ASBISc Enterprises Plc

INTERIM REPORT
FOR THE THREE AND NINE MONTHS
ENDED 30 SEPTEMBER 2021

Limassol, 4 November 2021

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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 months ended 30 September 2021. The financial statements appended to this this quarterly report, are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34.

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

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

Currency Presentation

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

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

FORWARD-LOOKING STATEMENTS

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

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

Part I Interim Management Report

1. Overview

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

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

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

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

2. Executive summary for the three- and nine-month periods ended September 30th, 2021

After the record-breaking H1 2021, ASBIS continued its dynamic-growing mode, showing its strengths and its capacity to deliver super good results, despite the unstable situation with pandemic, product shortages and price increases in many raw materials and finished products.

In the three-month period ended September 30th, 2021, ASBIS delivered the strongest results for this quarter in the Group's history.

In Q3 2021 revenues amounted to USD 716.5 million (up 16% compared to Q3 2020). Operating profit (EBIT) increased by 66% and amounted to USD 27.4 million, compared to USD 16.5 million in Q3 2020. Net profit has recorded a 75% growth and amounted to USD 18.2 million, compared to USD 10.4 million a year earlier. In Q3 2021, the Group also significantly improved its gross profit margin to a record high level of 7.37% from 5.83% in Q3 2020.

In the 9M 2021, ASBIS generated revenues of USD 2,130 million (42% higher than in the 9M 2020) and earned a net profit of USD 48.4 million, a stunning increase of 220% as compared to the same period of last year.

In the 9M 2021, multiple product lines have been performing significantly well. The highest increase in product lines was recorded by smartphones, laptops and CPUs.

Our own products - Prestigio, Canyon and Perenio have also been performing very well.

A country-by-country analysis confirms the excellent growth rates the Group was able to achieve in all major countries of operations. The countries with the highest sales growth in Q3 2021 were:

- Kazakhstan – a growth of 52%
- Russia – a growth of 30%
- Czech Republic – a growth of 21%

Apart from much higher results than the year before, the third quarter of 2021 was full of several important business events. In Q3 2021, we extended a contract with Pure Storage which widens our geographical coverage with Pure Storage products in Bulgaria, North Macedonia and Kosovo, offering now All-Flash storage systems in 18 countries across EMEA. We signed a new distribution partnership agreement with Vertiv - a global provider of critical digital infrastructure and continuity solutions. With this contract, we expanded our authorized territory into Bulgaria with Vertiv's portfolio of high-performance power and IT infrastructure solutions for data centers and edge applications. We also signed a distribution agreement with one of the leaders of the global IT service and operations management software market, Micro Focus Enterprise B.V. This will allow ASBIS to offer mission-critical solution for enterprise business and operations management.

It is worth mentioning that the Company focuses not only on delivering super strong results but also on being socially responsible. In the third edition of the Companies Climate Awareness Survey, conducted this year among 153 companies listed on the Warsaw Stock Exchange, ASBIS was among the 7 companies with the highest ratings, receiving the title: "Climate Aware Company". Moreover, on September 20th, 2021, ASBIS entered the WIG-ESG index, which includes socially responsible companies, in particular in the field of environmental, social, economic and corporate governance issues.

Following our dividend policy, we have decided to pay out our investors an interim dividend from the Company's profits for 2021 in total amount of USD 11,100,000.00, which represents a USD 0.20 per share payout. Seeing our Q3 2021 results, we can assume that if no unforeseen circumstances arise, the entire dividend for 2021 will be the highest in our history.

In summary, we are extremely satisfied with the Group's results for Q3 2021. Our results have allowed us to upgrade our financial forecast for 2021 which now assumes revenues between USD 2.9 and USD 3.1 billion and a net profit after tax of USD between 71.0 and 74.0 million, i.e., about 7% and 45% higher than originally announced respectively.

We are very well prepared for the final quarter of the year, and we look forward in delivering even stronger results.

The principal events of the three-month period ended September 30th, 2021, were as follows (in U.S. $ thousand):

- Revenues in Q3 2021 increased by 15.6% to U.S. $ 716,511 from U.S. $ $ 619,682 in Q3 2020.
- Gross profit in Q3 2021 increased by 46.1% to U.S. $ 52,798 from U.S. $ 36,138 in Q3 2020.
- Gross profit margin in Q3 2021 reached a stunning 7.37% as compared to 5.83% in Q3 2020.
- Selling expenses in Q3 2021 increased by 32.0% to U.S. $ 15,089 from U.S. $ 11,432 in Q3 2020.

- Administrative expenses in Q3 2021 increased by 25.0% to U.S. $ 10,299 from U.S. $ 8,237 in Q3 2020.
- EBITDA in Q3 2021 was significantly higher year-on-year and reached U.S. $ 28,717 as compared to U.S. $ 17,677 in Q3 2020, a strong improvement of 63%.
- The Group finished Q3 2021 with an impressive net profit after tax amounting to U.S. $ 18,234, as compared to U.S.$ 10,403 in Q3 2020, representing a 75.3% growth.

The following table presents revenues breakdown by regions in the three-month period ended September 30th, 2021, and 2020 respectively (in U.S. $ thousand):

Region	Q3 2021	Q3 2020	Change %
Former Soviet Union	422,699	340,984	24.0%
Central and Eastern Europe	148,183	146,654	1.0%
Middle East and Africa	75,478	82,094	-8.1%
Western Europe	61,880	34,818	77.7%
Other	8,270	15,132	-45.3%
Grand Total	**716,511**	**619,682**	**15.6%**

The principal events of the nine-month period ended September 30th, 2021, were as follows (in U.S. $ thousand):

- Revenues in Q1-Q3 2021 grew by 41.9% to U.S. $ 2,129,987 from U.S. $ 1,500,627 in the corresponding period of 2020.
- Gross profit in Q1-Q3 2021 improved by 76.3% to U.S. $ 147,158 from U.S. $ 83,475 in the corresponding period of 2020.
- Selling expenses in Q1-Q3 2021 increased by 40.2% to U.S. $ 44,788 from U.S. $ 31,950 in the corresponding period of 2020.
- Administrative expenses in Q1-Q3 2021 grew by 26.7% to U.S. $ 29,441 from U.S. $ 23,243 in the corresponding period of 2020.
- EBITDA in Q1-Q3 2021 was significantly higher year-on-year and amounted to U.S. $ 76,606, as compared to U.S. $ 31,532 in the corresponding period of 2020, a strong improvement of 143%.
- As a result of strong growth in revenues, gross profit and controlled expenses, in Q1-Q3 2021 the Group strongly increased its net profit after tax by more than three-fold to U.S. $ 48,396, as compared to U.S. $ 15,112 in the corresponding period of 2020. This result is considered to be excellent for the Group, in line with the upgraded financial forecast for 2021.

The following table presents revenues breakdown by regions in the nine-month periods ended September 30th, 2021, and 2020 respectively (in U.S.$ thousand):

Region	Q1-Q3 2021	Q1-Q3 2020	Change %
Former Soviet Union	1,167,990	798,434	46.3%
Central and Eastern Europe	466,217	384,798	21.2%
Middle East and Africa	243,244	182,711	33.1%
Western Europe	208,793	96,977	115.3%
Other	43,743	37,707	16.0%
Grand Total	**2,129,987**	**1,500,627**	**41.9%**

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 historical financial data

The following data sets 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 nine months ended 30 September 2021 and 2020, have been converted into Euro and PLN as follows:

- Individual items of the statement of financial position – based at average exchange rates quoted by the National Bank of Poland for a given balance sheet date December 31st, 2020, that is: 1 US$ = 3.7584 PLN and 1 EUR = 4.6148 PLN and September 30th, 2021, that is: 1 US$ = 3.9925 PLN and 1 EUR = 4.6329 PLN.

- Individual items in the income statement and statement of cash flows – 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 in a given period 1 July to 30 September 2021, that is: 1 US$ = 3.8907 PLN and 1 EUR = 4.5811 PLN and 1 July to 30 September 2020, that is: 1 US$ = 3.7583 PLN and 1 EUR = 4.4436 PLN.

- Individual items in the income statement and statement of cash flows for separate Q3 2021 and Q3 2020 – 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 in a given period 1 January to 30 September 2021, that is: 1 US$ = 3.8179 PLN and 1 EUR = 4.5585 PLN and 1 January to 30 September 2020, that is: 1 US$ = 3.9337 PLN and 1 EUR = 4.4420 PLN.

	Period from 1 July to 30 September 2021			**Period from 1 July to 30 September 2020**		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**716,511**	**2,787,729**	**608,524**	**619,682**	**2,328,930**	**524,105**
Cost of sales	(663,713)	(2,582,308)	(563,683)	(583,544)	(2,193,114)	(493,541)
Gross profit	**52,798**	**205,421**	**44,841**	**36,138**	**135,816**	**30,564**
Gross profit margin	*7.37%*			*5.83%*		
Selling expenses	(15,089)	(58,707)	(12,815)	(11,432)	(42,965)	(9,669)
Administrative expenses	(10,299)	(40,070)	(8,747)	(8,237)	(30,957)	(6,967)
Profit from operations	**27,410**	**106,644**	**23,279**	**16,469**	**61,895**	**13,929**
Financial expenses	(6,341)	(24,671)	(5,385)	(4,515)	(16,969)	(3,819)
Financial income	886	3,447	752	932	3,503	788
Other gains and losses	91	354	77	35	132	30
Share of (loss)/ profit from associates	(8)	(31)	(7)	0	0	0
Profit before taxation	**22,038**	**85,743**	**18,717**	**12,921**	**48,561**	**10,928**
Taxation	(3,804)	(14,800)	(3,231)	(2,518)	(9,463)	(2,130)
Profit after taxation	**18,234**	**70,943**	**15,486**	**10,403**	**39,097**	**8,798**
Attributable to:						
Non-controlling interest	(19)	(74)	(16)	(14)	(53)	(12)
Equity holders of the parent	**18,253**	**71,017**	**15,502**	**10,417**	**39,150**	**8,810**

EBITDA calculation

	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Profit before tax	22,038	85,743	18,717	12,921	48,561	10,928
Add back:						
Financial expenses/net	5,455	21,224	4,633	3,583	13,466	3,030
Other income	(91)	(354)	(77)	(35)	(132)	(30)
Share of loss of equity-accounted investees	8	31	7	0	0	0
Depreciation	1,012	3,937	859	961	3,612	813
Amortization	295	1,148	251	247	928	209
(Impairment of goodwill)/Negative goodwill	0	0	0	0	0	0
EBITDA for the period	**28,717**	**111,729**	**24,389**	**17,677**	**66,435**	**14,951**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	32.89	127.97	27.93	18.77	70.54	15.87

	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Net cash inflows/(outflows) from operating activities	44,582	173,455	37,863	(732)	(2,751)	(619)
Net cash outflows from investing activities	(1,475)	(5,739)	(1,253)	(923)	(3,469)	(781)
Net cash inflows from financing activities	13,769	53,571	11,694	5,507	20,697	4,658
Net increase in cash and cash equivalents	**56,876**	**221,287**	**48,304**	**3,852**	**14,477**	**3,258**

Cash at the beginning of the period	**48,407**	**188,337**	**41,111**	**78,572**	**295,295**	**66,453**
Cash at the end of the period	**105,283**	**409,625**	**89,416**	**82,424**	**309,771**	**69,711**

	As of 30 September 2021			**As of 31 December 2020**		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Current assets	734,740	2,933,449	633,178	751,844	2,825,730	612,319
Non-current assets	44,538	177,818	38,382	37,068	139,316	30,189
Total assets	**779,278**	**3,111,267**	**671,559**	**788,912**	**2,965,047**	**642,508**
Liabilities	606,650	2,422,050	522,794	653,274	2,455,265	532,041
Equity	172,628	689,217	148,766	135,638	509,782	110,467

	Period from 1 January to 30 September 2021			**Period from 1 January to 30 September 2020**		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**2,129,987**	**8,132,030**	**1,783,931**	**1,500,627**	**5,903,033**	**1,328,900**
Cost of sales	(1,982,828)	(7,570,195)	(1,660,681)	(1,417,152)	(5,574,667)	(1,254,978)
Gross profit	**147,158**	**561,831**	**123,249**	**83,475**	**328,367**	**73,922**
Gross profit margin	*6.91%*			*5.56%*		
Selling expenses	(44,788)	(170,995)	(37,511)	(31,950)	(125,682)	(28,294)
Administrative expenses	(29,441)	(112,402)	(24,658)	(23,243)	(91,431)	(20,583)
Profit from operations	**72,929**	**278,434**	**61,080**	**28,282**	**111,253**	**25,045**
Financial expenses	(16,863)	(64,381)	(14,123)	(11,452)	(45,049)	(10,141)
Financial income	2,967	11,328	2,485	2,019	7,942	1,788
Other gains and losses	335	1,279	281	274	1,078	243
Share of (loss)/profit from associates	(6)	(23)	(5)	0	0	0
Profit before taxation	**59,362**	**226,637**	**49,718**	**19,123**	**75,224**	**16,935**
Taxation	(10,966)	(41,867)	(9,184)	(4,011)	(15,778)	(3,552)
Profit after taxation	**48,396**	**184,770**	**40,533**	**15,112**	**59,446**	**13,383**
Attributable to:						
Non-controlling interests	(15)	(57)	(13)	(34)	(134)	(30)
Equity holders of the parent	**48,411**	**184,827**	**40,546**	**15,146**	**59,580**	**13,413**

EBITDA calculation

	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Profit before tax	59,362	226,637	49,718	19,123	75,224	16,935
Add back:						
Financial expenses/net	13,896	53,053	11,638	9,433	37,107	8,354
Other income	(335)	(1,279)	(281)	(274)	(1,078)	(243)
Share of loss of equity-accounted investees	6	23	5	0	0	0
Depreciation	2,815	10,747	2,358	2,533	9,964	2,243
Amortization	862	3,291	722	717	2,820	635
(Impairment of goodwill)/Negative goodwill	0	0	0	0	0	0
EBITDA for the period	**76,606**	**181,086**	**39,823**	**31,532**	**124,038**	**27,924**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	87.23	333.03	73.06	27.29	107.35	24.17

	USD	PLN	EUR	USD	PLN	EUR
Net cash (outflows)/inflows from operating activities	(4,200)	(16,035)	(3,518)	713	2,805	631
Net cash outflows from investing activities	(11,062)	(42,233)	(9,265)	(3,244)	(12,761)	(2,873)
Net cash inflows from financing activities	6,864	26,206	5,749	6,649	26,155	5,888
Net (decrease)/increase in cash and cash equivalents	**(8,398)**	**(32,063)**	**(7,034)**	**4,118**	**16,199**	**3,647**
Cash at the beginning of the period	**113,683**	**434,028**	**95,213**	**78,306**	**308,033**	**69,345**
Cash at the end of the period	**105,283**	**401,958**	**88,178**	**82,424**	**324,232**	**72,992**

4. Organization of ASBIS Group

The following table presents our corporate structure as at 30 September 2021:

Company	Consolidation Method
ASBISC Enterprises PLC	**Mother company**
Asbis Ukraine Limited (Kiev, Ukraine)	Full (100%)
Asbis PL Sp.z.o.o (Warsaw, Poland)	Full (100%)
Asbis Poland Sp. z o.o. (Warsaw, Poland)	Full (100%)
Asbis Romania S.R.L (Bucharest, Romania)	Full (100%)
Asbis Cr d.o.o (Zagreb, Croatia)	Full (100%)
Asbis d.o.o Beograd (Belgrade, Serbia)	Full (100%)
Asbis Hungary Commercial Limited (Budapest, Hungary)	Full (100%)
Asbis Bulgaria Limited (Sofia, Bulgaria)	Full (100%)
Asbis CZ,spol.s.r.o (Prague, Czech Republic)	Full (100%)
UAB Asbis Vilnius (Vilnius, Lithuania)	Full (100%)
Asbis Slovenia d.o.o (Trzin, Slovenia)	Full (100%)
Asbis Middle East FZE (Dubai, U.A.E)	Full (100%)
Asbis SK sp.l sr.o (Bratislava, Slovakia)	Full (100%)
FPUE Automatic Systems of Business Control (Minsk, Belarus)	Full (100%)
E.M. Euro-Mall Ltd (Limassol, Cyprus)	Full (100%)
OOO ‘Asbis’-Moscow (Moscow, Russia)	Full (100%)
Asbis Morocco Limited (Casablanca, Morocco)	Full (100%)
Prestigio Plaza Sp. z o.o in liquidation (Warsaw, Poland)	Full (100%)
Prestigio Plaza Ltd (formerly Prestigio Technologies) (Limassol, Cyprus)	Full (100%)
Perenio IoT spol. s.r.o. (Prague, Czech Republic)	Full (100%)
Asbis Kypros Ltd (Limassol, Cyprus)	Full (100%)
Asbis TR Bilgisayar Limited Sirketi (Istanbul, Turkey)	Full (100%)
“ASBIS BALTICS” SIA (Riga, Latvia)	Full (100%)
Asbis d.o.o. (Sarajevo, Bosnia Herzegovina)	Full (90%)
ASBIS Close Joint-Stock Company (Minsk, Belarus)	Full (100%)
ASBIS Kazakhstan LLP (Almaty, Kazakhstan)	Full (100%)
Euro-Mall SRO (Bratislava, Slovakia)	Full (100%)
Asbis China Corp. (former Prestigio China Corp.) (Shenzhen, China)	Full (100%)
ASBIS DE GMBH, (Munchen, Germany)	Full (100%)
EUROMALL BULGARIA EOOD (Sofia, Bulgaria)	Full (100%)
Advanced Systems Company LLC (Riyadh, Kingdom of Saudi Arabia)	Full (100%)
E-vision Production Unitary Enterprise (Minsk, Belarus)	Full (100%)

ASBIS SERVIC Ltd (Kiev, Ukraine)	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%)
ALC Avectis (Minsk, Belarus)	Full (100%)
OOO Avectis (Moscow, Russia)	Full (100%)
Private Educational Institution “Center of excellence in Education for executives and specialists in Information Technology” (Minsk, Belarus)	Full (100%)
OOO Must (Moscow, Russia)	Full (100%)
Real Scientists Limited (London, United Kingdom)	Full (55%)
i-Care LLC (Almaty, Kazakhstan)	Full (100%)
ASBIS IT Solutions Hungary Kft. (Budapest, Hungary)	Full (100%)
Breezy LLC (Minsk, Belarus) (former Café-Connect LLC)	Full (100%)
MakSolutions LLC (Minsk, Belarus)	Full (100%)
Breezy TOO (Almaty, Kazakhstan) (former TOO “ASNEW”)	Full (100%)
Breezy Ltd (Kiev, Ukraine)	Full (100%)
I.O.N. Clinical Trading Ltd (Limassol, Cyprus)	Full (70%)
R.SC. Real Scientists Cyprus Ltd (Limassol, Cyprus)	Full (85%)
ASBIS CA LLC (Tashkent, Uzbekistan)	Full (100%)
Breezy Service LLC (Kiev, Ukraine)	Full (100%)
Breezy Trade-In Ltd (Limassol, Cyprus) (former Redmond Europe Ltd)	Full (100%)
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%)

5. Changes in the structure of the Company

During the three months ended September 30th, 2021, there have been the following changes in the Group’s structure:

- On August 23rd, 2021, the Issuer has acquired 100% of shares of the company ASBC LLC (Yerevan, Armenia). The Issuer holds 100% in this subsidiary, being equal to share capital of AMD (Armenian Dram) 120,570,000 (USD 244,504). We acquired this entity to distribute IT products.
- On September 7th, 2021, the Issuer has acquired the 100% shares of the company Breezy Georgia LLC (Tbilisi, Georgia). The Issuer holds 100% in this subsidiary. We acquired this entity to provide warranty services.

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

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

Having seen the results for Q3 2021, we are confident that we shall be able to deliver the announced updated financial forecast for 2021.

7. Information on dividend payment

During the three months ended September 30th, 2021, the Company has not paid any dividend.

On November 3rd, 2021, the Company’s Board of Directors decided for a payment of an interim dividend from 2021 profits of US$ 0.20 per share. The record date for the shareholders to receive this dividend is the 18th of November 2021 and the payment date is the 2nd of December 2021.

8. Shareholders possessing more than 5% of the Company's shares as of the date of the 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 share capital	Number of votes	% of votes
KS Holdings Ltd*	20,443,127	36.83%	20,443,127	36.83%
Free-float	35,056,873	63.17%	35,056,873	63.17%
TOTAL	**55,500,000**	**100%**	**55,500,000**	**100%**

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

There were no changes in the number of shares possessed by major shareholders during the period between August 12th, 2021 (the date of the publication of the interim report for H1 2021) 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 months ended September 30th, 2021, and in the period between August 12th, 2021 (the date of the publication of the interim report for H1 2021) and November 4th, 2021 (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) *	20,443,127	36.83%
Constantinos Tziamalis	555,000	1.00%
Marios Christou	463,061	0.83%
Julia Prihodko	0	0%
Maria Petridou	0	0%
Tasos A. Panteli	0	0%

*Siarhei Kostevitch holds ASBIS shares as a 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 September 30th, 2021, there were no changes in the members of the Company's Board of Directors.

11. Significant administrative and court proceedings against the Company

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

12. Related party transactions

In the three and nine-month periods ended September 30th, 2021, neither the Company nor any of the members of our Group have concluded any material related party transaction, other than with market conditions.

13. Information on guarantees granted to third parties

The total corporate guarantees the Company has issued, as of September 30th, 2021, to support its subsidiaries' local financing, amounted to U.S. $ $ 251,307. The total bank guarantees, and letters of credit raised by the Group (mainly to Group suppliers) as of September 30th, 2021, was U.S. $ 60,548 – as per note number 16 to the financial statements.

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

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

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

In the three and nine month periods ended September 30th, 2021, the Company's results of operations have been affected and are expected to continue to be affected by a number of factors. These factors are presented in brief below:

The pandemic situation with COVID- 19 update

The pandemic challenge for the global economy still persists. We are during the fourth wave of pandemic and countries one after the other are again imposing measures to weather the situation.

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

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

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

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

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

The Company needs to keep in mind that different in-country problems might arise at any time and affect our operations. Despite the fact that 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 9M of 2021 approximately 45% of our revenues were denominated in U.S. dollars, while the balance is denominated in Euro, Ruble, UAH, KZT and other currencies, certain of which are linked to the Euro. Our trade payable balances are principally (about 80%) denominated in U.S. dollars.

In addition, approximately half of our operating expenses are denominated in U.S. dollars and the other half in Euro or other currencies, certain of which are linked to the Euro. As a result, reported results are affected by movements in exchange rates, particularly in the exchange rate of the U.S. dollar against the Euro and other currencies of the countries in which we operate, including the Russian Ruble, the Ukrainian Hryvnia, the Czech Koruna, the Polish Zloty, the Croatian Kuna, the Kazakhstani Tenge and the Hungarian Forint.

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

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

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

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

Low gross profit margins

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

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

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

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

Inventory obsolescence and price erosion

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

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

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

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

Credit risk

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

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

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

Despite all efforts to secure our revenues, certain countries remained non-insured (Ukraine and Belarus) therefore it is very important for us to ensure that we find other sources of securities 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 world’s financial crisis has eased throughout the last few years. Following partial recovery, the Company has undertaken certain efforts to benefit from this recovery both in revenues and profitability.

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

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

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

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

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

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

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

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

Environmental and climate changes

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

We may also face market risk with consumers switching to more energy-efficient appliances or making more savvy purchases to limit their own impact on the environment. We will monitor these trends and introduce the latest hardware for our customers. We may also face reputational risks with difficulties in attracting customers, business partners and employees if we do not take strong enough actions against climate changes. In terms of physical risks resulting from climate changes, we may face both acute and chronic risks.

Acute physical risks may arise from weather-related events in the form of floods, fires or droughts that may damage factories in certain regions, cause factories to limit or temporarily stop their production or disrupt our supply chain in other ways.

These may result in temporary limitations in our product offering or rising prices of hardware and components. Chronic physical risks i.e., risks that may result from long-term changes in the climate, may also affect ASBIS.

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

Shortages of specific components in the IT industry

Throughout the last quarters, and with the demand for IT products to rise significantly, there have been shortages in the market of semiconductors and microchips. This might lead to higher cost price for multiple products which will have an adverse effect on Group revenues.

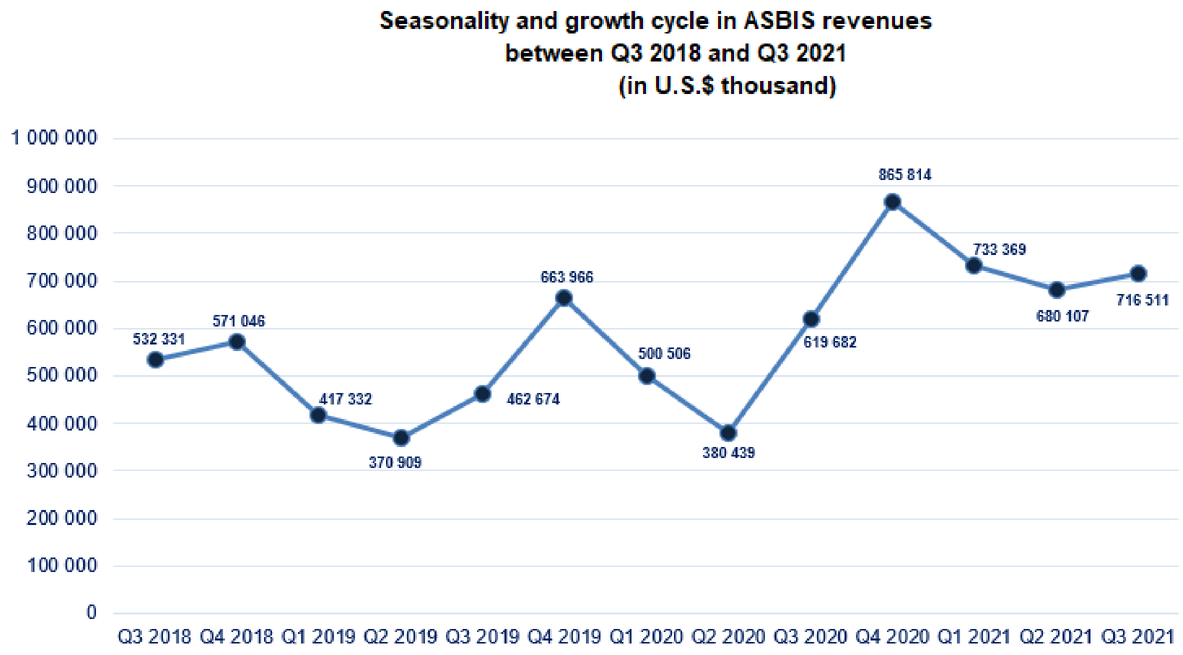
The situation is not expected to stabilize soon. The Group must take all necessary measures to ensure constant supply of components and finished products to satisfy the demand from its customers.

Results of Operations (in U.S. $ thousand)

Three- and nine-month periods ended 30 September 2021 compared to the three- and nine-month periods ended 30 September 2020

Revenues: Revenues in Q3 and the nine months of 2021 strongly increased as compared to the corresponding periods of 2020.

- Revenues in Q3 2021 increased by 15.6% to U.S. $ 716,511 from U.S. $ 619,682 in Q3 2020.
- Revenues in Q1-Q3 2021 grew by 41.9% to U.S. $ 2,129,987 from U.S. $ 1,500,627 in the corresponding period of 2020.



Gross profit: Gross profit increased both in Q3 2021 and Q1-Q3 2021 as compared to the corresponding periods of 2020.

- Gross profit in Q3 2021 increased by 46.1% to U.S. $ 52,798 from U.S. $ 36,138 in Q3 2020.
- Gross profit in Q1-Q3 2021 grew by 76.3% to U.S. $ 147,158 from U.S. $ 83,475 in the corresponding period of 2020.

Gross profit margin increased both in Q3 2021 and Q1-Q3 2021 as compared to the corresponding periods of 2020.

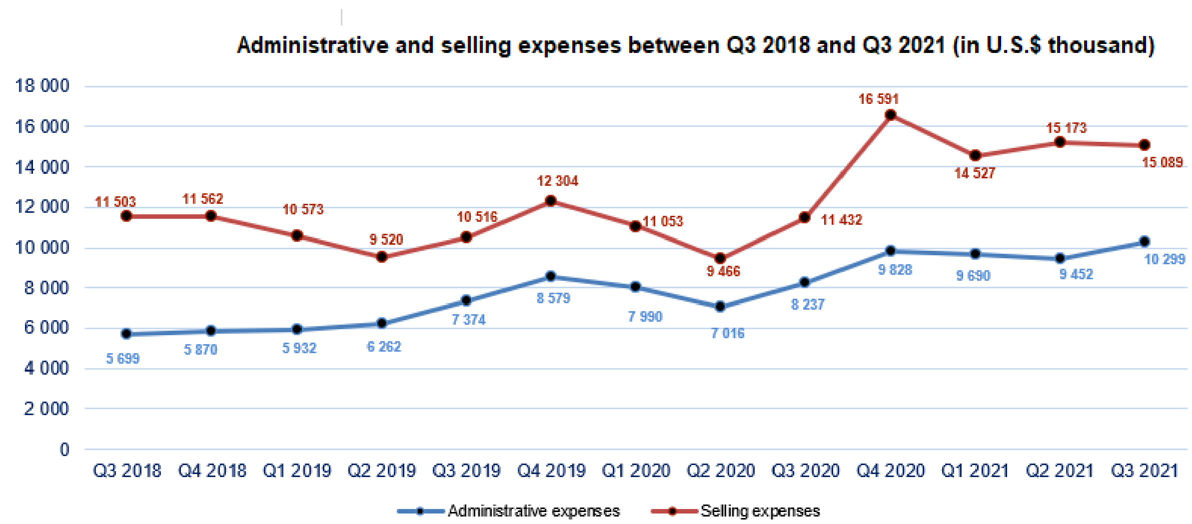
- Gross profit margin in Q3 2021 much improved and hit a record high of 7.37% from 5.83% in Q3 2020.
- Gross profit margin in Q1-Q3 2021 strongly increased to 6.91% from 5.56% in the corresponding period of 2020.

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

- Selling expenses in Q3 2021 increased by 32.0% to U.S. $ 15,089 from U.S. $ 11,432 in Q3 2020.
- Selling expenses in Q1-Q3 2021 grew to U.S. $ 44,788 from U.S. $ 31,950 in the corresponding period of 2020.

Administrative expenses largely comprise of salaries and wages of administration personnel.

- Administrative expenses in Q3 2021 grew by 25.0% to U.S. $ 10,299 from U.S. $ 8,237 in Q3 2020.
- Administrative expenses in Q1-Q3 2021 grew by 26.7% to U.S. $ 29,441 from U.S. $ 23,243 in the corresponding period of 2020.



EBITDA:

- In Q3 2021 EBITDA was significantly higher compared to Q3 2020 and reached U.S. $ 28,717 as compared to U.S. $ 17,677 in Q3 2020 (a strong improvement of 63%).
- EBITDA in Q1-Q3 2021 amounted to U.S. $ 76,606, as compared to U.S. $ 31,532 in the corresponding period of 2020 (a stunning improvement of 143%).

Net profit:

Because of strong growth in revenues and gross profit and expenses that remained under control, the Group continued to improve its net result both in Q3 2021 and Q1-Q3 2021.

- In Q3 2021, the Group's net profit after tax strongly improved by 75.3% to U.S. $ 18,234, as compared to U.S. $ 10,403 in Q3 2020.
- In Q1-Q3 2021, the Group's net profit after taxation outstandingly increased by 220.3% to U.S. $ 48,396, as compared to U.S. $ 15.112 in the corresponding period of 2020.

Sales by regions and countries

The F.S.U. and the CEE regions traditionally contribute to the majority of our revenues. This has not changed either for Q3 2021 or the 9M 2021. In Q3 2021 sales in the F.S.U. and the CEE increased by 24.0% and 1.0% respectively, whereas for the 9M 2021 sales in both regions grew by 46.3% and 21.2% accordingly.

Following all the above-mentioned changes, the share of the F.S.U in our total revenues increased to 58.99% in Q3 2021 from 55.03% in Q3 2020 and to 54.84% in the 9M 2021 from 53.21% in the 9M 2020.

Country-by-country analysis confirms the excellent growth rates the Group was able to achieve in all major countries of operations. Growth in F.S.U. has arisen from a strong improvement in Russia (+29.5% in Q3 2021 and +37.7% in the 9M 2021), Ukraine (+14.7% in Q3 2021 and +37.8% in the 9M 2021), Kazakhstan (+51.8% in Q3 2021 and +86.6% in the 9M 2021) and Belarus (+9.9% in Q3 2021 and +23.4% in the 9M 2021). The increase of sales in the F.S.U. region was mostly driven by Apple products sales and VAD business projects.

At the same time, the increase in the CEE reflects the trend in Slovakia (+4.1% in Q3 2021 and +11.5% in the 9M 2021) in the Czech Republic (+20.6% in Q3 2021 and +39.6% in the 9M 2021) and in Romania (-9.8% in Q3 2021 and +9.3% in the 9M 2021).

Poland generated a solid growth both in Q3 2021 and the 9M 2021 (+12.4% and 13.6% respectively).

We have also significantly improved our sales in Western Europe (+77.7% in Q3 2021 and +115.3% in the 9M 2021), taking full advantages of all opportunities that appeared, something we plan to continue doing by increasing our footprint in the region.

Sales in MEA, mainly derived by revenues in the UAE, decreased by 8.1% in Q3 2021 but increased by 33.1% in the 9M 2021 as compared to the corresponding periods of 2020.

The tables below provide a geographical breakdown of sales for the three- and nine-month periods ended September 30th, 2021, and 2020 (in U.S. $ thousand).

	Q3 2021		Q3 2020	
	U.S. $ thousand	% Of total revenues	U.S. $ thousand	% Of total revenues
Former Soviet Union	422,699	58.99%	340,984	55.03%
Central and Eastern Europe	148,183	20.68%	146,654	23.67%
Middle East and Africa	75,478	10.53%	82,094	13.25%
Western Europe	61,880	8.64%	34,818	5.62%
Other	8,270	1.15%	15,132	2.44%
Total	**716,511**	**100%**	**619,682**	**100%**

	Q1-Q3 2021		Q1-Q3 2020	
	U.S. $ thousand	% Of total revenues	U.S. $ thousand	% Of total revenues
Former Soviet Union	1,167,990	54.84%	798,434	53.21%
Central and Eastern Europe	466,217	21.89%	384,798	25.64%
Middle East and Africa	243,244	11.42%	182,711	12.18%
Western Europe	208,793	9.80%	96,977	6.46%
Other	43,743	2.05%	37,707	2.51%
Total	**2,129,987**	**100%**	**1,500,627**	**100%**

Revenue breakdown – Top 10 countries in Q3 2021 and Q3 2020 (in U.S. $ thousand)

	Q3 2021		Q3 2020	
	Country	Sales	Country	Sales
1.	**Russia**	158,112	**Russia**	122,052
2.	**Ukraine**	105,535	**Ukraine**	92,019
3.	**Kazakhstan**	82,402	**United Arab Emirates**	55,819
4.	**United Arab Emirates**	55,804	**Kazakhstan**	54,296
5.	**Belarus**	47,195	**Belarus**	42,950
6.	**Slovakia**	43,022	**Slovakia**	41,339
7.	**Czech Republic**	23,981	**Czech Republic**	19,883
8.	**Poland**	16,658	**The Netherlands**	19,479
9.	**The Netherlands**	15,920	**Romania**	14,970
10.	**Romania**	13,508	**Poland**	14,823
	TOTAL	**716,511**	**TOTAL**	**619,682**

Revenue breakdown – Top 10 countries in Q1-Q3 2021 and Q1-Q3 2020 (in U.S. $ thousand)

	Q1-Q3 2021		Q1-Q3 2020	
	Country	Sales	Country	Sales
1.	**Russia**	396,865	**Russia**	288,228
2.	**Ukraine**	296,535	**Ukraine**	215,125
3.	**Kazakhstan**	244,849	**Kazakhstan**	131,223
4.	**United Arab Emirates**	162,661	**United Arab Emirates**	121,193
5.	**Slovakia**	130,231	**Slovakia**	116,805
6.	**Belarus**	126,257	**Belarus**	102,346
7.	**Czech Republic**	74,691	**Czech Republic**	53,512
8.	**The Netherlands**	64,194	**The Netherlands**	48,632
9.	**Poland**	52,408	**Poland**	46,137
10.	**Romania**	44,109	**Romania**	40,339
	TOTAL	**2,129,987**	**TOTAL**	**1,500,627**

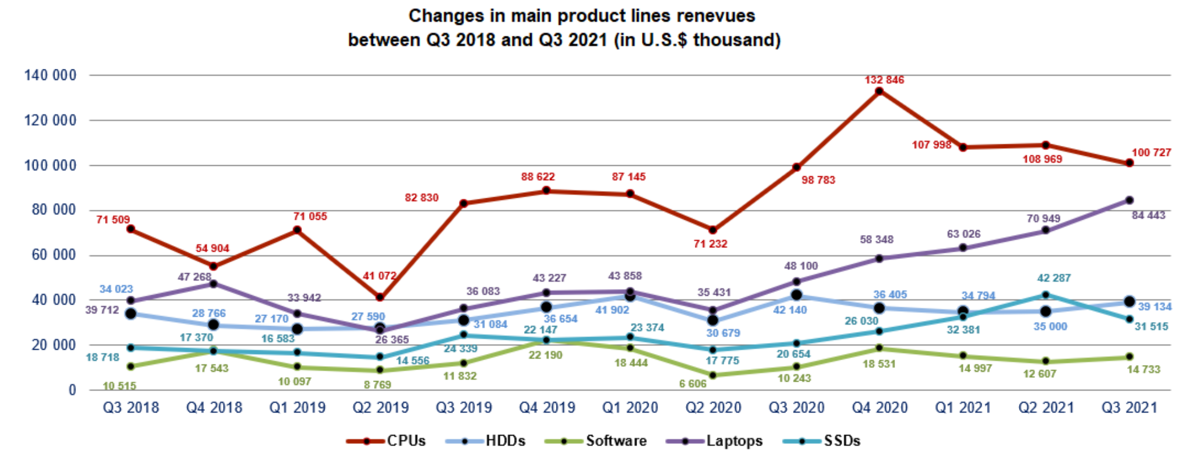
Sales by product lines

The third quarter of 2021 has shown that ASBIS had no issue in significantly raising its revenues despite the shortages in several product groups (i.e. semiconductors, SSD and selected CPUs). These shortages did not impact ASBIS's business since we have had the ability to get access on supply and delivery the demanded products.

During Q3 2021, the majority of ASBIS's product grups have noticed a significant growth on a year-on-year basis. We experienced very good growth rates in graphic cards, laptops and SSDs. These categories were leaders in terms of growth.

ASBIS has once again proved that thanks to its effective strategy, a complete products portfolio it can quickly adapt to the new market conditions and meet a very high demand.

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

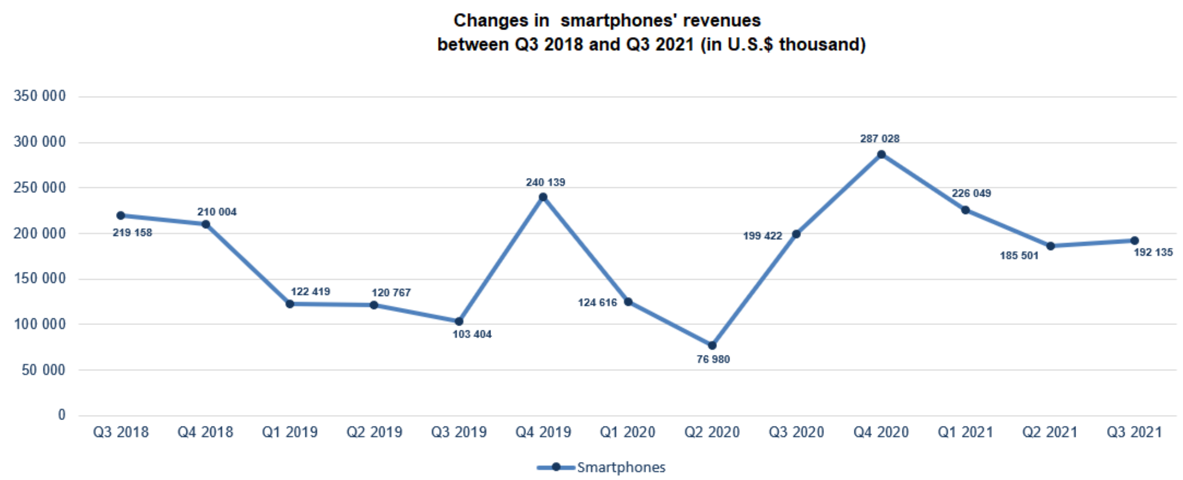


In Q3 2021 and the 9M 2021 the main drivers for our sales were smartphones, CPUs and laptops.

Revenues emanated from CPUs increased by 0.4% in Q3 2021 and by 21.5% in the 9M 2021. Revenues from HDDs dropped by 8.6% in Q3 2021 and by 6.6% in the 9M 2021. In Q3 2021 revenues from software increased by 30.9% and by 12.5% in the 9M 2021. Laptops business increased by 84.5% in Q3 2021 and by 78.6% in the 9M 2021. Revenues from SSDs grew by 50.2% in Q3 2021 and by 68.9% in the 9M 2021.

It is also worth mentioning that all "Other" product lines have noticed a super positive trend in the 9M 2021.

The chart below indicates the trends in smartphone sales:



Sales of smartphones, which contribute to the majority of our revenues increased by 50.9% in the 9M of 2021, as compared to the corresponding period of 2020.

The table below sets a breakdown of revenues, by product lines, for Q3 2021 and Q3 2020 (in U.S. $ thousand):

	Q3 2021		Q3 2020	
	U.S. $ thousand	**% of total revenues**	**U.S. $ thousand**	**% of total revenues**
Smartphones	192,135	26.82%	199,805	32.24%
Central processing units (CPUs)	100,727	14.06%	100,325	16.19%
PC mobile (laptops)	84,443	11.79%	45,756	7.38%
Hard disk drives (HDDs)	39,134	5.46%	42,795	6.91%
Peripherals	36,182	5.05%	29,277	4.72%
Audio devices	33,286	4.65%	31,196	5.03%
Solid-state drives (SSDs)	31,515	4.40%	20,975	3.38%
Servers & server blocks	27,582	3.85%	27,545	4.44%
PC desktop	16,763	2.34%	11,452	1.85%
Networking products	16,023	2.24%	14,298	2.31%
Display products	15,772	2.20%	10,341	1.67%
Tablets	15,758	2.20%	13,823	2.23%
Memory modules (RAM)	15,341	2.14%	10,515	1.70%
Video cards and GPUs	15,208	2.12%	4,642	0.75%
Software	14,733	2.06%	11,254	1.82%
Smart devices	14,080	1.97%	11,072	1.79%
Multimedia	12,830	1.79%	8,867	1.43%
Other	35,000	4.88%	25,745	4.15%
Total revenue	**716,511**	**100%**	**619,682**	**100%**

The table below sets a breakdown of revenues, by product lines, for Q1-3 2021 and Q1-3 2020 (in U.S. $ thousand):

	Q1-Q3 2021		Q1-Q3 2020	
	U.S. $ thousand	**% of total revenues**	**U.S. $ thousand**	**% of total revenues**
Smartphones	603,686	28.34%	400,039	26.66%
Central processing units (CPUs)	317,694	14.92%	261,474	17.42%
PC mobile (laptops)	218,418	10.25%	122,312	8.15%
Hard disk drives (HDDs)	108,928	5.11%	116,637	7.77%
Solid-state drives (SSDs)	106,182	4.99%	62,875	4.19%
Peripherals	103,293	4.85%	62,423	4.16%
Audio devices	95,055	4.46%	64,021	4.27%
Servers & server blocks	75,562	3.55%	73,560	4.90%
PC desktop	52,218	2.45%	35,741	2.38%
Networking products	51,765	2.43%	39,828	2.65%
Memory modules (RAM)	49,342	2.32%	33,034	2.20%
Tablets	45,807	2.15%	33,617	2.24%
Smart devices	43,412	2.04%	28,917	1.93%
Software	42,337	1.99%	37,645	2.51%
Multimedia	41,978	1.97%	19,374	1.29%
Display products	41,714	1.96%	26,755	1.78%

Video cards and GPUs	29,828	1.40%	10,511	0.70%
Other	102,768	4.82%	71,863	4.79%
Total revenue	**2,129,987**	**100%**	**1,500,627**	**100%**

Liquidity and Capital Resources

The Company has funded in the past its liquidity requirements, including ongoing operating expenses, capital expenditures and investments, for the most part, through operating cash flows, debt financing and equity financing. Cash flow for Q3 and for the 9 months of 2021 has been impacted by revenue growth, increased working capital utilization and dividend payout. The management of the Company aims to have a positive cash flow from operations for 2021.

The following table presents a summary of cash flows for the nine months ended September 30th, 2021, and 2020 (in U.S. $ thousand):

	Nine months ended September 30th	
	2021	**2020**
Net cash (outflows)/inflows from operating activities	(4,200)	713
Net cash outflows from investing activities	(11,062)	(3,244)
Net cash inflows from financing activities	6,864	6,649
Net (decrease)/ increase in cash and cash equivalents	(8,398)	4,118

Net cash outflows from operations

Net cash outflows from operations amounted to U.S. $ 4,200 for the nine months ended September 30th, 2021, compared to inflows of U.S. $ 713 in the corresponding period of 2020. The Company expects cash from operations to turn positive for the year 2021.

Net cash outflows from investing activities

Net cash outflows from investing activities were U.S. $ 11,062 for the nine months ended September 30th, 2021, compared to outflows of U.S. $ 3,244 in the corresponding period of 2020.

Net cash inflows from financing activities

Net cash inflows from financing activities were U.S. $ 6,864 for the nine months ended September 30th, 2021, compared to inflows of U.S. $ 6,649 in the corresponding period of 2020.

Net decrease in cash and cash equivalents

As a result of a higher profitability and increased working capital utilization, cash and cash equivalents decreased by US$ 8,398 as compared to an increase of US$ 4,118 in the corresponding period of 2020.

16. Factors which may affect our results in the future

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

During recent months, a novel strain of coronavirus ("COVID-19") began spreading rapidly throughout the world, prompting governments and businesses to take unprecedented measures in response. Such measures included restrictions on travel and business operations, temporary closures of businesses, and quarantines. The COVID-19 pandemic has significantly affected the economies across the globe which has caused significant disruptions to the overall economic environment.

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

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

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

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

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

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

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

In 2021 the primary target for the Group remains unchanged, it is profitability but always with a strong cash flow.

Despite all measures undertaken by the Company in the pandemic era, 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.

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 Q3 2021 and for the 9M 2021 as compared to the corresponding periods of 2020 was a result of product shortage and the continuation of the current Company's strategy to mostly focus on high margin products and IT solutions.

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

Currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. We have been successfully shielded by our hedging policy in the 9M 2021. Therefore, the hedging strategy should be followed and further improved without any exception in the course of Q4 2021 and going forward.

Ability of the Group to control expenses

Selling and administrative expenses in total increased in Q3 2021 and for the 9M 2021 by 29.1% and 34.5% respectively as compared to corresponding periods of 2020. This was a result of a strong increased of the revenues, gross profit and investments made in human capital in all regions of our operations. We consider cost control to be a significant factor towards delivering improved results going forward and it is very important that the Group is undertaking all necessary actions to scale down its expenses should there is a decrease in revenue and gross profit.

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

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

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

Ability to cover warranty claims from customers

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

As a result, we have not faced any specific problems in this area in the 9M 2021. However, we need to be constantly overlooking and analyzing the situation to avoid any possible losses.

17. Information about important events that occurred after the period ended on September 30th, 2021, and before this report release.

According to our best knowledge, in the period between September 30th, 2021, and November 4th, 2021, 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 Condensed Consolidated Interim Financial Statements
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021
(in thousands of US$)

	Note	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Revenue	4,23	716,511	619,682	2,129,987	1,500,627
Cost of sales		(663,713)	(583,544)	(1,982,829)	(1,417,152)
Gross profit		52,798	36,138	147,158	83,475
Selling expenses		(15,089)	(11,432)	(44,788)	(31,950)
Administrative expenses		(10,299)	(8,237)	(29,441)	(23,243)
Profit from operations		27,410	16,469	72,929	28,282
Financial income	7	886	932	2,967	2,019
Financial expenses	7	(6,341)	(4,515)	(16,863)	(11,452)
Net finance costs		(5,455)	(3,583)	(13,896)	(9,433)
Other gains and losses	5	91	35	335	274
Share of loss of equity-accounted investees		(8)	-	(6)	-
Profit before tax	6	22,038	12,921	59,362	19,123
Taxation	8	(3,804)	(2,518)	(10,966)	(4,011)
Profit for the period		18,234	10,403	48,396	15,112
Attributable to:					
Equity holders of the parent		18,253	10,417	48,411	15,146
Non-controlling interests		(19)	(14)	(15)	(34)
		18,234	10,403	48,396	15,112
		US$ cents	US$ cents	US$ cents	US$ cents
Earnings per share					
Basic and diluted from continuing operations		32.89	18.77	87.23	27.29

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(in thousands of US$)

	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Profit for the period	18,234	10,403	48,396	15,112
Other comprehensive loss				
Exchange difference on translating foreign operations	(585)	(266)	(863)	(1,369)
Other comprehensive loss for the period	(585)	(266)	(863)	(1,369)
Total comprehensive income for the period	17,649	10,137	47,533	13,743
Total comprehensive income attributable to:				
Equity holders of the parent	17,673	10,140	47,566	13,754
Non-controlling interests	(24)	(3)	(33)	(11)
	17,649	10,137	47,533	13,743

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

(in thousands of US$)

	Note	As at 30 September 2021 US$	As at 31 December 2020 US$
ASSETS			
Non-current assets			
Property, plant and equipment	9	40,969	32,728
Intangible assets	10	1,980	2,418
Equity-accounted investees	11	594	827
Goodwill	27	607	629
Deferred tax assets	20	388	466
Total non-current assets		44,538	37,068
Current assets			
Inventories	12	273,389	277,557
Trade receivables	13	278,641	295,846
Other current assets	14	15,753	19,140
Derivative financial asset	25	167	199
Current taxation	8	1,476	204
Cash at bank and in hand	26	165,315	158,898
Total current assets		734,740	751,844
Total assets		779,278	788,912
EQUITY AND LIABILITIES			
Equity			
Share capital	15	11,100	11,100
Share premium		23,721	23,518
Retained earnings and other components of equity		137,411	100,725
Equity attributable to owners of the parent		172,232	135,343
Non-controlling interests		396	295
Total equity		172,628	135,638
Non-current liabilities			
Long-term borrowings	17	5,094	5,729
Other long-term liabilities	18	794	732
Deferred tax liabilities	20	297	306
Total non-current liabilities		6,185	6,767
Current liabilities			
Trade payables and prepayments		237,262	336,010
Trade payables factoring facilities	29	48,128	51,403
Other current liabilities	21	112,520	92,369
Short-term borrowings	16	197,046	160,962
Derivative financial liability	24	594	883
Current taxation	8	4,915	4,880
Total current liabilities		600,465	646,507
Total liabilities		606,650	653,274
Total equity and liabilities		779,278	788,912

The financial statements were approved by the Board of Directors on the 3rd of November 2021.

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Siarhei Kostevitch — **Director**

Marios Christou — **Director**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(in thousands of US$)

	Attributable to the owners of the parent							
	Share capital US$	Share premium US$	Treasury stock US$	Translation of foreign operations US$	Retained earnings US$	Total US$	Non-controlling interests US$	Total US$
Balance at 1 January 2020	11,100	23,518	(176)	(11,357)	84,856	107,941	254	108,195
Total comprehensive income								
Profit/(loss) for the period 1 January 2020 to 30 September 2020	-	-	-	-	15,146	15,146	(34)	15,112
Other comprehensive (loss)/profit for the period 1 January 2020 to 30 September 2020	-	-	-	(1,392)	-	(1,392)	23	(1,369)
Transactions with owners of the Company								
Contributions and distributions								
Payment of final dividend	-	-	-	-	(4,138)	(4,138)	-	(4,138)
Acquisition of treasury shares	-	-	(35)	-	-	(35)	-	(35)
Balance at 30 September 2020	11,100	23,518	(211)	(12,749)	95,864	117,522	243	117,765
Total comprehensive income								
Profit for the period 1 October 2020 to 31 December 2020	-	-	-	-	21,371	21,371	32	21,403
Other comprehensive profit for the period 1 October 2020 to 31 December 2020	-	-	-	1,997	-	1,997	1	1,998
Transactions with owners of the Company								
Changes in ownership interests								
Minority interest on establishment of new subsidiary	-	-	-	-	-	-	19	19
Contributions and distributions								
Payment of final dividend	-	-	-	-	(5,546)	(5,546)	-	(5,546)
Acquisition of treasury shares	-	-	(1)	-	-	(1)	-	(1)
Balance at 31 December 2020	11,100	23,518	(212)	(10,752)	111,689	135,343	295	135,638
Total comprehensive income								
Profit/(loss) for the period 1 January 2021 to 30 September 2021	-	-	-	-	48,411	48,411	(15)	48,396
Other comprehensive loss for the period 1 January 2021 to 30 September 2021	-	-	-	(845)	-	(845)	(18)	(863)
Transactions with owners of the Company								
Changes in ownership interests								
Minority interest on increase of the share capital of subsidiary	-	-	-	-	-	-	103	103
Elimination of minority interest at disposal	-	-	-	-	-	-	31	31
Contributions and distributions								
Payment of final dividend	-	-	-	-	(11,092)	(11,092)	-	(11,092)
Treasury shares sold	-	203	212	-	-	415	-	415
Balance at 30 September 2021	11,100	23,721	-	(11,597)	149,008	172,232	396	172,628

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

	Note	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Profit for the period before tax and minority interest		22,038	12,921	59,362	19,123
Adjustments for:					
Exchange difference arising on consolidation		(313)	123	(297)	(1,068)
Depreciation of property, plant and equipment	9	1,012	961	2,815	2,533
Amortization of intangible assets	10	295	247	862	717
Impairment losses on intangible assets	5	-	39	-	39
Provision for slow moving and obsolete stock		(264)	(267)	(510)	(913)
Share of loss of equity-accounted investees	11	8	-	6	-
(Profit)/Loss from the sale of property, plant and equipment and intangible assets	5	(2)	27	45	(38)
Provision for bad debts and receivables written off		340	391	1,234	607
Bad debts recovered	5	-	(5)	(11)	(9)
Impairment of investments in associates		-	-	-	-
Interest received	7	(35)	(23)	(79)	(210)
Interest paid		1,490	1,106	4,031	3,114
Operating profit before working capital changes		24,569	15,520	67,458	23,895
Decrease/(increase) in inventories		85,986	(47,616)	4,678	21,797
(Increase)/decrease in trade receivables		(22,757)	(37,572)	15,981	11,051
Decrease/(increase) in other current assets		10,555	(324)	3,419	(936)
(Decrease)/increase in trade payables		(61,144)	55,916	(98,749)	(43,699)
Increase/(decrease) in trade payables factoring facilities		5,350	(2,761)	(3,275)	(4,613)
Increase in other current liabilities		367	5,622	20,131	9,450
Increase in other non-current liabilities		22	4	62	71
Increase/(decrease) in factoring creditors		11,220	13,818	1,940	(10,187)
Cash inflows from operations		54,168	2,607	11,647	6,829
Interest paid		(1,395)	(1,001)	(3,736)	(2,845)
Taxation paid, net	8	(8,191)	(2,338)	(12,111)	(3,271)
Net cash inflows/(outflows) from operating activities		44,582	(732)	(4,200)	713

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(in thousands of US$)

	Note	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Cash flows from investing activities					
Purchase of intangible assets	10	(146)	(371)	(457)	(565)
Purchase of property, plant and equipment		(1,374)	(548)	(10,657)	(2,926)
Payments for acquisition of subsidiaries		-	-	(37)	-
Proceeds/(write-offs) from sale of property, plant and equipment and intangible assets		10	(27)	12	37
Interest received	7	35	23	79	210
Net cash outflows from investing activities		(1,475)	(923)	(11,062)	(3,244)
Cash flows from financing activities					
Disposal/(acquisition) of treasury shares		39	-	414	(35)
Payment of final dividend		-	-	(11,092)	(4,138)
(Repayments)/proceeds of long-term loans and long-term lease liabilities		(746)	(1,010)	(1,572)	513
Proceeds of short-term borrowings and short-term lease liabilities		14,476	6,517	19,115	10,309
Net cash inflows from financing activities		13,769	5,507	6,864	6,649
Net increase/(decrease) in cash and cash equivalents		56,876	3,852	(8,398)	4,118
Cash and cash equivalents at beginning of the period		48,407	78,572	113,683	78,306
Cash and cash equivalents at end of the period	26	105,283	82,424	105,283	82,424

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(in thousands of US$)

1. Incorporation and principal activities

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

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

2. Basis of preparation

(a) Statement of compliance

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

These interim financial statements were authorized for issue by the Company's Board of Directors on the 3rd of November 2021.

(b) Use of judgments and estimates

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

3. Significant accounting policies

The accounting policies adopted for the preparation of the condensed consolidated interim financial statements for the nine months ended 30 September 2021 are consistent with those followed for the preparation of the annual financial statements for the year 2020 except for the adoption by the Group of all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on 1 January 2021. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

4. Revenue

	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Sales of goods	709,037	610,937	2,107,992	1,481,006
Sales of optional warranty	69	31	243	501
Sales of licenses	6,366	6,299	19,338	15,352
Rendering of services	1,039	2,415	2,414	3,768
	716,511	619,682	2,129,987	1,500,627

Effect of seasonality

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(in thousands of US$)

5. Other gains and losses

	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Profit/(loss) on disposal of property, plant and equipment	2	(27)	(45)	38
Other income	66	77	306	212
Bad debts recovered	-	5	11	9
Rental income	22	19	63	55
Impairment loss on goodwill	-	(39)	-	(39)
	91	35	335	275

6. Profit before tax

	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Profit before tax is stated after charging:				
(a) Amortization of intangible assets (Note 10)	295	247	862	717
(b) Depreciation (Note 9)	1,012	961	2,815	2,533
(c) Auditors' remuneration	97	109	325	307
(d) Directors' remuneration – executive (Note 28)	447	183	1,307	549
(e) Directors' remuneration – non-executive (Note 28)	7	7	25	20

7. Financial expense, net

	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Financial income				
Interest income	35	23	79	210
Other financial income	619	909	2,556	1,809
Net exchange gain	232	-	332	-
	886	932	2,967	2,019
Financial expense				
Bank interest	1,395	1,001	3,736	2,845
Bank charges	1,262	864	3,435	2,196
Derivative charges	479	224	1,235	784
Interest on lease liabilities	95	105	296	269
Factoring interest	2,532	1,338	6,379	3,487
Factoring charges	95	95	285	259
Other financial expenses	70	71	111	93
Other interest	413	323	1,386	1,222
Net exchange loss	-	494	-	297
	6,341	4,515	16,863	11,452
Net	(5,455)	(3,583)	(13,896)	(9,433)

(in thousands of US$)

8. Tax

	As at 30 September 2021 US$	As at 31 December 2020 US$
Payable balance 1 January	4,676	839
Provision for the period/year	11,278	8,544
(Over)/under provision of prior years	(365)	40
Exchange difference on retranslation	(39)	3
Amounts paid, net	(12,111)	(4,750)
Net payable balance 30 September/31 December	3,439	4,676

	As at 30 September 2021 US$	As at 31 December 2020 US$
Tax receivable	(1,476)	(204)
Tax payable	4,915	4,880
Net	3,439	4,676

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

	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Provision for the period	4,222	2,460	11,278	4,025
(Over)/under provision of prior years	(417)	16	(365)	16
Deferred tax charge (Note 20)	(1)	42	52	(30)
Charge for the period	3,804	2,518	10,966	4,011

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.

(in thousands of US$)

9. Property, plant and equipment

	Land and buildings US$	Assets under construction US$	Computer hardware US$	Warehouse machinery US$	Motor vehicles US$	Furniture and fittings US$	Office equipment US$	Total US$
Cost								
At 1 January 2020	29,688	-	7,250	524	3,109	2,806	3,839	47,216
Additions	2,361	-	978	115	1,573	411	616	6,054
Disposals	(575)	-	(137)	(24)	(561)	(155)	(18)	(1,470)
Foreign exchange difference on retranslation	767	-	10	25	(38)	35	(237)	562
At 31 December 2020	32,241	-	8,101	640	4,083	3,097	4,200	52,362
Additions	3,797	5,356	867	154	531	570	239	11,514
Disposals	(200)	-	(277)	(24)	(223)	(56)	(63)	(843)
Foreign exchange difference on retranslation	(576)	-	(84)	21	(18)	26	(5)	(636)
At 30 September 2021	35,262	5,356	8,607	791	4,373	3,636	4,371	62,397
Accumulated depreciation								
At 1 January 2020	5,641	-	5,447	380	1,635	2,021	2,412	17,536
Charge for the year	1,347	-	682	36	664	310	349	3,388
Disposals	(575)	-	(137)	(24)	(561)	(155)	(18)	(1,470)
Foreign exchange difference on retranslation	22	-	87	24	8	76	(37)	180
At 31 December 2020	6,435	-	6,079	416	1,746	2,252	2,706	19,634
Charge for the period	1,189	-	515	52	587	184	288	2,815
Disposals	(200)	-	(277)	(24)	(178)	(56)	(63)	(798)
Foreign exchange difference on retranslation	(60)	-	(86)	23	(71)	(40)	11	(223)
At 30 September 2021	7,365	-	6,232	468	2,084	2,339	2,943	21,428
Net book value								
At 30 September 2021	27,901	5,356	2,375	323	2,289	1,297	1,428	40,969
At 31 December 2020	25,806	-	2,022	224	2,337	845	1,494	32,728

(in thousands of US$)

9. Property, plant and equipment (continued)

	Land and buildings US$	Warehouse machinery US$	Motor vehicles US$	Total US$
Balance at 1 January 2020	3,913	-	550	4,463
Depreciation charge for the year	(1,036)	(1)	(353)	(1,390)
Additions to right of use assets	2,395	37	740	3,172
Derecognition of right of use assets	(726)	-	-	(726)
Foreign exchange difference on retranslation	509	(1)	142	650
Balance at 31 December 2020	5,055	35	1,079	6,169
Depreciation charge for the year	(875)	(5)	(316)	(1,196)
Additions to right of use assets	544	-	311	855
Foreign exchange difference on retranslation	3	(2)	(48)	(47)
Balance at 30 September 2021	4,727	28	1,026	5,781

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

10. Intangible assets

	Computer software US$	Patents and licenses US$	Total US$
Cost			
At 1 January 2020	10,137	1,281	11,418
Additions	398	410	808
Disposals/ write-offs	(31)	(120)	(151)
Foreign exchange difference on retranslation	88	2	90
At 31 December 2020	10,592	1,573	12,165
Additions	355	102	457
Disposals/ write-offs	(68)	(45)	(113)
Foreign exchange difference on retranslation	(9)	(10)	(19)
At 30 September 2021	10,870	1,620	12,490
Accumulated amortization			
At 1 January 2020	7,700	1,125	8,825
Charge for the year	905	94	999
Disposals/ write-offs	(31)	(120)	(151)
Foreign exchange difference on retranslation	71	3	74
At 31 December 2020	8,645	1,102	9,747
Charge for the period	747	115	862
Disposals/ write-offs	(64)	(37)	(101)
Foreign exchange difference on retranslation	8	(6)	2
At 30 September 2021	9,336	1,174	10,510
Net book value			
At 30 September 2021	1,534	446	1,980
At 31 December 2020	1,947	471	2,418

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021
(in thousands of US$)

11. Equity-accounted investees

	As at 30 September 2021 US$	As at 31 December 2020 US$
Cost		
At 1 January	868	274
Additions (i)	-	594
Disposal of investment in associate (ii)	(227)	-
At 30 September/31 December	641	868
Accumulated share of loss from equity-accounted investees		
At 1 January	(41)	(47)
Share of loss from equity-accounted investees during the period/year	(6)	6
Exchange difference	-	-
At 30 September/31 December	(47)	(41)
Carrying amount of equity-accounted investees	594	827

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

During the period ended 31 December 2020, the Group concluded a loan agreement with its associate LLC Clevetura for the amount of US$ 30. The loan bears interest of 4% p.a. and is repayable in December 2021. In addition, the Group, for the period ending 30 September 2021, acquired services for the total amount of US$465 (2020: US$ 374) from this associate.

12. Inventories

	As at 30 September 2021 US$	As at 31 December 2020 US$
Goods in transit	41,580	55,119
Goods held for resale	236,530	227,746
Provision for slow moving and obsolete stock	(4,721)	(5,308)
	273,389	277,557

As at 30 September 2021, inventories pledged as security for financing purposes amounted to US$ 100,175 (2020: US$ 71,162).

<u>Movement in provision for slow moving and obsolete stock</u>

	As at 30 September 2021 US$	As at 31 December 2020 US$
On 1 January	5,308	3,728
Provisions for the period/year	263	3,105
Provided stock written-off	(774)	(1,695)
Exchange difference	(76)	170
On 30 September/31 December	4,721	5,308

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(in thousands of US$)

13. Trade receivables

	As at 30 September 2021 US$	As at 31 December 2020 US$
Trade receivables	270,138	294,515
Prepayments to trade vendors	11,794	3,427
Allowance for doubtful debts	(3,291)	(2,096)
	278,641	295,846

Movement in provision for doubtful debts:

	As at 30 September 2021 US$	As at 31 December 2020 US$
On 1 January	2,097	1,657
Provisions for the period/year	1,448	1,226
Amount written-off as uncollectible	(214)	(749)
Bad debts recovered	(11)	(24)
Exchange difference	(29)	(14)
On 30 September/31 December	3,291	2,096

As at 30 September 2021, the receivables of the Group that have been assigned as security for financing purposes amounted to US$ 92,675 (2020: US$ 54,348).

14. Other current assets

	As at 30 September 2021 US$	As at 31 December 2020 US$
Deposits and advances to service providers	479	554
Employee floats	94	171
VAT and other taxes refundable	9,463	14,065
Other debtors and prepayments	5,717	4,350
	15,753	19,140

15. Share capital

	As at 30 September 2021 US$	As at 31 December 2020 US$
Authorized		
63,000,000 (2020: 63,000,000) shares of US$ 0.20 each	12,600	12,600
Issued and fully paid		
55,500,000 (2020: 55,500,000) ordinary shares of US$ 0.20 each	11,100	11,100

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021
(in thousands of US$)

16. Short-term borrowings

	As at 30 September 2021 US$	As at 31 December 2020 US$
Bank overdrafts (Note 26)	60,031	45,215
Current portion of long-term loans	-	61
Bank short-term loans	53,493	34,256
Current lease liabilities (Note 19)	1,525	1,373
Total short-term debt	115,049	80,905
Factoring creditors	81,997	80,057
	197,046	160,962

Summary of borrowings and overdraft arrangements

As at 30 September 2021 the Group enjoyed factoring facilities of US$ 167,151 (31 December 2020 US$ 117,775).

In addition, the Group as at 30 September 2021 had the following financing facilities with banks in the countries that the Company and its subsidiaries operate:

- overdraft lines of US$ 114,094 (31 December 2020: US$ 111,439)
- short-term loans/revolving facilities of US$ 92,706 (31 December 2020: US$ 52,939)
- bank guarantee and letters of credit lines of US$ 60,548 (31 December 2020: US$ 52,183)

The Group had for the period ending 30 September 2021 cash lines (overdrafts, loans and revolving facilities) and factoring lines.

The Weighted Average Cost of Debt (cash lines and factoring lines) for the period was 8.2% (for 2020: 8.0%)

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

- Floating charges over all assets of the Company
- Mortgage on land and buildings that the Group owns in Cyprus, Czech Republic, Belarus, Middle East, Bulgaria, Slovakia and Ukraine
- Charge over receivables and inventories
- Corporate guarantees to the extent of facilities granted to subsidiary companies
- Assignment of insurance policies
- Pledged deposits of US$ 32,229 (31 December 2020: US$ 33,322)

17. Long-term borrowings

	As at 30 September 2021 US$	As at 31 December 2020 US$
Bank loans	434	523
Non-current lease liabilities (Note 19)	4,660	5,206
	5,094	5,729

(in thousands of US$)

18. Other long-term liabilities

	As at 30 September 2021 US$	As at 31 December 2020 US$
Other long-term liabilities	794	732

19. Lease liabilities

	As at 30 September 2021 US$	As at 31 December 2020 US$
Current lease liabilities (Note 16)	1,525	1,373
Non-current lease liabilities (Note 17)	4,660	5,206
	6,185	6,579

20. Deferred tax

	As at 30 September 2021 US$	As at 31 December 2020 US$
(Debit)/Credit balance on 1 January	(160)	284
Deferred tax charge/(credit) for the period/year (Note 8)	52	(431)
Exchange difference on retranslation	17	(13)
At 30 September/31 December	(91)	(160)

	As at 30 September 2021 US$	As at 31 December 2020 US$
Deferred tax assets	(388)	(466)
Deferred tax liabilities	297	306
Net deferred tax assets	(91)	(160)

21. Other current liabilities

	As at 30 September 2021 US$	As at 31 December 2020 US$
Salaries payable and related costs	3,091	3,103
VAT payable	6,054	9,413
Accruals, deferred income and other provisions	76,942	56,041
Non-trade accounts payable	5,615	5,974
Provision for marketing	14,107	11,935
Provision for warranties	6,711	5,903
	112,520	92.369

(in thousands of US$)

22. Commitments and contingencies

As at 30 September 2021 the Group was committed in respect of purchases of inventories of a total cost value of US$ 13,943 (31 December 2020: US$ 35,109) which were in transit at 30 September 2021 and delivered in October 2021. 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 30 September 2021 the Group issued bank guarantees and stand-by letters of credit from a number of financial institutions to mainly guarantee for the Group's trade payable balances in the amount of US$ 60,548 (31 December 2020: US$ 52,183).

As at 30 September 2021 the Group had no other capital or legal commitments and contingencies.

23. Operating segments

1.1 Reportable segments

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

1.2 Segment revenues

	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Former Soviet Union	422,699	340,984	1,167,990	798,434
Central Eastern Europe	148,183	146,654	466,217	384,798
Middle East & Africa	75,478	82,094	243,244	182,711
Western Europe	61,880	34,818	208,793	96,977
Other	8,271	15,132	43,743	37,707
	716,511	619,682	2,129,987	1,500,627

1.3 Segment results

	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Former Soviet Union	13,717	7,555	36,343	13,278
Central Eastern Europe	5,503	3,545	15,388	7,066
Western Europe	3,498	1,132	8,615	1,977
Middle East & Africa	3,638	2,367	10,308	3,637
Other	1,054	1,870	2,275	2,324
Profit from operations	27,410	16,469	72,929	28,282
Net financial expenses	(5,455)	(3,583)	(13,896)	(9,433)
Share of loss form equity-accounted investees	-	-	(6)	-
Negative goodwill and goodwill written off, net	(8)	-	-	-
Other gains and losses	91	35	335	274
Profit before taxation	22,038	12,921	59,362	19,123

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(in thousands of US$)

23. Operating segments (continued)

1.4 Segment capital expenditure (CAPEX)

	As at 30 September 2021 US$	As at 31 December 2020 US$
Former Soviet Union	8,457	8,491
Central Eastern Europe	14,846	14,943
Middle East & Africa	3,661	3,745
Unallocated	16,592	8,596
	43,556	35,775

1.5 Segment depreciation and amortization

	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Former Soviet Union	382	474	1,072	1,148
Central Eastern Europe	383	309	1,094	846
Middle East & Africa	48	46	139	150
Unallocated	494	380	1,372	1,106
	1,307	1,209	3,677	3,250

1.6 Segment assets

	As at 30 September 2021 US$	As at 31 December 2020 US$
Former Soviet Union	416,368	453,802
Central Eastern Europe	12,854	69,654
Western Europe	185,650	65,653
Middle East & Africa	82,362	125,934
Total	697,233	715,043
Assets allocated in capital expenditure (1.4)	43,557	35,775
Other unallocated assets	38,488	38,093
Consolidated assets	779,278	788,911

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

1.7 Geographical information

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(in thousands of US$)

24. Derivative financial liability

	As at 30 September 2021 US$	As at 31 December 2020 US$
Derivative financial liabilities carried at fair value through profit or loss		
Foreign currency derivative contracts	594	883

25. Derivative financial asset

	As at 30 September 2021 US$	As at 31 December 2020 US$
Derivative financial assets carried at fair value through profit or loss		
Foreign currency derivative contracts	167	199

26. Cash and cash equivalents

	As at 30 September 2021 US$	As at 31 December 2020 US$
Cash at bank and in hand	165,315	158,898
Bank overdrafts (Note 16)	(60,031)	(45,215)
	105,284	113,683

The cash at bank and in hand balance includes an amount of US$ 32,229 (31 December 2020: US$ 33,322) which represents pledged deposits against financial facilities granted and margin accounts for foreign exchange hedging.

27. Goodwill

	As at 30 September 2021 US$	As at 31 December 2020 US$
At 1 January	629	591
Additions	-	39
Impairment loss (note ii)	-	(39)
Foreign exchange difference on retranslation	(22)	38
At 30 September/31 December (note i)	607	629

(in thousands of US$)

27. Goodwill (continued)

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

	As at 30 September 2021 US$	As at 31 December 2020 US$
OOO Must	201	201
ASBIS d.o.o. (BA) (former Megatrend D.O.O. Sarajevo)	407	428
	608	629

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

	As at 30 September 2021 US$	As at 31 December 2020 US$
MakSolutions LLC	-	(27)
Breezy LLC (former Café-Connect LLC)	-	(12)
	-	(39)

28. Transactions and balances of key management

	For the three months ended 30 September 2021 US$	For the three months ended 30 September 2020 US$	For the nine months ended 30 September 2021 US$	For the nine months ended 30 September 2020 US$
Director's remuneration - executive (Note 6)	447	183	1,307	549
Director's remuneration - non-executive (Note 6)	7	7	25	20
	454	190	1,332	569

29. Trade payables factoring facilities

	As at 30 September 2021 US$	As at 31 December 2020 US$
Trade payables factoring facilities	48,128	51,403

The Group and the Company participate in trade payables factoring facilities (or "supply chain financing facilities" - "SCFs") programs which enable the Group and the Company to obtain extended payment terms for pre-approved suppliers. The Group incurs additional interest towards the SCFs on the amounts due to suppliers. The Company may elect to have any of its SCFs pay its suppliers either on the discount date or on due date and then obtain extended payment terms from them.
The Group discloses the amounts factored by suppliers separately from trade payables because the nature and function of the financial liabilities is sufficiently different from a trade payable that a separate presentation is appropriate. The payments to the supply-chain-financiers are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e., payments for the purchase of goods and services.
As at the 30th of September 2021, the Company and the Group enjoyed trade payables factoring facilities of US$ 67,000 (2020: US$ 44,000).

(in thousands of US$)

30. Business combinations

1. Acquisitions

1.1 Acquisitions of subsidiaries to 30 September 2021

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

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

Acquisitions of subsidiaries to 31 December 2020

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(in thousands of US$)

30. Business combinations (continued)

1.2 Acquired assets and liabilities

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

	As at 30 September 2021 US$	As at 31 December 2020 US$
Tangible and intangible assets	-	233
Inventories	-	200
Receivables	11	71
Other non-current assets	-	15
Other receivables	-	1
Short-term loans	-	(15)
Payables	-	(321)
Other payables and accruals	(1)	(135)
Other non-current liabilities	-	-
Cash and cash equivalents	53	102
Net identifiable assets	**63**	**151**
Group's interest in net assets acquired	**31**	**151**
Total purchase consideration	(31)	(190)
Net loss		**(39)**
Impairment loss on Goodwill	-	39
Goodwill capitalized in statement of financial position	**-**	**-**

2. Disposals

Disposals of subsidiaries to 30 September 2021

During the period the following Group's subsidiaries have been disposed and a total gain of $105 arose on the events.

Name of disposed entity	Type of operations	Date liquidated	% liquidated
LLC Vizuatika	Information Technology	24 May 2021	75%
LLC Vizuator	Information Technology	24 May 2021	75%
Vizuators LLC	Information Technology	24 May 2021	100%

Disposals of subsidiaries to 31 December 2020

During the period the following Group's subsidiary has been disposed. No gain or loss arose on the event.

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

31. Fair values

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