

ASBISc Enterprises Plc



**INTERIM MANAGEMENT REPORT  
FOR THE THREE MONTHS  
ENDED 31 MARCH 2024**

Limassol, May 9<sup>th</sup>, 2024

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## **Directors' report on the Company's and Group's operations**

We have prepared this report as required by 60 section 2 of the Regulation of the Ministry of Finance dated 29 March 2018 on current and periodic information to be published by issuers of securities and conditions of recognition of information required by the law of non-member country as equal.

### **Presentation of financial and other information**

In this quarterly report, all references to the Company apply to ASBISc Enterprises Plc and all references to the Group apply to ASBISc Enterprises Plc and its consolidated subsidiaries. Expressions such as "we", "us", "our" and similar apply generally to the Group (including its particular subsidiaries, depending on the country discussed) unless from the context it is clear that they apply to the Company alone.

### **Financial and Operating Data**

This quarterly report contains financial statements of, and financial information relating to the Group. In particular, this quarterly report contains our interim consolidated financial statements for the three months ended 31 March 2024. The financial statements appended to this quarterly report are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34.

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

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

### **Currency Presentation**

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

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

### **Forward-looking statements**

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

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

## Part I: Interim Management Report

### 1. Overview

ASBISc Enterprises Plc is 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) and Latvia.

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

ASBISc commenced business in 1990 and in 1995 incorporated the parent Company in Cyprus and moved our headquarters to Limassol. Our Cypriot headquarters support, through two master distribution centres (located in the Czech Republic and the United Arab Emirates), our network of 31 warehouses located in 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 at 1, Iapetou Street, 4101, Agios Athanasios, Limassol, Cyprus.

### 2. Executive summary for the three-month period ended 31 March 2024

Undoubtedly, the first quarter of 2024 was a challenging period for ASBIS in terms of supply and demand constraints in multiple markets of our operations. We faced an overflow of non-official imports of multiple product groups coming from unofficial distributors and channels. The products that came from these channels have a price advantage over our products. This is not a new situation for us but rather have faced this in the past, so we will definitely be able to cope with it.

Other factors that negatively affected our results in Q1 2024 were lower than expected sales in Ukraine, where we saw lower demand due to the continuation of the hostilities in the country causing a worse than we expected sentiment of Ukrainian consumers related to geopolitical uncertainty.

It is worth underlining that in the countries of Central and Eastern Europe like Slovakia, European IT transformation support programs ended in 2023. We hope that new programs will be implemented, but for now they have been postponed for various reasons. At this point, it is difficult for us to determine when new, large IT projects will commence, but if so, we will certainly take part in them.

Analyzing Q1 2024 results, revenues were USD 713.2 million (down 1.2% compared to Q1 2023). The gross profit margin decreased to 8.28% from 8.60% in Q1 2023. Operating profit (EBIT) decreased by 14.8% and reached USD 24.4 million, compared to USD 28.7 million in Q1 2023. The net profit was USD 14.0 million, as compared to USD 17.4 million in Q1 2023.

Quarter-over-quarter net sales decreased, mainly due to a decline in the Commonwealth of Independent States (CIS) region. The CIS and Central & Eastern Europe (CEE) regions remained the largest in Group's revenues.

In Q1 2024 multiple product lines recorded a decrease on a year-on-year basis. The leader of the Company's sales remained the smartphones, followed by CPUs and laptops.

A country-by-country analysis shows a decline in multiple main markets of our operation. However, in some particular countries like the United Arab Emirates, the Czech Republic and the Netherlands we generated significant year-on-year growth.

As regards our own brands, we are constantly developing and pushing them to generate higher revenues and gross profit.

**AENO** has continued its expansion in existing markets and also entered new ones. MENA region is under certification and ready to start sales. The brand's portfolio was replenished with new products like hair dryers. This brand increased sales in the WE region, Ukraine, Baltics, Bulgaria, the Czech Republic and built brand awareness. In the Czech Republic, the brand began to work with a new partner - with offline placement, same in Bulgaria, and the Baltic region.

**Canyon** continued the development of sales in the Central and Eastern Europe region and reached double-digit revenue growth year-on-year. Our focus on the African market resulted in doubling sales from the 4th quarter of 2023. Starting cooperation with gaming stores in South Africa with our gaming and PC peripherals, we have a good base for further development. Canyon has also strengthened its presence in Western Europe with the listing of PC and Audio accessories in Germany, enhancing accessibility and market visibility. In Poland, Canyon has expanded its sales footprint, establishing both online and offline channels to drive market penetration.

**Prestigio** completed the development of new audio products. Prestigio managed to hand-shake new partnership with the number one Audio dealer in Germany - and will be distributed in Karlsruhe and Baden-Baden, Stuttgart, Wiesbaden, Frankfurt and Mainz. Currently under development is a new range of leather products, such as smart bag-packs, organizers and sling bags and also a new range of smart accessories, such as powerbanks, chargers, smart cards and travel accessories. The first launch will begin in Q3 2024.

**Prestigio solution** achieved a solid growth in revenues and a very dynamic growth in gross profit, in comparison to Q1'2023. Prestigio has launched a new product category – tablets for business and education. Sales of the first model Virtuoso (PSTA101) started in January and showed good results in Q1'2024.

In Q1 2024 and in the period between 31st of March 2024 and the date of this report the Company experienced other important business events:

- ASBIS and Lenovo - a global technology leader, have expanded their partnership of infrastructure solutions in Central Asia. The partnership is aimed at penetrating the rapidly growing markets of Kazakhstan, Kyrgyzstan, and Uzbekistan.
- ASBIS has extended its distribution contract with ABBYY to Czechia. ASBIS has been distributing ABBYY solutions in Slovakia, Romania, Bosnia, Serbia, Ukraine, Greece, Cyprus, and Malta since the end of 2018.
- ASBIS has opened another iSpace store with Apple Authorized Reseller status in Tashkent, the capital of Uzbekistan. The newly opened store is the first in Uzbekistan, while the Group currently runs a total of 31 stores where Apple products can be purchased.
- ASBIS has signed a distribution agreement with Pantheone Audio, a renowned innovator in luxury audio solutions. Under this partnership, ASBIS will serve as a VAD for Pantheone Audio products across the Middle East and Africa region.
- ASBIS Poland has doubled its space in the Ideal-Idea City Park logistics center in Raszyn near Warsaw and currently manages 5,000 m<sup>2</sup> of warehouse and office space.

On the 8th of May 2024, ASBIS published a financial forecast for 2024. ASBIS expects sales revenues in 2024 to range between USD 3.1 billion and USD 3.4 billion and net profit after tax between USD 60 million and USD 64 million.

In Q1 2024, based on the strong financial position of the Company, the Board of Directors decided to recommend to the Annual General Meeting of Shareholders the payment of a final dividend of USD 0.30 per share. Together with the interim dividend paid in December 2023, the total dividend from 2023 profits reached USD 0.50 per share, the highest dividend paid to shareholders in the history of ASBIS.

In summary, taking into consideration a very demanding market environment, we assess the Group's results for Q1 2024 as very satisfactory.

The goal for 2024 is to maintain and even strengthen our market share in our main markets. We intend to invest in the development of our own products, but also in new business units, such as Breezy and Robotics, which have already been intensively developing for some time. This will allow us to build a strong foundation and competent teams for business development in the next 3-5 years.

**The principal events of the three months ended 31 March 2024 were as follows (in US\$ thousand):**

- Revenues in Q1 2024 decreased by 1.2% to US\$ 713,213 from US\$ 721,992 in Q1 2023.
- Gross profit in Q1 2024 decreased by 4.8% to US\$ 59,082 from US\$ 62,066 in Q1 2023.
- Gross profit margin in Q1 2024 reached 8.28% from 8.60% in Q1 2023.
- Selling expenses in Q1 2024 increased by 6.1% to US\$ 19,761 from US\$ 18.631 in Q1 2023.
- Administrative expenses in Q1 2024 were flat and reached US\$ 14,885 as compared to US\$ 14,739 in Q1 2023.
- EBITDA in Q1 2024 decreased to US\$ 26,566 in comparison to US\$ 30,623 in Q1 2023.
- As a result of decreased revenues and gross profit and still high interest costs, the Company's net profit after taxation reached U.S. \$ 14,003 as compared to U.S.\$ 17,382 in Q1 2023.

The following table presents revenues breakdown by regions for Q1 2024 and Q1 2023 (in US\$ thousand):

Region	Q1 2024	Q1 2023	YoY change
Commonwealth of Independent States	329,867	405,473	-18.6%
Central and Eastern Europe	187,176	159,975	17.0%
Middle East and Africa	121,358	91,849	32.1%
Western Europe	68,211	60,747	12.3%
Other	6,600	3,949	67.1%
<b>Total</b>	<b>713,213</b>	<b>721,992</b>	<b>-1.2%</b>

#### 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.

### 3. Summary of historical financial data

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

For your convenience, certain US\$ amounts as of and for the three months ended March 31st, 2024, and 2023, have been converted into Euro and PLN, based on the exchange rates provided by the National Bank of Poland:

	<b>As at 31 March 2024</b>	<b>Three months ended 31 March 2024 average</b>	<b>As at 31 March 2023</b>	<b>Three months ended 31 March 2023 average</b>
<b>USD/PLN</b>	3.9886	3.9941	4.2934	4.3630
<b>EUR/PLN</b>	4.3009	4.3211	4.6755	4.7005

Balance sheet items have been translated using the exchange rate as at the reporting date, while income statement and cash flow statement items have been translated using the arithmetic average rate for the period.

<i>(in thousands)</i>	Three months ended 31 March 2024			Three months ended 31 March 2023		
	<u>USD</u>	<u>PLN</u>	<u>EUR</u>	<u>USD</u>	<u>PLN</u>	<u>EUR</u>
<b>Revenue</b>	<b>713,213</b>	<b>2,848,668</b>	<b>659,246</b>	<b>721,992</b>	<b>3,150,027</b>	<b>670,152</b>
Cost of sales	(654,131)	(2,612,686)	(604,635)	(659,926)	(2,879,235)	(612,542)
<b>Gross profit</b>	<b>59,082</b>	<b>235,981</b>	<b>54,611</b>	<b>62,066</b>	<b>270,792</b>	<b>57,610</b>
<b>Gross profit margin</b>	<b>8.28%</b>			<b>8.60%</b>		
Selling expenses	(19,761)	(78,928)	(18,266)	(18,631)	(81,286)	(17,293)
Administrative expenses	(14,885)	(59,453)	(13,759)	(14,739)	(64,306)	(13,681)
<b>Profit from operations</b>	<b>24,436</b>	<b>97,601</b>	<b>22,587</b>	<b>28,696</b>	<b>125,200</b>	<b>26,636</b>
Financial income	883	3,527	816	922	4,023	856
Financial expenses	(8,389)	(33,507)	(7,754)	(9,038)	(39,432)	(8,389)
Realized foreign exchange loss relating to foreign operations liquidated	(10)	(40)	(9)	-	-	-
Share of loss of equity-accounted investees	(115)	(459)	(106)	(69)	(301)	(64)
Other gains and losses	186	743	172	386	1,684	358
<b>Profit before taxation</b>	<b>16,991</b>	<b>67,864</b>	<b>15,705</b>	<b>20,897</b>	<b>91,173</b>	<b>19,397</b>
Taxation	(2,988)	(11,934)	(2,762)	(3,515)	(15,336)	(3,263)
<b>Profit after taxation</b>	<b>14,003</b>	<b>55,930</b>	<b>12,943</b>	<b>17,382</b>	<b>75,837</b>	<b>16,134</b>

#### EBITDA calculation

	<u>USD</u>	<u>PLN</u>	<u>EUR</u>	<u>USD</u>	<u>PLN</u>	<u>EUR</u>
Profit before tax	16,991	67,864	15,705	20,897	91,173	19,397
<i>Add back:</i>						
Financial expenses/net	(7,516)	(30,020)	(6,947)	8,116	35,410	7,533
Other income	186	743	172	386	1,684	358
Share of loss of equity-accounted investees	(115)	(459)	(106)	(69)	(301)	(64)
<b>EBIT for the period</b>	<b>24,436</b>	<b>97,601</b>	<b>22,587</b>	<b>28,695</b>	<b>125,195</b>	<b>26,635</b>
Depreciation	2,024	8,084	1,871	1,593	6,950	1,479
Amortization	106	423	98	334	1,457	310
<b>EBITDA for the period</b>	<b>26,566</b>	<b>29,620</b>	<b>6,855</b>	<b>30,622</b>	<b>133,603</b>	<b>28,423</b>

#### Attributable to:

Non-controlling interests	(70)	(280)	(65)	(69)	(301)	(64)
Owners of the Company	14,073	56,209	13,008	17,451	76,138	16,198
	<b>14,003</b>	<b>55,930</b>	<b>12,943</b>	<b>17,382</b>	<b>75,837</b>	<b>16,134</b>



	<u>USD cents</u>	<u>PLN grosz</u>	<u>EUR cents</u>	<u>USD cents</u>	<u>PLN grosz</u>	<u>EUR cents</u>
Basic and diluted earnings per share from continuing operations	25.36	101.29	23.44	31.63	138.00	29.36

	<b>Three months ended 31 March 2024</b>			<b>Three months ended 31 March 2023</b>		
<i>(in thousands)</i>	<u>USD</u>	<u>PLN</u>	<u>EUR</u>	<u>USD</u>	<u>PLN</u>	<u>EUR</u>
Net cash movement from operating activities	(41,514)	(165,812)	(38,373)	(100,012)	(436,349)	(92,831)
Net cash movement from investing activities	(3,503)	(13,991)	(3,238)	(3,838)	(16,745)	(3,562)
Net cash movement from financing activities	12,676	50,630	11,717	5,274	23,010	4,895
<b>Net movement in cash and cash equivalents</b>	<b>(32,342)</b>	<b>(129,178)</b>	<b>(29,895)</b>	<b>(98,576)</b>	<b>(430,084)</b>	<b>(91,498)</b>
Cash at the beginning of the period	108,306	432,589	100,111	92,352	402,929	85,721
<b>Cash at the end of the period</b>	<b>75,964</b>	<b>303,410</b>	<b>70,216</b>	<b>(6,224)</b>	<b>(27,155)</b>	<b>(5,777)</b>

	<b>As at 31 March 2024</b>			<b>As at 31 December 2023</b>		
<i>(in thousands)</i>	<u>USD</u>	<u>PLN</u>	<u>EUR</u>	<u>USD</u>	<u>PLN</u>	<u>EUR</u>
Current assets	957,238	3,818,039	887,730	931,214	3,664,327	842,762
Non-current assets	82,440	328,820	76,454	81,264	319,774	73,545
<b>Total assets</b>	<b>1,039,678</b>	<b>4,146,860</b>	<b>964,184</b>	<b>1,012,478</b>	<b>3,984,101</b>	<b>916,307</b>
Current liabilities	716,674	2,858,526	664,634	715,549	2,815,685	647,582
Non-current liabilities	28,954	115,486	26,852	15,717	61,846	14,224
<b>Total liabilities</b>	<b>745,628</b>	<b>2,974,012</b>	<b>691,486</b>	<b>731,266</b>	<b>2,877,532</b>	<b>661,806</b>
<b>Equity</b>	<b>294,050</b>	<b>1,172,848</b>	<b>272,698</b>	<b>281,212</b>	<b>1,106,569</b>	<b>254,501</b>

#### 4. Organization of ASBIS Group

The following table presents our corporate structure as at March 31<sup>st</sup>, 2024:

<b>Company</b>	<b>Consolidation Method</b>
<b>ASBISC Enterprises PLC</b>	<b>Mother company</b>
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%)
UAB Asbis Vilnius (Vilnius, Lithuania)	Full (100%)
Asbis Slovenia d.o.o (Trzin, Slovenia)	Full (100%)
Asbis Middle East FZE (Dubai, U.A.E)	Full (100%)
Asbis SK sp.l sr.o (Bratislava, Slovakia)	Full (100%)
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%)
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) (former ASBIS SERVIC Ltd)	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) (former Café-Connect LLC)	Full (100%)
MakSolutions LLC (Minsk, Belarus)	Full (100%)
Breezy Kazakhstan TOO (Almaty, Kazakhstan) (former TOO "ASNEW")	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) (former Redmond Europe Ltd)	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%)

## 5. Changes in the structure of the Group

During the three months ended March 31st, 2024, there was the following change in the Group's structure:

- On January 17th, 2024, ASBISc Enterprises Plc has liquidated its subsidiary company ASBIS DE GMBH (München, Germany).

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

During the three months ended March 31st, 2024, the Company has not published a financial forecast for 2024.

However, on May 8th, 2024, the Company announced its official financial forecast for 2024 that assumed revenues between USD 3.1 and 3.4 billion and net profit after tax between USD 60.0 million and US\$ 64.0 million.

Having seen the results for Q1 2024, we remain confident that we shall be able to deliver the announced financial forecast for 2024.

## 7. Information on dividend payment

During the three-month period ended March 31<sup>st</sup>, 2024, no dividend was paid.

On May 8<sup>th</sup>, 2024, the Annual General Meeting of Shareholders, in line with the recommendation of the Company's Board of Directors, decided to pay out a dividend from the Company's 2023 profits of USD 0.30 per share. The dividend record date was set for June 17<sup>th</sup>, 2024, and the dividend pay-out date for June 27<sup>th</sup>, 2024.

Thus, the grand total for dividends from the Company's 2023 profits (including the interim dividend paid in December 2023) amounted to USD 0.50 per share, making it the highest dividend in the Company's history.

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

The following table presents shareholders possessing more than 5% of the Company's shares as of the date of publication of this report, according to our best knowledge.

The information included in the table is based on the information received from the shareholders according to Art. 69, sec. 1, point 2 of the Act on Public Offering, conditions governing the introduction of financial instruments to organized trading and public companies.

Name	Number of shares	% of share	Number of votes	% of votes
KS Holdings Ltd*	20,448,127	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%
<b>Total</b>	<b>55,500,000</b>	<b>100%</b>	<b>55,500,000</b>	<b>100%</b>

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

\*\* Zbigniew Juroszek together with related entities

## Changes in the number of shares possessed by major shareholders.

On April 2<sup>nd</sup>, 2024, the Company received a notification from the Zbigniew Juroszek Family Foundation informing that the Zbigniew Juroszek Family Foundation together with the parent company and related entities exceeded 5% of the total number of votes in ASBISc Enterprises Plc, because of purchasing 25,050 shares of ASBISc Enterprises Plc.

There were no other changes in the number of shares possessed by major shareholders during the period between March 28th, 2024 (the date of the publication of the Annual Report for 2023) and the date of this report.

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

During the period between March 28<sup>th</sup>, 2024 (the date of the publication of the Annual Report for 2024) and May 9<sup>th</sup>, 2024 (date of this report) there were no changes in the number of shares possessed by the members of the Board of Directors.

The table below presents the number of shares held by the members of the Board of Directors as of the date of this report.:

<b>Name</b>	<b>Number of Shares</b>	<b>% of the share capital</b>
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	0.00%
Tasos A. Panteli	0	0.00%
Constantinos Petrides	0	0.00%
Maria Petridou	0	0.00%

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

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

#### **10. Changes in the members of managing bodies.**

During the three-month period ended March 31<sup>st</sup>, 2024, there were no changes in the members of the Company's Board of Directors.

After the period ended on March 31<sup>st</sup>, 2024, Mr. Tasos Panteli, Mrs. Maria Petridou, Mr. Constantinos Petrides (Non - Executive Directors) and Mrs. Hanna Kaplan (Executive Director) have been re-elected during the Annual General Meeting of Shareholders of the Company held on the 8<sup>th</sup> of May 2024.

#### **11. Significant administrative and court proceedings against the Company**

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

#### **12. Related Party Transactions**

During the three months ended March 31<sup>st</sup>, 2024, neither the Company nor any of the members of our Group have concluded any material related party transaction, other than with market conditions.

### **13. Information on guarantees granted to third parties.**

The total corporate guarantees the Company has issued, as of March 31st, 2024, to support its subsidiaries' local financing, amounted to USD 191,080. The total bank guarantees and letters of credit raised by the Group as of March 31st, 2024, was USD 47,823 – as per note number 17 to the financial statements.

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

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

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

In the three month period ended March 31<sup>st</sup>, 2024, the Company's results of operations have been affected and are expected to continue to be affected by a number of factors. These factors are presented in brief below:

#### **The war in Ukraine**

The war between Russia and Ukraine (which were, before the war, the two major markets for ASBIS) constituted a major disruption in demand in both countries, the whole region and the globe. The war has created the most unfavourable business environment in the whole region. Despite the large geographical presence of the Group, it is not possible to totally weather the impact of a full-scale war between these two countries. The Company considers the situation as critical, and it is extremely difficult to assess how this will further evolve. The Company ceased any business development in Russia, following all sanctions imposed by suppliers and other international organizational bodies. The Group has decided to totally divest from Russia and has completed the sale of its subsidiary in the country in October 2023.

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.

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

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

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

#### **Currency fluctuations**

The Company's reporting currency is the U.S. dollar. In Q1 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 Kazakhstani Tenge, the South African Rand 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 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 in view of the fact that its gross profit margins, like those of most of its competitors, are low and sensitive to sales price fluctuations.

#### **Gross profit margins sustainability**

The Company's business is comprised of both a traditional distribution of third-party products and own brands. This allows the Company to deliver healthier gross profit margins when conditions are 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. In addition to the above, recent increases in gross profit margins may no longer be sustainable given the oversupply in the markets and decreased demand.

To increase gross margins, the Company has dynamically developed its own brand business as this allows for higher gross profit margins in recent months.

At the end of 2022, the Company added to its portfolio a new own brand - AROS Robotics operating under a new business division - AROS (ASBIS Robotic Solutions). The Company is also constantly investing in the VAD business which delivers higher gross profit margins.

#### **Inventory obsolescence and price erosion**

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

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

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

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

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

### **Credit risk**

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

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

As the Company's profit margin is relatively low compared to the total price of the products sold, in the event where the Company is not able to recover payments from its customers, it is exposed to financial liquidity risk. The Company has in place credit insurance which covers such an eventuality for 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 multiple raw materials and finished product prices have risen dramatically, and this might significantly impact demand generation. This must be closely monitored, and the Company is alerted to manage any market anomalies.

### **Seasonality**

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

### **Development of own-brand business**

The Company's strategy is to focus more on profitability than on revenues, thus we continue to develop the own-brand business that allows for higher gross profit margins.

This includes the development of tablets and other product lines that are sold under Prestigio and Canyon brands in all regions of the Company's operations. The Company has also invested in another own brand, Perenio - which includes sales of smart-home, smart-security sensors and other products.

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

At the end of 2021, the Company launched two new own brands: Lorgar - a brand of ultimate accessories for gamers and AENO - a brand of smart home appliances.

In Q4 2022, the Company has launched a new own brand "CRON Robotics" operating under a new business division - AROS (ASBIS Robotic Solutions).

The core business of this division is based on two major segments - the distribution of collaborative robots (cobots) from leading global brands in the sector as well as own robotic platforms under own brand.

In July 2023, ASBIS presented the first version of its beer-serving robotic kiosk in Limassol.

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.

#### **High cost of debt**

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

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

#### **Environmental and climate changes**

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

We may also face market risk with consumers switching to more energy-efficient appliances or making more savvy purchases to limit their own impact on the environment. We will monitor these trends and introduce the latest hardware for our customers.

We may also face reputational risks with difficulties in attracting customers, business partners and employees if we do not take strong enough actions against climate 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.

### ***Results of Operations***

#### **Three-month period ended 31 March 2024 compared to the three-month period ended 31 March 2023 (in US\$ thousand)**

- **Revenues:** In Q1 2024 revenues decreased slightly by 1.2% reaching US\$ 713,213 from US\$ 721,992 in Q1 2023.



**Seasonality and growth cycle in ASBIS revenues  
between Q1 2022 and Q1 2024  
(in U.S.\$ thousand)**



- **Gross profit:** In Q1 2024 gross profit decreased by 4.8% and reached US\$ 59,082 from US\$ 62,066 in Q1 2023.

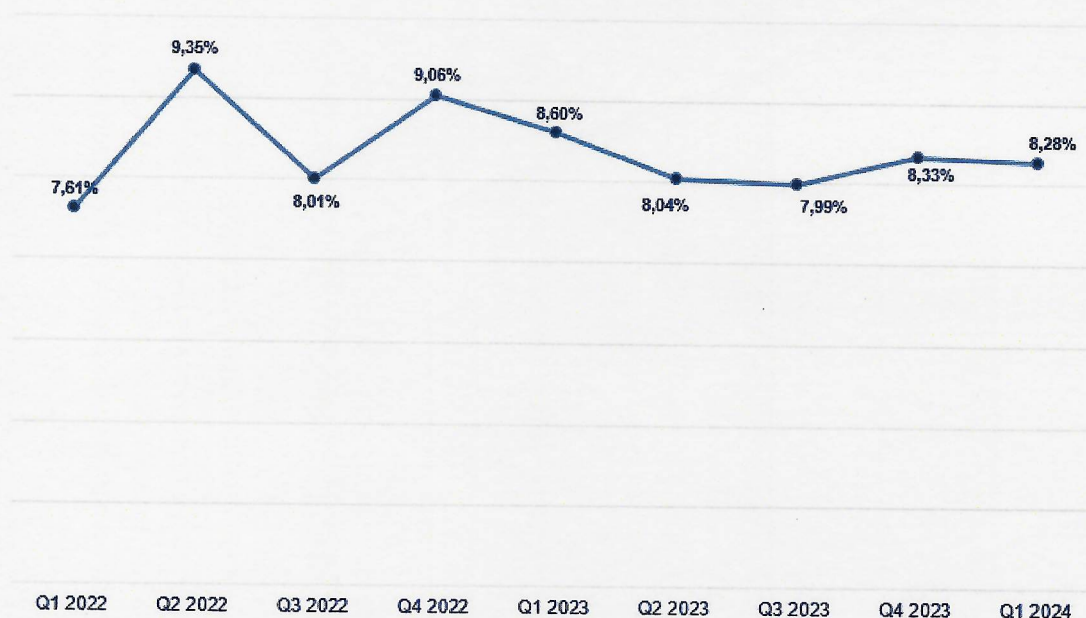
**Gross profit  
between Q1 2022 and Q1 2024  
(in U.S.\$ thousand)**



- **Gross profit margin:**

In Q1 2024 gross profit margin stabilized at 8.28% as compared to 8.60% in Q1 2023.

**Gross profit margin  
between Q1 2022 and Q1 2024  
(in U.S.\$ thousand)**



- **Selling expenses** largely comprise of salaries and benefits paid to sales employees (sales, marketing and logistics departments), marketing and advertising fees, commissions, and travelling expenses, provisions for doubtful debts and other provisions. Selling expenses usually grow together (but not in-line) with growing sales and, most importantly, gross profit. During the three months of 2024, the increase in selling expenses has encompassed all new investments in human capital in several business units.

Selling expenses in Q1 2024 increased by 6.1% to US\$ 19,761 from US\$ 18,631 in Q1 2023.

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

Administrative expenses in Q1 2024 remained flat, reaching US\$ 14,885 as compared to US\$ 14,739 in Q1 2023.

- **EBITDA:** In Q1 2024 EBITDA was positive and reached US\$ 26,566 from US\$ 30,623 in Q1 2023.
- **Net profit:** as a result of decreased revenues, gross profit and still high interest rates, Q1 2024 net profit after taxation reached US\$ 14,003 as compared to US\$ 17,382 in Q1 2023.

## Sales by regions and countries

Traditionally and throughout the Company's operations, the CIS and the CEE regions contribute the majority of our revenues. This has not changed in Q1 2024.

In Q1 2024 revenues derived in the CIS region have decreased by 18.6%, as compared to Q1 2023, while sales in the Central and Eastern Europe and other main regions have significantly increased. The major reason for lower sales in the CIS region is the unfavorable market factors in our largest markets, Kazakhstan and Ukraine

As a result of the above-mentioned facts, the contribution of certain regions in total revenues for Q1 2024 has changed compared to Q1 2023.

The CIS region contribution decreased to 46.25%, compared to 56.16% in Q1 2023. Central and Eastern Europe contribution has increased to 26.24% from 22.16%, the Middle East and Africa region has grown to 17.02% from 12.72% and Western Europe has increased to 9.56% from 8.41% in Q1 2023.

Country-by-country analysis shows a decline in revenues in Kazakhstan - our biggest market, where sales reached USD 164.4 million in Q1 2024 as compared to USD 175.4 million in the corresponding period of 2023. This was the result of the growth of the gray market, which, together with Apple, we are already trying to counteract.

United Arab Emirates has become the second biggest market of our operations delivering revenues of USD 86.4 million in Q1 2024 (an increase of 28.0% year-on-year).

Our business in Ukraine – one directly affected by the war, was negatively impacted by the delays in deliveries to Ukraine due to ongoing hostilities, but also the blockade of the Polish-Ukrainian border.

The Czech Republic and the Netherlands grew exceptionally in Q1 2024 as compared to the corresponding period of 2023.

Poland generated a robust growth in Q1 2024 (+10.1%) as compared to Q1 2023. The best-selling product categories in Poland were processors, SSD and displays.

The table below provides a geographical breakdown of sales in the three-month periods ended March 31<sup>st</sup>, 2024, and 2023.

	Q1 2024		Q1 2023	
	US\$ thousand	% of total revenues	US\$ thousand	% of total revenues
Commonwealth of Independent States	329,867	46.25%	405,473	56.16%
Central and Eastern Europe	187,176	26.24%	159,975	22.16%
Middle East and Africa	121,358	17.02%	91,849	12.72%
Western Europe	68,211	9.56%	60,747	8.41%
Other	6,600	0.93%	3,948	0.55%
<b>Total</b>	<b>713,213</b>	<b>100%</b>	<b>721,992</b>	<b>100%</b>

Revenue breakdown – Top 10 countries in Q1 2024 and Q1 2023 (in US\$ thousand)

	Q1 2024		Q1 2023	
	Country	Sales	Country	Sales
1.	Kazakhstan	164,423	Kazakhstan	175,359
2.	United Arab Emirates	86,388	Ukraine	102,084
3.	Ukraine	80,638	United Arab Emirates	67,476
4.	Slovakia	48,408	Slovakia	52,520
5.	Azerbaijan	32,321	Azerbaijan	35,539
6.	Poland	28,525	Germany	35,039
7.	Czech Republic	27,851	Georgia	30,568
8.	Germany	27,717	Poland	25,897
9.	Georgia	23,674	Czech Republic	19,969
10.	Netherlands	22,320	Armenia	18,569
	<b>TOTAL</b>	<b>713,213</b>	<b>TOTAL</b>	<b>721,992</b>

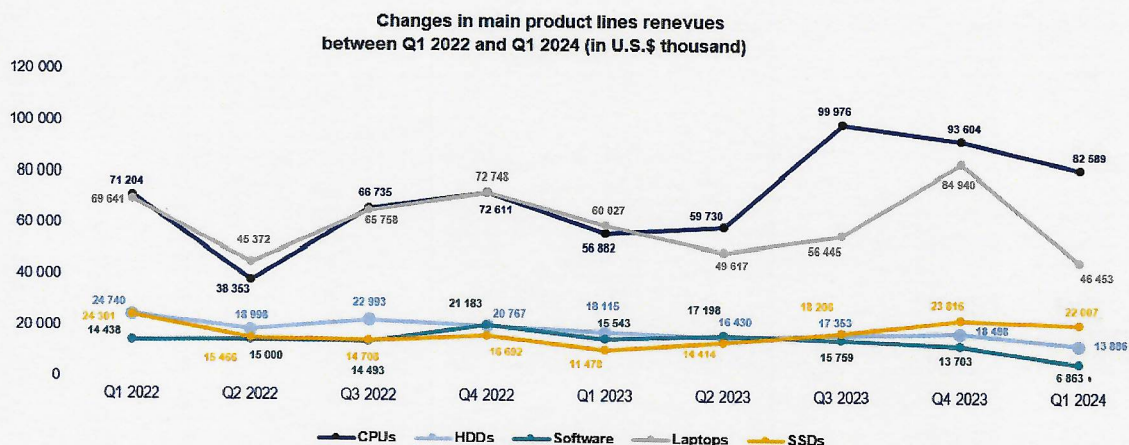
### Sales by product lines

In Q1 2024 the Group has continued enforcing its profit oriented strategy, which includes introducing higher-margin IT solutions to its portfolio of products and services. This was possible because ASBIS remains the distributor of first choice for many worldwide suppliers.

During the same period, ASBIS has also enhanced its second life devices division, Breezy in which ASBIS invested significantly and see a very positive development. Breezy has been developing its retail chain and opened two new stores in Kazakhstan. Additionally, Breezy continued trade-in attach rate growth, achieving 7% across Kazakhstan, its largest market. In Ukraine, Breezy kick-started trade-in operations in the new segment of high-end household appliances in collaboration with Delonghi. As part of its digital development strategy, Breezy launched trade-in mobile app (iOS&Android) for sales people within its partner network.

In Q1 2024 revenues from almost all main product lines (except smartphones, CPUs and SSDs) decreased compared to Q1 2023.

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

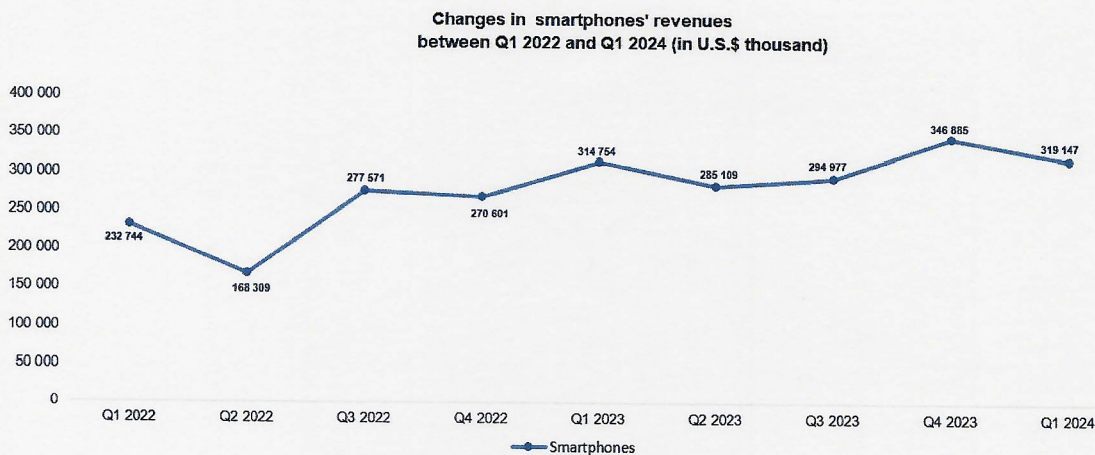


In Q1 2024 sales were mainly driven by smartphones, laptops and CPUs.

Sales from CPUs increased in Q1 2024 by 45.2%, as compared to Q1 2023. Sales from software decreased by 55.8% in Q1 2024, as compared to Q1 2023. Revenues from SSDs increased by 91.7% in Q1 2024, as compared to Q1 2023. Sales from HDDs decreased by 23.3% in Q1 2024, as compared to Q1 2023. The business of laptops dropped by 22.6% in Q1 2024, as compared to Q1 2023.

Among other product lines, the Company has noticed positive results for Q1 2024 in PC desktop (+6.8%), multimedia (+8.1%) and video cards and GPUs (+10.9%).

The chart below indicates the trend in smartphones sales:



In Q1 2024 sales of smartphones, the leader in our revenues, remained flat as compared to Q1 2023. This was the result of the persistence of the demand for a different mix of Apple iPhone models and consumers' tendency to buy more expensive devices knowing they will hold onto their devices longer.

The table below sets a breakdown of revenues, by product lines, for Q1 2024 and Q1 2023 (in US\$ thousand):

	Q1 2024		Q1 2023	
	U.S. \$ thousand	% of total revenues	U.S. \$ thousand	% of total revenues
Smartphones	319,147	44.75%	314,754	43.60%
Central processing units (CPUs)	82,589	11.58%	56,882	7.88%
PC mobile (laptops)	46,453	6.51%	60,027	8.31%
Peripherals	31,172	4.37%	32,804	4.54%
Servers & server blocks	24,703	3.46%	31,538	4.37%
Audio devices	22,878	3.21%	22,943	3.18%
Solid-state drives (SSDs)	22,007	3.09%	11,478	1.59%
Multimedia	17,510	2.46%	16,196	2.24%
Display products	16,203	2.27%	18,863	2.61%
Smart devices	14,811	2.08%	17,556	2.43%
PC desktop	14,390	2.02%	13,471	1.87%

Networking products	14,184	1.99%	17,576	2.43%
Accessories	13,940	1.95%	17,528	2.43%
Hard disk drives (HDDs)	13,886	1.95%	18,115	2.51%
Tablets	10,962	1.54%	14,767	2.05%
Software	6,863	0.96%	15,543	2.15%
Video cards and GPUs	6,546	0.92%	5,903	0.82%
Consumables	5,254	0.74%	7,082	0.98%
Other	29,716	4.17%	28,966	4.01%
<b>Total revenue</b>	<b>713,213</b>	<b>100%</b>	<b>721,992</b>	<b>100%</b>

### Liquidity and Capital Resources

The Company has in the past funded its liquidity requirements, including ongoing operating expenses, capital expenditures, and investments, for the most part, through operating cash flows, debt and equity financing. In Q1 2024, cash from operations was negative, which is typical for this period of the year. In Q1 2024 we managed to improve the cash from operating activities by more than USD 58 million year-on-year. We do expect cash flow from operations for the full year to be positive.

The following table presents a summary of cash flows for the three months ended March 31<sup>st</sup>, 2024, and 2023:

<i>(in thousands)</i>	<b>Three months ended 31 March 2024 USD</b>	<b>Three months ended 31 March 2023 USD</b>
Net cash movement from operating activities	(41,514)	(100,012)
Net cash movement from investing activities	(3,503)	(3,838)
Net cash movement from financing activities	12,676	5,274
<b>Net movement in cash and cash equivalents</b>	<b>(32,342)</b>	<b>(98,576)</b>

#### **Net cash outflows from operations**

Net cash outflows from operations amounted to US\$ 41,514 for the three months ended March 31<sup>st</sup>, 2024, compared to outflows of US\$ 100,012 in the corresponding period of 2023. This result is typical for the first quarter of the year due to seasonality. The Company expects cash from operations to turn positive for the year 2024.

#### **Net cash outflows from investing activities**

Net cash outflows from investing activities were US\$ 3,503 for the three months ended March 31<sup>st</sup>, 2024, compared to outflows of US\$ 3,838 in the corresponding period of 2023.

#### **Net cash inflows from financing activities**

Net cash inflows from financing activities amounted to US\$ 12,676 for the three months ended March 31<sup>st</sup>, 2024, compared to inflows of US\$ 5,274 in the corresponding period of 2023.

#### **Net decrease in cash and cash equivalents**

As a result of improved cash flows from operating activities (mainly owed to improved working capital management), cash and cash equivalents decreased by U.S. \$ 32,342, as compared to a decrease of US\$ 98,576 in the corresponding period of 2023.

## **16. Factors which may affect our results in the future.**

### **War in Ukraine**

The war between Russia and Ukraine (the two major markets for ASBIS before the war) is a key factor which has affected our results. Despite the large geographical presence of the Group, it would not be possible to totally weather the impact of this war. In October 2023, ASBIS disposed of its second and last subsidiary in Russia, which marked ASBIS's total exit from the country. However, the Company considers the current situation critical and difficult to assess as to how it will evolve. We are strictly abiding with all sanctions that the EU imposed and making the utmost to support our Ukrainian colleagues and operations.

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

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

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

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

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

The very well-diversified geographic coverage of the Group's revenues ensures that we do mitigate the risk of lower sales in a particular country with the possibility of higher sales in a few other countries. Since the CIS and CEE regions are the biggest contributors to the Company's revenues, it is very important to adapt to any market changes that might arise in these geographies. This is especially important while facing the war in Ukraine also affecting nearby countries and tensions observed in the Middle East region negatively affecting the overall consumer sentiment. Therefore, our decision to invest more in countries of Africa, the Caucasus region and Western Europe is proven correct. We also expand our product portfolio by launching the ASBIS Robotic Solutions (AROS) division and engaging with various other vendors to increase our revenues.

In 2024 the primary target for the Group remains unchanged and it is profitability but always with a strong cash flow.

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

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

### **The Group's ability to increase gross profit margins**

The Group's ability to increase its gross profit margin is of significant 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 trends in gross profit margins showed a steady decline, however the Group considers the current levels satisfactory and undertakes all efforts to maintain them at higher levels.

### **Currency volatilities**

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. We have been successfully shielded by our hedging policy in Q1 2024. Therefore, the hedging strategy should be followed and further improved without any exception in 2024 and going forward.

**Ability of the Group to control expenses.**

Selling and administrative expenses increased in Q1 2024 by 3.8% as compared to corresponding period of 2023. This was mostly due to investments made by the Company in the development of new business lines, like AROS and Breezy, and due to its geographical expansion.

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

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

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

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

**17. Information about important events that occurred after the period ended on March 31st, 2024 and before this report release.**

According to our best knowledge, in the period between March 31<sup>st</sup>, 2024, and May 9<sup>th</sup>, 2024, no events have occurred that could affect either the Company's operations or its financial stability.



## Part II: Financial Information

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

### **Report and Interim Condensed Consolidated Financial Statements for the period ended March 31<sup>st</sup>, 2024**

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**ASBISC ENTERPRISES PLC**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

# ASBISC ENTERPRISES PLC

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## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

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# ASBISC ENTERPRISES PLC

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

	Note	For the three months ended 31 March 2024 US\$	For the three months ended 31 March 2023 US\$
<b>Revenue</b>			
Revenue	4,23	713,213	721,992
Cost of sales		<u>(654,131)</u>	<u>(659,926)</u>
<b>Gross profit</b>		59,082	62,066
Selling expenses		(19,761)	(18,631)
Administrative expenses		<u>(14,885)</u>	<u>(14,739)</u>
<b>Profit from operations</b>		24,436	28,696
Financial income	7	883	922
Financial expenses	7	(8,389)	(9,038)
Realized foreign exchange loss relating to foreign operations liquidated and disposed	7	<u>(10)</u>	<u>-</u>
<b>Net finance costs</b>		(7,516)	(8,116)
Other gains and losses	5	186	386
Share of loss from equity-accounted investees		<u>(115)</u>	<u>(69)</u>
<b>Profit before tax</b>	6	16,991	20,897
Taxation	8	<u>(2,988)</u>	<u>(3,515)</u>
<b>Profit for the period</b>		<u>14,003</u>	<u>17,382</u>
<b>Attributable to:</b>			
Equity holders of the parent		14,073	17,451
Non-controlling interests		<u>(70)</u>	<u>(69)</u>
		<u>14,003</u>	<u>17,382</u>
<b>Earnings per share</b>			
Basic and diluted from continuing operations (expressed in US\$)		<u>0.25</u>	<u>0.31</u>
<b>Other comprehensive loss</b>			
Exchange difference on translating foreign operations		(1,196)	(362)
Reclassification adjustments relating to foreign operations liquidated and disposed in the period		<u>10</u>	<u>-</u>
<b>Other comprehensive loss for the period</b>		<u>(1,186)</u>	<u>(362)</u>
<b>Total comprehensive income for the period</b>		<u>12,817</u>	<u>17,020</u>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		12,929	17,082
Non-controlling interests		<u>(112)</u>	<u>(62)</u>
		<u>12,817</u>	<u>17,020</u>

# ASBISC ENTERPRISES PLC

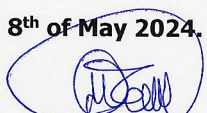
## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

(in thousands of US\$)

	Notes	As at 31 March 2024 US\$	As at 31 December 2023 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	67,882	66,933
Intangible assets	10	2,000	1,700
Investment property	11	3,562	3,571
Equity-accounted investees	12	4,982	5,075
Goodwill	27	594	608
Financial assets at fair value through other comprehensive income	29	2,376	2,376
Financial assets at fair value through profit and loss	30	528	528
Deferred tax assets	20	516	473
<b>Total non-current assets</b>		<u>82,440</u>	<u>81,264</u>
<b>Current assets</b>			
Inventories	13	470,402	413,775
Trade receivables	14	341,019	346,123
Other current assets	15	30,949	27,116
Derivative financial assets	25	275	125
Current taxation	8	565	515
Cash at bank and in hand	26	114,028	143,560
<b>Total current assets</b>		<u>957,238</u>	<u>931,214</u>
<b>Total assets</b>		<u>1,039,678</u>	<u>1,012,478</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	11,100	11,100
Share premium		23,893	23,872
Retained earnings and other components of equity		258,725	245,796
Equity attributable to owners of the parent		293,718	280,768
Non-controlling interests		332	444
<b>Total equity</b>		<u>294,050</u>	<u>281,212</u>
<b>Non-current liabilities</b>			
Long term borrowings	18	27,860	14,663
Other long term liabilities		975	935
Deferred tax liabilities	20	119	119
<b>Total non-current liabilities</b>		<u>28,954</u>	<u>15,717</u>
<b>Current liabilities</b>			
Trade payables	22	358,857	349,683
Trade payables factoring facilities		26,878	41,822
Other current liabilities	21	117,573	122,203
Short term borrowings	17	210,431	196,993
Derivative financial liabilities	24	119	702
Current taxation	8	2,816	4,146
<b>Total current liabilities</b>		<u>716,674</u>	<u>715,549</u>
<b>Total liabilities</b>		<u>745,628</u>	<u>731,266</u>
<b>Total equity and liabilities</b>		<u>1,039,678</u>	<u>1,012,478</u>

The financial statements were approved by the Board of Directors on 8<sup>th</sup> of May 2024.

  
Siarhei Kostevitch  
Director

  
Marios Christou  
Director

## ASBISC ENTERPRISES PLC

### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

#### Attributable to the owners of the parent

	Share capital US\$	Share premium US\$	Treasury stock US\$	Translation of foreign operations US\$	Retained earnings US\$	Total US\$	Non-controlling interests US\$	Total US\$
<b>Balance at 1 January 2023</b>	11,100	23,721	(996)	(16,170)	225,816	243,471	709	244,180
Profit/(loss) for the period 1 January 2023 to 31 March 2023	-	-	-	-	17,451	17,451	(69)	17,382
Other comprehensive (loss)/profit for the period 1 January 2023 to 31 March 2023	-	-	-	(369)	-	(369)	7	(362)
<b>Balance at 31 March 2023</b>	11,100	23,721	(996)	(16,539)	243,267	260,553	647	261,200
Profit/(loss) for the period 1 April 2023 to 31 December 2023	-	-	-	-	35,597	35,597	(23)	35,574
Other comprehensive profit/(loss) for the period 1 April 2023 to 31 December 2023	-	-	-	8,545	-	8,545	(21)	8,524
Final dividends declared	-	-	-	-	(24,975)	(24,975)	(29)	(25,004)
Treasury shares sold	-	151	996	-	-	1,147	-	1,147
Acquisition of non-controlling interest without a change in control	-	-	-	-	(99)	(99)	(130)	(229)
<b>Balance at 31 December 2023</b>	11,100	23,872	-	(7,994)	253,790	280,768	444	281,212
Profit/(loss) for the period 1 January 2024 to 31 March 2024	-	-	-	-	14,073	14,073	(70)	14,003
Other comprehensive loss for the period 1 January 2024 to 31 March 2024	-	-	-	(1,144)	-	(1,144)	(42)	(1,186)
Treasury shares sold	-	21	-	-	-	21	-	21
<b>Balance at 31 March 2024</b>	11,100	23,893	-	(9,138)	267,863	293,718	332	294,050

# ASBISC ENTERPRISES PLC

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

	Note	For the three months ended 31 March 2024 US\$	For the three months ended 31 March 2023 US\$
<b>Profit for the period before tax and non-controlling interest</b>		16,991	20,897
Adjustments for:			
Exchange difference arising on consolidation		(852)	(607)
Depreciation of property, plant and equipment	9	2,024	1,593
Amortization of intangible assets	10	97	319
Depreciation of investment property	11	9	15
Provision of slow moving and obsolete stock		39	(55)
Share of loss from equity-accounted investees	12	115	69
Profit from the sale of property, plant and equipment and intangible assets	5	(5)	(13)
Provision for bad debts and receivables written off		238	311
Interest received	7	(155)	(259)
Interest paid		3,794	4,440
<b>Operating profit before working capital changes</b>		22,295	26,710
(Increase)/decrease in inventories		(56,666)	12,195
Decrease in trade receivables		4,866	1,088
Increase in other current assets		(3,992)	(5,711)
Increase/(decrease) in trade payables		9,174	(115,265)
(Decrease)/increase in trade payables factoring facilities		(14,944)	2,054
Decrease in other current liabilities		(5,213)	(17,671)
Increase in other non-current liabilities		41	32
Increase in factoring creditors		10,785	5,829
<b>Cash outflows from operations</b>		(33,654)	(90,739)
Interest paid	7	(3,496)	(4,217)
Taxation paid, net	8	(4,365)	(5,056)
<b>Net cash outflows from operating activities</b>		(41,515)	(100,012)
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	10	(499)	(234)
Purchase of property, plant and equipment		(3,321)	(3,347)
Payments for purchase of investments in associates		(22)	(862)
Proceeds from sale of property, plant and equipment and intangible assets		184	346
Interest received	7	155	259
<b>Net cash outflows from investing activities</b>		(3,503)	(3,838)
<b>Cash flows from financing activities</b>			
Proceeds/(repayments) of long-term loans and non-current lease liabilities		12,827	(219)
(Repayments)/proceeds of short-term borrowings and current lease liabilities		(172)	5,493
Disposal of treasury shares		21	-
<b>Net cash inflows from financing activities</b>		12,676	5,274
<b>Net decrease in cash and cash equivalents</b>		(32,342)	(98,576)
<b>Cash and cash equivalents at beginning of the period</b>		108,306	92,352
<b>Cash and cash equivalents at end of the period</b>	26	75,964	(6,224)

# ASBISC ENTERPRISES PLC

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 1. Incorporation and principal activities

Asbisc Enterprises Plc (the "Company or "the parent Company") was incorporated in Cyprus on 9 November 1995 with limited liability. The Group's and the Company's principal activity is the trading and distribution of computer hardware and software in a number of geographical regions as disclosed in note 24. The main shareholder of the Company is K.S. Holdings Limited, a Company incorporated in Cyprus.

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

### 2. Basis of preparation

#### (a) Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for a complete set of IFRS financial statements and they should be read in conjunction with the audited financial statements for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2023.

These interim financial statements were authorized for issue by the Company's Board of Directors on the 8<sup>th</sup> of May 2024.

#### (b) Use of the judgments and estimates

Preparing the interim financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

### 3. Significant accounting policies

The accounting policies adopted for the preparation of the condensed consolidated interim financial statements for the three months ended 31 March 2024 are consistent with those followed for the preparation of the annual financial statements for the year 2023 except for the adoption by the Group of all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on 1 January 2024. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.



# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 4. Revenue

	For the three months ended 31 March 2024 US\$	For the three months ended 31 March 2023 US\$
Sales of goods	709,069	714,604
Sales of licenses	2,937	5,534
Rendering of services	964	1,612
Sales of optional warranty	243	242
	<u>713,213</u>	<u>721,992</u>

### Effect of seasonality

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

### 5. Other gains and losses

	For the three months ended 31 March 2024 US\$	For the three months ended 31 March 2023 US\$
Profit on disposal of property, plant and equipment	5	13
Other income	120	271
Rental income	61	102
	<u>186</u>	<u>386</u>

### 6. Profit before tax

	For the three months ended 31 March 2024 US\$	For the three months ended 31 March 2023 US\$
Profit before tax is stated after charging:		
(a) Amortization of intangible assets (Note 10)	97	319
(b) Depreciation of property, plant and equipment (Note 9)	2,024	1,593
(c) Depreciation of investment property (Note 11)	9	15
(c) Auditors' remuneration	156	115
(d) Directors' remuneration – executive (Note 28)	547	558
(e) Directors' remuneration – non-executive (Note 28)	15	19
	<u>15</u>	<u>19</u>

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 7. Financial expense, net

	For the three months ended 31 March 2024 US\$	For the three months ended 31 March 2023 US\$
<b>Financial income</b>		
Interest income	155	259
Other financial income	728	663
	<u>883</u>	<u>922</u>
<b>Financial expense</b>		
Bank interest	3,496	4,217
Bank charges	1,621	1,223
Derivative charges	68	202
Interest on lease liabilities	298	223
Factoring interest	1,997	2,635
Factoring charges	68	97
Other financial expenses	27	40
Other interest	690	378
Net exchange loss	124	23
	<u>8,389</u>	<u>9,038</u>
Realized foreign exchange loss relating to foreign operations liquidated and disposed	10	-
	<u>8,399</u>	<u>9,038</u>
Net	<u>(7,516)</u>	<u>(8,116)</u>

### 8. Tax

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Payable balance 1 January	3,631	2,014
Provision for the period/year	3,039	12,632
Under/(over) provision of prior periods/year	5	(449)
Foreign exchange difference on retranslation	(59)	229
Amounts paid, net	(4,365)	(10,795)
Net payable balance 31 March/31 December	<u>2,251</u>	<u>3,631</u>

## ASBISC ENTERPRISES PLC

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

#### 8. Tax (continued)

	<b>As at 31 March 2024 US\$</b>	<b>As at 31 December 2023 US\$</b>
Tax receivable	(565)	(515)
Tax payable	2,816	4,146
Net	<u>2,251</u>	<u>3,631</u>

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

	<b>For the three months ended 31 March 2024 US\$</b>	<b>For the three months ended 31 March 2023 US\$</b>
Provision for the period	3,039	3,550
Under/(over) provision of prior years	5	(1)
Deferred tax credit (Note 20)	(56)	(34)
Charge for the period	<u>2,988</u>	<u>3,515</u>

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

In addition, the Group became subject to the global minimum top-up tax under Pillar Two tax legislation from 1 January 2024 and is liable for additional current taxes in relation to its operations in specific jurisdictions. This impact has been considered in determining the weighted-average annual income tax rate for the full financial year.

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024 (in thousands of US\$)

### 9. Property, plant and equipment

Cost	Land and buildings US\$	Assets under construction US\$	Computer hardware US\$	Warehouse machinery US\$	Motor vehicles US\$	Furniture and fittings US\$	Office equipment US\$	Total US\$
<b>At 1 January 2023</b>	48,086	315	7,238	843	4,439	4,250	5,325	70,496
Additions	15,181	790	2,341	280	1,118	2,103	3,269	25,082
Disposals/write-offs	(2,887)	-	(1,697)	(39)	(431)	(956)	(611)	(6,621)
Transfers	121	(121)	-	-	-	-	-	-
Foreign exchange difference on retranslation	365	-	9	5	-	(3)	296	672
<b>At 31 December 2023</b>	60,866	984	7,891	1,089	5,126	5,394	8,279	89,629
Additions	1,875	-	418	11	364	423	317	3,408
Disposals/write-offs	(294)	-	(218)	(4)	(88)	(82)	(62)	(748)
Foreign exchange difference on retranslation	(222)	-	(54)	(1)	(17)	(63)	(25)	(382)
<b>At 31 March 2024</b>	62,225	984	8,037	1,095	5,385	5,672	8,509	91,907
<b>Accumulated depreciation</b>								
<b>At 1 January 2023</b>	8,070	-	4,488	570	2,396	2,199	2,460	20,183
Charge for the year	3,557	-	1,167	109	725	534	903	6,995
Disposals/write-offs	(1,787)	-	(1,601)	(27)	(386)	(553)	(290)	(4,644)
Foreign exchange difference on retranslation	61	-	21	10	22	34	14	162
<b>At 31 December 2023</b>	9,901	-	4,075	662	2,757	2,214	3,087	22,696
Charge for the period	987	-	354	30	184	178	291	2,024
Disposals/write-offs	(241)	-	(123)	(4)	(80)	(73)	(52)	(573)
Foreign exchange difference on retranslation	(73)	-	(37)	4	(9)	(16)	9	(122)
<b>At 31 March 2024</b>	10,574	-	4,269	692	2,852	2,303	3,335	24,025
<b>Net book value</b>								
At 31 March 2024	51,651	984	3,768	403	2,533	3,369	5,174	67,882
At 31 December 2023	50,965	984	3,816	427	2,369	3,180	5,192	66,933

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 9. Property, plant and equipment (continued)

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

	Land and buildings US\$	Warehouse machinery US\$	Motor vehicles US\$	Total US\$
<b>Balance at 1 January 2023</b>	12,682	18	815	13,515
Depreciation charge for the year	(2,892)	(5)	(381)	(3,278)
Additions to right of use assets	8,524	-	413	8,937
Foreign exchange difference on retranslation	71	(13)	(38)	20
<b>Balance at 31 December 2023</b>	18,385	-	809	19,194
Depreciation charge for the period	(787)	-	(90)	(877)
Additions to right of use assets	14	-	73	87
Foreign exchange difference on retranslation	(80)	-	29	(51)
<b>Balance at 31 March 2024</b>	<u>17,532</u>	<u>-</u>	<u>821</u>	<u>18,353</u>

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

The total cash outflows for the leases related to the above right-of-use assets were US\$977 (2023: US\$ 3,321).

### 10. Intangible assets

	Computer software US\$	Patents and licenses US\$	Total US\$
<b>Cost</b>			
<b>At 1 January 2023</b>	9,108	1,463	10,571
Additions	166	1,133	1,299
Disposals/write-offs	(16)	(16)	(32)
Foreign exchange difference on retranslation	63	1	64
<b>At 31 December 2023</b>	9,321	2,581	11,902
Additions	127	372	499
Disposals/write-offs	(2)	(24)	(26)
Foreign exchange difference on retranslation	(28)	(5)	(33)
<b>At 31 March 2024</b>	<u>9,418</u>	<u>2,924</u>	<u>12,342</u>
<b>Accumulated amortization</b>			
<b>At 1 January 2023</b>	8,395	1,099	9,494
Charge for the year	569	109	678
Disposals/write-offs	(16)	(16)	(32)
Foreign exchange difference on retranslation	58	4	62
<b>At 31 December 2023</b>	9,006	1,196	10,202
Charge for the period	54	43	97
Disposals/write-offs	(1)	(21)	(22)
Foreign exchange difference on retranslation	69	(4)	65
<b>At 31 March 2024</b>	<u>9,128</u>	<u>1,214</u>	<u>10,342</u>
<b>Net book value</b>			
At 31 March 2024	<u>290</u>	<u>1,710</u>	<u>2,000</u>
At 31 December 2023	<u>315</u>	<u>1,385</u>	<u>1,700</u>

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 11. Investment Property

	<b>Land and buildings US\$</b>
<b>Cost</b>	
<b>At 1 January 2023</b>	5,801
Additions	7
Disposals	<u>(1,617)</u>
<b>At 31 December 2023</b>	<u>4,191</u>
<b>At 31 March 2024</b>	<u>4,191</u>
<b>Accumulated amortization</b>	
<b>At 1 January 2023</b>	1,397
Charge for the period	54
Disposals	<u>(831)</u>
<b>At 31 December 2023</b>	620
Charge for the period	<u>9</u>
<b>At 31 March 2024</b>	<u>629</u>
<b>Net book value</b>	
<b>At 31 March 2024</b>	<u>3,562</u>
<b>At 31 December 2023</b>	<u>3,571</u>

The properties are leased to third parties under operating leases with rentals payable monthly.

### 12. Equity-accounted investees

	<b>As at 31 March 2024 US\$</b>	<b>As at 31 December 2023 US\$</b>
<b>Cost</b>		
At 1 January	5,515	1,843
Additions (i), (ii),(iii),(iv)	<u>22</u>	<u>3,672</u>
<b>At 31 March/31 December</b>	<u>5,537</u>	<u>5,515</u>
<b>Accumulated share of loss from equity-accounted investees</b>		
At 1 January	(440)	(203)
Share of loss from equity-accounted investees during the period/year	<u>(115)</u>	<u>(237)</u>
<b>At 31 March/31 December</b>	<u>(555)</u>	<u>(440)</u>
<b>Carrying amount of equity-accounted investees</b>	<u>4,982</u>	<u>5,075</u>

- (i) In March 2024, the Company acquired 40% shareholding in Clevetura Ltd (Cyprus), for the consideration of US\$ 22.
- (ii) In December 2023, the Company acquired additional 6% shareholding in Displayforce Global Ltd (Cyprus), for the consideration of US\$ 1,921.
- (iii) In December 2023, the Company acquired 20% shareholding in Blend Energy Ltd (Cyprus), for the consideration of US\$ 1,313.
- (iv) In November 2023, the Company acquired 20% shareholding in Autonomics Tech Ltd (Cyprus), for the consideration of US\$ 438.

## ASBISC ENTERPRISES PLC

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

#### 13. Inventories

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Trading goods (i)	468,415	411,788
Land development (ii)	<u>1,987</u>	<u>1,987</u>
	<u><u>470,402</u></u>	<u><u>413,775</u></u>

#### (i) Trading goods

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Goods held for resale	417,400	367,557
Goods in transit	60,599	53,836
Provision for slow moving and obsolete stock	<u>(9,584)</u>	<u>(9,605)</u>
	<u><u>468,415</u></u>	<u><u>411,788</u></u>

As at 31 March 2024, inventories pledged as security for financing purposes amounted to US\$ 101,812 (2023: US\$ 59,287).

#### Movement in provision for slow moving and obsolete stock:

	For the three months ended 31 March 2024 US\$	For the year ended 31 December 2023 US\$
On 1 January	9,605	7,384
Provisions for the period/year	168	2,845
Provided stock written off	(129)	(620)
Foreign exchange difference on retranslation	<u>(60)</u>	<u>(4)</u>
On 31 March/31 December	<u><u>9,584</u></u>	<u><u>9,605</u></u>

#### (ii) Land development

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Land - Not under development yet	1,564	1,604
Buildings - work in progress	<u>423</u>	<u>383</u>
	<u><u>1,987</u></u>	<u><u>1,987</u></u>

The Group owns three plots of land in Cyprus for a housing complex development. As at 31 March 2024, the project is in progress.

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 14. Trade receivables

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Trade receivables	340,795	344,815
Prepayments to trade vendors	6,508	7,372
Allowance for doubtful debts	<u>(6,284)</u>	<u>(6,064)</u>
	<u>341,019</u>	<u>346,123</u>

#### Movement in provision for doubtful debts:

	For the three months ended 31 March 2024 US\$	For the year ended 31 December 2023 US\$
On 1 January	6,064	3,331
Provisions for the period/year	268	3,859
Amount written-off as uncollectible	(30)	(688)
Bad debts recovered	-	(2)
Foreign exchange difference	<u>(18)</u>	<u>(436)</u>
On 31 March/31 December	<u>6,284</u>	<u>6,064</u>

As at 31 March 2024, the receivables of the Group that have been assigned as security for financing purposes amounted to US\$ 87,534 (2023: US\$ 67,507).

### 15. Other current assets

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
VAT and other taxes refundable	13,366	10,831
Other debtors and prepayments	17,073	15,826
Deposits and advances to service providers	226	230
Employee floats	<u>284</u>	<u>229</u>
	<u>30,949</u>	<u>27,116</u>

### 16. Share capital

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
<b>Authorized</b>		
63,000,000 (2023: 63,000,000) shares of US\$ 0.20 each	<u>12,600</u>	<u>12,600</u>
<b>Issued and fully paid</b>		
55,500,000 (2023: 55,500,000) ordinary shares of US\$ 0.20 each	<u>11,100</u>	<u>11,100</u>



# ASBISC ENTERPRISES PLC

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 17. Short term borrowings

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Bank overdrafts (Note 26)	38,064	35,254
Current portion of long-term loans	617	633
Bank short-term loans	105,242	105,133
Current lease liabilities (Note 20)	2,929	3,179
Total short-term debt	<u>146,852</u>	<u>144,199</u>
Factoring creditors	<u>63,579</u>	<u>52,794</u>
	<u>210,431</u>	<u>196,993</u>

### Summary of borrowings and overdraft arrangements

As at 31 March 2024 the Group had factoring facilities of US\$ 112,684 (2023: US\$ 104,828).

In addition, the Group as at 31 March 2024 had the following financing facilities with banks in the countries that the Company and its subsidiaries operate:

- overdraft lines of US\$ 98,320 (2023: US\$ 99,846)
- short-term loans/revolving facilities of US\$ 134,857 (2023: US\$ 135,181)
- bank guarantees and letters of credit of US\$ 47,823 (2023: US\$ 48,008)

The Group had for the period ended 31<sup>st</sup> March 2024 cash lines (overdrafts, loans and revolving facilities) and factoring lines.

The Weighted Average Cost of Debt (cash lines and factoring lines) for the period is 11.5% (2023: 11.9%).

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

- Floating charges over all assets of the Company
- Mortgage on land and buildings that the Group owns in Cyprus, Belarus, Middle East, Bulgaria, Slovakia and Ukraine
- Charge over receivables and inventories
- Corporate guarantees
- Assignment of insurance policies
- Pledged deposits of US\$ 25,677 (2023: US\$ 27,138)

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 18. Long term borrowings

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Bank loans	14,231	436
Non-current lease liabilities (Note 19)	<u>13,629</u>	<u>14,227</u>
	<u>27,860</u>	<u>14,663</u>

### 19. Lease liabilities

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Current lease liabilities (Note 17)	2,929	3,179
Non-current lease liabilities (Note 18)	<u>13,629</u>	<u>14,227</u>
	<u>16,558</u>	<u>17,406</u>

### 20. Deferred tax

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Debit balance on 1 January	(354)	(165)
Deferred tax credit for the period/year (Note 8)	(56)	(170)
Foreign exchange difference on retranslation	<u>13</u>	<u>(19)</u>
At 31 March/31 December	<u>(397)</u>	<u>(354)</u>

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Deferred tax assets	(516)	(473)
Deferred tax liabilities	<u>119</u>	<u>119</u>
Net deferred tax assets	<u>(397)</u>	<u>(354)</u>

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 21. Other current liabilities

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Salaries payable and related costs	6,125	5,355
VAT payable	5,054	11,793
Provision for warranties	5,228	5,203
Accruals, deferred income, and other provisions	68,523	68,601
Provision for marketing	26,147	23,273
Non-trade accounts payable	6,496	7,978
	<u>117,573</u>	<u>122,203</u>

### 22. Trade payables and prepayments

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Trade payables	340,526	335,869
Prepayments from customers	18,331	13,814
	<u>358,857</u>	<u>349,683</u>

### 23. Operating segments

#### 1.1 Reportable segments

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

#### 1.2 Segment revenues

	For the three months ended 31 March 2024 US\$	For the three months ended 31 March 2023 US\$
Former Soviet Union	329,868	405,473
Central Eastern Europe	187,176	159,975
Middle East & Africa	121,358	91,849
Western Europe	68,211	60,747
Other	6,600	3,948
	<u>713,213</u>	<u>721,992</u>

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 1.3 Segment results

	For the three months ended 31 March 2024 US\$	For the three months ended 31 March 2023 US\$
Former Soviet Union	10,058	14,874
Central Eastern Europe	6,386	6,585
Middle East & Africa	4,876	4,733
Western Europe	2,957	2,349
Other	159	155
<b>Profit from operations</b>	<b>24,436</b>	<b>28,696</b>
Net financial expenses	(7,516)	(8,116)
Other gains and losses	186	386
Share of loss from equity-accounted investees	(115)	(69)
<b>Profit before taxation</b>	<b>16,991</b>	<b>20,897</b>

### 1.4 Segment capital expenditure (CAPEX)

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Cyprus	29,105	29,124
Former Soviet Union	14,617	13,037
Central Eastern Europe	17,246	17,570
Middle East & Africa	12,569	11,503
Western Europe	437	-
Unallocated	64	1,578
	<b>74,038</b>	<b>72,812</b>

### 1.5 Segment depreciation and amortization

	For the three months ended 31 March 2024 US\$	For the three months ended 31 March 2023 US\$
Cyprus	738	835
Former Soviet Union	671	550
Central Eastern Europe	527	485
Middle East & Africa	166	51
Western Europe	25	6
Other	3	1
	<b>2,130</b>	<b>1,928</b>

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 23. Operating segments (continued)

#### 1.6 Segment assets

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Former Soviet Union	423,273	436,664
Central Eastern Europe	148,198	173,688
Western Europe	298,124	173,974
Middle East & Africa	68,351	139,514
Total	937,946	923,820
Assets allocated in capital expenditure (1.4)	74,038	72,812
Other unallocated assets	27,694	15,846
Consolidated assets	1,039,678	1,012,478

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

#### 1.7 Geographical information

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

### 24. Derivative financial liability

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
<u>Derivative financial liabilities carried at fair value through profit or loss</u>		
Foreign currency derivative contracts	119	702

### 25. Derivative financial asset

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
<u>Derivative financial assets carried at fair value through profit or loss</u>		
Foreign currency derivative contracts	275	125

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 26. Cash and cash equivalents

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Cash at bank and in hand	114,028	143,560
Bank overdrafts (Note 17)	(38,064)	(35,254)
	<u>75,964</u>	<u>108,306</u>

The cash at bank and in hand balance includes an amount of US\$ 25,677 (2023: US\$ 27,138) which represents pledged deposits against financial facilities granted and margin accounts for foreign exchange hedging.

### 27. Goodwill

#### 1.1. Acquired assets and liabilities

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

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Tangible and intangible assets	-	1
Inventories	-	733
Receivables	-	1,839
Other receivables	-	150
Short-term loans	-	(10)
Payables	-	(340)
Other payables and accruals	-	(3,369)
Cash and cash equivalents	-	1,213
<b>Net identifiable assets</b>	<u>-</u>	<u>217</u>
<b>Group's interest in net assets acquired</b>	<u>-</u>	<u>176</u>
Total purchase consideration	-	(380)
<b>Goodwill capitalized in statement of financial position</b>	<u>-</u>	<u>204</u>

#### 1.2. Goodwill arising on acquisitions

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
At 1 January	608	372
Additions (i)	-	204
Foreign exchange difference on retranslation	(14)	32
At 31 March/31 December	<u>594</u>	<u>608</u>

(i) During the year ended 31 December 2023, goodwill of US\$204 was recognized from the acquisition of ASBIS Africa Proprietary Limited.

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 27. Goodwill (continued)

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

	As at 31 March 2024 US\$	As at 31 December 2023 US\$
ASBIS d.o.o. (BA)	377	386
ASBIS Africa Proprietary Limited	217	222
	<u>594</u>	<u>608</u>

### 28. Transactions and balances of key management

	For the three months ended 31 March 2024 US\$	For the three months ended 31 March 2023 US\$
Director's remuneration - executive (Note 6)	547	558
Director's remuneration - non-executive (Note 6)	15	19
	<u>562</u>	<u>577</u>

### 29. Financial assets at fair value through other comprehensive income

Name	Country of incorporation	Participation %	Cost US\$	Impairment US\$	As at 31 March 2024 US\$	As at 31 December 2023 US\$
Promed Bioscience Ltd RSL	Cyprus	16%	808	-	808	808
Revolutionary Labs Ltd	Cyprus	15.5%	707	-	707	707
Theramir Ltd	Cyprus	4.5%	861	-	861	861
			<u>2,376</u>	<u>-</u>	<u>2,376</u>	<u>2,376</u>

### 30. Financial assets at fair value through profit and loss

Name	Country of incorporation	Participation %	Cost US\$	Impairment US\$	As at 31 December 2024 US\$	As at 31 December 2023 US\$
KV Kinisis Ventures fund Raif V.V.I.V PLC	Cyprus	-	528	-	528	528

# ASBISC ENTERPRISES PLC

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(in thousands of US\$)

### 31. Business combinations

#### 1. Incorporations and acquisitions

##### *Incorporations and acquisitions of subsidiaries to 31 March 2024*

During the period the Group had no incorporations nor acquisitions of subsidiaries.

##### *Incorporations and acquisitions of subsidiaries to 31 December 2023*

During the period the Group acquired and incorporated the following subsidiaries.

<u>Name of entity</u>	<u>Type of operations</u>	<u>Date acquired</u>	<u>% acquired</u>	<u>% owned</u>
Breezy Trade-In Ltd (Cyprus)	Information Technology	30 May 2023	11.15%	91.15%
ASBIS Africa Proprietary Limited (South Africa)	Information Technology	01 June 2023	81%	100%

<u>Name of entity</u>	<u>Type of operations</u>	<u>Date incorporated</u>	<u>% incorporated</u>	<u>% owned</u>
ASBIS Georgia LLC (Georgia)	Information Technology	02 June 2023	100%	100%
ASBIS AM LLC (Armenia)	Information Technology	06 June 2023	100%	100%
ASBIS s.r.l. (Moldova)	Information Technology	16 June 2023	100%	100%
ASBIS AZ LLC (Azerbaijan)	Information Technology	20 June 2023	100%	100%
ASBC Morocco (Morocco)	Information Technology	20 June 2023	100%	100%
Sarovita Ltd (Cyprus)	Information Technology	25 December 2023	100%	100%
ASBC SA (South Africa)	Information Technology	25 December 2023	100%	100%

#### 2. Liquidations and disposals

##### *Liquidations and disposals of subsidiaries to 31 March 2024*

During the year, the following subsidiary has been liquidated and no loss or gain arose on the event.

<u>Name of disposed entity</u>	<u>Type of operations</u>	<u>Date liquidated</u>	<u>% liquidated</u>
ASBIS DE GmbH (Germany)	Information Technology	17 January 2024	100%

##### *Liquidations and disposals of subsidiaries to 31 December 2023*

During the year, ASBIS PL SP. z o.o. and I.O. Clinic Latvia SIA have been disposed of and a gain of US\$ 1 and US\$ 9 respectively arose on the events. In addition, ASBIS OOO was disposed of and a loss of US\$1,159 arose on the event.

<u>Name of disposed entity</u>	<u>Type of operations</u>	<u>Date disposed</u>	<u>% sold</u>
ASBIS PL SP. z o.o. (Poland)	Information Technology	25 October 2023	100%
ASBIS OOO (Russia)	Information Technology	31 October 2023	100%
I.O. Clinic Latvia SIA (Latvia)	Information Technology	21 December 2023	100%



# ASBISC ENTERPRISES PLC

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

*(in thousands of US\$)*

### **32. Commitments and contingencies**

As at 31 March 2024 the Group was committed in respect of purchases of inventories of a total cost value of US\$ 22,277 (2023: US\$ 36,552) which were in transit at 31 March 2024 and delivered in April 2024. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase, title of the goods has not been passed to the Group at period end.

As at 31 March 2024 the Group was contingently liable to banks in respect of bank guarantees and letters of credit lines of US\$ 47,823 (2023: US\$ 48,008) (note 17) which the Group has extended to its suppliers and other counterparties.

As at the 31<sup>st</sup> March 2024 the Group had no other capital or legal commitments and contingencies.

### **33. Fair values**

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