ASBISc Enterprises Plc

INTERIM REPORT
FOR THE THREE AND TWELVE MONTHS ENDED
31 DECEMBER 2020

Limassol, February 25th, 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 and twelve months ended 31 December 2020. The financial statements appended to this quarterly report are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34.

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

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

Currency Presentation

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

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

FORWARD-LOOKING STATEMENTS

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

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

Part I Additional information

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 twelve-month periods ended 31 December 2020.

In the three-month period ended December 31, 2020, the company has managed to brake all records in its history and has broken all quarterly records in both revenue and profitability.

In the fourth quarter of 2020, ASBIS significantly improved both revenues and profits. Revenues were USD 865.8 million (up 30.4% as compared to Q4 2019), while net profit reached USD 21.4 million, up 166.5% over the comparable period of last year.

It is worth mentioning that since November of 2020 ASBIS has recorded monthly revenues above 300 million in two consecutive months.

The quarter-over-quarter increase in net sales reflected strong growth in all the Company's geographic reportable segments and almost all major product lines. The highest increase in product lines was recorded by accessories & multimedia and peripherals which increased by 93% and 73% respectively, as compared to Q4 2019.

As regards to own brands, Prestigio and Canyon products have been selling well. Perenio has been also growing steadily. It is the Company's aim to push private label revenues to higher levels.

Looking at the regions we cover, the Former Soviet Union and Central & Eastern Europe regions traditionally had the largest share in the Group's revenues. The share of the Former Soviet Union in total revenues was 56.72% in Q4 2020, as compared to 57.66% in Q4 2019.

A country-by-country analysis confirms the excellent growth rates the Group was able to achieve in all major countries of operations. The countries with the highest sales growth in Q4 2020 were:

- United Arab Emirates – a growth of 84%
- Russia – a growth of 39%
- Kazakhstan – a growth of 39%
- Czech Republic – a growth of 32%

In the fourth quarter of 2020, our operating costs have remained under strict control, while financial costs have been decreasing due to the strong financial situation of the Group. These combined with enormous demand for IT equipment and the ability of the Group to meet customers' expectations allowed ASBIS to upgrade its financial forecast for 2020 regarding the FY'20 bottom line. In October, the net profit after tax forecast was raised to US$ 23-25 million, while in December the expectations moved upwards to US$ 32-34 million.

In December 2020, we paid our investors an interim dividend from the Company's profits for 2020 in the total amount of USD 5,550,000.00, which represented a USD 0.10 per share payout. Seeing our preliminary un-audited results for 2020, we can assume that if no unforeseen circumstances arise, the entire dividend for 2020 will be the highest in our history.

To sum up, we are extremely satisfied with the Group's achievements for Q4 2020 and overall 2020. ASBIS has once again delivered to the markets what had been promised.

We have entered 2021 stronger than ever and we plan to continue our success. We are not slowing down, on the contrary, we are ready for further, dynamic development of our sales and profitability.

The principal events of the three months ended 31 December 2020 were as follows (in U.S. $ thousand):

- Revenues in Q4 2020 strongly increased by 30.4% to U.S. $ 865,814 from U.S. $ 663,966 in Q4 2019.
- Gross profit in Q4 2020 significantly increased by 57.6% to U.S. $ 54,810 from U.S. $ 34,788 in Q4 2019.
- Gross profit margin in Q4 2020 much improved and reached 6.33% as compared to 5.24% in Q4 2019.
- Selling expenses in Q4 2020 increased by 34.8% to U.S. $ 16,591 from U.S. $ 12,304 in Q4 2019.
- Administrative expenses in Q4 2020 increased by 14.6% to U.S. $ 9,828 from U.S. $ 8,579 in Q4 2019.
- EBITDA in Q4 2020 was significantly higher year-on-year and reached 29,528 as compared to U.S. $ 14,872 in Q4 2019, an impressive improvement of 98,5%.
- The Group finished Q4 2020 with an impressive net profit after tax amounting to U.S. $ 21,403, a 166.5% growth as compared to U.S.$ 8,031 in Q4 2019.
- In Q4 2020, net cash inflows from operations amounted to U.S.$ 41,216 as compared to net cash inflows of U.S.$ 55,493 in Q4 2019.

The following table presents revenues breakdown by regions for the three month period ended December 31st, 2020 and 2019 respectively (in U.S.$ thousands):

Region	**Q4 2020**	**Q4 2019**	**Change %**
Former Soviet Union	491,079	382,875	28.3%
Central and Eastern Europe	189,592	172,333	10.0%
Middle East and Africa	96,708	55,455	74.4%
Western Europe	74,126	41,258	79.7%
Other	14,309	12,045	18.8%
Grand Total	**865,814**	**663,966**	**30.4%**

The principal events of the twelve months ended 31 December 2020 were as follows (in U.S.$ thousands):

- Revenues in Q1-Q4 2020 strongly increased by 23.6% to U.S. $ 2,366,441 from U.S. $ 1,914,881 in Q1-Q4 2019.
- Gross profit in Q1-Q4 2020 much increased by 32.8% to U.S. $ 138,285 from U.S. $ 104,146 in Q1-Q4 2019.
- Gross profit margin in Q1-Q4 2020 improved to 5.84% from 5.44% in Q1-Q4 2019.
- Selling expenses in Q1-Q4 2020 increased by 13.1% to U.S. $ 48,541 from U.S. $ 42,913 in Q1-Q4 2019
- Administrative expenses in Q1-Q4 2020 grew by 17.5% to U.S. $ 33,071 from U.S. $ 28,147 in Q1-Q4 2019.
- EBITDA in Q1-Q4 2020 amounted to U.S. $ 61,061 in comparison to U.S. $ 37,117 in Q1-Q4 2019, a significant improvement of 64.5%.
- As a result of strong growth in revenues, gross profit and controlled expenses, in Q1-Q4 2020 the net profit after tax significantly improved by 139.6% to U.S. $ 36,515 in comparison to U.S. $ 15,240 in Q1-Q4 2019. We considered this as a remarkable and historical achievement for the Group - the highest net income in 30-year of ASBIS history.
- In Q1-Q4 2020, net cash inflows from operations amounted to U.S.$ 41,930 as compared to net cash inflows of U.S.$ 29,491 in Q1-Q4 2020.

The following table presents revenues breakdown by regions for the twelve month periods ended December 31st, 2020 and 2019 respectively (in U.S.$ thousands):

Region	Q1-Q4 2020	Q1-Q4 2019	Change %
Former Soviet Union	1,289,513	1,024,436	25.9%
Central and Eastern Europe	574,389	505,974	13.5%
Middle East and Africa	279,419	217,855	28.3%
Western Europe	171,104	127,464	34.2%
Other	52,016	39,152	32.9%
Grand Total	**2,366,441**	**1,914,881**	**23.6%**

Definitions and use of Alternative Performance Measures:

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

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

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

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

3. Summary of historical financial data

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

For your convenience, certain U.S.$ amounts as of and for the three and twelve months ended December 31st, 2020 and 2019, have been converted into Euro and PLN as follows:

- Individual items of the balance sheet – based at average exchange rates quoted by the National Bank of Poland for the balance sheet date of December 31st, 2019, that is: 1 US$ = 3.7977 PLN and 1 EUR = 4.2585 PLN and December 31st, 2020, that is: 1 US$ = 3.7584 PLN and 1 EUR = 4.6148 PLN.

- Individual items in the income statement and cash flow statement – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month for the period from October 1st to December 31st, 2019, that is 1 US$ = 3.8480 PLN and 1 EUR = 4.2813 PLN and October 1st to December 31st, 2020, that is 1 US$ = 3.8170 PLN and 1 EUR = 4.5705 PLN.

- Individual items in the income statement and cash flow statement – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month for the given period from January 1st to December 31st, 2019, that is 1 US$ = 3.8440 PLN and 1 EUR = 4.3018 PLN and January 1st to December 31st, 2020, that is 1 US$ = 3.9045 PLN and 1 EUR = 4.4742 PLN.

	Period from			Period from		
	1 October to 31 December 2020			1 October to 31 December 2019		
	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Revenue	**865,814**	**3,304,841**	**723,081**	**663,966**	**2,554,919**	**596,767**
Cost of sales	(811,004)	(3,095,629)	(677,306)	(629,178)	(2,421,056)	(565,500)
Gross profit	**54,810**	**209,212**	**45,774**	**34,788**	**133,863**	**31,267**
Gross profit margin	*6.33%*			*5.24%*		
Selling expenses	(16,591)	(63,328)	(13,856)	(12,304)	(47,345)	(11,059)
Administrative expenses	(9,828)	(37,514)	(8,208)	(8,579)	(33,012)	(7,711)
Profit from operations	**28,391**	**108,369**	**23,711**	**13,905**	**53,506**	**12,498**
Financial expenses	(5,555)	(21,204)	(4,639)	(5,625)	(21,645)	(5,056)
Financial income	2,599	9,920	2,171	1,435	5,522	1,290
Other gains and losses	103	393	86	(28)	(108)	(25)
Share of (loss)profit from associates	6	23	5	(8)	(31)	(7)
Profit before taxation	**25,544**	**97,502**	**21,333**	**9,679**	**37,244**	**8,699**
Taxation	(4,141)	(15,806)	(3,458)	(1,648)	(6,341)	(1,481)
Profit after taxation	**21,403**	**81,696**	**17,875**	**8,031**	**30,903**	**7,218**
Attributable to:						
Non-controlling interest	33	126	28	5	19	4
Equity holders of the parent	**21,370**	**81,570**	**17,847**	**8,026**	**30,884**	**7,214**

EBITDA calculation

	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Profit before tax	25,544	97,502	21,333	9,679	37,244	8,699
Add back:						
Financial expenses/net	2,956	11,283	2,469	4,190	16,123	3,766
Other income	(103)	(393)	(86)	28	108	25
Share of loss of equity-accounted investees	(6)	(23)	(5)	8	31	7
Depreciation	855	3,264	714	828	3,186	744
Amortization	282	1,076	236	139	535	125
(Impairment of goodwill)/Negative goodwill	0	0	0	0	0	0
EBITDA for the period	**29,528**	**112,709**	**24,660**	**14,872**	**57,227**	**13,367**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	38.51	146.99	32.16	14.46	55.64	13.00

	USD	**PLN**	**EUR**	**USD**	**PLN**	**EUR**
Net cash inflows from operating activities	41,216	157,323	34,421	55,493	213,535	49,877
Net cash outflows from investing activities	(1,511)	(5,768)	(1,262)	(776)	(2,986)	(697)
Net cash outflows from financing activities	(8,446)	(32,239)	(7,054)	(10,614)	(40,842)	(9,540)
Net increase in cash and cash equivalents	**31,259**	**119,317**	**26,106**	**44,103**	**169,707**	**39,639**
Cash at the beginning of the period	**82,424**	**314,615**	**68,836**	**34,204**	**131,616**	**30,742**
Cash at the end of the period	**113,683**	**433,932**	**94,942**	**78,307**	**301,323**	**70,382**

	As at 31 December 2020			As at 31 December 2019		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	751,844	2,825,730	612,319	599,469	2,276,603	534,602
Non-current assets	37,068	139,316	30,189	33,318	126,532	29,713
Total assets	**788,912**	**2,965,047**	**642,508**	**632,787**	**2,403,135**	**564,315**
Liabilities	653,274	2,455,265	532,041	524,592	1,992,243	467,827
Equity	135,638	509,782	110,467	108,195	410,892	96,488

	Period from 1 January to 31 December 2020			Period from 1 January to 31 December 2019		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	**2,366,441**	**9,239,867**	**2,065,163**	**1,914,881**	**7,360,707**	**1,711,093**
Cost of sales	(2,228,156)	(8,699,928)	(1,944,484)	(1,810,735)	(6,960,375)	(1,618,030)
Gross profit	**138,285**	**539,940**	**120,680**	**104,146**	**400,332**	**93,062**
Gross profit margin	*5.84%*			*5.44%*		
Selling expenses	(48,541)	(189,530)	(42,361)	(42,913)	(164,955)	(38,346)
Administrative expenses	(33,071)	(129,127)	(28,861)	(28,147)	(108,196)	(25,151)
Profit from operations	**56,673**	**221,282**	**49,458**	**33,086**	**127,181**	**29,565**
Financial expenses	(16,708)	(65,237)	(14,581)	(17,662)	(67,892)	(15,782)
Financial income	4,319	16,864	3,769	3,488	13,408	3,117
Other gains and losses	377	1,472	329	(33)	(127)	(29)
Negative goodwill and goodwill written off, net	0	0	0	111	427	99
Share of (loss)/profit from associates	6	23	5	(25)	(96)	(22)
Profit before taxation	**44,667**	**174,404**	**38,980**	**18,965**	**72,901**	**16,947**
Taxation	(8,152)	(31,830)	(7,114)	(3,725)	(14,319)	(3,329)
Profit after taxation	**36,515**	**142,574**	**31,866**	**15,240**	**58,582**	**13,618**
Attributable to:						
Non-controlling interests	(2)	(8)	(2)	(17)	(65)	(15)
Equity holders of the parent	**36,517**	**142,582**	**31,868**	**15,257**	**58,643**	**13,632**

EBITDA calculation

	USD	PLN	EUR	USD	PLN	EUR
Profit before tax	44,667	174,404	38,980	18,965	72,901	16,947
Add back:						
Financial expenses/net	12,389	48,373	10,812	14,174	54,484	12,666
Other income	(377)	(1,472)	(329)	33	127	29
Share of loss of equity-accounted investees	(5)	(20)	(4)	25	96	22
Depreciation	3,388	13,299	2,957	2,998	11,524	2,679
Amortization	999	3,901	872	1,033	3,971	923
(Impairment of goodwill)/Negative goodwill	0	0	0	(111)	(427)	(99)
EBITDA for the period	**61,061**	**238,415**	**53,287**	**37,117**	**142,676**	**33,167**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	65.80	256.92	57.42	27.49	105.67	24.56

	USD	PLN	EUR	USD	PLN	EUR
Net cash inflows from operating activities	41,930	163,717	36,592	29,491	113,362	26,352
Net cash outflows from investing activities	(4,755)	(18,566)	(4,150)	(3,640)	(13,992)	(3,253)
Net cash outflows from financing activities	(1,798)	(7,020)	(1,569)	(5,653)	(21,730)	(5,051)
Net increase in cash and cash equivalents	**35,377**	**138,131**	**30,873**	**20,198**	**77,640**	**18,048**
Cash at the beginning of the period	**78,306**	**305,749**	**68,337**	**58,109**	**223,368**	**51,925**
Cash at the end of the period	**113,683**	**443,880**	**99,210**	**78,307**	**301,008**	**69,973**

4. Organization of ASBIS Group

The following table presents our corporate structure as at December 31st, 2020:

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, B.ulgaria)	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 (former ISA Hardware Limited–Group) (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) (former Prestigio Europe s.r.o)	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. (former Megatrend d.o.o.) (Sarajevo, Bosnia Herzegovina)	Full (90%)
ASBIS Close Joint-Stock Company (former CZAO ASBIS) (Minsk, Belarus)	Full (100%)
ASBIS Kazakhstan LLP (Almaty, Kazakhstan)	Full (100%)
Euro-Mall SRO (Bratislava, Slovakia)	Full (100%)
Prestigio China Corp. (former AOSBIS TECHNOLOGY (SHENZHEN) 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%)
LLC Vizuatika (Minsk, Belarus)	Full (75%)
LLC Vizuators (Minsk, Belarus)	Full (75%)
ASBC LLC (Tbilisi, Georgia)	Full (100%)
ALC Avectis (Minsk, Belarus)	Full (100%)
OOO Avectis (former Aksiomtech) (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%)
Café-Connect LLC (Minsk, Belarus)	Full (100%)
MakSolutions LLC (Minsk, Belarus)	Full (100%)
TOO “ASNEW” (Almaty, Kazakhstan)	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%)

5. Changes in the structure of the Company

During the three months ended December 31st, 2020 there were the following changes in the structure of the Company and the Group:

- On November 11th, 2020, the Issuer has acquired 100% shares of the company TOO “ASNEW” (Almaty, Kazakhstan). The Issuer holds 100% in this subsidiary, being equal to share capital of KZT 10,000,000 (USD 23,114). We acquired this entity to distribute IT products.
- On October 24th, 2020, the Issuer has acquired 100% shares of the company Breezy Ltd (Kiev, Ukraine). The Issuer holds 100% in this subsidiary, being equal to share capital of UAH 3,555,000 (USD 127,078). We acquired this entity to provide repair and warranty services.
- On October 2nd, 2020, the Issuer has acquired 70% shares of the I.O.N. Clinical Trading Ltd (Limassol, Cyprus). The Issuer holds 70% in this subsidiary, being equal to share capital of EUR 7,000 (USD 8,171). We acquired this entity for development, production and distribution of IT products and medical devices.
- On October 2nd, 2020, the Issuer has acquired 85% shares of the R.SC. Real Scientists Cyprus Ltd (Limassol, Cyprus). The Issuer holds 85% in this subsidiary, being equal to share capital of EUR 8,500 (USD 9,922). We acquired this entity for development, production and distribution of IT products and medical devices.
- On November 20th, 2020, SHARK Computers a.s. (Bratislava, Slovakia) has been disposed. No gain or loss arose on the event.

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

On August 11th, 2020 the Company announced its official financial forecast for 2020 that assumed revenues between US$ 2.0 billion and 2.2 billion and net profit after tax between US$ 18.0 and US$ 20.0 million.

On October 22nd, 2020 the Company upgraded its forecast with the revenues as originally assumed (i.e. between US$ 2.0 and US$ 2.2 billion) and net profit after tax between US$ 23.0 and US$ 25.0 million.

On December 23th, 2020, the Company upgraded its forecast for the second time by increasing net profit after tax from between US$ 23.0 and US$ 25.0 million to between US$ 32.0 and US$ 34.0 million. The anticipated revenues remained unchanged, i.e. between US$ 2.0 and US$ 2.2 billion.

Having seen Q1-Q4 2020 results, it is clear that the Company not only delivered but also exceeded the upgraded forecasted numbers.

7. Information on the dividend payment

On November 4th, 2020, the Company's Board of Directors decided for payment of an interim dividend from 2020 profits. The interim dividend of US$ 0.10 cents per share has been paid out on December 17th, 2020. The interim dividend record date was December 7th, 2020.

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

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

Name	Number of shares	% of the share capital	Number of votes	% of votes
KS Holdings Ltd*	20,443,127	36.83%	20,443,127	36.83%
ASBISc Enterprises Plc (buy-back program)	325,389	0.59%	325,389	0.59%
Free-float	34,731,484	62.58%	34,731,484	62.58%
TOTAL	**55,500,000**	**100%**	**55,500,000**	**100%**

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

There were no changes in the number of shares possessed by major shareholders during the period between November 5th, 2020 (the date of the publication of the Interim Report for Q3 2020) and the date of this report.

Information on buy-back program realization:

On August 13th, 2019, the Company started to execute on its buy-back program which was approved by the Extraordinary General Meeting of Shareholders held on July 15th, 2019. According to the resolution, the Board of Directors has been authorized to buy-back up to 500,000 shares for a maximum of USD 300,000.

On July 15th, 2020, due to the expiry date, the buy-back program was completed.

Under the buy-back program, the Company purchased 309,000 of own shares. The average unit price of the purchase was PLN 2.52 per share. The purchased package is 0.56% of share capital and gives 309,000 votes (0.56%) at the AGM.

Thus, together with the own shares purchased in the past years at the amount of 16,389, the Company holds in total 325,389 of own shares, representing 0.59% of share capital and giving 325,389 votes (0.59%) at the General Meeting of Shareholders.

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

During the three-month period ended on December 31st, 2020 as well as for the period between November 5th, 2020 (the date of the publication of the Interim Report for Q3 2020) and February 25th, 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%
Yuri Ulasovich	210,000	0.38%
Demos Demou	0	0%
Tasos A. Panteli	0	0%

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

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

10. Changes in the members of managing bodies

During the three-month period ended December 31st, 2020 there were no changes in the members of the Company's Board of Directors.

11. Significant administrative and court proceedings against the Company

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

12. Related party transactions

In the three-month period ended December 31st, 2020 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 at December 31st, 2020 to support its subsidiaries' local financing, amounted to U.S.$ 192,990. The total bank guarantees and letters of credit raised by the Group (mainly to Group suppliers) as at December 31st, 2020 was U.S.$ 51,534 – as per note number 16 to the financial statements.

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

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

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

In the three and twelve month periods ended December 31st, 2020, 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 is still continuing. We are in the second wave, and in some countries in the third wave of this disease, and countries one after the other are imposing measures to weather the situation. The current situation is more difficult from that of the first wave.
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 can not 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, course and 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 can not be certain that all risks are mitigated.

Currency fluctuations
The Company's reporting currency is the U.S. dollar. In 2020 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 phones brokers, who sell opportunistically in any region and/or country

Competition and price pressures from market competitors and new market entrants may lead to significant reductions in the Company's sales prices.
Such pressures may also lead to a loss of market share in certain of the Group's markets. Price pressures can have a material adverse effect on the Company's profit margins and its overall profitability, especially in view of the fact that its gross profit margins, like those of most of its competitors, are low and sensitive to sales price fluctuations.

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 in order to mitigate any reductions in gross margins in the future.
In an effort 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, in particular, 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 as a result 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.
A number of the Company's most significant contracts with its major suppliers contain advantageous contract terms that protect the Company against exposure to price fluctuations, defective products and stock obsolescence.

Credit risk
The Company buys components and finished products from its suppliers on its own account and resells them to its customers. The Company extends credit to some of its customers at terms ranging from 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 the majority 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. 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.

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

Development of own-brand business
The Company's strategy is to focus more on profitability than on revenues, thus we continue to develop the own-brand business that allows for higher gross profit margins. This includes the development of tablets and other product lines that are sold under Prestigio and Canyon brands in all regions of the Company's operations.
The Company has also invested in another own brand, Perenio - which includes the sales of smart-home, smart-security sensors and other products.
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 can not predict if consumers decide to return significant amounts of products.

This situation has much improved in previous years and in the course of the twelve months of 2020.
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 compensation of past expenses.
In the same time, in an effort to avoid such problems in the future, a much more scrutinized selection of suppliers is currently in place, which, however, does not guarantee the elimination of the risk of warranty losses.

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

In the course of the twelve months of 2020, 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.

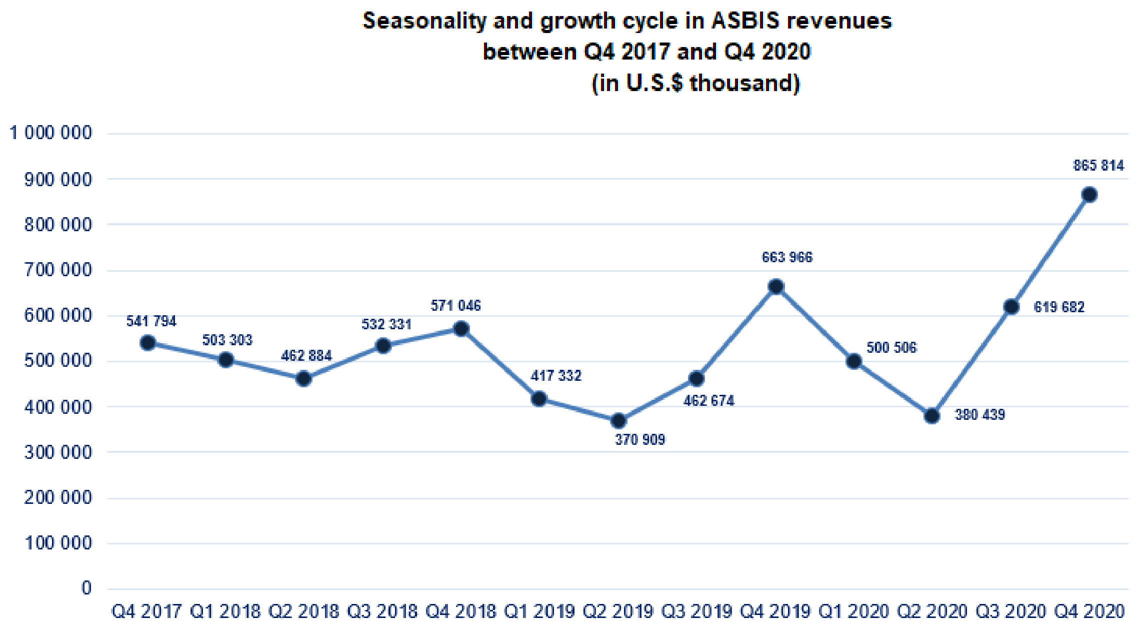
Growing temperatures worldwide may cause a need for more temperature-resilient hardware and appliances and may also result in more hardware malfunctions that may increase warranty claims.

Shortages of specific components in 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.
With the pandemic continuing, this is not expected to change any time 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. $ thousands):

For the three and twelve-month periods ended December 31st, 2020 compared to the three and twelve-month periods ended December 2019:

- **Revenues**: In Q4 2020 revenues much increased by 30.4% to U.S. $ 865,814 from U.S. $ 663,966 in Q4 2019. In Q1-Q4 2020 revenues strongly increased by 23.6% to U.S. $ 2,366,441 from U.S. $ 1,914,881 in Q1-Q4 2019.



- **Gross profit**: In Q4 2020 and Q1-Q4 2020 gross profit has strongly increased compared to the corresponding periods of 2019.

  Gross profit in Q4 2020 skyrocketed to as high as U.S. $ 54,810 from U.S. $ 34,788 in Q4 2019.

  Gross profit in Q1-Q4 2020 strongly increased by 32.8% to U.S. $ 138,285 from U.S. $ 104,146 in Q1-Q4 2019.

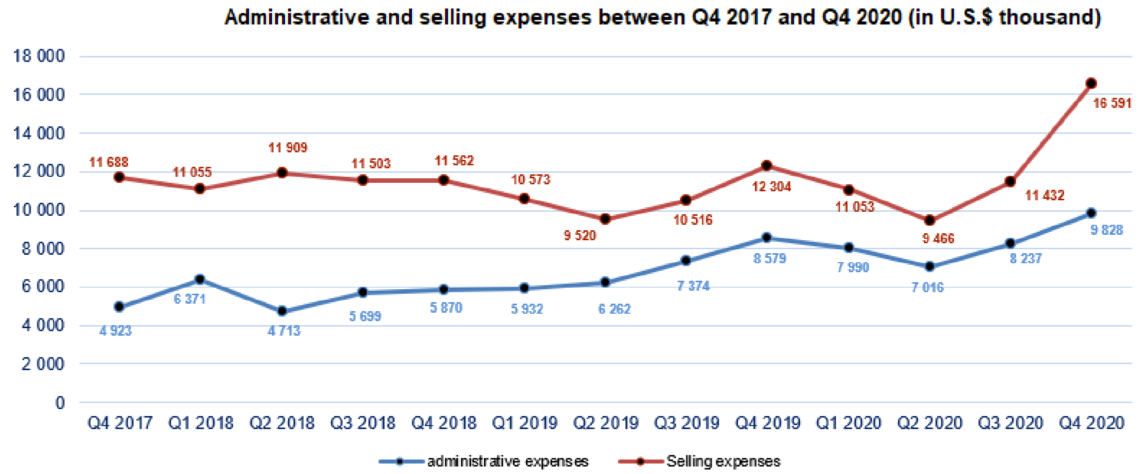
- **Gross profit margin**: Gross profit margin significantly increased both in Q4 2020 and in Q1-Q4 2020 as compared to the corresponding periods of 2019.

  Gross profit margin in Q4 2020 strongly increased to 6.33% from 5.24% in Q4 2019.
  Gross profit margin in Q1-Q4 2020 grew to 5.84% from 5.44% in Q1-Q4 2019.

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

  Selling expenses in Q4 2020 increased by 34.8% to U.S. $ 16,591 from U.S. $ 12,304 in Q4 2019.
  Selling expenses in Q1-Q4 2020 increased by 13.1% to U.S. $ 48,541 from U.S. $ 42,913 in Q1-Q4 2019

- **Administrative expenses** largely comprise of salaries and wages of administrative personnel.
  Administrative expenses in Q4 2020 increased by 14.6% to U.S. $ 9,828 from U.S. $ 8,579 in Q4 2019.
  Administrative expenses in Q1-Q4 2020 increased by 17.5% to U.S. $ 33,071 from U.S. $ 28,147 in Q1-Q4 2019.



- **EBITDA**: In Q4 2020 EBITDA amounted to U.S. $ 29,528 in comparison to U.S. $ 14,872 in Q4 2019 (a super strong improvement of 98.5%).

  EBITDA in Q1-Q4 2020 amounted to U.S. $ 61,061 in comparison to U.S. $ 37,117 in Q1-Q4 2019 (an excellent improvement of 64.5%).

- **Net profit**: Because of an extraordinary increase of sales, operating cost under strict control and lower financial expenses, the Group achieved a historical its net result both in Q4 2020 and Q1-Q4 2020.

  In Q4 2020 net profit after taxation enormously increased by 166.5% to U.S. $ 21,403 as compared to U.S.$ 8,031 in Q4 2019.

  In Q1-Q4 2020 the net profit after tax significantly increased by 139.6% to U.S. $ 36,515 in comparison to U.S. $ 15,240 in Q1-Q4 2019.

Sales by regions and countries

The F.S.U. and the CEE regions traditionally contribute the majority of Group revenues. This has not changed either for Q4 or for the 12M of 2020. In Q4 2020 sales in the F.S.U and in the CEE increased by 28.3% and 10.0% respectively. Sales in the 12M of 2020 in the F.S.U and the CEE also increased by 25.9% and 13.5% accordingly. Following all the above-mentioned changes, the share of the F.S.U in our total revenues increased to 54.50% in the 12M 2020 from 53.50% in the 12M 2019.

Country-by-country analysis confirms the excellent growth rates the Group was able to achieve in all major countries of operations. Growth in F.S.U. has arisen from an improvement in Russia (+39.4% in Q4 2020 and +23.4% in 12M 2020), Ukraine (+8.4% in Q4 2020 and +13.4% in 12M 2020), Kazakhstan (+38.5% in Q4 2020 and +41.9% in 12M 2020) and Belarus (-3.8% in Q4 2020 but +18.3% in 12M 2020). The increase of sales in the F.S.U. region was mostly driven by Apple new products sales and business projects.

At the same time, a robust growth in the CEE is a result of tendencies in the Czech Republic (+31.8% in Q4 2020 and +10.5% in 12M 2020) and in Romania (+10.1% in Q4 2020 and +7.3% in 12M 2020).

Poland generated a growth both in Q4 2020 and 12M 2020 (+2.6% and 42.9% respectively). The growth of sales in Poland was mainly attributed to the sales of CPUs, SSDs and memory modules (RAM).

The MEA result which is mainly determined by revenues in the UAE grew at a pace of +83.8% in Q4 2020 and +26.2% in 12M 2020, as compared to the corresponding periods of 2019.

Sales in Western Europe recorded an increase both in Q4 2020 and 12M 2020 by 6.2% and 6.7% respectively, as compared to the corresponding periods of 2019.

The tables below provide a geographical breakdown of sales in the three and twelve month periods ended 31 December 2020 and 2019 (in U.S.$ thousands).

	Q4 2020		Q4 2019	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Former Soviet Union	491,079	56.72%	382,875	57.66%
Central and Eastern Europe	189,592	21.90%	172,333	25.96%
Middle East and Africa	96,708	11.17%	55,455	8.35%
Western Europe	74,126	8.56%	41,258	6.21%
Other	14,309	1.65%	12,045	1.81%
Total	**865,814**	**100%**	**663,966**	**100%**

	Q1-Q4 2020		Q1-Q4 2019	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Former Soviet Union	1,289,513	54.49%	1,024,436	53.50%
Central and Eastern Europe	574,389	24.27%	505,974	26.42%
Middle East and Africa	279,419	11.81%	217,855	11.38%
Western Europe	171,104	7.23%	127,464	6.66%
Other	52,016	2.20%	39,152	2.04%
Total	**2,366,441**	**100%**	**1,914,881**	**100%**

Revenue breakdown – Top 10 countries in Q4 2020 and Q4 2019 (in U.S. $ thousand)

	Q4 2020		Q4 2019	
	Country	Sales	Country	Sales
1.	Russia	146,106	Ukraine	126,534
2.	Ukraine	137,224	Russia	104,819
3.	Kazakhstan	117,158	Kazakhstan	84,575
4.	United Arab Emirates	68,167	Slovakia	66,680
5.	Slovakia	60,258	Belarus	47,335
6.	Belarus	45,528	United Arab Emirates	37,089
7.	Czech Republic	32,422	Czech Republic	24,592
8.	Germany	31,947	Poland	24,381
9.	Poland	25,027	The Netherlands	22,391
10.	Romania	18,796	Romania	17,066

Revenue breakdown – Top 10 countries in Q1-Q4 2020 and Q1-Q4 2019 (in U.S. $ thousand)

	Q1-Q4 2020		Q1-Q4 2019	
	Country	Sales	Country	Sales
1.	Russia	434,334	Russia	352,071
2.	Ukraine	352,350	Ukraine	310,763
3.	Kazakhstan	248,381	Slovakia	177,946
4.	United Arab Emirates	189,360	Kazakhstan	175,023
5.	Slovakia	177,063	United Arab Emirates	150,010
6.	Belarus	147,874	Belarus	124,995
7.	Czech Republic	85,934	Czech Republic	77,803
8.	Poland	71,164	Romania	55,109
9.	The Netherlands	66,795	The Netherlands	50,958
10.	Romania	59,135	Poland	49,783

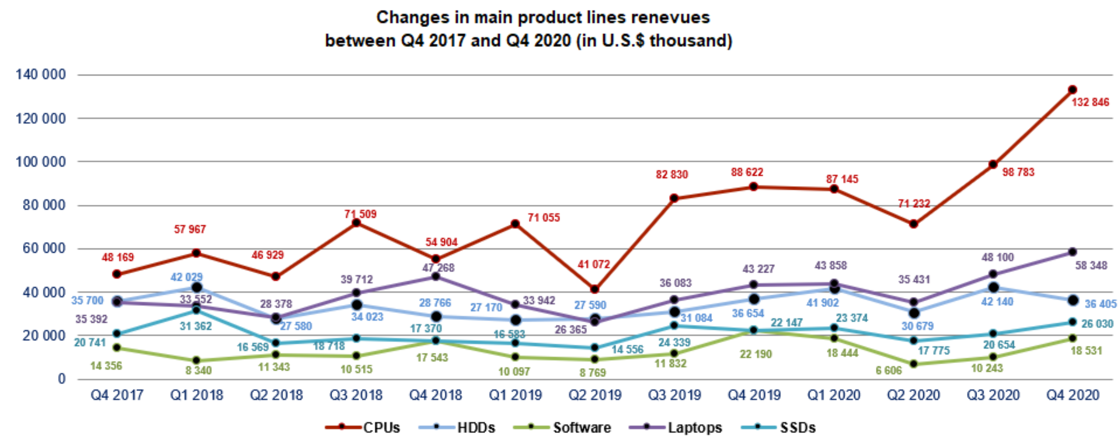
Sales by product lines

ASBIS remains the distributor of first choice for many worldwide suppliers.

During the Q4 2020, most of major product lines of the Group have noticed a significant growth on a year-on-year basis. All changes in our product portfolio comply with our main focus, which is the increase in margins and profitability.

The period of the twelve months of 2020 has shown that ASBIS had no issue in significantly raising its revenues despite the ongoing COVID-19 outbreak. ASBIS has proved that thanks to its effective strategy it can quickly adapt to the new market conditions and generate strong results.

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



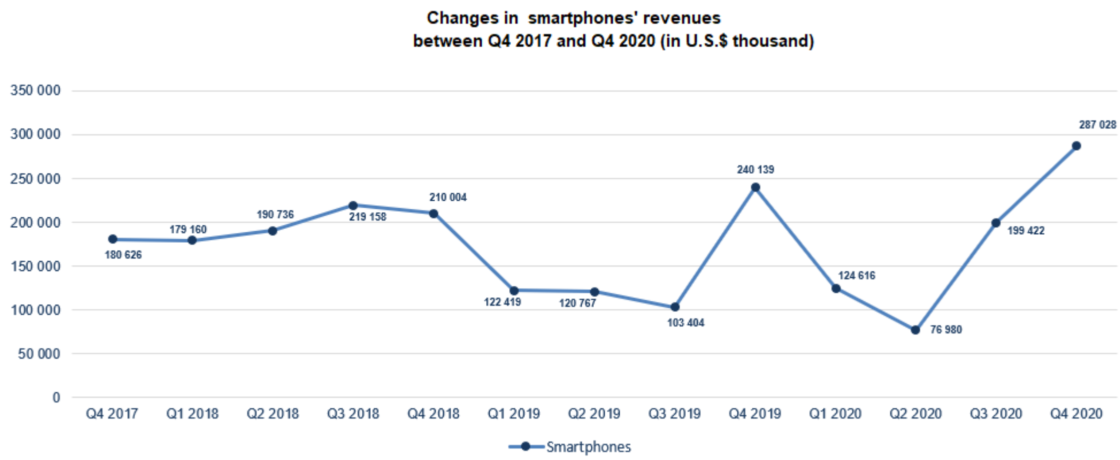
In Q4 2020 and 12M of 2020 the main drivers for our strong growth in revenues were accessories & multimedia, CPUs and smartphones.

On a year on year basis revenues from CPUs increased by 50.0% in Q4 2020 and 37.5% in the 12M 2020. Sales of HDDs declined by 0.7% in Q4 2020 but grew by 23.4% in the 12M 2020. Laptops business increased by 35% in Q4 2020 and 33% in the 12M 2020. Revenues from SSDs increased by 17.5% in Q4 2020 and 13.1% in the 12M 2020.

PC desktop business grew by 14.8% in Q4 2020 and 7.2% in the 12M 2020. The tablet segment recorded a 7.8% and 5% increase in Q4 2020 and 12M 2020 respectively.

Among other product lines, the Company recorded a positive trend in Q4 2020 and in the 12M of 2020 on the sale of accessories & multimedia (+ 93.2% and + 48.2%) and servers and server blocks (+ 14.8% and + 20.9%).

The chart below indicates the trends in smartphones sales



Sales of smartphones, which contribute the majority of our revenues increased in Q4 2020 by 19.5% and 17.3% in the 12M of 2020, as compared to the corresponding periods of 2019.

The table below sets a breakdown of revenues, by product lines, for Q4 2020 and Q4 2019 (in U.S. $ thousand)

	Q4 2020		Q4 2019	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Smartphones	287,028	33.15%	240,139	36.17%
Central processing units (CPUs)	132,846	15.34%	88,622	13.35%
Accessories & multimedia	126,727	14.64%	65,598	9.88%
PC-mobile (laptops)	58,348	6.74%	43,227	6.51%
Hard disk drives (HDDs)	36,405	4.20%	36,654	5.52%
Servers and server blocks	35,542	4.11%	30,963	4.66%
SSDs	26,030	3.01%	22,147	3.34%
PC tablet	22,164	2.56%	20,555	3.10%
Peripherals	21,106	2.44%	12,215	1.84%
Networking products	20,812	2.40%	18,948	2.85%
Other	98,806	11.41%	84,898	12.79%
Total revenue	**865,814**	**100%**	**663,966**	**100%**

The table below sets a breakdown of revenues, by product lines, for Q1-Q4 2020 and Q1-Q4 2019

	Q1-Q4 2020		Q1-Q4 2019	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Smartphones	688,047	29.08%	586,730	30.64%
Central processing units (CPUs)	390,007	16.48%	283,579	14.81%
Accessories & multimedia	304,795	12.88%	205,683	10.74%
PC-mobile (laptops)	185,738	7.85%	139,617	7.29%
Hard disk drives (HDDs)	151,126	6.39%	122,498	6.40%
Servers and server blocks	108,416	4.58%	89,681	4.68%
SSDs	87,832	3.71%	77,625	4.05%
Networking products	63,451	2.68%	58,053	3.03%
PC tablet	58,777	2.48%	55,959	2.92%
PC desktop	55,409	2.34%	51,693	2.70%
Other	272,843	11.53%	243,763	12.73%
Total revenue	**2,366,441**	**100%**	**1,914,881**	**100%**

Liquidity and Capital Resources

The Company has in the past funded its liquidity requirements, including ongoing operating expenses and capital expenditures and investments, for the most part, through operating cash flows, debt financing and equity financing.

Cash flow for Q4 2020 and the 12 months of 2020 has been impacted by strong revenue growth, improved working capital utilization and final and interim dividend payout. Nevertheless, cash from operations in the 12M 2020 has strongly improved year –on–year by more than U.S.$ 12 million.

The following table presents a summary of cash flows for the twelve months ended December 31st, 2020 and 2019 (in U.S. $ thousand):

	Twelve months ended December 31st	
	2020	**2019**
Net cash inflows from operating activities	41,930	29,491
Net cash outflows from investing activities	(4,755)	(3,640)
Net cash outflows from financing activities	(1,798)	(5,653)
Net increase in cash and cash equivalents	35,377	20,198

Net cash inflows from operations

Net cash inflows from operations amounted to U.S. $ 41,930 for the twelve months of 2020, compared to inflows of U.S. $ 29,491 in the corresponding period of 2019.

Net cash outflows from investing activities

Net cash outflows from investing activities were U.S. $ 4,755 for the twelve months of 2020, compared to outflows of U.S. $ 3,640 in the corresponding period of 2019.

Net cash outflows from financing activities

Net cash outflows from financing activities were U.S. $ 1,798 for the twelve months of 2020, compared to outflows of U.S. $ 5,653 in the corresponding period of 2019.

Net increase in cash and cash equivalents

As a result of a higher profitability and increased working capital efficiency, in Q1-Q4 2020 cash and cash equivalents have increased by U.S. $ 35,377 as compared to an increase of U.S. $ 20,198 in the corresponding period of 2019.

16. Factors which may affect our results in the future

Covid-19 update

During the 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 in 2020, we are ready to take more actions following any developments over this situation.

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

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

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

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 the Q4 2020 and in Q1-Q4 2020 as compared to the corresponding periods of 2019 was a result of the current Company's strategy to focus mostly on high margin products.

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

Currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. We have been successfully shielded by our hedging policy in the 12M of 2020. Therefore, the hedging strategy should be followed and further improved without any exception in the course of 2021.

Ability of the Group to control expenses

Selling and administrative expenses in total increased in Q4 2020 and for the 12M of 2020 by 26.5% and 14.5% respectively as compared to corresponding periods of 2019. This was a result of the strong increase in revenues and gross profit and investments made in human capital in all regions of our operations.

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

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

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

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

Ability to cover warranty claims from customers

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

As a result, we have not faced any specific problems in this area in Q4 and Q1-Q4 2020. However, we need to be constantly overlooking and analysing the situation to avoid any possible losses.

17. Information about important events that occurred after the period ended on December 31st, 2020 and before this report release.

According to our best knowledge, in the period between December 31st, 2020 and February 25th, 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 Interim Condensed Consolidated Financial Statements for the period ended December 31st, 2020

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ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 DECEMBER 2020

(in thousands of US$)

	Note	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Revenue	4,23	865,814	663,966	2,366,441	1,914,881
Cost of sales		(811,004)	(629,178)	(2,228,156)	(1,810,735)
Gross profit		54,810	34,788	138,285	104,146
Selling expenses		(16,591)	(12,304)	(48,541)	(42,913)
Administrative expenses		(9,828)	(8,579)	(33,071)	(28,147)
Profit from operations		28,391	13,905	56,673	33,086
Financial income	7	2,599	1,435	4,319	3,488
Financial expenses	7	(5,555)	(5,625)	(16,708)	(17,662)
Net finance costs		(2,956)	(4,190)	(12,389)	(14,174)
Other gains and losses	5	103	(28)	377	(33)
Share of profit/(loss) of equity-accounted investees	11	6	(8)	6	(25)
Negative goodwill on acquisition of subsidiary		-	-	-	111
Profit before tax	6	25,544	9,679	44,667	18,965
Taxation	8	(4,141)	(1,648)	(8,152)	(3,725)
Profit for the period		21,403	8,031	36,515	15,240
Attributable to:					
Equity holders of the parent		21,370	8,026	36,517	15,257
Non-controlling interests		33	5	(2)	(17)
		21,403	8,031	36,515	15,240
		US$ cents	US$ cents	US$ cents	US$ cents
Earnings per share					
Basic and diluted from continuing operations		38.51	14.46	65.80	27.49

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 DECEMBER 2020

(in thousands of US$)

	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Profit for the period	21,403	8,031	36,515	15,240
Other comprehensive income				
Exchange difference on translating foreign operations	1,751	673	384	(38)
Reclassification adjustments relating to foreign operations liquidated in the period	-	-	-	10
Other comprehensive income for the period	1,751	673	384	(28)
Total comprehensive income for the period	23,154	8,704	36,899	15,212
Total comprehensive income attributable to:				
Equity holders of the parent	23,121	8,694	36,877	15,234
Non-controlling interests	33	10	22	(22)
	23,154	8,704	36,899	15,212

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

(in thousands of US$)

	Note	As at 31 December 2020 US$	As at 31 December 2019 US$
ASSETS			
Non-current assets			
Property, plant and equipment	9	32,728	29,680
Intangible assets	10	2,418	2,593
Equity-accounted investees	11	827	227
Goodwill	27	629	591
Deferred tax assets	20	466	227
Total non-current assets		37,068	33,318
Current assets			
Inventories	12	277,557	266,039
Trade receivables	13	295,845	212,168
Other current assets	14	19,141	16,035
Derivative financial asset	25	199	945
Current taxation	8	204	595
Cash at bank and in hand	26	158,898	103,687
Total current assets		751,844	599,469
Total assets		788,912	632,787
EQUITY AND LIABILITIES			
Equity			
Share capital	15	11,100	11,100
Share premium		23,518	23,518
Retained earnings and other components of equity		100,725	73,323
Equity attributable to owners of the parent		135,343	107,941
Non-controlling interests		295	254
Total equity		135,638	108,195
Non-current liabilities			
Long-term borrowings	17	5,729	3,338
Other long-term liabilities	18	732	635
Deferred tax liabilities	20	306	511
Total non-current liabilities		6,767	4,484
Current liabilities			
Trade payables		336,010	321,277
Trade payables factoring facilities	29	51,403	29,106
Other current liabilities	21	92,369	59,036
Short-term borrowings	16	160,962	107,173
Derivative financial liability	24	883	2,082
Current taxation	8	4,880	1,434
Total current liabilities		646,507	520,108
Total liabilities		653,274	524,592
Total equity and liabilities		788,912	632,787

The financial statements were approved by the Board of Directors on 24th February 2021.

....	....
Siarhei Kostevitch	**Marios Christou**
Director	**Director**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020
(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 2019	11,100	23,518	(14)	(11,334)	75,688	98,958	276	99,234
Profit/(loss) for the period 1 January 2019 to 31 December 2019	-	-	-	-	15,257	15,257	(17)	15,240
Other comprehensive loss for the period 1 January 2019 to 31 December 2019	-	-	-	(23)	-	(23)	(5)	(28)
Payment of final dividend	-	-	-	-	(6,089)	(6,089)	-	(6,089)
Acquisition of treasury shares	-	-	(162)	-	-	(162)	-	(162)
Balance at 31 December 2019	11,100	23,518	(176)	(11,357)	84,856	107,941	254	108,195
Profit/(loss) for the period 1 January 2020 to 31 December 2020	-	-	-	-	36,517	36,517	(2)	36,515
Other comprehensive profit for the period 1 January 2020 to 31 December 2020	-	-	-	360	-	360	24	384
Payment of final dividend	-	-	-	-	(9,439)	(9,439)	-	(9,439)
Minority interest on establishment of new subsidiary	-	-	-	-	-	-	19	19
Acquisition of treasury shares	-	-	(36)	-	-	(36)	-	(36)
Balance at 31 December 2020	11,100	23,518	(212)	(10,997)	111,934	135,343	295	135,638

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2020
(in thousands of US$)

	Note	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Profit for the period before tax and minority interest		25,544	9,679	44,667	18,965
Adjustments for:					
Exchange difference arising on consolidation		1,027	202	(40)	(850)
Depreciation of property, plant and equipment	9	855	828	3,388	2,998
Amortization of intangible assets	10	282	139	999	1,033
Impairment loss on intangible assets	5	-	174	39	315
Provision for slow moving and obsolete stock		2,322	225	1,409	554
Share of (profit)/loss of equity-accounted investees		(6)	8	(6)	25
Loss/(profit) from the sale of property, plant and equipment and intangible assets	5	14	114	(24)	96
Provision for bad debts and receivables written off		(130)	(1,874)	478	(1,835)
Bad debts recovered	5	(15)	(77)	(24)	(80)
Impairment of investments in associates		-	-	-	152
Interest received	7	(21)	(80)	(231)	(249)
Interest paid		1,194	1,156	4,308	4,643
Operating profit before working capital changes		31,066	10,494	54,963	25,767
Increase in inventories		(34,723)	(55,780)	(12,926)	(86,383)
Increase in trade receivables		(95,182)	(13,941)	(84,131)	(35,675)
Increase/(decrease) in other current assets		(1,423)	1,014	(2,359)	967
Increase in trade payables		58,433	103,320	14,734	113,132
Increase/(decrease) in trade payables factoring facilities		26,910	3,084	22,297	(998)
Increase in other current liabilities		22,646	6,236	32,095	14,076
Increase/(decrease) in other non-current liabilities		26	(14)	97	57
Increase in factoring creditors		36,045	3,946	25,858	7,054
Cash inflows from operations		43,798	58,359	50,628	37,997
Interest paid	7	(1,103)	(1,156)	(3,948)	(4,643)
Taxation paid, net	8	(1,479)	(1,710)	(4,750)	(3,863)
Net cash inflows from operating activities		41,216	55,493	41,930	29,491

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2020

(in thousands of US$)

	Note	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Cash flows from investing activities					
Purchase of intangible assets	10	(242)	(219)	(808)	(515)
Purchase of property, plant and equipment		(682)	(644)	(3,608)	(2,355)
Payment for purchase of investments in subsidiaries		-	-	-	(1,045)
Net payment from acquisition of investments in associate/FVOCI		(594)	-	(594)	-
(Write-offs)/proceeds from sale of property, plant and equipment and intangible assets		(14)	7	24	26
Interest received	7	21	80	231	249
Net cash outflows from investing activities		(1,511)	(776)	(4,755)	(3,640)
Cash flows from financing activities					
Acquisition of treasury shares		-	(41)	(36)	(162)
Payment of final dividend		(5,301)	(3,314)	(9,439)	(6,089)
(Repayments)/proceeds of long-term loans and long-term lease liabilities		(319)	380	194	332
(Repayments)/proceeds of short-term borrowings and short-term lease liabilities		(2,826)	(7,639)	7,483	266
Net cash outflows from financing activities		(8,446)	(10,614)	(1,798)	(5,653)
Net increase in cash and cash equivalents		31,259	44,103	35,377	20,198
Cash and cash equivalents at beginning of the period		82,424	34,204	78,306	58,109
Cash and cash equivalents at end of the period	26	113,683	78,307	113,683	78,307

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

(in thousands of US$)

1. Incorporation and principal activities

Asbisc Enterprises Plc (the "Company or "the parent Company") was incorporated in Cyprus on 9 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 30th 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 2019. 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 2019.

These interim financial statements were authorized for issue by the Company's Board of Directors on 24th of February 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 2019.

3. Significant accounting policies

The accounting policies adopted for the preparation of the condensed consolidated interim financial statements for the twelve months ended 31 December 2020 are consistent with those followed for the preparation of the annual financial statements for the year 2019 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 2020. 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 twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Sales of goods	2,337,973	1,890,230
Sales of optional warranty	615	165
Sales of licenses	23,028	16,346
Rendering of services	4,825	8,140
	2,366,441	1,914,881

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.

(in thousands of US$)

5. Other gains and losses

	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
(Loss)/profit on disposal of property, plant and equipment	(14)	(114)	24	(96)
Other income	79	304	290	404
Bad debts recovered	15	77	24	80
Rental income	23	31	78	46
Impairment - investments in associates	-	(152)	-	(152)
Impairment loss on goodwill	-	(174)	(39)	(315)
	103	(28)	377	(33)

6. Profit before tax

	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Profit before tax is stated after charging:				
(a) Amortization of intangible assets (Note 10)	282	139	999	1,033
(b) Depreciation (Note 9)	855	828	3,388	2,998
(c) Auditors' remuneration	126	118	432	390
(d) Directors' remuneration – executive (Note 28)	485	179	1,033	654
(e) Directors' remuneration – non-executive (Note 28)	7	7	28	23

7. Financial expense, net

	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Financial income				
Interest income	21	80	231	249
Other financial income	1,167	1,355	2,976	3,239
Net exchange gain	1,411	-	1,112	-
	2,599	1,435	4,319	3,488
Financial expense				
Bank interest	1,103	1,156	3,948	4,643
Bank charges	1,337	894	3,533	2,736
Derivative charges	318	431	1,102	1,827
Interest on lease liabilities	92	88	360	297
Factoring interest	2,071	1,848	5,558	5,437
Factoring charges	99	101	358	315
Other financial expenses	50	2	143	22
Other interest	485	505	1,706	2,301
Net exchange loss	-	600	-	84
	5,555	5,625	16,708	17,662
Net	(2,956)	(4,190)	(12,389)	(14,174)

(in thousands of US$)

8. Tax

	As at 31 December 2020 US$	As at 31 December 2019 US$
Payable balance 1 January	839	1,411
Provision for the year	8,544	3,708
Under/(over) provision of prior year	40	(400)
Exchange difference on retranslation	3	(16)
Amounts paid, net	(4,750)	(3,863)
Net payable balance 31 December	4,676	839

	As at 31 December 2020 US$	As at 31 December 2019 US$
Tax receivable	(204)	(595)
Tax payable	4,880	1,434
Net	4,676	839

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

	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Provision for the period	4,520	1,758	8,544	3,708
Under/(over) provision of prior years	23	(400)	40	(400)
Deferred tax charge (Note 20)	(402)	290	(432)	417
Charge for the period	4,141	1,648	8,152	3,725

The taxation charge of the Group comprises corporation tax charge in Cyprus on the taxable profits of the Company and those of its subsidiaries which are subject to tax in Cyprus and corporation tax in other jurisdictions on the results of the foreign subsidiary companies.

(in thousands of US$)

9. Property, plant and equipment

	Land and buildings US$	Computer hardware US$	Warehouse machinery US$	Motor vehicles US$	Furniture and fittings US$	Office equipment US$	Total US$
Cost							
At 1 January 2019	24,820	6,746	416	2,124	2,892	3,589	40,587
Adjustment on transition to IFRS 16	3,771	-	-	722	-	-	4,493
Additions	863	762	139	247	39	277	2,327
Disposals	(235)	(397)	(31)	(98)	(73)	(119)	(953)
Foreign exchange difference on retranslation	469	139	-	114	(52)	92	762
At 31 December 2019	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
Accumulated depreciation							
At 1 January 2019	4,275	5,283	244	1,254	2,015	2,266	15,337
Charge for the year	1,532	503	167	484	37	275	2,998
Disposals	(235)	(397)	(31)	(98)	(9)	(119)	(889)
Foreign exchange difference on retranslation	69	58	-	(5)	(22)	(10)	90
At 31 December 2019	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
Net book value							
At 31 December 2020	25,806	2,022	224	2,337	845	1,494	32,728
At 31 December 2019	24,047	1,803	144	1,474	785	1,427	29,680

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

(in thousands of US$)

9. Property, plant and equipment (continued)

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:	**As at 31 December 2020 US$**	**As at 31 December 2019 US$**
Land and buildings	5,055	3,913
Motor vehicles	1,114	550
Total right-of-use assets	6,169	4,463

10. Intangible assets

	Computer software US$	**Patents and licenses US$**	**Total US$**
Cost			
At 1 January 2019	9,746	2,383	12,129
Additions	514	1	515
Disposals/ write-offs	(112)	(1,100)	(1,212)
Foreign exchange difference on retranslation	(11)	(3)	(14)
At 31 December 2019	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
Accumulated amortization			
At 1 January 2019	7,124	1,937	9,061
Charge for the year	802	231	1,033
Disposals/ write-offs	(112)	(1,043)	(1,155)
Foreign exchange difference on retranslation	(114)	-	(114)
At 31 December 2019	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
Net book value			
At 31 December 2020	1,947	471	2,418
At 31 December 2019	2,437	156	2,593

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

(in thousands of US$)

11. Equity-accounted investees

	As at 31 December 2020 US$	As at 31 December 2019 US$
Cost		
At 1 January	274	366
Additions (i), (ii)	594	227
Full acquisition of investment in associate (iii), (iv)	-	(319)
At 31 December	868	274
Accumulated share of loss from equity-accounted investees		
At 1 January	(47)	(30)
Share of profit/(loss) from equity-accounted investees during the year	6	(25)
Exchange difference	-	8
At 31 December	(41)	(47)
Carrying amount of equity-accounted investees	827	227

(i) In January 2020, the Company acquired 40% shareholding in Clevetura LLC, for the consideration of US$ 594. The investment is accounted for as an associate.

(ii) In April 2019, the Company acquired 50% shareholding in Redmond Europe Ltd, for the consideration of US$ 227. The investment is accounted for as a joint venture.

(iii) In July 2019, the Company acquired the remaining 60% shareholding of ASBC LLC (Georgia) and the investment was derecognized from associate.

(iv) In July 2019, the Company acquired the remaining 75% shareholding of ALC Avectis and the investment was derecognized from associate.

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 31 December 2021. In addition, the Group acquired services for the total amount of US$435 from the associate.

12. Inventories

	As at 31 December 2020 US$	As at 31 December 2019 US$
Goods in transit	55,119	50,309
Goods held for resale	227,746	219,459
Provision for slow moving and obsolete stock	(5,308)	(3,729)
	277,557	266,039

As at 31 December 2020, inventories pledged as security for financing purposes amounted to US$ 73,274 (2019: US$ 72,470). Inventory written off during the year recognized in profit or loss was US$ nil (2019: US$ nil).

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

	As at 31 December 2020 US$	As at 31 December 2019 US$
On 1 January	3,728	3,182
Provisions for the year	3,105	1,361
Provided stock written-off	(1,695)	(807)
Exchange difference	170	(7)
On 31 December	5,308	3,728

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

(in thousands of US$)

13. Trade receivables

	As at 31 December 2020 US$	As at 31 December 2019 US$
Trade receivables	297,942	213,825
Allowance for doubtful debts	(2,097)	(1,657)
	295,845	212,168

Movement in provision for doubtful debts:

	As at 31 December 2020 US$	As at 31 December 2019 US$
On 1 January	1,657	3,545
Provisions for the year	1,226	904
Amount written-off as uncollectible	(749)	(2,739)
Bad debts recovered	(24)	(80)
Exchange difference	(13)	27
On 31 December	2,097	1,657

As at 31 December 2020, receivables of the Group that have been assigned as security for financing purposes amounted to US$ 66,884 (2019: US$ 78,672).

14. Other current assets

	As at 31 December 2020 US$	As at 31 December 2019 US$
Deposits and advances to service providers	554	733
Employee floats	172	584
VAT and other taxes refundable	14,065	7,900
Other debtors and prepayments	4,350	6,818
	19,141	16,035

15. Share capital

	As at 31 December 2020 US$	As at 31 December 2019 US$
Authorized		
63,000,000 (2019: 63,000,000) shares of US$ 0.20 each	12,600,000	12,600,000
Issued and fully paid		
55,500,000 (2019: 55,500,000) ordinary shares of US$ 0.20 each	11,100,000	11,100,000

(in thousands of US$)

16. Short-term borrowings

	As at 31 December 2020 US$	As at 31 December 2019 US$
Bank overdrafts (Note 26)	45,215	25,380
Current portion of long-term loans	61	176
Bank short-term loans	34,256	26,089
Current lease liabilities (Note 19)	1,373	1,329
Total short-term debt	80,905	52,974
Factoring creditors	80,057	54,199
	160,962	107,173

Summary of borrowings and overdraft arrangements

As at 31 December 2020 the Group enjoyed factoring facilities of US$ 117,775 (31 December 2019 US$ 118,035).

In addition, the Group as at 31 December 2020 had the following financing facilities with banks in the countries that the Company and its subsidiaries are operating:

- overdraft lines of US$ 111,439 (31 December 2019: US$ 97,398)
- short term loans/revolving facilities of US$ 52,939 (31 December 2019: US$ 42,700)
- bank guarantee and letters of credit lines of US$ 52,183 (31 December 2019: US$ 41,266)

The Group had for the period ending 31 December 2020 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 8.0% (for 2019: 7.6%)

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$ 33,322 (31 December 2019: US$ 27,485)

17. Long-term borrowings

	As at 31 December 2020 US$	As at 31 December 2019 US$
Bank loans	523	35
Non-current lease liabilities (Note 19)	5,206	3,303
	5,729	3,338

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

(in thousands of US$)

18. Other long-term liabilities

	As at 31 December 2020 US$	As at 31 December 2019 US$
Other long-term liabilities	732	635

19. Lease liabilities

	As at 31 December 2020 US$	As at 31 December 2019 US$
Current lease liabilities (Note 16)	1,373	1,329
Non-current lease liabilities (Note 17)	5,206	3,303
	6,579	4,632

20. Deferred tax

	As at 31 December 2020 US$	As at 31 December 2019 US$
Debit balance on 1 January	284	(99)
Deferred tax charge for the year (Note 8)	(432)	417
Exchange difference on retranslation	(12)	(34)
At 31 December	(160)	284

	As at 31 December 2020 US$	As at 31 December 2019 US$
Deferred tax assets	(466)	(227)
Deferred tax liabilities	306	511
Net deferred tax assets	(160)	284

21. Other current liabilities

	As at 31 December 2020 US$	As at 31 December 2019 US$
Salaries payable and related costs	3,103	2,406
VAT payable	9,413	6,332
Accruals and deferred income	56,041	31,408
Non-trade accounts payable	5,974	5,344
Provision for marketing	11,935	8,973
Provision for warranties	5,903	4,573
	92,369	59,036

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

(in thousands of US$)

22. Commitments and contingencies

As at 31 December 2020 the Group was committed in respect of purchases of inventories of a total cost value of US$ 35,109 (31 December 2019: US$ 12,684) which were in transit at 31 December 2020 and delivered in January 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 year end.

As at 31 December 2020 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$ 52,183 (31 December 2019: US$ 41,266).

As at the 31 December 2020 the Group had no other capital or legal commitments and contingencies.

23. Operating segments

1.1 Reportable segments

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

1.2 Segment revenues

	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Former Soviet Union	491,079	382,875	1,289,513	1,024,436
Central Eastern Europe	189,592	172,333	574,389	505,974
Middle East & Africa	96,708	55,455	279,419	217,855
Western Europe	74,127	41,258	171,104	127,464
Other	14,308	12,045	52,016	39,152
	865,814	663,966	2,366,441	1,914,881

1.3 Segment results

	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Former Soviet Union	15,997	5,354	29,275	16,411
Central Eastern Europe	7,434	2,641	14,500	9,839
Western Europe	1,376	1,140	3,354	2121
Middle East & Africa	3,380	4,175	7,016	3,980
Other	204	595	2,528	735
Profit from operations	28,391	13,905	56,673	33,086
Net financial expenses	(2,956)	(4,190)	(11,389)	(14,174)
Share of profit/(loss) from equity-accounted investees	6	(8)	6	(25)
Negative goodwill and goodwill written off, net	-	-	-	111
Other gains and losses	103	(28)	377	(33)
Profit before taxation	25,544	9,679	44,667	18,965

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

(in thousands of US$)

23. Operating segments (continued)

1.4 Segment capital expenditure (CAPEX)

	As at 31 December 2020 US$	As at 31 December 2019 US$
Former Soviet Union	8,491	7,794
Central Eastern Europe	14,943	12,946
Middle East & Africa	3,745	3,318
Unallocated	8,596	8,806
	35,775	32,864

1.5 Segment depreciation and amortization

	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Former Soviet Union	340	353	1,488	1,198
Central Eastern Europe	323	282	1,169	1,048
Middle East & Africa	50	62	199	215
Unallocated	424	181	1,531	1,570
	1,137	878	4,387	4,031

1.6 Segment assets

	As at 31 December 2020 US$	As at 31 December 2019 US$
Former Soviet Union	453,802	366,466
Central Eastern Europe	69,654	91,037
Middle East & Africa	65,653	45,356
Western Europe	125,934	74,245
Total	715,043	577,104
Assets allocated in capital expenditure (1.4)	35,776	32,864
Other unallocated assets	38,093	22,819
Consolidated assets	788,912	632,787

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.

(in thousands of US$)

24. Derivative financial liability

	As at 31 December 2020 US$	As at 31 December 2019 US$
Derivative financial liabilities carried at fair value through profit or loss		
Foreign currency derivative contracts	883	2,082

25. Derivative financial asset

	As at 31 December 2020 US$	As at 31 December 2019 US$
Derivative financial assets carried at fair value through profit or loss		
Foreign currency derivative contracts	199	945

26. Cash and cash equivalents

	As at 31 December 2020 US$	As at 31 December 2019 US$
Cash at bank and in hand	158,898	103,687
Bank overdrafts (Note 16)	(45,215)	(25,380)
	113,683	78,307

The cash at bank and in hand balance includes an amount of US$ 33,322 (31 December 2019: US$ 27,485) which represents pledged deposits against financial facilities granted and margin accounts for foreign exchange hedging.

27. Goodwill

	As at 31 December 2020 US$	As at 31 December 2019 US$
At 1 January	591	400
Additions	39	515
Impairment loss (note ii)	(39)	(315)
Foreign exchange difference on retranslation	38	(9)
At 31 December (note i)	629	591

(in thousands of US$)

27. Goodwill (continued)

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

	As at 31 December 2020 US$	As at 31 December 2019 US$
OOO Must	201	201
ASBIS d.o.o. (BA)	428	390
	629	591

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

	As at 31 December 2020 US$	As at 31 December 2019 US$
Vizuatika LLC	-	(13)
Vizuators LLC	-	(1)
OOO IT Training	-	(4)
OOO Aksiomtech	-	(123)
ASBC LLC	-	(174)
iPoint Kazakhstan LLP	-	-
	-	(315)

28. Transactions and balances of key management

	For the three months ended 31 December 2020 US$	For the three months ended 31 December 2019 US$	For the twelve months ended 31 December 2020 US$	For the twelve months ended 31 December 2019 US$
Director's remuneration - executive (Note 6)	485	179	1,033	654
Director's remuneration - non-executive (Note 6)	7	7	28	23
	492	186	1,061	677

29. Trade payables factoring facilities

	As at 31 December 2020 US$	As at 31 December 2019 US$
Trade payables factoring facilities	51,403	29,106

(in thousands of US$)

30. Business combinations

1. Acquisitions

1.1 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, Café-Connect LLC, TOO "ASNEW" and Breezy Ltd by means of the entity's incorporation.

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%
Café-Connect LLC	Information Technology	10 September 2020	100%	100%
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%

Acquisitions of subsidiaries to 31 December 2019

During the year ended 31 December 2019, the Group has acquired 75% of the share capital of Vizuatika LLC and Vizuators LLC, the remaining 60% of the ASBC LLC and 100% of share capital of OOO Aksiomtech, OOO IT Training, OOO Must, ALC Avectis, i-Care LLC and Center of excellence in Education for executives and specialists in Information Technology.

Name of entity	Type of operations	Date acquired	% acquired	% owned
Vizuatika LLC	Information Technology	28 March 2019	75%	75%
Vizuators LLC	Information Technology	28 March 2019	75%	75%
ALC Avectis	Information Technology	12 July 2019	100%	100%
ASBC LLC	Information Technology	31 July 2019	60%	100%
OOO Avectis (former OOO Aksiomtech)	Information Technology	12 July 2019	100%	100%
OOO IT Training	Educational and training Services	7 August 2019	100%	100%
Center of excellence in Education for executives and specialists in Information Technology	Educational Institution	7 August 2019	100%	100%
OOO Must	Information Technology	30 August 2019	100%	100%
i-Care LLC	Information Technology	1 November 2019	100%	100%

(in thousands of US$)

1.1.b. Acquired assets and liabilities

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

	As at 31 December 2020 US$	As at 31 December 2019 US$
Tangible and intangible assets	233	504
Inventories	200	12,670
Receivables	71	13,289
Other non-current assets	15	31
Other receivables	1	3,333
Short-term loans	(15)	(3,080)
Payables	(321)	(2,721)
Other payables and accruals	(135)	(24,146)
Other non-current liabilities	-	(1)
Cash and cash equivalents	101	558
Net identifiable assets	**150**	**437**
Share of loss previously recognized as investment in associate	-	48
Group's interest in net assets acquired	**150**	**489**
Impairment of investment in associate on the acquisition	-	152
Total purchase consideration	(190)	(1,045)
Net loss	**(39)**	**(404)**
Negative goodwill credited in income statement	-	(111)
Impairment loss on Goodwill	39	141
Goodwill capitalized in statement of financial position	**-**	**(374)**

2. Disposals

2.1. 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%

2.1. Disposals of subsidiaries to 31 December 2019

During the period the following Group's subsidiaries went into liquidation. No gain or loss arose on the event.

Name of disposed entity	Type of operations	Date liquidated	% liquidated
Asbis Limited	Information Technology	25 January 2019	100%
ASBIS Cloud Ltd	Information Technology	12 July 2019	100%
OOO IT Training	Information Technology	27 November 2019	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 Company's/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).