
Foreign exchange difference on retranslation	(37)	46	9
At 31 December 2022	9,108	1,463	10,571
Accumulated amortization			
At 1 January 2021	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	1,241	10,795
Charge for the year	1,050	153	1,203
Disposals/ write-offs	(2,198)	(336)	(2,534)
Foreign exchange difference on retranslation	(11)	41	30
At 31 December 2022	8,395	1,099	9,494
Net book value			
At 31 December 2022	713	364	1,077
At 31 December 2021	1,454	449	1,903

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

11. Investment Property

	Land and buildings US\$
Cost	
At 1 January 2022	-
Transfer	<u>5,801</u>
At 31 December 2022	<u>5,801</u>
Accumulated amortization	
At 1 January 2022	-
Charge for the period	30
Transfers	<u>1,367</u>
At 31 December 2022	<u>1,397</u>
Net book value	
At 31 December 2022	<u>4,404</u>
At 31 December 2021	<u>-</u>

During the period, the Group decided to change the use of two properties from owner-occupied to investment property. The properties are leased to third parties under operating leases with rentals payable monthly.

12. Equity-accounted investees

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Cost		
At 1 January	1,790	868
Additions (i), (ii)	53	1,149
Disposal of investment in associate (iii)	<u>-</u>	<u>(227)</u>
At 31 December	<u>1,843</u>	<u>1,790</u>
Accumulated share of loss from equity-accounted investees		
At 1 January	(41)	(41)
Share of loss from equity-accounted investees during the year	<u>(162)</u>	<u>-</u>
At 31 December	<u>(203)</u>	<u>(41)</u>
Carrying amount of equity-accounted investees	<u>1,640</u>	<u>1,749</u>

- (i) In May 2022, the Company acquired 20% shareholding in Displayforce Global Ltd (Cyprus), for the consideration of US\$ 53. The investment is accounted for as an associate.
- (ii) 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.
- (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.

The loan granted to associate LLC Clevetura, bears interest of 4% p.a. and is repayable in December 2022. In addition, the Group, for the period ending 31 December 2022, acquired services for the total amount of US\$ 532 (2021: US\$ 611) from this associate.

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

13. Inventories

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Trading goods (i)	513,418	324,560
Land development (ii)	<u>1,386</u>	<u>-</u>
	<u><u>514,804</u></u>	<u><u>324,560</u></u>

(i) Trading goods

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Goods held for resale	449,733	269,686
Goods in transit	71,069	59,620
Provision for slow moving and obsolete stock	<u>(7,384)</u>	<u>(4,746)</u>
	<u><u>513,418</u></u>	<u><u>324,560</u></u>

As at 31 December 2022, inventories pledged as security for financing purposes amounted to US\$ 82,547 (2021: US\$ 103,948).

Movement in provision for slow moving and obsolete stock

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
On 1 January	4,746	5,308
Provisions for the period/year	3,294	716
Provided stock written-off	(554)	(1,319)
Exchange difference	<u>(102)</u>	<u>41</u>
On 31 December	<u><u>7,384</u></u>	<u><u>4,746</u></u>

(ii) Land development

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Land - Not under development yet	<u><u>1,386</u></u>	<u><u>-</u></u>

During the period, the Group acquired two plots of land in Cyprus, where a complex of houses is going to be built in the near future.

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

14. Trade receivables

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Trade receivables	313,503	344,645
Prepayments to trade vendors	18,759	10,009
Allowance for doubtful debts	<u>(3,331)</u>	<u>(2,379)</u>
	<u>328,931</u>	<u>352,275</u>

Movement in provision for doubtful debts:

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
On 1 January	2,379	2,096
Provisions for the period/year	1,269	652
Amount written-off as uncollectible	(240)	(300)
Bad debts recovered	(7)	(11)
Exchange difference	<u>(70)</u>	<u>(58)</u>
On 31 December	<u>3,331</u>	<u>2,379</u>

As at 31 December 2022, the receivables of the Group that have been assigned as security for financing purposes amounted to US\$ 80,040 (2021: US\$ 89,968).

15. Other current assets

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
VAT and other taxes refundable	16,253	6,886
Deposits and advances to service providers	386	302
Employee floats	167	112
Other debtors and prepayments	<u>6,780</u>	<u>4,659</u>
	<u>23,586</u>	<u>11,959</u>

16. Share capital

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Authorized		
63,000,000 (2021: 63,000,000) shares of US\$ 0.20 each	<u>12,600</u>	<u>12,600</u>
Issued and fully paid		
55,500,000 (2021: 55,500,000) ordinary shares of US\$ 0.20 each	<u>11,100</u>	<u>11,100</u>

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

16. Share capital (continued)

Following an extraordinary general meeting of the shareholders on 28th March 2022, a share buyback program with the following conditions was approved:

- the maximum amount of money that can be used to realize the program is US\$ 1,000,000
- the maximum number of shares that can be bought within the program is 2,000,000 shares
- the program's time frame is 12 months from the resolution date
- the shares purchased within the program could be held for a maximum of two years from acquisition
- the minimum price for transaction of purchase of shares within the program is PLN 1.0 per share with the maximum price of PLN 30.0 per share

At the end of the period 31 December 2022 the Company held a total of 329 (2021: nil) shares purchased for a total consideration of US\$ 997 (2021: nil).

17. Short-term borrowings

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Bank overdrafts (Note 27)	42,246	33,698
Current portion of long-term loans	224	241
Bank short-term loans	98,146	69,885
Current lease liabilities (Note 20)	<u>2,393</u>	<u>1,737</u>
Total short-term debt	<u>143,009</u>	<u>105,561</u>
Factoring creditors	<u>62,287</u>	<u>73,143</u>
	<u>205,296</u>	<u>178,704</u>

Summary of borrowings and overdraft arrangements

As at 31 December 2022 the Group enjoyed factoring facilities of US\$ 199,952 (2021 US\$ 169,727).

In addition, the Group as at 31 December 2022 had the following financing facilities with banks in the countries that the Company and its subsidiaries operate:

- overdraft lines of US\$ 100,237 (2021: US\$ 119,776)
- short-term loans/revolving facilities of US\$ 133,686 (2021: US\$ 101,450)
- bank guarantee and letters of credit lines of US\$ 41,960 (2021: US\$ 60,275)

The Group had for the period ending 31 December 2022 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 10.5% (for 2021: 6.0%)

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\$ 20,822 (31 December 2021: US\$ 32,453)

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

18. Long-term borrowings

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Bank loans	553	123
Non-current lease liabilities (Note 20)	<u>8,630</u>	<u>4,982</u>
	<u>9,183</u>	<u>5,105</u>

19. Other long-term liabilities

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Other long-term liabilities	<u>859</u>	<u>791</u>

20. Lease liabilities

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Current lease liabilities (Note 17)	2,393	1,737
Non-current lease liabilities (Note 18)	<u>8,630</u>	<u>4,982</u>
	<u>11,023</u>	<u>6,719</u>

21. Deferred tax

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Debit balance on 1 January	(127)	(160)
Deferred tax charge for the year (Note 8)	4	4
Exchange difference on retranslation	<u>(42)</u>	<u>29</u>
At 31 December	<u>(165)</u>	<u>(127)</u>

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Deferred tax assets	(285)	(456)
Deferred tax liabilities	<u>120</u>	<u>329</u>
Net deferred tax assets	<u>(165)</u>	<u>(127)</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

22. Other current liabilities

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Salaries payable and related costs	4,305	4,834
VAT payable	8,854	11,177
Provision for warranties	7,465	7,448
Accruals, deferred income and other provisions	107,213	77,893
Provision for marketing	30,182	19,857
Non-trade accounts payable	6,004	8,081
	<u>164,023</u>	<u>129,290</u>

23. Trade payables and prepayments

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Trade payables	400,283	364,396
Prepayments from customers	17,693	21,891
	<u>417,976</u>	<u>386,287</u>

24. 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 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Former Soviet Union	417,259	606,844	1,407,196	1,774,834
Central Eastern Europe	192,521	187,900	653,643	654,117
Middle East & Africa	107,851	84,554	407,717	327,799
Western Europe	57,723	57,813	183,088	266,607
Other	4,975	10,878	38,395	54,619
	<u>780,329</u>	<u>947,989</u>	<u>2,690,039</u>	<u>3,077,976</u>

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

24. Operating segments (continued)

1.3 Segment results

	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Former Soviet Union	21,983	22,461	54,422	58,804
Central Eastern Europe	8,191	6,189	26,946	21,577
Western Europe	2,693	2,561	8,151	11,175
Middle East & Africa	7,169	5,628	21,056	15,936
Other	(2,037)	3,980	419	6,257
Profit from operations	37,999	40,819	110,994	113,749
Net financial expenses	(4,969)	(5,790)	(20,734)	(19,687)
Share of (loss)/profit from equity-accounted investees	(76)	6	(162)	-
Other gains and losses	301	(155)	948	180
Profit before taxation	33,255	34,880	91,046	94,242

1.4 Segment capital expenditure (CAPEX)

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Former Soviet Union	10,407	9,315
Central Eastern Europe	14,510	14,569
Middle East & Africa	3,677	3,631
Cyprus	27,541	18,668
Other	31	39
	<u>56,166</u>	<u>46,222</u>

1.5 Segment depreciation and amortization

	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Former Soviet Union	645	445	1,831	1,517
Central Eastern Europe	418	392	1,570	1,486
Middle East & Africa	51	48	197	187
Other	612	513	2,189	1,884
	<u>1,726</u>	<u>1,398</u>	<u>5,787</u>	<u>5,074</u>

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(in thousands of US\$)

24. Operating segments (continued)

1.6 Segment assets

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Former Soviet Union	408,154	500,800
Central Eastern Europe	118,280	68,868
Western Europe	210,638	168,729
Middle East & Africa	227,291	104,370
Total	<u>964,363</u>	<u>842,767</u>
Assets allocated in capital expenditure (1.4)	56,166	46,222
Other unallocated assets	42,997	34,198
Consolidated assets	<u>1,063,526</u>	<u>923,187</u>

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.

25. Derivative financial liability

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
<u>Derivative financial liabilities carried at fair value through profit or loss</u>		
Foreign currency derivative contracts	<u>263</u>	<u>299</u>

26. Derivative financial asset

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
<u>Derivative financial assets carried at fair value through profit or loss</u>		
Foreign currency derivative contracts	<u>413</u>	<u>192</u>

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27. Cash and cash equivalents

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Cash at bank and in hand	134,598	184,618
Bank overdrafts (Note 17)	<u>(42,246)</u>	<u>(33,698)</u>
	<u>92,352</u>	<u>150,920</u>

The cash at bank and in hand balance includes an amount of US\$ 20,822 (31 December 2021: US\$ 32,453) which represents pledged deposits against financial facilities granted and margin accounts for foreign exchange hedging.

28. Goodwill

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
At 1 January	595	629
Disposals	(201)	-
Foreign exchange difference on retranslation	<u>(22)</u>	<u>(34)</u>
At 31 December (note i)	<u>372</u>	<u>595</u>

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

	As at 31 December 2022 US\$	As at 31 December 2021 US\$
OOO Must	-	201
ASBIS d.o.o. (BA)	<u>372</u>	<u>394</u>
	<u>372</u>	<u>595</u>

29. Transactions and balances of key management

	For the three months ended 31 December 2022 US\$	For the three months ended 31 December 2021 US\$	For the twelve months ended 31 December 2022 US\$	For the twelve months ended 31 December 2021 US\$
Directors' remuneration - executive (Note 6)	456	399	1,650	1,706
Directors' remuneration - non-executive (Note 6)	<u>6</u>	<u>7</u>	<u>25</u>	<u>32</u>
	<u>462</u>	<u>406</u>	<u>1,675</u>	<u>1,738</u>

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(in thousands of US\$)

30. Financial assets at fair value through other comprehensive income

The details of the investments are as follows:

Name	Country of incorporation	Participation %	Cost US\$	Impairment US\$	As at 31 December 2022 US\$	As at 31 December 2021 US\$
Promed Bioscience Ltd RSL	Cyprus	16%	808	-	808	-
Revolutionary Labs Ltd	Cyprus	15.5%	707	-	707	-
			<u>1,515</u>	<u>-</u>	<u>1,515</u>	<u>-</u>

31. Business combinations

1. Acquisitions

1.1 Acquisitions of subsidiaries to 31 December 2022

During the year the Group has acquired 100% of the share capital of the following subsidiaries:

Name of entity	Type of operations	Date acquired	% Acquired	% Owned
ACEAN.PL Sp. z.o.o (Poland)	Information Technology	12 April 2022	100%	100%
Entoliva Ltd (Cyprus)	Land Development	8 August 2022	100%	100%
Breezy Poland (Poland)	Information Technology	18 November 2022	100%	100%
ASBC SRL (Moldova)	Information Technology	8 November 2022	100%	100%
ASBIS Hellas Single Member S.A. (Greece)	Information Technology	18 November 2022	100%	100%
Prestigio Plaza Kft. (Hungary)	Information Technology	24 November 2022	100%	100%
Breezy-M (Moldova)	Information Technology	8 December 2022	100%	100%

Acquisitions of subsidiaries to 31 December 2021

During the year, the Group has acquired the 30% of the share capital of Breezy Trade-In Ltd (former Redmond Europe Ltd) and the 100% share capital of ASBIS CA LLC, Vizutors 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	30%	80%
ASBIS CA LLC (Uzbekistan)	Information Technology	5 February 2021	100%	100%
Vizutors 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 LLC (Uzbekistan)	Information Technology	15 December 2021	100%	100%

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(in thousands of US\$)

31. 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 is as follows:

	As at 31 March 2022 US\$	As at 31 December 2021 US\$
Receivables	-	11
Other payables and accruals	-	(1)
Cash and cash equivalents	-	53
Net identifiable assets	-	63
Group's interest in net assets acquired	-	31
Total purchase consideration	-	(31)
Net loss	-	-

2. Disposals

Disposals of subsidiaries to 31 December 2022

During the year, the following subsidiaries have been liquidated and disposed of and gain of \$1 arose on the event.

<u>Name of disposed entity</u>	<u>Type of operations</u>	<u>Date liquidated</u>	<u>% liquidated</u>
Private Educational Institution "Center of excellence in Education for executives and specialists in Information Technology (Belarus)	Information Technology	19 May 2022	100%

<u>Name of disposed entity</u>	<u>Type of operations</u>	<u>Date sold</u>	<u>% sold</u>
LLC Must (Russia)	Information Technology	29 July 2022	100%

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.

<u>Name of disposed entity</u>	<u>Type of operations</u>	<u>Date liquidated</u>	<u>% liquidated</u>
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%
LLC Avectis (Moscow)	Information Technology	30 November 2021	100%
ALC Avectis (Belarus)	Information Technology	30 November 2021	100%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

(in thousands of US\$)

32. Commitments and contingencies

As at 31 December 2022 the Group was committed in respect of purchases of inventories of a total cost value of US\$ 32,603 (2021: US\$ 9,937) which were in transit at 31 December 2022 and delivered in January 2023. 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 2022 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\$ 41,960 (2021: US\$ 60,275).

As at 31 December 2022 the Group had no other capital or legal commitments and contingencies.

33. 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)).