

**INTERIM REPORT
FOR THE SIX MONTHS
ENDED 30 JUNE 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 six-month 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 six-month report contains financial statements of, and financial information relating to the Group. In particular, this six-month report contains our interim consolidated financial statements for the six months ended 30 June 2021. The financial statements appended to this six-month 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 six-month 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 six-month report may not conform exactly to the total figure given for that column or row.

Currency Presentation

Unless otherwise indicated, all references in this six month 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 six-month 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 six-month 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 six-month 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 six-month report.

Part I Interim Management Report

1. Overview

ASBISc Enterprises Plc is one of the leading distributors of Information Technology ("IT") products in Europe, the 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 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 six-month periods ended June 30th, 2021

After the record-breaking Q1 2021, ASBIS continued its fast-growing mode for a fourth consecutive quarter and to-date it is not showing signs of slowing down.

During Q2 2021 ASBIS has once again shown its strengths and its capacity to deliver extremely good results. Thanks to very strong relationships with vendors, investment in the right products categories and new business projects we were able to deliver all-times high second-quarter revenues and profitability. It was the best second quarter in the Company's history.

In Q2 2021 revenues were USD 680.1 million (up 79% compared to Q2 2020). The net profit skyrocketed by 509% to USD 15.0 million from USD 2.5 million in Q2 2020.

In H1 2021, ASBIS generated revenues of USD 1,413.5 million (60% higher than in H1 2020) and earned a net profit of USD 30.2 million, a stunning increase of 540% as compared to the same period of 2020.

In Q2 2021, ASBIS reported a record-high margin of 6.94% (up by 1.18 ppt compared to Q2 2020). In H1 2021 it was 6.68% (up by 1.31 ppt compared to H1 2020). As a result, net profit after taxation in Q2 and H1 2021 was significantly higher as compared to the corresponding periods of 2020.

In Q2 2021, multiple product lines have been performing significantly well. The highest increase in product lines was recorded by smartphones and CPUs.

Our own products, Prestigio, Perenio and Canyon have also a seen very strong demand.

Looking at the regions, the Former Soviet Union region had the largest share in the Group's revenues (51.8% share), followed by the and Central and Eastern Europe (22.1% share). The share of the Former Soviet Union in total revenues grew to 51.76% in Q2 2021, from 50.44% in Q2 2020.

A country-by-country analysis confirms the excellent growth rates the Group was able to achieve in all major countries of operations. The countries with the highest sales growth in Q2 2021 were:

- Kazakhstan – a growth of 159%
- Czech Republic - a growth of 81%
- Ukraine – a growth of 67%
- Russia - a growth of 66%

In Q2 2021, the Company continued its dividend policy paying a final dividend of USD 0.20 per share. Thus, the grand total for dividends from the Company's 2020 profits (including the interim dividend pay-out on December 17th, 2020) amounted to USD 0.30 per share, which means the highest dividend in the Company's history. We will continue our stable dividend policy unless significant market changes will appear.

Apart from much higher results than the year before, the second quarter of 2021 was full of several important business events. First and foremost, it was a period of intensive preparations for the debut of our latest product - Perenio Ionic Shield, a class I medical device against the known coronaviruses. This product has enormous prospects and went on sale on the European Union market in June 2021. The Company has already completed the first orders, with further commercialization underway.

In the second quarter of 2021, we also opened a second Apple Premium Reseller Store in Kiev (Ukraine), signed a contract for the distribution of motherboards and graphics cards with the Taiwanese company Biostar Microtech International and expanded our competences in the business services sector by obtaining the title of a certified Partner of the NVIDIA HGX Platform.

We have completed the second quarter of 2021, the best second quarter ever for the Group and we consider it to have been a very successful one, exceeding even our expectations.

The principal events of the three-month period ended June 30th, 2021, were as follows:

- In Q2 2021 revenues increased by 78.8% to U.S.\$ 680,107 from U.S.\$ 380,439 in Q2 2020.
- In Q2 2021 gross profit increased by 115.2% to U.S.\$ 47,190 from U.S.\$ 21,927 in Q2 2020.
- In Q2 2021 gross profit margin increased to 6.94% from 5.76% in Q2 2020.
- In Q2 2021 selling expenses increased by 60.3% to U.S.\$ 15,173 from U.S.\$ 9,466 in Q2 2020.
- In Q2 2021 administrative expenses increased by 34.7% to U.S.\$ 9,452 from U.S.\$ 7,016 in Q2 2020.
- In Q2 2021 EBITDA reached U.S.\$ 23,786 as compared to U.S.\$ 6,479 in Q2 2020.
- The Company finished Q2 2021 with a stunning net profit after tax, amounting to U.S.\$ 15,027, a 508.9% growth, compared to U.S.\$ 2,468 in Q2 2020.

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

Region	Q2 2021	Q2 2020	Change %
Former Soviet Union	352,005	191,903	83.4%
Central and Eastern Europe	149,937	94,343	58.9%
Western Europe	83,641	30,808	171.5%
Middle East and Africa	78,528	50,450	55.7%
Other	15,996	12,935	23.7%
Grand Total	680,107	380,439	78.8%

The principal events of the six-month period ended June 30th, 2021, were as follows:

- Revenues increased by 60.4% to U.S.\$ 1,413,476 from U.S.\$ 880,945 in H1 2020.
- Gross profit increased by 99.3% to U.S.\$ 94,361 from U.S.\$ 47,338 in H1 2020.
- Gross profit margin increased to 6.68% from 5.37% in H1 2020.
- Selling expenses increased by 44.7% to U.S.\$ 29,699 from U.S.\$ 20,518 in H1 2020.
- Administrative expenses increased by 27.6% to U.S.\$ 19,143 from U.S.\$ 15,006 in H1 2020.
- EBITDA reached U.S.\$ 47,888 as compared to U.S.\$ 13,856 in H1 2020, a super-strong improvement of 245.6%.
- As a result of super-strong growth in revenues, gross profit and controlled expenses, in H1 2021 the Company's net profit after tax skyrocketed to as high as U.S.\$ 30,162, as compared to U.S.\$ 4,710 in H1 2020. This result is considered to be excellent for the Group.

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

Region	H1 2021	H1 2020	Change %
Former Soviet Union	745,291	457,450	62.9%
Central and Eastern Europe	318,034	238,144	33.5%
Middle East and Africa	167,766	100,617	66.7%
Western Europe	146,913	62,159	136.4%
Other	35,472	22,575	57.1%
Grand Total	1,413,476	880,945	60.4%

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

For your convenience, certain U.S. \$ amounts as of and for the three and six months ended 30 June 2021 and 2020, have been converted into Euro and PLN as follows:

- Individual items of the statement of financial position – based at average exchange rates quoted by the National Bank of Poland for a given balance sheet dated December 31st, 2020, that is: 1 US\$ = 3.7584 PLN and 1 EUR = 4.6148 PLN and June 30th, 2021, that is: 1 US\$ = 3.8035 PLN and 1 EUR = 4.5208 PLN.
- Individual items in the income statement and statement of cash flows – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given period 1 January to 30 June 2021, that is: 1 US\$ = 3.7815 PLN and 1 EUR = 4.5472 PLN and 1 January to 30 June 2020, that is: 1 US\$ = 4.0214 PLN and 1 EUR = 4.4413 PLN.

- Individual items in the income statement and statement of cash flows for separate Q2 2021 and Q2 2020 – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given period 1 April to 30 June 2021, that is: 1 US\$ = 3.7502 PLN and 1 EUR = 4.5222 PLN and 1 April to 30 June 2020, that is: 1 US\$ = 4.0522 PLN and 1 EUR = 4.4862 PLN.

(In thousands of US\$)	Period from 1 January to 30 June 2021			Period from 1 January to 30 June 2020		
	USD	PLN	EUR	USD	PLN	EUR
	Revenue	1,413,476	5,345,012	1,175,460	880,945	3,542,662
Cost of sales	(1,319,115)	(4,988,189)	(1,098,988)	(833,607)	(3,352,295)	(754,809)
Gross profit	94,361	356,823	78,471	47,338	190,367	42,863
<i>Gross profit margin</i>	6.68%			5.37%		
Selling expenses	(29,699)	(112,306)	(24,698)	(20,518)	(82,512)	(18,579)
Administrative expenses	(19,143)	(72,389)	(15,919)	(15,006)	(60,346)	(13,588)
Profit from operations	45,519	172,128	37,854	11,814	47,509	10,697
Financial expenses	(10,523)	(39,792)	(8,751)	(7,131)	(28,677)	(6,457)
Financial income	2,081	7,869	1,731	1,281	5,151	1,160
Other gains and losses	244	923	203	239	961	216
Share of profit of equity-accounted investees	2	8	2	-	-	-
Profit before taxation	37,323	141,136	31,099	6,203	24,945	5,617
Taxation	(7,161)	(27,079)	(5,955)	(1,493)	(6,004)	(1,352)
Profit after taxation	30,162	114,057	25,083	4,710	18,941	4,265
Attributable to:						
Non-controlling interest	4	15	3	(20)	(80)	(18)
Equity holders of the parent	30,158	114,042	25,080	4,730	19,021	4,283
EBITDA calculation						
	USD	PLN	EUR	USD	PLN	EUR
Profit before tax	37,323	141,136	31,038	6,203	24,945	5,617
<i>Add back:</i>						
Financial expenses/net	8,442	31,923	7,020	5,850	23,526	5,297
Other gains and losses	(244)	(923)	(203)	(239)	(961)	(216)
Share of profit of equity-accounted investees	(2)	(8)	(2)	-	-	-
Depreciation	1,803	6,818	1,499	1,572	6,322	1,423
Amortization	566	2,140	471	470	1,890	426
EBITDA for the period	47,888	181,086	39,823	13,856	55,721	12,547
	USD	PLN	EUR	USD	PLN	EUR
	(cents)	(grosz)	(cents)	(cents)	(grosz)	(cents)
Basic and diluted earnings per share from continuing operations	54.34	205.48	45.19	8.52	34.26	7.71

	USD	PLN	EUR	USD	PLN	EUR
Net cash (outflows)/inflows from operating activities	(48,786)	(184,483)	(40,571)	1,446	5,815	1,309
Net cash outflows from investing activities	(9,585)	(36,245)	(7,971)	(2,322)	(9,338)	(2,103)
Net cash (outflows)/inflows from financing activities	(6,905)	(26,111)	(5,742)	1,141	4,588	1,033
Net (decrease)/increase in cash and cash equivalents	(65,276)	(246,839)	(54,284)	265	1,066	240
Cash at the beginning of the period	113,683	429,888	94,540	78,306	314,902	70,904
Cash at the end of the period	48,407	183,049	40,256	78,571	315,968	71,144

	Balance as at 30 June 2021			Balance as at 31 December 2020		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	753,316	2,865,237	633,790	751,844	2,825,730	612,319
Non-current assets	44,247	168,293	37,226	37,068	139,316	30,189
Total assets	797,563	3,033,531	671,016	788,912	2,965,047	642,508
Liabilities	642,684	2,444,449	540,712	653,274	2,455,265	532,041
Equity	154,879	589,082	130,305	135,638	509,782	110,467

(In thousands of US\$)	Period from 1 April to 30 June 2021			Period from 1 April to 30 June 2020		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	680,107	2,550,515	563,994	380,439	1,541,615	343,632
Cost of sales	(632,917)	(2,373,544)	(524,861)	(358,512)	(1,452,762)	(323,827)
Gross profit	47,190	176,971	39,133	21,927	88,853	19,806
<i>Gross profit margin</i>	6.94%			5.76%		
Selling expenses	(15,173)	(56,901)	(12,583)	(9,466)	(38,358)	(8,550)
Administrative expenses	(9,452)	(35,447)	(7,838)	(7,016)	(28,430)	(6,337)
Profit from operations	22,565	84,623	18,712	5,445	22,064	4,918
Financial expenses	(5,433)	(20,375)	(4,505)	(2,751)	(11,148)	(2,485)
Financial income	1,311	4,916	1,087	547	2,217	494
Other gains and losses	182	683	151	(4)	(16)	(4)
Share of loss of equity-accounted investees	(6)	(23)	(5)	-	-	-
Profit before taxation	18,618	69,821	15,440	3,237	13,117	2,924
Taxation	(3,591)	(13,467)	(2,978)	(769)	(3,116)	(695)
Profit after taxation	15,027	56,354	12,461	2,468	10,001	2,229
Attributable to:						
Non-controlling interests	4	15	3	12	49	11
Equity holders of the parent	15,023	56,339	12,458	2,456	9,952	2,218

EBITDA calculation

	USD	PLN	EUR	USD	PLN	EUR
Profit before tax	18,618	69,821	15,440	3,237	13,117	2,924
<i>Add back:</i>						
Financial expenses/net	4,122	15,459	3,418	2,204	8,931	1,991
Other gains and losses	(182)	(683)	(151)	4	16	4
Share of loss of equity-accounted investees	6	23	5	-	-	-
Depreciation	936	3,510	776	795	3,221	718
Amortization	286	1,073	237	239	968	216
EBITDA for the period	23,786	89,201	19,724	6,479	26,254	5,852

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	27.07	101.52	22.45	4.43	17.95	4.00

	USD	PLN	EUR	USD	PLN	EUR
Net cash inflows from operating activities	27,001	101,258	22,391	74,043	300,037	66,880
Net cash outflows from investing activities	(9,175)	(34,408)	(7,609)	(1,378)	(5,584)	(1,245)
Net cash (outflows)/inflows from financing activities	(9,287)	(34,828)	(7,701)	2,534	10,268	2,289

4. Organization of ASBIS Group

The following table presents our corporate structure as of 30 June 2021:

Company	Consolidation Method
ASBISC Enterprises PLC	Mother company
Asbis Ukraine Limited (Kiev, Ukraine)	Full (100%)
Asbis PL Sp.z.o.o (Warsaw, Poland)	Full (100%)
Asbis Poland Sp. z o.o. (Warsaw, Poland)	Full (100%)
Asbis Romania S.R.L (Bucharest, Romania)	Full (100%)
Asbis Cr d.o.o (Zagreb, Croatia)	Full (100%)
Asbis d.o.o Beograd (Belgrade, Serbia)	Full (100%)
Asbis Hungary Commercial Limited (Budapest, Hungary)	Full (100%)
Asbis Bulgaria Limited (Sofia, Bulgaria)	Full (100%)
Asbis CZ, spol.s.r.o (Prague, Czech Republic)	Full (100%)
UAB Asbis Vilnius (Vilnius, Lithuania)	Full (100%)
Asbis Slovenia d.o.o (Trzin, Slovenia)	Full (100%)
Asbis Middle East FZE (Dubai, U.A.E)	Full (100%)
Asbis SK sp.l sr.o (Bratislava, Slovakia)	Full (100%)
FPUE Automatic Systems of Business Control (Minsk, Belarus)	Full (100%)
E.M. Euro-Mall Ltd (Limassol, Cyprus)	Full (100%)
OOO 'Asbis'-Moscow (Moscow, Russia)	Full (100%)
Asbis Morocco Limited (Casablanca, Morocco)	Full (100%)

Prestigio Plaza Sp. z o.o in liquidation (Warsaw, Poland)	Full (100%)
Prestigio Plaza Ltd (formerly Prestigio Technologies) (Limassol, Cyprus)	Full (100%)
Perenio IoT spol. s.r.o. (Prague, Czech Republic)	Full (100%)
Asbis Kypros Ltd (Limassol, Cyprus)	Full (100%)
Asbis TR Bilgisayar Limited Sirketi (Istanbul, Turkey)	Full (100%)
“ASBIS BALTICS” SIA (Riga, Latvia)	Full (100%)
Asbis d.o.o. (Sarajevo, Bosnia Herzegovina)	Full (90%)
ASBIS Close Joint-Stock Company (Minsk, Belarus)	Full (100%)
ASBIS Kazakhstan LLP (Almaty, Kazakhstan)	Full (100%)
Euro-Mall SRO (Bratislava, Slovakia)	Full (100%)
Asbis China Corp. (former Prestigio China Corp.) (Shenzhen, China)	Full (100%)
ASBIS DE GMBH, (Munich, Germany)	Full (100%)
EUROMALL BULGARIA EOOD (Sofia, Bulgaria)	Full (100%)
Advanced Systems Company LLC (Riyadh, Kingdom of Saudi Arabia)	Full (100%)
E-vision Production Unitary Enterprise (Minsk, Belarus)	Full (100%)
ASBIS SERVIC Ltd (Kiev, Ukraine)	Full (100%)
I ON Ltd (Kiev, Ukraine)	Full (100%)
ASBC MMC LLC (Baku, Azerbaijan)	Full (65.85%)
ASBC KAZAKHSTAN LLP (Almaty, Kazakhstan)	Full (100%)
Atlantech Ltd (Ras Al Khaimah, U.A.E)	Full (100%)
ASBC LLC (Tbilisi, Georgia)	Full (100%)
ALC Avectis (Minsk, Belarus)	Full (100%)
OOO Avectis (Moscow, Russia)	Full (100%)
Private Educational Institution “Center of excellence in Education for executives and specialists in Information Technology” (Minsk, Belarus)	Full (100%)
OOO Must (Moscow, Russia)	Full (100%)
Real Scientists Limited (London, United Kingdom)	Full (55%)
i-Care LLC (Almaty, Kazakhstan)	Full (100%)
ASBIS IT Solutions Hungary Kft. (Budapest, Hungary)	Full (100%)
Breezy LLC (Minsk, Belarus) (former Café-Connect LLC)	Full (100%)
MakSolutions LLC (Minsk, Belarus)	Full (100%)
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%)
ASBIS CA LLC (Tashkent, Uzbekistan)	Full (100%)
Breezy Service LLC (Kiev, Ukraine)	Full (100%)
Redmond Europe Ltd (Limassol, Cyprus)	Full (100%)
I.O. Clinic Latvia SIA (Riga, Latvia)	Full (100%)
SIA Joule Production (Riga, Latvia)	Full (100%)

5. Changes in the structure of the Company

During the six months ended June 30th, 2021, there have been the following changes in the Group's structure:

- On January 8th, 2021, the Issuer has acquired 100% shares of the company SIA Joule Production (Riga, Latvia). The Issuer holds 100% in this subsidiary, being equal to share capital of EUR 5,000 (USD 6,052). We acquired this entity for the development, production and distribution of IT products and medical devices.

- On February 1st, 2021, the Issuer has acquired 100% shares of the company Vizutors LLC (Moscow, Russia). The Issuer holds 100% in this subsidiary, being equal to share capital of RUB 10,000 (USD 134). We acquired this entity for the sale of software licenses.
- On February 3rd, 2021, the Issuer has acquired the 100% shares of the company I.O. Clinic Latvia SIA (Riga, Latvia). The Issuer holds 100% in this subsidiary, being equal to share capital of EUR 5,000 (USD 6,052). We acquired this entity for the development, production and distribution of IT products and medical devices.
- On February 5th, 2021, the Issuer has acquired the 100% shares of the company ASBIS CA LLC (Tashkent, Uzbekistan). The Issuer holds 100% in this subsidiary, being equal to share capital of UZS 105,000,000 (USD 9,962). We acquired this entity to distribute IT products.
- On March 15th, 2021, the Issuer has acquired 100% shares of the company Breezy Service LLC (Kiev, Ukraine). The Issuer holds 100% in this subsidiary, being equal to share capital of UAH 1,000 (USD 35). We acquired this entity to provide warranty services.
- On March 30th, 2021, the Issuer has acquired the remaining 50% shares of the company Redmond Europe Ltd (Limassol, Cyprus). The Issuer holds 100% in this subsidiary, being equal to share capital of EUR 400,000 (USD 461,660). We acquired this entity to distribute IT products.
- On May 24th, 2021, the Issuer has disposed the 75% shares of the company LLC Vizutatica (Minsk, Belarus) for the consideration of USD 500.
- On May 24th, 2021, the Issuer has disposed the 75% shares of the company LLC Vizutors (Minsk, Belarus) for the consideration of USD 500.
- On May 24th, 2021, the Issuer has disposed the 100% shares of the company Vizutors LLC (Moscow, Russia) for zero consideration.

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

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

Having seen the results for H1 2021, we are confident that we shall be able to deliver the announced upgraded financial forecast for 2021. The management is considering all relevant matters and will come out to the market if we see we need to make an announcement on the forecast.

7. Information on dividend payment

During the six-month period ended 30 June 2021, following the Board of Directors' recommendation and the Annual General Meeting of Shareholders resolution, a dividend of USD 0.20 per share has been paid out on May 27th, 2021. The dividend date was set for May 17th, 2021.

Thus, the grand total for dividends from the Company's 2020 profits (including the interim dividend pay-out on December 17th, 2020) amounted to USD 0.30 per share, which means a grand total payment of USD 16,650,000 from 2020 net profit after tax – the highest dividend in the Company's history.

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

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

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

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

There were no changes in the number of shares possessed by major shareholders during the period between May 6th, 2021 (the date of the publication of the interim report for Q1 2021) and the date of this report.

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

During the period between May 6th, 2021 (the date of the publication of the interim report for Q1 2021) and August 12th, 2021 (date of this report) there were no changes in the number of shares possessed by the members of the Board of Directors.

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

Name	Number of Shares	% of the share capital
Siarhei Kostevitch (directly and indirectly) *	20,443,127	36.83%
Constantinos Tziamalis	555,000	1.00%
Marios Christou	463,061	0.83%
Julia Prihodko	0	0%
Maria Petridou	0	0%
Tasos A. Panteli	0	0%

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

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

10. Changes in the members of managing bodies

During the six-month period ended June 30th, 2021, there were the following changes in the members of the Company's Board of Directors:

- on March 29th, 2021, Mrs. Maria Petridou has been appointed to the Board of Directors as a Non-Executive Director,
- on May 5th, 2021, the Company's Annual General Meeting of Shareholders has re-elected Mr. Tasos A. Panteli and Mrs. Maria Petridou to the Board of Directors,
- on May 5th, 2021, Mr. Yuri Ulasovich - Executive Director and Mr. Demos Demou - Non-Executive Director of the Company have retired from their offices as being eligible not offered themselves for re-election during the Annual General Meeting of Shareholders of the Company,
- On May 7th, 2021, Mrs. Julia Prihodko has been appointed to the Board of Directors as an Executive Director.

There were no other changes in the members of the Company's Board of Directors in the course of H1 2021.

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

During the six months ended June 30th, 2021, neither the Company nor any of the members of our Group have concluded any material related party transaction, other than with market conditions.

13. Information on guarantees granted to third parties

The total corporate guarantees the Company has issued, as of June 30th, 2021, to support its subsidiaries' local financing, amounted to U.S.\$ 189,230. The total bank guarantees and letters of credit raised by the Group (mainly to Group suppliers) as at June 30th, 2021, was U.S. \$ 57,153 – as per note number 16 to the financial statements.

14. Information on changes in conditional commitments or conditional assets occurred since the end of the 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 six month period ended June 30th, 2021, the Company's results of operations have been affected and are expected to continue to be affected by a number of factors. These factors are presented in brief below:

The pandemic situation with COVID- 19 and how the world will return back from this situation

The pandemic challenge for the global economy is still continuing. We are ahead of the fourth wave of pandemic and countries one after the other are again imposing measures to weather the situation. Imposed shutdown of the economies in countries of our operation, might lead into an un-precedent economic slowdown which creates a significant uncertainty on how the international landscape would evolve when the markets will reopen. Although the Company's business has not been adversely affected by the COVID-19 pandemic so far, we cannot exclude a possibility that the operations of the Group will be significantly affected in the future.

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

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

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

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

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

Currency fluctuations

The Company's reporting currency is the U.S. dollar. In H1 2021 approximately 45% of our revenues were denominated in U.S. dollars, while the balance is denominated in Euro, Ruble, UAH, KZT and other currencies, certain of which are linked to the Euro. Our trade payable balances are principally (about 80%) denominated in U.S. dollars.

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

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

On the other hand, a devaluation of the U.S. dollar against the Euro and other currencies of the countries in which we operate may have a positive impact on our revenues and gross profit, as reported in U.S. dollars, which would have a positive impact on operating and net profit despite a negative impact on our operating expenses. In addition, foreign exchange fluctuation between the U.S. dollar and the Euro or other currencies of the countries in which we operate may result in translation gains or losses affecting foreign exchange reserve. Furthermore, a major devaluation or depreciation of any such currencies may result in a disruption in the international currency markets and may limit the ability to transfer or to convert such currencies into U.S. dollars and other currencies.

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

Competition and price pressure

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

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

1. International IT and CE distributors with presence in all major markets we operate
2. Regional IT and CE distributors who cover mostly a region but are quite strong
3. Local distributors who focus mostly on a single market but are very strong
4. International IT and mobile 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 and the extreme weather around the world – wildfires and massive flooding. We believe that the Company is much more flexible and better prepared to weather any obstacles that may arise due to the worldwide financial environment.

Seasonality

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

Development of own-brand business

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

The Company is working over introducing to the market small kitchen appliances under a new own brand.

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

The Company is undertaking a number of quality control measures to mitigate this risk but given the volumes and a large number of factories used to produce these products, these controls might not be sufficient. Moreover, competition has already been intensified and the Company may not be able to sustain its profitability levels.

Despite the Company's efforts, there can be no assurance of a similar development pace in the own-brand business in future periods. This is because there may be a significant change in market trends, customer preferences or technology changes that may affect the development of own-brand business and, therefore, its results.

Warranty claims from own-brand products

The own-brand business requires us to put extra efforts to avoid any problems with the quality of devices. Despite all our efforts, we cannot predict if consumers decide to return significant amounts of products.

This situation has much improved in previous years and in the course of the six months of 2021.

This risk has negatively affected our results in the past when certain ODMs have not honored their contractual obligations on products with epidemic failure.

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

High cost of debt

The distribution business entails a higher need for cash available to support growth. The Group has managed to raise cash from various financial institutions, however, in certain cases, the cost of this financing is expensive.

The Company has already negotiated improved terms with some of its supply-chain financiers and is currently undertaking certain extra steps to further lower its cost of financing. However, the sanctions imposed to Russia and tensions related to the Ukrainian crisis have resulted in increased financing cost in these countries and this may limit our efforts to further decrease our average cost of debt.

In the course of the six months of 2021, we have experienced a stable cost of financing in the F.S.U. and this is reflected in our overall financial cost.

Environmental and Climate Changes

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

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

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

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

Shortages of specific components in the IT industry

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

The situation is not expected to stabilize until the beginning of next year. 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

Three- and six-month periods ended 30 June 2021 compared to the three- and six-month periods ended 30 June 2020

- **Revenues:**

In Q2 2021 revenues grew significantly by 78.8% to U.S.\$ 680,107 from U.S.\$ 380,439 in Q2 2020.

In H1 2021 revenues grew significantly by 60.4% to U.S.\$ 1,413,476 from U.S.\$ 880,945 in H1 2020.

**Seasonality and growth cycle in ASBIS revenues
between Q2 2018 and Q2 2021
(in U.S.\$ thousand)**



- Gross profit:**

In Q2 2021 gross profit skyrocketed to as high as U.S.\$ 47,190 from U.S.\$ 21,927 in Q2 2020.

In H1 2021 gross profit skyrocketed by 99.3% to U.S.\$ 94,361 from U.S.\$ 47,338 in H1 2020.

**Gross profit
between Q2 2018 and Q2 2021
(in U.S.\$ thousand)**



- Gross profit margin** much improved both in Q2 2021 and H1 2021 as compared to the corresponding periods of 2020.

In Q2 2021 gross profit margin much improved and hit a record high of 6.94% as compared to 5.76% in Q2 2020.

In H1 2021 gross profit margin increased strongly to 6.68% from 5.37% in H1 2020.

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

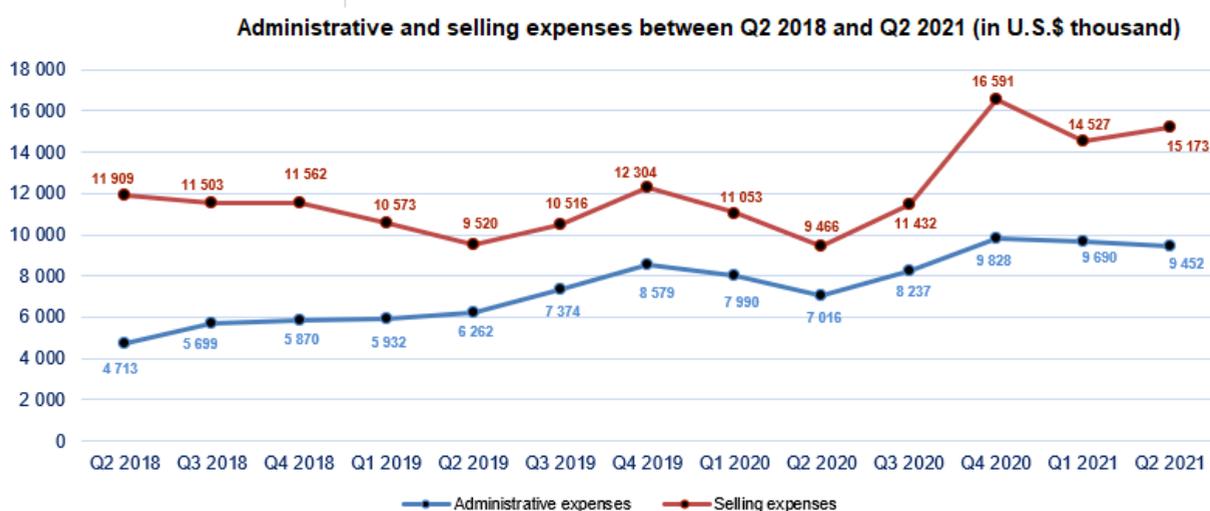
In Q2 2021 selling expenses increased to U.S.\$ 15,173 from U.S.\$ 9,466 in Q2 2020.

In H1 2021 selling expenses increased by 44.7% to U.S.\$ 29,699 from U.S.\$ 20,518 in H1 2020.

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

In Q2 2021 administrative expenses increased by 34.7% to U.S.\$ 9,452 from U.S.\$ 7,016 in Q2 2020.

In H1 2021 administrative expenses increased by 27.6% to U.S.\$ 19,143 from U.S.\$ 15,006 in H1 2020.



- **EBITDA:**

In Q2 2021 EBITDA was positive and increased enormously by 267.1%, reaching U.S.\$ 23,786 as compared to U.S.\$ 6,479 in Q2 2020.

In H1 2021 EBITDA increased enormously by 245.6% to as high as U.S.\$ 47,888 as compared to U.S.\$ 13,856 in H1 2020.

- **Net profit:** The Company recorded both in Q2 2021 and H1 2021 a net profit for the Group, which is considered to be remarkable for the Group, exceeding our expectations.

In Q2 2021 net profit after tax amounted to U.S.\$ 15,027, more than six-fold growth compared to U.S.\$ 2,468 in Q2 2020.

In H1 2021 net profit after tax increased enormously by 540.4% and amounted to U.S.\$ 30,162 as compared to U.S.\$ 4,710 in H1 2020.

Sales by regions and countries

Traditionally and throughout the Company's operations, the F.S.U. and the CEE regions contribute the majority of our revenues. This has not changed in Q2 and H1 2021. In Q2 2021 sales in the F.S.U. and the CEE significantly increased by 83.4% and 58.9% respectively. In H1 2021 both regions also recorded significant growth in revenues by 62.9% and 33.5% accordingly.

Following all the above-mentioned changes, the share of the F.S.U. region in our total revenues increased to 52.73% in H1 2021 from 51.93% in H1 2020.

Country-by-country analysis confirms the excellent growth rates the Group was able to achieve in all major countries of operations. Stunning growth in F.S.U. has arisen from a strong improvement in Russia (+65.6% in Q2 2021 and +43.7% in H1 2021), Ukraine (+66.8% in Q2 2021 and +55.2% in H1 2021), Kazakhstan (+158.5% in Q2 2021 and +111.2% in H1 2021) and Belarus (+54.3% in Q2 2021 and +33.1% in H1 2021). The increase of sales in the F.S.U. region was mostly driven by Apple products sales and VAD business projects.

At the same time, a 48.1% growth in Slovakia, 80.7% growth in the Czech Republic, 39.2% growth in Romania and 13.7% growth in Poland have led the CEE to 58.9% growth in Q2 2021 as compared to Q2 2020.

The MEA which is mainly derived by revenues in the UAE, has strongly increased at a pace of +50.1% in Q2 2021 and +63.5% in H1 2021.

Western Europe, despite not being a major focus area for us, in Q2 2021 and H1 2021 doubled its revenues as compared to corresponding periods of 2020.

The tables below provide a geographical breakdown of sales for the three- and six-month periods ended June 30th, 2021, and 2020.

	Q2 2021		Q2 2020	
	U.S. \$ thousand	% Of total revenues	U.S. \$ thousand	% Of total revenues
Former Soviet Union	352,005	51.76%	191,903	50.44%
Central and Eastern Europe	149,937	22.05%	94,343	24.80%
Western Europe	83,641	12.30%	30,808	8.10%
Middle East and Africa	78,528	11.55%	50,450	13.26%
Other	15,996	2.35%	12,935	3.40%
Total	680,107	100%	380,439	100%

	H1 2021		H1 2020	
	U.S. \$ thousand	% Of total revenues	U.S. \$ thousand	% Of total revenues
Former Soviet Union	745,291	52.73%	457,450	51.93%
Central and Eastern Europe	318,034	22.50%	238,144	27.03%
Middle East and Africa	167,766	11.87%	100,617	11.42%
Western Europe	146,913	10.39%	62,159	7.06%
Other	35,472	2.51%	22,575	2.56%
Total	1,413,476	100%	880,945	100%

Revenue breakdown – Top 10 countries in Q2 2021 and Q2 2020 (in U.S. Dollar thousand)

Q2 2021		Q2 2020	
Country	Sales	Country	Sales
1. Russia	115,238	Russia	69,581
2. Ukraine	92,142	Ukraine	55,248
3. Kazakhstan	74,355	United Arab Emirates	32,760
4. United Arab Emirates	49,163	Kazakhstan	28,764
5. Slovakia	39,922	Slovakia	26,948
6. Belarus	37,109	Belarus	24,057
7. Czech Republic	25,978	The Netherlands	16,893
8. The Netherlands	23,547	Czech Republic	14,380
9. Romania	14,038	Poland	11,711
10. Poland	13,320	Romania	10,085
TOTAL	680,107	TOTAL	380,439

Revenue breakdown – Top 10 countries in H1 2021 and H1 2020 (in U.S. Dollar thousand)

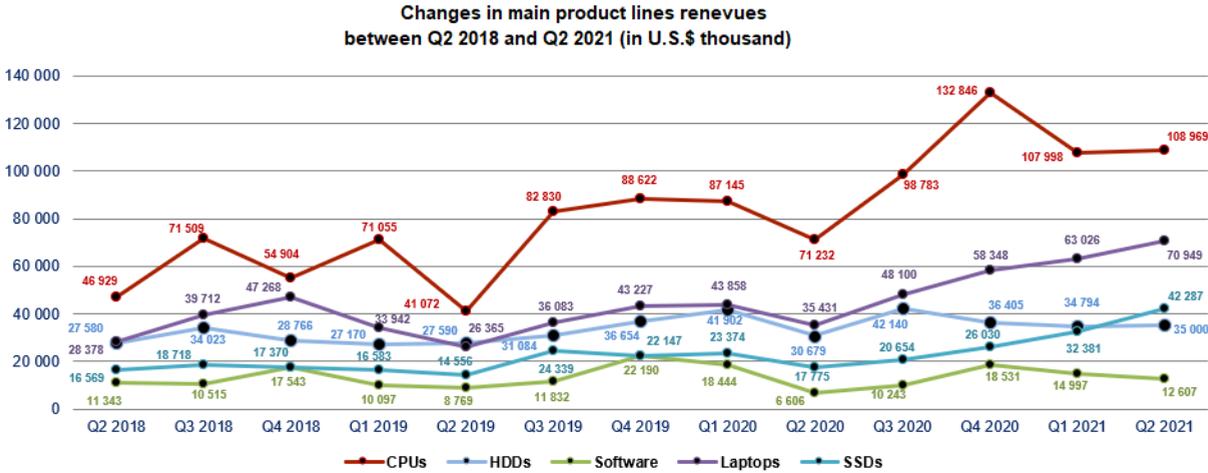
H1 2021		H1 2020	
Country	Sales	Country	Sales
1. Russia	238,753	Russia	166,176
2. Ukraine	191,001	Ukraine	123,106
3. Kazakhstan	162,447	Kazakhstan	76,927
4. United Arab Emirates	106,857	Slovakia	75,467
5. Slovakia	87,210	United Arab Emirates	65,375
6. Belarus	79,061	Belarus	59,396
7. Czech Republic	50,709	Czech Republic	33,630
8. The Netherlands	48,273	Poland	31,314
9. Poland	35,750	The Netherlands	29,153
10. Romania	30,601	Romania	25,368
TOTAL	1,413,476	TOTAL	880,945

Sales by product lines

The first half of this year has shown that ASBIS had no issue in significantly raising its revenues despite the shortages in the IT market. ASBIS, thanks to its strong position on the market and the priority gained among manufacturers was able to secure sales continuity. During the first half of this year, we have signed several business projects and expanded our portfolio, to include among others our latest product - Perenio Ionic Shield, a class I medical device against the known coronaviruses.

During H1 2021 almost all major product lines of the Group have noticed 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 chart below indicates the trends in sales per product line:



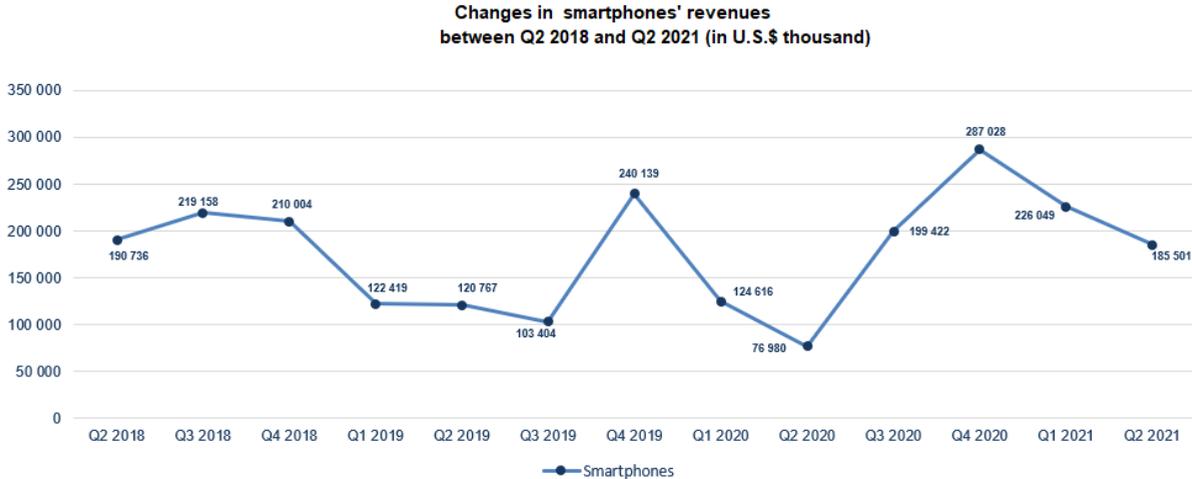
In Q2 2021 and H1 2021, sales were mainly driven by smartphones, CPUs and laptops.

Revenues from CPUs increased by 53.0% in Q2 2021 and 37.0% in H1 2021. Sales from HDDs grew by 14.1% in Q2 2021 but declined by 3.8% in H1 2021.

Revenues from software increased by 90.8% in Q2 2021 and 10.2% in H1 2021. The business of laptops and SSDs grew respectively by 100.2% and 137.9% in Q2 2021 and 69.0% and 81.5% in H1 2021.

It's also worth mentioning that all "Other" product lines have noticed a super positive trend in H1 2021.

The chart below indicates the trends in smartphones sales:



In H1 2021 sales of smartphones, which contribute to the majority of our revenues, significantly increased by 104.1%, as compared to H1 2020. This was the result of persistently high demand for the newest Apple iPhone 12 models with better specifications and a 5G connectivity.

The table below sets a breakdown of revenues, by product lines, for Q2 2021 and Q2 2020:

	Q2 2021		Q2 2020	
	U.S. \$ thousand	% of total revenues	U.S. \$ thousand	% of total revenues
Smartphones	185,501	27.28%	76,980	20.23%
Central processing units (CPUs)	108,969	16.02%	71,232	18.72%
PC mobile (laptops)	70,949	10.43%	35,431	9.31%
Solid-state drives (SSDs)	42,287	6.22%	17,775	4.67%
Hard disk drives (HDDs)	35,000	5.15%	30,679	8.06%
Peripherals	31,377	4.61%	18,109	4.76%
Audio devices	28,781	4.23%	16,220	4.26%
Servers & server blocks	24,912	3.66%	21,429	5.63%
Memory modules (RAM)	15,958	2.35%	10,227	2.69%
PC desktop	15,520	2.28%	11,764	3.09%
Networking products	14,612	2.15%	13,276	3.49%
Tablets	14,552	2.14%	9,368	2.46%
Multimedia	14,243	2.09%	5,586	1.47%
Smart devices	13,940	2.05%	7,472	1.96%
Software	12,607	1.85%	6,606	1.74%
Display products	11,881	1.75%	6,874	1.81%
Video cards and GPUs	7,091	1.04%	3,311	0.87%
Other	31,927	4.69%	18,100	4.76%
Total revenue	680,107	100%	380,439	100%

The table below sets a breakdown of revenues, by product lines, for H1 2021 and H1 2020:

	H1 2021		H1 2020	
	U.S. \$ thousand	% of total revenues	U.S. \$ thousand	% of total revenues
Smartphones	411,550	29.12%	201,596	22.88%
Central processing units (CPUs)	216,967	15.35%	158,378	17.98%
PC mobile (laptops)	133,975	9.48%	79,289	9.00%

Solid-state drives (SSDs)	74,667	5.28%	41,149	4.67%
Hard disk drives (HDDs)	69,794	4.94%	72,581	8.24%
Peripherals	67,111	4.75%	33,146	3.76%
Audio devices	61,768	4.37%	32,826	3.73%
Servers & server blocks	47,980	3.39%	45,641	5.18%
Networking products	35,743	2.53%	27,383	3.11%
PC desktop	35,455	2.51%	24,062	2.73%
Memory modules (RAM)	34,001	2.41%	23,885	2.71%
Tablets	30,049	2.13%	19,794	2.25%
Smart devices	29,333	2.08%	17,845	2.03%
Multimedia	29,149	2.06%	10,507	1.19%
Software	27,604	1.95%	25,050	2.84%
Display products	25,942	1.84%	16,414	1.86%
Video cards and GPUs	14,620	1.03%	5,869	0.67%
Other	67,768	4.79%	45,530	5.17%
Total revenue	1,413,476	100%	880,945	100%

Liquidity and Capital Resources

The Company has in the past funded its liquidity requirements, including ongoing operating expenses, capital expenditures and investments, for the most part, through operating cash flows, debt financing and equity financing. Cash flow in Q2 and H1 2021 has been impacted by strong revenue growth, improved working capital utilization and a dividend payout. We do expect cash flow from operations for the full year to be positive.

The following table presents a summary of cash flows for the six months ended June 30th, 2021, and 2020:

	Six months ended June 30 th	
	2021	2020
	U.S. \$	
Net cash (outflows)/inflows from operating activities	(48,786)	1,446
Net cash outflows from investing activities	(9,585)	(2,322)
Net cash (outflows)/inflows from financing activities	(6,905)	1,141
Net (decrease)/increase in cash and cash equivalents	(65,276)	265

Net cash outflows from operations

Net cash outflows from operations amounted to U.S. \$ 48,786 for the six months ended June 30th, 2021, as compared to inflows of U.S. \$ 1,446 in the corresponding period of 2020. The Company expects cash from operations to turn positive for the year 2021.

Net cash outflows from investing activities

Net cash outflows from investing activities were U.S. \$ 9,585 for the six months ended June 30th, 2021, as compared to outflows of U.S. \$ 2.322 in the corresponding period of 2020.

Net cash outflows from financing activities

Net cash outflows from financing activities were U.S. \$ 6,905 for the six months ended June 30th, 2021, as compared to inflows of U.S.\$ 1,141 for the corresponding period of 2020.

Net decrease in cash and cash equivalents

As a result of higher increased working capital utilization, cash and cash equivalents have decreased by US\$ 65,276, as compared to an increase of US\$ 265 in the corresponding period of 2020.

16.Factors which may affect our results in the future

Spreading of the Covid-19 Virus and continuation of the lockdown situation

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

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

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

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

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

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

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

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

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

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

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

The Group's ability to increase gross profit margins

The Group's ability to increase its gross profit margin is of a huge importance. The strong increase observed in Q2 2021 and H1 2021 as compared to the corresponding periods of 2020 was a result of the continuation of the current Company's strategy to focus mostly on high margin products and IT solutions. This increase is no longer guaranteed to continue.

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 H1 2021. Therefore, the hedging strategy should be followed and further improved without any exception in the course of H2 2021 and going forward.

Ability of the Group to control expenses

Selling and administrative expenses in total increased in Q2 2021 and H1 2021 by 49.4% and 37.5% respectively as compared to corresponding periods of 2020. This was a result of a super-strong increased of the revenues, gross profit and investments made in human capital in all regions of our operations. We consider cost control to be a significant factor towards delivering improved results going forward and it is very important that the Group is undertaking all necessary actions to scale down its expenses should there is a decrease in revenue and gross profit.

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

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

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

Ability to cover warranty claims from customers

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

As a result, we have not faced any specific problems in this area in H1 2021. However, we need to be constantly overlooking and analyzing the situation to avoid any possible losses.

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

According to our best knowledge, in the period between May 6th, 2021, and August 12th, 2021, no events have occurred that could affect either the Company's operations or its financial stability.

Part II Financial Information

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

Report and Condensed Consolidated Interim Financial Statements for the period ended 30 June 2021

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ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

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ASBISC ENTERPRISES PLC

BOARD OF DIRECTORS REPRESENTATIONS

In accordance with the requirements of the Ordinance of the Minister of Finance dated March 29th, 2018 on current and periodical information published by issuers of securities and on the conditions of recognizing as equivalent the information required by the laws of non-EU Member States, the Board of Directors of ASBISC ENTERPRISES PLC hereby represents that:

- to its best knowledge, the semi-annual condensed consolidated financial statements and the comparative data have been prepared in accordance with the applicable accounting policies and that they give a true, fair and clear reflection of the group's financial position and its financial result, and that the semi-annual Director's Report on operations gives a true view of the group's development, achievements, and position, including description of basic risks and threats;

Limassol, August 11th, 2021

ASBISC ENTERPRISES PLC

DECLARATION BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE DRAFTING OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(In accordance with the provisions of Law 190(I)/2007 on Transparency Requirements)

In accordance with Article 10, sections (3c) and (7), of the Transparency Requirements (Traded Securities in Regulated Markets) Law 190 (1) / 2007 we, the members of the Board of Directors and the company officials responsible for the drafting of the condensed consolidated interim financial statements of ASBISC Enterprises Plc (the "Company") and its subsidiaries (the "Group") for the six months period ended 30 June 2021, confirm to the best of our knowledge that:

a) the condensed consolidated interim financial statements for the six months period ended 30 June 2021 which are presented on pages 4 to 23:

- (i) have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and the provisions of subsection (4) of Article 10 of the Law, and
- (ii) give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company, and

b) the management report provides a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that they face.

Members of the Board of Directors:

Siarhei Kostevitch
Chairman and Chief Executive Officer

Marios Christou
Executive Director

Constantinos Tziamalis
Executive Director

Julia Prihodko
Executive Director

Tasos A.Panteli
Non-Executive Director

Maria Petridou
Non-Executive Director

Financial Controller

Loizos Papavassiliou

Limassol, 11th August 2021

INDEPENDENT AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF ASBISC ENTERPRISES PLC

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Asbisc Enterprises PLC and its subsidiaries (the "group") on pages 4 to 23 which comprise the condensed consolidated interim statement of financial position of the group as at 30 June 2021, and the condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows of the group for the six month period then ended and notes to the interim financial information (the "Condensed Consolidated Interim Financial Information"). Management is responsible for the preparation and fair presentation of this Condensed Consolidated Interim Financial Information in accordance with the International Accounting Standard 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Information as at 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34 "*Interim Financial Reporting*".

Certified Public Accountants and Registered Auditors
KPMG Center,
No.11, 16th June 1943 Street,
3022 Limassol,
Cyprus.

Limassol, 11th August 2021

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 JUNE 2021

(in thousands of US\$)

	Note	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Revenue	4,23	1,413,476	880,945
Cost of sales		<u>(1,319,115)</u>	<u>(833,607)</u>
Gross profit		94,361	47,338
Selling expenses		(29,699)	(20,518)
Administrative expenses		<u>(19,143)</u>	<u>(15,006)</u>
Profit from operations		45,519	11,814
Financial income	7	2,081	1,281
Financial expenses	7	<u>(10,523)</u>	<u>(7,131)</u>
Net finance costs		(8,442)	(5,850)
Other gains	5	244	239
Share of profit of equity-accounted investees		<u>2</u>	<u>-</u>
Profit before tax	6	37,323	6,203
Taxation	8	<u>(7,161)</u>	<u>(1,493)</u>
Profit for the period		<u>30,162</u>	<u>4,710</u>
Attributable to:			
Equity holders of the parent		30,158	4,730
Non-controlling interests		<u>4</u>	<u>(20)</u>
		<u>30,162</u>	<u>4,710</u>
		US\$ cents	US\$ cents
Earnings per share			
Basic and diluted from continuing operations		<u>54.34</u>	<u>8.52</u>

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2021

(in thousands of US\$)

	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Profit for the period	<u>30,162</u>	<u>4,710</u>
Other comprehensive income		
Exchange difference on translating foreign operations	<u>(275)</u>	<u>(1,116)</u>
Other comprehensive loss for the period	<u>(275)</u>	<u>(1,116)</u>
Total comprehensive income for the period	<u>29,887</u>	<u>3,594</u>
Total comprehensive income attributable to:		
Equity holders of the parent	29,896	3,614
Non-controlling interests	<u>(9)</u>	<u>(20)</u>
	<u>29,887</u>	<u>3,594</u>

ASBISC ENTERPRISES PLC

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

(in thousands of US\$)

	Notes	As at 30 June 2021 US\$	As at 31 December 2020 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	9	40,487	32,728
Intangible assets	10	2,147	2,418
Equity-accounted investees	11	602	827
Goodwill	27	616	629
Deferred tax assets	20	395	466
Total non-current assets		<u>44,247</u>	<u>37,068</u>
Current assets			
Inventories	12	359,110	277,557
Trade receivables	13	256,224	295,846
Other current assets	14	26,322	19,140
Derivative financial assets	25	152	199
Current taxation	8	332	204
Cash at bank and in hand	26	111,176	158,898
Total current assets		<u>753,316</u>	<u>751,844</u>
Total assets		<u>797,563</u>	<u>788,912</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	15	11,100	11,100
Share premium		23,721	23,518
Retained earnings and other components of equity		<u>119,741</u>	<u>100,725</u>
Equity attributable to owners of the parent		154,562	135,343
Non-controlling interests		<u>317</u>	<u>295</u>
Total equity		<u>154,879</u>	<u>135,638</u>
Non-current liabilities			
Long-term borrowings	17	5,513	5,729
Other long-term liabilities	18	772	732
Deferred tax liabilities	20	<u>298</u>	<u>306</u>
Total non-current liabilities		<u>6,583</u>	<u>6,767</u>
Current liabilities			
Trade payables and prepayments	29	298,405	336,010
Trade payables factoring facilities	30	42,778	51,403
Other current liabilities	21	111,777	92,369
Short-term borrowings	16	174,011	160,962
Derivative financial liabilities	24	930	883
Current taxation	8	<u>8,200</u>	<u>4,880</u>
Total current liabilities		<u>636,101</u>	<u>646,507</u>
Total liabilities		<u>642,684</u>	<u>653,274</u>
Total equity and liabilities		<u>797,563</u>	<u>788,912</u>

The financial statements were approved by the Board of Directors on 11 August 2021.

.....
Siarhei Kostevitch
Director

.....
Marios Christou
Director

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2021

(in thousands of US\$)

Attributable to the owners of the parent

	Share capital US\$	Share premium US\$	Treasury stock US\$	Translation of foreign operations US\$	Retained earnings US\$	Total US\$	Non controlling interests US\$	Total US\$
Balance at 1 January 2020	11,100	23,518	(176)	(11,357)	84,856	107,941	254	108,195
Profit/(loss) for the period 1 January 2020 to 30 June 2020	-	-	-	-	4,730	4,730	(20)	4,710
Other comprehensive loss for the period 1 January 2020 to 30 June 2020	-	-	-	(1,116)	-	(1,116)	-	(1,116)
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	13	13
Payment of final dividend	-	-	-	-	(4,138)	(4,138)	-	(4,138)
Acquisition of treasury shares	-	-	(35)	-	-	(35)	-	(35)
Balance at 30 June 2020	11,100	23,518	(211)	(12,473)	85,448	107,382	247	107,629
Profit for the period 1 July 2020 to 31 December 2020	-	-	-	-	31,787	31,787	18	31,805
Other comprehensive income for the period 1 July 2020 to 31 December 2020	-	-	-	1,721	-	1,721	24	1,745
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	6	6
Payment of final dividend	-	-	-	-	(5,546)	(5,546)	-	(5,546)
Acquisition of treasury shares	-	-	(1)	-	-	(1)	-	(1)
Balance at 31 December 2020	11,100	23,518	(212)	(10,752)	111,689	135,343	295	135,638
Profit for the period 1 January 2021 to 30 June 2021	-	-	-	-	30,158	30,158	4	30,162
Other comprehensive income for the period 1 January 2021 to 30 June 2021	-	-	-	(262)	-	(262)	(13)	(275)
Elimination of minority interest at disposal	-	-	-	-	-	-	31	31
Payment of final dividend	-	-	-	-	(11,092)	(11,092)	-	(11,092)
Treasury shares sold	-	203	212	-	-	415	-	415
Balance at 30 June 2021	11,100	23,721	-	(11,014)	130,755	154,562	317	154,879

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2021

(in thousands of US\$)

	Note	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Profit for the period before tax and minority interest		37,323	6,203
Adjustments for:			
Exchange difference arising on consolidation		17	(1,194)
Depreciation of property, plant and equipment	9	1,803	1,572
Amortization of intangible assets	10	566	470
Share of profit from associates	11	(2)	-
Loss/(profit) from the sale of property, plant and equipment and intangible assets	5	47	(64)
Provision for bad debts and receivables written off		894	217
Bad debts recovered	5	(11)	(4)
Provision for slow moving and obsolete stock		(247)	(646)
Interest received	7	(44)	(187)
Interest expense		2,541	2,008
Operating profit before working capital changes		42,887	8,375
(Increase)/decrease in inventories		(81,307)	69,413
Decrease in trade receivables		38,738	48,623
Increase in other current assets		(7,137)	(612)
Decrease in trade payables		(37,605)	(99,615)
Decrease in trade payables factoring facilities		(8,625)	(1,852)
Increase in other current liabilities		19,763	3,828
Increase in other non-current liabilities		41	67
Decrease in factoring creditors		(9,280)	(24,005)
Cash (outflows)/inflows from operations		(42,525)	4,222
Interest paid	7	(2,341)	(1,844)
Taxation paid, net	8	(3,920)	(932)
Net cash (outflows)/inflows from operating activities		(48,786)	1,446
Cash flows from investing activities			
Purchase of intangible assets	10	(311)	(195)
Purchase of property, plant and equipment		(9,283)	(2,378)
Payments of investments in subsidiaries		(37)	-
Proceeds from sale of property, plant and equipment and intangible assets		2	64
Interest received	7	44	187
Net cash outflows from investing activities		(9,585)	(2,322)
Cash flows from financing activities			
Disposal of treasury shares		374	(35)
Payment of final dividend		(11,092)	(4,138)
(Repayments)/proceeds of long-term loans and non-current lease liabilities		(826)	1,522
Proceeds of short-term borrowings and current lease liabilities		4,639	3,792
Net cash (outflows)/inflows from financing activities		(6,905)	1,141
Net (decrease)/increase in cash and cash equivalents		(65,276)	265
Cash and cash equivalents at beginning of the period		113,683	78,306
Cash and cash equivalents at end of the period	26	48,407	78,571

ASBISC ENTERPRISES PLC

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

(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 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2020.

These interim financial statements were authorized for issue by the Company's Board of Directors on 11th of August 2021.

(b) Use of the judgments and estimates

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

3. Significant accounting policies

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

4. Revenue

	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Sales of goods	1,398,889	870,006
Sales of licenses	14,346	10,406
Sales of optional warranty	175	470
Rendering of services	<u>66</u>	<u>63</u>
	<u>1,413,476</u>	<u>880,945</u>

Effect of seasonality

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

ASBISC ENTERPRISES PLC

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

5. Other gains and losses

	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
(Loss)/profit on disposal of property, plant and equipment	(47)	64
Other income	240	135
Bad debts recovered	11	4
Rental income	40	36
	<u>244</u>	<u>239</u>

6. Profit before tax

	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Profit before tax is stated after charging:		
(a) Amortization of intangible assets (Note 10)	566	470
(b) Depreciation (Note 9)	1,803	1,572
(c) Auditors' remuneration	228	197
(d) Directors' remuneration – executive (Note 28)	860	366
(e) Directors' remuneration – non-executive (Note 28)	18	13
	<u>18</u>	<u>13</u>

7. Financial expense, net

	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Financial income		
Interest income	44	187
Other financial income	1,937	900
Net exchange gain	100	194
	<u>2,081</u>	<u>1,281</u>
Financial expense		
Bank interest	2,341	1,844
Bank charges	2,173	1,331
Derivative charges	756	559
Interest on lease liabilities	201	163
Factoring interest	3,847	2,149
Factoring charges	190	164
Other financial expenses	42	22
Other interest	973	899
	<u>10,523</u>	<u>7,131</u>
Net	<u>(8,442)</u>	<u>(5,850)</u>

ASBISC ENTERPRISES PLC

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

(in thousands of US\$)

8. Tax

	For the six months ended 30 June 2021 US\$	As at 31 December 2020 US\$
Payables balance 1 January	4,676	839
Provision for the period/year	7,056	8,544
Under provision of prior year periods	53	40
Exchange difference on retranslation	3	3
Amounts paid, net	<u>(3,920)</u>	<u>(4,750)</u>
Net payables balance 30 June/31 December	<u>7,868</u>	<u>4,676</u>

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Tax receivable	(332)	(204)
Tax payable	<u>8,200</u>	<u>4,880</u>
Net payables balance 30 June/31 December	<u>7,868</u>	<u>4,676</u>

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

	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Provision for the period	7,056	1,565
Under provision of prior years	52	-
Deferred tax charge (Note 20)	<u>53</u>	<u>(72)</u>
Charge for the period	<u>7,161</u>	<u>1,493</u>

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.

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(in thousands of US\$)

9. Property, plant and equipment

	Land and buildings US\$	Assets under construction	Computer hardware US\$	Warehouse machinery US\$	Motor vehicles US\$	Furniture and fittings US\$	Office equipment US\$	Total US\$
Cost								
At 1 January 2020	29,688	-	7,250	524	3,109	2,806	3,839	47,216
Additions	2,361	-	978	115	1,573	411	616	6,054
Disposals	(575)	-	(137)	(24)	(561)	(155)	(18)	(1,470)
Foreign exchange difference on retranslation	767	-	10	25	(38)	35	(237)	562
At 31 December 2020	32,241	-	8,101	640	4,083	3,097	4,200	52,362
Additions	5,084	3,051	581	120	421	375	197	9,829
Disposals	(86)	-	(249)	(24)	(166)	(96)	(27)	(648)
Foreign exchange difference on retranslation	(325)	-	(46)	23	(11)	25	4	(330)
At 30 June 2021	36,914	3,051	8,387	759	4,327	3,401	4,374	61,213
Accumulated depreciation								
At 1 January 2020	5,641	-	5,447	380	1,635	2,021	2,412	17,536
Charge for the year	1,347	-	682	36	664	310	349	3,388
Disposals	(575)	-	(137)	(24)	(561)	(155)	(18)	(1,470)
Foreign exchange difference on retranslation	22	-	87	24	8	76	(37)	180
At 31 December 2020	6,435	-	6,079	416	1,746	2,252	2,706	19,634
Charge for the period	758	-	356	26	389	117	157	1,803
Disposals	(86)	-	(249)	(24)	(121)	(96)	(27)	(603)
Foreign exchange difference on retranslation	(25)	-	(48)	24	(61)	(17)	19	(108)
At 30 June 2021	7,082	-	6,138	442	1,953	2,256	2,855	20,726
Net book value								
At 30 June 2021	29,832	3,051	2,249	317	2,374	1,145	1,519	40,487
At 31 December 2020	25,806	-	2,022	224	2,337	845	1,494	32,728

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9. Property, plant and equipment (continued)

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Land and buildings US\$	Warehouse machinery US\$	Motor vehicles US\$	Total US\$
Balance at 1 January 2020	3,933	-	530	4,463
Depreciation charge for the year	(1,036)	(1)	(353)	(1,390)
Additions to right of use assets	2,395	37	740	3,172
Derecognition of right of use assets	(726)	-	-	(726)
Foreign exchange difference on retranslation	509	(1)	141	650
Balance at 31 December 2020	5,075	35	1,058	6,169
Depreciation charge for the year	(567)	(4)	(214)	(785)
Additions to right of use assets	465	-	82	547
Foreign exchange difference on retranslation	68	-	120	188
Balance at 30 June 2021	5,041	31	1,046	6,119

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

10. Intangible assets

	Computer software US\$	Patents and licenses US\$	Total US\$
Cost			
At 1 January 2020	10,137	1,281	11,418
Additions	398	410	808
Disposals/ write-offs	(31)	(120)	(151)
Foreign exchange difference on retranslation	88	2	90
At 31 December 2020	10,592	1,573	12,165
Additions	241	70	311
Disposals/ write-offs	(35)	(41)	(76)
Foreign exchange difference on retranslation	9	(5)	4
At 30 June 2021	10,807	1,597	12,404
Accumulated amortization			
At 1 January 2020	7,700	1,125	8,825
Charge for the year	905	94	999
Disposals/ write-offs	(31)	(120)	(151)
Foreign exchange difference on retranslation	71	3	74
At 31 December 2020	8,645	1,102	9,747
Charge for the period	491	75	566
Disposals/ write-offs	(35)	(37)	(72)
Foreign exchange difference on retranslation	19	(3)	16
At 30 June 2021	9,120	1,137	10,257
Net book value			
At 30 June 2021	1,687	460	2,147
At 31 December 2020	1,947	471	2,418

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11. Equity-accounted investees

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Cost		
At 1 January	868	274
Additions (i), (ii)	-	594
Disposal of investment in associate (iii)	(227)	-
At 30 June/31 December	<u>641</u>	<u>868</u>
Accumulated share of loss from equity-accounted investees		
At 1 January	(41)	(47)
Share of profit from equity-accounted investees during the year	2	6
Exchange difference	-	-
At 30 June/31 December	<u>(39)</u>	<u>(41)</u>
Carrying amount of equity-accounted investees	<u>602</u>	<u>827</u>

- (i) In January 2020, the Company acquired 40% shareholding in LLC Clevetura LLC (Belarus), for the consideration of US\$ 594. The investment is accounted for as an associate.
- (ii) 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 for the period ending June 2021 acquired services for the total amount of US\$ 316 (31 December 2020 US\$ 445) from the associate.
- (iii) In March 2021, the Group acquired the remaining 50% shareholding of Redmond Europe Ltd, for the consideration of US\$ 31.

12. Inventories

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Goods in transit	28,772	55,119
Goods held for resale	335,363	227,746
Provision for slow moving and obsolete stock	(5,025)	(5,308)
	<u>359,110</u>	<u>277,557</u>

As at 30 June 2021, inventories pledged as security for financing purposes amounted to US\$ 79,705 (2020: US\$ 72,470).

Movement in provision for slow moving and obsolete stock:

	For the six months ended 30 June 2021 US\$	For the year ended 31 December 2020 US\$
On 1 January	5,308	3,728
Provisions for the period/year	158	3,105
Provided stock written off	(404)	(1,695)
Exchange difference	(37)	170
On 30 June/31 December	<u>5,025</u>	<u>5,308</u>

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(in thousands of US\$)

13. Trade receivables

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Trade receivables	252,942	294,515
Prepayments to trade vendors	6,250	3,427
Allowance for doubtful debts	<u>(2,968)</u>	<u>(2,096)</u>
	<u>256,224</u>	<u>295,846</u>

Movement in provision for doubtful debts:

	For the six months ended 30 June 2021 US\$	For the year ended 31 December 2020 US\$
On 1 January	2,096	1,657
Provisions for the period/year	1,008	1,226
Amount written-off as uncollectible	(114)	(749)
Bad debts recovered	(11)	(24)
Exchange difference	<u>(11)</u>	<u>(14)</u>
On 30 June/31 December	<u>2,968</u>	<u>2,096</u>

14. Other current assets

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
VAT and other taxes refundable	20,590	14,065
Deposits and advances to service providers	522	554
Employee floats	116	171
Other debtors and prepayments	<u>5,094</u>	<u>4,350</u>
	<u>26,322</u>	<u>19,140</u>

15. Share capital

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

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16. Short term borrowings

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Bank overdrafts (Note 26)	62,768	45,215
Current portion of long-term loans	9	61
Bank short-term loans	38,927	34,256
Current lease liabilities (Note 19)	<u>1,530</u>	<u>1,373</u>
Total short-term debt	<u>103,234</u>	<u>80,905</u>
Factoring creditors	<u>70,777</u>	<u>80,057</u>
	<u>174,011</u>	<u>160,962</u>

Summary of borrowings and overdraft arrangements

As at 30 June 2021 the Group enjoyed factoring facilities of US\$ 167,292 (31 December 2020 US\$ 117,775).

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

- overdraft lines of US\$ 112,166 (31 December 2020: US\$ 111,439)
- short term loans/revolving facilities of US\$ 57,533 (31 December 2020: US\$ 52,939)
- bank guarantee and letters of credit lines of US\$ 57,153 (31 December 2020: US\$ 52,183)

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

The Weighted Average Cost of Debt (cash lines and factoring lines) for the period was 7.8% (for 2020: 8.0%)

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

- Floating charges over all assets of the Company
- Mortgage on land and buildings that the Group owns in Cyprus, Czech Republic, Belarus, Middle East, Bulgaria, Slovakia and Ukraine
- Charge over receivables and inventories
- Corporate guarantees to the extent of facilities granted to subsidiary companies
- Assignment of insurance policies
- Pledged deposits of US\$ 35,648 (31 December 2020: US\$ 33,322)

17. Long term borrowings

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Bank loans	506	523
Non-current lease liabilities (Note 19)	<u>5,007</u>	<u>5,206</u>
	<u>5,513</u>	<u>5,729</u>

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(in thousands of US\$)

18. Other long-term liabilities

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Other long-term liabilities	<u>772</u>	<u>732</u>

19. Lease liabilities

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Current lease liabilities (note 16)	1,530	1,373
Non-current lease liabilities (note 17)	<u>5,007</u>	<u>5,206</u>
	<u>6,537</u>	<u>6,579</u>

20. Deferred tax

	For the six months ended 30 June 2021 US\$	For the year ended 31 December 2020 US\$
Debit balance on 1 January	(160)	284
Deferred tax charge for the period/year (note 8)	53	(431)
Exchange difference on retranslation	<u>10</u>	<u>(13)</u>
At 30 June/31 December	<u>(97)</u>	<u>(160)</u>

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Deferred tax assets	(395)	(466)
Deferred tax liabilities	<u>298</u>	<u>306</u>
Net deferred tax liability	<u>(97)</u>	<u>(160)</u>

21. Other current liabilities

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Salaries payable and related costs	3,612	3,103
VAT payable	4,482	9,413
Provision for warranties	6,661	5,903
Accruals, deferred income and other provisions	74,331	56,041
Provision for marketing	17,734	11,935
Non-trade accounts payable	<u>4,957</u>	<u>5,974</u>
	<u>111,777</u>	<u>92,369</u>

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

(in thousands of US\$)

22. Commitments and contingencies

As at the 30th of June 2021 the Group was committed in respect of purchases of inventories of a total cost value of US\$ 7,092 (2020: US\$ 35,109) which were in transit at 30 June 2021 and delivered in July 2021. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase, title of the goods has not passed to the Group at period end.

As at the 30th of June 2021 the Group was contingently liable in respect of bank guarantees and letters of credit of US\$ 57,153 (2020: US\$ 52,183).

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

23. Operating segments

1.1 Reportable segments

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

1.2 Segment revenues

	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Former Soviet Union	745,291	457,450
Central Eastern Europe	318,034	238,144
Middle East & Africa	167,766	100,617
Western Europe	146,913	62,159
Other	35,472	22,575
	<u>1,413,476</u>	<u>880,945</u>

1.3 Segment results

	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Former Soviet Union	22,626	5,723
Central Eastern Europe	9,885	3,521
Middle East & Africa	6,670	1,269
Western Europe	5,117	846
Other	1,221	455
Profit from operations	<u>45,519</u>	<u>11,814</u>
Net financial expenses	(8,442)	(5,850)
Share of profit of equity-accounted investees	2	-
Other gains and losses	244	239
Profit before taxation	<u>37,323</u>	<u>6,203</u>

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(in thousands of US\$)

23. Operating segments (continued)

1.4 Segment capital expenditure (CAPEX)

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Former Soviet Union	8,582	8,491
Central Eastern Europe	15,226	14,943
Middle East & Africa	3,673	3,745
Unallocated	15,768	8,596
	<u>43,249</u>	<u>35,775</u>

1.5 Segment depreciation and amortization

	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Central Eastern Europe	711	537
Former Soviet Union	690	674
Middle East & Africa	91	104
Unallocated	877	727
	<u>2,369</u>	<u>2,042</u>

1.6 Segment assets

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Former Soviet Union	449,902	453,802
Central Eastern Europe	39,725	69,654
Western Europe	148,994	65,653
Middle East & Africa	79,884	125,934
Total	<u>718,505</u>	<u>715,043</u>
Assets allocated in capital expenditure (1.4)	43,249	35,775
Other unallocated assets	35,809	38,094
Consolidated assets	<u>797,563</u>	<u>788,912</u>

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

1.7 Geographical information

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

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24. Derivative financial liability

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
<u>Derivative financial liabilities carried at fair value through profit or loss</u>		
Foreign currency derivative contracts	930	883

25. Derivative financial asset

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
<u>Derivative financial assets carried at fair value through profit or loss</u>		
Foreign currency derivative contracts	152	199

26. Cash and cash equivalents

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Cash at bank and in hand	111,176	158,898
Bank overdrafts (Note 16)	(62,768)	(45,215)
	<u>48,408</u>	<u>113,683</u>

The cash at bank and in hand balance includes an amount of US\$ 35,648 (31 December 2020: US\$ 33,322) which represents pledged deposits against financial facilities granted and margin accounts for foreign exchange hedging.

27. Goodwill

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
At 1 January	629	591
Additions	-	39
Impairment loss (note ii)	-	(39)
Foreign exchange difference on retranslation	(13)	38
	<u>616</u>	<u>629</u>
At 30 June/31 December (note i)	<u>616</u>	<u>629</u>

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(in thousands of US\$)

27. Goodwill (continued)

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

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
OOO Must	201	201
ASBIS d.o.o. (BA)	<u>415</u>	<u>428</u>
	<u>616</u>	<u>629</u>

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

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Breezy LLC (former Café-Connect LLC)	-	(12)
MakSolutions LLC	<u>-</u>	<u>(27)</u>
	<u>-</u>	<u>(39)</u>

28. Related party transactions

Transactions and balances of key management

	For the six months ended 30 June 2021 US\$	For the six months ended 30 June 2020 US\$
Directors' remuneration - executive (Note 6)	860	366
Directors' remuneration - non-executive (Note 6)	<u>18</u>	<u>13</u>
	<u>878</u>	<u>379</u>

29. Trade payables and prepayments

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Trade payables	282,761	312,066
Prepayments from customers	<u>15,644</u>	<u>23,944</u>
	<u>298,405</u>	<u>336,010</u>

30. Trade payables factoring facilities

	As at 30 June 2021 US\$	As at 31 December 2020 US\$
Trade payables factoring facilities	<u>42,778</u>	<u>51,403</u>

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31. Business combinations

1. Acquisitions

1.1 Acquisitions of subsidiaries to 30 June 2021

During the period, the Group has acquired the remaining 50% of the share capital of Redmond Europe Ltd and the 100% share capital of ASBIS CA LLC, Vizutors LLC, Breezy Service LLC, I.O. Clinic Latvia SIA and SIA Joule Production.

<u>Name of entity</u>	<u>Type of operations</u>	<u>Date acquired</u>	<u>% acquired</u>	<u>% owned</u>
Redmond Europe Ltd	Information Technology	30 March 2021	50%	100%
ASBIS CA LLC	Information Technology	5 February 2021	100%	100%
Vizutors LLC	Information Technology	1 February 2021	100%	100%
Breezy Service LLC	Information Technology	15 March 2021	100%	100%
I.O. Clinic Latvia SIA	Information Technology	3 February 2021	100%	100%
SIA Joule Production	Information Technology	8 January 2021	100%	100%

Acquisitions of subsidiaries to 31 December 2020

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

<u>Name of entity</u>	<u>Type of operations</u>	<u>Date acquired</u>	<u>% acquired</u>	<u>% owned</u>
Real Scientists Ltd	Information Technology	16 March 2020	55%	55%
ASBIS IT Solutions Hungary Kft	Information Technology	2 September 2020	100%	100%
MakSolutions LLC	Information Technology	10 September 2020	100%	100%
Breezy LLC (former Café-Connect LLC)	Information Technology	10 September 2020	100%	100%
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%

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(in thousands of US\$)

31. Business combinations (continued)

1.2 Acquired assets and liabilities

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

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

2. Disposals

Disposals of subsidiaries to 30 June 2021

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

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

Disposals of subsidiaries to 31 December 2020

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

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

32. Fair values

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