

# **Temperi Logistics Ltd.**

**Annual Activity Report  
Financial Statement**

31st of December 2021

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**APPENDIX TO FINANCIAL  
REPORT of TEMPERI LOGISTICS LTD.  
31<sup>st</sup> of DECEMBER 2021**

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**ANNUAL ACTIVITY REPORT  
of Temperi Logistics Ltd.  
for 2021.**

The management of TEMPERI LOGISTICS LTD. (referred herein after 'Company') shall submit its annual activity report and annual financial statements for the period from 1<sup>st</sup> of January 2021 to 31<sup>st</sup> of December 2021. The annual activity report and the annual financial report have been drawn up in accordance with the Commerce Act (Article 247(1), (2) and (3)), the Accounting Act and the National Standards for Financial Reports for Small and Medium-sized Enterprises (NSFSMEs), adopted by Council of Ministers Decree No 46 of 21<sup>st</sup> of March 2005, as amended by Council of Ministers Decree No 251 of 17 October 2007, in force since 1<sup>st</sup> of January 2008.

**I. General information about the company**

TEMPERI LOGISTICS LTD. is registered in the Commercial Register of the Registry Agency Varna with UIC 206032947.

TEMPERI LOGISTICS LTD. is established and incorporated in the Republic of Bulgaria, with its registered office and registered office: Varna city, 4 Saedinenie Blvd., ap.36 in 2020. On 25.03.2021 a change of ownership of the shares of the same was carried out and it was acquired entirely by BORIS LEVIT, a citizen of IZRAEL.

The current address of the company is Varna city, 166A Str. "Slivnitsa", fl. 6, ap. office 45, telephone + 359887513667, e-mail address: TemperiLogistics.BG@gmail.com, website <https://temperi-logistics.com/bg/index.html>

The company has a registered scope of business activity: activities for shipment of goods and cargo, freight forwarding, loading — unloading, consulting services; engineering activities and technical advice; commerce; commercial consultations in the field of commercial management; trade in solid, liquid and gaseous fuels and similar products, etc.

The code of economic activity according to the NSI is 5229 Freight Forwarding activity and 4671 — Wholesale of solid fuels/coal/

**Ownership and management**

The sole owner of the company's capital is BORIS LEVIT, a citizen of the State ISRAEL As of 31.12.2021, the capital of TEMPERI LOGISTICS LTD is 39 thousand leva (BGN) (thirty-nine thousand BGN) distributed in 39 shares, with a nominal value of BGN 100.00 each.

**Structure of the company**

The company is managed and represented by LILIA EDMON SEROPYAN — manager of the company.

The activity of TEMPERI LOGISTICS LTD. is organized on the territory of both towns, namely - Varna and Burgas.

In accordance with the establishment plan and the organizational structure of the Company, the number of employees as of 31.12.2021 amounts to 5 /five/ persons (compared to 31.12.2020 - 1 person) divided as follows:

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- o Manager-1 employee;
- o Administration -1 employee;
- o Analytical Specialists -1 employee;
- o Applied specialists — 2 employees.

The activity is carried out by the mentioned specialists in an office located in the town of Varna

**Information on the manager's remuneration under management and control contracts/agreements**

The remuneration charged to the manager of the Company in 2021 amounted to BGN 137 879.

	2021	2020	the amendment	
			• in thousand BGN.	in %
Remuneration of the manager	25 thousand BGN	0 thousand BGN	----	100.00 %

**Information on the acquisition and ownership of shares by persons entrusted with common management**

Only the sole owner of the company's capital holds shares.

**Information on the participation of persons entrusted with general management in commercial companies as partners with unlimited liability, the possession of more than 25 per cent of the capital of another company, as well as their participation in the management of other companies or cooperatives as procurators, managers or members of boards (in accordance with the requirements of Art. 247, para. 2, item 4 of the Commerce Act)**

**Boris Levit — owner**

Is not a limited partner, does not own more than 25 % of the capital of other companies, and does not participate in the management of other companies or cooperatives as a procurator, manager or board member.

**Lilia Edmon Seropyan — manager**

Is not a limited partner, does not own more than 25 % of the capital of other companies, and does not participate in the management of other companies or cooperatives as a procurator, manager or board member.

**Information on the contracts under Article 240b of the Commerce Act concluded during the year.**

In 2021, the sole owner of the capital and the manager or other related persons did not enter into contracts with the company that go beyond its normal business or materially deviate from market conditions.

The remuneration due for an independent financial audit for 2021 amounts to BGN 6 000.

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**II. Results of the Company's activities for the reporting year - 2021**

**For the period 01.01.2021-31.12.2021, the Company reported a positive financial result from its activity, representing an accounting profit of 275 thousand BGN. The profit of "TEMPERI LOGISTICS" LTD. (after the reported change of profit tax) amounted to 247 thousand BGN.**

For the reporting period the total amount of the Company's revenue is BGN 140 689. The net revenue from sale in 2021 amounts to BGN 126 374. The total expenditure for 2021 is BGN 140 414 thousand.

At the end of the reporting period, the non-current (durable) assets amounted to BGN 8 000 and occupied 0.2 % of the share of all assets of the Company. In the composition of current (short-term) assets, 19.45 % is the share of cash. Inventories represent 99.8 % of the total amount of current (short-term) assets.

The indicators set out in the Company's business program are presented as follows:

No	Indicators	Measure	according to the report	according to a business plan
			2021	2021
1	Net sales revenue	Thousands BGN	126 374	100 400
	change based on previous year	%	100.00 %	100.00 %
2	Profitability of sales revenue	%	0.85 %	3.86
3	Accounting profit/loss	Thousands BGN	275	408
	change based on previous year	%	100.00 %	100.00 %
4	Amount of liabilities	Thousands BGN	3 769	2 273
	change based on previous year	%	100.00 %	100.00 %
	of which until 1 year.	Thousands BGN	3 769	2 273
5	Amount of claims	Thousands BGN	3 250	1300
	change based on previous year	%	100.00 %	100.00 %
6	Expenses per BGN 100 operating income	BGN	99.15	96.14
7	Expenses per 100 BGN revenue from the activity	BGN	99.80	96.14

In 2021, the profitability factor of net sales revenue (calculated as the ratio of profit from ordinary activity to net sales revenue) was 0.85 %. The overall profitability factor of sales (calculated as the ratio of accounting profit to the company's total income) is - 0.20 % in 2021. The difference in the values of the two coefficients is due to the different basis to which the accounting profit relates. In the first

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case, only net sales passes (of output, goods and services) are taken, and in the second case the total revenue of the company is taken (i.e. financial revenues are added to the net sales revenue).

Both sales profitability ratios show that profitability is maintained within the limits of normal to start-up business and we will strive to maintain the trend of maintaining relatively normal levels for the sector, which suggests maintaining a good financial and economic status of the Company as a whole.

The stable financial and economic condition of "TEMPERI LOGISTICS" Ltd. is key to the company's ability to implement its plans and programs; to use its potential to achieve its objectives and tasks; to meet its obligations; to deal with sudden changes in the market situation; maintain good financial viability. Achieving and maintaining relatively high values of profitability (of assets, equity and sales) and liquidity (business, fast, immediate and absolute) enable the company to maintain its competitiveness.

**"TEMPERI LOGISTICS" Ltd. finances its activities entirely with own funds and does not use bank loans.**

"TEMPERI LOGISTICS" Ltd. operates in several main directions:

**Trade in solid fossil fuels**

The company operates commercially on solid fossil fuels in non-EU countries. This activity is carried out under the supervision of the sole owner of the company's capital and largely thanks to his own contacts in Ukraine and the Russian Federation.

**Freight forwarding activities**

Freight forwarding operations in 2021 take place in several countries outside the EU and in Poland, Lithuania, Latvia, the Czech Republic, Slovakia, Moldova, and Romania. The management of the company fully trusts the rich business practice and contacts of the sole owner of the capital.

**Internal market**

The company made sales of goods on the territory of the country in 2021 in minimal volumes and did not consider this market segment as significant for the company's activities at present.

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Domestic sales amounting to BGN 25 000 were made in 2021 for goods other than solid fuels.

**Table 1 Resulted domestic sales**

Realized goods — in natural units	Measure	2021	2020	amendment	
					in %
Building Materials	tones	12	----	+ 12	100.00 %

Sold production — in thousand BGN	2021	2020	amendment	
			in leva.	in %
Building Materials	25	----	25	100.00 %
<b>TOTAL</b>	<b>25</b>	----	25	100.00 %

**Foreign market**

In 2021, the company exported 196 thousand cubic meters of solid buy-in fuels (coal). Deliveries are mainly to and for the Company's customers in the countries of the European Union.

**Table2 Exported quantities of coal**

Type of product	2021	2020	amendment	
			in kilograms.	in %
Coal — cube.m.	195 590	----	195 590	100,00

**Table 3 Coal sales to foreign counterparties for 2021**

1. Sale of goods	Unit	sale
	The tone	amounts (thousand BGN)
1.Ukraine	61289	16 658
2. Poland	3 483	322
3.Switzerland	123 540	17 312
4.Scotland	7 017	1955
<b>II. Sale of services</b>		
England		1244
United Arab Emirates		5 969
United Kingdom of Great Britain		295
Cyprus		10 243

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Poland		13 123
Russian Federation		4 422
Ukraine		1170
Croatia		1431
Switzerland		52 230

### **III. Risk factors**

The risks associated with the activity of “TEMPERI LOGISTICS” Ltd. could be conditionally divided into two main groups:

- **Specific** — arising from the nature of the activity, the peculiarities of the sector in which the Company operates, the quality of management and p.
- **General** — arising from the general economic and political environment and affecting the performance of all economic agents.

The risk, such as an opportunity to occur an event that will affect the achievement of the Company’s objectives, is measured by its effect and the probability of its occurrence. In carrying out its functions, “TEMPERI LOGISTICS” Ltd. faces risks (potential events) that may hinder its rhythmic activity.

The nature of the activity carried out by the Company creates conditions for exposure to a multitude of financial risks, including the effects of the change in exchange rates (currency risk), receivables from clients (credit risk) and, last but not least, interest rate risk (in case of need for lending).

#### **Currency risk**

The company receives most of its revenue from the sale of goods and services in US dollars, which is a prerequisite for risk in view of the volatile exchange rate of the currency.

#### **Credit risk**

The Company’s receivables are actively managed by management in order to avoid concentration of credit risk. Active actions are aimed at strictly monitoring contractual commitments regarding payment terms and active communication (oral and written) with commercial counterparties at the relevant payment maturities.

#### **Interest rate risk**

“TEMPERI LOGISTICS” Ltd. is not exposed to interest rate risk due to the fact that no loans are received or granted.



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**IV. Social Policy**

There is no collective agreement between the employer and the trade union organisations. Opportunities are provided for periodic improvement of the level of qualification of employees in various forms — specialisations and qualification courses, trainings, seminars, practices, as well as team building programs and events.

**V. Financial and economic situation of the company**

The financial and economic situation of “TEMPERI LOGISTICS” LTD. has been examined and analysed on the basis of the data from the financial statements for 2021 — balance sheet and profit and loss account, compared to the same reporting period of 2020.

**Table 4 Main financial and economic indicators**

Indicators (thousand BGN)	31.12.2021	31.12.2020	amendment 31.12.2021 vs. 31.12.2021	
			in a thousand	in %
<b>Total revenue</b>	140 689	-	140 689	100.00 %
revenue from the activity	126 399	-	126 399	100.00 %
financial Revenues	14 290	-	14 290	100.00 %
extraordinary Revenue				
<b>Total costs</b>	140 414	-	140 414	100.00 %
<i>costs of the activity</i>	125 294	-	125 294	100.00 %
costs of raw materials and raw materials	1	-	1	100.00 %
costs of external services	98 121	-	98 121	100.00 %
cost of remuneration	61	-	61	100.00 %
insurance costs	12	-	12	100.00 %
depreciation costs	2	-	2	100.00 %
Book value of goods sold	27 097	-	27 097	100.00 %
<i>financial costs</i>	15 120	-	15 120	100.00 %
extraordinary expenses				
accounting profit	275	-	275	100.00 %
profit.	247	-	247	100.00 %
<b>The Assets</b>	4 055	-	4 016	10 297.00 %
Long-term tangible assets	8	-	8	100.00 %
Short-term tangible assets	4 047	-	4 047	100.00 %

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inventories	10		10	100.00 %
Receivables	3 250	-	3 250	100.00 %
Cash	787	-	748	917.95 %
<b>Liabilities</b>	4 055		4 016	376.93 %
Own Equity	286	-	247	633.33 %
Short-term liabilities	3 769	-	3 769	100.00 %
Long-term obligations	-	-	-	100.00 %
Total obligations	3 769	-	3 769	100.00 %

#### Revenue

Approximately 90 % of the Company's total revenue is accounted for by business revenue. The largest share of operating revenue in 2021 was service revenue, followed by revenues from the sale of goods. In 2021, the largest growth in revenue from the sale of goods was around 100 % compared to 2020, due to increased revenue on the sale of goods.

#### Costs

The largest share of expenditure on external services is. In 2021, they increased by 100.00 % compared to 2020, reaching 70 % in the structure of total expenditure.

The financial costs in 2021 were increased compared to the previous year, due to the dynamic change in the US dollar's exchange rate against BGN.

#### Assets

In 2021, the company's assets grew by 10 297 %, due to the increase in receivables and cash. Inventories increased marginally in 2021 compared to 2020. The company's receivables as at 31.12.2021 are growing, mostly due to the fact that the company's activity has started, and good results have been achieved in the first annual period on the collection of the company's receivables.

#### Liabilities

The company's equity accounts for approximately 7 % of the total liabilities. In 2021, its value grew by BGN 247 000. Short-term liabilities grew at the highest pace, but their share in the liability structure remained significantly low at around 93 %. The increase in short-term obligations to suppliers is due to normal commercial practices in foreign trade operations.

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**Table 5 Indicators for assessing financial and economic efficiency**

INDICATORS	31.12.2021	31.12.2020	Amendment
<b>PROFITABILITY</b>			
Sales	0.195 %	-	0.195 %
Assets	6.091 %	-	6.091 %
of Equity	86.364 %	-	86.364 %
<b>LIQUIDITY</b>			
general	107.38 %	100.00 %	7.38 %
fast.	107.11 %	100.00 %	7.11 %
Immediately	107.11 %	100.00 %	7.11 %
<b>INDEBTEDNESS</b>			
Long Coverage	9.78	-	
Short-term debt to turnover	0.03	-	
Indebtedness to assets (leverage)	92.95 %	-	
<b>REVERSIBILITY</b>			
Collection of receivables from clients in days	3.743	-	
Reversibility of M3 in days	0.028	-	
Repayment of liabilities to suppliers in days	10.620	-	
Reversibility of working capital in %	0.22 %	-	
<b>Expenses per 100 leva income from operating</b>	99.145	-	
<b>Expenses per 100 leva income from activity</b>	99.805	-	
<b>Coefficient of financial autonomy</b>	7.05 %	100.00 %	—92.95 %
<b>EBIT</b>	303	0	303
<b>EBITDA</b>	305	0	305

**Profitability**

All three profitability ratios show an increase in 2021 compared to 2020. The continuation of this trend will allow the Company to successfully implement its plans and programmes for future development.

**Liquidity**

The total liquidity ratio as at 31.12.2021 is satisfactory and demonstrates the company's ability to repay its liabilities at their maturity date. That of rapid liquidity also prejudices the ability to repay liquid and payable liabilities through the company's receivables and cash. The immediate liquidity indicator shows the same values as that of rapid liquidity. Despite the decrease in the values of all three indicators in 2021, their level is sufficient to ensure that the Company will not face any difficulties in repaying its current liabilities in the near future.

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**Indebtedness**

The Company is not expected to experience difficulties in servicing its long-term obligations. The ratio of long-term and total debt to equity and assets is respectively 0.09 and 0.07. In practice, the Company does not use leveraged funds to finance its business.

High liquidity and low indebtedness enable the company to significantly intensify the investment process and thus maintain its competitiveness.

**Reversibility**

The Asset reversibility ratios for 2021 do not show trends and dependencies due to the company's start-up in 2021. The rate of reversibility of working capital increases, which is a sure sign of the good image of the Company among its clients.

**Expenses per 100 BGN sales revenue**

The expenditure per BGN 100 operating income in 2021 amounted to BGN 83.89. In 2021, an expenditure of BGN 90.85 was incurred for the realisation of 100 leva. Due to the fact that 2021 is the first reporting period with activity of the company, there is no practical opportunity to carry out analyses and forecasts.

**VI. Prospects for development**

The prospects for the development of the Company in 2021 are formed depending on the direction of change of: trends in the development of the industry; —conjuncture of external and internal markets; the degree of utilisation of the favorable opportunity and their transformation into competitive advantages. In order to fulfil its mission, "TEMPERI LOGISTICS" Ltd. sets for its main goal for the coming years the achievement of balanced competitive development in accordance with the modern requirements and quality standards. The achievement of this objective is linked to the implementation of the following sub-objectives under the relevant functional strands:

- > *in the area of trade in solid fossil fuels* — optimisation of the processes of contracting, transport and delivery through gradual optimisation of material and technical base (building stock, machinery, equipment, equipment, means of transport) and introduction of modern technologies for scaling and subsequent realisation;
- > *in the field of freight forwarding services* — widening the scope nationally and internationally and developing new destinations for services offered.

As main priorities in the activity of "TEMPERI LOGISTICS" Ltd. are outlined the achievement of a positive financial result from the commercial activity and the creation of the necessary and sufficient conditions for the introduction of new products on the market. Basically, the management of the Company strives to implement a model of strategic thinking and management that is

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based on planning of activities, resources and results across different time horizons, i.e. a portfolio of business activities that ensures an optimal balance between the company's current and future successes in terms of sales growth, profit and profitability, corporate social responsibility and risk.

### **Events and actions to realise the objectives and priorities**

#### *1) In the area of trade:*

- Long-term contracts with large producers offering higher quality raw materials, as well as the use of new forms of cooperation (e.g. advance transfers), are envisaged to ensure stable volumes and diverse sources of coal.
- Optimisation of the product structure according to the technical and technological potential and market opportunities — mainly in the direction of increasing the share and assortment of the offered types and qualities of coal.
- More comprehensive coverage of different consumer groups through appropriate cuts and packaging.
- The formation of a flexible pricing policy aimed at achieving a positive financial result.
- More efficient use of existing distribution channels — large retail chains.
- Widening the geographical scope of distribution channels with regional coverage options.

In parallel with the implementation of the project activities, work will be done to uncover new market niches and efforts will be aimed at increasing the volume of exported quantities of coal.

#### *In the field of services:*

- Improving the quality and expanding the range of services offered:
  - development of new routes and destinations for logistics services including maritime transport;
  - exploring possibilities for diversification of land transport and logistics routes in Eastern European countries;
  - optimisation of processes and technological possibilities for freight transport and transshipment in port areas;

### **VII. Management's Responsibilities**

According to the Bulgarian legislation, the management should prepare a financial statement for each financial year, giving a true and fair view of the state of the Company at the end of

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the year and its financial results. The management has presented the attached financial report here in accordance with the Accounting Act and the National Financial Reporting Standards for Small and Medium-sized Enterprises (NSFASMEs).

Management confirms that it has consistently applied an adequate accounting policy and that the preparation of the financial statements as of 31 December 2021 respects the precautionary principle in the valuation of assets, liabilities, income and expenses.

Management also confirms that it has adhered to the current National Financial Reporting Standards for Small and Medium-sized Enterprises (NSFSMEs), with financial statements prepared on a going concern basis.

The management is responsible for the correct keeping of accounting records, for the proper management of assets and for taking the necessary measures to avoid and detect possible abuses and other irregularities.

**Important events that occurred after the date on which the annual financial statement was drawn up**

No major events have occurred since the date of establishment of the 2021 annual accounts.

The Annual Financial Report was accepted by the sole owner of the capital on 1<sup>st</sup> of June 2022.

Stamp/Seal: /illegible/

Signature: /illegible/ - Lilia Seropyan – Manager, Varna city , 2022

## BALANCE SHEET

“Temperi Logistics” EOOD UIC 206032947 Varna 166A Slivnitsa Blvd., fl. 6, office 45  
as of 31.12.2021

ASSET

A

SECTIONS, GROUPS, ARTICLES	<u>LIABILITY</u>		SECTIONS, GROUPS, ARTICLES	Amount/in thousand BGN/	
	Amount/in thousand BGN/			Amount/in thousand BGN/	
	Current year	Previous year		Current year	Previous year
<b>A. SUBSCRIBED BUT UNPAID CAPITAL</b>			<b>A. EQUITY</b>		
<b>B. NON-CURRENT (DURABLE) ASSETS</b>			<b>I. Subscribed capital</b>	39	
<b>I. Intangible assets</b>			<b>II. Emission premiums</b>	-	-
<b>Total for Group I:</b>	-	-	<b>III. Reserve of ex post evaluations</b>		-
<b>II. Long-term tangible assets</b>			<b>IV. Reservations</b>		
1. Machinery, production equipment and apparatus	8	-	<b>Total for Group IV:</b>		
<b>Total for Group P:</b>	8	-	<b>V. Profit (loss) accumulated from past years, including</b>		
<b>III. Long-term financial assets</b>			<b>Total for Group V:</b>		-
<b>Total per group PB</b>	-	-	<b>VI. Current Profit (loss)</b>	247	-
<b>IV. Deferred taxes</b>	-	-	<b>TOTAL FOR SECTION A:</b>	286	
<b>TOTAL FOR SECTION B:</b>	8	-	<b>B. PROVISIONS AND SIMILAR LIABILITIES</b>		
<b>C. CURRENT (SHORT-TERM) ASSETS</b>			<b>TOTAL FOR SECTION B:</b>	-	
<b>L Inventory</b>			<b>C. OBLIGATIONS:</b>		
1. Products and goods, including:	10	-	1. Obligations to suppliers, including:	3728	
— goods	10	-	up to 1 year	3 728	
<b>Total for Group I:</b>	10	-	2. Other obligations, including:	41	
<b>III. Receivables/Takes</b>			up to 1 year	41	-
1. Receivables from customers and suppliers	1314	-	—to staff, including:	8	-
2. Taxes to be refunded	7	-	up to 1 year	8	-
3. Other receivables	1 929	-	—insurance liability, including:	3	-
<b>Total for Group P:</b>	3 250	-	up to 1 year	3	-
<b>H. Investments</b>			— tax liabilities, including:	29	-
<b>Total for group X:</b>	I'M SORRY.		up to 1 year	29	-
<b>IT'S IV. Cash, including:</b>			— other, including:	1	-
— in cash	17	-	up to 1 year	1	-
— in open-ended accounts (deposits)	770	-	<b>Total FOR SECTION C, including:</b>	3769	-
<b>Total for Group IV:</b>	787	-	up to 1 year	3769	-
<b>TOTAL PER SECTION IN:</b>	4 047	-	<b>D. Financing and revenues for future periods, including:</b>	—	—
<b>D. EXPENSIONS FOR FUTURE PERIODS, including.</b>	-	-	<b>LIABILITY SUMMARY (A+B+C+D)</b>		
<b>AMOUNT OF ASSET (A+B+C+D)</b>	4 055			4055	

Date: 25.03.2022

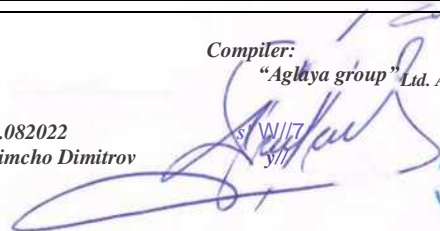

Compiler:

“Aglaya group” Ltd. Adriana Vladimirova Maerodinova

Manager: LILIA EDMON SEROPYAN

Certified according to audit report from 26.082022

Dimcho Dimitrov

Registered Auditor

**PROFIT AND LOSS ACCOUNT REPORT**  
‘TEMPERI LOGISTICS’ LTD UIC 206032947 Varna 166A Slivnitsa Blvd., floor 6, office 45  
for the period from 01.1.2021 to 31.12.2021

TITLE OF EXPENDITURE	Amount/in thousand BGN/		NAME OF REVENUE	Amount/in thousand BGN/	
	Current year	Previous year		The current year	Previous year
<b>A. COSTS</b>			<b>B. REVENUE</b>		
1. Costs of raw materials, materials and external services, including:	<b>98 122</b>	-	1. Net sales revenue, including:	<b>126 374</b>	-
raw materials and raw materials	1	-	(a) goods	36 247	-
B) External services	98 121	-	(b) services	<b>90 127</b>	-
2. Personnel costs, including:	73	-	2. Other revenue, including:	25	-
a) Remuneration costs	61	-	<b>Total revenue from operating activities (1+ 2)</b>	<b>126 399</b>	-
insurance costs, including:	12	-	3. Other interest and financial income, including:	14 290	-
3. Depreciation and impairment costs, including:	2	-	a) Positive differences from exchange rate change	14 290	-
depreciation and impairment costs for fixed materials and intangible assets, including:	2	-	<b>Total Financial Revenue (3)</b>	<b>14 290</b>	-
— depreciation costs	2	-	<b>Total revenue from the activity</b>	<b>140 689</b>	-
4. Book value of goods sold	27 097	-	<b>Total revenue (1+ 2+ 3)</b>	<b>140 689</b>	-
<b>Total operating costs (1+ 2+ 3+ 4)</b>	<b>125 294</b>	-			
5. Interest and other financial costs, including:	<b>15 120</b>	-			
(a) negative differences from exchange rate change	14 941	-			
(b) other financial costs	179	-			
<b>Total financial costs 5)</b>	<b>15120</b>	-			
<b>Total cost of the activity</b>	<b>140 414</b>	-			
6. Profit from ordinary business	275	-			
<b>Total costs (1+ 2+ 3+ 4+ 5)</b>	<b>140 414</b>	-			
7. Accounting profit (total revenue — total expenses)	<b>275</b>	-			
8. Tax Expenses from Profit	<b>28</b>	-			
— current tax on profit	28	-			
9. Profit (7-8)	<b>247</b>	-			
<b>TOTAL (Total costs + 8 + 9)</b>	<b>140 689</b>	-	<b>All (Total Revenue)</b>	<b>140 689</b>	

Date: 25.03.2022

Date: 25.03.2022

Compiler:  
“Aglaya group” Ltd. Adriana Vladimirova Maerodinova

Manager: LILIA EDMON SEROPYAN

Certified according to audit report from 26.082022

Dimcho Dimitrov

0621 Registered Auditor



**REPORT****for cash flows under the direct method**

Temperi Logistics EOOD UIC 206032947 Varna 166A Slivnitsa Blvd., fl. 6, ap. office 45  
for 2021

Thousand  
BGN

NAME OF CASH FLOWS	Current Period			Previous period		
	Revenues	Payments	Net flow	Revenues	Payments	Net flow
	1	2	3	4	5	6
<b>A. Cash flows from main activity</b>						
1. Cash flows related to commercial counterparties	123 287	120 428	2 859	-	-	-
2. Cash flows related to wages	-	61	(61)	-	-	-
3. Cash flows relating to interest, commissions, dividends and the like	-	177	(177)	-	-	-
4. Cash flows from positive and negative foreign exchange differences	141	345	(204)	-	-	-
5. Other cash flows from main business	2	2	-	-	-	-
<b>All cash flows from main business (A)</b>	<b>123 430</b>	<b>121 013</b>	<b>2417</b>	-	-	-
<b>B. Cash flows from investment activities</b>						
1. Cash flows related to fixed assets	-	12	(12)	-	-	-
<b>All cash flows from investment activities (B)</b>	<b>-</b>	<b>12</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Cash flows from financial activities</b>						
1. Cash flows from issuance and redemption of securities	39	-	39	-	-	-
2. Cash flows related to borrowing or lending	-	1 657	► (1 657)	-	-	-
<b>All cash flows from financing activities (C)</b>	<b>39</b>	<b>1657</b>	<b>(1618)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D. Change of cash during the period (A+B+C)</b>	<b>123 469</b>	<b>122682</b>	<b>787</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Cash at the beginning of the period</b>			<b>-</b>			
<b>F. Cash at the end of the period</b>			<b>787</b>			<b>-</b>

Date: 25.03.2022

Compiler:

"Aglaya group" Ltd. Adriana Vladimirova Maerodinova

Manager: LILIA EDMON SEROPYAN

Certified according to audit report from 26.082022

Dimcho Dimitrov

0621 Registered Auditor

**STATEMENT OF EQUITY**  
**“Temperi Logistics” EOOD UIC 206032947 Varna Blvd., Slivnitsa No 166A, fl. 6, office 45**  
**for 2021**

(thousands of BGN)

INDICATORS	Subscribed capital	Emission premium	Reserve of subsequent valuations of assets and liabilities	RESERVATIONS				Financial Outcome of Past Years		Current Profit/Agreement	Total Equity
				The legal	Reserve relating to purchased own shares	Reserve, according to a founding act	other reservations	HEP I in front of reindeer profit	Uncovered a loss		
and	1	2	3	4	5	6	7	8	9	10	11
<b>1. Balance at the beginning of the reporting period</b>	-		-				-	-			-
<b>2. Balance after changes in accounting policies and errors</b>	-	-	-	-	-	-	-	-	-	-	-
3. Changes at the expense of owners, incl.	39										39
— increase	39										39
4. Financial result for the current period										247	247
<b>5. Balance at the end of the reporting period</b>	<b>39</b>	-	-	-	-	-	-	-	-	<b>247</b>	<b>286</b>
<b>6. Equity at the end of the reporting period</b>	<b>39</b>	-	-	-	-	-	-	-	-	<b>247</b>	<b>286</b>

Date: 25.03.2022

Compiler:  
 “Aglaya group” Ltd. Adriana Vladimirova Maerodinova

Manager: LILIA EDMON SEROPYAN

Certified according to audit report from 26.082022

Dimcho Dimitrov

0621 Registered Auditor

**REPORT****for non-current (long-term) assets**

“Temperi Logistics” EOOD UIC 206032947 Varna 166A Slivnitsa Blvd., fl. 6, office 45  
as at 31.12.2021

(thousand BGN)

INDICATORS	Carrying amount of non-current assets				Ex post evaluation		Revalued value (4+ 5-6)	Depreciation				Ex post evaluation		Revalued depreciation at the end of the period (11+ 12-13)	Balance amount at the end of the period (7-14)
	At the beginning of the period	Received during the period	Spent during the period	At the end of the period (1+ 2-3)	Increase	Decrease		At the beginning of the period	Accrued during the period	Derecognised during the period	At the end of the period (8+ 9-10)	Increase	Decrease		
and	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>I. Intangible assets</b>															
1 Products from development activity				-			-				-			-	-
2 Concessions, patents, licenses, trademarks, software and similar rights and assets	-			-			-	-	-		-			-	-
3 Commercial reputation				-			-				-			-	-
4 Advances granted and intangible assets under construction				-			-				-			-	-
<b>Total for Group I:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Fixed tangible assets</b>															
1 Land and buildings, including:				-			-				-			-	-
— lands	-			-			-				-			-	-
— buildings	-			-			-				-			-	-
2 Machinery, production equipment and apparatus	-	10		10			10	-	2		2			2	8
3 Means of transport	-			-			-				-			-	-
4 Facilities and others	-			-			-				-			-	-
5 Advances granted and tangible fixed assets under construction	-			-			-				-			-	-
<b>Total for Group II</b>	-	10	-	10	-	-	10	-	2	-	2	-	-	2	8
<b>III. Long-term financial assets</b>															
1 Shares and interests in undertakings of a group				-			-				-			-	-
2 Loans granted to undertakings of a group				-			-				-			-	-
3 Shares and interests in associates and joint ventures				-			-				-			-	-
4 Loans granted related to associates and joint ventures				-			-				-			-	-
5 Long-term investments				-			-				-			-	-
6 Other loans				-			-				-			-	-
7 Purchased own shares				-			-				-			-	-
<b>Total for Group III</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Deferred taxes</b>				-			-				-			-	-
<b>Total non-current (durable) assets (I+ 11+ W+IV)</b>	-	10	-	10	-	-	-	-	2	-	2	-	-	2	8

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*Date: 25.03.2022*

*Compiler:*  
*“Aglaya group” Ltd. Adriana Vladimirova Maerodinova*

*Manager: LILIA EDMON SEROPYAN*

*Certified according to audit report from 26.082022*

**APPENDIX TO FINANCIAL  
Report of “TEMPERI LOGISTICS” Ltd.  
31<sup>st</sup> of DECEMBER 2021**

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**Annex to the financial statement**

**1 General information**

“TEMPERI LOGISTICS” Ltd. (“the Company”) was established in 2020. The Company was entered in the Commercial Register of the Registry Agency with UIC 206032947. The capital of “TEMPERI LOGISTICS” EOOD is BGN 39 000 (thirty-nine thousand) levs, distributed in 390 company shares, with a nominal value of BGN 100.00 each. The sole owner of the company’s capital is BORIS LEVIT, a citizen of the State EXRAEL.

“TEMPERI LOGISTICS” Ltd. is established in Bulgaria, with its registered office and registered office: Varna city, 4 Saedinenie Blvd., ap.36 in 2020. On 25.03.2021 a change of ownership of the shares of the same was carried out and it was acquired entirely by BORIS LEVIT, a citizen of IZRAEL.

The current address of the company is Varna bl. 166A Str. “Slivnitsa”, floor 6, office 45, phone + 359878877365, e-mail address: [TemperiLogistics.BG@gmail.com](mailto:TemperiLogistics.BG@gmail.com), website <https://temperi-logistics.com/bg/index.html>

The company has a registered scope of activity: activities for shipment of goods and cargo, freight forwarding, loading — unloading, consulting services; engineering activities and technical advice; commerce; commercial consultations in the field of commercial management; trade in solid, liquid and gaseous fuels and similar products, etc.

The average number of Personnel/staff as of 31.12.2021 was broken down by category as follows:

Category	Average number of numbers to	
	31.12.2021	31.12.2020
* <i>Management staff</i>	1	-
* <i>Analytical specialists</i>	1	-
* <i>Applied specialists</i>	2	-
* <i>Administrative personnel</i>	1	-

**2 Accounting policies**

**2.1 Basis for the preparation of financial statements**

The Company’s financial report has been drawn up in accordance with the National Standards for Financial Reports for Small and Medium-sized Enterprises (NSFROSME) Annex to Council of Ministers Decree No 46 of 21 March 2005, published in SG No 30 of 7<sup>th</sup> of April 2005, in force since 1<sup>st</sup> of January 2005, amended and supplemented, SG No 86 of 26 October 2007, in force as of 01.01.2008.

**2.2 General Positions**

The most significant accounting policies applied in the preparation of these financial statements are presented below herewith.

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The financial statement is drawn up in accordance with the historical price principle modified in certain cases by the revaluation of certain assets and liabilities. The valuation bases are disclosed in detail in the accounting policies attached to the financial statements.

It should be noted that accounting estimates and assumptions have been used in the preparation of the financial statements presented. Although these assessments are based on the most complete knowledge of current events and actions by management, the actual results may differ from the estimates and assumptions made.

### **2.3 Transactions in foreign currency**

The Foreign currency transactions are reflected in compliance with the requirements of Accounting Standards (AS) 21 Effects of changes in exchange rates.

The financial statements of the Company are prepared in Bulgarian leva (BGN) and this is the accounting currency of the Company.

Foreign currency transactions, except those for the purchase and sale of foreign currency, shall be reported at their initial recognition in the Company's reporting currency at the official exchange rate for the day of the transaction (the announced fixation of the Bulgarian National Bank). The purchased currency is valued at the exchange rate of the acquisition and sold at the exchange rate of the sale. Exchange income and expenses arising from the settlement of those transactions and the revaluation of monetary items denominated in foreign currency at the end of the period are reflected in the statement of profit and loss as financial income or financial expenses.

The currency board in Republic of Bulgaria was introduced on 1<sup>st</sup> of July 1997 in compliance with the recommendations of the International Monetary Fund (IMF) and initially the value of the Bulgarian lev was fixed to the value of the German mark in a ratio of 1:1. After the introduction of the euro, the Bulgarian lev was fixed to the euro at a ratio of EUR 1 = BGN 1.95583.

### **2.4 Revenue & Expenditure**

Revenue is measured at the fair value of the payment or consideration received or receivable, taking into account the amount of all commercial discounts and quantitative works made by the Company. When replacing similar assets that have a similar price, the exchange is not regarded as a transaction that generates revenue.

In the case of the sale of goods, revenue shall be recognised where the following conditions are met:

- the entity is likely to have an economic benefit related to the transaction;
- the amount of revenue can be reliably calculated;
- the costs incurred or to be incurred in connection with the transaction can be measured reliably;
- revenue for each transaction is recognised at the same time as expenditure incurred for it (principle of comparability between revenue and expenditure).

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Revenue is not recognised when costs cannot be reliably calculated. In these circumstances, any payment received is recognised as a liability (debt).

Where ambiguity arises as to the recovery of an amount already included in the proceeds of the sale, the irrecoverable amount shall be recognised as an expense and not as an adjustment to the amount of revenue initially recognised. Revenue relating to a service transaction is recognised according to the stage of completion of the transaction at the balance sheet date and when the outcome of the transaction can be measured reliably.

The company reports revenue from financing. The revenue from financing includes funds for percentage coverage of the amount of the accrued expenses by the Company in carrying out activities in the field of research and development.

Operating expenses are recognised in the profit and loss account at the time of use of the service or at the date of their occurrence. The costs of guarantees shall be recognised and recorded against the provision made upon recognition of the relevant revenue. Interest income and expenses shall be accounted for on the basis of accrual.

## **2.5 Funding**

Revenue from financing contracts is subsidies and other different forms of funding from various institutions meeting the definition of government donations under the AS 20 Accounting of Government Grants and Disclosure of Government Assistance. Revenue from funding.

Government grants are recognised when there is reasonable assurance that the donation will be received and that all associated conditions will be fulfilled. Where the donation involves operating expenses, it shall be recognised as revenue for the periods necessary to compare the donation on a systematic basis with the costs intended to compensate. When a gift relates to an asset, it is presented as income for a future period and recognised in the income statement on a linear basis over the expected useful life of the related asset.

## **2.6 Intangible fixed assets and Research & Development activities' expenditure**

Intangible fixed assets are initially valued at cost. In the case of self-acquisition, it shall be equal to its purchase price, as well as all duties paid, non-refundable taxes and direct costs incurred in connection with the preparation of the asset for operation. When an intangible asset is acquired as a result of a business combination, its cost is equal to its fair value on the day of acquisition.

The initial measurement of an intangible asset created by an entity is the sum of the costs incurred from the moment the intangible asset first meets the recognition criteria. The initial valuation is determined in a manner identical to that adopted to determine the cost of output in the enterprise, i.e. not including internal profit, unusual amounts of discarded resources (materials, labour, etc.), administrative and other general costs (not directly related to the acquisition process of the intangible asset), etc. Direct

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costs associated with the development of the intangible fixed asset include direct personnel costs as well as the corresponding part of the overheads. The Amortisation begins to accrue from the month following the month in which the intangible asset is acquired or put into use.

Subsequent measurement shall be made at cost less accumulated depreciation and impairment losses. Impairments incurred are recorded as an expense and recognised in the profit and loss account for the relevant period.

Subsequent costs that arise in relation to intangible assets after initial recognition are recognised in the profit and loss account in the period of their occurrence, unless they are likely to help the asset generate more than initially foreseen future economic benefits and where those costs can be reliably measured and allocated to the asset. In these cases, the costs are added to the cost of the asset.

Depreciation shall be calculated using the linear method on the estimated useful life of individual assets as follows:

- |   |          |
|---|----------|
| ❖ Software products   | 7 years. |
| ❖ Internally created intangible assets from Research & Development (R&D) activities | 7 years. |

The expenses related to scientific activity shall be shown in the profit and loss statement at the time of their occurrence.

Costs that are directly related to the development phase of a specific asset for the Company shall be recognised as intangible fixed assets provided that they meet the following conditions:

- availability of technical opportunity for the use of the developed product in the Company or possible sale;
- the intangible fixed asset is likely to result in economic benefits for the Company through its use or through sale;
- the technical, financial and other resources necessary to complete the intangible fixed asset are available;
- the amount of an intangible fixed asset can be measured reliably.

All other development costs are recorded in the Profit and Expenditure Statement at the time they arise.

The company makes careful assessment when determining whether the criteria for initial recognition as an asset of development costs have been met. Management's judgement is based on all available information at the balance sheet date. In addition, all activities related to the development of an intangible fixed asset are monitored and controlled by management on an ongoing basis.

The specified materiality threshold for the intangible fixed assets of the Company is 700.00 BGN.



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**2.7 Fixed tangible assets**

Fixed tangible assets are initially measured at cost, including cost, as well as all direct costs of bringing the asset to work.

Subsequent measurement shall be made at cost less accumulated depreciation and impairment losses. Impairments incurred are recorded as an expense and recognised in the profit and loss account for the relevant period.

Subsequent costs associated with a fixed fixed tangible asset are added to the carrying amount of the asset when the entity is likely to have economic benefits that exceed the initially estimated effectiveness of the existing asset. Any other subsequent expenditure shall be recognised as an expense for the period in which it was incurred.

Tangible fixed assets acquired under the terms of a finance lease shall be amortised on the basis of the expected useful life, determined by comparison with similar assets, or on the basis of the value of the lease if its term is shorter.

The depreciation of tangible fixed assets shall be calculated using the linear method on the estimated useful life of individual asset groups as follows:

❖ Machines	7 years
❖ Business Inventory	7 years
❖ Computers	2 years
❖ Others	7 years

Depreciation begins to accrue from the month following the month in which the tangible asset is acquired or put into use.

The materiality threshold for the tangible fixed assets of the Company is set at BGN 700.00.

**2.8 Accounting for leases' agreements**

In accordance with the requirements of the AS 17 Leases, the rights to dispose of the asset are transferred from the lessor to the lessee in cases where the lessee bears the material risks and rewards from ownership of the leased asset.

The assets acquired under the terms of a finance lease shall be amortised in accordance with the requirements of AS 16 or AS 38.

All other leases are considered to be operational operating leases. Operating lease payments are recognised as costs for external services using the linear method.

For operating leases, the lessee shall take into account:

- as costs for external services, the accrued rent instalments;

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- through behind balance sheet accounts the leased assets at their fair price.

The costs incurred by the landlord or the tenant related to the preparation and conclusion of the lease (commissions, fees, etc.) are recorded as expenses for the activity for the current period. When, in addition to rental payments, a lease provides for additional payments — for example, to carry out repairs and improvements, to pay out insurance on the asset given out, etc. — the same is accounted for separately from the rent.

### **2.9 Impairment of the Company's assets**

The carrying (balance) amount of the Company's assets is revised at the balance sheet date to determine whether there are indications that the value of an asset is impaired.

For the purpose of determining impairment, the Company's assets are grouped into the smallest identifiable group of assets for which cash flows-cash-generating unit can be distinguished. As a result, some of the assets are reviewed for impairment on an individual basis and others on a cash-generating unit basis.

Individual assets or cash-generating units shall be reviewed for impairment of their value once a year at the balance sheet date, and when events or changes in circumstances indicate that the carrying amount of the assets may not be recovered.

Where the recoverable amount of an asset is lower than its carrying amount, the carrying amount of the asset should be reduced to the amount of the recoverable amount of the asset. This reduction represents an impairment loss.

Recoverable amount is the higher of the net selling price of an asset based on market conditions and value in use.

### **2.10 Financial assets**

Financial assets include cash and financial instruments. Financial instruments with the exception of hedging instruments can be divided into the following categories: loans and receivables originally incurred in the Company, financial assets held for trading, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories depending on the purpose for which they were acquired. Their belonging to the relevant category shall be reviewed at each reporting period.

Financial assets are recognised at the trading date.

Financial assets are initially recognised at cost, which is the fair value of the consideration paid and the related transaction costs.

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Derecognition of a financial asset occurs when the Company loses control of the contractual rights that make up the financial asset — i.e. that is, when the rights to receive cash flows have expired, or the significant part of the risks and rewards of ownership is transferred. Impairment tests are carried out at each balance sheet date to determine whether there is objective evidence of impairment on specific financial assets or groups of financial assets.

After initial recognition, financial instruments in this category are measured at fair value.

Available-for-sale financial assets are those financial assets that are not loans and receivables arising in the entity, held-to-maturity investments or financial assets held for trading. Financial assets in this category are subsequently measured at fair value, with changes in their fair value reflected in equity net of taxes. Accumulated gains and losses on available-for-sale financial instruments are included in the profit and loss account for the period when the financial instrument is sold or impaired.

Loans and receivables originally incurred in the Company are financial assets created by the entity through the direct provision of money, goods or services to a given debtor. They are non-derivative financial instruments and are not quoted in an active market. Loans and receivables are subsequently measured at amortizable value using the effective interest method less the amount of impairment. A change in their value is reflected in the Statement of Income and Expenditure for the period.

Trade receivables are depreciated when there is objective evidence that the Company will not be able to recover the amounts due to it in accordance with the agreed terms of the transaction. The amount of impairment is defined as the difference between the carrying amount of the receivable and the present value of future cash flows.

### **2.11 Inventories**

Inventories include materials, work-in-progress and goods. The cost of inventories includes the cost of purchasing or producing them, processing and other direct costs associated with their delivery. Financial, administrative, exceptional and selling costs are not included in the value of inventories. At the end of each reporting period, inventories are measured at the lower of their cost and their net realisable value. The amount of any impairment of inventories to net realisable value is recognised as an expense for the period of impairment.

Net realisable value is the expected sale price of inventories less the necessary costs to complete the production cycle and the expected selling costs. In the event that inventories have already been impaired to their net realisable value and in a subsequent reporting period it turns out that the conditions leading to the impairment are no longer met, their new net realisable value shall be assumed. The amount of reversal of the cost of inventories is accounted for as a decrease in the cost of materials for the period in which the recovery

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occurs. The amount of recovery can only be up to the amount of the carrying amount of inventories before impairment.

The company determines the cost of inventories using the weighted average method.

When inventories are sold, their carrying amount is recognised as an expense in the period in which the relevant income is recognised.

#### **2.12 Taxes on income**

The Current tax assets and/or liabilities are those liabilities or budget receivables that relate to the current periods that have not been paid at the balance sheet date. They are calculated in accordance with the applicable tax rate and income tax rules for the period to which they relate, on the basis of the taxable financial result for the period. Any changes in tax assets or liabilities are recognised as an element of tax expense in the statement of profit and loss.

Deferred taxes are calculated at the tax rates under the tax legislation in force for the periods in which the asset is expected to materialise or the liability is settled.

This includes a comparison between the carrying amount of assets and liabilities and their respective tax base. Existing tax losses are measured against available recognition criteria in the financial statements before a deferred tax asset is reflected. This is recognised when it is likely to be realised through future tax profits.

Deferred temporary differences liabilities are recognised in full. Deferred temporary differences assets are recognised only to the extent that they are likely to be absorbed through future tax gains.

To determine the amount of deferred tax assets and liabilities, tax rates are applied that are expected to be valid during the period of their realisation.

A significant part of changes in deferred tax assets or liabilities are reflected as a component of the tax expense in the profit and loss account for the period. The change in deferred tax assets or liabilities due to a change in the fair value of assets or liabilities that is directly reflected in equity — such as the revaluation of land — is reflected directly in equity.

#### **2.13 Cash and cash equivalents**

The company shall report as cash and cash equivalents available cash, cash in bank accounts, deposits, short-term and highly liquid investments that are readily convertible into cash equivalent and contain a negligible risk of change in value.

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**2.14 Capital**

The core capital of the Company is reflected in the nominal value of the subscribed and paid-in shares. The registered capital amounted to 39 thousand levs (BGN) and was distributed in 390 shares, each with a nominal value of BGN 100.00.

**2.15 Pension and other obligations to staff**

The company shall report short-term obligations on compensatory leave arising from unused paid annual leave in cases where it is expected to be taken within 12 months after the date of the reporting period during which the employees performed the work related to these leave. Short-term obligations to staff include wages, salaries and social security contributions.

According to the requirements of the Labour Code, upon termination of the employment relationship, after the employee has acquired the right to a retirement pension, the Company is obliged to pay him compensation of up to six gross wages. The Company has imposed a legal obligation to pay compensation to employees on retirement in accordance with the requirements of the SS 19 “Personnel Income” on the basis of estimated payments for the next five years discounted to this Moments with long-term interest rate risk-free securities.

The employee benefit obligation on retirement consists of the present value of the obligation to pay those benefits less the unrecognised past service cost.

The company did not develop or implement employee remuneration plans after leaving or other long-term remuneration and post-employment remuneration plans or in the form of share or equity compensation.

**2.16 Financial liabilities**

The financial liabilities of the Company include commercial and other liabilities.

Financial liabilities are recognised when there is a contractual obligation to pay cash or another financial asset to another entity or a contractual obligation to exchange financial instruments with another entity under potentially unfavourable conditions. All interest-related expenses are recognised as financial expenses in the profit and loss account.

Trade liabilities are initially recognised at nominal value and are subsequently valued at amortizable value less settlement payments.

Dividends payable to the shareholders of the Company are recognised when the dividends are approved by the sole owner of the capital.

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**2.17 Other provisions, contingent assets and contingent liabilities**

Provisions representing the Company's current liabilities arising from past events, the settlement of which is expected to result in the need for a cash outflow of resources, shall be recognised as liabilities of the Company. Provisions shall be recognised when the following conditions are met:

- The company has current liabilities as a result of past events
- it is likely that the obligation will require a flow of resources to settle the obligation.
- a reliable estimate of the amount of the obligation could be made

The amount recognised as a provision is the best estimate of the cash outflows of resources needed to settle this liability at the balance sheet date. In determining this best estimate, the Company shall take into account the risks and the degree of uncertainty surrounding many of the events and circumstances, as well as the effect of changing the value of cash at a time when they have a significant effect.

Provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate at the balance sheet date. If it is no longer probable that an outflow of resources will be needed to settle the obligation, the provision should be derecognised.

The company does not recognise contingent assets because their recognition may result in the recognition of income that may never be realised.

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**4. Fixed intangible, tangible and financial assets in 1000 BGN**

INDICATORS	Carrying amount of current assets				Ex post evaluation			Reassessed value (4+ 5-6)	Depreciation				Ex post evaluation		Revalued a depreciation at the end of the period	Balance sheet value in end of period (7-14)
	At the beginning of the period	Received during the period	Spent out during the period	At the end of the period (1+ 2-3)	Increase	Decrease	At the beginning of the period		Accruated during the period	Derecognised during the period	At the end of the period (8+ 9-10)	Increase	Decrease			
and	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<b>I. Intangible assets</b>																
1 Products of R & D				-			-				-			-	-	
2 Concessions, patents, licenses, trademarks, program products and similar rights and assets	-			-							-			-	-	
3 Commercial reputation				-							-			-	-	
4 Advances granted and intangible assets under construction				-							-			-	-	
<b>Total for Group I:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>II. Fixed tangible assets</b>																
1 Land and buildings, including:				-			-				-			-	-	
- lands	-			-			-				-			-	-	
- buildings	-			-			-				-			-	-	
2 Machinery, production equipment and apparatus	-	10		10			10		2		2			2	8	
3 Transport Resources	-			-			-				-			-	-	
4 Facilities and others	-			-			-				-			-	-	
5 Advances granted and tangible fixed assets under construction				-			-				-			-	-	
<b>Total for Group II</b>	-	10	-	10	-	-	10		2	-	2	-	-	2	8	
<b>III. Long-term financial assets</b>																
1 Shares in group enterprises				-			-				-			-	-	
2 Loans granted to undertakings of a group				-			-				-			-	-	
3 Shares in associates and joint ventures				-			-				-			-	-	
4 Loans granted related to associates and joint ventures				-			-				-			-	-	
5 Long-term investments				-			-				-			-	-	
6 Other loans				-			-				-			-	-	
7 Purchased own shares				-			-				-			-	-	
<b>Total for Group III</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>IV. Deferred taxes</b>				-			-				-			-	-	
<b>Total net (durable) assets (I+ II+ III+ IV)</b>	-	10	-	10	-	-	10		2	-	2	-	-	2	8	

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**5. Operating lease**

**The company as a lessor**

The company is not a lessor under an operating lease.

**The company as a lessee**

In 2021, rental contracts were concluded with:

- “Aqua Sport” Ltd. — landlord, “TEMPERI LOGISTICS” Ltd. — tenant; Contract dated on 01.03.2021. for renting an office with an area of 55 sq. m, located in Varna, with a rental price of BGN 960.00 per month excluding VAT.
- Stoyan Djabarov — landlord, “TEMPERI LOGISTICS” Ltd. — tenant; Contract dated 01.05.2021 for the rental of an office with an area of 55 sq. m, located in Varna, with a rental price of BGN 960.00 per month excluding VAT.

The operating lease agreements concluded by the Company in its capacity as tenant do not contain conditional payment clauses, as well as for the subsequent purchase of the leased sites.

**6. Deferred tax assets and liabilities**

Deferred taxes arise as a result of temporary differences and unused tax losses, using a tax rate of 10 %, may be presented as:

**7. Inventories**

	<b>2021</b>	<b>2020</b>
	<b>’000 levs</b>	<b>’000 levs</b>
<b>* Goods</b>	<b>10</b>	<b>-</b>
	<b>10</b>	<b>-</b>

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No recovery of previous inventory impairments was recognised in 2020 and 2021. Inventories are not pledged as collateral for the Company’s obligations.

<b>8. Receivables from customers and suppliers</b>	<b>2021 ’000 levs</b>	<b>2020 ’000 levs</b>
❖ Trade receivables, gross amount	1 314	-
❖ Impairment of trade receivables	-	-
	1 314	-

Trade receivables are due within 180 days and do not contain effective interest.



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9. Tax recovery	2021 '000 lv.	<u>2020 '000 lv.</u>
VAT refund	7	-
	7	-

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<b>10. Other claims</b>	<b>2021</b>	<b>2020</b>
	<b>'000 levs</b>	<b>'000 levs</b>
Takeovers on loan contracts	1759	-
Claims' receivables	170	-
	1929	-

**11. Capital**

**11.1. Share capital**

The company's fixed capital as of 31.12.2021 is BGN 39,000 and has been distributed in 390 shares, each with a nominal value of BGN 100.00. The sole owner of the company's capital is BORIS LEVIT, a citizen of the State ISRAEL.

**12. Staff/Personnel**

Liabilities to staff and insurance liabilities presented in the balance sheet shall consist of the following items:

<b>Short-term liabilities</b>	<b>2021</b>	<b>2020</b>
	<b>'000 BGN</b>	<b>'000 BGN</b>
❖ Salary obligations to staff	8	-
	8	-

**Insurance obligations**

	<b>2021</b>	<b>2020</b>
	<b>'000 BGN</b>	<b>'000 BGN</b>
❖ Social and health insurance obligations	3	-
	3	-

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**13. Obligations to suppliers**

	<b>2021</b>	<b>2020</b>
	<b>'000 BGN</b>	<b>'000 BGN</b>
Current obligations to suppliers	3 728	-
	<b>3 728</b>	<b>-</b>

Fair values of trade liabilities are not presented because due to their short-term nature, the Company's management considers that the values at which they are presented on the balance sheet reflect their fair value.

**14. Tax Responsibilities**

	<b>2021</b>	<b>2020</b>
	<b>'000 BGN.</b>	<b>'000 BGN.</b>
Obligations of CITA	29	-
	<b>29</b>	<b>29</b>

**15. Other duties**

	<b>2021</b>	<b>2020</b>
	<b>'000 BGN</b>	<b>'000 BGN</b>
Other	1	-
	<b>1</b>	<b>-</b>

**16. Costs of external services**

	<b>2021</b>	<b>2020</b>
	<b>'000 lv.</b>	<b>'000 lv.</b>
◆ Forwarding services	98 074	-
◆ Accounting services	7	-
◆ Rents	11	-
◆ Translation Services	5	-
◆ Legal Services	4	-
◆ Telephones, Postal, Courier Services	1	-
◆ Advertisement	1	-
◆ Marketing Services	18	-
	<b>98 121</b>	<b>-</b>

The remuneration for an independent financial audit of the financial statement for 2021 under a contract is BGN 6 000.

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**17. Cost of materials**

	2021 ‘000 leva’.	2020 ‘000 leva’.
Main and other materials	1	-
	1	-

**18. Revenue from services**

The company has a registered scope of activity: activities for shipment of goods and cargo, freight forwarding, loading — unloading, consulting services; engineering activities and technical advice; commerce; commercial consultations in the field of commercial management; trade in solid, liquid and gaseous fuels and similar products, etc.

A major part of the company’s services revenue was formed as revenue from forwarding services.

	2021 ‘000 leva’.	2020 ‘000 leva’.
<b>Revenue from forwarding activities</b>		
* England	1244	-
❖ United Arab Emirates	5 969	-
❖ United Kingdom of Great Britain	295	-
❖ Cyprus	10 243	-
❖ Poland	13123	-
❖ The Russian Federation	4 422	-
❖ Ukraine	1170	-
❖ Croatia	1431	-
❖ Switzerland	52 230	-
	<b>90127</b>	<b>-</b>

**19. Revenue from sales of goods**

In 2021 “TEMPERI LOGISTICS” Ltd. is performed export of coal:

	2021 ‘000 leva’.	2020 ‘000 leva’.
Ukraine	9 904	-
Poland	186	-
Switzerland	9 879	-
Scotland	1128	-
	<b>36 247</b>	<b>-</b>

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**20. Other financial income and expenses**

	<b>2021</b> <b>'000 lv.</b>	<b>2020</b> <b>'000 lv.</b>
Profit from change in exchange rates	14 290	-
❖ Loss of exchange rate changes	(14 941)	-
❖ Other financial costs	(179)	-
	<b>(830)</b>	<b>—</b>

**21. Tax Expenses**

Estimated tax costs based on the effective tax rate of 10 % (2020: 10 %) and the actual tax expense recognised in the Statement of Income and Expenditure may be presented as follows:

	<b>2021</b> <b>'000 leva'.</b>	<b>2020</b> <b>'000 leva'.</b>
Financial result for the period before taxes	275	-
Tax rate	10 %	10 %
<b>Estimated Tax Expense</b>	<b>28</b>	<b>-</b>

	Basic amount	Tax effect at 10 % 2021.	Basic amount	Tax effect at 10 % 2020
Increases in the financial result according to the tax return	275	28	-	-
Reductions in the financial result according to the tax return	(2)	(-)	-	-
<b>Current Tax Expense</b>		<b>28</b>		<b>—</b>
<b>Amount of recognised tax credit for withholding tax abroad</b>				
<b>Tax due</b>				

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— occurrence or reverse of tax temporary differences

- -

According to the Bulgarian tax legislation for 2021 The company is subject to corporation tax of 10 % on taxable profits.

**22. Transactions with related parties**

Related party transactions were not carried out in 2021.

**22.1. Deals with key management personnel**

	2021 '000 lv.	2020 '000 lv.
Short-term remuneration		
- salaries	25	-
- expenditure on social security contributions	5	-

**22.2. Balance at the end of the year**

	2021 '000 lv.	2020 '000 lv.
Obligations to:		
—management staff	3	-

**23. Contingent assets and contingent liabilities**

The company does not recognise contingent assets because their recognition may result in the recognition of income that may never be realised.

**24. Management policy on risk management**

During the reporting period, actions were taken to assess, document and control financial risks.

**Currency risk**

The company has no borrowing or lending and is therefore not exposed to a material risk of exchange rate changes. Most of the royalty revenue is in US dollars. The company does not use financial instruments to protect against changes in exchange rates.

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**Credit risk**

The maximum credit risk associated with financial assets is up to the amount of their carrying amount reflected in the Company's balance sheet. In this respect, it is only reflected in cases where the maximum potential loss amount differs significantly from the carrying amount reflected in the balance sheet. Trade and other receivables are subject to credit risk. They are actively managed by management so as to avoid concentration of credit risk.

**Interest rate risk**

Interest rate risk represents the risk that the value of the Company's interest-bearing loans may fluctuate due to changes in market interest rates. The company is not exposed to interest rate risk due to the fact that no loans are received or granted.

**25. Events occurring after the end of the reporting period**

No corrective events have occurred between the date of the financial statement and the date of its acceptance. Significant non-corrective events are as follows:

1. On 21.02.2022 by decree of the President of the Russian Federation were recognised as independent states of the Donetsk People's Republic and the Lugansk People's Republic. On February 24, 2022, the Ministry of Defense of the Russian Federation announced a “special military operation” on the territory of the Republic of Ukraine. Hostilities have received widespread international condemnation and many countries have imposed sanctions on assets and operations owned by or carried out by the Russian Federation or its citizens. There has been a refugee and humanitarian crisis and many Ukrainian citizens have taken refuge in neighbouring countries. Because of military action, the US and the EU have imposed numerous packages of sanctions on the Russian Federation. These measures were intended to impose an economic and political burden. Economic sanctions include restricting Russian access to EU primary and secondary capital markets, banning exports of dual-use goods, restricting Russian access to sensitive technologies and services, excluding certain banks from the international SWIFT system and others. Fuel and natural gas prices have risen sharply, and traders are preparing for supply disruptions from Russia and Ukraine. There are also concerns that the removal of major Russian banks from SWIFT's payment system could make it more difficult to buy Russian gas, coal and oil. The Russian government has also imposed a requirement to make payments in rubles for operations for the purchase of raw materials — including Russian gas, oil and coal.

These events are expected to have a significant, direct effect on the activity of “Temperi Logistics” Ltd., as the hostilities cover the large coal basins of Ukraine. Ninety percent of Ukraine's coal reserves are located in the Donetsk coal field, and the rest of Ukraine's coal reserves are located in the north-west — Lviv-Volinska coalfield and the Dnieper coal field — located in central Ukraine. This in combination with the expected difficulties with payments to forwarding companies with head offices in the Russian Federation will limit

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the possibilities for transporting coal from post-Soviet countries such as Kazakhstan through the territory of the Russian Federation, and this will inevitably infuse the volumes of coal traded by “TEMPERI LOGISTICS” LTD. until the sanctions imposed by the EU and the USA are lifted.

Complier: Signature and Stamp/seal – illegible - A. Mavrodinova

Manager: Signature and Stamp/seal – illegible - Lilia Seropyan

*The undersigned Kalinka Balcheva Chervenrakova, Confirmation № 02948-1/10.05.2019, issued by the Consular Relations Directorate of the Ministry of Foreign Affairs, hereby certifies the correctness of my translation from Bulgarian in English of the above document (FINANCIAL REPORT OF TEMPERI LOGISTICS LTD. - 2021). The translation consists of 39 pages.*

*Translator:*

*/Kalinka Balcheva Chervenrakova/*

