

**INTERIM REPORT
FOR THE SIX MONTHS
ENDED 30 JUNE 2022**

Limassol, 11 August 2022

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DIRECTORS' REPORT ON THE COMPANY'S AND GROUP'S OPERATIONS

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

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

Financial and Operating Data

This six-month report contains financial statements of, and financial information relating to the Group. In particular, this six-month report contains our interim consolidated financial statements for the six months ended 30 June 2022. The financial statements appended to this six-month report are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard ("IAS") 34.

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

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

Currency Presentation

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

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

FORWARD-LOOKING STATEMENTS

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

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

Part I Interim Management Report

1. Overview

ASBIS Enterprises Plc is one of the leading distributors of Information Technology ("IT") products in Europe, the Middle East and Africa ("EMEA") Emerging Markets: Central and Eastern Europe, the Baltic States, the Former Soviet Union, the Middle East and Africa, combining a broad geographical reach with a wide range of products distributed on a "one-stop-shop" basis. Our main focus is on the following countries: 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, Canyon, Perenio, Lorgar and Aeno.

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

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

2. Executive summary for the three- and six-month periods ended June 30th, 2022

The second quarter of 2022 was the first full three-month period in which the consequences of the war between Russia and Ukraine, following Russia's invasion in Ukraine, have been fully visible.

After the record-breaking net profitability in Q1 2022, ASBIS has continued its strategy to focus on profitability and regaining some of the lost revenues from the markets affected by the war.

Thanks to the broad geographic coverage, strong market position, contingency plan and experienced gained from the war in Crimea in 2014, ASBIS was able to partially offset the negative effects of the war in Ukraine. We have invested and developed dynamically in non-conflict markets, in particular: Kazakhstan, Azerbaijan, Georgia and Armenia. These countries have good development potential for ASBIS. We also have been doing very well in the Middle East and Central Europe and in certain of these countries the revenues have exceeded our expectations.

Since April 2022, sales in Ukraine have resumed, grown month by month.

In Q2 2022 revenues reached USD 516.4 million (down 24.1%, compared to Q2 2021). Operating profit (EBIT) decreased by 13.7% and reached USD 19.4 million, compared to USD 22.6 million in Q2 2021. Net profit has decreased by 26.3%, reaching USD 11.1 million, compared to USD 15.0 million a year earlier. In Q2 2022, the gross profit margin skyrocketed to a new record high of 9.35% from 6.94% in Q2 2021.

In H1 2022, ASBIS generated revenues of USD 1,211 million (down only 14.3%, compared to H1 2021) and earned a net profit after tax of USD 27.1 million, a decrease of 10.1% as compared to the same period of last year.

A country-by-country analysis confirms that the major decrease in sales in Q2 2022 was noted in the markets directly affected by the war in Ukraine. On the other hand, though, the Company was able to increase sales in non-conflict markets, like:

- Armenia - a growth of 246.1%
- Azerbaijan - a growth of 87.8%
- Georgia - a growth of 85.7%
- Kazakhstan - a growth of 49.7%
- United Arab Emirates - a growth of 45.8%

In Q2 2022, the Company experienced several important business events:

- ASBIS has extended the agreement with Vertiv to distribute their solutions in Algeria and Tunisia. ASBIS has distributed Vertiv products in Romania, Bulgaria, Cyprus, Lithuania, Latvia, and Estonia since the end of 2021
- ASBIS has donated new mobile X-ray equipment to Chernihiv's regional hospital. Since the beginning of the conflict ASBIS has provided humanitarian aid to Ukraine including numerous essential items, first aid kits, power generators, transport vehicles
- ASBIS has signed a distribution agreement with ExaGrid – a new partner in backup storage solutions. ExaGrid offers award-winning Tiered Backup Storage, which consists of seven appliance models that can be mixed and matched to fit customers' needs and allow them to scale out in the future
- ASBIS has extended its distribution contract with Pure Storage to Greece. ASBIS and Pure Storage began their partnership back in 2018, when the companies agreed to cooperate over Kazakhstan, Ukraine, Georgia, Armenia, Azerbaijan, Baltic States, and Central Asia. In 2021 the list was extended to include Cyprus, Bulgaria, North Macedonia, and Kosovo. The partnership now expands to Greece, making ASBIS the sole distributor of Pure Storage products in the country
- ASBIS handed over another 10 ambulances to the cities of Ukraine that required them the most. Ambulances were fully equipped with special medical equipment. In addition, a significant number of medications has been added to each of the vehicles, which is necessary for the provision of emergency medical care on the ground
- ASBIS has signed a distribution agreement with Edgecore Networks, adding industry-leading hardware and software products to its growing portfolio of networking solutions. The agreement covers the EMEA region and includes all countries where ASBIS operates
- ASBIS has opened a new APR store in Batumi, Georgia.

In Q2 2022, the Company continued its dividend policy paying a final dividend of USD 0.10 per share. Thus, the grand total for dividends from the Company's 2021 profits (including the interim dividend pay-out in December last year) amounted to USD 0.30 per share, which means the highest dividend in the Company's history. We will continue our stable and reasonable dividend policy.

It is worth mentioning that ASBIS strongly supports the Ukrainian people in the fight for their independence. So far, we have already allocated more than EUR 2 million, supplying the most needed products, including twenty fully equipped ambulances, regions and hospitals most in need.

We plan to continue our support for Ukraine and we strongly believe that we will take part in its reconstruction of the IT sector because IT equipment and mobile communication technologies are now the most needed products and solutions.

In addition to this ASBIS has sponsored the participation for 150 displaced children of Ukraine in the 7Fields summer camp in the village of Semipolki, Kyiv region, who come from the parts of Ukraine that suffered shelling and bombing. Children could have some rest and enjoy Summer thanks to a special sponsorship program that ASBIS took part in.

Summing up, given the ongoing war in Ukraine, we are very satisfied with the Group's achievements in Q2 2022 and very proud of the spirit of solidarity and unity of ASBIS Group employees in these tough times. The results of Q2 2022 prove, as we have described in multiple occasions, that ASBIS is well prepared to defend its position thanks to its flexibility, more than 30 years on the IT market and strong relationship with its vendors.

The principal events of the three-month period ended June 30th, 2022, were as follows:

- In Q2 2022 revenues decreased by 24.1% to U.S.\$ 516,424 from U.S.\$ 680,107 in Q2 2021.
- In Q2 2022 gross profit increased by 2.3% to U.S.\$ 48,286 from U.S.\$ 47,190 in Q2 2021.
- In Q2 2022 gross profit margin much improved and reached a new record high of 9.35% from 6.94% in Q2 2021.
- In Q2 2022 selling expenses increased by 14.3% to U.S.\$ 17,347 from U.S.\$ 15,173 in Q2 2021.
- In Q2 2022 administrative expenses increased by 21.4% to U.S.\$ 11,476 from U.S.\$ 9,452 in Q2 2021. These expenses include costs for the support of Ukraine.
- In Q2 2022 EBITDA was positive and reached U.S.\$ 20,781 as compared to U.S.\$ 23,786 in Q2 2021.
- The Company finished Q2 2022 with a style, delivering a net profit after tax of U.S.\$ 11,079, as compared to U.S.\$ 15,027 in Q2 2021. It worth mentioning that our results, once again, exceeded expectations from all analysts covering the Company.

The following table presents revenues breakdown by regions in the three-month period ended June 30th, 2022, and 2021 respectively (in U.S.\$ thousand):

Region	Q2 2022	Q2 2021	Change %
Former Soviet Union	234,949	352,005	-33.3%
Central and Eastern Europe	150,187	149,937	0.2%
Middle East and Africa	87,379	83,641	4.5%
Western Europe	35,567	78,528	-54.7%
Other	8,342	15,996	-47.8%
Grand Total	516,424	680,107	-24.1%

The principal events of the six-month period ended June 30th, 2022, were as follows:

- Revenues decreased by only 14.3% to U.S.\$ 1,211,035 from U.S.\$ 1,413,476 in H1 2021.
- Gross profit increased by 7.2% to U.S.\$ 101,144 from U.S.\$ 94,361 in H1 2022.
- Gross profit margin much increased and amounted to 8.35% from 6.68% in H1 2021.
- Selling expenses increased by 16.6% to U.S.\$ 34,632 from U.S.\$ 29,699 in H1 2021.
- Administrative expenses increased by 18.8% to U.S.\$ 22,735 from U.S.\$ 19,143 in H1 2021. These expenses include costs for the support of Ukraine.
- EBITDA was positive and reached U.S.\$ 46,431 as compared to U.S.\$ 47,888 in H1 2021.
- As a result of growth in gross profit and controlled expenses, in H1 2022 the Company's net profit after tax reached as high as U.S.\$ 27,109, as compared to U.S.\$ 30,162 in H1 2021. This result is considered to be excellent for the Group, given the war in Ukraine, high inflation across the globe and slower demand in all regions of EMEA.

The following table presents revenues breakdown by regions in the six-month periods ended June 30th, 2022, and 2021 respectively (in U.S.\$ thousand):

Region	H1 2022	H1 2021	Change %
Former Soviet Union	618,720	745,291	-17.0%
Central and Eastern Europe	316,088	318,034	-0.6%
Middle East and Africa	178,101	167,766	6.2%
Western Europe	79,105	146,913	-46.2%
Other	19,021	35,472	-46.4%
Grand Total	1,211,035	1,413,476	-14.3%

Definitions and use of Alternative Performance Measures

Gross profit

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

Gross profit margin

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

EBITDA

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

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

3. Summary of historical financial data

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

For your convenience, certain U.S. \$ amounts as of and for the three and six months ended 30 June 2022 and 2021, have been converted into Euro and PLN as follows:

- Individual items of the statement of financial position – based at average exchange rates quoted by the National Bank of Poland for a given balance sheet dated December 31st, 2021, that is: 1 US\$ = 4.0600 PLN and 1 EUR = 4.5994 PLN and June 30th, 2022, that is: 1 US\$ = 4.4825 PLN and 1 EUR = 4.6806 PLN.
- Individual items in the income statement and statement of cash flows – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given period 1 January to 30 June 2022, that is: 1 US\$ = 4.2744 PLN and 1 EUR = 4.6427 PLN and 1 January to 30 June 2021, that is: 1 US\$ = 3.7815 PLN and 1 EUR = 4.5472 PLN.
- Individual items in the income statement and statement of cash flows for separate Q2 2022 and Q2 2021 – based at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given period 1 April to 30 June 2022, that is: 1 US\$ = 4.3849 PLN and 1 EUR = 4.6381 PLN and 1 April to 30 June 2021, that is: 1 US\$ = 3.7502 PLN and 1 EUR = 4.5222 PLN.

	Period from 1 January to 30 June 2022			Period from 1 January to 30 June 2021		
	USD	PLN	EUR	USD	PLN	EUR
(In thousands of US\$)						
Revenue	1,211,035	5,176,387	1,114,960	1,413,476	5,345,012	1,175,460
Cost of sales	(1,109,891)	(4,744,063)	(1,021,840)	(1,319,115)	(4,988,189)	(1,098,988)
Gross profit	101,144	432,325	93,120	94,361	356,823	78,471
<i>Gross profit margin</i>	8.35%			6.68%		
Selling expenses	(34,632)	(148,029)	(31,885)	(29,699)	(112,306)	(24,698)
Administrative expenses	(22,735)	(97,177)	(20,931)	(19,143)	(72,389)	(15,919)
Profit from operations	43,777	187,118	40,304	45,519	172,129	37,854
Financial expenses	(12,336)	(52,728)	(11,357)	(10,523)	(39,792)	(8,751)
Financial income	1,490	6,369	1,372	2,081	7,869	1,731
Other gains and losses	316	1,351	291	244	923	203
Share of profit of equity-accounted investees	(75)	(321)	(69)	2	8	2
Profit before taxation	33,172	141,789	30,540	37,323	141,136	31,038
Taxation	(6,063)	(25,915)	(5,582)	(7,161)	(27,079)	(5,955)
Profit after taxation	27,109	115,873	24,958	30,162	114,057	25,083
Attributable to:						
Non-controlling interest	(25)	(107)	(23)	4	15	3
Equity holders of the parent	27,134	115,980	24,981	30,158	114,041	25,080

EBITDA calculation

	USD	PLN	EUR	USD	PLN	EUR
Profit before tax	33,172	141,789	30,540	37,323	141,136	31,038
<i>Add back:</i>						
Financial expenses/net	10,846	46,360	9,986	8,442	31,923	7,020
Other gains and losses	(316)	(1,351)	(291)	(244)	(923)	(203)
Share of profit of equity-accounted investees	75	321	69	(2)	(8)	(2)
Depreciation	2,080	8,891	1,915	1,803	6,818	1,499
Amortization	574	2,453	528	566	2,140	471
EBITDA for the period	46,431	175,577	38,612	47,888	185,601	40,546

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	48.89	184.88	40.66	54.34	205.48	45.19

	USD	PLN	EUR	USD	PLN	EUR
Net cash outflows from operating activities	(50,163)	(214,414)	(46,183)	(48,786)	(184,483)	(40,571)
Net cash outflows from investing activities	(4,434)	(18,952)	(4,082)	(9,585)	(36,245)	(7,971)
Net cash outflows from financing activities	(6,210)	(26,544)	(5,717)	(6,905)	(26,111)	(5,742)
Net decrease in cash and cash equivalents	(60,807)	(259,910)	(55,983)	(65,276)	(246,839)	(54,284)
Cash at the beginning of the period	150,919	645,081	138,946	113,683	429,888	94,540
Cash at the end of the period	90,112	385,170	82,963	48,407	183,049	40,256

	Balance as at 30 June 2022			Balance as at 31 December 2021		
	USD	PLN	EUR	USD	PLN	EUR
Current assets	726,180	3,255,102	695,445	874,760	3,551,526	772,172
Non-current assets	49,589	222,283	47,490	48,427	196,614	42,748
Total assets	775,769	3,477,385	742,936	923,187	3,748,139	814,919
Liabilities	561,291	2,515,987	537,535	733,723	2,978,915	647,675
Equity	214,478	961,398	205,401	189,464	769,224	167,244

(In thousands of US\$)	Period from			Period from		
	1 April to 30 June 2022			1 April to 30 June 2021		
	USD	PLN	EUR	USD	PLN	EUR
Revenue	516,424	2,264,485	488,232	680,107	2,550,515	563,994
Cost of sales	(468,137)	(2,052,750)	(442,581)	(632,917)	(2,373,544)	(524,861)
Gross profit	48,287	211,735	45,651	47,190	176,970	39,133
<i>Gross profit margin</i>	9.35%			6.94%		
Selling expenses	(17,347)	(76,065)	(16,400)	(15,173)	(56,901)	(12,583)
Administrative expenses	(11,476)	(50,321)	(10,850)	(9,452)	(35,447)	(7,838)
Profit from operations	19,464	85,348	18,401	22,565	84,623	18,713
Financial expenses	(6,684)	(29,309)	(6,319)	(5,433)	(20,375)	(4,505)
Financial income	544	2,385	514	1,311	4,916	1,087
Other gains and losses	297	1,302	281	182	683	151
Share of loss of equity-accounted investees	(53)	(232)	(50)	(6)	(23)	(5)
Profit before taxation	13,568	59,495	12,827	18,618	69,821	15,439
Taxation	(2,490)	(10,918)	(2,354)	(3,591)	(13,467)	(2,978)
Profit after taxation	11,078	48,576	10,473	15,027	56,354	12,461
Attributable to:						
Non-controlling interests	(5)	(22)	(5)	4	15	3
Equity holders of the parent	11,083	48,598	10,478	15,023	56,339	12,458

EBITDA calculation

	USD	PLN	EUR	USD	PLN	EUR
Profit before tax	13,569	59,499	12,828	18,618	69,821	15,439
<i>Add back:</i>						
Financial expenses/net	6,140	26,923	5,805	4,122	15,458	3,418
Other gains and losses	(297)	(1,302)	(281)	(182)	(683)	(151)
Share of loss of equity-accounted investees	52	228	49	6	23	5
Depreciation	1,049	4,600	992	936	3,510	776
Amortization	268	1,175	253	286	1,073	237
EBITDA for the period	20,781	91,123	19,647	23,786	89,201	19,725

	USD (cents)	PLN (grosz)	EUR (cents)	USD (cents)	PLN (grosz)	EUR (cents)
Basic and diluted earnings per share from continuing operations	19.97	87.57	18.88	27.07	101.52	22.45

	USD	PLN	EUR	USD	PLN	EUR
Net cash (outflows)/ inflows from operating activities	(526)	(2,306)	(497)	26,739	100,276	22,174
Net cash outflows from investing activities	(2,747)	(12,045)	(2,597)	(8,912)	(33,421)	(7,390)
Net cash inflows/(outflows) from financing activities	3,172	13,909	2,999	(9,288)	(34,832)	(7,702)
Net (decrease)/increase in cash and cash equivalents	(100)	(438)	(95)	8,538	32,019	7,080
Cash at the beginning of the period	90,212	395,574	85,287	39,869	149,515	33,062
Cash at the end of the period	90,112	395,135	85,193	48,407	181,534	40,143

4. Organization of ASBIS Group

The following table presents our corporate structure as of 30 June 2022:

Company	Consolidation Method
ASBISC Enterprises PLC	Mother company
Asbis Ukraine Limited (Kiev, Ukraine)	Full (100%)
Asbis PL Sp.z.o.o (Warsaw, Poland)	Full (100%)
Asbis Poland Sp. z o.o. (Warsaw, Poland)	Full (100%)
Asbis Romania S.R.L (Bucharest, Romania)	Full (100%)
Asbis Cr d.o.o (Zagreb, Croatia)	Full (100%)
Asbis d.o.o Beograd (Belgrade, Serbia)	Full (100%)
Asbis Hungary Commercial Limited (Budapest, Hungary)	Full (100%)
Asbis Bulgaria Limited (Sofia, Bulgaria)	Full (100%)
Asbis CZ, spol.s.r.o (Prague, Czech Republic)	Full (100%)
UAB Asbis Vilnius (Vilnius, Lithuania)	Full (100%)
Asbis Slovenia d.o.o (Trzin, Slovenia)	Full (100%)
Asbis Middle East FZE (Dubai, U.A.E)	Full (100%)
Asbis SK spol.s.r.o (Bratislava, Slovakia)	Full (100%)
FPUE Automatic Systems of Business Control (Minsk, Belarus)	Full (100%)
E.M. Euro-Mall Ltd (Limassol, Cyprus)	Full (100%)
OOO 'Asbis'-Moscow (Moscow, Russia)	Full (100%)
Asbis Morocco Limited (Casablanca, Morocco)	Full (100%)
Prestigio Plaza Ltd (formerly Prestigio Technologies) (Limassol, Cyprus)	Full (100%)
Perenio IoT spol. s.r.o. (Prague, Czech Republic)	Full (100%)
Asbis Kypros Ltd (Limassol, Cyprus)	Full (100%)
"ASBIS BALTICS" SIA (Riga, Latvia)	Full (100%)
Asbis d.o.o. (Sarajevo, Bosnia Herzegovina)	Full (90%)
ASBIS Close Joint-Stock Company (Minsk, Belarus)	Full (100%)
ASBIS Kazakhstan LLP (Almaty, Kazakhstan)	Full (100%)
Euro-Mall SRO (Bratislava, Slovakia)	Full (100%)
Asbis China Corp. (former Prestigio China Corp.) (Shenzhen, China)	Full (100%)
ASBIS DE GMBH, (Munich, Germany)	Full (100%)
EUROMALL BULGARIA EOOD (Sofia, Bulgaria)	Full (100%)
E-vision Production Unitary Enterprise (Minsk, Belarus)	Full (100%)
iSupport Ltd (Kiev, Ukraine) (former ASBIS SERVIC Ltd)	Full (100%)
I ON Ltd (Kiev, Ukraine)	Full (100%)
ASBC MMC LLC (Baku, Azerbaijan)	Full (65.85%)
ASBC KAZAKHSTAN LLP (Almaty, Kazakhstan)	Full (100%)
Atlantech Ltd (Ras Al Khaimah, U.A.E)	Full (100%)
ASBC LLC (Tbilisi, Georgia)	Full (100%)
OOO Must (Moscow, Russia)	Full (100%)
Real Scientists Limited (London, United Kingdom)	Full (55%)
i-Care LLC (Almaty, Kazakhstan)	Full (100%)
ASBIS IT Solutions Hungary Kft. (Budapest, Hungary)	Full (100%)
Breezy LLC (Minsk, Belarus) (former Café-Connect LLC)	Full (100%)
MakSolutions LLC (Minsk, Belarus)	Full (100%)
Breezy TOO (Almaty, Kazakhstan) (former TOO "ASNEW")	Full (100%)

Breezy Ltd (Kiev, Ukraine)	Full (100%)
I.O.N. Clinical Trading Ltd (Limassol, Cyprus)	Full (70%)
R.SC. Real Scientists Cyprus Ltd (Limassol, Cyprus)	Full (85%)
ASBIS CA LLC (Tashkent, Uzbekistan)	Full (100%)
Breezy Service LLC (Kiev, Ukraine)	Full (100%)
Breezy Trade-In Ltd (Limassol, Cyprus) (former Redmond Europe Ltd)	Full (80%)
I.O. Clinic Latvia SIA (Riga, Latvia)	Full (100%)
SIA Joule Production (Riga, Latvia)	Full (100%)
ASBC LLC (Yerevan, Armenia)	Full (100%)
Breezy Georgia LLC (Tbilisi, Georgia)	Full (100%)
ASBC Entity OOO (Tashkent, Uzbekistan)	Full (100%)
ACEAN.PL Sp. z o.o (Warsaw, Poland)	Full (100%)

5. Changes in the structure of the Company

During the six months ended June 30th, 2022, there have been the following changes in the Group's structure:

- On April 12th, 2022, the Issuer has acquired 100% shares of the company ACEAN.PL Sp. z. o.o (Warsaw, Poland). The Issuer holds 100% in this subsidiary, being equal to share capital of PLN 1,000 (USD 235). We acquired this entity for second-hand IT products trading.
- On May 19th, 2022, the Issuer has disposed the 100% shares of the company Private Educational Institution "Center of excellence in Education for executives and specialists in Information Technology" (Minsk, Belarus) for zero consideration.

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

On May 4th, 2022, the Company announced its official financial forecast for 2022 that assumed revenues between US\$ 2.2 billion and US\$ 2.4 billion and net profit after tax between US\$ 48.0 and US\$ 52.0 million.

Having seen the results for H1 2022, we are confident that we shall be able to deliver the announced financial forecast for 2022.

7. Information on dividend payment

During the six-month period ended 30 June 2022, following the Board of Directors' recommendation and the Annual General Meeting of Shareholders resolution, a dividend of USD 0.10 per share was paid out on May 26th, 2022. The dividend date was set for May 16th, 2022.

Thus, the grand total for dividends from the Company's 2021 profits (including the interim dividend pay-out in December last year amounted to USD 0.30 per share, which means a grand total payment of USD 16,650,000 from 2021 net profit after tax – the highest dividend in the Company's history.

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

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

Name	Number of shares	% of share	Number of votes	% of votes
KS Holdings Ltd*	20,448,127	36.84%	20,448,127	36.84%
ASBISc Enterprises Plc (buy-back program)	288,000	0.52%	288,000	0.52%
Free float	34,763,873	62.64%	34,763,873	62.64%
Total	55,500,000	100%	55,500,000	100%

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

Information on buy-back program realization:

On March 31st, 2022, the Company started to execute the current buy-back program which was approved by the Extraordinary General Meeting of Shareholders held on February 28th, 2022. According to the resolution, the Board of Directors has been authorized to buy-back up to 2,000,000 shares for a maximum of USD 1,000,000.

Till the date of publication of this report, the Company purchased under the current buy-back program 288,000 of own shares, representing 0.52% of share capital and giving 288,000 votes (0.52%) at the General Meeting of Shareholders.

Besides the above-mentioned purchase of own shares, there were no changes in the number of shares possessed by major shareholders during the period between May 5th, 2022 (the date of the publication of the interim report for Q1 2022) and the date of this report.

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

During the period between May 5th, 2022 (the date of the publication of the interim report for Q1 2022) and August 11th, 2022 (date of this report) there were no changes in the number of shares possessed by the members of the Board of Directors.

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

Name	Number of Shares	% of the share capital
Siarhei Kostevitch (directly and indirectly) *	20,448,127	36.84%
Constantinos Tziamalis	556,600	1.00%
Marios Christou	463,061	0.83%
Julia Prihodko	0	0%
Maria Petridou	0	0%
Tasos A. Panteli	0	0%

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

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

10. Changes in the members of managing bodies

During the six-month period ended June 30th, 2022, there were the following changes in the members of the Company's Board of Directors:

- on May 4th, 2022, the Company's Annual General Meeting of Shareholders has re-elected Mr. Constantinos Tziamalis and Mrs. Julia Prihodko to the Board of Directors,

There were no other changes in the members of the Company's Board of Directors in the course of H1 2022.

11. Significant administrative and court proceedings against the Company

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

12. Related party transactions

During the six months ended June 30th, 2022, neither the Company nor any of the members of our Group have concluded any material related party transaction, other than with market conditions.

13. Information on guarantees granted to third parties

The total corporate guarantees the Company has issued, as of June 30th, 2022, to support its subsidiaries' local financing, amounted to U.S.\$ 240,768. The total bank guarantees and letters of credit raised by the Group (mainly to Group suppliers) as of June 30th, 2022, was U.S. \$ 45,763 – as per note number 16 to the financial statements.

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

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

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

In the three and six month period ended June 30th, 2022, 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 between Russia and Ukraine and sanctions imposed on Russia and Belarus

The war between Russia and Ukraine which were, so far, the two major markets for ASBIS constituted a major disruption in demand in both countries and the whole region around them. The war has created the most unfavourable business environment in both countries. 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 judge how it will evolve.

We have a mutual understanding with all our vendors and service providers that our partnerships will continue but we cannot warrant that the business can be retained due to the sanctions imposed on Russia. These sanctions are significant and limit the ability of the Group to sell specific products; this is expected to adversely impact our revenues. The Group is considering its position and will evaluate all business possibilities in these markets.

Spreading of the Covid-19 Virus in the markets we operate

The COVID-19 pandemic has had, and continues to have, a significant impact around the world. We are still in the pandemic mode and the world is looking to see how the situation will evolve onwards. The shutdowns of the economies are no longer options, however Chinese covid lockdowns in Q2 2022 have disrupted the supply chain and made consumers much concerned about the overall situation.

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

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

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

The Company needs to keep in mind that different in-country problems might arise at any time and affect our operations. 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 H1 2022 a good portion of our revenues were denominated in U.S. dollars, while the balance is denominated in Euro, Ruble, UAH, KZT and other currencies, certain of which are linked to the Euro. Our trade payable balances are principally (about 85%) denominated in U.S. dollars. In addition, approximately half of our operating expenses are denominated in U.S. dollars and the other half in Euro or other currencies, certain of which are linked to the Euro. As a result, reported results are affected by movements in exchange rates, particularly in the exchange rate of the U.S. dollar against the Euro and other currencies of the countries in which we operate, including the Russian Ruble, the Ukrainian Hryvnia, the Czech Koruna, the Polish Zloty, the Croatian Kuna, the Kazakhstani Tenge and the Hungarian Forint.

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

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

Despite all efforts of the Company, there can be no assurance that fluctuations in the exchange rates of the Euro and/or other currencies of the countries in which we operate against the U.S. dollar will not have a material adverse effect on our business, financial condition and results of operations. Especially at extreme cases, like the acts of war, we have suffered due to the manipulated exchange rates (Russian RUB) and the ability of the Company to undertake hedging has been significantly affected. Therefore, careful observation of the currency environment remains a crucial factor for our success.

Competition and price pressure

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

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

1. International IT and CE distributors with presence in all major markets we operate
2. Regional IT and CE distributors who cover mostly a region but are quite strong
3. Local distributors who focus mostly on a single market but are very strong
4. International IT and mobile phones brokers, who sell opportunistically in any region and/or country

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

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

Low gross profit margins

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

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

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

To increase gross margins, the Company has developed its own brand business as this allows for higher gross profit margins. The Company has also invested 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 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 the majority of its revenue.

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

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

Worldwide financial environment

The 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.

However, there are many uncertainties about the world economy following the war in Ukraine, the volatility of currencies and the fragility of demand in many markets. Additionally, from time to time, unpredictable situations may happen in selected markets.

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 between these two countries brings unprecedented consequences.

In addition to the above, recently it has been noticed that multiple raw materials and finished product prices have risen dramatically, and this might significantly impact demand generation. This must be closely monitored, and the Company is alerted to manage any market anomalies.

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

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

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

Warranty claims from own-brand products

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

This situation has much improved in previous years and in the course of the six months of 2022.

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

The Group is undertaking all possible steps towards ensuring proper compensation of past expenses. At the same time, in an effort to avoid such problems in the future, a much more scrutinized selection of suppliers is currently in place, which, however, does not guarantee the elimination of the risk of warranty losses.

High cost of debt

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

The Company has already negotiated improved terms with some of its supply-chain financiers and banks and is currently undertaking certain extra steps to further lower its cost of financing.

Environmental and Climate Changes

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

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

In terms of physical risks resulting from climate changes, we may face both acute and chronic risks. Acute physical risks may arise from weather-related events in the form of floods, fires or droughts that may damage factories in certain regions, cause factories to limit or temporarily stop their production or disrupt our supply chain in other ways.

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

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

Shortages of specific components in IT industry

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

With the war in Ukraine and the pandemic continuity this is not expected to change in the near future. The Group must take all necessary measures to ensure constant supply of components and finished products to satisfy the demand from its customers.

Results of Operations

Three- and six-month periods ended 30 June 2022 compared to the three- and six-month periods ended 30 June 2021

- **Revenues:**

In Q2 2022 revenues dropped by 24.1% to U.S.\$ 516,424 from U.S.\$ 680,107 in Q2 2021.

In H1 2022 revenues decreased by only 14.3% to U.S.\$ 1,211,035 from U.S.\$ 1,413,476 in H1 2021.

These decreases mainly relate to the war in Ukraine, which has limited our revenues in the FSU and destabilized the CEE region and negatively affected our business in countries involved in the war as well as nearby countries.

**Seasonality and growth cycle in ASBIS revenues
between Q2 2019 and Q2 2022
(in U.S.\$ thousand)**



- Gross profit:**

In Q2 2022 gross profit increased by 2.3% reaching U.S.\$ 48,286 from U.S.\$ 47,190 in Q2 2021.

In H1 2022 gross profit grew by 7.2% to U.S.\$ 101,144 from U.S.\$ 94,361 in H1 2021.

**Gross profit
between Q2 2019 and Q2 2022
(in U.S.\$ thousand)**



- **Gross profit margin** much improved both in Q2 2022 and H1 2022 as compared to the corresponding periods of 2021.

In Q2 2022 gross profit margin skyrocketed to a stunning record-high of 9.35% as compared to 6.94% in Q2 2021.

In H1 2022 gross profit margin increased strongly to 8.35% from 6.68% in H1 2021.

These super-strong improvements of the gross profit margin are the result of the current Company's strategy to focus more on the refinement of its product portfolio by adding new product lines and IT solutions with higher gross profit margins and strong cooperation with our vendors.

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

In Q2 2022 selling expenses increased by 14.3% to U.S.\$ 17,347 from U.S.\$ 15,173 in Q2 2021.

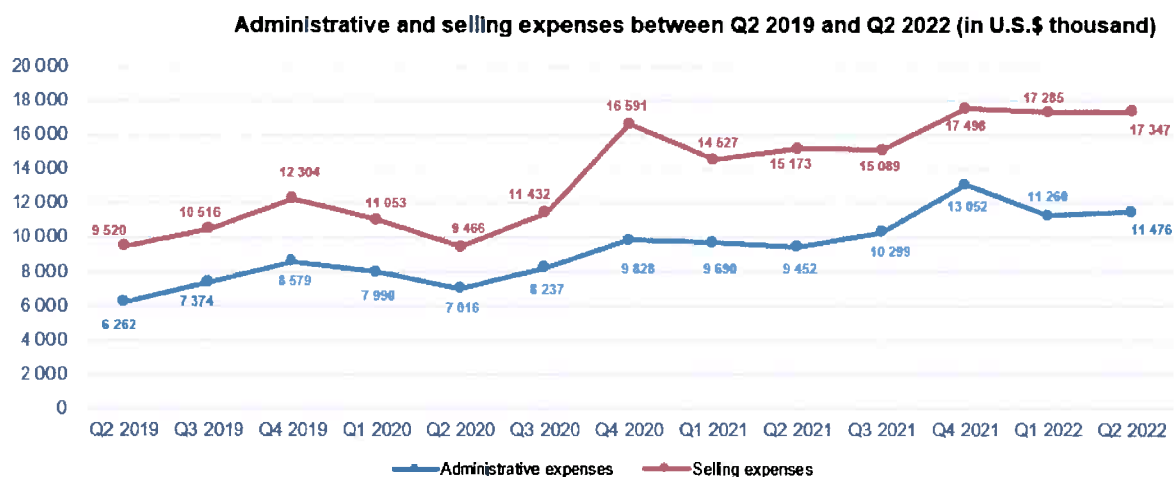
In H1 2022 selling expenses increased by 16.6% to U.S.\$ 34,632 from U.S.\$ 29,699 in H1 2021.

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

In Q2 2022 administrative expenses increased by 21.4% to U.S.\$ 11,476 from U.S.\$ 9,452 in Q2 2021.

In H1 2022 administrative expenses increased by 18.8% to U.S.\$ 22,735 from U.S.\$ 19,143 in H1 2021.

In Q2 2022 and H1 2022 administrative expenses have included the usage of the fund dedicated to support Ukraine.



- **EBITDA:**

In Q2 2022 EBITDA was positive, reaching U.S.\$ 20,781 as compared to U.S.\$ 23,786 in Q2 2021.

In H1 2022 EBITDA decreased slightly by 3.0% to U.S.\$ 46,431 as compared to U.S.\$ 47,888 in H1 2021.

- **Net profit:** The Company recorded both in Q2 2022 and H1 2022 a net profit for the Group, which is considered to be remarkable for the Group given the current situation in Ukraine – our second largest market so far.

In Q2 2022 net profit after tax reached U.S.\$ 11,079, as compared to U.S.\$ 15,027 in Q2 2021.

In H1 2022 net profit after tax decreased by only 10.1% and reached U.S.\$ 27,109 as compared to U.S.\$ 30,162 in H1 2022.

Sales by regions and countries

Traditionally and throughout the Company's operations, the F.S.U. and the CEE regions contribute to the majority of our revenues. This has not changed in Q2 2022 and H1 2022. In Q2 2022 and H1 2022 sales in the F.S.U. decreased by 33.3% and 17.0% respectively, while the sales in the CEE was flat (an increase by 0.2% in Q2 2022 and decrease by 0.6% in H1 2022). The major reasons for lower sales are attributed to the war in Ukraine (that has also affected nearby countries), high inflation and slower customer demand.

As a result of the above-mentioned facts, the contribution of certain regions – like the CEE region, in total revenues of the Company for Q2 2022 and H1 2022 has changed compared to corresponding periods of 2021. Central and Eastern Europe contribution has grown both in Q2 2022 and H1 2022 to 29.08% from 22.05% and 26.10% from 22.50% respectively. At the same time, the F.S.U. region contribution has decreased to 45.50% from 51.76% in Q2 2022 and 51.09% from 52.73% in H1 2022.

Middle East and Africa contribution has increased both in Q2 2022 and H1 2022 to 16.92% from 12.30% and 14.71% from 11.87% respectively.

Country-by-country analysis confirms that a major decrease in sales was noted in the markets directly affected by the war in Ukraine. The decrease in Ukraine was one of the highest. As a result, revenues in Ukraine have decreased by 59.3% in Q2 2022 and 39.8% in H1 2022 as compared to the corresponding periods of 2021. In conjunction with this, revenues derived in our single biggest market so far - Russia have decreased by 87.8% in Q2 2022 and 55.1% in H1 2022 as compared to the corresponding periods of 2021. On the other hand, though, the Company was able to much increase sales in markets that were not directly affected by the war in Ukraine, like Kazakhstan – currently our biggest market, where revenues grew by 49.7% and 45.6% as compared to Q2 2021 and H1 2021 accordingly.

United Arab Emirates has become our second largest market with the revenues of USD 134.5 million in H1 2022 (an increase by 25.8% year-over-year).

The tables below provide a geographical breakdown of sales for the three- and six-month periods ended June 30th, 2022, and 2021.

	Q2 2022		Q2 2021	
	U.S. \$ thousand	% Of total revenues	U.S. \$ thousand	% Of total revenues
Former Soviet Union	234,949	45.50%	352,005	51.76%
Central and Eastern Europe	150,187	29.08%	149,937	22.05%
Middle East and Africa	87,379	16.92%	83,641	12.30%
Western Europe	35,567	6.89%	78,528	11.55%
Other	8,342	1.62%	15,996	2.35%
Total	516,424	100%	680,107	100%

	H1 2022		H1 2021	
	U.S. \$ thousand	% Of total revenues	U.S. \$ thousand	% Of total revenues
Former Soviet Union	618,720	51.09%	745,291	52.73%
Central and Eastern Europe	316,088	26.10%	318,034	22.50%
Middle East and Africa	178,101	14.71%	167,766	11.87%
Western Europe	79,105	6.53%	146,913	10.39%
Other	19,021	1.57%	35,472	2.51%
Total	1,211,035	100%	1,413,476	100%

Revenue breakdown – Top 10 countries in Q2 2022 and Q2 2021 (in U.S. Dollar thousand)

Q2 2022			Q2 2021	
	Country	Sales	Country	Sales
1.	Kazakhstan	111,335	Russia	115,238
2.	United Arab Emirates	71,656	Ukraine	92,142
3.	Slovakia	56,096	Kazakhstan	74,355
4.	Ukraine	37,539	United Arab Emirates	49,163
5.	Czech Republic	27,756	Slovakia	39,922
6.	Azerbaijan	20,365	Belarus	37,109
7.	Germany	17,215	Czech Republic	25,978
8.	Poland	16,842	The Netherlands	23,547
9.	Georgia	16,656	Romania	14,038
10.	Armenia	15,002	Poland	13,320
	TOTAL	516,424	TOTAL	680,107

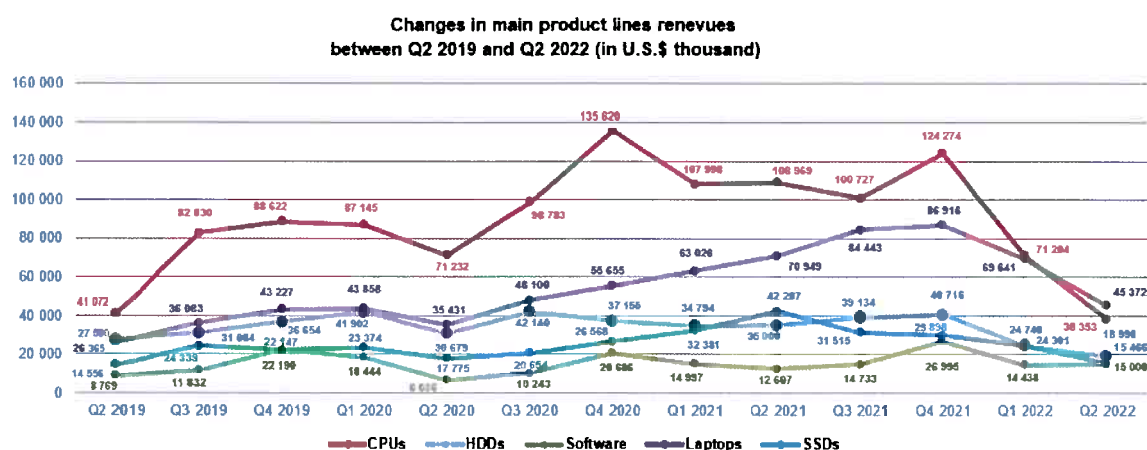
Revenue breakdown – Top 10 countries in H1 2022 and H1 2021 (in U.S. Dollar thousand)

H1 2022			H1 2021		
	Country	Sales		Country	Sales
1.	Kazakhstan	236,536		Russia	238,753
2.	United Arab Emirates	134,473		Ukraine	191,001
3.	Ukraine	114,970		Kazakhstan	162,447
4.	Slovakia	110,786		United Arab Emirates	106,857
5.	Russia	107,157		Slovakia	87,210
6.	Czech Republic	53,242		Belarus	79,061
7.	Belarus	47,124		Czech Republic	50,709
8.	Poland	39,797		The Netherlands	48,273
9.	Azerbaijan	37,924		Poland	35,750
10.	Georgia	30,617		Romania	30,601
	TOTAL	1,211,035		TOTAL	1,413,476

Sales by product lines

H1 2022 was under a great pressure caused by the war in Ukraine that affected sales in a number of countries across our operations both in Q1 2022 and Q2 2022. In Q2 2022 revenues from almost all main product lines (except software) decreased compared to Q2 2021. As a result, revenues from sale of all product lines in H1 2022 were lower than in H1 2021. In order to offset the negative effects emanating from the war in Ukraine, the Company focused on development and investment in non-conflict markets like Kazakhstan, United Arab Emirates, Azerbaijan, Georgia and Armenia.

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



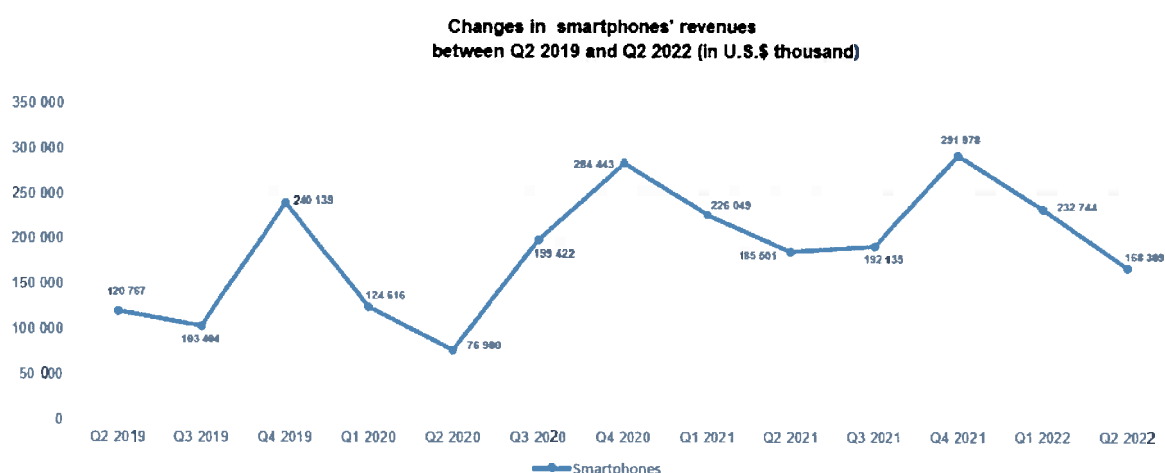
In Q2 2022 and H1 2022, sales were mainly driven by smartphones, laptops and CPUs.

Revenues from CPUs decreased by 64.8.0% in Q2 2022 and 49.5% in H1 2022. Sales from HDDs declined by 45.7% in Q2 2022 and 37.3% in H1 2022.

Revenues from software increased by 19.0% in Q2 2022 and 6.6% in H1 2022. The business of laptops and SSDs declined respectively by 36.0% and 63.4% in Q2 2022 and 14.2% and 46.7% in H1 2022.

From "Other" product lines, the Company has noticed a positive trend in H1 2022 in servers and server blocks (+19.8%), smart devices (+12.1%) and display products (+12.4%).

The chart below indicates the trends in smartphones sales:



In Q2 2022 and H1 2022 sales of smartphones, which contribute to the majority of our revenues, declined by 9.3% and 2.6%, as compared to the corresponding periods of 2021.

This was the result of high inflation and the general, uncertain geopolitical situation, which caused slower consumer demand. The situation in the second quarter of 2022 was worsened by the lockdowns in China, since the Chinese factories were closed due to the zero covid policy.

The table below sets a breakdown of revenues, by product lines, for Q2 2022 and Q2 2021:

	Q2 2022		Q2 2021	
	U.S. \$ thousand	% of total revenues	U.S. \$ thousand	% of total revenues
Smartphones	168,309	32.59%	185,501	27.28%
PC mobile (laptops)	45,372	8.79%	70,949	10.43%
Central processing units (CPUs)	38,353	7.43%	108,969	16.02%
Peripherals	31,669	6.13%	31,377	4.61%
Servers & server blocks	22,207	4.30%	24,912	3.66%
Audio devices	21,376	4.14%	28,781	4.23%
Hard disk drives (HDDs)	18,998	3.68%	35,000	5.15%
Networking products	17,972	3.48%	14,612	2.15%
Solid-state drives (SSDs)	15,466	2.99%	42,287	6.22%
Software	15,000	2.90%	12,607	1.85%

Multimedia	14,478	2.80%	14,243	2.09%
Display products	14,086	2.73%	11,881	1.75%
Smart devices	12,876	2.49%	13,940	2.05%
Memory modules (RAM)	12,363	2.39%	15,958	2.35%
PC desktop	12,143	2.35%	15,520	2.28%
Home appliances	9,146	1.77%	4,537	0.67%
Tablets	7,835	1.52%	14,552	2.14%
Video cards and GPUs	7,636	1.48%	7,091	1.04%
Other	31,135	6.03%	27,390	4.03%
Total revenue	516,424	100%	680,107	100%

The table below sets a breakdown of revenues, by product lines, for H1 2022 and H1 2021:

	H1 2022		H1 2021	
	U.S. \$ thousand	% of total revenues	U.S. \$ thousand	% of total revenues
Smartphones	401,054	33.12%	411,550	29.12%
PC mobile (laptops)	115,014	9.50%	133,975	9.48%
Central processing units (CPUs)	109,557	9.05%	216,967	15.35%
Peripherals	69,025	5.70%	67,111	4.75%
Servers & server blocks	57,500	4.75%	47,980	3.39%
Audio devices	48,615	4.01%	61,768	4.37%
Hard disk drives (HDDs)	43,737	3.61%	69,794	4.94%
Solid-state drives (SSDs)	39,767	3.28%	74,667	5.28%
Memory modules (RAM)	33,434	2.76%	34,001	2.41%
Smart devices	32,874	2.71%	29,333	2.08%
Networking products	32,080	2.65%	35,743	2.53%
Multimedia	29,540	2.44%	29,149	2.06%
Software	29,438	2.43%	27,604	1.95%
Display products	29,166	2.41%	25,942	1.84%
PC desktop	28,964	2.39%	35,455	2.51%
Tablets	18,215	1.50%	30,049	2.13%
Video cards and GPUs	18,114	1.50%	14,620	1.03%
Home appliances	14,894	1.23%	9,381	0.66%
Other	60,047	4.96%	58,387	4.13%
Total revenue	1,211,035	100%	1,413,476	100%

Liquidity and Capital Resources

The Company has in the past funded its liquidity requirements, including ongoing operating expenses, capital expenditures and investments, for the most part, through operating cash flows, debt financing and equity financing. Cash flow in Q2 2022 and H1 2022 has been impacted by a decrease in net profit and increased working capital utilization. We do expect cash flow from operations for the full year to be positive.

The following table presents a summary of cash flows for the six months ended June 30th, 2022, and 2021:

	Six months ended June 30 th 2022	U.S. \$
Net cash outflows from operating activities	(50,163)	(48,786)
Net cash outflows from investing activities	(4,434)	(9,585)
Net cash outflows from financing activities	(6,210)	(6,905)
Net decrease in cash and cash equivalents	(60,807)	(65,276)

Net cash outflows from operations

Net cash outflows from operations amounted to U.S. \$ 50,163 for the six months ended June 30th, 2022, as compared to outflows of U.S. \$ 48,786 in the corresponding period of 2021. The Company expects cash from operations to turn positive for the year 2022.

Net cash outflows from investing activities

Net cash outflows from investing activities were U.S. \$ 4,434 for the six months ended June 30th, 2022, as compared to outflows of U.S. \$ 9,585 in the corresponding period of 2021.

Net cash outflows from financing activities

Net cash outflows from financing activities were U.S. \$ 6,210 for the six months ended June 30th, 2022, as compared to outflows of U.S.\$ 6,905 for the corresponding period of 2021.

Net decrease in cash and cash equivalents

As a result of higher increased working capital utilization, cash and cash equivalents have decreased by US\$ 60,807, as compared to decrease of US\$ 65,276 in the corresponding period of 2021.

16. Factors which may affect our results in the future

War between Russia and Ukraine and sanctions imposed on Russia and Belarus

The war between Russia and Ukraine (the two major markets for ASBIS so far) is a key factor which has already affected our results. Despite the large geographical presence of the Group, it would not be possible to totally weather the impact of this war. The Company is well prepared to defend its position considering the sanctions imposed on Russia and Belarus; however, the Company considers the situation as critical and difficult to judge as to how it will evolve. We are strictly abiding with all sanctions that the EU imposed, and we are making the utmost to support our Ukrainian colleagues and operations.

Spreading of the Covid-19 Virus in the markets we operate

The COVID-19 pandemic has had, and continues to have, a significant impact around the world. We are still in the pandemic mode and the world is looking to see how the situation will evolve from now onwards. The shutdowns of the economies are no longer options, however Chinese covid lockdowns have disrupted supply chains and made consumers much concerned about the overall situation.

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

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

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

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

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

The 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 F.S.U. 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. Therefore, we now pay more and more attention to any possible market developments in all other growing regions.

In 2022 the primary target for the Group remains unchanged, it is profitability but always with a strong cash flow.

Despite all measures undertaken by the Company, 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 a huge importance. The strong increase observed in Q2 2022 and H1 2022 as compared to the corresponding periods of 2021 was a result of the continuation of the current Company's strategy to focus mostly on high margin products and services. It is worth mentioning that increased gross profit margin was achieved in time of the war in Ukraine.

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

Currency volatilities

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. We have been successfully shielded by our hedging policy in H1 2022. Therefore, the hedging strategy should be followed and further improved without any exception in the course of H2 2022 and going forward.

Ability of the Group to control expenses

Selling and administrative expenses increased both in Q2 2022 and H1 2022 by 17.0% and by 17.5% respectively as compared to the corresponding periods of 2021. This was mostly due to investments made in human capital to support the Company's development and a special humanitarian fund called "Ukraine Help Fund" of about EUR 2 million spent to help Ukraine.

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

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

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

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

Ability to cover warranty claims from customers

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

As a result, we have not faced any specific problems in this area in H1 2022. However, we need to be constantly overlooking and analyzing the situation to avoid any possible losses.

17. Information about important events that occurred after the period ended on June 30th, 2022, and before this report release

According to our best knowledge, in the period between May 5th, 2021, and August 11th, 2022, no events have occurred that could affect either the Company's operations or its financial stability.

Part II Financial Information

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

Report and Condensed Consolidated Interim Financial Statements for the period ended 30 June 2022

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ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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ASBISC ENTERPRISES PLC

BOARD OF DIRECTORS REPRESENTATIONS

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

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

Limassol, August 10th, 2022

ASBISC ENTERPRISES PLC

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

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

In accordance with Article 10, sections (3c) and (7), of the Transparency Requirements (Traded Securities in Regulated Markets) Law 190 (1) / 2007 we, the members of the Board of Directors and the company officials responsible for the drafting of the condensed consolidated interim financial statements of ASBISC Enterprises Plc (the "Company") and its subsidiaries (the "Group") for the six months period ended 30 June 2022, confirm to the best of our knowledge that:

a) the condensed consolidated interim financial statements for the six months period ended 30 June 2022 which are presented on pages 4 to 24:

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

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

Members of the Board of Directors:

Siarhei Kostevitch
Chairman and Chief Executive Officer

Marios Christou
Executive Director

Constantinos Tziamalīs
Executive Director

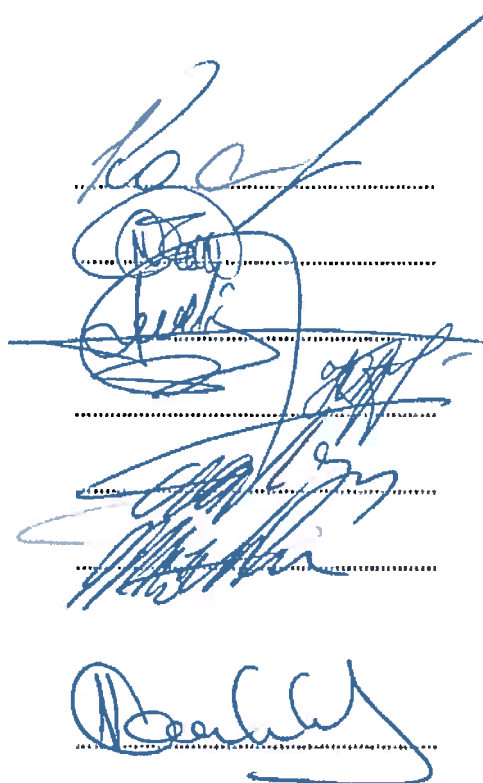
Julia Prihodko
Executive Director

Tasos A.Panteli
Non-Executive Director

Maria Petridou
Non-Executive Director

Financial Controller

Loizos Papavassiliou

The image shows five handwritten signatures in blue ink, each placed over a horizontal dotted line. The signatures are arranged vertically, corresponding to the list of names on the left. The first signature is for Siarhei Kostevitch, the second for Marios Christou, the third for Constantinos Tziamalīs, the fourth for Julia Prihodko, and the fifth for Tasos A.Panteli. There is an additional signature below the fifth dotted line, which corresponds to the Financial Controller, Loizos Papavassiliou.

Limassol, 10th August 2022



KPMG Limited
Chartered Accountants
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**INDEPENDENT AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

TO THE BOARD OF DIRECTORS OF ASBISC ENTERPRISES PLC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Asbisc Enterprises PLC ("the Company") as at 30 June 2022, the condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial statements, comprising a summary of significant accounting policies and other explanatory information. The Board of Directors is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not give a true and fair view of the financial position of the entity as at 30 June 2022 and of its financial performance and its cash flows for the six month period then ended in accordance with International Accounting Standard 34 "Interim Financial Reporting".

KPMG Limited

Certified Public Accountants and Registered Auditors
KPMG Center,
11, June 16th 1943 Street
3022 Limassol
Cyprus

Limassol, 10 August 2022

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ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 JUNE 2022

(in thousands of US\$)

		For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
	Note		
Revenue	4,23	1,211,035	1,413,476
Cost of sales		<u>(1,109,891)</u>	<u>(1,319,115)</u>
Gross profit		101,144	94,361
Selling expenses		(34,632)	(29,699)
Administrative expenses		<u>(22,735)</u>	<u>(19,143)</u>
Profit from operations		43,777	45,519
Financial income	7	1,490	2,081
Financial expenses	7	<u>(12,336)</u>	<u>(10,523)</u>
Net finance costs		(10,846)	(8,442)
Other gains and losses	5	316	244
Share of (loss)/profit of equity-accounted investees	11	<u>(75)</u>	<u>2</u>
Profit before tax	6	33,172	37,323
Taxation	8	<u>(6,063)</u>	<u>(7,161)</u>
Profit for the period		<u>27,109</u>	<u>30,162</u>
Attributable to:			
Equity holders of the parent		27,134	30,158
Non-controlling interests		<u>(25)</u>	<u>4</u>
		<u>27,109</u>	<u>30,162</u>
		US\$ cents	US\$ cents
Earnings per share			
Basic and diluted from continuing operations		<u>48.89</u>	<u>54.34</u>

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022

(in thousands of US\$)

	For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
Profit for the period	<u>27,109</u>	<u>30,162</u>
Other comprehensive profit/loss		
Exchange difference on translating foreign operations	<u>4,008</u>	<u>(275)</u>
Other comprehensive profit for the period	<u>4,008</u>	<u>(275)</u>
Total comprehensive income for the period	<u>31,117</u>	<u>29,887</u>
Total comprehensive income attributable to:		
Equity holders of the parent	31,164	29,896
Non-controlling interests	<u>(47)</u>	<u>(9)</u>
	<u>31,117</u>	<u>29,887</u>

ASBISC ENTERPRISES PLC

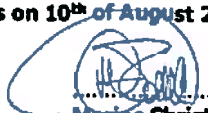
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

(In thousands of US\$)

	Notes	As at 30 June 2022 US\$	As at 31 December 2021 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	9	45,419	43,724
Intangible assets	10	1,524	1,903
Equity-accounted investees	11	1,727	1,749
Goodwill	27	568	595
Deferred tax assets	20	351	456
Total non-current assets		49,589	48,427
Current assets			
Inventories	12	322,800	324,560
Trade receivables	13	227,090	352,275
Other current assets	14	13,817	11,959
Derivative financial assets	25	643	192
Current taxation	8	5,074	1,156
Cash at bank and in hand	26	156,756	184,618
Total current assets		726,180	874,760
Total assets		775,769	923,187
EQUITY AND LIABILITIES			
Equity			
Share capital	15	11,100	11,100
Share premium		23,721	23,721
Retained earnings and other components of equity		178,980	154,089
Equity attributable to owners of the parent		213,801	188,910
Non-controlling interests		677	554
Total equity		214,478	189,464
Non-current liabilities			
Long term borrowings	17	4,143	5,105
Other long-term liabilities	18	838	791
Deferred tax liabilities	20	320	329
Total non-current liabilities		5,301	6,225
Current liabilities			
Trade payables	22	253,230	386,287
Trade payables factoring facilities	29	5,661	28,298
Other current liabilities	21	133,589	129,290
Short term borrowings	16	157,524	178,704
Derivative financial liabilities	24	114	299
Current taxation	8	5,872	4,620
Total current liabilities		555,990	727,498
Total liabilities		561,291	733,723
Total equity and liabilities		775,769	923,187

The financial statements were approved by the Board of Directors on 10th of August 2022.


Siarhei Kostevitch
Director


Marios Christou
Director

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 June 2022 (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\$
Balance at 1 January 2021	11,100	23,518	(212)	(10,752)	111,689	135,343
Profit for the period 1 January 2021 to 30 June 2021	-	-	-	-	30,158	4
Other comprehensive loss for the period 1 January 2021 to 30 June 2021	-	-	-	(262)	-	(13)
Elimination of minority interest at disposal	-	-	-	-	-	31
Payment of final dividend	-	-	-	-	(11,092)	-
Treasury shares sold	-	203	212	-	-	415
Balance at 30 June 2021	11,100	23,721	-	(11,014)	130,755	154,562
Profit for the period 1 July 2021 to 31 December 2021	-	-	-	-	46,865	40
Other comprehensive loss for the period 1 July 2021 to 31 December 2021	-	-	-	(1,417)	-	(10)
Payment of final dividend	-	-	-	-	(11,100)	-
Minority interest on establishment of new subsidiary	-	-	-	-	-	211
Elimination of minority interest at disposal	-	-	-	-	-	(4)
Treasury shares sold	-	-	-	-	-	-
Balance at 31 December 2021	11,100	23,721	-	(12,431)	166,520	188,910
Profit for the period 1 January 2022 to 30 June 2022	-	-	-	-	27,134	(25)
Other comprehensive profit/(loss) for the period 1 January 2022 to 30 June 2022	-	-	-	4,030	-	(22)
Increase of share capital of subsidiary with minority interest	-	-	-	-	-	170
Acquisition of treasury shares	-	-	(736)	-	-	-
Payment of final dividend	-	-	-	-	(5,537)	-
Balance at 30 June 2022	11,100	23,721	(736)	(8,401)	188,117	213,801
						677
						214,478

ASBISC ENTERPRISES PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 June 2022

(in thousands of US\$)

		For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
	Note		
Profit for the period before tax and minority interest		33,172	37,323
Adjustments for:			
Exchange difference arising on consolidation		3,512	17
Depreciation of property, plant and equipment and right-of-use assets	9	2,080	1,803
Amortization of intangible assets	10	574	566
Loss from the sale of property, plant and equipment and intangible assets	5	5	47
Provision for bad debts and receivables written off		1,520	894
Bad debts recovered	5	(2)	(11)
Provision for slow moving and obsolete stock		1,906	(247)
Share of loss/(profit) of equity-accounted investees	11	75	(2)
Interest received	7	(311)	(44)
Interest paid		<u>5,013</u>	<u>2,541</u>
Operating profit before working capital changes		47,544	42,887
Increase in inventories		(145)	(81,307)
Decrease in trade receivables		123,666	38,738
Increase in other current assets		(2,308)	(7,137)
Decrease in trade payables		(133,057)	(37,605)
Increase in other current liabilities		4,113	19,763
Decrease in trade payables factoring facilities		(22,637)	(8,625)
Increase in other non-current liabilities		46	41
Decrease in factoring creditors		<u>(55,475)</u>	<u>(9,280)</u>
Cash outflows from operations		<u>(38,253)</u>	<u>(42,525)</u>
Interest paid	7	(4,809)	(2,341)
Taxation paid, net	8	<u>(7,101)</u>	<u>(3,920)</u>
Net cash outflows from operating activities		<u>(50,163)</u>	<u>(48,786)</u>
Cash flows from investing activities			
Purchase of intangible assets	10	(211)	(311)
Purchase of property, plant and equipment		(4,653)	(9,283)
Proceeds from sale of property, plant and equipment and intangible assets		2	2
Payments of investments in subsidiaries		-	(37)
Payments for purchase of investments in associates		(53)	-
Increase of share capital of subsidiary with minority interest		170	-
Interest received	7	<u>311</u>	<u>44</u>
Net cash outflows from investing activities		<u>(4,434)</u>	<u>(9,585)</u>
Cash flows from financing activities			
(Acquisition)/disposal of treasury shares		(736)	374
Payment of final dividend		(5,537)	(11,092)
Repayments of long-term loans and non-current lease liabilities		(1,255)	(826)
Proceeds of short-term borrowings and current lease liabilities		<u>1,318</u>	<u>4,639</u>
Net cash outflows from financing activities		<u>(6,210)</u>	<u>(6,905)</u>
Net decrease in cash and cash equivalents		(60,807)	(65,276)
Cash and cash equivalents at beginning of the period		<u>150,919</u>	<u>113,683</u>
Cash and cash equivalents at end of the period	26	<u><u>90,112</u></u>	<u><u>48,407</u></u>

ASBISC ENTERPRISES PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(in thousands of US\$)

1. Incorporation and principal activities

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

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

2. Basis of preparation

(a) Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for a complete set of IFRS financial statements and they should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2021. 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 2021.

These condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on the 10th of August 2022.

(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 2021.

3. Significant accounting policies

The accounting policies adopted for the preparation of the condensed consolidated interim financial statements for the six months ended 30 June 2022 are consistent with those followed for the preparation of the annual consolidated financial statements for the year 2021 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 2022. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

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(in thousands of US\$)

4. Revenue

	For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
Sales of goods	1,197,271	1,398,889
Sales of licenses	10,771	14,346
Rendering of services	2,933	66
Sales of optional warranty	60	175
	<u>1,211,035</u>	<u>1,413,476</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 six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
Loss on disposal of property, plant and equipment	(5)	(47)
Other income	243	240
Bad debts recovered	2	11
Rental income	76	40
	<u>316</u>	<u>244</u>

6. Profit before tax

	For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
Profit before tax is stated after charging:		
(a) Amortization of intangible assets (Note 10)	574	566
(b) Depreciation of property, plant and equipment and right-of-use assets (Note 9)	2,080	1,803
(c) Auditors' remuneration	292	228
(d) Directors' remuneration – executive (Note 28)	906	860
(e) Directors' remuneration – non-executive (Note 28)	<u>13</u>	<u>18</u>

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(in thousands of US\$)

7. Financial expense, net

	For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
Financial income		
Interest income	311	44
Exchange gain	-	100
Other financial income	<u>1,179</u>	<u>1,937</u>
	<u>1,490</u>	<u>2,081</u>
Financial expense		
Bank interest	4,809	2,341
Bank charges	2,290	2,173
Derivative charges	370	756
Factoring interest	3,391	3,847
Factoring charges	150	190
Other financial expenses	72	42
Interest on lease liabilities	203	201
Other interest	601	973
Net exchange loss	<u>450</u>	<u>-</u>
	<u>12,336</u>	<u>10,523</u>
Net	<u>(10,846)</u>	<u>(8,442)</u>

8. Tax

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Payable balance 1 January	3,464	4,676
Provision for the period/year	5,983	17,532
Under/(over) provision of prior periods/year	52	(361)
Exchange difference on retranslation	(1,600)	(13)
Amounts paid, net	<u>(7,101)</u>	<u>(18,370)</u>
Net payable balance 30 June/31 December	<u>798</u>	<u>3,464</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(in thousands of US\$)

8. Tax (continued)

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Tax receivable	(5,074)	(1,156)
Tax payable	5,872	4,620
Net	798	3,464

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

	For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
Provision for the period	5,983	7,056
Under provision of prior years	52	52
Deferred tax charge (Note 20)	28	53
Charge for the period	6,063	7,161

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

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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\$
At 1 January 2021	32,241	-	8,101	640	4,083	3,097	4,200	52,362
Additions	4,755	7,249	1,363	159	794	875	559	15,754
Disposals	(250)	-	(495)	(24)	(335)	(74)	(87)	(1,265)
Foreign exchange difference on retranslation	(896)	-	(169)	20	(57)	(68)	(72)	(1,242)
At 31 December 2021	35,850	7,249	8,800	795	4,485	3,830	4,600	65,609
Additions	56	2,607	756	1	176	723	454	4,773
Disposals	(98)	-	(73)	-	(118)	(16)	(8)	(313)
Foreign exchange difference on retranslation	(965)	-	(124)	20	22	8	(156)	(1,195)
At 30 June 2022	34,843	9,856	9,359	816	4,565	4,545	4,890	68,874
Accumulated depreciation								
At 1 January 2021	6,435	-	6,079	416	1,746	2,252	2,706	19,634
Charge for the year	1,661	-	729	73	796	271	380	3,910
Disposals	(250)	-	(495)	(24)	(290)	(74)	(87)	(1,220)
Foreign exchange difference on retranslation	(136)	-	(140)	23	(85)	(68)	(33)	(439)
At 31 December 2021	7,710	-	6,173	488	2,167	2,381	2,966	21,885
Charge for the period	925	-	335	42	385	215	178	2,080
Disposals	(98)	-	(68)	-	(118)	(16)	(8)	(308)
Foreign exchange difference on retranslation	(255)	-	(68)	23	(27)	211	(86)	(202)
At 30 June 2022	8,282	-	6,372	553	2,407	2,791	3,050	23,455
Net book value								
At 30 June 2022	26,561	9,856	2,987	263	2,158	1,754	1,840	45,419
At 31 December 2021	28,140	7,249	2,627	307	2,318	1,449	1,634	43,724

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(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\$
Balance at 1 January 2021	5,075	35	1,059	6,169
Depreciation charge for the year	(1,233)	(7)	(435)	(1,675)
Additions to right of use assets	4,565	-	463	5,028
Derecognition of right of use assets	-	-	-	-
Foreign exchange difference on retranslation	(120)	(2)	12	(110)
Balance at 31 December 2021	8,287	26	1,099	9,412
Depreciation charge for the period	(705)	(3)	(226)	(934)
Additions to right of use assets	40	-	115	155
Derecognition of right of use assets	(36)	-	-	(36)
Foreign exchange difference on retranslation	(121)	(2)	29	(94)
Balance at 30 June 2022	7,465	21	1,017	8,503

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\$ 1,004 (2021: US\$ 2,504).

10. Intangible assets

	Computer software US\$	Patents and licenses US\$	Total US\$
Cost			
At 1 January 2021	10,592	1,573	12,165
Additions	548	146	694
Disposals/ write-offs	(97)	(47)	(144)
Foreign exchange difference on retranslation	(35)	18	(17)
At 31 December 2021	11,008	1,690	12,698
Additions	167	44	211
Disposals/ write-offs	(16)	(101)	(117)
Foreign exchange difference on retranslation	(40)	56	16
At 30 June 2022	11,119	1,689	12,808
Accumulated amortization			
At 1 January 2021	8,645	1,102	9,747
Charge for the year	1,008	156	1,164
Disposals/ write-offs	(93)	(39)	(132)
Foreign exchange difference on retranslation	(6)	22	16
At 31 December 2021	9,554	1,241	10,795
Charge for the period	494	80	574
Disposals/ write-offs	(16)	(99)	(115)
Foreign exchange difference on retranslation	(11)	41	30
At 30 June 2022	10,021	1,263	11,284
Net book value			
At 30 June 2022	1,098	426	1,524
At 31 December 2021	1,454	449	1,903

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(in thousands of US\$)

11. Equity-accounted investees

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Cost		
At 1 January	1,790	868
Additions (i), (ii)	53	1,149
Full acquisition of equity accounted investee (iii)	-	(227)
At 30 June/31 December	1,843	1,790
Accumulated share of loss from equity-accounted investees		
At 1 January	(41)	(41)
Share of loss from equity-accounted investees during the period/year	(75)	-
At 30 June/31 December	(116)	(41)
Carrying amount of equity-accounted investees	1,727	1,749

- (i) In May 2022, the Company acquired 20% shareholding in Displayforce Global Ltd (Cyprus), for the consideration of US\$ 53. The investment is accounted for as an associate.
- (ii) In December 2021, the Company acquired 20% shareholding in Embio Diagnostics Ltd (Cyprus), for the consideration of US\$ 1,149. The investment is accounted for as an associate.
- (iii) In March 2021, the Group acquired the remaining 50% shareholding of Breezy Trade-In Ltd (former Redmond Europe Ltd), for the consideration of US\$ 31.

The loan granted to associate LLC Clevetura, bears interest of 4% p.a. and is repayable in December 2022. In addition, the Group, for the period ending 30 June 2022, acquired services for the total amount of US\$ 290 (2021: US\$ 611) from this associate.

12. Inventories

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Goods in transit	44,187	59,620
Goods held for resale	285,194	269,686
Provision for slow moving and obsolete stock	(6,581)	(4,746)
	322,800	324,560

As at 30 June 2022, inventories pledged as security for financing purposes amounted to US\$ 85,310 (2021: US\$ 103,948).

Movement in provision for slow moving and obsolete stock:

	For the six months ended 30 June 2022 US\$	For the year ended 31 December 2021 US\$
On 1 January	4,746	5,308
Provisions for the period/year	1,987	716
Provided stock written off	(81)	(1,319)
Exchange difference on retranslation	(71)	41
On 30 June/31 December	6,581	4,746

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(in thousands of US\$)

13. Trade receivables

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Trade receivables	206,870	344,645
Prepayments to trade vendors	24,234	10,009
Allowance for doubtful debts	(4,014)	(2,379)
	<u>227,090</u>	<u>352,275</u>

Movement in provision for doubtful debts:

	For the six months ended 30 June 2022 US\$	For the year ended 31 December 2021 US\$
On 1 January	2,379	2,096
Provisions for the period/year	1,691	652
Amount written-off as uncollectible	(171)	(300)
Bad debts recovered	(2)	(11)
Exchange difference on retranslation	117	(58)
On 30 June/31 December	<u>4,014</u>	<u>2,379</u>

14. Other current assets

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
VAT and other taxes refundable	7,541	6,886
Deposits and advances to service providers	392	302
Employee floats	587	112
Other debtors and prepayments	<u>5,297</u>	<u>4,659</u>
	<u>13,817</u>	<u>11,959</u>

15. Share capital

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Authorized		
63,000,000 (2021: 63,000,000) shares of US\$ 0.20 each	<u>12,600,000</u>	<u>12,600,000</u>
Issued and fully paid		
55,500,000 (2021: 55,500,000) ordinary shares of US\$ 0.20 each	<u>11,100,000</u>	<u>11,100,000</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(in thousands of US\$)

15. Share capital (continued)

Following an extraordinary general meeting of the shareholders on 28th March 2022, a share buyback program with the following conditions was approved:

- the maximum amount of money that can be used to realize the program is US\$ 1,000,000
- the maximum number of shares that can be bought within the program is 2,000,000 shares
- the program's time frame is 12 months from the resolution date
- the shares purchased within the program could be held for a maximum of two years from acquisition
- the minimum price for transaction of purchase of shares within the program is PLN 1.0 per share with the maximum price of PLN 30.0 per share

At the end of the period 30 June 2022 the Company held a total of 243 (2021: nil) shares purchased for a total consideration of US\$ 736 (2020: US\$ 0).

16. Short term borrowings

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Bank overdrafts (Note 26)	66,644	33,698
Current portion of long-term loans	226	241
Bank short-term loans	71,369	69,885
Current lease liabilities (Note 19)	<u>1,616</u>	<u>1,737</u>
Total short-term debt	<u>139,855</u>	<u>105,561</u>
Factoring creditors	<u>17,669</u>	<u>73,143</u>
	<u>157,524</u>	<u>178,704</u>

Summary of borrowings and overdraft arrangements

As at 30 June 2022 the Group had factoring facilities of US\$ 245,714 (2021: US\$ 168,974).

In addition, the Group as at 30 June 2022 had the following financing facilities with banks in the countries that the Company and its subsidiaries operate:

- overdraft lines of US\$ 125,066 (2021: US\$ 119,776)
- short-term loans/revolving facilities of US\$ 144,628 (2021: US\$ 101,450)
- bank guarantee and letters of credit lines of US\$ 45,763 (2021: US\$ 60,275)

The Group had for the period ended 30th June 2022 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 9.4% (2021: 6.0%).

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

- Floating charges over all assets of the Company
- Mortgage on land and buildings that the Group owns in Cyprus, Czech Republic, Belarus, Middle East, Bulgaria, Slovakia and Ukraine
- Charge over receivables and inventories
- Corporate guarantees
- Assignment of insurance policies
- Pledged deposits of US\$ 33,216 (2021: US\$ 32,453).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(in thousands of US\$)

17. Long term borrowings

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Bank loans	-	123
Non-current lease liabilities (Note 19)	4,143	4,982
	<u>4,143</u>	<u>5,105</u>

18. Other long-term liabilities

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Other long-term liabilities	838	791

19. Lease liabilities

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Current lease liabilities (Note 16)	1,616	1,737
Non-current lease liabilities (Note 17)	4,143	4,982
	<u>5,759</u>	<u>6,719</u>

20. Deferred tax

	For the six months ended 30 June 2022 US\$	For the year ended 31 December 2021 US\$
Debit balance on 1 January	(127)	(160)
Deferred tax charge for the period/year	28	4
Exchange difference on retranslation	68	29
At 30 June/31 December	<u>(31)</u>	<u>(127)</u>

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Deferred tax assets	(351)	(456)
Deferred tax liabilities	320	329
Net deferred tax assets	<u>(31)</u>	<u>(127)</u>

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(in thousands of US\$)

21. Other current liabilities

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Salaries payable and related costs	4,260	4,834
VAT payable	7,946	11,177
Provision for warranties	8,223	8,081
Accruals, deferred income and other provisions	84,639	77,893
Provision for marketing	22,964	19,857
Non-trade accounts payable	5,557	7,448
	<u>133,589</u>	<u>129,290</u>

22. Trade payables and prepayments

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Trade payables	231,763	364,396
Prepayments from customers	<u>21,467</u>	<u>21,891</u>
	<u>253,230</u>	<u>386,287</u>

23. Operating segments

1.1 Reportable segments

The Group mainly operates in a single industry segment as a distributor of IT products. Information reported to the chief operating decision maker for the purposes of allocating resources to the segments and to assess their performance is based on geographical locations. The Group operates in four principal geographical areas – Former Soviet Union, Eastern Europe, Western Europe and Middle East & Africa.

There are varying levels of integration between the segments and includes distribution of IT products and services. Inter-segment pricing is determined on an arm's length basis.

1.2 Segment revenues

	For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
Former Soviet Union	618,720	745,291
Central Eastern Europe	316,088	318,034
Middle East & Africa	178,101	167,766
Western Europe	79,105	146,913
Other	<u>19,021</u>	<u>35,472</u>
	<u>1,211,035</u>	<u>1,413,476</u>

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(in thousands of US\$)

23. Operating segments (continued)

1.3 Segment results

	For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
Former Soviet Union	19,159	22,626
Central Eastern Europe	13,974	9,885
Middle East & Africa	7,537	6,670
Western Europe	2,604	5,117
Other	503	1,221
Profit from operations	43,777	45,519
Net financial expenses	(10,846)	(8,442)
Other gains and losses	316	244
Share of loss from associates	(75)	2
Profit before taxation	33,172	37,323

1.4 Segment capital expenditure (CAPEX)

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Former Soviet Union	9,196	9,315
Central Eastern Europe	13,272	14,569
Middle East & Africa	3,552	3,631
Cyprus	21,461	18,668
Unallocated	30	39
	47,511	46,222

1.5 Segment depreciation and amortization

	For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
Former Soviet Union	794	690
Central Eastern Europe	766	711
Middle East & Africa	98	91
Unallocated	996	877
	2,654	2,369

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(in thousands of US\$)

23. Operating segments (continued)

1.6 Segment assets

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Former Soviet Union	161,912	500,800
Central Eastern Europe	133,096	68,868
Middle East & Africa	188,923	168,729
Western Europe	197,916	104,370
Total	681,847	842,767
Assets allocated in capital expenditure (1.4)	47,511	46,222
Other unallocated assets	46,411	34,198
Consolidated assets	775,769	923,187

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 30 June 2022 US\$	As at 31 December 2021 US\$
<u>Derivative financial liabilities carried at fair value through profit or loss</u>		
Foreign currency derivative contracts	114	299

25. Derivative financial asset

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
<u>Derivative financial assets carried at fair value through profit or loss</u>		
Foreign currency derivative contracts	643	192

26. Cash and cash equivalents

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Cash at bank and in hand	156,756	184,618
Bank overdrafts (Note 16)	(66,644)	(33,698)
	90,112	150,920

The cash at bank and in hand balance includes an amount of US\$ 33,216 (2021: US\$ 32,453) which represents pledged deposits against financial facilities granted and margin accounts for foreign exchange hedging.

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(in thousands of US\$)

27. Goodwill

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
At 1 January	595	629
Foreign exchange difference on retranslation	(27)	(34)
At 30 June/31 December	<u>568</u>	<u>595</u>

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

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
OOO Must	201	201
ASBIS d.o.o. (BA)	<u>367</u>	<u>394</u>
	<u>568</u>	<u>595</u>

28. Transactions and balances of key management

	For the six months ended 30 June 2022 US\$	For the six months ended 30 June 2021 US\$
Directors' remuneration - executive (Note 6)	906	860
Directors' remuneration - non-executive (Note 6)	<u>13</u>	<u>18</u>
	<u>919</u>	<u>878</u>

29. Trade payables factoring facilities

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Trade payables factoring facilities	<u>5,661</u>	<u>28,298</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(in thousands of US\$)

30. Business combinations

1. Acquisitions

1.1 Acquisitions of subsidiaries to 30 June 2022

During the period the Group has acquired the 100% share capital of ACEAN.PL Sp. z.o.o.

<u>Name of entity</u>	<u>Type of operations</u>	<u>Date acquired</u>	<u>% acquired</u>	<u>% owned</u>
ACEAN.PL Sp. z.o.o (Poland)	Information Technology	12 April 2022	100%	100%

Acquisitions of subsidiaries to 31 December 2021

During the year, the Group has acquired the 30% of the share capital of Breezy Trade-In Ltd (former Redmond Europe Ltd) and the 100% share capital of ASBIS CA LLC, Vizutors LLC, Breezy Service LLC, I.O. Clinic Latvia SIA, Joule Production SIA, ASBC LLC (Armenia), Breezy Georgia LLC and ASBC Entity LLC.

<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) (former Redmond Europe Ltd)	Information Technology	30 March 2021	30%	80%
ASBIS CA LLC (Uzbekistan)	Information Technology	5 February 2021	100%	100%
Vizutors LLC (Belarus)	Information Technology	1 February 2021	100%	100%
Breezy Service LLC (Ukraine)	Information Technology	15 March 2021	100%	100%
I.O. Clinic Latvia SIA (Latvia)	Information Technology	3 February 2021	100%	100%
Joule Production SIA (Latvia)	Information Technology	8 January 2021	100%	100%
ASBC LLC (Armenia)	Information Technology	23 August 2021	100%	100%
Breezy Georgia LLC (Georgia)	Information Technology	7 September 2021	100%	100%
ASBC Entity OOO (Uzbekistan)	Information Technology	15 December 2021	100%	100%

1.1.b. Acquired assets and liabilities

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

	As at 30 June 2022 US\$	As at 31 December 2021 US\$
Receivables	-	11
Other payables and accruals	-	(1)
Cash and cash equivalents	-	53
Net identifiable assets	-	63
Group's interest in net assets acquired	-	31
Total purchase consideration	-	(31)
Net loss	-	-

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(in thousands of US\$)

30. Business combinations (continued)

2. Disposals

Disposals of subsidiaries to 30 June 2022

During the year, the following subsidiary have been disposed of and no gain or loss arose on the event.

<u>Name of disposed entity</u>	<u>Type of operations</u>	<u>Date liquidated</u>	<u>% liquidated</u>
Private Educational Institution "Center of excellence in Education for executives and specialists in Information Technology (Belarus)	Information Technology	19 May 2022	100%

Disposals of subsidiaries to 31 December 2021

During the year, the following subsidiaries have been disposed of and a total loss of \$124 arose on the events.

<u>Name of disposed entity</u>	<u>Type of operations</u>	<u>Date liquidated</u>	<u>% liquidated</u>
LLC Visalia (Belarus)	Information Technology	24 May 2021	75%
LLC Vizuator (Belarus)	Information Technology	24 May 2021	75%
Vizuators LLC (Belarus)	Information Technology	24 May 2021	100%
Prestigio Plaza Sp. Z o.o (Poland)	Information Technology	25 October 2021	100%
Advanced Systems Company LLC (Kingdom of Saudi Arabia)	Information Technology	30 October 2021	100%
Asbis TR Bilgisayar Limited Sirketi (Turkey)	Information Technology	30 November 2021	100%
OOO Avectis (Moscow)	Information Technology	30 November 2021	100%
ALC Avectis (Belarus)	Information Technology	30 November 2021	100%

31. Commitments and contingencies

As at 30 June 2022 the Group was committed in respect of purchases of inventories of a total cost value of US\$ 16,562 (2021: US\$ 9,937) which were in transit at 30 June 2022 and delivered in July 2022. Such inventories and the corresponding liability towards the suppliers have not been included in these financial statements since, according to the terms of purchase, title of the goods has not passed to the Group at the period end.

As at 30 June 2022 the Group was contingently liable to banks in respect of bank guarantees and letters of credit lines of US\$ 45,763 (2021: US\$ 60,275) (note 16) which the Group has extended to its suppliers and other counterparties.

As at the 30th of June 2022 the Group had no other capital or legal commitments and contingencies.

32. Fair values

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