ASBIS®
SUCCESS THROUGH FOCUS

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

Limassol, March 27th, 2025

DEAR SHAREHOLDERS, PARTNERS, AND COLLEAGUES,

On behalf of the Board of Directors of ASBIS Group, I am pleased to present to you our Consolidated Annual Report for the year 2024.

The year behind us was one of the most challenging years in the history of ASBIS, since we had to face multiple challenges like the new market realities in Kazakhstan, the ongoing war in Ukraine, the increasing escalation of tensions in the Middle East, weaker demand in IT products and an overall uncertain geopolitical environment.

Despite all these significant obstacles, we were able to increase our revenues in almost all major markets of our operations, including the already established markets of Western Europe and Africa. The Company has managed to build strong foundations, and competent teams for business development in coming years to achieve our ambitious plans.

We have heavily invested in Central Asia and Caucasus region as well as in Adriatic and Balkans regions. In 2024 we have started building a new warehouse in Kazakhstan with an area of approximately 20,000 m2. This investment is a response to the growing demand in this country where the Company has significantly intensified its presence and became its number one revenue contributor. With this new investment, our warehouse capacity will increase by over 30% to a total of 80,000 m2 and will allow us to supply our customers faster and more efficiently.

Along with the above, we have been further strengthening the development of our portfolio of IT products and services with technologically advanced solutions, more retail products and enhanced our own premium stores. We have also enhanced our second life devices division - Breezy, in which we invested significantly and see a very positive development. Breezy significantly expanded its market presence across its operational countries and established new trade-in partnerships. In February 2025, Breezy launched AI-powered robotic line in Poland for grading and upgrading pre-owned smartphones. The innovative production line is capable of grading up to one million devices and refurbishing up to 320,000 smartphones per year. Taking up just 600 m2 of space, the new facilities enhance Breezy's ability to deliver high-precision diagnostics and process pre-owned devices.

Regarding ASBIS own brands, the Company has continued to strengthen its own brands (Aeno, Canyon, Lorgar, Prestigio and Prestigio Solutions) to generate higher revenue and gross profit margins. We have heavily invested in new competencies, new ideas and new management teams and we are very excited and confident that these innovations will drive long-term growth and support more attractive profit margins.

It is worth underling that the Company has focused not only on financial aspects but also on being socially responsible. Since 2020 ASBIS has been selected four times among a select group of WSE-listed companies with the highest ratings and cited as a "Climate Aware Company" in the exchange's annual Companies Climate Awareness Survey. At ASBIS, we recognize the urgent challenge of climate change and the importance of caring for our environment. That is why sustainability is a key part of our work. We are constantly trying to come up with new ideas to reduce pollution and reduce our overall impact on the Earth.

Looking at the results, in 2024 ASBIS generated revenues of USD 3,0 billion (down 1.7%, compared to 2023). Gross profit margin reached 7.98% in 2024. The profit from operations (EBIT) reached USD 94.3 million (down 16.2% compared to 2023). Net profit after tax reached USD 54.2 million, as compared to USD 53.0 million in 2023.

As of December 31, 2024, ASBIS had USD 155.0 million in cash and equivalents on its balance sheet, as compared to USD 143.6 million at the end of 2023.

The best-selling products in 2024 were smartphones, processors and laptops. Among smartphones, the most demanded were iPhones, including the iPhone 16 Pro Max, iPhone 16 Pro, Apple's flagship iPhones.

When speaking of the regions we cover, the Commonwealth of Independent States (CIS) and Central & Eastern Europe regions traditionally had the largest share in the Group's revenues. In 2024 Central & Eastern Europe as well as Middle East and Africa and Western Europe contribution has grown to 28.88% (from 25.84% in 2023), 16.30% (from 13.90% in 2023) and 10.64% (from 8.41% in 2023) respectively. At the same time, the CIS region contribution has decreased to 42.10% (from 51.07% in 2023).

In 2024, we have continued focusing on shareholder returns, paying our investors a final and interim dividend from the Company's profits, which is in line with our strategy to reward our investors. This has also been supported by the strong cash flow of the Company. We want to continue our hefty dividend policy should the circumstances allow us.

This past year has been a testament to our whole ASBIS Group. Across countries and time zones, we delivered maximum possible overcoming challenges and seizing opportunities. I am filled with excitement for the possibilities that lie ahead. I am sure that our healthy foundations and shared vision and commitment to success will continue to guide us as we navigate new challenges and strive for greater heights. I am confident that, with our collective efforts and unwavering determination, we will achieve even more remarkable milestones.

On behalf of the Board of Directors of ASBIS Group, I would like to thank our shareholders for their trust, our clients for our successful cooperation, as well as all our employees whose dedication and hard work have been instrumental in driving our success, and I am immensely proud of what we have accomplished together.

Siarhei Kostevitch

Chairman & CEO

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INTRODUCTION

ASBISc Enterprises Plc is a leading Value Add Distributor, developer and provider of ICT, IoT products, solutions, and services to the markets of Europe, the Middle East, and Africa (EMEA) with local operations in Central and Eastern Europe, the Baltic republics, the Commonwealth of Independent States, the Middle East and North Africa, combining a broad geographical reach with a wide range of products distributed on a "one-stop-shop" basis. Our focus is on the following countries: Kazakhstan, Ukraine, Slovakia, Poland, Czech Republic, Romania, Croatia, Slovenia, Bulgaria, Serbia, Hungary, Middle East countries (i.e., United Arab Emirates, Qatar and other Gulf states), Latvia and South Africa.

The Group distributes IT components (to assemblers, system integrators, local brands and retail) as well as A-branded finished products like smartphones, 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, Logitech, Intel, Advanced Micro Devices ("AMD"), Seagate, Western Digital, Samsung, Microsoft, Toshiba, Dell, Acer, Lenovo and Hitachi. In addition, a part of our revenues is comprised of sales of IT products under our private labels: Prestigio, Prestigio Solutions, Canyon, AENO, AROS and LORGAR.

ASBISc commenced business back in 1990 and in 1995 incorporated its holding Company in Cyprus and moved our headquarters to Limassol. Our Cypriot headquarters support, through two master distribution centers (located in the Czech Republic and the United Arab Emirates), our network of 31 warehouses located in 34 countries. This network supplies products to the Group's in-country operations and directly to its customers in approximately 60 countries.

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

We have prepared this annual report as required by Paragraph 60 section 1 point 3 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 rules of recognition of information required by the law of non-member country as equivalent.

In this annual 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 subsidiaries, depending on the country discussed) unless from the context they apply to the stand-alone Company. “Shares” refers to our existing ordinary shares traded on the Warsaw Stock Exchange.

FORWARD-LOOKING STATEMENTS

This annual 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 annual 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 annual 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 annual report.

INDUSTRY AND MARKET DATA

In this annual report, we set out information relating to our business and the market in which we operate and compete.

The information regarding our market, market share, market position, growth rates and other industry data relating to our business and the market in which we operate consists of data and reports compiled by various third-party sources, discussions with our customers and our own internal estimates. We have obtained market and industry data relating to our business from providers of industry data, including:

- Gartner and GfK - leading research companies on IT,
- IDC – a dedicated organization on publishing data for IT industry, and
- Other independent research conducted on our sector

We believe that these industry publications, surveys and forecasts are reliable, but we have not independently verified them and cannot guarantee their accuracy or completeness. The data of independent surveyors might not have taken into consideration recent developments in the markets we operate and therefore in certain instances might have become outdated and not represent the real market trends.

In addition, in many cases, we have made statements in this annual report regarding our industry and our position in the industry based on our experience and our own investigation of market conditions. We cannot assure you that any of these assumptions are accurate or correctly reflect our position in the industry, and none of our internal surveys or information has been verified by any independent sources.

FINANCIAL AND OPERATING DATA

This annual report contains financial statements and financial information relating to the Group. In particular, this annual report contains audited consolidated financial statements for the twelve months ended 31 December 2024. The financial statements appended to this annual report are presented in U.S. dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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 annual 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 annual report may not conform exactly to the total figure given for that column or row.

All numbers are presented in thousands, except share, per share and exchange rate data, unless otherwise stated.

PART I

ITEM 1. KEY INFORMATION

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, all references in this annual 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 all references to "PLN" or "Polish Zloty" are to the lawful currency of the Republic of Poland. All references to U.S. dollars, Euro, Polish Zloty and other currencies are in thousands, except share and per share data, unless otherwise stated.

The following tables set out, for the periods indicated, certain information regarding the average of the 11:00 a.m. buying/selling rates of the dealer banks as published by the National Bank of Poland, or NBP, for the zloty, the “effective NBP exchange rate”, expressed in Polish Zloty per dollar and Polish Zloty per Euro. The exchange rates set out below may differ from the actual exchange rates used in the preparation of our consolidated financial statements and other financial information appearing in this annual report. Our inclusion of the exchange rates is not meant to suggest that the U.S. dollars amount represent such polish Zloty or Euro amounts or that such amounts could have been converted into Polish Zloty or Euros at any particular rate, if at all.

Year ended December 31 (Polish Zloty to U.S. dollar)	2020	2021	2022	2023	2024
Exchange rate at end of period	3.76	4.06	4.40	3.94	4.10
Average exchange rate during period (1)	3.90	3.88	4.47	4.18	3.99
Highest exchange rate during period	4.27	4.12	4.95	4.49	4.10
Lowest exchange rate during period	3.63	3.67	4.11	3.90	3.82

The average exchange rate as certified for customs purposes by NBP on the last business day of each month during the applicable period

Month (Polish Zloty to U.S. dollar)	Highest exchange rate during the month	Lowest exchange rate during the month
January 2024	4.04	3.94
February 2024	4.06	3.96
March 2024	4.01	3.92
April 2024	4.07	3.92
May 2024	4.05	3.91
June 2024	4.08	3.94
July 2024	4.04	3.90
August 2024	3.98	3.83
September 2024	3.90	3.81
October 2024	4.03	3.86
November 2024	4.18	3.99
December 2024	4.11	4.03

The following table shows for the dates and periods indicated the period-end, average, high and low Euro to U.S. dollar exchange rate as calculated based on the rates reported by the National Bank of Poland.

Year ended December 31 (Euro to U.S. dollar)	2020	2021	2022	2023	2024
Exchange rate at end of period	0.8144	0.8827	0.9386	0.9050	0.9598
Average exchange rate during period (1)	0.8729	0.8467	0.9530	0.9236	0.9259
Highest exchange rate during period	0.9207	0.8874	1.0148	0.9536	0.9486
Lowest exchange rate during period	0.8575	0.8205	0.8739	0.8939	0.9259

The average NBP exchange rate, euro per U.S. $, on the last business day of each month during the applicable period

Month (Euro to U.S. dollar)	Highest exchange rate during the month	Lowest exchange rate during the month
January 2024	0.9187	0.9096
February 2024	0.9339	0.9204
March 2024	0.9269	0.9149
April 2024	0.9398	0.9210
May 2024	0.9342	0.9205
June 2024	0.9347	0.9199
July 2024	0.9327	0.9167
August 2024	0.9205	0.8973
September 2024	0.9079	0.8941
October 2024	0.9244	0.9007
November 2024	0.9563	0.9263
December 2024	0.9581	0.9466

SELECTED FINANCIAL DATA

The following table sets forth our selected historical financial data for the years ended December 31, 2024, and 2023 and should be read in conjunction with Item 3. “Operating and Financial Review and Prospects” and the consolidated financial statements (including the notes thereto) included elsewhere in the annual report. We have derived the financial data presented in accordance with IFRS from the audited consolidated financial statements.

For your convenience, certain U.S. $ amounts as of and for the year ended 31 December 2024, have been converted into Euro and PLN as follows:

- Individual items of the balance sheet – based at average exchange rates quoted by the National Bank of Poland 31 December 2024, that is 1 US$ = 4.1012 PLN and 1 EUR = 4.2730 PLN.
- Individual items in the income statement and cash flow statement – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a period between 1 January to 31 December 2024, that is 1 US$ = 3.9853 PLN and 1 EUR = 4.3042 PLN.

Period from 1 January to 31 December	2024			2023
	USD	PLN	EUR	USD
Revenue	**3,008,503**	**11,989,912**	**2,785,658**	**3,061,228**
Cost of sales	(2,768,339)	(11,032,777)	(2,563,283)	(2,808,959)
Gross profit	**240,164**	**957,136**	**222,375**	**252,269**
Gross profit margin	*7.98%*			*8.24%*
Selling expenses	(86,172)	(343,425)	(79,789)	(82,745)
Administrative expenses	(59,682)	(237,853)	(55,261)	(57,031)
Profit from operations	**94,310**	**375,858**	**87,324**	**112,493**
Financial expenses	(31,248)	(124,534)	(28,933)	(34,930)
Financial income	1,714	6,831	1,587	2,719
Realized foreign exchange loss relating to foreign operations liquidated and disposed	(168)	(670)	(156)	(11,286)
Other gains and losses	764	3,045	707	(3,790)
Share of loss of equity-accounted investees	(360)	(1,435)	(333)	(237)
Profit before taxation	**65,012**	**259,095**	**60,196**	**64,969**
Taxation	(10,839)	(43,197)	(10,036)	(12,013)
Profit after taxation	**54,173**	**215,898**	**50,160**	**52,956**
Attributable to:				
Non-controlling interests	(268)	(1,068)	(248)	(92)
Owners of the Company	**54,441**	**216,966**	**50,408**	**53,048**

EBITDA calculation Period from 1 January to 31 December	2024			2023
	USD	PLN	EUR	USD
Profit before tax	65,012	259,095	60,196	64,969
Add back:				
Financial expenses/net	29,702	118,373	27,502	43,497
Other income	(764)	(3,045)	(707)	3,790
Share of loss of equity-accounted investees	360	1,435	333	237
EBIT for the period	**94,310**	**375,858**	**87,324**	**112,493**
Depreciation	8,159	32,516	7,555	6,995
Amortization	418	1,666	387	678
EBITDA for the period	**102,887**	**410,040**	**95,266**	**120,166**

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)
Earnings per share Weighted average basic and diluted earnings per share from continuing operations	98.09	390.92	90.82	95.87

	2024			2023
	USD	PLN	EUR	USD
Net cash inflows from operating activities	26,712	106,456	24,733	45,411
Net cash outflows from investing activities	(18,082)	(72,063)	(16,743)	(11,710)
Net cash outflows from financing activities	(11,536)	(45,975)	(10,682)	(17,747)
Net (decrease)/increase in cash and cash equivalents	**(2,906)**	**(11,581)**	**(2,691)**	15,954
Cash at the beginning of the year	**108,306**	**431,636**	**100,284**	**92,352**
Cash at the end of the year	**105,400**	**420,055**	**97,593**	**108,306**

As of 31 December	2024			2023
	USD	PLN	EUR	USD
Current assets	1,112,656	4,563,225	1,067,921	931,214
Non-current assets	88,155	361,541	84,611	81,264
Total assets	**1,200,811**	**4,924,766**	**1,152,531**	**1,012,478**
Liabilities	902,496	3,701,317	866,210	731,266
Equity	298,315	1,223,449	286,321	281,212

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.

EBIT (Earnings Before Interest and Tax)

Is calculated as the Profit before Tax, Net financial expenses, other income/loss and share of profit/loss of equity-accounted investees, all of which are directly identifiable in financial statements.

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.

RISK FACTORS

This section describes significant risks and uncertainties affecting our business. The risks and uncertainties described below are not the only ones we face. There may be additional risks and uncertainties not presently known to us or that we currently deem immaterial. Any of these risks could adversely affect our business, financial condition, our results of operations and our liquidity.

RISK FACTORS RELATING TO OUR BUSINESS AND INDUSTRY.

The war in Ukraine

The war in Ukraine is considered by the management as the major negative development which still affects our operations not only in Ukraine but in the regions around. The decision of the Group to totally divest from Russia was proven to be the correct one, however it left us with significant losses we needed to swallow during 2023. The ongoing conflict in Ukraine does not allow us to properly develop the country and the unstable business environment makes it extremely difficult to plan and execute our strategy. Despite all difficulties, we are continuing to deliver satisfactory results, however the key to our success in the country does not only depend on our performance but on outside factors as well.

The Group being fully compliant with the directions given by the EU and its suppliers, has undertaken all necessary actions to prevent sales of sanctioned products to sanctioned entities and/or individuals.

Unfair competition from un-authorized channels

The illicit trading activity in our main markets is considered by the management as another major negative factor which has adversely affected our business. The problem of un-authorized and illegal imports of the leading product categories we also carry is playing a negative role in our performance. Through unofficial channels, devices reach the markets without proper registration, which deprives the budgets of these countries of significant revenue. While authorized distributors like ASBIS obey the law and pay taxes, illicit traders avoid fiscal control, breach the law and leaving the countries without billions in revenue.

The Group is closely working with its suppliers and authorities to overcome this issue. Several actions have already been implemented, and we believe that the situation will somewhat improve going forward, but this is not in our capacity to manage.

The in-country financial conditions 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.

The recent example of Kazakhstan is showing that a crisis emanated in a single large country of our operation might have a significant adverse effect on our results. We need to monitor any developments, react fast and weather every risk showing up in a specific market to secure our results.

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

Fluctuation in the value of currencies in which operations are conducted and activities are financed relative to the U.S. dollar could adversely affect our business, operating results, and financial condition.

The Company's reporting currency is the U.S. dollar. In 2024 a good portion of our revenues was denominated in U.S. dollars, while the balance is denominated in Euro, UAH, KZT and other currencies, certain of which are linked to the Euro. Our trade payable balances are principally (about 90%) 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.

Therefore, 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, the Ukrainian Hryvnia, the Czech Koruna, the Polish Zloty, the South African Rand, 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.

Worldwide financial environment

The overall financial environment and the economic landscape of each country we operate in, always play a significant role in our performance. The revised strategy and adaptation to the new environment, i.e., by rebuilding our product portfolio, has paid off in terms of profitability and sales in the last three years.

We believe that the Company is much more flexible and better prepared to weather any obstacles that may arise due to the worldwide financial environment, however, we can see that a full-scale war in our territories may bring unprecedented consequences.

In addition to the above, it has been recently noticed that the illicit trading in Kazakhstan significantly impacted our revenues. We are closely monitoring the situation, which is extremely tough for us, but now we see better market conditions just after the New Products launched by the leading manufacturer in Autumn of 2024.

Credit risk faced by us due to our obligations under supply contracts and the risk of delinquency of customer accounts receivable could have a material adverse effect on our business, operating results, and financial position.

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

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

Despite all efforts to secure our revenues, certain countries remained non-insured (Ukraine), 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 able to weather any possible major credit issue that may arise.

Competition and price pressure in the industry in which we operate on a global scale may lead to a decline in market share, which could have a material adverse effect on our business, operating results, and financial condition.

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 each of the markets in which the Company operates it faces competition from:

- International IT and CE distributors with presence in all major markets we operate
- Regional IT and CE distributors who cover mostly a region but are quite strong
- Local distributors who focus mostly on a single market but are very strong
- 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.

The IT distribution and mobile devices business have low-profit margins, which means that operating results are highly sensitive to increased operating costs, which if not successfully managed could have a material adverse effect on our business, results of operations and financial condition.

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

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

Increased competition arising from industry consolidation and low demand for certain IT products may hinder the Company's ability to maintain or improve its gross margins.

A portion of the Company's operating expenses is relatively fixed, and planned expenditures are based in part on anticipated orders that are forecasted with limited visibility of future demand.

As a result, the Company may not be able to reduce its operating expenses as a percentage of revenue to mitigate any reductions in gross margins in the future. In addition to the above, recent increase in gross profit margins may no longer be sustainable given the oversupply in the markets and decreased demand.

Inventory obsolescence and price erosion in the industry in which we operate may have a material adverse effect on our business, financial condition, and results of operations.

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

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

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

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

Our business is highly dependent on distribution contracts with a limited number of suppliers; a loss of or change in the material terms of these contracts could have a material adverse effect on our business, operating results and financial condition.

The part of our business consisting of the distribution of third-party products is dependent on the CIS region and actions of a limited number of suppliers. In the year ended 31 December 2024, the Company held contracts with Apple, Intel, Advanced Micro Devices (AMD), Logitech, Dell, Lenovo, Seagate, HP, Microsoft, IBM, Bang&Olufsen, Asus, and other international suppliers. Contracts with these suppliers are typically on a non-exclusive basis, allow for termination with or without cause and are open-ended with respect to requirements and output rather than imposing any commitment to a specific volume of business or scope of work.

We face a risk of termination of our distribution agreements, if we do not perform pursuant to the supplier's expectations or for any other reason, including several factors outside our control. Changes in the suppliers' business strategies, including moving part or all their distribution arrangements to our competitors, or directly distributing products to end-users, could result in the termination of the respective distribution contracts. Any of these suppliers may merge with, acquire or be acquired by any of our competitors which already has its own distribution network in the market. Any supplier may consider us redundant as a distributor and may terminate our distribution agreement or may experience financial difficulties, as a result of which it may not be able to grant beneficial credit terms and/or honour financial terms in the relevant distribution agreements, such as those relating to price protection, stock returns, rebates, performance incentives, credit from returned materials and reimbursement of advertising expenses incurred during joint promotion campaigns. Termination or material change in the terms of a vendor contract due to any of the aforesaid factors could have a material adverse effect on our business, results of operations and financial condition.

Our inability to maintain or renew our distribution and supply contracts on favourable terms with key customers and suppliers could have a material adverse effect on our business, operating results and financial condition.

In the part of our business related to the distribution of third-party products, we have significant contracts with a limited number of customers and other business partners, some of which are oral agreements, terms of which and the enforceability of which, remain uncertain, or are agreements that may be terminated without cause or by written notice at the expiry of their term.

In addition, a number of our most significant contracts with our major suppliers contain terms that protect us against exposure to price fluctuations, defective products and stock obsolescence.

Specifically, our contracts terms including terms such as (i) a price protection policy, which allows us to request reimbursement from the suppliers for inventory in transit or held at our warehouses in the event that product prices decline; (ii) a stock rotation policy under which we have the right to return to the supplier slow moving inventory in exchange for credit, which reduces our exposure to obsolescence of inventory; and (iii) a return material authorization policy under which we can return defective items to our suppliers in return for either credit, replacements or refurbished products.

If we are unable to maintain or enforce our significant contracts, or if any of our significant suppliers refuse to renew contracts with us on similar terms, or new significant suppliers of ours do not make such terms available to us, we could face a higher risk of exposure to price fluctuations and stock obsolescence, which given our narrow gross profit margins, could have a material adverse effect on our business, operating results and financial condition.

Our suppliers' increasing involvement in e-commerce activities, which would enable them to directly sell to our customers, could threaten our market share, and therefore adversely affect our business, operating results and financial condition.

In the third-party products distribution part of our business, we operate as a distributor, or a "middleman", between manufacturers and our customers. Manufacturers are sometimes able to outsource their sales and marketing functions by engaging in the services of a distributor and concentrating on their core competencies.

With the emergence, however, of new internet technologies and e-commerce, more manufacturers are developing their own online commerce platforms with the capability to accept orders and conduct sales through the internet. Global distributors have also set up their own web-sites to enable sales and purchases to be conducted online.

Although we have developed the IT4Profit platform, an online purchasing platform for electronic dealing with our customers (B2B), there can be no assurance that any of our suppliers or competing distributors will not successfully implement similar electronic purchasing platforms and manage to fully satisfy our customers' needs, in which case our risks losing a significant part of our business.

In addition, market prices of components may deteriorate because of increasing online competition, as online customers can search globally for the cheapest available components.

If we are unable to effectively leverage our internet technologies and e-commerce or successfully compete with emerging competitors offering online services, this could have a material adverse effect on our business, operating results and financial condition.

Our success is dependent on our own logistics and distribution infrastructure and on third parties that provide those services, a loss of which could adversely affect our business, operating results and financial performance.

Currently, ASBIS has two main distribution centers (Czech Republic and United Arab Emirates) covering most of its operations. We have recently added another two regional distribution centers in Georgia and South Africa. In 2024 we have started building a new warehouse in Kazakhstan, which will enable the Company to consolidate all stock points in the country and improve the operational efficiency. As a result, we are highly dependent on third-party providers for logistics such as courier and other transportation services. An interruption or delay in delivery services causing late deliveries could result in loss of reputation and customers and could force us to seek alternative, more expensive delivery services, thereby increasing operating costs, which would have an adverse effect on our business, operating results and financial performance. An important part of our strategy to achieve cost efficiencies while maintaining turnover growth is the continued identification and implementation of improvements to our logistics and distribution infrastructure. We need to ensure that our infrastructure and supply chain keep pace with our anticipated growth. The cost of this enhanced infrastructure could be significant and any delays to such expansion could adversely affect our growth strategy, business, operating results and financial performance. Therefore, any significant disruption to the services of these third-party providers could have a material adverse effect on our business, results of operations and financial condition. Recently, we have observed a significant increase in raw material prices. The Group must constantly search for and find ways of mitigating such increases and offer competitive pricing to customers.

Our inability to recruit and retain key executives and personnel could have a material adverse effect on our business, operating results and financial condition.

Our business depends upon the contribution of several of our executive Directors, key senior management and personnel, including Siarhei Kostevitch, our Chief Executive Officer and Chairman of the Board of Directors. There can be no certainty that the services of Mr Kostevitch and of other of our key personnel will continue to be available to us. We have in the past experienced and may in the future continue to experience difficulty in identifying expert personnel in our areas of activity, and particularly in the areas of information technology and sales and marketing, in the countries in which we operate. In addition, we do not currently maintain "key person" insurance.

If we are not successful in retaining or attracting highly qualified personnel in key management positions, this could have a material adverse effect upon our business, operating results and financial condition.

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 most of its financiers and is currently undertaking certain extra steps to further lower its cost of financing. Base rates (US Libor successor rates, Euribor, and other local base rates) have been at a high level and this negatively affected the Company’s WACC. We have recently seen these base rates gradually decreasing and this is expected to further lower our financing cost.

The weighted average cost of debt (WACD) in 2024 has decreased to 9.9%, from 11.9% in 2023.

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 innovative products, ranging from home appliances and gaming products and accessories.

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

The Company is undertaking several quality control measures to mitigate this risk but given the volumes and many 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.

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 change. 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.

ITEM 2. INFORMATION ON THE COMPANY

HISTORY AND DEVELOPMENT OF ASBISC ENTERPRISES PLC AND BUSINESS OVERVIEW

Asbisc Enterprises Plc. is the parent entity for the Group described in this chapter, in the section "*Group Structure and Operations*".

ASBISc Enterprises Plc is a leading Value Add Distributor, developer and provider of ICT, IoT products, solutions, and services to the markets of Europe, the Middle East, and Africa (EMEA) with local operations in Central and Eastern Europe, the Baltic republics, the Commonwealth of Independent States, the Middle East and North Africa, combining a broad geographical reach with a wide range of products distributed on a "one-stop-shop" basis. Our focus is on the following countries: Kazakhstan, Ukraine, Slovakia, Poland, Czech Republic, Romania, Croatia, Slovenia, Bulgaria, Serbia, Hungary, Middle East countries (i.e., United Arab Emirates, Qatar and other Gulf states), Latvia and South Africa.

The Group distributes IT components (to assemblers, system integrators, local brands and retail) as well as A-branded finished products like smartphones, 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, Logitech, 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 and other CE products under our private labels: Prestigio, Prestigio Solutions, Canyon, AENO, AROS and LORGAR.

ASBISc commenced business in 1990 and in 1995 we incorporated our holding Company in Cyprus and moved our headquarters to Limassol. Our Cypriot headquarters support, through two master distribution centres (located in the Czech Republic and the United Arab Emirates), our network of 31 warehouses. This network supplies products to the Group's in-country operations and directly to its customers in approximately 60 countries.

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

Our headquarters are home to our centralized purchasing department and global control function, which centrally monitors and controls our global activities, including purchasing, warehousing and transportation operations. In line with our strategy of focusing on automation and innovation to increase our cost-efficiency, in 2002 we began developing the IT4Profit platform, our online purchasing platform for electronic trading with our customers (B2B) and electronic data interchange for the Company and its subsidiaries.

Within this platform, we have also implemented our end-to-end online supply chain management system, to effectively manage our multinational marketplace and increase automation and reporting transparency both internally and vis-à-vis our suppliers.

We combine international experience of our central management team with local expertise of our offices in each of the 34 countries in which we operate. With our broad local presence, we have developed an in-depth knowledge and understanding of fast-growing markets in regions such as Central and Eastern Europe “(CEE”) and CIS and our diverse cultural, linguistic and legal landscape, which may form significant barriers to entry for most of our international competitors. The Directors believe that this advantage has helped us to quickly and cost-effectively penetrate emerging markets and strengthen our competitive position in the markets where we operate.

HISTORY OF THE GROUP

The business has been established back in 1990 by Mr Siarhei Kostevitch and the Company’s main activity was the distribution of Seagate Technology products in the territory of the Commonwealth of Independent States. Then, in 1995, the Company was incorporated in Cyprus and moved its headquarters to Limassol together with all key management. In 2002, to fund further growth, we privately placed U.S. $ 6,000 worth of shares with MAIZURI Enterprises Ltd (formerly named Black Sea Fund Limited) and U.S. $ 4,000 with Alpha Ventures SA. In 2006, we listed our common stock on Alternative Investment Market of London Stock Exchange («AIM»), however after the successful listing on the Warsaw Stock Exchange (October 2007) the Board of Directors cancelled the AIM listing as of the 18th of March 2008. Ever since the company remained listed at the Warsaw Stock Exchange where it joined the WIG 40 index.

STRENGTHS OF THE GROUP

The Directors consider that our key strengths are:

Broad geographic coverage combined with a strong local presence.

Unlike most of our international competitors, we operate with an active local presence in several countries across different regions. Since many of our competitors target the same markets from several different locations in Western Europe, we benefit from increased logistical cost efficiencies. In particular, our broad geographic coverage, combined with our centralized structure and automated processes, results in reduced shipping costs and lower revenue collection expense, as well as a consistent marketing approach, as compared to our competitors. As a result, we have become an authorized distributor for leading international suppliers wishing to penetrate several fast-growing markets served by us, offering them the ability to penetrate these markets in a cost-efficient manner and through a consistent marketing approach.

Experienced management team combined with local expertise.

Our management is a team of experienced executives. Our Chief Executive Officer has been with the Company since its inception in 1990, while most of our key executives have served for more than twenty years.

The business entities of ASBIS Group are managed by skilled local experts who have a strong understanding of the diverse markets, considerable knowledge, and a complete grasp of the regulatory environment in their countries. The Directors believe that local presence represents a significant competitive advantage for us over our multinational competitors.

A critical mass of operations.

Having revenues of more than 3.0 billion U.S. Dollars, sales in approximately 60 countries and facilities in 34 countries, we believe that we have become a strong partner for leading international suppliers of IT components and finished products, including Apple, AMD, Intel, Logitech, Dell, Lenovo, HP, Kingston, Seagate, IBM, Supermicro, Bang & Olufsen, Asus, Samsung, Microsoft, etc. in most of our regions of operations. Thanks to our size and the scope of our regional reach, we have achieved authorized distributor status with leading international suppliers, either on a pan-European, regional, or on a country-by-country basis, thus enjoying several beneficial commercial terms and achieving agreements with respect to the distribution of products offering higher profit margins.

Price protection and stock rotation policy for inventory.

As an authorized distributor for several leading international suppliers of IT components, we can benefit from certain beneficial contract terms that provide protection from declining prices or slow-moving inventory.

In particular, such terms allow us to return part of the inventory to the respective distributors at the event market prices decline or such inventory becomes obsolete. See "*Our Main Suppliers - Price Protection Policy and Stock Rotation Policy*". In contrast, in some of the countries in which we operate, many of our major competitors tend to buy from the open market, which leaves them exposed to the risk of price changes and obsolete stock.

One-stop-shop for producers and integrators of IT equipment.

We have a diverse portfolio with a large range of A-branded final products like tablets, smartphones, laptops, desktop computers, servers, networking equipment, and software as well as IT components – such as complete solutions, building blocks, and peripherals. As a result, we serve as a one-stop-shop, providing complete solutions to producers and integrators of the server, mobile and desktop segments in the countries in which we operate. The Directors consider this to be a significant advantage over competitors with more limited product offerings.

Own brands business improving our profitability.

In the past years, we have invested in the development of our own brands and built a quite strong market position.

We are doing our best to keep pushing our six own brands (Aeno, Canyon, AROS, Lorgar, Prestigio and Prestigio Solutions) to generate higher levels of revenue and at the same time higher gross profit margins with good cash flow. The Directors consider own brands to be a valuable reinforcement of our profitability if it is developed as an addition to the distribution business. Thus, the development of this segment is and will be continued.

Ability to adjust our cost structure to the new business environment and the Company needs.

This is considered a very big advantage of the Company. It has been proven that the Company could quickly adjust its cost structure to any turbulent business environment.

Constantly looking for new ideas and innovative partnerships

During the past years, the Group managed to attract and partner with some of the very innovative companies in Cyprus and not only. These start-ups have pioneering technologies in different fields of expertise which make it very exciting and unique value proposition for ASBIS. The BOD considers this to be a competitive advantage for the Group, given the diversity of these companies and opportunities that the Group is exposing itself into.

GROUP STRUCTURE AND OPERATIONS

The following table presents our corporate structure as at December 31st, 2024:

Company	Consolidation Method
ASBISC Enterprises PLC	**Mother company**
Asbis Ukraine Limited (Kyiv, Ukraine)	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%)
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%)
ASBC F.P.U.E. (Minsk, Belarus)	Full (100%)
E.M. Euro-Mall Ltd (Limassol, Cyprus)	Full (100%)
Asbis Morocco Sarl (Casablanca, Morocco)	Full (100%)
Prestigio Plaza Ltd (Limassol, Cyprus)	Full (100%)

Company	Consolidation Method
Perenio IoT spol. s.r.o. (Prague, Czech Republic)	Full (100%)
Asbis Kypros Ltd (Limassol, Cyprus)	Full (100%)
“ASBIS BALTICS” SIA (Riga, Latvia)	Full (100%)
Asbis d.o.o. (Sarajevo, Bosnia Herzegovina)	Full (90%)
ASBIS Close Joint-Stock Company (Minsk, Belarus)	Full (100%)
ASBIS Kazakhstan LLP (Almaty, Kazakhstan)	Full (100%)
Euro-Mall SRO (Bratislava, Slovakia)	Full (100%)
Asbis China Corp. (former Prestigio China Corp.) (Shenzhen, China)	Full (100%)
EUROMALL BULGARIA EOOD (Sofia, Bulgaria)	Full (100%)
E-Vision Production Unitary Enterprise (Minsk, Belarus)	Full (100%)
iSupport Ltd (Kiev, Ukraine)	Full (100%)
I ON LLC (Kiev, Ukraine)	Full (100%)
ASBC MMC LLC (Baku, Azerbaijan)	Full (65.85%)
ASBC KAZAKHSTAN LLP (Almaty, Kazakhstan)	Full (100%)
Atlantech Ltd (Ras Al Khaimah, U.A.E)	Full (100%)
ASBC LLC (Tbilisi, Georgia)	Full (100%)
Real Scientists Limited (London, United Kingdom)	Full (55%)
i-Care LLC (Almaty, Kazakhstan)	Full (100%)
ASBIS IT Solutions Hungary Kft. (Budapest, Hungary)	Full (100%)
Breezy LLC (Minsk, Belarus)	Full (100%)
MakSolutions LLC (Minsk, Belarus)	Full (100%)
Breezy Kazakhstan TOO (Almaty, Kazakhstan)	Full (100%)
Breezy LLC (Kyiv, Ukraine)	Full (100%)
I.O.N. Clinical Trading Ltd (Limassol, Cyprus)	Full (100%)
R.SC. Real Scientists Cyprus Ltd (Limassol, Cyprus)	Full (85%)
ASBIS CA LLC (Tashkent, Uzbekistan)	Full (100%)
Breezy Service LLC (Kyiv, Ukraine)	Full (100%)
Breezy Trade-In Ltd (Limassol, Cyprus)	Full (91.15%)
SIA Joule Production (Riga, Latvia)	Full (100%)
ASBC LLC (Yerevan, Armenia)	Full (100%)
Breezy Georgia LLC (Tbilisi, Georgia)	Full (100%)
ASBC Entity OOO (Tashkent, Uzbekistan)	Full (100%)
ACEAN.PL Sp. z o.o (Warsaw, Poland)	Full (100%)
Entoliva Ltd (Limassol, Cyprus)	Full (100%)
ASBIS HELLAS SINGLE MEMBER S.A. (Athens, Greece)	Full (100%)
Prestigio Plaza Kft (Budapest, Hungary)	Full (100%)
ASBC SRL (Chisinau, Moldova)	Full (100%)
Breezy-M SRL (Chisinau, Moldova)	Full (100%)
Breezy Poland Sp. z o.o. (Warsaw, Poland)	Full (100%)
ASBIS AM LLC (Yerevan, Armenia)	Full (100%)
ASBIS Georgia LLC (Tbilisi, Georgia)	Full (100%)
ASBIS AZ LLC (Baku, Azerbaijan)	Full (100%)
ASBIS s.r.l. (Chisinau, Moldova)	Full (100%)
Asbis Africa (Pty) Ltd (Johannesburg, South Africa)	Full (100%)
ASBC Morocco s.a.r.l. (Morocco, Casablanca)	Full (100%)
Sarovita Ltd (Limassol, Cyprus)	Full (100%)
ASBC South Africa (Pty) Ltd (Johannesburg, South Africa)	Full (100%)
Breezy Azerbaijan MMC (Baku, Azerbaijan)	Full (100%)

Company	Consolidation Method
AROS ENGINEERING SINGLE MEMBER S.A. (Athens, Greece)	Full (100%)
ASBC ITALIA S.R.L. (Rome, Italy)	Full (100%)
ASBC INC. (Delaware, U.S.A.)	Full (100%)
E-VISION UKRAINE LLC (Kiev, Ukraine)	Full (100%)

Asbisc Enterprises Plc is the parent company of the Group. Our subsidiaries are involved in diverse activities related to the distribution of IT products and components and mobile devices. In particular, our subsidiaries operating under the ASBIS name are involved in the distribution of IT components, mobile devices, finished products and equipment, including distribution of products from worldwide leading manufacturers such as Apple, AMD, Intel, Logitech, Dell, Lenovo, HP, Kingston, Seagate, IBM, Supermicro, BANG & OLUFSEN, ASUS, Samsung, Microsoft and many other well-known international suppliers.

CHANGES IN THE GROUP'S STRUCTURE

During the year ended December 31st, 2024, there were the following changes in the structure of the Company and the Group:

- On January 17th, 2024, ASBISC Enterprises Plc has liquidated the company ASBIS DE GMBH (München, Germany).
- On January 24th, 2024, the Issuer has acquired 100% of the shares of Breezy Azerbaijan MMC (Baku, Azerbaijan). The Issuer holds 100% in this subsidiary, being equal to share capital of AZM 1,700 (USD 1,000). We acquired this entity for trade-in business of used products and provision of warranty services.
- On June 7th, 2024, ASBISC Enterprises Plc has liquidated the company UAB Asbis Vilnius (Vilnius, Lithuania)
- On July 7th, 2024, the Issuer has acquired the 100% shares of the company AROS ENGINEERING SINGLE MEMBER S.A. (Athens, Greece). The Issuer holds 100% in this subsidiary, being equal to share capital of EUR 100,000 (USD 108,100). We acquired this entity to provide automatic robotic systems solutions.
- On July 15th, 2024, the Issuer has acquired the 100% shares of the company ASBC ITALIA S.R.L. (Rome, Italy). The Issuer holds 100% in this subsidiary, being equal to share capital of EUR 300,000 (USD 324,330). We acquired this entity to expand our retail business.
- On August 29th, 2024, the Issuer has acquired the 100% shares of the company ASBC INC. (Delaware, U.S.A.) for the consideration of USD 5,000. The Issuer holds 100% in this subsidiary, being equal to share capital of USD 55. We acquired this entity to expand our retail business.
- On September 4th, 2024, the Issuer has acquired the 100% shares of the company E-VISION UKRAINE LLC (Kiev, Ukraine). The Issuer holds 100% in this subsidiary, being equal to share capital of UAH 618,959 (USD 15,072). We acquired this entity for the development of IT solutions.

REGIONAL OPERATIONS

We operate as a one-stop-shop for the desktop PC, server, laptop, tablet PC, smartphones, and software segments. The management believes that the Company is currently the only IT component and A-branded finished products distributor that covers substantially all Eastern Europe, as part of a single supply chain with highly integrated sales and distribution systems. We also have operations in the Baltic States, the Balkans, the Commonwealth of Independent States countries, the United Arab Emirates, the Middle East and South and North Africa countries.

We also provide technical support for all new products that we stock through product line sales managers. Sales personnel receive internal training and focus groups are established that have an in-depth knowledge of their respective product lines.

Our sales staff are also trained by our suppliers, such as Apple, AMD, Intel, Logitech, Dell, Lenovo, HP, Kingston, Seagate, IBM, Supermicro, Bang & Olufsen, Asus, Samsung, Microsoft, and others, because of our status as an authorized distributor of their products. The Directors consider that this organizational process allows us to provide added value to our customers and differentiate us from our competitors.

KEY MARKETS AND REGIONS

Historically, the regions of the Commonwealth of Independent States (CIS) and Central Eastern Europe ("CEE") have been the largest revenue contributors of the Group. This has not changed in 2024. However, due to the new market realities in

Kazakhstan, ongoing war in Ukraine and increasing escalations in the Middle East, the contribution of certain regions – like the CEE region, in total revenues of the Company for 2024 has changed as compared to 2023. Central & Eastern Europe as well as Middle East and Africa and Western Europe contribution has grown to 28.88% (from 25.84% in 2023), 16.30% (from 13.90% in 2023) and 10.64% (from 8.41% in 2023) respectively. At the same time, the CIS region contribution has decreased to 42.10% (from 51.07% in 2023).

The following table presents a breakdown of our revenue by regions for the years ended 31 December 2024, 2023, and 2022:

	2024 (%)	2023 (%)	2022 (%)
Commonwealth of Independent States (CIS)	42.10	51.07	52.31
Central and Eastern Europe	28.88	25.84	24.30
Middle East & Africa	16.30	13.90	15.16
Western Europe	10.64	8.41	6.81
Other	2.08	0.78	1.43
Total revenue	**100**	**100**	**100**

PRODUCTS

We engage in the sales and distribution of a variety of products including IT components, mobile devices, laptops, server and mobile building blocks and peripherals to third-party distributors, OEMs, retailers and e-tailers and resellers. Our customers are located mainly in Central and Eastern Europe, the Commonwealth of Independent States, Western Europe, North and South Africa and the Middle East.

We engage in the following primary business lines:

- Sales and distribution of IT components and blocks described below that we purchase from a variety of suppliers such as Intel, AMD, Seagate, and Western Digital
- Value-add distribution (“VAD”) of Apple products in certain Commonwealth of Independent States countries
- Sales of accessories and gaming products (like Logitech)
- Sales of a wide range of finished products from worldwide manufacturers (Dell, Apple, HP) as well as software (Microsoft and antivirus software producers)
- Sales of premium consumer products (i.e., Bang & Olufsen, Loewe)
- Sales of a range of private label products (such as tablet PCs, multiboards, data storage devices, , peripherals, accessories, security solution, products in the field of servers, mass storage, solutions for data centers, robots (cobots) with larger volumes and profit potential selected by us and manufactured by ODM/OEM producers in the Far East under our own private label brands: Canyon, Prestigio Solutions, Aeno, Lorgar and AROS.

The products that are purchased from suppliers and distributed by us are divided into various categories and are presented in the table below:

Year ended 31 December (U.S. $)	2024	2023
Smartphones	1,260,145	1,241,725
Central processing units (CPUs)	314,801	310,191
PC mobile (laptops)	221,135	251,029
Servers & server blocks	148,901	137,739
Peripherals	127,366	129,758
Audio devices	101,301	112,388
Solid-state drives (SSDs)	95,726	67,915
Multimedia	83,289	69,106
Networking products	70,811	72,763
Hard disk drives (HDDs)	68,707	70,395
Display products	67,207	81,764
PC desktop	66,861	67,326
Accessories	58,155	72,713

Year ended 31 December (U.S. $)	2024	2023
Smart devices	52,138	77,351
Tablets	48,887	55,119
Memory modules (RAM)	40,681	14,500
Software	37,843	62,204
Video cards and GPUs	28,947	32,381
Other	115,602	134,861
Total revenue	**3,008,503**	**3,061,228**

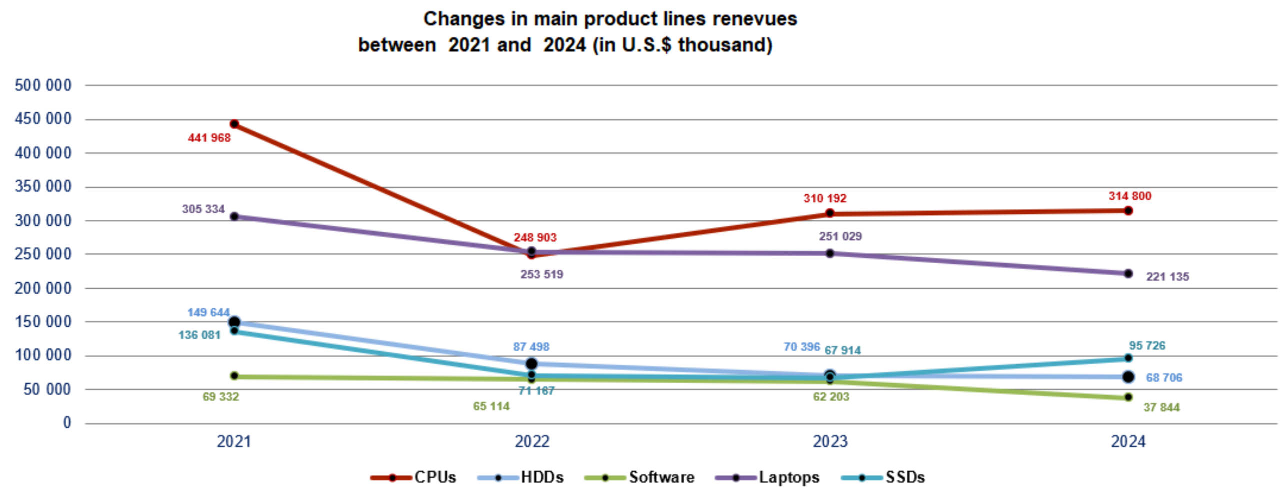
From the beginning of 2024, revenues have been under serious pressure caused by the illicit trading and a consumer new legislation in Kazakhstan but also lower than expected sales in Ukraine and less European IT transformation support programs in the countries of Central and Eastern Europe, like Slovakia. Despite all these negative events we managed to find opportunities, grow our business on many products and further strengthen cooperation with our leading partners. This shows that ASBIS is reliable, strong and flexible to weather difficulties that arise in our markets.

In the period of the twelve months of 2024, we have continued the strengthening and development of our portfolio of own brands, including the division related to trade-in business, Breezy.

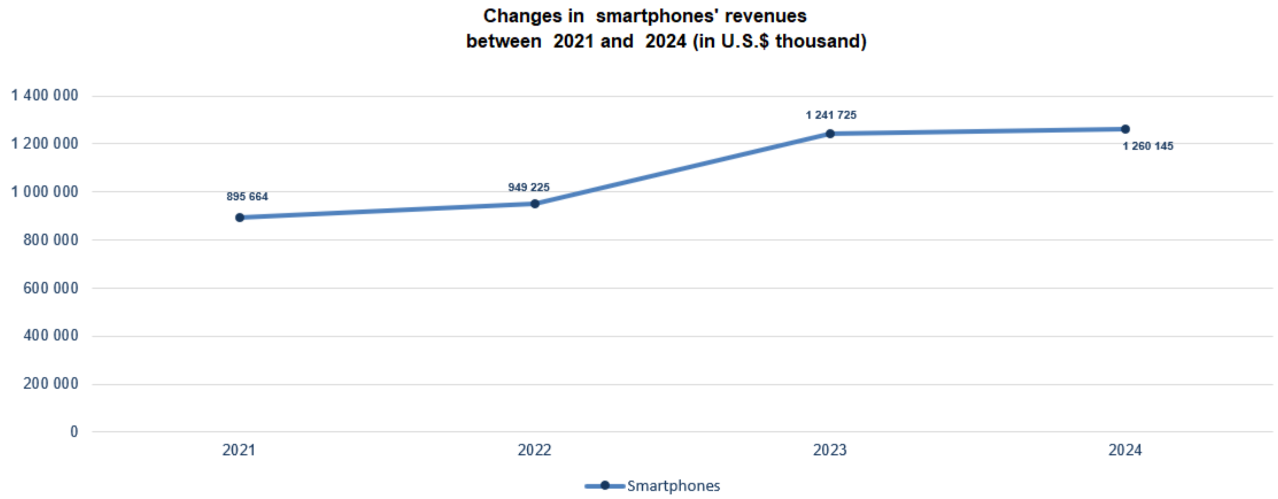
To meet all customers' needs, we have recently increased our warehouse capacity in our distribution centers in Prague, Johannesburg and Dubai. At the beginning of 2024 the Group has started building a new warehouse in Kazakhstan with an area of approximately 20,000 m2. This investment is a response to the growing demand in Kazakhstan, where the company has significantly intensified its presence from 2022. The new distribution center will be up and running in 2025.

With this new warehouse in Kazakhstan, the total warehouse space of ASBIS Group, including main, regional, and local distribution centers, will amount to approximately 80,000 m2.

The chart below indicates trends in sales per product line:



The chart below indicates trends in smartphones sales.



Sales of smartphones, which account for the majority of our revenue, increased by 1.5% in 2024 compared to 2023. Smartphone sales during last year were negatively affected by illegal trade and new consumer regulations in Kazakhstan. This was another record-breaking year of smartphone sales which shows ASBIS strength and ability to adopt to new market conditions.

OWN BRANDS: CANYON, LORGAR, PRESTIGIO, PRESTIGO SOLUTIONS, AENO AND AROS

ASBIS fosters the creation, development, and promotion of multiple in-house brands, including Canyon, Lorgar, Prestigio, Aeno, and AROS. Our approach involves meticulous market research to understand user needs, allowing us to tailor each brand's portfolio with the most sought-after and innovative products.

We forge direct partnerships with reputable factories and component suppliers in the Far East, notably in China. Every product undergoes thorough scrutiny and enhancement by our engineers before entering production, ensuring rigorous quality control throughout ASBIS. Our stringent quality standards entail meticulous step-by-step testing before products hit the consumer market, and all ASBIS brand items hold requisite certificates of conformity to international quality standards.

ASBIS has decided to focus on the growth of each individual brand and split the management roles per brand for more efficient administration. For this purpose, three separate GMs have been appointed for each of the business units: AENO, CANYON and Lorgar.

Operating across multiple countries, ASBIS markets products under our proprietary brands, offering enhanced features and competitive pricing.

CANYON IS A BRAND WITH 20 YEARS OF HISTORY.

Canyon offers a diverse portfolio of over 250 items, spanning mobile and PC accessories to wearable tech like smartwatches and car DVRs. The products cater to urban culture enthusiasts, city dwellers, and innovation seekers. Canyon encourages the younger generation to embrace their authenticity, irrespective of physical attributes, ethnicity, or gender, inspiring them to positively impact the world. Their creativity, commitment to eco-responsibility, tolerance, humanity, and mindful consumption make invaluable contributions to society.

The brand pays special attention to compliance with EU environmental standards. The packaging of almost all devices is made from recyclable materials, avoiding plastic components, and boasts a vibrant and captivating aesthetic.

Under the Canyon gaming sub-brand, we manufacture gaming solutions, including mice, keyboards, and other PC accessories tailored for novice gamers and those entering the gaming scene. The Canyon Gaming series boasts special gaming-oriented features such as programmable buttons and onboard memory modules. Devices are produced in a singular and distinctive style while remaining affordable.

According to GFK reports, Canyon commands significant market shares in various product categories across multiple countries, including impressive 25% in kids' smartwatches in Romania, 3% in wireless mice in the Czech Republic, 8% in kids' smartwatches and 4% in wireless mice in Ukraine. Canyon products are currently available in over 30 countries, with plans for further expansion in Western Europe, Middle East and Africa through strengthened partnerships with major distributors.

Looking ahead, Canyon's brand strategy for the upcoming year involves developing a product line with unique designs, which includes smartwatches, wireless chargers, TWS headsets, and Bluetooth speakers. Additionally, the company plans to expand Canyon business into new categories such as car gadgets and accessories.

www.canyon.eu I www.gaming.canyon.eu

LORGAR

Lorgar is a gaming brand, which offers a unique solution to enhance your gaming experience and gameplay quality through statistical analysis of your gaming performance. Our system aligns and enhances individual configurations for your devices and settings based on the analysis of professionals' gameplay.

Lorgar comprises a high-quality ecosystem of devices for gamers and streamers, packaged in a premium and eye-catching box, complemented by unique software named WP Platform. Our in-house developers have created a solution that provides users with simple access to advanced settings, a dedicated community, a statistics module, and many other features not available in even the software of market leaders.

The brand delivers solutions in the main popular categories, including mice, keyboards, headsets, mousepads, and gamepads for gamers; web cameras and microphones for streamers; and gaming chairs for those who value comfortable furniture. Currently, Lorgar is available for purchase in about 200 stores, primarily in Europe, from Great Britain to Kazakhstan.

Lorgar made its first public appearance at the major European exhibition, IFA 2022, in Berlin. The gaming devices by Lorgar attracted significant interest from visitors and partners. Our B2B network consists of about 500 partners, who placed orders for Lorgar devices at least once in the last year.

In the marketing arena, the Brand launched "Lorgar Cup", a unique esports championship by discipline CS: GO, that brought together more than 1000 gamers from 5 countries and garnered over 20 million online impressions.

Our main goals for 2025 includes developing our current portfolio, expanding into new categories and markets, increasing revenue multiple times, and building a strong community of followers.

www.lorgar.eu

AENO

Aeno is a new Small Domestic Appliances brand with a focus on smart devices.

The product portfolio includes cleaning and cooking appliances: air purifiers, heaters, steam mops, vacuum cleaners, garment steamers, kettles, blenders, electric ovens, Sous-Vide, vacuum sealers, and toothbrushes.

In 2022, Aeno launched an innovative, premium, eco-friendly smart heater that uses combined infrared and convection technology. The product is one of a kind and has no direct competition in any market. An energy-saving heater can help customers save up to 50% on energy costs over the entire heating season. The Aeno heater works without blowing air or raising dust and does not produce pollutants, odors or noise.

The brand is working towards its sustainable vision of smart home appliances that align with consumers' lifestyles, needs, and values. Aeno's mission: To be a leading brand for consumers and partners in SDA segment due to easy and intuitive usage experience, sustainability and design, creating new products and trends at all key markets.

The brand also hopes to contribute to society through its environmentally friendly eco-packaging. All packaging is made from 100% recyclable materials, does not consist of plastic components, which is line with its strong commitment to build a sustainable future.

All models of Aeno are created in the same style. The aesthetics of technology are inseparable from its functions: devices work together in a single ecosystem that provides access to individual settings. The Aeno app allows consumers to control all home appliances with their smartphones, manually or with voice assistants, and integrate home appliances into various automation scenarios.

The brand entered the markets of Ukraine, and the Baltics at the start of 2022. However, it soon faced challenges due to the war and had to expand its focus to include Eastern European countries and find suitable solutions. During the 2nd quarter of 2022, AENO launched its products in Romania, Poland, Slovakia, the Czech Republic, and Bulgaria. Then, in the following quarter, it further expanded its reach to include Western Europe, and established partnerships with major distributors in Germany, Switzerland and Spain.

In 2023, AENO increased the share of eco-friendly smart devices within its product portfolio and enhance its presence in Western European markets (all 4 regions), entered the Greece market, Hungary, Kazakhstan.

In 2024, AENO was on a mission to redefine and expand its product categories. With an unwavering commitment to excellence, Aeno is strategically exploring opportunities in both Western markets and Africa, recognizing the immense potential these regions hold.

In Western markets, AENO aims to tap into the sophisticated consumer base, leveraging its cutting-edge technologies and creative design philosophy to offer products that seamlessly integrate into modern lifestyles. The brand's dedication to quality and customer satisfaction positions it as a formidable contender in these discerning markets.

Simultaneously, AENO is setting its sights on the vast and dynamic markets of Africa. Recognizing the rapid economic growth and evolving consumer preferences in the continent, AENO is keen on introducing its diverse range of products tailored to meet the unique needs of the African consumer. By aligning with local trends and embracing the rich cultural diversity, AENO aims to establish a meaningful presence in Africa.

AENO's expansion into these markets is not just a strategic move; it is a testament to the brand's global vision and commitment to providing innovative solutions to consumers worldwide. As AENO continues to venture into new territories, it is poised to become a global household name, setting new benchmarks in product innovation and customer satisfaction.

https://aeno.com/

PRESTIGIO

Prestigio is an international brand offering a wide range of consumer electronics for home, education, and office for 20 years. It combines two business directions: Prestigio consumer electronics for the B2C segment and Prestigio Solutions with cases for B2B partners. This brand sells products in more than 27 countries around the world.

Prestigio is undergoing a change in its strategy, looking to focus on creating unique high style products which will add on significant value for affordable prices. We estimate to roll out the strategy of new products towards the end of second quarter of this year.

www.prestigio.com

PRESTIGIO SOLUTIONS™

Prestigio Solutions™ is an international brand of technological solutions for business and education. Prestigio Solutions helps companies to modernize, automate, and simplify their business processes and introduce advanced technologies at affordable prices. Its sustainable development began in 2013 under the Prestigio brand with the Multiboard interactive panel.

In 2021, Prestigio Solutions became an independent brand, offering a wide range of high-quality and efficient IT solutions for the B2B and B2G segments. It has production, design, and technical facilities in Europe and China.

For the past years, the Prestigio Solutions brand line includes the MultiBoard interactive panels, Digital Signage AV solutions, video conferencing systems, business and education software, and a wide range of accessories.

In 2024, Prestigio Solutions expanded the product portfolio with the newest Multiboard and new categories, such as tablets PC and Digital Media Players for education and business from small size to enterprise level. We also agreed on a strategic partnership with OneRugged, the global brand of rugged computing solutions. This collaboration aims to provide more comprehensive solutions for customers and partners across various industries.

Looking ahead, Prestigio Solution plans to continue developing its portfolio to fulfill market needs in the EMEA region, confidently competing with top market players. It will ensure top-quality solutions for better business efficiency in multiple industries and better education.

https://prestigio-solutions.com

SUPPLIERS AND PROCUREMENT

Our Main Suppliers/Partners

Fostering strong supplier relationships is a cornerstone of our business strategy. Over the years, we have invested significantly in building enduring partnerships founded on mutual trust and transparency. To support this, we ensure our suppliers have real-time visibility into critical metrics such as stock levels and country-specific sales performance through daily and weekly reporting. This approach enables our suppliers to effectively monitor customer demand, adapt to market dynamics, and align with emerging trends.

In 2024, a substantial share of our revenues was attributed to our top ten suppliers. However, our diversified portfolio of brands across all product categories ensures we are not overly dependent on any single supplier.

As a non-exclusive distributor, we handle end-to-end responsibilities for promoting, marketing, selling, and providing after-sales support for our suppliers' products in designated markets. Suppliers monitor our performance through established mechanisms, including regular reporting on inventory levels and point-of-sale data to ensure minimum sales targets are achieved.

Price Protection Policy. To mitigate exposure to price volatility, many of our larger suppliers include price protection clauses in their contracts. These provisions allow us to seek reimbursement for inventory in transit or held in warehouses when product prices decline within an agreed timeframe. However, such protections are less common with smaller suppliers, where we face greater exposure to price fluctuations.

Stock Rotation Policy. Our risk of inventory obsolescence is minimized through stock rotation agreements with many major suppliers. These policies allow us to return a percentage of slow-moving inventory within predefined timeframes in exchange for credit. Typically, we can return stock at the end of each quarter, with eligibility determined by our sales performance in the preceding quarter.

Return Material Authorization Policy ("RMA"). We benefit from flexible RMA arrangements with our key suppliers, allowing us to return defective products for credit, replacement, or refurbishment. These terms vary based on individual supplier policies.

Procurement Policies

Our centralized procurement system, managed through our headquarters in Limassol, Cyprus, ensures efficiency and alignment with business objectives. Country managers provide forecasts of sales volumes and targets, broken down by product lines and suppliers, which are then reviewed and consolidated by Product Line Managers ("PLMs"). The consolidated data is submitted to the Product Marketing Director for verification and approval during weekly management reviews.

We maintain inventory levels aligned with projected sales to ensure optimal supply chain performance. For primary product lines, we aim to hold four weeks' worth of sales revenue in inventory, while secondary lines are stocked for four to five weeks. This approach balances supply reliability with inventory turnover efficiency. Our stable supplier network eliminates the need for formal supplier onboarding procedures.

SALES AND MARKETING

We prioritize the development of a robust online sales infrastructure, incentivized profit-sharing models, and comprehensive training for our sales managers to deepen their expertise in product offerings and enhance customer satisfaction. Additionally, we leverage marketing funds provided by key suppliers to drive sales growth and strengthen client relationships.

Our marketing operations are structured into two specialized teams:

1. Product Marketing Group – Responsible for pricing strategy, product supply oversight, and coordination with suppliers for training Product Line Managers (PLMs).
2. Channel Marketing Group – Focused on public relations, marketing campaigns, and content management for central and regional websites.

These teams work collaboratively with Local Marketing Coordinators, suppliers, product managers, and sales teams to deliver seamless marketing and sales integration.

DISTRIBUTION

Distribution model.

Our distribution model is based on a system of centralized purchasing operations performed from our headquarters in Cyprus, which is in direct contact with the suppliers.

Most suppliers deliver their products directly to our central distribution centers (DCs) at set weekly intervals, while some of the larger orders can be delivered directly to local warehouses of our subsidiaries. In any case, we operate in significant volumes, which allows us to keep the delivery costs at a minimum.

Distribution centers.

ASBIS's distribution network is based on more than 30 in-country stock points across CEE, FSU, Gulf, Caucasus, and Africa. We replenish the stock via two master distribution centers, located in Prague (the Czech Republic) and Dubai (the United Arab Emirates), and two regional distribution centers, located in Tbilisi (Georgia) and Johannesburg (South Africa).

The distribution center in Prague can consolidate the orders and fulfill the deliveries to any of ASBIS's local distribution centers and subsidiaries, as well as serve customers across the globe. The distribution center in Dubai mainly serves our operations throughout the Middle East and Eastern and Northern African countries. The distribution center in Johannesburg serves as a consolidation point for the customers located in South Africa and across the Sub-Saharan region, while the distribution center in Tbilisi mainly serves the countries in the Caucasus region.

The total warehouse space of ASBIS Group, including main, regional, and local distribution centers, currently amounts to approximately 60,000 m2.

The table below presents information on the size and ownership of each of our four distribution centers:

Facility Location	Office area (m2)	Warehouse area (m2)	Total area (m2)	Ownership
Prague NEW DCCZ	1,000	13,000	14,000	Leased
Dubai	3,000	5,200	8,200	Owned
Johannesburg – South Africa (including 3PL bonded storage)	800	3,000	3,800	Leased
Tbilisi – Georgia DCGE Caucasus Bonded	-	3,000	3,000	3PL

To ensure visibility and bottom-line efficiencies of our warehousing environment, we have connected our Warehouse Management System (WMS) to our ERP. Thus, when orders are placed, they are communicated to our relevant master distribution centers, which can then process the orders for delivery. We are constantly expanding the usage of the WMS throughout the Group, and currently, all warehouses are equipped with such systems. The Directors believe that the advantages of operating the connected systems include the ability to meet or exceed shipping commitments, instant visibility of inventory movements, consistency of inventory management records, reduction of inventory write-offs, and simplicity in shipment planning, replenishment, and storage activities.

In-Country Operations.

We operate through 34 local subsidiaries. The customers' POs in these countries are mainly fulfilled from the local stock points. In some cases, large-volume clients can be served directly via master DCs. Each local office has a dedicated logistics team that is responsible for direct shipments to its customers. The central management at Cyprus Headquarters monitors and assesses the performance of each local logistics center by using several key performance indicators, among which are: optimal transit time, perfect order fulfillment rate, JIT deliveries, and optimal transportation costs.

Distribution Operations Management

The Directors believe that our efficient logistics model is one of the key contributors to maintaining our success in the distribution industry. Each in-country logistics center is focused on continuous improvement, with key performance indicators in place to measure its effectiveness. We constantly focus on security improvements on the road and at warehouses.

We maintain TAPA memberships in several countries, and our main distribution center in the Czech Republic holds TAPA FSR Level A security certification. ASBIS also proudly holds Authorized Economic Operator (AEO) status, which certifies our commitment to following all EU customs regulations and allows for customs procedures to be passed much quicker, which creates yet another competitive advantage and makes ASBIS the distributor of choice.

Disaster Recovery

We have developed and will continue to enhance, an enterprise-wide business plan, incorporating a disaster recovery plan that will enable us to restore all major procedures from offices around the world.

For our servers, we use Intel, Dell and IBM hardware.

In case of a system failure, spare servers kept at several locations where we operate can be made available within 24 hours. In addition to the daily back-ups that we maintain in Cyprus, we have our storage space resources in Lithuania for performing daily back-ups. We are also implemented cloud backup offload with immutability function. That means that after write backups cannot be deleted or modified for 1 week, read only. In the event of a system failure, we can restore applications and recover data. In such an instance, this will enable us to continue operating with electronic means and servicing our clients. ASP services have a different scheme of high availability.

On the main host in Lithuania, the services have fully duplication hardware according to the active-standby scheme with full online replication. Additionally, data is being replicated with fifteen minutes delay to the standby host in Prague and every day a full back-up of each service is taken.

Customers

We served 20,000 customers in approximately 60 countries in 2024. We have no reliance on any single customer, as our biggest customer is only responsible for around 4.2% of total revenues. Approximately 60% of our total sales were conducted on-line, based on our IT4Profit platform described above.

INDUSTRY OVERVIEW AND COMPETITION

MARKET CHARACTERISTICS

The markets we operate in are characterized by multi-culture environment and significantly lower per capita income when compared to the Western European markets.

Despite differences in GDP per person, our markets have been proving quite technology-oriented that consist of very educated and demanding consumers.

Distributors are a basic component of the industry since the major suppliers of technology would rather deal with distribution instead of own in-country operational investment.

This is particularly true of the European market, where a diversity of national business practices, as well as cultural and language differences make it difficult to pursue efficient hardware distribution models without having a strong local presence. In the Central and Eastern European and Commonwealth of Independent States markets, different currencies, varying levels of economic development, import regulations and periodic episodes of political and economic instability create additional impediments to IT distribution not found in Western Europe. At the same time, leading manufacturers of IT do not want to rely solely on multinational OEMs and world-wide distributors for distribution as this would reduce producers' bargaining power.

For companies having their own brands business, like us, it is important to find new niches all the time and leverage on market position and brand recognition. The need for new product lines is very important since we need to timely replace saturated product segments.

MARKET TRENDS

The year 2024 was by far, one of the most challenging years for ASBIS, mainly due to new market realities in Kazakhstan, the continuation of the war in Ukraine, and the increasing escalations in the Middle East.

In Kazakhstan, a sharp decline in sales was caused not only by illicit trading but also due to new credit laws applied by the government of the country which aimed the control of consumer credit and, as a result, the ability of consumers to spend diminished; this in turn made sales much tougher.

Despite our efforts to find a remedy, it seems that these new conditions will remain in force for some time and until the monetary policy makers decide to ease the rules again. We are working closely together with our suppliers and local authorities over some solutions that we strongly believe will improve the situation in the market. We are also working on financial tools for us to support our chains of iSpace stores that will make it easier for customers to purchase our distributed products. Regardless of these, we have noticed significant efforts from the local government who have delivered advanced computer servers for bolstering the country's customs infrastructure and efficiency.

In Ukraine, our second largest market, the ongoing war has adversely affected and continues to affect our business operations. Our approach to the market has not changed, despite the full-scale war, we continue to invest in the country, looking for an improved business landscape in the future. Moreover, we expect that after the end of the war the Company will be one of the largest beneficiaries related to the reconstruction of IT infrastructure in Ukraine.

In 2024 we have continued developing our portfolio of IT products and services, including our second life devices division, Breezy, in which we have invested significantly and see a very positive development. Breezy significantly expanded its market presence across its operational countries and forged new trade-in partnerships. We expect this business unit to significantly contribute to its profitability in the short to medium term.

In summary it was an extremely difficult year, but we are satisfied with ASBIS achievements. We look into 2025 with optimism. We expect the markets to stabilize. We believe that inflationary pressures will be lower, and the consumer sentiment shall be at an improved level. In ASBIS we have many areas of growth, such as Breezy, own brands and new markets like Africa and Middle East. Our aim is clear, and it is organic growth by operational excellence but also through the right acquisitions, when they appear as good opportunities.

COMPETITIVE LANDSCAPE – TRADITIONAL DISTRIBUTION

Distribution of IT and mobile devices in Central and Eastern Europe and the Commonwealth of Independent States is fragmented. Major multinational players who dominate the U.S. and Western European markets are present in a few countries each.

Many local distributors operate mostly in a single country with only a few operating in more than one country. Typically, these local players have the largest share in each of the countries.

The Directors consider the Company to be one of the largest distributors of IT components in Eastern Europe, with a distribution network covering most countries in Eastern Europe, and one of the three largest distributors in the EMEA region for IT components such as HDDs and CPUs. As no other distributor has a pan-regional presence like ASBIS, we believe we are very much protected with our current set up and infrastructure.

We compete with local distributors, but the Directors consider that none of them has comparable geographic coverage, nor carry as diverse a portfolio as we do. The Directors consider that we do not have one main competitor but rather a group of competitors varying from country to country.

As some consolidation is seen on the market, and this trend may continue because of the recent world's financial crisis and limited abilities of the smaller distributors to finance themselves, ASBIS is ready to benefit from any opportunities that may arise.

COMPETITIVE LANDSCAPE – PRIVATE LABELS

The private labels, Canyon, Prestigio, Prestigio Solutions, Aeno, Lorgar and AROS are competing with a variety of brands in all markets we operate. The market leaders of the tablet and smartphone segments are Apple and Samsung. We do not consider our Prestigio brand to be competing with these conglomerates since we are not considered as an A-brand.

We are positioning ourselves as a B-Brand with a limited number of product offerings and limited countries of presence. Recently the market was flooded by cheap brands, thus we have decided not to compete in price but rather on quality and decreased our product lines and number of models to achieve better margins.

We continue our own brand business on a back-to-back basis and expect it to be responsible for a good share of our total revenues. This will allow us to benefit from its higher profitability, but we try not to carry any other related risks, such as inventory obsolescence.

DIRECTIONS OF FURTHER DEVELOPMENT

Our strategy is to grow our business and increase profitability by improving our operational efficiency in the distribution of IT products within all the regions we operate in, upgrading our product portfolio and increasing sales of our private label products.

We intend to achieve this by:

A. increasing or retaining sales and market share in countries of Central and Eastern Europe, some particular markets of Commonwealth of Independent States, Western Europe and the Middle East and Africa and taking advantage of the weaknesses of the competition
B. benefiting from increased Apple business, keep enhancing the IT component business, adding more third-party products to our portfolio, and improving the gross profit margin
C. further optimizing our private label business
D. further development of the VAD business
E. decreasing cost of financing
F. engaging in alternative investments and new technologies
G. controlling our cost structure, enhancing operating efficiency and automated processes, including our online sales channels
H. continuing our successful foreign exchange hedging and other risk management activities

A. Increasing or retaining sales and market share in countries of Central and Eastern Europe, some particular markets of CIS and the Middle East and Africa and taking advantage of the weaknesses of the competition

In 2024, despite the extremely difficult market condition in Kazakhstan, ongoing war in Ukraine and the unfavorable geopolitical environment, we were able to increase revenues in most of our markets of operation.

We have built very solid foundations and competent teams which allow us to grow in the years to come. We look into 2025 with confidence and optimism. We have many areas of growth; we are investing further in the development of our portfolio of IT products and services with technologically advanced solutions, including the division related to second life devices Breezy.

We expect revenues to be supported by new products introduction and growing geographical expansion in Armenia, Georgia, Azerbaijan, Morocco, Moldova, Western Europe and South Africa.

B. Benefiting from increased Apple business, keep enhancing the IT component business, adding more third-party products to our portfolio, and improving gross profit margin.

For 2025, we have very ambitious plans to increase our APPLE business. We plan to retain our strong market position and strengthen our relationship with customers and suppliers, following the one of the most challenging but quite successful year. The Company will focus on the acquisition and servicing of large business projects. The success of the last four years with Data Centers and other projects is expected to be replicated and further increased. We remain focused in all markets of our operation.

For 2025 we expect decent growth in the smartphone segment, both new and used, following the dynamic development of Breezy - the largest Trade-In provider in the countries we operate.

According to independent analysts, worldwide IT spending is expected to grow in 2025. Experts forecast IT spending will reach $5.74 trillion globally which means 9.3% increase over 2024. Most of this growth will be driven by AI, cybersecurity needs, and hardware upgrades as Windows 10 end.

Software and IT services will be one of the largest drivers of IT growth in 2025. Spending on these segments is expected to reach approximately $7.4 billion mainly due the AI-related projects.

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

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

Regarding the gross profit margin, the Group's ability to sustain its gross profit margin is of huge importance. 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. The recent trend in gross profit margins showed a steady decline, however the Group considers the current levels as quite satisfactory and undertakes all efforts to maintain them at these levels.

C. Further optimizing of Private Labels

Our private label (branded) product lines, Canyon, Prestigio, Prestigio Solutions, AENO, Lorgar are manufactured by leading Original Equipment Manufacturers ("OEM") in the Far East (China), often based on designs developed by us, selected based on their quality and potential for achieving high-profit margins in our markets. We market and sell these products under our own brands, successfully competing with products of comparable quality marketed under international brands.

We believe that keeping a share of private label business in our total revenues at healthy levels will have a positive impact on the overall profitability, as these products deliver a higher profit margin, compared to international suppliers' products distributed by us. We will increase such sales though only to the extent this comes with high gross and net margins and healthy cash flow.

We aim to continue expanding the range of our private label products and strengthening their promotion in our markets and we expect that this will have a positive impact on our profitability.

D. Further developing of the VAD business

Development of Value-Added-Distribution (VAD) solutions is a key priority of the Group. Following the changes in the market trends and the significant increase in storage as well as other commercial services leave no room but to ensure that we are re-enforcing our presence in this segment.

E. Decreasing cost of financing

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 most of its financiers and is currently undertaking certain extra steps to further lower its cost of financing. We have recently seen that the base rates (US Libor and its successor rates, Euribor, and other local base rates) are gradually decreasing and this is expected to further lower our financing cost.

The weighted average cost of debt (WACD) has decreased to 9.9% in 2024, as compared to 11.9% in 2023.

F. Engaging in alternative investments and new technologies

In the last four years ASBIS has made strategic investments, investing in companies from the biotechnology sector, operating in a growing market and at an early stage of development like: EMBIO Diagnostics Ltd, Promed Bioscience Ltd, RSL Revolutionary Labs Ltd and Theramir Ltd. We also invested in alternative energy ventures with Blend Energy as well as in large scale robotic cleaning with Autonomics.

Scientific innovation is the path to a healthier society and ASBIS has innovation in its DNA. So, we have decided to invest in companies that can play an important role in our life and bring real value to our every day life.

Given the applicability of innovative products of the above-mentioned companies, in both professional (B2B) and individual (B2C) settings, we see these investments representing new streams of growth for ASBIS.

G. Controlling our cost structure, enhancing operating efficiency and automated processes, including online sales channels

We continue to focus on improving our operating efficiency and enhancing our automated processes, with a view to controlling operating expenses and increasing our profit margins.

In 2024, SG&A expenses grew by 4% YoY mainly due to investments made by the Company in the development of new business lines and geographical expansion. In the second half of 2024 we initiated an HR optimization process, in the divisions that have not delivered expected profits. We expect to have an improved effect of the optimizations on our financial results in 2025. A good portion of the increased expenses in 2024, included the redundancy compensation we had to pay during our optimization.

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 revenues and gross profit.

H. Continuing our successful foreign exchange hedging and other risk management activities

In 2024 our FX hedging strategy has successfully shielded our results. However, since there is no such thing as perfect hedging, the currency environment needs to be closely monitored and FX hedging strategies updated as soon as new developments are visible in the markets.

Managing credit risk and transactional risk is also part of our success path. In the transactional risk we also include the ability of the Group to properly manage its compliance with all rules and regulations imposed by the relevant authorities in sanctioned territories.

REAL PROPERTY AND OTHER TANGIBLE ASSETS

The table below presents our main real properties:

Name of company (Area m^2)	Country	Land	Office	Warehouse	Total
ASBISc Enterprises Plc	Cyprus	10,520	10,130	1,429	22,079
Asbis Ukraine Limited	Ukraine	-	2,660	334	2,994
ASBC Ltd	Belarus	1,330	1,056	-	2,386
Asbis SK sp.l. sr.o.	Slovakia	13,377	2,197	4,461	20,035
Asbis Middle East FZE	United Arab Emirates	12,681	2,933	5,163	20,777
CJSC ASBIS (Asbis BY)	Belarus	-	1,205	1,030	2,235
ASBIS Kazakhstan LLP	Kazakhstan	110,000	4,697	20,258	134,955
TOTAL					**205,461**

Our remaining premises are under lease.

Information regarding real property owned by us and relevant encumbrances is provided in the annual consolidated audited financial statements included elsewhere in this report. Other than this real property, we do not hold any other significant tangible assets.

INTELLECTUAL PROPERTY

We have registered (or registration is pending) the following trademarks, including their word and graphical representations in color and design.

- ASBIS
- CANYON, CANYON LED
- PRESTIGIO, PRESTIGIO SOLUTIONS and its product group trademarks, which include Nobile, Cavaliere, Signore, Visconte, Emporio, Prestigio Multi-Pad and Prestigio Grace
- PrestigioPlaza
- Lorgar, Lorgar WP Gameware, GAMESPERIENCE, Lorgar Ready to Play
- Perenio, Perenio Ionic Shield, Perenio Smart Health, Perenio Making Life Easy
- AENO
- iSpace
- iON
- iSupport
- BREEZY
- Joule
- ACEAN
- AROS
- CRON Robotics

Most of these trademarks are registered and protected in the countries in which we operate, both under international, regional, and national registration schemes and systems, to the extent and other terms set forth in the provisions based on which they were registered. The registrations are mostly in the international class of goods 09 (computers and IT products), and related classes of services 35, 37 (sales, distribution, repair).

In addition, we have registered several domain names for ASBIS, E.M. Euromall, Canyon, Perenio, Prestigio, Breezy, ACEAN and other private labels.

INSURANCE

We hold two different types of insurance: products or “cargo” insurance and credit insurance.

Products insurance.

We have a products insurance policy with M.N. Leons B.V. We assume the risks of products we receive from our suppliers only upon transfer of legal title, and thereafter.

Under our product insurance policy, covering twelve months and ending 1 January 2022 with tacit renewal thereafter our products are insured for a maximum of U.S. $ 4,000 from any single shipment of computers, monitors and supplies of accessories transported from country to country or warehouse to warehouse. Typical shipment values for each warehouse are as follows: Czech Republic: U.S. $ 120 and the Middle East: U.S. $ 140.

Furthermore, goods held in storage at both distribution centers (i.e., both the Czech Republic and Middle East) and certain local warehouses are insured up to U.S. $ 10,000.

The aforementioned insurance coverage approximates the typical value of stock held in each warehouse.

Credit Insurance:

We have a major credit insurance policy in place with Atradius Credit Insurance N.V. reducing our exposure in respect to possible non-recoverability of our receivables. The insurers have agreed to indemnify us for losses due to bad debts in respect of goods delivered and services performed during the policy period, which covers a term of twelve months, subject to annual renewal. We insured about 80% of our 2024 revenues.

The major insurance policy is held with Atradius Credit Insurance N.V., which was signed in April 2008 and is renewed every year. It covers Asbisc Enterprises PLC, Asbis Middle East FZE, Asbis D.o.o. (Slovenia), Asbis Doo (Serbia), ASBIS Romania, ASBIS Bulgaria, E.M Euromall, ASBIS Poland, ASBIS CZ Republic, ASBIS Kazakhstan, ASBIS Hungary and ASBIS South Africa. Each buyer, primarily our large customers, who have an approved credit limit is insured for coverage amounting to 85%. Atradius also offers us a discretionary credit limit up to a maximum of U.S. $ 60.

We also hold stand-alone credit insurance policies with Atradius in Slovakia covering the receivables of the country. We use both Coface SA and Euler Hermes in cases Atradius do not grant sufficient limits.

ITEM 3. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following Management's discussion and analysis of our financial position and results of operations review our historical financial results as at, and for the years ended, 31 December 2024 and 2023. The reader shall read the following discussion in conjunction with our audited financial statements as of 31 December 2024 and 2023, including the accompanying notes thereto, which are included elsewhere in this Annual Report, and have been prepared in accordance with IFRS and audited by KPMG Limited, our independent auditors and in conjunction with the information set forth under "*Risk Factors"* and *"Information on the Company*".

Unless we indicate otherwise, references to U.S. $, PLN and € are in thousands except for share and per share data.

SUMMARY

The principal events of 2024 were as follows:

- Revenues slightly decreased to U.S.$ 3,008,503 from U.S.$ 3,061,228 in 2023.
- Gross profit decreased by 4.8% to U.S.$ 240,164 from U.S.$ 252,269 in 2023.
- Gross profit margin dropped to 7.98% from 8.24% in 2023.
- Selling expenses increased by 4.1% to U.S.$ 86,172 from U.S.$ 82,745 in 2023.
- Administrative expenses increased by 4.6% to U.S.$ 59,682 from U.S.$ 57,031 in 2023.
- EBITDA was positive and reached U.S.$ 102,887 as compared to U.S.$ 120,166 in 2023.
- The net profit after tax in 2024 increased by 2.3% amounting to U.S. $ 54,173 as compared to U.S. $ 52,956 in 2023. We are very satisfied with the Group’s results in 2024. Such results are an incredible achievement, given the challenging market conditions we have faced in our major countries and prove that the Company is well prepared to weather the difficulties and able to adapt to the new realities. At this point, we would like to remind

the readers that 2023 was significantly impacted by the write-offs we had to undertake due to our divestment from the Russian market.

PRINCIPAL FACTORS AFFECTING FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In 2024, the Company's results of operations have been affected and are expected to continue to be affected by several factors.

Below we present all factors that have affected and continue to affect our business:

The war in Ukraine

The war in Ukraine is considered by the management as the major negative development which still affects our operations not only in Ukraine but in the regions around. The decision of the Group to totally divest from Russia was the correct one, however it left us with significant losses we needed to swallow during 2023. The ongoing conflict in the country, does not allow us to properly develop the country and the unsecured business environment makes it extremely difficult to plan and execute our strategy. Despite all the difficulties, we are continuing to deliver very good results, however the key to our success in the country does not only depend on our performance but on outside factors as well.

The Group being fully compliant with the directions given by the EU and its suppliers, has undertaken all necessary actions to prevent sales of sanctioned products to sanctioned entities and/or individuals.

Unfair competition from un-authorized channels

The illicit trading in our main markets is considered by the management as another major negative aspect which has adversely affected our business. The problem of unauthorized and illegal imports of the leading product categories in our portfolio is playing a significant negative role in our performance. Through unofficial channels, devices reach the markets without proper registration, which deprives the budgets of these countries of significant revenue. While authorized distributors like ASBIS obey the law and pay taxes, illicit traders avoid fiscal control, breach the law and leaving the countries without billions in revenue.

The Group is closely working with its suppliers and authorities to overcome this issue. Several actions have already been implemented, and we believe that the situation is expected to improve going forward.

The in-country financial conditions affecting our major markets, gross profit and gross profit margin.

Throughout the years of operation, the Company has 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. The recent example of Kazakhstan is showing that a crisis emanated in a single large country of our operation might have a significant adverse effect on our results. We need to monitor any developments, react fast and weather every risk showing up in a specific market to secure our results.

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

Currency fluctuations

The Company's reporting currency is the U.S. dollar. In 2024 a good portion of our revenues was denominated in U.S. dollars, while the balance is denominated in Euro, UAH, KZT and other currencies, certain of which are linked to the Euro.

Our trade payable balances are principally (about 90%) 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 Ukrainian Hryvnia, the Czech Koruna, the Polish Zloty, the South African Rand, 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. Having decided to completely divest from Russia, the Group faced a crystallization of the respective currency translation reserve.

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 it 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:

- International IT and CE distributors with presence in all major markets we operate
- Regional IT and CE distributors who cover mostly a region but are quite strong
- Local distributors who focus mostly on a single market but are very strong
- 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 because its gross profit margins, like those of most of its competitors, are low and sensitive to sales price fluctuations.

Gross profit margins sustainability

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

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

Increased competition arising from industry consolidation and low demand for certain IT products may hinder the Company’s ability to maintain or improve its gross margins.

A portion of the Company’s operating expenses is relatively fixed, and planned expenditures are based in part on anticipated orders that are forecasted with limited visibility of future demand.

As a result, the Company may not be able to reduce its operating expenses as a percentage of revenue to mitigate any reductions in gross margins in the future. The recent trends in gross profit margins showed a steady decline, however the Group considers the current levels quite satisfactory and undertakes all efforts to maintain them at higher levels.

Inventory obsolescence and price erosion.

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

As the Company increases the scope of its business and of inventory management for its customers, there is an increasing need to hold inventory to serve as a buffer in anticipation of the actual needs of the Company’s customers.

This increases the risk of inventory becoming devalued or obsolete and could affect the Company's profits either because prices for obsolete products tend to decline quickly, or because of the need to make provisions or even write-offs.

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

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

Credit risk.

The Company buys components and finished products from its suppliers on its own account and resells them to its customers. The Company extends credit to some of its customers at terms ranging from 7 to 90 days or, in a few cases, to 120 days.

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

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

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

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

Worldwide financial environment

The overall financial environment and the economic landscape of each country we operate in, always play a significant role in our performance. The revised strategy and adaptation to the new environment, i.e., by rebuilding our product portfolio, has paid off in terms of profitability and sales in the last three years.

We believe that the Company is much more flexible and better prepared to weather any obstacles that may arise due to the worldwide financial environment, however, we can see that a full-scale war in our territories may bring unprecedented consequences.

In addition to the above, it has been recently noticed that the illicit trading in Kazakhstan significantly impacted our revenues. We are closely monitoring the situation, which is extremely tough for us, but now we see better market conditions just after the New Products launched by the leading manufacturer in Autumn of 2024.

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 innovative products, ranging from home appliances, gaming products and accessories, and, most recently, green energy solutions.

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

The Company is undertaking several quality control measures to mitigate this risk but given the volumes and many 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.

The 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 most of its financiers and is currently undertaking certain extra steps to further lower its cost of financing. Base rates (US Libor successor rates, Euribor, and other local base rates) have been at a high level and this negatively affected the Company's WACC. We have recently seen these base rates gradually decreasing and this is expected to further lower our financing costs.

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 change. 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.

YEAR ENDED DECEMBER 31, 2024, COMPARED TO YEAR ENDED DECEMBER 31, 2023

Revenues

Revenues in 2024 decreased by 1.7% to U.S. $ 3,008,503 from U.S. $ 3,061,228 in 2023, due to the challenges we faced in our major markets.

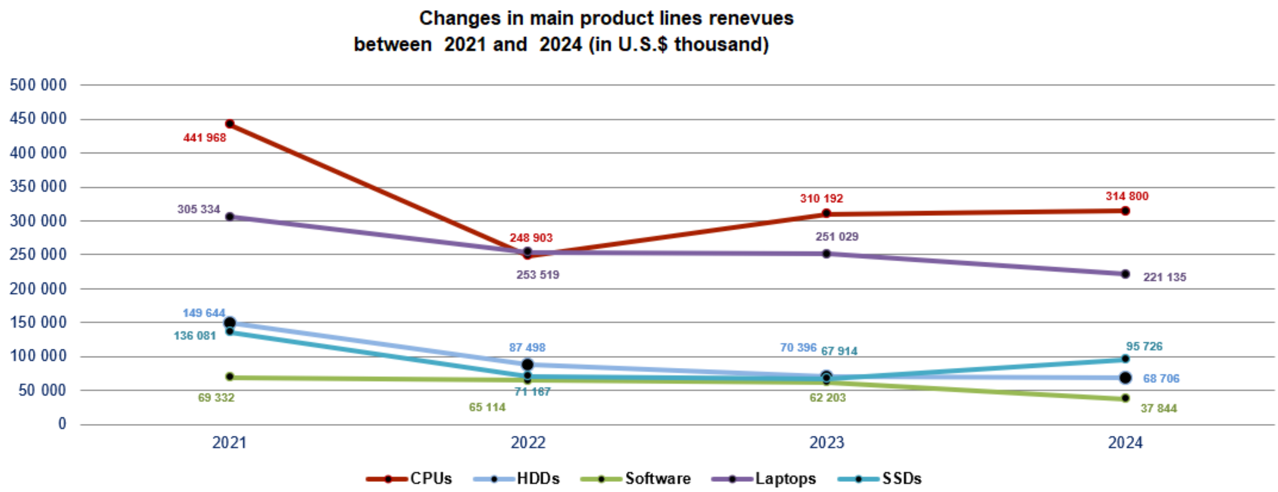
The table below sets a breakdown of revenues, by product lines, for the years ended 31 December 2024 and 2023:

	2024		2023	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Smartphones	1,260,145	41.89%	1,241,725	40.56%
Central processing units (CPUs)	314,801	10.46%	310,191	10.13%
PC mobile (laptops)	221,135	7.35%	251,029	8.20%
Servers & server blocks	148,901	4.95%	137,739	4.50%
Peripherals	127,366	4.23%	129,758	4.24%
Audio devices	101,301	3.37%	112,388	3.67%
Solid-state drives (SSDs)	95,726	3.18%	67,915	2.22%
Multimedia	83,289	2.77%	69,106	2.26%
Networking products	70,811	2.35%	72,763	2.38%
Hard disk drives (HDDs)	68,707	2.28%	70,395	2.30%

	2024		2023	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Display products	67,207	2.23%	81,764	2.67%
PC desktop	66,861	2.22%	67,326	2.20%
Accessories	58,155	1.93%	72,713	2.38%
Smart devices	52,138	1.73%	77,351	2.53%
Tablets	48,887	1.62%	55,119	1.80%
Memory modules (RAM)	40,681	1.35%	14,500	0.47%
Software	37,843	1.26%	62,204	2.03%
Video cards and GPUs	28,947	0.96%	32,381	1.06%
Other	115,602	3.84%	134,861	4.41%
Total revenue	**3,008,503**	**100%**	**3,061,228**	**100%**

In 2024 we continued the strengthening and development of our portfolio of IT products and services. We have also enhanced its second life devices division, Breezy, in which we invested significantly and see a very positive development. The Group expects this business unit to significantly contribute to its profitability in the short to medium term.

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



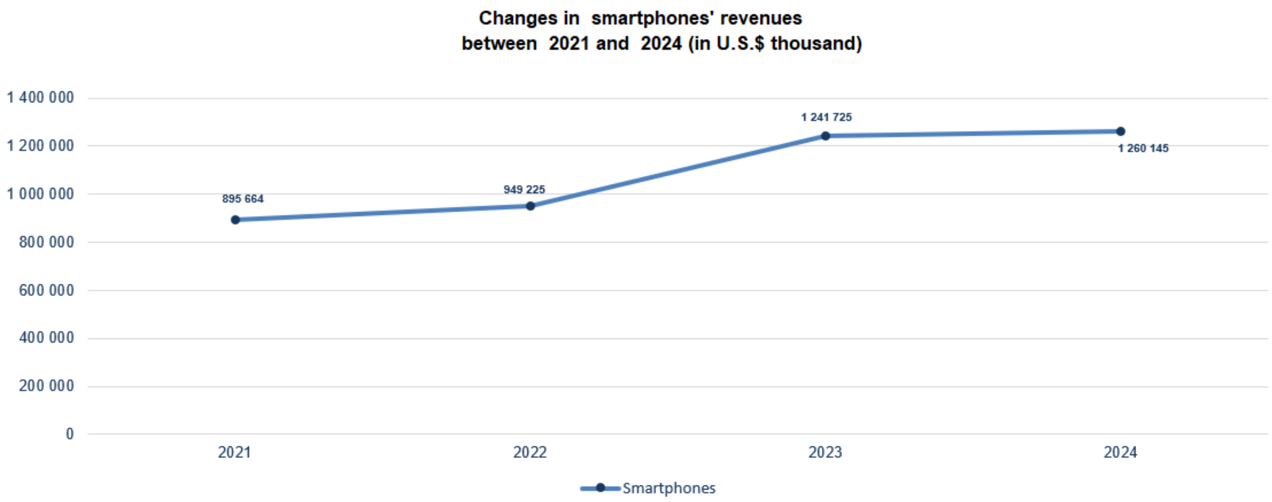
In 2024 the main drivers in terms of revenue were smartphones, CPUs and laptops.

On a year-on-year basis, revenue from CPUs increased in 2024 by 1.5% in a significantly declining market. The business of laptops decreased in 2024 by 11.9%, on a year-on-year basis. Sales from HDDs decreased by 2.4% in 2024 while sales from SSDs increased in 2024 by 40.9%. Revenues from software declined by 39.2% in 2024, on a year-on-year basis.

From" Other" product lines, the Company has noticed a positive trend in 2024 in memory modules (RAM) (+180.6%) and multimedia (+20.5%) on a year-on-year basis

As regards our own brands, the Company's intention is to continue developing their sales to the extent they bring targeted gross margin and deliver healthy cash flow.

The chart below indicates the trends in smartphones sales:



Sales of smartphones, which contribute to most of our revenues, increased by 1.5% in 2024, compared to the ones in 2024, despite a massive illicit trade and new consumers legislation in Kazakhstan – our biggest market.

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The table below presents a geographical breakdown of sales for the years ended 31 December 2024 and 2023:

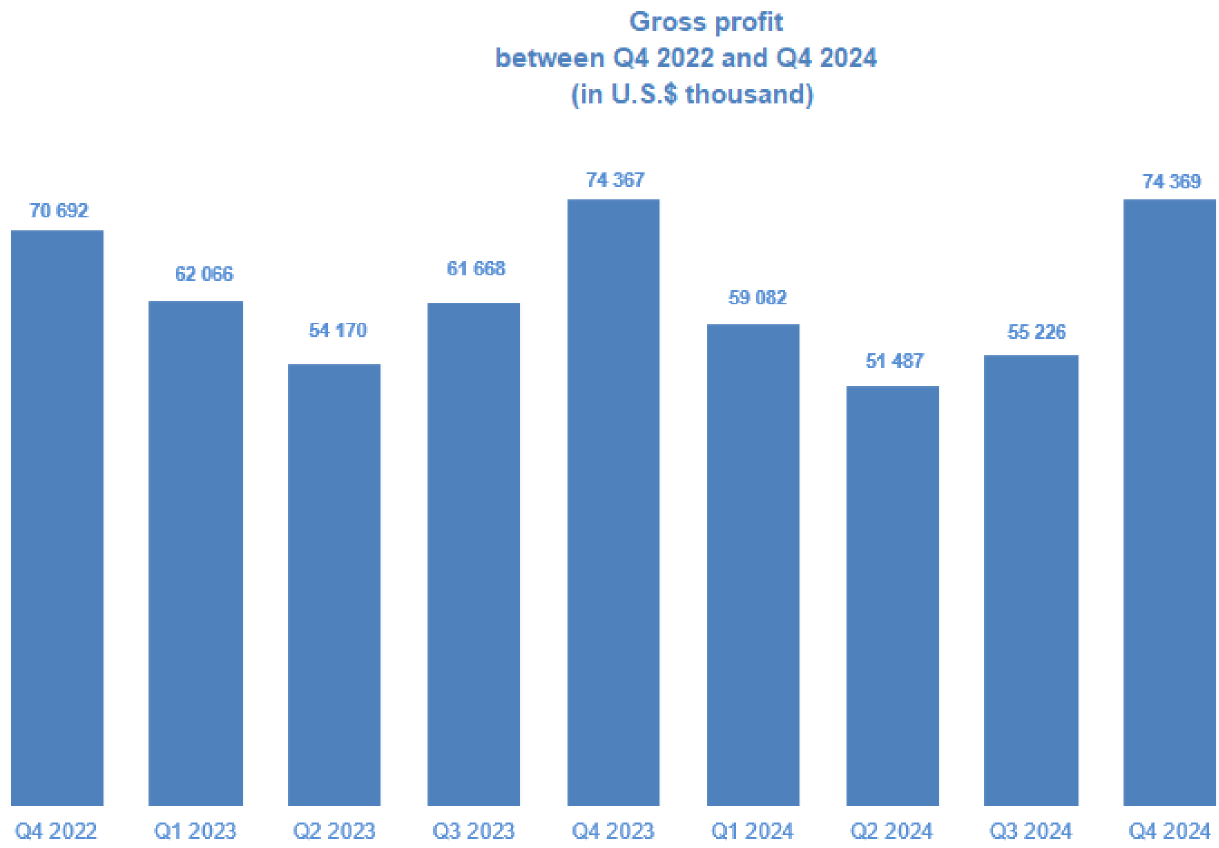
	2024		2023	
	U.S. $ thousand	% of total revenues	U.S. $ thousand	% of total revenues
Commonwealth of Independent States	1,266,470	42.10%	1,563,280	51.07%
Central and Eastern Europe	868,811	28.88%	791,026	25.84%
Middle East and Africa	490,424	16.30%	425,652	13.90%
Western Europe	319,976	10.64%	257,372	8.41%
Other	62,822	2.09%	23,898	0.78%
Total	**3,008,503**	**100%**	**3,061,228**	**100%**

The table below presents a country-by-country breakdown of sales for our most important markets for the years ended 31 December 2024 and 2023:

	2024			2023		
	Country	Sales in U.S. $ thousand	% of total revenues	Country	Sales in U.S. $ thousand	% of total revenues
1.	Kazakhstan	492,406	16.37%	Kazakhstan	697,111	22.77%
2.	Ukraine	383,103	12.73%	Ukraine	411,943	13.46%
3.	United Arab Emirates	331,004	11.00%	United Arab Emirates	321,077	10.49%
4.	Slovakia	266,340	8.85%	Slovakia	283,247	9.25%
5.	Azerbaijan	152,907	5.08%	Azerbaijan	139,260	4.55%
6.	Poland	147,697	4.91%	Germany	128,056	4.18%
7.	Germany	129,490	4.30%	Poland	125,471	4.10%
8.	Czech Republic	111,817	3.72%	Czech Republic	109,183	3.57%
9.	Georgia	85,204	2.83%	Georgia	100,152	3.27%
10.	Netherlands	82,266	2.73%	Romania	70,053	2.29%

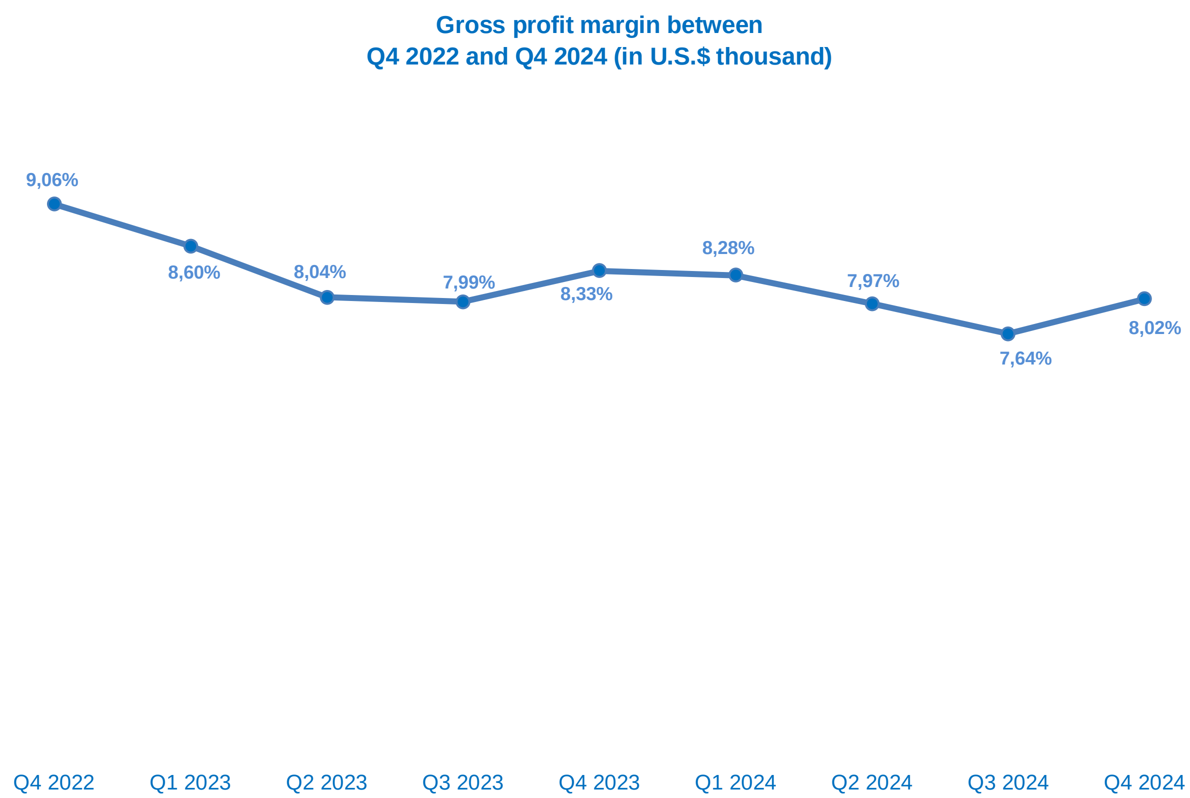
Gross Profit

Gross profit in 2024 decreased by 4.8% to U.S.$ 240,164 from U.S.$ 252,269 in 2023.



Gross profit margin (gross profit as a percentage of revenues)

Gross profit margin in 2024 decreased to 7.98% from 8.24% in 2023.



Selling Expenses

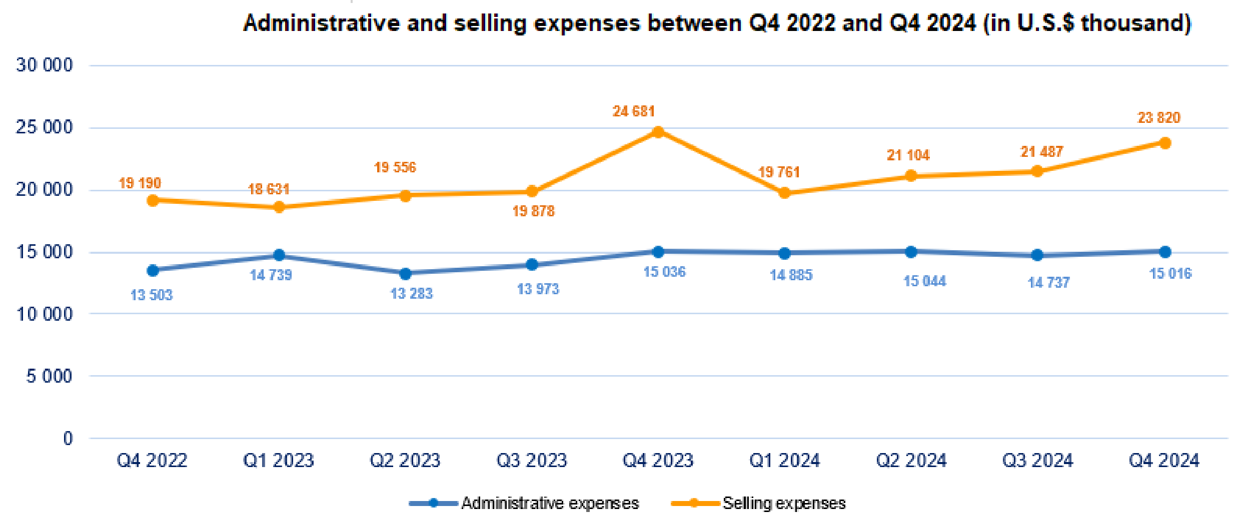
Largely comprise of salaries and benefits paid to sales employees (sales, marketing, and logistics departments), marketing and advertising fees, commissions, and travelling expenses. Selling expenses usually grow together (but not in-line) with growing sales and, most importantly, gross profit. In 2024 we have initiated an HR optimization process in the divisions that have not delivered expected profits. We expect to have an improved effect of the optimizations on our financial results in 2025. A good portion of the increased expenses included the redundancy compensation we are to pay during our optimization.

Selling expenses in 2024 increased by 4.1% to U.S.$ 86,172 from U.S.$ 82,745 in 2023.

Administrative Expenses:

Largely comprised of salaries and wages of administrative personnel.

Administrative expenses in 2024 increased by 4.6% to U.S.$ 59,682 from U.S.$ 57,031 in 2023.



EBITDA

EBITDA in 2024 was positive and reached 102,887 U.S.$ as compared to U.S.$ 120,166 in 2023.

Profit After Taxation

The net profit after tax in 2024 was negatively affected by the extremely difficult market conditions in Kazakhstan, ongoing war and geopolitical instability.

In 2024 the net profit after tax increased to 54,173 U.S.$, as compared to U.S.$ 52,956 in 2023.

LIQUIDITY AND CAPITAL RESOURCES

The Company has in the past funded its liquidity requirements, including ongoing operating expenses and capital expenditure and investments, for the most part, through operating cash flows, debt financing and equity financing. Cash flow for the twelve months of 2024 has been impacted by increased working capital utilization. Nevertheless, cash from operations in 2024 was positive.

The following table presents a summary of cash flows for the twelve months ended December 31st, 2024, and 2023 (in U.S. $ thousand):

Twelve months ended December 31st	2024	2023
Net cash inflows from operating activities	26,712	45,411
Net cash outflows from investing activities	(18,082)	(11,710)
Net cash outflows from financing activities	(11,536)	(17,747)
Net (decrease)/increase in cash and cash equivalents	**(2,906)**	**15,954**

Net cash inflows from operations

Net cash inflows from operations amounted to U.S. $ 26,712 for the twelve months of 2024, as compared to inflows of U.S. $ 45,411 in the corresponding period of 2023.

Net cash outflows from investing activities

Net cash outflows from investing activities were U.S. $ 18,082 for the twelve months of 2024, as compared to outflows of U.S. $ 11,710 in the corresponding period of 2023.

Net cash outflows from financing activities

Net cash outflows from financing activities were U.S. $ 11,536 for the twelve months of 2024, as compared to outflows of U.S.$ 17,747 for the corresponding period of 2023.

Net decrease in cash and cash equivalents

As a result of increased working capital utilization, cash and cash equivalents for the twelve months of 2024 have decreased by US$ 2,906, as compared to an increase of US$ 15,954 in the corresponding period of 2023.

CAPITAL RESOURCES

The Company's management believe that the Company has ample resources to finance its operations, as described in the audited financial statements attached to this annual report, going forward.

As of 31 December 2024, we had a total short-term and long-term debt (excluding amounts due to factoring creditors and lease liabilities) of U.S. $ 176,762 (including U.S. $ 287 of current maturities due within one year from 31st, December 2024), compared to U.S. $ 141,456 (including U.S. $ 633 of current maturities, as of 31 December 2023).

The table below presents our principal debt facilities as at 31 December 2024:

Entity	Creditor	Type of, facilities	Credit limit	Currency	Rate	US$ Equivalent	Valid from	Valid till
ASBIS Middle East FZE	NATIONAL BANK OF FUJAIRAH	Loan/Revolving Loan	27 000 000.00	AED	3,67	7 346 938.78	01/06/2022	non term
ASBIS Middle East FZE	EMIRATES ISLAMIC BANK PJSC	Short Term Loan/Revolving Loan	18 000 000.00	AED	3,67	4 897 959.18	25/10/2022	09/01/2025
ASBIS Middle East FZE	ABU DHABI COMMERCIAL BANK (ADCB)	Short Term Loan/Revolving Loan	15 000 000.00	AED	3,67	4 081 632.65	08/08/2023	non term
ASBIS Middle East FZE	HABIB BANK AG ZURICH	Short Term Loan/Revolving Loan	14 000 000.00	AED	3,67	3 809 523.81	01/02/2024	non term
ASBIS Middle East FZE	NATIONAL BANK OF FUJAIRAH	Factoring with recourse	3 000 00000	AED	3,67	816 326.53	01/06/2022	non term
ASBIS Middle East FZE	NATIONAL BANK OF FUJAIRAH	Factoring with recourse	8 000 000.00	AED	3,67	2 176 870.75	01/06/2022	non term
ASBIS Middle East FZE	EMIRATES ISLAMIC BANK PJSC	Factoring with recourse	3 500 000.00	AED	3,67	952 380.95	01/03/2023	09/01/2025
ASBIS Middle East FZE	ABU DHABI COMMERCIAL BANK (ADCB)	Factoring with recourse	3 000 000.00	AED	3,67	816 326.53	08/08/2023	non term
ASBIS Middle East FZE	ABU DHABI COMMERCIAL BANK (ADCB)	Factoring with recourse	2 000 000.00	AED	3,67	544 217.69	08/08/2023	non term
ASBIS Middle East FZE	EMIRATES ISLAMIC BANK PJSC	Factoring with recourse	3 500 000.00	AED	3,67	952 380.95	01/01/2024	09/01/2025
ASBIS Middle East FZE	HABIB BANK AG ZURICH	Factoring with recourse	2 000 000.00	AED	3,67	544 217.69	01/02/2024	non term
ASBIS Middle East FZE	HABIB BANK AG ZURICH	Factoring with recourse	2 000 000.00	AED	3,67	544 217.69	01/02/2024	non term
ASBC LLC (AM) // AM-119 (Caucasus) iSpace AAR->APR/APP	BYBLOS BANK ARMENIA CJSC	Overdraft	195 000 000.00	AMD	396,56	491 728.87	18/10/2023	14/10/2025
ASBC LLC (AM) // AM-119 (Caucasus) iSpace AAR->APR/APP	ID BANK CJSC	Overdraft	25 000 000.00	AMD	396,56	63 042.16	01/03/2024	15/01/2025
ASBC MMC, AZ Az119 APR iSpace	PASHA BANK	Short Term Loan/Revolving Loan	1 000 000.00	AZN	1,70	588 235.29	23/11/2023	23/08/2025
ASBC MMC, AZ Az119 APR iSpace	THE INTERNATIONAL BANK OF AZERBAIJAN OJSC	Short Term Loan/Revolving Loan	200 000.00	AZN	1,70	117 647.06	07/01/2024	07/01/2025
ASBIS d.o.o. (BA)	RAIFFEISEN BANK D.D. BOSNA I HERCEGOVINA	BGs/SBLCs	300 000.00	KM	1,87	160 197.96	17/01/2020	30/06/2027
ASBIS d.o.o. (BA)	ASA BANKA D.D. SARAJEVO	BGs/SBLCs	300 000.00	KM	1,87	160 197.96	20/06/2019	31/12/2027
ASBIS d.o.o. (BA)	ASA BANKA D.D. SARAJEVO	BGs/SBLCs	50 000.00	KM	1,87	26 699.66	01/09/2023	31/12/2027
ASBIS d.o.o. (BA)	ASA BANKA D.D. SARAJEVO	BGs/SBLCs	100 000.00	KM	1,87	53 399.32	01/08/2024	31/12/2027
ASBIS d.o.o. (BA)	ASA BANKA D.D. SARAJEVO	Long Term Loan	386 356.01	KM	1,87	206 311.48	26/12/2024	31/12/2027
ASBIS d.o.o. (BA)	ASA BANKA D.D. SARAJEVO	Short Term Loan/Revolving Loan	500 000.00	KM	1,87	266 996.60	10/12/2020	31/12/2027
ASBIS d.o.o. (BA)	ASA BANKA D.D. SARAJEVO	Short Term Loan/Revolving Loan	1 000 000.00	KM	1,87	533 993.21	21/04/2021	31/12/2027
ASBIS d.o.o. (BA)	RAIFFEISEN BANK D.D. BOSNA I HERCEGOVINA	Short Term Loan/Revolving Loan	1 500 000.00	KM	1,87	800 989.81	01/01/2022	31/12/2025
ASBIS d.o.o. (BA)	ASA BANKA D.D. SARAJEVO	Short Term Loan/Revolving Loan	1 000 000.00	KM	1,87	533 993.21	26/08/2022	31/12/2027

ASBIS d.o.o. (BA)	UNICREDIT BANK	Short Term Loan/Revolving Loan	1 200 000.00	KM	1,87	640 791.85	09/08/2024	16/03/2026
ASBIS d.o.o. (BA)	RAIFFEISEN BANK D.D. BOSNA I HERCEGOVINA	Short Term Loan/Revolving Loan	200 000.00	KM	1,87	106 798.64	01/08/2024	31/12/2025
ASBIS d.o.o. (BA)	ASA BANKA D.D. SARAJEVO	Short Term Loan/Revolving Loan	800 000.00	KM	1,87	427 194.57	01/08/2024	31/12/2025
ASBIS d.o.o. (BA)	RAIFFEISEN BANK D.D. BOSNA I HERCEGOVINA	Overdraft	300 000.00	KM	1,87	160 197.96	17/01/2020	31/12/2025
ASBIS d.o.o. (BA)	UNICREDIT BANK	Overdraft	400 000.00	KM	1,87	213 597.28	09/08/2024	17/03/2026
ASBIS BULGARIA LIMITED	UNICREDIT BULBANK AD	Overdraft	4 500 000.00	BGN	1,88	2 390 311.27	01/08/2024	31/10/2025
ASBIS BULGARIA LIMITED	UNITED BULGARIAN BANK (UBB)	Factoring with recourse	2 000 000.00	BGN	1,88	1 062 360.57	01/09/2024	31/08/2025
ASBIS BULGARIA LIMITED	UNICREDIT BULBANK AD	Factoring with recourse	4 000 000.00	BGN	1,88	2 124 721.13	30/10/2024	30/10/2025
ASBIS BULGARIA LIMITED	DSK BANK	Factoring with recourse	3 500 000.00	BGN			15/11/2024	31/05/2025
ASBC TUE, BY	BANK DABRABYT JSC	Short Term Loan/Revolving Loan	480 000.00	BYN	3,47	138 189.15	01/12/2023	29/01/2025
MakSolutions LLC	BANK DABRABYT JSC	Short Term Loan/Revolving Loan	300 000.00	BYN	3,47	86 368.22	15/11/2023	31/12/2024
MakSolutions LLC	BANK BELVEB OJSC	Short Term Loan/Revolving Loan	1 000 000.00	BYN	3,47	287 894.05	01/03/2024	27/02/2027
ASBIS KYPROS LTD	BANK OF CYPRUS PUBLIC COMPANY LIMITED	BGs/SBLCs	2 190.00	EUR	0,96	2 278.69	01/09/2023	15/06/2025
ASBIS KYPROS LTD	BANK OF CYPRUS PUBLIC COMPANY LIMITED	BGs/SBLCs	1 737.64	EUR	0,96	1 808.01	01/12/2024	01/12/2025
ASBIS KYPROS LTD	BANK OF CYPRUS PUBLIC COMPANY LIMITED	BGs/SBLCs	4 953.00	EUR	0,96	5 153.60	01/12/2024	31/01/2025
ASBIS KYPROS LTD	BANK OF CYPRUS PUBLIC COMPANY LIMITED	Overdraft	500 000.00	EUR	0,96	520 250.00	02/05/2023	non term
ASBIS KYPROS LTD	BANK OF CYPRUS PLC-FACTORING DIVISION	Factoring with recourse	1 100 000.00	EUR	0,96	1 144 549.99	13/12/2023	non term
ASBISC Enterprises PLC	BANK OF CYPRUS PUBLIC COMPANY LIMITED	BGs/SBLCs	30 000.00	EUR	0,96	31 215.00	22/05/2021	21/05/2025
ASBISC Enterprises PLC	RAIFFEISEN BANK INTERNATIONAL AG	BGs/SBLCs	4 650 000.00	USD	1,00	4 650 000.00	18/03/2022	24/03/2025
ASBISC Enterprises PLC	BANK OF CYPRUS PUBLIC COMPANY LIMITED	BGs/SBLCs	22 000 000.00	USD	1,00	22 000 000.00	26/09/2022	25/09/2025
ASBISC Enterprises PLC	SOCIETE GENERALE CYPRUS LIMITED	BGs/SBLCs	5 000 000.00	USD	1,00	5 000 000.00	05/10/2022	03/10/2025
ASBISC Enterprises PLC	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	BGs/SBLCs	391 943.40	EUR	0,96	407 817.11	31/01/2023	02/10/2025
ASBISC Enterprises PLC	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	BGs/SBLCs	92 788.00	EUR	0,96	96 545.91	13/09/2023	12/09/2025
ASBISC Enterprises PLC	VSEOBECNA UVEROVA BANKA A.S (VUB, A.S.)	BGs/SBLCs	13 350 000.00	USD	1,00	13 350 000.00	01/08/2024	05/03/2025
ASBISC Enterprises PLC	INTESA SANPAOLO SPA	BGs/SBLCs	125 000.00	EUR	0,96	130 062,50	18/12/2024	31/03/2031
ASBISC Enterprises PLC	CYPRUS DEVELOPMENT BANK PUBLIC COMPANY LTD	LCs	125 000.00	USD	1,00	125 000,00	19/01/2023	19/01/2026
ASBISC Enterprises PLC	BANK OF CYPRUS PUBLIC COMPANY LIMITED	LCs	390 949.00	USD	1,00	390 949,00	11/12/2024	12/01/2025
ASBISC Enterprises PLC	BANK OF CYPRUS PUBLIC COMPANY LIMITED	Long Term Loan	10 000 000.00	EUR	0,96	10 404 999,95	21/02/2024	18/02/2032

ASBISC Enterprises PLC	BANK OF CYPRUS PUBLIC COMPANY LIMITED	Long Term Loan	3 000 000.00	EUR	0,96	3 121 499.99	21/02/2024	23/02/2034
ASBISC Enterprises PLC	VSEOBECNA UVEROVA BANKA A.S (VUB, A.S.)	Short Term Loan/Revolving Loan	4 650 000.00	USD	1,00	4 650 000.00	01/08/2024	non term
ASBISC Enterprises PLC	CYPRUS DEVELOPMENT BANK PUBLIC COMPANY LTD	Overdraft	-	USD	1,00	-	31/03/2021	non term
ASBISC Enterprises PLC	CYPRUS DEVELOPMENT BANK PUBLIC COMPANY LTD	Overdraft	5 000 000.00	EUR	0,96	5 202 499.98	22/06/2021	non term
ASBISC Enterprises PLC	SOCIETE GENERALE CYPRUS LIMITED	Overdraft	1 500 000.00	USD	1,00	1 500 000.00	01/06/2021	non term
ASBISC Enterprises PLC	RAIFFEISEN BANK INTERNATIONAL AG	Overdraft	5 350 000.00	USD	1,00	5 350 000.00	21/03/2022	non term
ASBISC Enterprises PLC	VSEOBECNA UVEROVA BANKA A.S (VUB, A.S.)	Overdraft	11 000 000.00	USD	1,00	11 000 000.00	01/04/2024	non term
ASBISC Enterprises PLC	BANK OF CYPRUS PUBLIC COMPANY LIMITED	Overdraft	10 400 000.00	USD	1,00	10 400 000.00	29/04/2024	28/04/2026
ASBISC Enterprises PLC	BANK OF CYPRUS PUBLIC COMPANY LIMITED	Overdraft	500 000.00	EUR	0,96	520 250.00	29/04/2024	28/04/2026
ASBISC Enterprises PLC	BANK OF CYPRUS PLC-FACTORING DIVISION	Factoring with recourse	18 000 000.00	USD	1,00	18 000 000.00	29/04/2024	25/04/2026
ASBISC Enterprises PLC	ADF PFS	Supply Chain Financing/Reverse Factoring	53 000 000.00	USD	1,00	53 000 000.00	14/06/2024	non term
PRESTIGIO PLAZA LIMITED (ACEAN.CY)	BANK OF CYPRUS PUBLIC COMPANY LIMITED	Overdraft	50 000.00	EUR	0,96	52 026.50	30/04/2023	non term
ASBIS CZ spol s r.o.	CESKOSLOVENSKA OBCHODNI BANKA, A.S.	BGs/SBLCs	113 361.60	EUR	0,96	117 795.60	27/01/2022	31/12/2025
ASBIS CZ spol s r.o.	CESKOSLOVENSKA OBCHODNI BANKA, A.S.	BGs/SBLCs	10 588.00	EUR	0,96	11 002.14	02/10/2023	04/04/2025
ASBIS CZ spol s r.o.	CESKOSLOVENSKA OBCHODNI BANKA, A.S.	Short Term Loan/Revolving Loan	140 000 000.00	CZK	24,23	5 776 292.45	11/06/2021	non term
ASBIS CZ spol s r.o.	VSEOBECNA UVEROVA BANKA, A.S.	Overdraft	2 000 000.00	EUR	0,96	2 078 227.50	16/11/2020	non term
ASBIS CZ spol s r.o.	CESKOSLOVENSKA OBCHODNI BANKA, A.S.	Overdraft	15 000 000.00	CZK	24,23	618 888.48	01/04/2022	non term
ASBC LLC, GE Ge119	TBC BANK	Overdraft	1 300 000.00	GEL	2,80	463 160.89	17/06/2024	17/06/2025
ASBIS Georgia LLC	TBC BANK	Short Term Loan/Revolving Loan	1 300 000.00	GEL	2,79	465 232,80	30/12/2024	20/05/2025
ASBISc-CR d.o.o.	OTP BANKA HRVATSKA D.D.	BGs/SBLCs	39 816.84	EUR	0,95	41 584,71	01/01/2023	non term
ASBISc-CR d.o.o.	ERSTE AND STEIERMAERKISCHE BANK D.D.	Short Term Loan/Revolving Loan	1 990 842.13	EUR	0,95	2 079 235.53	08/09/2023	09/09/2025
ASBISc-CR d.o.o.	ERSTE AND STEIERMAERKISCHE BANK D.D.	Short Term Loan/Revolving Loan	339 000.00	EUR	0,95	354 051.60	21/05/2024	21/05/2025
ASBIS IT Solutions Hungary Kft.	CIB BANK LTD.	Overdraft	100 000 000.00	HUF	393,60	254 065.04	01/07/2024	01/07/2025
ASBIS KAZAKHSTAN TOO	HALYK BANK	Short Term Loan/Revolving Loan	24 000 000 000.00	KZT	523,54	45 841 769.49	20/05/2022	31/12/2028
ASBIS KAZAKHSTAN TOO	HALYK BANK	Factoring with recourse	6 000 000 000.00	KZT	523,54	11 460 442.37	03/05/2024	non term
ASBIS KAZAKHSTAN TOO	JSC BANK CENTERCREDIT	Factoring with recourse	25 000 000 000.00	KZT	523,54	47 751 843.22	05/08/2024	28/06/2027
ASBIS BALTICS SIA	LUMINOR BANK AS LATVIAN BRANCH	Overdraft	2 000 000.00	EUR	0,96	2 077 800.00	18/09/2024	17/09/2025
ASBIS POLAND Sp. z o.o.	CREDIT AGRICOLE BANK POLSKA S.A.	BGs/SBLCs	1 000 000.00	USD	1,00	1 000 000.00	11/05/2016	15/05/2025

ASBIS POLAND Sp. z o.o.	BANK PEKAO S.A	Overdraft	8 000 000.00	PLN	4,10	1 950 648.59	11/06/2023	10/06/2025
ASBIS POLAND Sp. z o.o.	CREDIT AGRICOLE BANK POLSKA S.A.	Overdraft	8 000 000.00	PLN	4,10	1 950 648.59	29/07/2023	30/06/2025
ASBIS POLAND Sp. z o.o.	BANK PEKAO S.A	Overdraft	4 000 000.00	PLN	4,10	975 324.30	17/09/2024	10/06/2025
ASBIS POLAND Sp. z o.o.	BANK PEKAO S.A	Factoring with recourse	20 000 000.00	PLN	4,10	4 876 621.48	18/11/2024	non term
ASBIS ROMANIA SRL	ALPHA BANK ROMANIA SA	Short Term Loan/Revolving Loan	17 000 000.00	RON	4,77	3 558 867.86	15/09/2019	15/05/2025
ASBIS ROMANIA SRL	BRD - GROUPE SOCIETE GENERALE SA	Short Term Loan/Revolving Loan	15 000 000.00	RON	4,77	3 140 177.52	22/07/2024	07/06/2025
ASBIS ROMANIA SRL	BRD - GROUPE SOCIETE GENERALE SA	Factoring without recourse	1 500 000.00	RON	4,77	314 017.75	14/12/2017	non term
ASBIS ROMANIA SRL	BRD - GROUPE SOCIETE GENERALE SA	Factoring without recourse	1 000 000.00	RON	4,77	209 345.17	24/10/2016	non term
ASBIS ROMANIA SRL	BRD - GROUPE SOCIETE GENERALE SA	Factoring without recourse	8 000 000.00	RON	4,77	1 674 761.35	02/11/2023	non term
ASBIS ROMANIA SRL	BRD - GROUPE SOCIETE GENERALE SA	Factoring without recourse	25 000 000.00	RON	4,77	5 233 629.21	29/12/2023	non term
ASBIS ROMANIA SRL	BANCA TRANSILVANIA S.A.	Factoring without recourse	10 000 000.00	RON	4,77	2 093 451.68	23/02/2024	18/02/2025
ASBIS ROMANIA SRL	BANCA TRANSILVANIA S.A.	Factoring without recourse	2 800 000.00	RON	4,77	586 166.47	22/10/2024	non term
ASBIS d.o.o.	EUROBANK DIREKTNA A.D.	BGs/SBLCs	35 000 000.00	CSD	112,43	311 281.00	05/03/2023	non term
ASBIS d.o.o.	EUROBANK DIREKTNA A.D.	Long Term Loan	300 000.00	EUR	0,96	312 207.31	01/03/2023	31/03/2025
ASBIS d.o.o.	EUROBANK DIREKTNA A.D.	Long Term Loan	300 000.00	EUR	0,96	312 207.31	22/12/2023	30/06/2025
ASBIS d.o.o.	UNICREDIT BANK SRBIJA AD BEOGRAD	Short Term Loan/Revolving Loan	500 000.00	EUR	0,96	520 345.51	31/03/2024	31/03/2025
ASBIS d.o.o.	RAIFFEISEN BANKA A.D.	Short Term Loan/Revolving Loan	2 000 000.00	EUR	0,96	2 081 382.04	08/08/2024	08/08/2025
ASBIS d.o.o.	ERSTEBANK AD	Short Term Loan/Revolving Loan	1 500 00.00	EUR	0,96	1 561 036.53	20/09/2024	20/09/2025
ASBIS d.o.o.	ADDIKO BANK A.D. BEOGRAD	Short Term Loan/Revolving Loan	500 000.00	EUR	0,96	520 345.51	23/10/2024	23/10/2025
ASBIS d.o.o. Slovenia	ADDIKO BANK D.D.	Long Term Loan	300 000.00	EUR	0,96	312 174.82	02/11/2022	24/10/2025
ASBIS d.o.o. Slovenia	OTP BANKA D.D.	Short Term Loan/Revolving Loan	900 000.00	EUR	0,96	936 524.45	19/11/2024	19/05/2025
ASBIS SK spol. s r. o.	TATRA BANKA A.S.	Overdraft	23 000 000.00	EUR	0,96	23 894 700.00	23/02/2022	31/10/2025
ASBIS SK spol. s r. o.	VSEOBECNA UVEROVA BANKA A.S (VUB, A.S.)	Overdraft	20 000 000.00	EUR	0,96	20 778 000.00	07/11/2023	non term
Breezy Ukraine LLC	CREDIT AGRICOLE BANK PJSC	Overdraft	15 000 000.00	UAH	42,03	356 811.53	27/12/2024	30/01/2025
ASBIS-Ukraine ltd	JSC «ALFA-BANK»	Short Term Loan/Revolving Loan	350 000 000.00	UAH	42,03	8 325 602.42	29/11/2021	31/12/2025
ASBIS-Ukraine ltd	FIRST UKRAINIAN INTERNATIONAL BANK	Short Term Loan/Revolving Loan	100 000 000.00	UAH	42,03	2 378 743.55	05/09/2022	02/05/2027
ASBIS-Ukraine ltd	RAIFFEISEN BANK	Short Term Loan/Revolving Loan	5 000 000.00	EUR	0,95	5 224 660.40	01/05/2023	01/02/2025
ASBIS-Ukraine ltd	PRAVEX-BANK JOINT-STOCK COMPANY COMMERCIAL BANK	Short Term Loan/Revolving Loan	2 000 000.00	EUR	0,95	2 089 864.16	01/05/2023	30/11/2025

ASBIS-Ukraine ltd	BANK PIVDENNYI	Short Term Loan/Revolving Loan	50 000 000.00	UAH	42,03	1 189 371.77	01/08/2023	21/06/2025
ASBIS-Ukraine ltd	TASCOMBANK JSC (FORMERLY BANK BUSINESS STANDARD)	Short Term Loan/Revolving Loan	390 000 000.00	UAH	42,03	9 277 099.84	20/09/2023	03/06/2025
ASBIS-Ukraine ltd	CREDIT AGRICOLE BANK PJSC	Short Term Loan/Revolving Loan	7 500 000.00	USD	1,00	7 500 000.00	19/12/2024	30/01/2025
ASBIS-Ukraine ltd	JOINT-STOCK COMPANY OTP BANK	Short Term Loan/Revolving Loan	229 300 000.00	UAH	42,03	5 454 458.95	21/11/2024	21/07/2026
ASBIS-Ukraine ltd	FIRST UKRAINIAN INTERNATIONAL BANK	Overdraft	50 000 000.00	UAH	42,03	1 189 371.77	23/02/2023	23/02/2027
ASBIS-Ukraine ltd	JOINT-STOCK COMPANY OTP BANK	Overdraft	110 000 000.00	UAH	42,03	2 616 617.90	13/03/2023	21/07/2026
ASBIS-Ukraine ltd	JSC «ALFA-BANK»	Factoring with recourse	350 000 000.00	UAH	42,03	8 325 602.42	01/02/2022	31/12/2025
ASBIS-Ukraine ltd	TASCOMBANK JSC (FORMERLY BANK BUSINESS STANDARD)	Factoring with recourse	250 000 000.00	UAH	42,03	5 946 858.87	23/12/2022	03/06/2025
ASBIS-Ukraine ltd	JOINT-STOCK COMPANY OTP BANK	Factoring with recourse	40 000 000.00	UAH	42,03	951 497.42	04/10/2023	21/07/2026
ASBIS Africa (PTY) LTD	FIRST NATIONAL BANK	Overdraft	200 000 000.00	ZAR	18,81	10 630 664.15	02/12/2024	30/06/2025

CAPITAL EXPENDITURE

Our total capital expenditure for tangible and intangible assets amounted to U.S. $ 22,789 for the year 2024, compared to U.S. $ 26,381 for the year 2023.

COMMITMENTS AND CONTINGENCIES

Commitments and contingencies are presented in the audited financial statements included elsewhere in this annual report.

Critical Accounting Policies

The preparation of our financial statements under IFRS requires Management to select and apply certain accounting policies that are important to the presentation of our financial condition and results of operations. Certain accounting policies have been identified as critical accounting policies. A "critical accounting policy" is one that both (i) is significant to our financial condition and results of operations (in that the application of a different accounting principal or changes in related estimates and assumptions that Management could reasonably have used or followed would have a material impact on our financial condition and results of operations) and (ii) requires difficult, complex or subjective analysis to be made by Management based on assumptions determined at the time of analysis. Our accounting policies are reviewed on a regular basis and Management believe that the assumptions and estimates made in the application of such policies for the purposes of preparing our financial statements are reasonable; actual amounts and results, however, could vary under different methodologies, assumptions or conditions. Our accounting policies and certain critical accounting estimates and judgments with respect to the preparation of our financial statements are described in Note 2 to the financial statements included elsewhere in this annual report.

ITEM 4. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

BOARD OF DIRECTORS

The Board of Directors is responsible for formulating, reviewing, and approving our strategy, budgets, and corporate actions. We intend to hold Board of Directors meetings at least four times each financial year and at other times as and when required.

The following table sets out our current Directors:

Name	Year of Birth	Position	Appointed to the Board	Expiry of term	Nationality
Siarhei Kostevitch	1964	Chairman, Chief Executive Officer	30 August 1999	2026	Cypriot
Marios Christou	1968	Chief Financial Officer	28 December 2001	2026	Cypriot
Constantinos Tziamalis	1975	CRO, Deputy CEO	23 April 2007	2025	Cypriot
Julia Prihodko	1982	Chief Human Relations Officer	7 May 2021	2025	Ukrainian
Hanna Kaplan	1975	Executive Director	23 June 2023	2027	Cypriot
Tasos Panteli	1976	Non-Executive Director	18 April 2019	2027	Cypriot
Maria Petridou	1977	Non-Executive Director	29 March 2021	2027	Cypriot
Constantinos Petrides	1974	Non-Executive Director	23 June 2023	2027	Cypriot

The biographical details of the members of our Board of Directors are set out below:

Siarhei Kostevitch

Born in 1964, holds a master's degree in radio engineering design from the Radio Engineering University of Minsk (1987). Between 1987 and 1992, Siarhei worked as a member of the Research Center at the Radio Engineering University in Minsk, where he published a series of articles on microelectronics design in local and worldwide specialist magazines. In 1990, Siarhei established a design and manufacturing business in Minsk, Belarus, and within 15 years has built it into the leading computer component distributor in Eastern Europe and the Commonwealth of Independent States. Siarhei is the Chairman and the CEO of the Group.

Marios Christou

Born in 1968, holds a B.A., dual major in Accounting and Information Systems and Economics, from Queens College of the City University of New York (C.U.N.Y.) (1992), and an M.B.A. in International Finance from St. John's University, New York (1994). Marios is also a Certified Public Accountant (CPA) and a member of the American Institute of Certified Public Accountants (AICPA). Marios worked with Deloitte & Touche Limassol, Cyprus, for four years, as an audit manager. Marios then worked as a Financial Controller at Photos Photiades Breweries Ltd (part of the Carlsberg Group of companies) for three years. Marios joined the Company in August 2001 and is the Chief Financial Officer.

Constantinos Tziamalis

Born in 1975, holds a B.Sc. in Banking and Financial Services (1998) and a Masters (M.Sc.) in Finance (1999) from the University of Leicester. Constantinos Tziamalis worked at the private banking department of BNP Paribas in Cyprus and then joined a brokerage house, Proteas Asset Management Limited, for 3 years as Investor Accounts Manager. Constantinos joined the Company in January 2002 as Financial Project Manager.

He was promoted to the position as Corporate Credit Controller & Investor Relations in March 2006 and became Director of Risk and Investor Relations as of 23 April 2007. In January 2010 Constantinos has been also appointed as head of the FX Risk Management team. In February 2022, he was nominated to the newly created position of Deputy CEO.

Julia Prihodko

Born in 1982, holds a Masters (M.Sc.) in Psychology. Julia Prihodko started her career in a Ukrainian recruiting agency as a Recruiting Manager, held the position of Head of HR Department at "NOVA" Insurance Company and Investment Consulting Center for 2 years.

Julia joined the Company in May 2015 as Human Relation Manager of ASBIS Ukraine. She was promoted to the position of Chief Human Relations Officer in February 2019. On the 7th of May 2021, Julia Prihodko was appointed to the Board of Directors as an Executive Director.

Hanna Kaplan

Holds a bachelor's degree in economics, and she is a Certified Accountant qualified in 2020.

Hanna served as finance manager and chief accountant in various companies before she moved to ASBIS back in 2002. Ever since, Hanna has evolved into one of the key persons in the Finance department of ASBIS Group. Due to her extensive experience and skills, Hanna was the leader of the project of automating the Group's consolidation, being the key liaison with Finance and IT departments. She also participated in the Group's listing efforts back in 2007 and concluded with big success the online reporting system based on our own proprietary software IT4profit.

Responsibilities: Hanna Kaplan has been working with ASBIS for more than 20 years and she is one of the cornerstones of the Accounting and Financial reporting of the whole Group. She will continue to lead all projects of finance/IT integration and the automation of the reporting systems of the Group.

Tasos Panteli

Joined the Group in 2019. Tasos started his professional career at Nicos Chr. Anastasiades & Partners (Advocates – Legal Consultants), holding the position of Advocate in 2001. Since 2005, Tasos has been working at Andreas M. Sofocleous & Co LLC (Advocates – Legal Consultants) as Advocate (Advocate - Partner since 2010).

He received a Bachelor of Laws (LLB) from the Queen Mary and Westfield College (1999), a Postgraduate Diploma in Legal Skills from the City University London, Inns of Court School of Law (2000). In the same year, he completed the Bar Vocational Course at the City University London, Inns of Court School of Law and was Called to the Bar.

In 2001 he received a Master of Laws (LLM) from King's College London. In 2002 he was admitted to the Cyprus Bar Association. He is a member of the Board of Directors of Cyprus Hydrocarbons Company (CHC) Ltd, a member of the Cyprus Bar Association and a member of the Honourable Society of Lincoln's Inn (Barrister at Law). Tasos is one of the three Non-Executive Directors of the Company.

Maria Petridou

Joined the Group in 2021. She started her professional career at KPMG Metaxas, Loizides, Syrimis (Limassol, Cyprus), holding the position of Audit Supervisor (1998-2002). In 2002, Mrs. Maria Petridou joined EFG EUROBANK SA (Athens, Greece) as an Assistant Manager in the Finance and Control Department. Between the years 2006 and 2007, she worked for KOMMUNALKREDIT INTERNATIONAL BANK LTD (Limassol, Cyprus) as a Manager in the Accounting Department. In 2008, she held the position of Finance Lead, in the SOX Compliance Office of MF GLOBAL LIMITED (London, UK). Between the years 2011 and 2012 she worked for Versatile Apparel Ltd (London, UK), holding the position of Finance Director. In 2013, she joined AMF Horwath DSP (Limassol, Cyprus) as the Head of the Fund Administration Services department. Since 2016 she has been engaged in accounting and financial services projects as a consultant. Between the years 2018 and 2021, she held the position of Chief Accountant at Agri Europe Cyprus Limited.

Maria Petridou received a Bachelor of Arts in accounting and financial management (1998) and was awarded an Upper Second-Class Honours degree from the UNIVERSITY OF ESSEX (Colchester, England). She is a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Constantinos Petrides

Started his professional career in 2000 at the Cypriot Banks Association and as a representative of the Association in the European Banking Federation and the National Euro Changeover Committee. In April 2006, he was employed at the European Commission in Brussels, where until September 2011 he worked as an economist in the Directorate-General for Agriculture and the Directorate-General for Competition. While working for the European Commission, he was a negotiator of trade liberalization agreements between the EU and third countries and dealt with issues of state aid in the field of transport. Since March 2013 to May 2017, he was the Deputy Minister to the President of the Republic of Cyprus. After that, he served as Minister of Interior (May 2017 - December 2019). From December 2019 to March 2023, he held the office of Minister of Finance of the Republic of Cyprus.

Constantinos Petrides studied economics at the University of Nottingham and then obtained a master's degree in Economics of political change in Europe from the London School of Economics and Political Sciences.

DIRECTORS' REMUNERATION

Unless determined by ordinary resolution, the number of Directors shall be not less than three and there shall be no maximum number of Directors.

Subject to our Articles of Association, we may by ordinary resolution appoint a person who is willing to act as a director, either to fill a vacancy or as an addition to the existing Board of Directors.

The remuneration of the Directors will from time to time be determined by the general meeting on the recommendation of the remuneration committee.

Any Director performing special or extraordinary services in the conduct of our business or in discharge of his or her duties as Director, or who travels or resides abroad in discharge of his or her duties as Director may be paid such extra remuneration as determined by the Directors, upon recommendation by the remuneration committee.

Executive Directors are also entitled to receive a bonus every quarter depending upon quarterly results. The bonus consists of a certain amount or percentage which is agreed and described in each Director's service agreements or contracts, as applicable, however, Directors only receive such a bonus to the extent profit meets certain pre-set budgetary figures. All such bonus amounts are included in the remuneration tables set forth below.

The following table presents the remuneration (including bonuses) of Directors for the years ended 31 December 2024 and 2023, in U.S.$:

Name of the director, Position	Year	1 Fixed remuneration			2 Variable remuneration		3 Extraordinary items	4 Provident Fund	5 Total remuneration
		Basic	Fees	Fringe benefits	One-year variable	Multi-year variable			
Siarhei Kostevitch, Chairman, Executive (Chief Executive Officer)	2024	217			420			7	**644**
	2023	213			792			6	**1,011**
Marios Christou, Executive (Chief Financial Officer)	2024	126			119			4	**249**
	2023	127			171			4	**302**
Costas Tziamalis, Executive (Deputy CEO)	2024	126			119			4	**249**
	2023	127			171			4	**302**
Julia Prihodko, Executive (Chief Human Relations Officer)	2024	58			37			2	**97**
	2023	58			50			2	**110**
Hanna Kaplan, Executive Director*	2024	84			41			2	**127**
	2023	43			-			1	**44**
Constantinos Petrides, Non-executive (Non-executive Director) *	2024	32			-			-	**32**
	2023	21			-			-	**21**
Tasos Panteli, Non-executive (Non-executive Director)	2024	19			-			-	**19**
	2023	26			-			-	**26**
Maria Petridou, Non-executive (Non-executive Director)	2024	19			-			-	**19**
	2023	26			-			-	**26**

**Hanna Kaplan and Constantinos Petrides were appointed to the BOD on the 23rd of June 2023.*

Information about non-financial remuneration components due to each board member and key manager

Executive members of the Board of Directors are entitled to car, phone, and medical insurance.

Significant amendments to the remuneration policy in the last financial year or information about their absence.

During 2024, there were no significant changes in the Company's remuneration policy.

ASSESSMENT OF THE IMPLEMENTATION OF THE REMUNERATION POLICY

The Board of Directors positively evaluates the functioning of the remuneration policy from the point of view of achieving its objectives, in particular, the long-term shareholder value growth and the stability of the Company's operations.

SHARES OWNERSHIP

The table below presents the beneficial interests of Directors in the Company's issued share capital as at the date of the publication of this annual report:

Name	Number of Shares	% of the share capital
Siarhei Kostevitch (directly and indirectly) *	20,448,127	36.84%
Constantinos Tziamalis	406,600	0.73%
Marios Christou	330,761	0.60%
Hanna Kaplan	21,000	0.04%
Julia Prihodko	2,000	0%
Maria Petridou	0	0%
Tasos A. Panteli	0	0%
Constantinos Petrides	0	0%
Total	**21,208,488**	**38.21%**

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

To the best of the Company's knowledge, the members of the Board of Directors do not have any rights to the Company's shares.

In 2024 there were no changes in the number of shares possessed by the members of the Board of Directors:

Committees

The Audit Committee of the Company was comprising Tasos Panteli, Maria Petridou and Constantinos Petrides (all non-executive Directors) and Marios Christou (as attending member) and is chaired by Maria Petridou. The Audit Committee meets at least twice a year. The Audit Committee is responsible for ensuring that the Group's financial performance is properly monitored, controlled, and reported. It also meets the auditors and reviews reports from the auditors relating to accounts and internal control systems. The Audit Committee meets at least once a year with the auditors.

The Remuneration Committee of the Company comprises Tasos Panteli, Maria Petridou and Constantinos Petrides (all non-executive Directors) and Siarhei Kostevitch (as attending member) and is chaired by Tasos. Panteli. It sets and reviews the scale and structure of the executive Directors' remuneration packages, including share option schemes and terms of their service contracts.

The remuneration and the terms and conditions of the non-executive Directors are determined by the Directors with due regard to the interests of the Shareholders and the performance of the Group. The Remuneration Committee also makes recommendations to the Board concerning the allocation of share options and/or treasury stock allocation to directors, managers and employees of the Company.

Changes in main management rules

There were no changes to the main management rules in 2024.

List of all agreements signed with directors that gives the right to compensation in a case the person resigns or is fired.

There were no changes in the service agreements of any of the directors.

Information about ownership of shares of any related parties - owned by the Directors.

None of our Directors holds shares in any of our subsidiary companies, other than disclosed.

Employees

During 2024 we have employed an average number of 2,779 employees, of whom 308 were employed by the Company and the remainder in the rest of the Group' s offices worldwide.

The split of employees by area of activity in 2024 and 2023 is as follows:

	2024	2023
Sales and Marketing	1,540	1,484
Administration and IT	433	419
Finance	225	213
Logistics	581	557
Total	**2,779**	**2,673**

ITEM 5. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

MAJOR SHAREHOLDERS

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

Name	Number of shares	% of share capital	Number of votes	% of votes
KS Holdings Ltd*	20,448,127	36.84%	20,448,127	36.84%
Zbigniew Juroszek**	2,797,625	5.04%	2,797,625	5.04%
Free float	32,254,248	58.12%	32,254,248	58.12%
Total	**55,500,000**	**100%**	**55,500,000**	**100%**

**Siarhei Kostevitch holds shares as the ultimate beneficial owner of KS Holdings Ltd*
*** Zbigniew Juroszek together with related entities*

INFORMATION ON THE CHANGES IN THE NUMBER OF SHARES POSSESSED BY MAJOR SHAREHOLDERS IN 2024:

On April 2nd, 2024 the Board of Directors of ASBIS received two notifications on the purchasing on March 27, 2024, 25,050 shares of the Company, which resulted in the Zbigniew Juroszek Family Foundation together with the parent company and related entities exceeding 5% of the total number of votes in ASBISc Enterprises PLC.

Besides the above-mentioned change, there were no other changes in the number of shares possessed by major shareholders in 2024.

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2024, the Company did not have any material related party transaction other than typical or routine transactions. For the ordinary course of business transactions, please refer to the notes on the audited financial statement attached to this annual report.

In the year 2024, several transactions occurred between the Company and its subsidiaries and between our subsidiaries. In our opinion, all these transactions were based on terms that did not vary in terms of market terms and their nature and conditions resulted from ongoing needs and operations of the Company and of the Group, such as contracts related to the purchases of goods for onward distribution to external clients. All these transactions and related outstanding balances were eliminated in the Financial Statements included in this Annual Report and, as a result, did not have any impact on our consolidated financial results and on our financial position.

ITEM 6. FINANCIAL INFORMATION

LEGAL PROCEEDINGS

Currently, there are no legal significant proceedings pending against us or any of the members of our Group.

INFORMATION ON LOANS GRANTED TO ANY OTHER PARTY.

During the year ended 31st December 2024, we have not granted any loan to any other party other than to our subsidiaries which are disclosed in another part of this report (audited financial statements).

INFORMATION ON GRANTED GUARANTEES.

We grant certain guarantees to some of our vendors and to certain customs authorities. All our guarantees are reported in the financial statements section of this annual report.

The total corporate guarantees the Company has issued, as of December 31st, 2024, to support its subsidiaries' local financing, amounted to U.S.$ 278,716. The total bank guarantees and letters of credit raised by the Group (mainly to Group suppliers) as of December 31st, 2024, was U.S. $ 48,073 – as per note number 20 to the financial statements.

EVALUATION OF FINANCIAL RESOURCES MANAGEMENT (INCLUDING THE ABILITY TO PAY BACK COMMITMENTS) AND INFORMATION ABOUT ACTIONS UNDERTAKEN TO AVOID RISKS.

This has been discussed in note 36 of our financial statements to this annual report under the headline Financial Risk management.

EVALUATION OF THE POSSIBILITY OF REALIZATION OF INVESTMENT INTENTIONS

The Company has completed almost all its current investments in prior years and in 2024 intends to mainly grow organically, therefore there is low risk connected with the realization of current investment intentions.

CHARACTERISTICS OF THE STRUCTURE OF ASSETS AND LIABILITIES IN THE CONSOLIDATED BALANCE SHEET INCLUDING CHARACTERISTICS FROM THE POINT OF VIEW OF COMPANY LIQUIDITY

The structure of assets and liabilities in the balance sheet including characteristics from the point of view of the Company's liquidity has been discussed in detail in the financial statements included in this annual report:

- note 36 – Financial risk management – point 1.1. Credit risk
- note 36 – Financial risk management – point 1.3. Liquidity risk

INFORMATION ABOUT THE STRUCTURE OF MAIN DEPOSITS AND CAPITAL INVESTMENTS IN 2024

There were no deposits other than those disclosed as pledged deposits in the financial statements to this annual report.

There were no other capital investments than the ones disclosed in note 35 of the financial statements included in this annual report.

INFORMATION ABOUT RELEVANT OFF-BALANCE SHEET POSITIONS AS AT DECEMBER 31ST, 2024

There were no relevant off-balance sheet positions as of December 31st, 2024, other than Bank Guarantees disclosed in note 20 of the audited financial statements.

DIVIDEND POLICY

Our dividend policy is to pay dividends at levels consistent with our growth and development plans while maintaining a reasonable level of liquidity.

On the 8th of May 2024, the Annual General Meeting of Shareholders adopted a resolution on a final dividend payment for the year ended December 31st, 2023, amounting to USD 0.30 per share, in line with the recommendation of the Company's Board of Directors. The Annual General Meeting has also acknowledged the decision of the Board of Directors to approve an interim dividend of USD 0.20 per share, paid in December 2023. Thus, the total dividend payment from the Company's profit for 2023 amounted to U.S.$ 0.50 per share – the highest in the Company history.

On the 6th of November 2024, the Company's Board of Directors decided on the payment of an interim dividend from 2024 profits. The interim dividend of USD 0.20 per share was paid out on the 5th of December 2024. The interim dividend record date was on the 25th of November 2024.

On the 27th of March 2025, the Company's Board of Directors decided to recommend to the Annual General Meeting of Shareholders the payment of the final dividend from the Company's 2024 profits of USD 0.30 per share.

Any future dividends will be solely at the discretion of the Board of Directors and the General Meeting of shareholders after considering various factors, including business prospects, future earnings, cash requirements, financial position, expansion plans and requirements of the Cyprus law.

The Cyprus law does not limit dividends that may be paid out except that it states that dividends may only be paid out of profits and may not be higher than those recommended by the Board of Directors.

Throughout recent years the Group has always followed a steady Dividend Policy.

SIGNIFICANT CONTRACTS

During 2024 neither the Company nor any of the members of our Group concluded any significant contracts.

PART II

ITEM 7. PRINCIPAL ACCOUNTANT FEES AND SERVICES

We enter into agreements with our principal auditors, KPMG Limited, as well as other auditors of Group companies, to review interim (period ending the 30th of June) and audit annual financial statements (fiscal year ending 31 December).

The last agreement has been signed on the 4th of November 2024.

The following table presents a summary of accountant fees and services for the twelve months ended December 31, 2024, and 2023:

(U.S. $)	2024	2023
Auditors' fees regarding annual report [1]	800	574
Auditors' fees for tax advisory	13	25
Auditors' fees for other services	11	-
Total fees	**824**	**599**

[1] Positions in the table include fees and expenses for certain services (i.e., in relation to reviews and audits of financial statements) for the periods covered by the fiscal year, notwithstanding when the fees and expenses were billed.

ITEM 8. ASBISC ENTERPRISES PLC STATEMENT ON NON-FINANCIAL INFORMATION FOR THE YEAR 2024

According to art. 55.2b of the Polish Bill of Accounting (which implements the 2014/95/EU Directive into Polish law), ASBISc Enterprises Plc presents separately a consolidated report on non-financial information for Y2024.

The report includes all non-financial information regarding the ASBISc Enterprises Plc Group in the period from January 1 to December 31, 2024.

The report is available at the Company website http://investor.asbis.com/csr-reports

Signatures:

Siarhei Kostevitch	Marios Christou	Constantinos Tziamalis
Chairman, Chief Executive Officer	Chief Financial Officer	Deputy CEO
Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors

Julia Prihodko
Chief Human Relations Officer
Member of the Board of Directors

Hanna Kaplan
Member of the Board of Directors

ITEM 9. MANAGEMENT REPRESENTATIONS

In accordance with the requirements of the Decree of the Minister of Finance of March 29th, 2018, on current and periodic information to be published by issuers of securities and on rules of recognition of information required by law of a non-member country as equivalent, the Board of Directors of ASBISc Enterprises Plc hereby represents that:

- to its best knowledge, the annual 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 results of operations, and that the annual Directors',
- The report gives a true view of the Group's development, achievements and position, including a description of the basic risks and threats.
- The Company adheres to the provisions regarding the appointment, composition and functioning of the audit committee, including the fulfilment of independence criteria by its members and the requirements for knowledge and skills in the industry in which ASBISc Enterprises Plc operates and in the field of accounting or auditing
- The audit committee performed the tasks provided for in the applicable regulations
- The auditing company and the members of the audit team met the conditions for drawing up an unbiased and independent audit report on the annual consolidated financial statements in accordance with applicable regulations, professional standards and professional ethics,
- The applicable regulations related to the rotation of the auditing company and the key statutory auditor and mandatory grace periods are observed
- The issuer has a policy regarding the selection of the audit company and the policy for providing the issuer by the auditing company, an entity related to the auditing company or a member of its network of additional non-audit services, including services conditionally exempt from the prohibition by the audit company

Signatures:

Siarhei Kostevitch
Chairman, Chief Executive Officer
Member of the Board of Directors

Marios Christou
Chief Financial Officer
Member of the Board of Directors

Constantinos Tziamalis
Deputy CEO
Member of the Board of Directors

Julia Prihodko
Chief Human Relations Officer
Member of the Board of Directors

Hanna Kaplan
Member of the Board of Directors

Limassol, 27th of March 2025

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