

BLK Global Limited

Annual Report and Financial Statements

For the financial year ending 30 June 2023

Officers and Advisors

Directors

The following Directors held office during the period and up to the date of this report:

G. Dado

A. Dado

L. V. Rinaldi

Registered Office

272 Bath Street

Glasgow

G2 4JR

United Kingdom

Strategic Report for the year ending 30 June 2023

Background

BLK Global Limited (the “Company”) is a private company, limited by shares and registered in Scotland (No. 600746) and its Registered Office is located at 272 Bath Street, Glasgow, G2 4JR, United Kingdom.

The Company is wholly owned by its shareholders.

The management and the reporting of risk and KPIs are undertaken by the Directors and, at present, the Company’s Directors believe that reporting of risk and KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal Activities

The principal activity of the Company is to provide governance and management services (SIC 62090).

Business Review

Business Review During the financial year from 1 July 2022 to 31 June 2023 year, the Company reported an operating loss of GBP 7,762.

The beginning of shipping operations from one of the Companies' divisions has given a significant boost to the Company operations, which has so far chartered vessels to ship agricultural commodities, construction materials and other commodities. The Company has very strong pipeline of cargoes and voyages planned for each month, with one customer signing on a 3-year contract worth several million dollars. In order to start delivering on such contract, however, additional liquidity is deemed critical in order to cover the required upfront costs. The specific dynamics of the shipping market, in fact, are such that BLK incurs the cost for chartering a vessel 7-10 days prior to receiving payment of the freight by its customers, which is due in full, discountless, on completion of the cargo operations, once all the cargo has been loaded on board. It is also worth noting that BLK also holds a lien on any such cargo, which is generally worth 300 – 1000% more than the freight due, therefore constituting a safe collateral.

A very good use case and success story also consists in cargo shippers making use of BLK to transport their cargoes and further listing their goods for sale on the blkcommodities.com marketplace; a clear example of how the 1-2-1, offline activities help spinning the flywheel and result in a wider uptake of BLK’s digital services.

To date, the Blkcommodities.com marketplace comprises over 300 users with 12.6 million tons of goods on sale through the platform, for a nominal stock value of \$5B.

Current and future developments

The Company aims to finally begin self-sustainable shipping operations and, in order to do so, will continue to make its best efforts to negotiate the most favourable credit terms possible with ship owners and customers. BLK digital marketplace continued to grow, generate transactions, attract customers, suppliers and generate mediatic interest. The

Company closed deals with public as well as private companies in Italy first, then in the rest of Europe, including Greece and Portugal, expanding on the verticals of chemicals and energy. As of July 2021, BLK traded over \$1B worth of various commodities. To date, the stock of goods on sale on the marketplace exceeds \$5B. Between Q1 and Q2 2021 the Company grew 265%, with an average annual compound growth rate of 277.8% and an overall growth of 3225% in the last two calendar years. To date, suppliers on the BLK marketplace trade \$680M-worth of chemical commodities (12% of the total value of goods for sale on BLK); \$1.1B of metal products (including grade A steel, stainless steel and high-strength alloys); \$3.7B of Agricultural goods (64% of the total) and \$286M of energy products (5% of the total).

BLK's marketplace also automates invoicing and purchase order generation, allowing businesses to digitalise and automate highly manual processes, transferring this benefit directly on their bottom line, meaning higher EBITDA and retained profits. The platform was launched and is constantly being updated. The Company also created a completely new IP, consisting of a proprietary rating system based on Quality, Cost and Service Delivery, to be used for the assessment of all the users trading on the platform.

Looking at the Amazon success story and the integration of fulfilment bolted on the digital marketplace, the founders recently launched BLK Shipping, BLK's dedicated shipping business. To date, BLK is the only company in the world to offer a horizontal marketplace for raw materials with direct fulfilment via its own fleet of operated vessels. As of today, vessels are chartered by reputable ship owners on a short-term basis (time-charter-trips of 30 to 45 days). However, in the future, the Directors plan to acquire second-hand vessels and/or enter long term time charter contracts (in excess of 1 year). This will increase the profitability of each voyage from the current 10-20% (depending on the route) to (35-50%), given the significant premium charged by ship owner in current market conditions. For informational purposes, a vessel's average operating cost is \$5,500 per day, whilst its hire rate exceeds \$20,000 per day. By chartering long term or owning vessels outright, BLK can bring down its operating costs associated to shipping operations from \$20k to \$5.5-8k per day, this greatly improving profitability.

The Company finalised the opening of its Mumbai office and struck a strategic JV with MAS Group, one of India's largest port agents and cargo inspectors, operating across 17 main ports in India with over 1600 personnel. This JV significantly strengthens BLK's presence in India, allowing it to specialise in the vertical of bagged rice exports out of the West Coast of India, shipping parcels averaging 50,000 tons to growing markets like Turkey, East and West Africa.

BLK also recorded its largest marketplace transaction, standing at \$29,000,000 and totalling \$345,100 in net transaction fees, underpinning a strong proof of concept for the commodity marketplace. The marketplace side of the business, also grew strongly in terms of user adoption and transactions, averaging 1.29 transactions per active buyer per month, with a good traction in the agro-commodities space as well as cosmetics, where containerised shea butter trade between Australia and Japan was particularly relevant.

Due to budget restrictions, the Directors have focused their efforts on relationship building and one-to-one sales, leveraging their connections to make up for limited marketing budget, which would be instrumental to drive a wider marketplace adoption. With cost control at the

forefront of the agenda, and the focusing on driving shareholder values, the Directors have concentrated on larger single deals as well as long term supply contracts.

The construction material and aggregate business out of Oman started picking up, alongside the rice trade out of WCI. Going forward, the Directors will continue to build on the existing trading routes, leveraging local connections and subject matter domain expertise in the shipping and exporting industries, focusing on increasing profitability and raising an equity round with the aim to take the Company public within 18-24 months.

COVID-19

During the 2020 COVID-19 outbreak, the Company continued operating as normal, with employees working from home. Given the resilience of its systems and the internet-based infrastructure, COVID-19 has not significantly affected the business. Coronavirus is perceived as a moderate threat to the business and the Directors are monitoring the development of the situation, taking the necessary steps from time to time, as required, and in line with Government and NHS guidelines.

Going Concern

The Directors have considered the Company's cash flow forecast for the period extending beyond 12 months from the date of signing these financial statements. The Directors of the Company are satisfied that, after appropriate consultation, that the Company's forecast and projections, taking into account reasonably possible changes in trading performance and current funds available, that the Company is able to operate within the level of its current facilities for the foreseeable future. For this reason the Company continues to adopt the going concern basis.

Brexit

The Directors have assessed the risk to the Company arising from Brexit. The Directors do not consider there to be any direct risk other than possible negative currency fluctuation impacting the business of the Company.

Principal risks and uncertainties

The directors have identified the need to manage the Company's material financial risks, including foreign exchange. These risks are monitored by the Directors on a continuous basis. Details of the Company's policies and objectives in financial risk management are available upon request.

Directors

The directors shown below have held office during the whole of the period from 01 July 2022 to 30 June 2023

Gabriele Dado
Aleksandra Dado
Luigi Valerio Rinaldi

This report was approved by the board of directors on 25 February 2024 And Signed On Behalf Of The Board By:

Name: Aleksandra Dado
Status: Director

BLK GLOBAL LTD
Profit and Loss Account
for the Period Ended 30 June 2023

	<i>Notes</i>	<i>2023</i> £	<i>2022</i> £
Turnover		2,481,595	3,680,000
Cost of sales		(2,418,929)	(1,463,072)
Gross Profit or (Loss)		62,665	2,216,928
Income from coronavirus (COVID-19) business support grants		0	0
Distribution Costs		(0)	(0)
Administrative Expenses		(69,942)	(13,965)
Other operating income		0	0
Operating Profit or (Loss)		(7,762)	2,202,963
Interest Receivable and Similar Income		0	0
Bad debt wrote-off		0	(3,680,000)
Profit or (Loss) Before Tax	4	(7,762)	(1,477,037)
Tax on Profit		(0)	(0)
Profit or (Loss) for Period		(7,762)	(1,477,037)

There are no additional items which are required to be included in a statement of comprehensive income in the current or prior year. Accordingly, no such statement is presented.

Approved by the Board of Directors and signed on behalf of the Board on 25 February 2024

Aleksandra Dado
Director

BLK GLOBAL LTD

Balance sheet As at 30 June 2023

	<i>Notes</i>	<i>2023</i> £	<i>2022</i> £
Fixed assets			
Intangible assets:	5	120,794	120,794
Tangible assets:	6	2,094	2,094
Total fixed assets:		122,888	122,888
Current assets			
Stocks:		0	0
Debtors:	7	0	0
Cash at bank and in hand:		0	0
Total current assets:		0	0
Prepayments and accrued income:		0	0
Creditors: amounts falling due within one year:	8	(0)	(0)
Net current assets (liabilities):		0	0
Total assets less current liabilities:		122,888	122,888
Creditors: amounts falling due after more than one year:	9	(35,566)	(35,566)
Provision for liabilities:		(0)	(0)
Accruals and deferred income:			
Total net assets (liabilities):		87,322	87,322

The notes form part of these financial statements

BLK GLOBAL LTD

Balance sheet continued

As at 30 June 2022

	<i>Notes</i>	2023 £	2022 £
Capital and reserves			
Called up share capital:		129	129
Revaluation reserve:	10	87,193	87,193
Profit and loss account:		0	114,931
Shareholders funds:		87,322	87,322

BLK GLOBAL LTD
Notes to the Financial Statements
for the Period Ended 30 June 2023

- **1. Accounting policies**

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Turnover policy

The turnover represents amounts receivable, invoiced for goods and services net of VAT and trade discounts

Tangible fixed assets depreciation policy

k) Intangible assets Computer Software, Intellectual Property and Licenses

Acquired computer licenses are capitalised on the basis of the costs incurred to acquire and use the specific software. Cost includes the original purchase price of the software and the license and any further costs attributable to bringing the asset to its working condition for its intended use.

Intangible assets presented on the statement of financial position as at 30 June 2023 represents the amount paid to a third party for the purchase of software and/or the development of a certain Intellectual Property. Amortisation is provided on a straight line basis over the useful life of the computer software and licenses at 20%.

i) Property, plant and equipment Computer Hardware and/or similar

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset and any further costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all property, plant and equipment, other than freehold land, on a straight line basis over its estimated useful working lives at the following annual rates:

Computer Hardware 20%

Intangible fixed assets amortisation policy

k) Intangible assets Computer Software, Intellectual Property and Licenses

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Depreciation is provided on all property, plant and equipment, other than freehold land, on a straight line basis over its estimated useful working lives at the following annual rates:

Computer Hardware 20%

Valuation information and policy

N/A

BLK GLOBAL LTD
Notes to the Financial Statements
for the Period Ended 30 June 2023

- 2. Employees

	<i>2023</i>	<i>2022</i>
Average number of employees during the period	8	7

- Employees of the company based in the UK and abroad and are compensated by owning equity in the company and/or with commission-based schemes, on a case by case basis.

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BLK GLOBAL LTD
Notes to the Financial Statements
for the Period Ended 30 June 2023

- 3. Off balance sheet disclosure

No

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During the period, one computer valued at £1360 was written off after suffering irreparable damage.

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BLK GLOBAL LTD
Notes to the Financial Statements
for the Period Ended 30 June 2022

7. Debtors

The Company had no trade debtors as of the 30th June 2023.

BLK GLOBAL LTD
Notes to the Financial Statements
for the Period Ended 30 June 2023

8. Creditors: amounts falling due within one year note

	<i>2023</i>	<i>2022</i>
	<i>£</i>	<i>£</i>
Bank loans and overdrafts	0	0
Amounts due under finance leases and hire purchase contracts	0	0
Trade creditors	0	0
Taxation and social security	0	0

	<i>2023</i>	<i>2022</i>
	<i>£</i>	<i>£</i>
Accruals and deferred income	0	0
Other creditors	0	0
Total	0	0

BLK GLOBAL LTD
Notes to the Financial Statements
for the Period Ended 30 June 2022

9. Creditors: amounts falling due after more than one year

	<i>2023</i>	<i>2022</i>
	<i>£</i>	<i>£</i>
Bank loans and overdrafts	0	0
Amounts due under finance leases and hire purchase contracts	0	0
Other creditors	43,328	35,566
Total	43,328	35,566

Directors' loan: the Directors are covering all the operating costs for the company until it can turn a profit. The Directors' loan are provided interest free and will be due when the company first turns profit.

BLK GLOBAL LTD
Notes to the Financial Statements
for the Period Ended 30 June 2023

10. Revaluation reserve

	<i>2023</i> <i>£</i>
Balance at 01 July 2022	86,219
Surplus or deficit after revaluation	974
Balance at 30 June 2023	<u>87,193</u>