# INTERIM REPORT

## FOR THE THREE AND TWELVE MONTHS ENDED 31 DECEMBER 2024

Limassol, 26 February 2025

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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 twelve-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 twelve-month report contains financial statements of, and financial information relating to the Group. In particular, this twelve-month report contains our interim consolidated financial statements for the twelve months ended 31 December 2024. The financial statements appended to this 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 twelve-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 twelve-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 twelve-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 twelve-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 twelve-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 twelve-month report.

# PART I INTERIM MANAGEMENT REPORT

## 1. OVERVIEW

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

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

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

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

## 2. EXECUTIVE SUMMARY FOR THE THREE- AND TWELVE-MONTH PERIODS ENDED DECEMBER 31ST, 2024.

We completed Q4 2024 with a lot of the challenges in multiple markets of ours, especially Kazakhstan and Ukraine. In November 2024 we reached record sales of November 2021 and managed to generate double-digit growth in revenues in December 2024. At the same time, December 2024 became the record-breaking month in ASBIS history in terms of profitability.

Q4 2024 is a huge success for ASBIS Group and shows that the Company is strong, reliable and flexible to adapt to new market conditions.

Analyzing Q4 2024 results, revenues were USD 926.9 million (up 3.8% compared to Q4 2023). The gross profit margin decreased to 8.02% from 8.33% in Q4 2023. Operating profit (EBIT) increased by 2.5% and reached USD 35.5 million, compared to USD 34.7 million in Q4 2023. Net profit was USD 24.6 million, as compared to USD 2.1 million in Q4 2023.

In 12M 2024, ASBIS generated revenues of USD 3,008.5 million (down 1.7%, compared to the 12M 2023) and earned a net profit after tax of USD 54.2 million, as compared to USD 53.0 million in the same period of last year.

The quarter-over-quarter increase in net sales was mainly due to strong growth in all regions of our operation, with the exception of the Commonwealth of Independent States region. The Commonwealth of Independent States and Central & Eastern Europe regions retained the largest share of the Group's revenues.

As regards to products, in Q4 2024 multiple product lines have recorded significant growth on a year-on-year basis. The leader of the Company's sales remained the smartphones, followed by CPUs and laptops.

A country-by-country analysis confirms the excellent growth rates the Group was able to achieve in most of its major countries of operations.

The important countries with the highest sales growth in Q4 2024 were:

- South Africa – a growth of 1,989%
- Slovakia - a growth of 116%
- Armenia - a growth of 46%
- Germany - a growth of 36%
- Ukraine - a growth of 11%.

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

- **AENO** has shown a growth in revenues both in Q4 2024 and for the 12M 2024 as compared to the corresponding periods of 2023. In Q4 2024, AENO successfully expanded its product portfolio with the launch of several innovative models, including the SC2 vacuum cleaner, GS4 portable garment steamer, and DI3 dental irrigator. Within the beauty category, AENO introduced the HD3 and HD4 hairdryers, along with its first-ever hair styler, the HS1. Additionally, AENO brought its flagship products to market, including the AENO Gastrolab—a revolutionary cooking device capable of replacing over 20 kitchen appliances and the powerful TC1 transformer, a versatile multi-component cleaning system designed to handle everything from wet floor cleaning to traditional vacuuming. Marking a significant retail milestone, AENO products are now available at the newly opened Harvey Norman UK store in Merry Hill.
- **Canyon** – in Q4 2024 Canyon has achieved strong results. The brand's performance has been bolstered by exceptional results from several key regions like Poland, Ukraine, Cyprus and South Africa and the strategic update of its product catalog. In Q4 2024, Canyon has deeply updated its catalogs in several key product categories, including gaming chairs, power adapters, USB hubs and power-banks. By enhancing its product lineup and focusing on sales channels development, Canyon continues to strengthen its position and has a solid base for outstanding results in 2025.
- **Prestigio solutions** - in Q4 2024 Prestigio solutions continued its steady growth, achieving a revenue increase of 74% and a gross profit growth of 59% compared to the same period in 2023. The top growing categories were Multiboards, Accessories, and the new category Tablets PC. In Q4 Prestigio solutions launched the PSTA107- a sleek, lightweight tablet with a stylish metal body, narrow bezels, and powerful hardware. Designed for the most demanded users, business and education professionals. Prestigio solutions expanded its portfolio with a new Digital Media Player category, designed to meet the diverse needs of businesses and educational institutions. Prestigio solutions introduced three solutions at once to cater to customers ranging from small businesses and schools to enterprise-level organizations, supporting tasks such as workstations, video conferencing, and advanced business and analytics applications. Prestigio solutions launched the new version of JoinU, our own all-in-one meeting room software. Prestigio solutions achieved also a new partnership with OneRugged, a global leader in rugged computing solutions with over 16 years of industry experience. This collaboration strengthens our presence across EMEA and allows us to offer a wide range of industrial devices, including rugged handhelds, tablets, notebooks, vehicle PCs, and industrial panel PCs, built to withstand the harshest environments.
- **Lorgar** - in Q4 2024 sales efforts were focused on clearing old stock in preparation for the launch of a new portfolio in Q1 2025. Central Europe demonstrated the strongest performance, with outstanding results in Czechia, Slovakia, the Baltic countries, and Ukraine. In Q4 2024 Lorgar announced a collaboration with Simagic, a leading brand in simracing equipment. This partnership opens the door for Lorgar to enter the virtual racing niche, including markets for cockpits and other specialized gear. As part of the relaunch, the Lorgar Platform underwent a comprehensive upgrade. The interface and branding received a complete overhaul, with the new identity now consistently represented across packaging, the website, and software. Additionally, the Lorgar Platform introduced new features, including an advanced marketing module that enables users to launch dedicated marketing campaigns directly within the ecosystem.

In Q4 2024 and in the period between the 1st of January 2025 and the date of this report the Company experienced other important business events:

- ASBIS has formalized a distribution agreement with ONERugged, a prominent name in the production of durable technology, aimed at expanding its portfolio of rugged gadgets. This strategic partnership allows ASBIS to distribute the comprehensive lineup of ONERugged products across 20 countries within the Europe, Middle East, and Africa (EMEA) region, enhancing the availability of durable technology solutions in these markets.

- ASBIS launched AENO and Canyon brands in a multinational retailer in the UK. Two of ASBIS own brands have strengthened their position in the UK retail tech market by showcasing their products on the shelves of the newly inaugurated Harvey Norman store in Brierley Hill, England.

- ASBIS entered into a distribution agreement with EcoFlow, a prominent leader in the portable power and renewable energy sector. EcoFlow has quickly established itself as a significant force within the industry, delivering an extensive range of products tailored for diverse applications, including residential use, outdoor activities like camping and fishing, van conversions, yachting, and various industrial operations. The distribution agreement encompasses 12 countries across Central and Eastern Europe.

- ASBIS Robotic Solutions opened two AROS 24/7 ROBO shops in the UAE market. One of them is the AROS 24/7 ROBO BAR - a revolutionary robotic bartender that serves a wide range of beverages, including soft drinks, draught beers, and mixed alcoholic drinks. The second one - AROS 24/7 ROBO Café is designed for seamless integration, offering a clean, and consistent coffee experience.

- Breezy – a subsidiary of ASBIS and leading player in sustainable electronics solutions, in collaboration with AROS launched an AI-powered production facility in Poland. This innovative production line can grade up to one million devices and refurbishing up to 320,000 smartphones per year. Taking up just 600 m2 of space, the new facility enhances Breezy's ability to deliver high-precision diagnostics and process pre-owned devices, giving them new life.

In Q4 2024 we have continued our dividend policy and paid our investors an interim dividend from the Company's profits for 2024 of USD 0.2 per share, which is in line with our strategy to reward our long-standing investors. We want to continue our hefty dividend policy, always in combination with sufficient cash to support our growth.

It is worth underlining that he Company and the Group focuses not only on financial aspects but also on being socially responsible. According to the Corporate Climate Crisis Awareness (CCA) Study results, ASBIS has made significant strides in the CCA ranking, advancing seven positions and securing a spot in the TOP-13 WSE-listed companies with the most climate-conscious corporate strategies and received the title: “Climate Aware Company”. ASBIS has been recognized as a Climate-Aware Company for the fourth time since 2020, with high results. The scoring process involved analyzing the contents of annual non-financial reports against ten main criteria related to climate issues.

In summary, looking at all the difficult situations that we had to deal with in 2024, we have finished it off in style, and with very good result, full of hope and ideas for 2025. We expect the geopolitical situation to stabilize. We believe that inflationary pressures will be lower, and the consumer sentiment is expected to be at an improved level. In ASBIS we have many areas of growth. Our aim is clear, and it is organic growth through operational excellence but also through the right acquisitions.

### The principal events of the three-month period ended December 31st, 2024, were as follows:

- In Q4 2024 revenues increased by 3.8% to U.S.$ 926,885 from U.S.$ 893,290 in Q4 2023.
- In Q4 2024 gross profit was flat and reached U.S.$ 74,369 from U.S.$ 74,367 in Q4 2023.
- In Q4 2024 gross profit margin slightly declined to 8.02% from 8.33 % in Q4 2023.
- In Q4 2024 selling expenses decreased by 3.5% to U.S.$ 23,820 from U.S.$ 24,681 in Q4 2023.
- In Q4 2024 administrative expenses were flat and reached U.S.$ 15,016 from U.S.$ 15,036 in Q4 2023.
- In Q4 2024 EBITDA was positive and reached U.S.$ 37,669 as compared to U.S.$ 36,677 in Q4 2023.
- The Group finished Q4 2024 with a style, delivering an impressive net profit after tax amounting to U.S. $ 24,557 as compared to U.S.$ 2,090 in Q4 2023. We consider it as a great success given all the challenges we faced in our major markets. At this point we remind the readers that Q4 of 2023, was significantly impacted by the write-offs we had to undertake due to our disinvestment from the Russian market.

### The following table presents revenues breakdown by regions in the three-month period ended December 31st, 2024, and 2023 respectively (in U.S.$ thousand):

| Region | Q4 2024 | Q4 2023 | Change % |
|---|---|---|---|
| Commonwealth of Independent States (CIS) | 401,779 | 448,879 | -10.5% |
| Central and Eastern Europe | 280,022 | 261,662 | 7.0% |
| Middle East and Africa | 128,085 | 107,640 | 19.0% |
| Western Europe | 90,474 | 68,594 | 31.9% |
| Other | 26,525 | 6,516 | 307.1% |
| **Total** | **926,885** | **893,290** | **3.8%** |

### The principal events of the twelve-month period ended December 31st, 2024, were as follows:

- Revenues slightly decreased and reached U.S.$ 3,008,503 from U.S.$ 3,061,228 in the 12M 2023.
- Gross profit decreased by 4.8% to U.S.$ 240,164 from U.S.$ 252,269 in the 12M 2023.
- Gross profit margin dropped to 7.98% from 8.24% in the 12M 2023.
- Selling expenses increased by 4.1% to U.S.$ 86,172 from U.S.$ 82,745 in the 12M 2023.
- Administrative expenses increased by 4.6% to U.S.$ 59,682 from U.S.$ 57,031 in the 12M 2023.
- EBITDA was positive and reached U.S.$ 102,923 as compared to U.S.$ 120,220 in the 12M 2023.
- The net profit after tax increased by 2.3% to U.S. $ 54,173 as compared to U.S.$ 52,956 in the 12M 2023.

### The following table presents revenues breakdown by regions in the twelve-month periods ended December 31st, 2024, and 2023 respectively (in U.S.$ thousand):

| Region | 12M 2024 | 12M 2023 | Change % |
|---|---|---|---|
| Commonwealth of Independent States (CIS) | 1,266,470 | 1,563,280 | -19.0% |
| Central and Eastern Europe | 868,811 | 791,026 | 9.8% |
| Middle East and Africa | 490,424 | 425,652 | 15.2% |
| Western Europe | 319,976 | 257,372 | 24.3% |
| Other | 62,823 | 23,899 | 162.9% |
| **Total** | **3,008,503** | **3,061,228** | **-1.7%** |

## DEFINITIONS AND USE OF ALTERNATIVE PERFORMANCE MEASURES

### Gross profit

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

### Gross profit margin

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

### EBIT (Earnings Before Interest and Tax)

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

### EBITDA

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

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

# 3. SUMMARY OF HISTORICAL FINANCIAL DATA

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

For your convenience, certain U.S. $ amounts as of and for the three and twelve months ended 31 December 2024 and 2023, 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, 2023, that is: 1 US$ = 3.9350 PLN and 1 EUR = 4.3480 PLN and December 31st, 2024, that is: 1 US$ = 4.1012 PLN and 1 EUR = 4.2730 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 31 December 2023, that is: 1 US$ = 4.1823 PLN and 1 EUR = 4.5284 PLN and 1 January to 31 December 2024, that is: 1 US$ = 3.9853 PLN and 1 EUR = 4.3042 PLN.
- Individual items in the income statement and statement of cash flows for separate Q4 2024 and Q4 2023 – 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 October to 31 December 2024, that is: 1 US$ = 4.0614 PLN and 1 EUR = 4.3101 PLN and 1 October to 31 December 2023, that is: 1 US$ = 4.1823 PLN and 1 EUR = 4.5284 PLN.

| (In thousands of US$) | Period from 1 January to 31 December 2024 | | | Period from 1 January to 31 December 2023 | | |
|---|---|---|---|---|---|---|
| | USD | PLN | EUR | USD | PLN | EUR |
| **Revenue** | **3,008,503** | **11,989,912** | **2,785,658** | 3,061,228 | 12,802,999 | 2,827,289 |
| Cost of sales | (2,768,339) | (11,032,777) | (2,563,283) | (2,808,959) | (11,747,933) | (2,594,298) |
| **Gross profit** | **240,164** | **957,136** | **222,375** | **252,269** | **1,055,067** | **232,991** |
| *Gross profit margin* | *7.98%* | | | *8.24%* | | |
| Selling expenses | (86,172) | (343,425) | (79,789) | (82,745) | (346,065) | (76,422) |
| Administrative expenses | (59,682) | (237,853) | (55,261) | (57,031) | (238,521) | (52,673) |
| **Profit from operations** | **94,310** | **375,858** | **87,324** | **112,493** | **470,480** | **103,896** |
| Financial expenses | (31,248) | (124,534) | (28,933) | (34,930) | (146,088) | (32,261) |
| Financial income | 1,714 | 6,831 | 1,587 | 2,719 | 11,372 | 2,511 |
| Realized foreign exchange loss relating to foreign operations liquidated | (168) | (670) | (156) | (11,286) | (47,202) | (10,424) |
| Other gains and losses | 764 | 3,045 | 707 | (3,790) | (15,851) | (3,500) |
| Share of loss equity-accounted investees | (360) | (1,435) | (333) | (237) | (991) | (219) |
| **Profit before taxation** | **65,012** | **259,095** | **60,196** | **64,969** | **271,720** | **60,004** |
| Taxation | (10,839) | (43,197) | (10,036) | (12,013) | (50,242) | (11,095) |
| **Profit after taxation** | **54,173** | **215,898** | **50,160** | **52,956** | **221,478** | **48,909** |
| **Attributable to:** | | | | | | |
| Non-controlling interest | (268) | (1,068) | (248) | (92) | (385) | (85) |
| **Equity holders of the parent** | **54,441** | **216,966** | **50,408** | **53,048** | **221,863** | **48,994** |
| **EBIT and EBITDA calculation** | **USD** | **PLN** | **EUR** | **USD** | **PLN** | **EUR** |
| Profit before tax | 65,012 | 259,095 | 60,196 | 64,969 | 271,720 | 60,004 |
| *Add back:* | | | | | | |
| Financial expenses/net | 29,702 | 118,373 | 27,502 | 43,497 | 181,918 | 40,173 |
| Other gains and losses | (764) | (3,045) | (707) | 3,790 | 15,851 | 3,500 |
| Share of profit of equity-accounted investees | 360 | 1,435 | 333 | 237 | 991 | 219 |
| **EBIT for the period** | **94,310** | **375,858** | **87,324** | **112,493** | **470,480** | **103,896** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Depreciation | 8,159 | 32,516 | 7,555 | 6,995 | 29,255 | 6,460 |
| Amortization | 418 | 1,666 | 387 | 678 | 2,836 | 626 |
| Negative goodwill | 36 | 143 | 33 | 54 | 226 | 50 |
| **EBITDA for the period** | **102,923** | **410,183** | **95,299** | **120,220** | **502,797** | **111,033** |
| | **USD (cents)** | **PLN (grosz)** | **EUR (cents)** | **USD (cents)** | **PLN (grosz)** | **EUR (cents)** |
| Basic and diluted earnings per share from continuing operations | 98.09 | 390.92 | 90.82 | 95.87 | 400.96 | 88.54 |
| | **USD** | **PLN** | **EUR** | **USD** | **PLN** | **EUR** |
| Net cash inflows from operating activities | 26,712 | 106,456 | 24,733 | 45,411 | 189,923 | 41,941 |
| Net cash outflows from investing activities | (18,082) | (72,063) | (16,743) | (11,710) | (48,975) | (10,815) |
| Net cash outflows from financing activities | (11,536) | (45,975) | (10,682) | (17,747) | (74,223) | (16,391) |
| **Net (decrease)/increase in cash and cash equivalents** | **(2,906)** | **(11,581)** | **(2,691)** | **15,954** | **66,725** | **14,735** |
| **Cash at the beginning of the period** | **108,306** | **431,636** | **100,284** | **92,352** | **386,245** | **85,294** |
| **Cash at the end of the period** | **105,400** | **420,055** | **97,593** | **108,306** | **452,969** | **100,029** |
| | **As at 31 December 2024** | | | **As at 31 December 2023** | | |
| | **USD** | **PLN** | **EUR** | **USD** | **PLN** | **EUR** |
| Current assets | 1,112,656 | 4,563,225 | 1,067,921 | 931,214 | 3,664,327 | 842,762 |
| Non-current assets | 88,155 | 361,541 | 84,611 | 81,264 | 319,774 | 73,545 |
| **Total assets** | **1,200,811** | **4,924,766** | **1,152,531** | **1,012,478** | **3,984,101** | **916,307** |
| Liabilities | 902,496 | 3,701,317 | 866,210 | 731,266 | 2,877,532 | 661,806 |
| Equity | 298,315 | 1,223,449 | 286,321 | 281,212 | 1,106,569 | 254,501 |

| **(In thousands of US$)** | **Period from 1 October to 31 December 2024** | | | **Period from 1 October to 31 December 2023** | | |
|---|---|---|---|---|---|---|
| | **USD** | **PLN** | **EUR** | **USD** | **PLN** | **EUR** |
| **Revenue** | **926,885** | **3,764,420** | **873,395** | **893,290** | **4,045,145** | **893,290** |
| Cost of sales | (852,516) | (3,462,380) | (803,318) | (818,923) | (3,708,384) | (818,923) |
| **Gross profit** | **74,369** | **302,040** | **70,077** | **74,367** | **336,761** | **74,367** |
| *Gross profit margin* | *8.02%* | | | *8.33%* | | |
| Selling expenses | (23,820) | (96,742) | (22,445) | (24,681) | (111,765) | (24,681) |
| Administrative expenses | (15,016) | (60,985) | (14,149) | (15,036) | (68,089) | (15,036) |
| **Profit from operations** | **35,533** | **144,313** | **33,482** | **34,650** | **156,908** | **34,650** |
| Financial expenses | (7,820) | (31,760) | (7,369) | (8,996) | (40,737) | (8,996) |
| Financial income | 592 | 2,404 | 558 | 1,028 | 4,655 | 1,028 |
| Realized foreign exchange loss relating to foreign operations liquidated | (158) | (642) | (149) | (11,286) | (51,107) | (11,286) |
| Other gains and losses | 274 | 1,113 | 258 | (10,745) | (48,657) | (10,745) |
| Share of loss of equity-accounted investees | (17) | (69) | (16) | (297) | (1,345) | (297) |
| **Profit before taxation** | **28,405** | **115,363** | **26,766** | **4,354** | **19,717** | **4,354** |
| Taxation | (3,848) | (15,628) | (3,626) | (2,264) | (10,252) | (2,264) |
| **Profit after taxation** | **24,557** | **99,735** | **23,140** | **2,090** | **9,464** | **2,090** |
| **Attributable to:** | | | | | | |
| Non-controlling interests | 28 | 114 | 26 | 235 | 1,064 | 235 |
| **Equity holders of the parent** | **24,529** | **99,621** | **23,113** | **1,855** | **8,400** | **1,855** |
| **EBIT and EBITDA calculation** | **USD** | **PLN** | **EUR** | **USD** | **PLN** | **EUR** |
| Profit before tax | 28,405 | 115,363 | 26,766 | 4,354 | 19,717 | 4,354 |
| *Add back:* | | | | | | |
| Financial expenses/net | 7,385 | 29,993 | 6,959 | 19,254 | 87,189 | 19,254 |
| Other gains and losses | (274) | (1,113) | (258) | 10 745 | 48,657 | 10,745 |
| Share of loss of equity-accounted investees | 17 | 69 | 16 | 297 | 1,345 | 297 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **EBIT for the period** | **35,533** | **144,313** | **33,482** | **34,650** | **156,908** | **34,650** |
| Depreciation | 2,019 | 8,200 | 1,902 | 1,918 | 8,685 | 1,918 |
| Amortization | 108 | 439 | 102 | 100 | 453 | 100 |
| Negative goodwill | 9 | 37 | 8 | 9 | 41 | 9 |
| **EBITDA for the period** | **37,669** | **152,988** | **35,495** | **36,677** | **166,087** | **36,677** |
| | **USD (cents)** | **PLN (grosz)** | **EUR (cents)** | **USD (cents)** | **PLN (grosz)** | **EUR (cents)** |
| Basic and diluted earnings per share from continuing operations | 44.2 | 179.51 | 41.65 | 3.34 | 15.12 | 3.34 |

| | USD | PLN | EUR | USD | PLN | EUR |
|---|---|---|---|---|---|---|
| Net cash inflows from operating activities | 36,618 | 148,719 | 34,505 | 82,664 | 374,333 | 82,664 |
| Net cash outflows from investing activities | (5,312) | (21,574) | (5,005) | (7,713) | (34,927) | (7,713) |
| Net cash inflows from financing activities | 9,698 | 39,387 | 9,138 | 5,597 | 25,345 | 5,597 |
| **Net increase in cash and cash equivalents** | **40,999** | **166,512** | **38,633** | **80,548** | **364,751** | **80,548** |
| **Cash at the beginning of the period** | **64,401** | **261,556** | **60,684** | **27,758** | **125,698** | **27,758** |
| **Cash at the end of the period** | **105,400** | **428,068** | **99,317** | **108,306** | **490,449** | **108,306** |

## 4. ORGANIZATION OF ASBIS GROUP

The following table presents our corporate structure as of 31 December 2024:

| Company | Consolidation Method |
|---|---|
| **ASBISC Enterprises PLC** | **Mother company** |
| Asbis Ukraine Limited (Kyiv, Ukraine) | Full (100%) |
| Asbis Poland Sp. z o.o. (Warsaw, Poland) | Full (100%) |
| Asbis Romania S.R.L (Bucharest, Romania) | Full (100%) |
| Asbis Cr d.o.o (Zagreb, Croatia) | Full (100%) |
| Asbis d.o.o Beograd (Belgrade, Serbia) | Full (100%) |
| Asbis Hungary Commercial Limited (Budapest, Hungary) | Full (100%) |
| Asbis Bulgaria Limited (Sofia, Bulgaria) | Full (100%) |
| Asbis CZ,spol.s.r.o (Prague, Czech Republic) | Full (100%) |
| Asbis Slovenia d.o.o (Trzin, Slovenia) | Full (100%) |
| Asbis Middle East FZE (Dubai, U.A.E) | Full (100%) |
| Asbis SK sp.l sr.o (Bratislava, Slovakia) | Full (100%) |
| ASBC F.P.U.E. (Minsk, Belarus) | Full (100%) |
| E.M. Euro-Mall Ltd (Limassol, Cyprus) | Full (100%) |
| Asbis Morocco Sarl (Casablanca, Morocco) | Full (100%) |
| Prestigio Plaza Ltd (Limassol, Cyprus) | Full (100%) |
| 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%) |

| Company | Consolidation Method |
|---|---|
| EUROMALL BULGARIA EOOD (Sofia, Bulgaria) | Full (100%) |
| E-Vision Production Unitary Enterprise (Minsk, Belarus) | Full (100%) |
| iSupport Ltd (Kiev, Ukraine) | Full (100%) |
| I ON LLC (Kiev, Ukraine) | Full (100%) |
| ASBC MMC LLC (Baku, Azerbaijan) | Full (65.85%) |
| ASBC KAZAKHSTAN LLP (Almaty, Kazakhstan) | Full (100%) |
| Atlantech Ltd (Ras Al Khaimah, U.A.E) | Full (100%) |
| ASBC LLC (Tbilisi, Georgia) | Full (100%) |
| Real Scientists Limited (London, United Kingdom) | Full (55%) |
| i-Care LLC (Almaty, Kazakhstan) | Full (100%) |
| ASBIS IT Solutions Hungary Kft. (Budapest, Hungary) | Full (100%) |
| Breezy LLC (Minsk, Belarus) | Full (100%) |
| MakSolutions LLC (Minsk, Belarus) | Full (100%) |
| Breezy Kazakhstan TOO (Almaty, Kazakhstan) | Full (100%) |
| Breezy LLC (Kyiv, Ukraine) | Full (100%) |
| I.O.N. Clinical Trading Ltd (Limassol, Cyprus) | Full (100%) |
| R.SC. Real Scientists Cyprus Ltd (Limassol, Cyprus) | Full (85%) |
| ASBIS CA LLC (Tashkent, Uzbekistan) | Full (100%) |
| Breezy Service LLC (Kyiv, Ukraine) | Full (100%) |
| Breezy Trade-In Ltd (Limassol, Cyprus) | Full (91.15%) |
| SIA Joule Production (Riga, Latvia) | Full (100%) |
| ASBC LLC (Yerevan, Armenia) | Full (100%) |
| Breezy Georgia LLC (Tbilisi, Georgia) | Full (100%) |
| ASBC Entity OOO (Tashkent, Uzbekistan) | Full (100%) |
| ACEAN.PL Sp. z o.o (Warsaw, Poland) | Full (100%) |
| Entoliva Ltd (Limassol, Cyprus) | Full (100%) |
| ASBIS HELLAS SINGLE MEMBER S.A. (Athens, Greece) | Full (100%) |
| Prestigio Plaza Kft (Budapest, Hungary) | Full (100%) |
| ASBC SRL (Chisinau, Moldova) | Full (100%) |
| Breezy-M SRL (Chisinau, Moldova) | Full (100%) |
| Breezy Poland Sp. z o.o. (Warsaw, Poland) | Full (100%) |
| ASBIS AM LLC (Yerevan, Armenia) | Full (100%) |
| ASBIS Georgia LLC (Tbilisi, Georgia) | Full (100%) |
| ASBIS AZ LLC (Baku, Azerbaijan) | Full (100%) |
| ASBIS s.r.l. (Chisinau, Moldova) | Full (100%) |
| Asbis Africa (Pty) Ltd (Johannesburg, South Africa) | Full (100%) |
| ASBC Morocco s.a.r.l. (Morocco, Casablanca) | Full (100%) |
| Sarovita Ltd (Limassol, Cyprus) | Full (100%) |
| ASBC South Africa (Pty) Ltd (Johannesburg, South Africa) | Full (100%) |
| Breezy Azerbaijan MMC (Baku, Azerbaijan) | Full (100%) |
| AROS ENGINEERING SINGLE MEMBER S.A. (Athens, Greece) | Full (100%) |
| ASBC ITALIA S.R.L. (Rome, Italy) | Full (100%) |
| ASBC INC. (Delaware, U.S.A.) | Full (100%) |
| E-VISION UKRAINE LLC (Kiev, Ukraine) | Full (100%) |

## 5. CHANGES IN THE STRUCTURE OF THE COMPANY

During the three months ended December 31st, 2024, there has been the following change in the Group's structure:

- ASBISC Enterprises Plc has liquidated the company UAB Asbis Vilnius (Vilnius, Lithuania).

## 6. DISCUSSION OF THE DIFFERENCE OF THE COMPANY'S RESULTS AND PUBLISHED FORECASTS

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

Having seen Q1- Q4 2024 results, the Company's revenues for the twelve months were below the forecasted range as well as the net profit after tax due to a very difficult market landscape and the fact that several assumptions in the published financial forecast for 2024 have not materialized.

The FY2024 results will be published on March 28th, 2025, as part of the 2024 Annual Report that will contain audited financial statements.

## 7. INFORMATION ON DIVIDEND PAYMENT

On the 5th of December 2024, the Company paid out an interim dividend from 2024 profits of USD 0.20 per share, a total amount of USD 11,100,000, following the Company's Board of Directors decision made on the 6th of November 2024. The record date was set on the 25th of November 2024.

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

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

There were no changes in the number of shares possessed by major shareholders during the period between November 6th, 2024 (the date of the interim report for Q3 2024) and the date of this report.

### CHANGES IN THE NUMBER OF SHARES OWNED BY THE MEMBERS OF THE BOARD OF DIRECTORS

During the period between November 6th, 2024 (the date of the interim report for Q3 2024) and the 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 | 406,600 | 0.73% |

| Name | Number of Shares | % of the share capital |
|---|---|---|
| Marios Christou | 330,761 | 0.60% |
| Hanna Kaplan | 21,000 | 0.04% |
| Julia Prihodko | 2,000 | 0% |
| Maria Petridou | 0 | 0% |
| Tasos A. Panteli | 0 | 0% |
| Constantinos Petrides | 0 | 0% |
| **Total** | **21,208,488** | **38.21%** |

**Siarhei Kostevitch holds 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.

## CHANGES IN THE MEMBERS OF MANAGING BODIES

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

## 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**.**

## RELATED PARTY TRANSACTIONS

During the twelve months ended December 31st, 2024, neither the Company nor any of the members of our Group have concluded any material related party transaction, other than with market conditions.

## INFORMATION ON GUARANTEES GRANTED TO THIRD PARTIES

The total corporate guarantees the Company has issued, as of December 31st, 2024, to support its subsidiaries' local financing, amounted to U.S.$ 280,277. The total bank guarantees and letters of credit raised by the Group (mainly to Group suppliers) as of December 31st, 2024, was U.S. $ 48,073 – as per note number 17 to the financial statements.

## 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.

## OTHER INFORMATION IMPORTANT FOR THE ASSESSMENT OF OUR PERSONNEL, ECONOMIC AND FINANCIAL POSITION, AS WELL AS OUR FINANCIAL RESULTS

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

## THE WAR IN UKRAINE

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

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

## COMPETITION FROM UN-AUTHORIZED CHANNELS

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

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

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

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

## CURRENCY FLUCTUATIONS

The Company's reporting currency is the U.S. dollar. In Q4 2024 a good portion of our revenues was denominated in U.S. dollars, while the balance is denominated in Euro, UAH, KZT and other currencies, certain of which are linked to the Euro. Our trade payable balances are principally (about 90%) denominated in U.S. dollars. In addition, approximately half of our operating expenses are denominated in U.S. dollars and the other half in Euro or other currencies, certain of which are linked to the Euro.

Therefore, reported results are affected by movements in exchange rates, particularly in the exchange rate of the U.S. dollar against the Euro and other currencies of the countries in which we operate, the Ukrainian Hryvnia, the Czech Koruna, the Polish Zloty, the Kazakhstani Tenge and the Hungarian Forint.

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

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

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

## COMPETITION AND PRICE PRESSURE

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

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

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

## GROSS PROFIT MARGINS SUSTAINABILITY

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

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

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

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

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

## INVENTORY OBSOLESCENCE AND PRICE EROSION

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

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

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

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

## CREDIT RISK

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

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

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

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

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

## WORLDWIDE FINANCIAL ENVIRONMENT

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

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

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

## SEASONALITY

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

## DEVELOPMENT OF OWN-BRAND BUSINESS

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

This includes the development of innovative products, ranging from home appliances, gaming products and accessories, and, most recently, green energy solutions.

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

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

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

## HIGH COST OF DEBT

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

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

## ENVIRONMENTAL AND CLIMATE CHANGES

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

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

We may also face reputational risks with difficulties in attracting customers, business partners and employees if we do not take strong enough actions against climate change. In terms of physical risks resulting from climate changes, we may face both acute and chronic risks.

Acute physical risks may arise from weather-related events in the form of floods, fires or droughts that may damage factories in certain regions, cause factories to limit or temporarily stop their production or disrupt our supply chain in other ways. These may result in temporary limitations in our product offering or rising prices of hardware and components. Chronic physical risks (i.e., risks that may result from long-term changes in the climate) may also affect ASBIS. Growing temperatures worldwide may cause a need for more temperature-resilient hardware and appliances and may also result in more hardware malfunctions that may increase warranty claims.

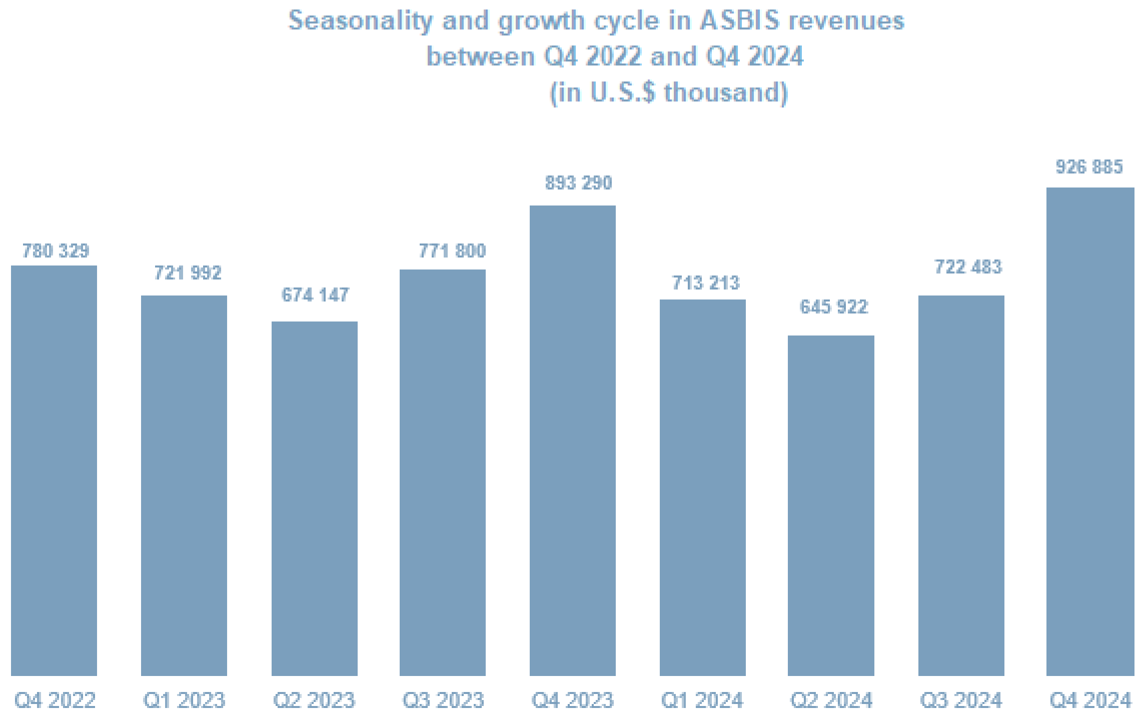
## RESULTS OF OPERATIONS

### THREE- AND TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2024 COMPARED TO THE THREE- AND TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2023

#### Revenues:

In Q4 2024 revenues increased by 3.8% to U.S.$ 926,885 from U.S.$ 893,290 in Q4 2023.

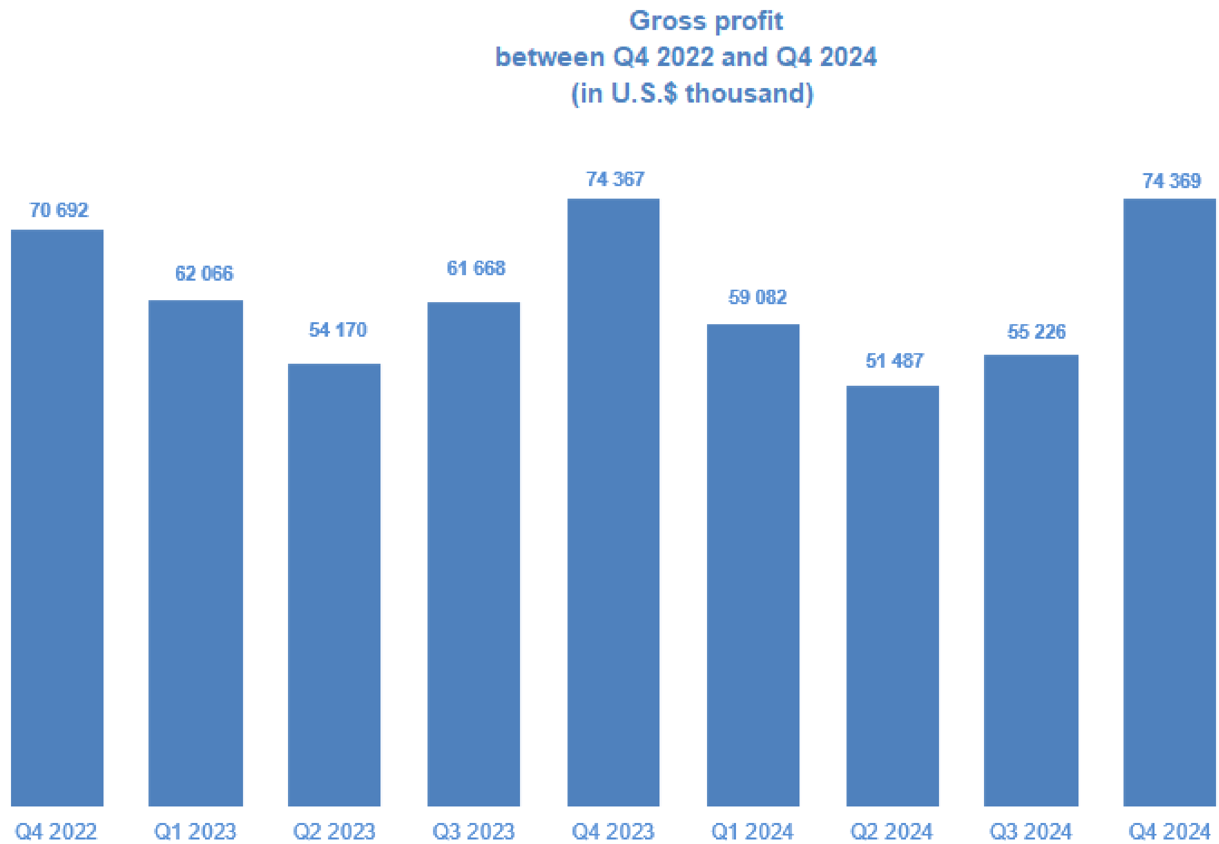
In the 12M 2024 revenues decreased by 1.7% to U.S.$ 3,008,503 from U.S.$ 3,061,228 in the 12M 2023.




**Gross profit:**

In Q4 2024 gross profit was flat and reached U.S.$ 74,369 from U.S.$ 74,367 in Q4 2023.

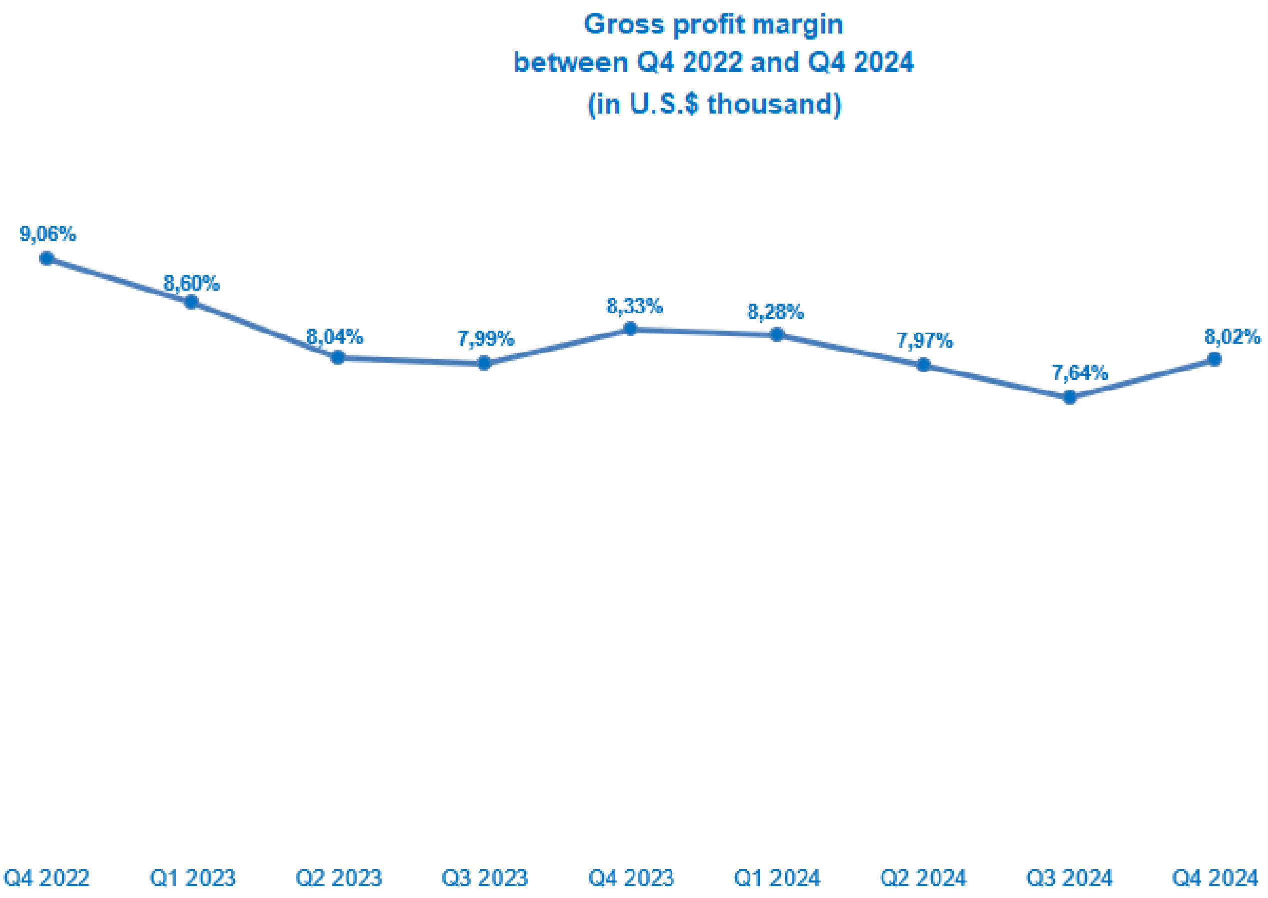
In the 12M 2024 gross profit decreased by 4.8% to U.S.$ 240,164 from U.S.$ 252,269 in the 12M 2023.



### Gross profit margin

In Q4 2024 gross profit margin decreased to 8.02% as compared to 8.33% in Q4 2023.

In the 12M 2024 gross profit margin decreased to 7.98% from 8.24% in the 12M 2023.




### Selling expenses

Largely comprise of salaries and benefits paid to sales employees (sales, marketing and logistics departments), marketing and advertising fees, commissions, and travelling expenses. Selling expenses usually grow together (but not in-line) with growing sales and, most importantly, gross profit. In Q4 2024 we have continued the HR optimization process, that started in Q2 2024, in the divisions that have not delivered the expected profits. We will decide to take further steps should we see the results delivered are insufficient. In Q4 2024 we paid approximately USD 500K as a redundancy compensation.

In Q4 2024 selling expenses decreased by 3.5% to U.S.$ 23.820 from U.S.$ 24,681 in Q4 2023.

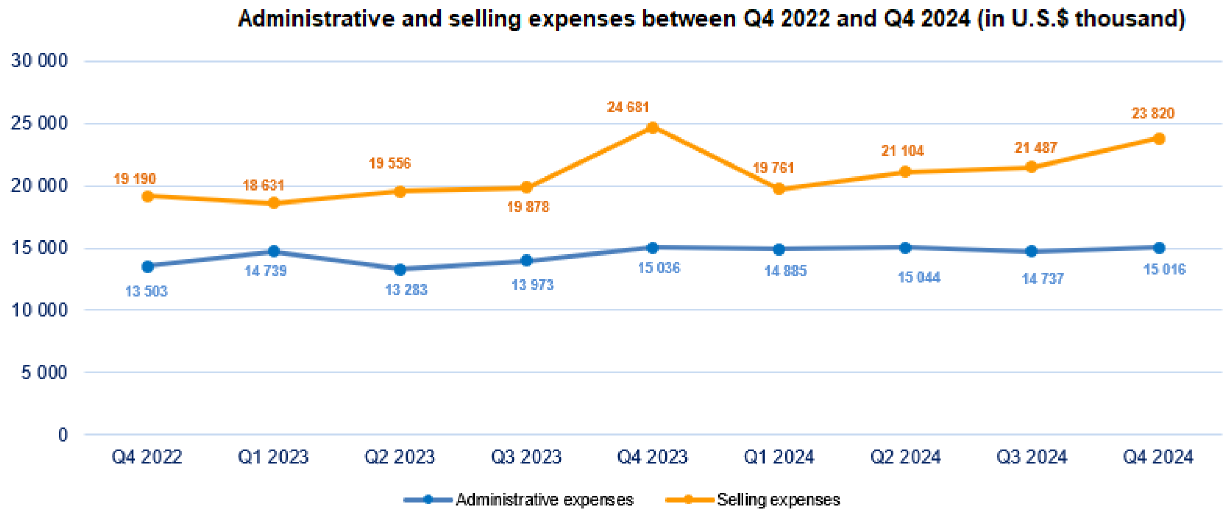
In the 12M 2024 selling expenses increased by 4.1% to U.S.$ 86,172 from U.S.$ 82,745 in the 12M 2023.

### Administrative expenses

Largely comprise of salaries and wages of administration personnel.

In Q4 2024 administrative expenses was flat, reaching U.S.$ 15,016 from U.S.$ 15,036 in Q4 2023.

In the 12M 2024 administrative expenses increased by 4.6% to U.S.$ 59,682 from U.S.$ 57,031 in the 12M 2023.




### EBITDA:

In Q4 2024 EBITDA was positive, reaching U.S.$ 37,669, as compared to U.S.$ 36,677 in Q4 2023

In the 12M 2024 EBITDA reached 102,923 U.S.$ as compared to U.S.$ 120,220 in the 12M 2023.

### Net profit:

In Q4 2024 net profit after tax increased and reached U.S.$ 24,557, as compared to U.S.$ 2,090 in Q4 2023.

In the 12M 2024 net profit after tax increased to 54,173 U.S.$, as compared to U.S.$ 52,956 in the 12M 2023.

We are very satisfied with the Group's results in Q4 2024 and 2024. Such results are a stellar achievement, given the challenging market conditions we have faced in our major countries and prove that the Company is well prepared to weather the difficulties and able to adapt to the new realities.

## SALES BY REGIONS AND COUNTRIES

Traditionally and throughout the Company's operations, the CIS and the CEE regions contribute most of our revenues. This has not changed in Q4 2024 and the 12M 2024.

In Q4 2024 and the 12M 2024 revenues derived in the CIS region have decreased by 10.5% and 19.0% respectively as compared to the corresponding periods of 2023, while sales in the Central and Eastern Europe and other main regions have strongly increased. The major reason for lower sales in the CIS region is extremely difficult market conditions in our leading market of Kazakhstan (grey market and new consumers' law) as well as the continuation of the war in Ukraine which also negatively affected our ability to deliver better results.

As a result of the above-mentioned facts, the contribution of certain regions – like the CIS region, in total revenues of the Company for Q4 2024 and the 12M 2024 has changed compared to corresponding periods of 2023. The CIS region contribution has decreased both in Q4 2024 and the 12M 2024 to 43.35% (from 50.25% in Q4 2023) and 42.10% (from 51.07% in the 12M 2023). At the same time the contribution of the other main regions has increased both in Q4 2024 and the 12M 2024.

Central and Eastern Europe contribution has increased both in Q4 2024 and the 12M 2024 to 30.21% (from 29.29% in Q4 2023) and 28.88% (from 25.84% in the 12M 2023). Middle East and Africa contribution has grown both in Q4 2024 and the 12M 2024 to 13.82% (from 12.05% in Q4 2023) and 16.30% (from 13.90% in the 12M 2023) respectively. Western Europe contribution has also increased to 9.76% (from 7.68% in Q4 2023) and 10.64% (from 8.41% in the 12M 2023).

Country-by-country analysis shows a strong decline in revenues in Kazakhstan - our biggest market, where sales decreased by 31.0% in Q4 2024 and 29.4% in the 12M 2024 as compared to the corresponding periods of 2023. This was the result of the excess of non-official supply from imports of multiple product groups coming from unofficial distributors and channels. We believe that the situation will stabilize in 2025 following actions taken by the authorities of Kazakhstan.

Ukraine, the second biggest market of our operation, despite the ongoing war, increased by 11.0% in Q4 2024 as compared to Q4 2023.

United Arab Emirates our third largest market, delivered revenues of USD 331 million in the 12M 2024, which represents an increase of 3.1% year-on-year.

Poland showed a strong growth, in the 12M 2024 (+17.7%) as compared to the corresponding period of 2023. The best-selling product categories in Poland were processors, SSDs and HDDs.

The tables below provide a geographical breakdown of sales for the three- and twelve-month periods ended December 31st, 2024, and 2023.

| | Q4 2024 | | Q4 2023 | |
|---|---|---|---|---|
| | U.S. $ thousand | % Of total revenues | U.S. $ thousand | % Of total revenues |
| Commonwealth of Independent States | 401,779 | 43.35% | 448,879 | 50.25% |
| Central and Eastern Europe | 280,022 | 30.21% | 261,662 | 29.29% |
| Middle East and Africa | 128,085 | 13.82% | 107,640 | 12.05% |
| Western Europe | 90,474 | 9.76% | 68,594 | 7.68% |
| Other | 26,525 | 2.86% | 6,516 | 0.73% |
| **Total** | **926,885** | **100%** | **893.290** | **100%** |

| | 12M 2024 | | 12M 2023 | |
|---|---|---|---|---|
| | U.S. $ thousand | % Of total revenues | U.S. $ thousand | % Of total revenues |
| Commonwealth of Independent States | 1,266,470 | 42.10% | 1,563,280 | 51.07% |
| Central and Eastern Europe | 868,811 | 28.88% | 791,026 | 25.84% |
| Middle East and Africa | 490,424 | 16.30% | 425,652 | 13.90% |
| Western Europe | 319,976 | 10.64% | 257,372 | 8.41% |
| Other | 62,823 | 2.09% | 23,899 | 0.78% |
| **Total** | **3,008,503** | **100%** | **3,061,228** | **100%** |

### Revenue breakdown – Top 10 countries in Q4 2024 and Q4 2023 (in U.S. Dollar thousand)

| | Q4 2024 | | Q4 2023 | |
|---|---|---|---|---|
| | Country | Sales | Country | Sales |
| 1. | Kazakhstan | 147,115 | Kazakhstan | 213,194 |
| 2. | Ukraine | 125,142 | Ukraine | 112,723 |
| 3. | Slovakia | 101,698 | Slovakia | 87,875 |
| 4. | United Arab Emirates | 73,762 | United Arab Emirates | 80,286 |
| 5. | Azerbaijan | 50,496 | Poland | 44,294 |
| 6. | Poland | 42,644 | Azerbaijan | 41,083 |
| 7. | Germany | 34,250 | Czech Republic | 40,296 |
| 8. | Czech Republic | 33,360 | Germany | 25,110 |
| 9. | Armenia | 26,938 | Georgia | 22,722 |
| 10. | South Africa | 25,716 | Romania | 20,642 |
| | **TOTAL** | **926,885** | **TOTAL** | **893,290** |

**Revenue breakdown – Top 10 countries in the 12M 2024 and the 12M 2023 (in U.S. Dollar thousand)**

| | 12M 2024 | | 12M 2023 | |
|---|---|---|---|---|
| | **Country** | **Sales** | **Country** | **Sales** |
| 1. | Kazakhstan | 492,406 | Kazakhstan | 697,111 |
| 2. | Ukraine | 383,103 | Ukraine | 411,943 |
| 3. | United Arab Emirates | 331,004 | United Arab Emirates | 321,077 |
| 4. | Slovakia | 266,340 | Slovakia | 283,247 |
| 5. | Azerbaijan | 152,907 | Azerbaijan | 139,260 |
| 6. | Poland | 147,697 | Germany | 128,056 |
| 7. | Germany | 129,490 | Poland | 125,471 |
| 8. | Czech Republic | 111,817 | Czech Republic | 109,183 |
| 9. | Georgia | 85,204 | Georgia | 100,152 |
| 10. | Netherlands | 82,266 | Romania | 70,053 |
| | **TOTAL** | **3,008,503** | **TOTAL** | **3,061,228** |

## SALES BY PRODUCT LINES

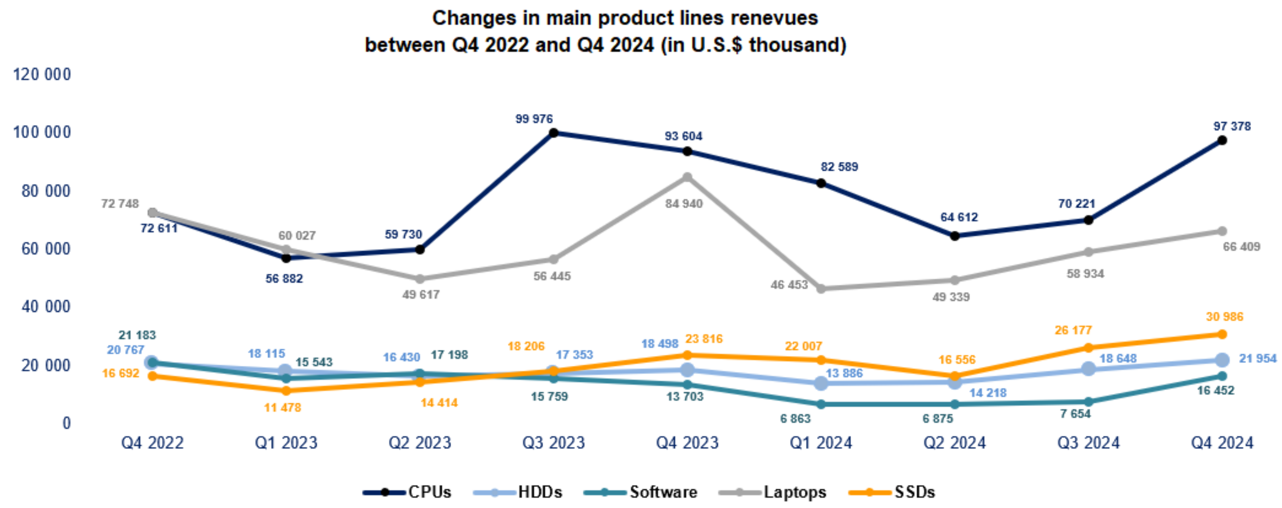
Starting from the beginning of this year, revenues have been under serious pressure caused by the illicit trading and a consumer new legislation in Kazakhstan but also lower than expected sales in Ukraine and less European IT transformation support programs in the countries of Central and Eastern Europe,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

In Q4 2024 the Group has continued enforcing its profit-oriented strategy, which includes introducing higher-margin IT solutions to its portfolio of products and services. We have finalized several distribution agreements with global leading suppliers and manufacturers like: Blackview (smartphone), Fanvil Technology (A&V-IoT), Buydeem (small kitchen appliances), ONERugged (durable technology), EcoFlow (portable power and renewable energy sector).

This was possible because ASBIS remains the distributor of first choice for many worldwide suppliers.

In Q4 2024 revenues from multiple main product lines (except laptops) increased compared to Q4 2023.

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



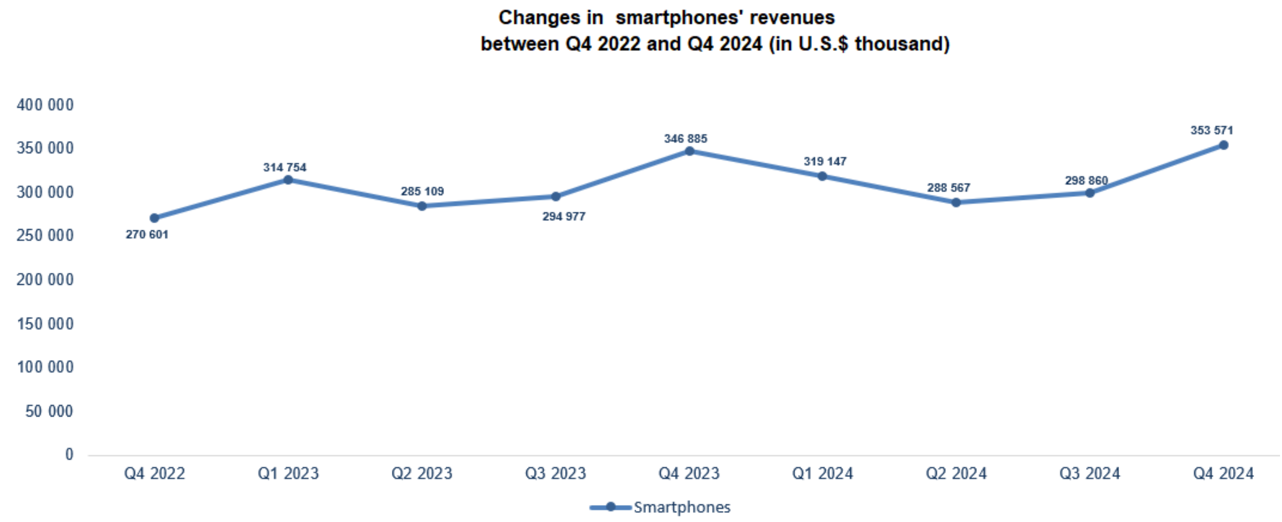

In Q4 2024 and the 12M 2024, sales were mainly driven by smartphones, CPUs and laptops.

Revenues from CPUs increased both in Q4 2024 and the the 12M 2024 by 4.0% and 1.5% respectively. The business of laptops decreased both in Q4 2024 and the the 12M 2024 by 21.8% and 11.9%, on a year-on-year basis.

Sales from HDDs increased by 18.7% in Q4 2024 but decreased by 2.4% in the 12M 2024 while sales from SSDs increased both in Q4 2024 and the 12M 2024 by 30.1% and 40.9% respectively. Revenues from software increased in Q4 2024 by 20.1% but declined by 39.2% in the 12M 2024, on a year-on-year basis.

From ”Other” product lines, the Company has noticed a positive trend in the 12M 2024 in memory modules (RAM) (+180.6%) and multimedia (+20.5%) on a year-on-year basis.

The chart below indicates the trends in smartphones sales:




Both in Q4 2024 and the 12M 2024 sales of smartphones, which contribute to the majority of our revenues, increased by 1.9% and 1.5% as to the corrresponding periods of 2023. This was another record-breaking quarter of smartfon sales which shows ASBIS strenght and ability to adopt to new market conditions.

The table below sets a breakdown of revenues, by product lines, for Q4 2024 and Q4 2023:

| | Q4 2024 | | Q4 2023 | |
|---|---|---|---|---|
| | U.S. $ thousand | % Of total revenues | U.S. $ thousand | % Of total revenues |
| Smartphones | 353,571 | 38.15% | 346,885 | 38.83% |
| Central processing units (CPUs) | 97,378 | 10.51% | 93,604 | 10.48% |
| PC mobile (laptops) | 66,409 | 7.16% | 84,940 | 9.51% |
| Servers & server blocks | 55,019 | 5.94% | 39,588 | 4.43% |
| Peripherals | 37,829 | 4.08% | 37,701 | 4.22% |
| Solid-state drives (SSDs) | 30,986 | 3.34% | 23,816 | 2.67% |
| Audio devices | 29,895 | 3.23% | 35,528 | 3.98% |
| Multimedia | 24,202 | 2.61% | 21,743 | 2.43% |
| Networking products | 23,390 | 2.52% | 18,676 | 2.09% |
| Memory modules (RAM) | 23,077 | 2.49% | 5,578 | 0.62% |
| PC desktop | 22,035 | 2.38% | 18,504 | 2.07% |
| Hard disk drives (HDDs) | 21,954 | 2.37% | 18,498 | 2.07% |
| Display products | 21,317 | 2.30% | 26,663 | 2.98% |
| Smart devices | 18,038 | 1.95% | 24,406 | 2.73% |
| Tablets | 17,011 | 1.84% | 17,982 | 2.01% |
| Software | 16,452 | 1.77% | 13,703 | 1.53% |
| Accessories | 16,264 | 1.75% | 19,585 | 2.19% |
| Video cards and GPUs | 9,753 | 1.05% | 12,419 | 1.39% |
| Other | 42,303 | 4.56% | 33,470 | 3.75% |
| **Total revenue** | **926,885** | **100%** | **893,290** | **100%** |

The table below sets a breakdown of revenues, by product lines, for the 12M 2024 and the 12M 2023:

| | 12M 2024 | | 12M 2023 | |
|---|---|---|---|---|
| | U.S. $ thousand | % Of total revenues | U.S. $ thousand | % Of total revenues |
| Smartphones | 1,260,145 | 41.89% | 1,241,725 | 40.56% |
| Central processing units (CPUs) | 314,801 | 10.46% | 310,191 | 10.13% |
| PC mobile (laptops) | 221,135 | 7.35% | 251,029 | 8.20% |
| Servers & server blocks | 148,901 | 4.95% | 137,739 | 4.50% |
| Peripherals | 127,366 | 4.23% | 129,758 | 4.24% |
| Audio devices | 101,301 | 3.37% | 112,388 | 3.67% |
| Solid-state drives (SSDs) | 95,726 | 3.18% | 67,915 | 2.22% |
| Multimedia | 83,289 | 2.77% | 69,106 | 2.26% |
| Networking products | 70,811 | 2.35% | 72,763 | 2.38% |
| Hard disk drives (HDDs) | 68,707 | 2.28% | 70,395 | 2.30% |
| Display products | 67,207 | 2.23% | 81,764 | 2.67% |
| PC desktop | 66,861 | 2.22% | 67,326 | 2.20% |
| Accessories | 58,155 | 1.93% | 72,713 | 2.38% |
| Smart devices | 52,138 | 1.73% | 77,351 | 2.53% |
| Tablets | 48,887 | 1.62% | 55,119 | 1.80% |
| Memory modules (RAM) | 40,681 | 1.35% | 14,500 | 0.47% |
| Software | 37,843 | 1.26% | 62,204 | 2.03% |
| Video cards and GPUs | 28,947 | 0.96% | 32,381 | 1.06% |
| Other | 115,603 | 3.84% | 134,863 | 4.41% |
| **Total revenue** | **3,008,503** | **100%** | **3,061,228** | **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 Q4 2024 and the 12M 2024 has been impacted by increased working capital utilization.

The following table presents a summary of cash flows for the twelve months ended December 31st, 2024, and 2023:

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

### Net cash inflows from operations

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

### Net cash outflows from investing activities

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

### Net cash outflows from financing activities

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

### Net decrease in cash and cash equivalents

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

## FACTORS WHICH MAY AFFECT OUR RESULTS IN THE FUTURE

### WAR IN UKRAINE

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

### POLITICAL AND ECONOMIC STABILITY IN EUROPE AND OUR REGIONS AND TRADE WARS ACROSS THE GLOBE

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

This is exactly what has been happening in Kazakhstan the last couple of quarters. The illicit trading from unauthorized companies has created serious problems in our ability to generate revenues. The price difference we face might reach to the enormous 30%, which makes it impossible to develop the business properly.

In addition to the above, decisions undertaken by local government to limit consumer credit, has also created a negative impact on our revenues. The new consumer lending legislations in Kazakhstan is something which remains to be judged, and its impact will be ongoing.

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

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

### THE GROUP'S ABILITY TO INCREASE REVENUES AND MARKET SHARE WHILE FOCUSING ON PROFITS

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

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 remedy such a situation with higher sales in other markets. This means both a constant upgrade of the product portfolio and close relations with customers to gain an increased market share from weaker competitors and weather any unforeseen issues that may appear in the future.

### THE GROUP'S ABILITY TO INCREASE GROSS PROFIT MARGINS

The Group's ability to increase its gross profit margin is of significant importance. The pace of growth in gross profit margins is hard to estimate, as the margins may remain under pressure, due to enhanced competition together with lower demand in several markets we trade in. It is quite important for the Group to manage its stock levels and refine its product portfolio to achieve optimum gross profit margins. The recent trend in gross profit margins showed a steady decline, however the Group considers the current levels as quite satisfactory and undertakes all efforts to maintain them at higher levels.

### CURRENCY VOLATILITIES

The multi-currency environment that the Group operates in exposes its financial results to steep currency fluctuations. We have been successfully shielded by our hedging policy in Q4 2024. Therefore, the hedging strategy should be followed and further improved without any exception in the course of 2024 and going forward.

### ABILITY OF THE GROUP TO CONTROL EXPENSES.

Selling and administrative expenses decreased in Q4 2024 by 2% as compared to the corresponding period of 2023, as a result of the HR optimization process, initiated in Q2 2024, in the divisions that have not delivered expected profits. We plan to continue this process in 2025 should we see that the optimizations are insufficient.

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

### ABILITY TO FURTHER DEVELOP THE GROUP'S PRODUCT PORTFOLIO, BOTH THIRD PARTY AND OWN BRANDS

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

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

## INFORMATION ABOUT IMPORTANT EVENTS THAT OCCURRED AFTER THE PERIOD ENDED ON DECEMBER 31ST, 2024, AND BEFORE THIS REPORT RELEASE

According to our best knowledge, in the period between November 6th, 2024, and date of this report, no events have occurred that could affect either the Company's operations or its financial stability.

Signatures:

| | | |
|---|---|---|
| **Siarhei Kostevitch**<br>Chairman, Chief Executive Officer<br>Member of the Board of Directors | **Marios Christou**<br>Chief Financial Officer<br>Member of the Board of Directors | **Constantinos Tziamalis**<br>Deputy CEO<br>Member of the Board of Directors |
| **Julia Prihodko**<br>Chief Human Relations Officer<br>Member of the Board of Directors | **Hanna Kaplan**<br>Member of the Board of Directors | |

Limassol, 26th of February 2025

ASBIS®

SUCCESS THROUGH FOCUS