



Quarterly Report

BLACK PEARL S.A.

for the period
1st April 2022 – 30th June 2022

Warsaw, 16th August 2022

Warsaw, 16th August 2022

Dear Sir or Madam,

Management Board of BLACK PEARL S.A. hereby presents the Quarterly Report for the 2nd quarter of 2022 presenting the financial results and the most important facts regarding the activities of the Issuer and the Issuer's Related Companies in the 2nd quarter of 2022.

This quarter was a period of further work primarily focused on the implementation of a development strategy aimed at dynamic strengthening of the sphere of unconventional investments and, consequently, an increase in the value of the Company's assets, and on an analysis of the economic environment for the purpose of a preparation of a revision of options for further strategic development.

In addition, on June 30, 2022, the Ordinary General Meeting was held, which adopted all planned resolutions, including, inter alia, the resolution approving the financial statements of the Company for the financial year ending on December 31, 2021, the resolution on the distribution of profit and the resolution on the payment of dividends in the amount of 1.5% of the nominal value of shares - 0.15 grosz (PLN 0.0015) for each share with a nominal value of PLN 0.10.

I am convinced that the activities carried out in the second quarter of 2022 and in subsequent periods will be reflected in the Company's financial results, and thus will contribute to the satisfaction of shareholders.

Yours faithfully,
Arkadiusz Trela
President of the Management Board

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1. Basic information about the Company

1.1. Company Information:

Company:	BLACK PEARL S.A.
Legal form:	joint-stock company
Country:	Poland
City:	Warsaw
Address:	15/504 Stomińskiego street, 00-195 Warsaw
Phone:	+48 22 415 41 46
www:	www.blackpearlcapital.pl
E-mail:	biuro@blackpearlcapital.pl
KRS registration number:	0000343453
REGON statistical number:	142121110
NIP tax number:	7010211009

1.2. Management Board

The Management Board of the Company is appointed for a five-year term of office, the current term of office is until 2026. In the reporting period, the composition of the Management Board did not change and as at the date of publication of the report, the Management Board of the Issuer was composed of:

- Arkadiusz Trela – President of the Management Board
- Jacek Jakubowski – Proxy

1.3. Supervisory Board

The Supervisory Board is appointed for a five-year term of office. In the reporting period, the composition of the Supervisory Board did not change and as at the date of publication of the report, the Issuer's Supervisory Board was composed of:

1. Dominik Poszywała – Member of Supervisory Board
2. Mirosław Szczepański – Member of Supervisory Board
3. Adam Strużyk - Member of Supervisory Board
4. Marek Roguski – Member of Supervisory Board
5. Jan Lupa – Member of Supervisory Board
6. Marek Majcher – Member of Supervisory Board

1.4. Shareholding structure

The share capital structure as at the date of this report is as follows:

No	Series of shares	Number of shares (units)	Share in the capital (percentage)	Share in votes (percentage)
1.	D	40 338 000	16,44	16,44
2.	E	130 000 000	52,99	52,99
3.	F	75 000 000	30,57	30,57
Total:		245 338 000	100	100

The shareholding structure as at the date of this report, with an indication of shareholders holding at least 5% votes at the General Meeting is as follows:

No	Shareholder designation	Number of shares (units)	Share in the capital (percentage)	Share in votes (percentage)
1.	Janusz Skopowski	202 529 490	82,55 %	82,55 %
2.	OTHER SHAREHOLDERS	42 808 510	17,45 %	17,45 %
Total:		245 338 000	100 %	100 %

2. Information on companies related to the Issuer, indicating entities subject to consolidation

2.1. List of companies related to the Issuer

Companies related to the Issuer as of the last day of the period covered by this report:

Company name	Share in capital
CANNABISHUBMED Sp. z o.o.	100 %
Eco Milan Sp. z o.o.	95 %
Elektrownia Słoneczna Blizocin Sp. z o.o.	49 %
Energa Plus Sp. z o.o.	37,50 %
Red Pharma Laboratories Polska S.A.	22,50 %
Reeco Nieruchomości Sp. z o.o.	100 %

The Issuer, analysing the significance of the financial data, made a decision, pursuant to Articles 56 and 58 of the Accounting Act, that the financial data of companies related to Black Pearl S.A. should not be consolidated.

The Company does not publish a consolidated report for the 2nd quarter of 2022.

At the same time, for the avoidance of any doubts, the Issuer encloses the profit and loss accounts and balance sheets of individual related companies to the published Report, while the profit and loss account and the balance sheet of CANNABISHUBMED Sp. z o.o. is not attached as this company has not yet commenced operations.

2.2. Brief description of companies related to the Issuer

CANNABISHUBMED Sp. z o.o.

Company seat: ul. Zygmunt Stomińskiego 15/504, 00-195 Warsaw, POLAND

KRS / registry number: 0000970200

NIP / tax ID: 5252906168

REGON / statistical number: 521938970

Share capital: 5.000,00 PLN

Management Board: Arkadiusz Trela – President of the Management Board

A newly created special purpose vehicle registered in the National Court Register on May 5, 2022. Until the date of this report, the company has not commenced operations.

Eco Milan Sp. z o.o.

Company seat: ul. Zygmunt Stomińskiego 15/504, 00-195 Warsaw, POLAND

KRS / registry number: 0000553192

NIP / tax ID: 5252615198

REGON / statistical number: 361283113

Share capital: 8.687.000,00 PLN

Management Board: Jerzy Dmochowski – President of the Management Board

The company focused on the preparation, engineering, implementation and sale of large development projects in the field of residential and commercial construction.

Elektrownia Słoneczna Blizocin Sp. z o.o.

Company seat: ul. Twarda 4/133, 00-105 Warsaw, POLAND
KRS / registry number: 0000709776
NIP / tax ID: 9151806993
REGON / statistical number: 369016541
Share capital: 5.000,00 PLN
Management Board: Joanna Tabaka – President of the Management Board,
Jacek Jakubowski – Vicepresident of the Management Board

A special purpose vehicle implementing a photovoltaic power plant project with an installed capacity of 1 MW. The company has all the necessary permits and contracts for the implementation of the project.

Energa Plus Sp. z o.o.

Company seat: ul. Młynarska 7, 01-205 Warsaw, POLAND
KRS / registry number: 0000407118
NIP / tax ID: 1231267123
REGON / statistical number: 145942994
Share capital: 10.000,00 PLN
Management Board: Włodzimierz Grądział – President of the Management Board,

A company specializing mainly in supplying microspheres to large customers in selected countries. The microsphere is a component used in the production of special metal alloys, for which a very high level of durability and strength is required. For example, these alloys are used in the production of spacecraft. Additionally, the Company develops its activities in the field of trade and supply of other goods.

Red Pharma Laboratories S.A.

Company seat: ul. Słoneczna 116A, Stara Iwiczna, 05-500 Piaseczno, POLAND
KRS / registry number: 0000688246
NIP / tax ID: 1132868960
REGON / statistical number: 146874154
Share capital: 580.000,00 PLN
Management Board: Rafał Piotr Prejsnar – President of the Management Board,
Albert Kazimierz Skrzypczak – Vicepresident of the Management Board
Michał Paweł Sinczak – Member of the Management Board

A company pursuing goals in the field of production and sale of medical devices, pharmaceutical products, cosmetics and dietary supplements. The company is intensively expanding its distribution channels for each portfolio segment and developing sales.

Reeco Nieruchomości Sp. z o.o.

Company seat: ul. Gdańska 5/5, 85-005 Bydgoszcz, POLAND
KRS / registry number: 0000309796
NIP / tax ID: 9671331585
REGON / statistical number: 340793282
Share capital: 50.000,00 PLN
Management Board: Grzegorz Brzezicki – President of the Management Board,

The company is not currently performing operating activity.

2.3. Additional information on significant entities cooperating with the Issuer

Medicancoin Greece Ltd.

A Greek company dedicated to the implementation of a business project based on permits and licenses obtained from the Greek government for the cultivation of medical marijuana in a strictly defined legal regime. Currently, design work has been completed in the field of buildings and installations necessary for the implementation of the project.

Due to the nature of the activities of MEDICANCOIN GREECE S.A. (cultivation of medical marijuana and production of medical marijuana preparations with THC, and not only with CBD) and legislative discrepancies between Greece and Poland, the Issuer reduced the ownership by selling 8,750 shares in MEDICANCOIN GREECE S.A. and currently does not have any shares in MEDICANCOIN GREECE S.A.

The effect is to organize the legal and ownership status in a way that allows legal trade in goods in accordance with local and international law - regulating the trade in psychoactive substances.

At the same time, the Issuer, as part of the implementation of the Company's development strategy aimed at providing the Issuer with long-term revenues, focused on developing the most effective model of cooperation with MEDICANCOIN GREECE S.A. providing the Issuer with future revenues related to the right to distribute products containing THC manufactured by MEDICANCOIN GREECE S.A.

3. Selected financial data

Selected financial data of BLACK PEARL S.A. as of June 30th, 2021

BLACK PEARL S.A.	30.06.2021	30.06.2022
<i>Balance sheet sum</i>	26.840.065,57	27.206.286,87
<i>Equity capital</i>	23.470.550,97	22.076.576,22
<i>Fixed assets, including:</i>	25.075.271,94	25.600.711,50
<i>Long-term receivables</i>	0,00	0,00
<i>Current assets, including:</i>	1.764.793,63	1.605.575,37
<i>Short-term financial assets</i>	927.255,89	554.178,87
<i>Short-term receivables</i>	1.017.611,11	1.041.430,31
<i>Long-term liabilities</i>	3.190.000,00	4.968.791,24
<i>Short-term liabilities</i>	179.514,60	160.919,41
<i>Net revenues from sale</i>	33.810,00	25.200,00
<i>Profit/loss from operating activities</i>	-653.295,57	-95.369,91
<i>Financial income</i>	1.990.051,99	2.499,00
<i>Financial costs</i>	1.653,37	118,52
<i>Gross profit/loss</i>	1.296.128,81	-92.989,53
<i>Net profit / loss</i>	1.296.128,81	-92.989,53

Additional information about the crypto currency:

BLACK PEARL S.A. reminds that in the fourth quarter of 2021, in order to avoid collision with the new legal regulations on cryptocurrency trading in Poland and due to achieving the economic goal of acquiring financial assets (i.e. shares of other companies) using MCAN COIN (taking advantage of the utility nature of this decentralized crypto currency), concluded on October 29th, 2021 agreement for the sale of 411,434,101.3703 of the MCAN COIN crypto currency. As a result, 411,434,101,3703 pieces of MCAN COIN digital currency belonging to the Company was sold on October 29th, 2021 and permanently removed from the RC20 chain by sending to the address indicated by the Buyer: 0x00000000000000000000000000000000dEaD.

The forced sale transaction was made against the price of PLN 1,000,000 (one million zlotys). This amount is a profit on this transaction, as the MCAN COIN digital currency was the Company's off-balance sheet funds.

Thus, until the unification of the law in the economic sphere related to cryptocurrencies in Poland and the Issuer's compliance with the control requirements imposed by the Polish Financial Supervision Authority on entities trading in crypto currencies, the Issuer temporarily suspended activities in the field of crypto currencies, focusing on activities aimed at dynamic growth the value of the assets of Black Pearl S.A.

Regardless of the above, in order to secure the possibility of performing in the future activities based on crypto currencies, the Company applied for an entry in the register of activities in the field of virtual currencies and on May 5th, 2022 was entered in the register of activities in the field of virtual currencies under the number RDWW- 261. As at June 30, 2022, the Company had 10,000,000.00 MCAN COIN virtual currency, shown in the balance sheet as "Other long-term investments". The value of the virtual currency held was PLN 4,000,000.00 on the date of purchase. The valuation is updated once a year at the end of the financial year. The last revaluation in line with the quotations from the active market was made on December 31st, 2021 and amounted to - PLN 1,847,000.00.

4. Separate financial data for the 2nd quarter of 2022

4.1. Balance sheet

Separate balance sheet of BLACK PEARL S.A.:

		as of 30.06.2021	as of 30.06.2022
	ASSETS	26.840.065,57	27.206.286,87
A	FIXED ASSETS	25.075.271,94	25.600.711,50
I	Intangible assets	20.000,00	20.000,00
1.	Costs of completed development works	0,00	0,00
2.	Goodwill	0,00	0,00
3.	Other intangible assets	20.000,00	20.000,00
4.	Advances on intangible assets	0,00	0,00
II	Tangible fixed assets	0,00	0,00
1.	Fixed assets	0,00	0,00
a)	land (including the right of perpetual usufruct of land)	0,00	0,00
b)	buildings, premises and civil engineering works	0,00	0,00
c)	technical equipment and machines	0,00	0,00
d)	means of transport	0,00	0,00
e)	other fixed assets	0,00	0,00
2.	Fixed assets under construction	0,00	0,00
3.	Advances on fixed assets under construction	0,00	0,00
III	Long-term receivables	0,00	0,00
1.	From affiliated undertakings	0,00	0,00
2.	From other entities in which the entity has a principal interest	0,00	0,00
3.	From other units	0,00 00	0,00
IV	Long-term investments	25.055.271,94	25.580.711,50
1.	Real Estate Property	0,00	0,00
2.	Intangible assets	14.000.000,00	14.000.000,00
3.	Long-term financial assets	11.055.271,94	9.427.711,50
a)	in related parties	0,00	8,252.6 49.00 AM
-	Stocks or Shares	0,00	8,252.6 49.00 AM
-	Other securities	0,00	0,00
-	Loans granted	0,00	0,00
-	Other long-term financial assets	0,00	0,00
b)	In other entities in which the entity has a capital interest	8.823.171,94	137.950,00
-	Stocks or Shares	8.823.171,94	137.950,00
-	Other securities	0,00	0,00
-	Loans granted	0,00	0,00
-	Other long-term financial assets	0,00	0,00

c)	In other units	2.232.100,00	1.037.112,50
-	Stocks or Shares	2.232.100,00	0,00
-	Other securities	0,00	0,00
-	Loans granted	0,00	1.037.112,50
-	Other long-term financial assets	0,00	0,00
4.	Other long-term investments	0,00	2.153.000,00
V	Long-term accruals	0,00	0,00
1.	Deferred tax assets	0,00	0,00
2.	Other accruals	0,00	0,00
B	CURRENT ASSETS	1.764.793,63	1.605.575,37
I	Inventories	0,00	0,00
1	Materials	0,00 00,00	0,00
2	Semi-finished products and products in progress	0,00	0,00
3	Finished products	0,00	0,00
4	Goods	0,00	0,00
5	Advances on deliveries	0,00	0,00
II	Short-term receivables	1.017.611,11	1.041.430,31
1	Receivables from related parties	0,00	0,00
a	in respect of supplies and services, of the repayment period:	0,00	0,00
	- up to 12 months	0,00	0,00
	- over 12 months	0,00	0,00
b	Other	0,00	0,00
2	Receivables from other entities in which the entity has a principal interest	0,00	0,00
a	in respect of supplies and services, of the repayment period:	0,00	0,00
	- up to 12 months	0,00	0,00
	- over 12 months	0,00 00	0,00
b	Other	0,00	0,00
3	Receivables from other entities	1.017.611,11	1.041.430,31
a	In respect of supplies and services, with a repayment period:	9.538,24	931.840,31
	Up to 12 months	9.538,24	931.840,31
	Over 12 months	0,00	0,00
b	in respect of taxes, subsidies, customs, social and health insurance and other public law titles	85,00	87.996,00
c	Other	1.007.987,87	21.594,00
d	Pursued in court	0,00	0,00
III	Short-term investments	672.514,05	564.145,06
1	Short-term financial assets	1.292.619,95	554.178,87
a	in related parties	0,00	0,00
b	in other units	582.941,95	506.132,25
-	Stocks or Shares	0,00	0,00
-	Other securities	0,00	0,00

-	Loans granted	582.941,95	506.132,25
c	cash and other monetary assets	709.678,00	48.046,62
	- cash on hand and on bank accounts	709.678,00	48.046,62
	- other cash	0,00	0,00
	- other monetary assets	0,00	0,00
2	Other short-term investments	-620.105,90	9.966,19
IV	Short-term accruals	74.668,82	0,00
C	Payments due on the share capital	0,00	0,00
D	Own shares	0,00	0,00
	TOTAL ASSETS	26.840.065,57	27.206.286,87

		as of 30.06.2021	as of 30.06.2022
	LIABILITIES	26.840.065,57	27.206.286,87
A	Equity capital	23.470.550,97	22.076.576,22
I	Share Capital (fund)	27.533.800,00	24.533.800,00
II	Reserve capital (fund), including:	3.021.917,45	5.621.917,45
	Excess of the value of sales (issue value) over the nominal value of shares	0,00	0,00
III	Revaluation reserve (fund), including:	0,00	0,00
	Revaluation of goodwill	0,00	0,00
IV	Other reserve capitals (funds) including:	4.499.700,00	4.499.700,00
	Formed in accordance with the articles of association (statute) of the company	0,00 00	0,00
	On own shares	0,00	0,00
V	Profit (loss) from previous years	-12.880.995,28	-12.485.851,70
VI	Net profit (loss)	1.296.128,81	-92.989,53
VII	Write-offs from net profit during the financial year (negative amount)	0,00	0,00
B	LIABILITIES AND PROVISIONS FOR LIABILITIES	3.369.514,60	5.129.710,65
I	Provisions for liabilities	0,00	0,00
1	Deferred tax liability	0,00	0,00
2	Provision for retirement and similar benefits	0,00	0,00
	-long-term	0,00	0,00
	-short-term	0,00	0,00
3	Other provisions	0,00	0,00
a	-long-term	0,00	0,00
b	-short-term	0,00	0,00
II	Long-term liabilities	3.190.000,00	4.968.791,24
1	To related parties	3.190.000,00	985.306,60
2	For other entities in which the entity has an equity interest	0,00	0,00
3	For other entities	0,00	3.983.484,64
a	loans and advances	0,00	0,00

b	for the issue of debt securities	0,00	0,00
c	other financial liabilities	0,00	0,00
d	Promissory note obligations	0,00	0,00
e	Other	0,00	3.983.484,64
III	Short-term liabilities	179.514,60	160.919,41
1	Liabilities to related parties	2.450,00	0,00
a	in respect of supplies and services, with a maturity period:	0,00	0,00
	- up to 12 months	0,00	0,00
	- over 12 months	0,00	0,00
b	Other	2.450,00	0,00
2	Liabilities to other entities in which the entity has an equity interest	0,00	0,00
a	In respect of supplies and services, with a maturity:	0,00	0,00
	Up to 12 months	0,00	0,00
	Over 12 months	0,00	0,00
b	Other	0,00	0,00
3	Liabilities to other entities	177.064,60	160.919,41
a	loans and advances	0,01	0,00
b	for the issue of debt securities	0,00	0,00
c	other financial liabilities	0,00	0,00
d	in respect of supplies and services, with a maturity period:	158.894,38	36.102,63
	- up to 12 months	158.894,38	36.102,63
	- over 12 months	0,00	0,00
e	advances received for deliveries and services	0,00	0,00
f	promissory note obligations	0,00	0,00
g	in respect of taxes, customs, social and health insurance and other public law titles	1.756,63	2.153,22
h	for remuneration	9.792,79	2.363,56
i	Other	6.620,79	120.300,00
4	Special funds	0,00	0,00
IV	Accruals	0,00	0,00
1	Negative goodwill	0,00	0,00
2	Other accruals	0,00	0,00
a	Long-term	0,00	0,00
b	Short-term	0,00	0,00
	TOTAL LIABILITIES	26.840.065,57	27.206.286,87

4.2. Profit and Loss

Separate Profit and Loss of BLACK PEARL S.A.:

Income Statement - Comparative Variant	II quarter 2021 period from 01.04.2021 to 30.06.2021	from the beginning of 2021 period from 01.01.2021 to 30.06.2021	II quarter 2022 period from 01.04.2022 to 30.06.2022	from the beginning of 2022 period from 01.01.2022 to 30.06.2022
A. NET REVENUES FROM SALE OF PRODUCTS, GOODS AND MATERIALS, including:	25.200,00	33.810,00	12,600.00	25.200,00
- from affiliated entities	0,00	0,00	0,00	0,00
I. Net revenue from the sale of products	0,00	25.200,00	12,600.00	25.200,00
II. Change in the state of products (increase-positive value, decrease-negative value)	0,00	0,00	0,00	0,00
III. Cost of manufacturing products for the unit's own needs	0,00	0,00	0,00	0,00
IV. Net revenues from the sale of goods and materials	25.200,00	33.810,00	12,600.00	0,00
B. OPERATING COSTS including:	44.821,16	92.405,58	67,083.78	119.815,13
I. Depreciation	0,00	0,00	0,00	0,00
II. Material and energy consumption	5.198,17	5.198,17	0,00	496,02
III. External Services	32.980,09	44.833,90	45.298,00	73.982,08
IV Taxes and fees, including:	0,00	10.000,00	0,00	4.096,19
excise duty	0,00	0,00	0,00	0,00
V. Remuneration	8.169,10	16.569,10	9.030,00	18.060,00
VI. Social security and other benefits	1.720,32	3.290,43	8.749,38	17.498,76
VII Other generic costs	395,78	3.953,02	0,00	5.682,08
VIII. Value of goods and materials sold	0,00	8.560,97	0,00	0,00
C. PROFIT (LOSS) ON SALES (A-B)	-19.621,16	-58.570,29	-54.483,78	-94.615,13
D. OTHER OPERATING INCOME	0,64	0,64	320,26	320,70
I. Profit on disposal of non-financial fixed assets	0,00	0,00	0,00	0,00
II. Grants	0,00	0,00	0,00	0,00
III. Revaluation of non-financial assets	0,00	0,00	0,00	0,00
IV. Other operating income	0,64	0,64	0,00	320,70
E. OTHER OPERATING EXPENSES	633.674,86	633.674,86	1.075,04	1.075,48
I. Loss on disposal of non-financial fixed assets	0,00	0,00	0,00	0,00
II. Revaluation of non-financial assets	0,00	0,00	0,00	0,00
III. Other operating costs	633.674,86	633.674,86	1.075,04	1.075,48
F. OPERATING PROFIT (LOSS) (C+D-E)	-653.295,57	-692.269,81	-55.238,71	-95.369,91
G FINANCIAL INCOME	0,00	1.990.051,99	0,00	2.499,00
I. Dividends and profit shares, including:	0,00	0,00	0,00	0,00
- from affiliated undertakings	0,00	0,00	0,00	0,00
II. Interest, including:	0,00	0,00	0,00	0,00
- from affiliated undertakings	0,00	0,00	0,00	0,00
III. Gain on the disbursement of financial assets, including:	0,00	0,00	0,00	2.499,00
- in affiliated entities	0,00	0,00	0,00	0,00
IV. Revaluation of financial assets	0,00	0,00	0,00	0,00
V. Other	0,00	1.990.051,99	0,00	0,00
H. FINANCIAL COSTS	0,77	1.653,37	0,00	118,52
I. Interest, including:	0,77	1.653,37	0,00	118,52
- for affiliated undertakings	0,77	1.653,37	0,00	0,00
II. Loss on expenditure of financial assets	0,00	0,00	0,00	0,00
III. Revaluation of financial assets	0,00	0,00	0,00	0,00
IV. Other	0,00	0,00	0,00	0,00
I. GROSS PROFIT (LOSS) (F+G-H)	-653.295,57	1.296.128,81	-55.238,81	-92.989,53
J. Income tax	0,00	0,00	0,00	0,00
K. Other mandatory reductions in profit (increase in loss)	0,00	0,00	0,00	0,00
L. Net profit(loss) (I-J-K)	-653.295,57	1.296.128,81	-55.238,81	-92.989,53

4.3. Cash Flow Statement

Separate Cash Flow Statement – BLACK PEARL S.A.

CASH FLOW STATEMENT (indirect method)		2021	2022
		period from 01.01.2021 to 30.06.2021	period from 01.01.2022 to 30.06.2022
A.	Cash flows from operating activities		
I	Net profit (loss)	1.296.128,81	- 92.989,53
II	Adjustments total	-652.220,34	- 119.073,47
III	Net cash flow from operating activities (I+/-II)	643.908,47	26.083,94
B.	Cash flows from investing activities		
I	Inflows	0,00	2.500,00
II	Expenses	1.772.615,00	5.000,00
III	Net cash flow from investing activities (I-II)	-1.722.615,00	- 2,500,00
C.	Cash flows from financing activities		
I	Influence	1.694.400,00	14.000,00
II	Expenditure	13.500,00	36.915,36
III	Net cash flow from financing activities (I-II)	1.680.900,00	-22.915,36
D.	Net cash flow, total (A.III+/-B.III+/-C.III)	552.193,47	668,58
E.	Balance sheet change in cash, including	552.193,47	668,58
F.	Cash at the beginning of the period	157.484,53	47.378,04
G.	End-of-period cash (F+/-D)	709.678,00	48.046,62

4.4. Statement of changes in equity capital

Separate statement of changes in equity capital - BLACK PEARL S.A.

Item	period from 01.01.2021 to 30.06.2021	period from 01.01.2022 to 30.06.2022
I. Equity capital (fund) opening balance (BO)	22.174.422,16	22.569.565,75
- correction of basic errors	-	-
- the effects of changes in accounting policies	-	-
I.a. Equity capital (fund) at the beginning of the period (BO), after adjustments	27.533.800,00	22.569.565,75
1. Share capital (fund) opening balance	27.533.800,00	27.533.800,00
1.1. Changes in share capital	-	- 3.000.000,00
(a) increase (due to)	-	-
- issue of shares	-	-
(b) reduction (due to)	-	3.000.000,00
- redemption of shares	-	3.000.000,00
1.2. Share capital (fund) closing balance	27.533.800,00	24.533.800,00
2. Contributions due to the share capital at the beginning of the period	-	-
2.1. Changes in payments due to share capital	-	-
(a) increase (due to)	-	-
(b) reduction (due to)	-	-
2.2. Contributions due to share capital at the end of the period	-	-
3. Own shares at the beginning of the period	3.021.917,45	3 021 917,45
3.1. Changes in own shares	-	-
(a) increase	-	-
(b) reduction	-	-
3.2. Own shares at the end of the period	-	-
4. Reserve capital (fund) at the beginning of the period	-	3.021.917,45
4.1. Changes in the reserve capital (fund)	-	2.600.000,00
(a) increase (due to)	-	2.600.000,00
- redemption of own shares	-	2.600.000,00
(b) reduction (due to)	-	-
- loss coverage	-	-
4.2. Reserve capital (fund) at the end of the period	3.021.917,45	5.621.917,45
5. Revaluation reserve (fund) at the beginning of the period	4.499.700,00	-
5.1. Changes in revaluation reserve	-	-
(a) increase (due to)	-	-
(b) reduction (due to)	-	-
- sale of fixed assets	-	-
5.2. Revaluation reserve (fund) at the end of the period	-	-
6. Other reserves at the beginning of the period	4.499.700,00	4.499.700,00
6.1. Changes in other reserves	-	-
(a) increase (due to)	-	-
(b) reduction (due to)	-	-
6.2. Other reserves at the end of the period	4.499.700,00	4.499.700,00
7. Profit (loss) from previous years at the beginning of the period	-	-
7.1. Profit from previous years at the beginning of the period	-	-
- correction of basic errors	-	-
- the effects of changes in accounting policies	-	-
7.2. Earnings from previous years at the beginning of the period, after adjustments	-	-
7.3. Changes in profit from previous years	-	-
(a) increase (due to)	-	-

- distribution of profit from previous years	-	-
(b) reduction (due to)	-	-
7.4. Profit from previous years at the end of the period	-	-
7.5. Loss from previous years at the beginning of the period	-12.880.995,29	-12.485.851,70
- correction of basic errors	-	-
- the effects of changes in accounting policies	-	-
7.6. Loss from previous years at the beginning of the period, after adjustments	-	-
7.7. Changes in loss from previous years	-	-
(a) increase (due to)	-	-
- carry-forwards of losses from previous years to be covered	-	-
(b) reduction (due to)	-	-
7.8. Loss from previous years at the end of the period	-12.880.995,29	-12.485.851,70
7.9. Profit (loss) from previous years at the end of the period		
8. Net result	1.296.128,81	-92.989,53
(a) net profit	1.296.128,81	
(b) net loss		-92.989,53
(c) profit write-offs	-	-
II. Closing balance of equity (fund) at the end of the period (BZ)	23.470.550,97	22.076.576,22
III. Own capital (fund) after taking into account the proposed distribution of profit	-	-

5. Management Board's report on activities in the 2nd quarter of 2022

5.1. Management Board's comment on significant factors and events in the 2nd quarter of 2022

5.1.1. Significant financial information

At the end of the second quarter of 2022 (in the period from 01.01.2022 to 30.06.2022) BLACK PEARL S.A. achieved net sales revenues of PLN 25,200.00 and financial revenues in the amount of PLN 2,499.00. In this period, it incurred operating expenses in the amount of PLN 119,815.13 and financial expenses in the amount of PLN 118.62.

The balance sheet total as at June 30th, 2022 was PLN 27,206,286.87, and the equity was PLN 22,076,576.22.

5.1.2. Significant information on changes in the Company's governing bodies

In the 2nd quarter of 2022, there were no changes in the Company's governing bodies.

5.1.3. Significant information on the implementation of the provisions of contracts and resolutions

Procedure related to the implementation of the provisions of the resolutions regarding the increase of the parity of minority shareholders to 19.52% as a result of the reduction of the number of shares held by Janusz Skopowski by 300,000 in connection with their redemption (approved by the National Depository for Securities on December 29, 2021) and the split of shares 1: 100 (approved by the National Depository for Securities on December 30, 2021) was completed in the first quarter of 2022.

After the redemption and division, the number of shares is 245,338,000 BPC shares, representing 100% of the share capital and votes at the General Meeting of Shareholders. The nominal value of each share after the split is PLN 0.10, and the share capital is PLN 24,533,800.00.

5.1.4. Significant events and resolutions

On June 30th, 2022, in the presence of notary public Paweł Orłowski, running a notary's office in Warsaw at ul. Wspólna 70, an Ordinary General Meeting was held which adopted all planned resolutions, including, inter alia, resolutions granting a vote of approval to Members of the Management Board and Supervisory Board, a resolution approving the Company's financial statements for the financial year ended December 31st, 2021, a resolution on the distribution of profit and a resolution concerning the payment of a dividend in the amount of 1.5% of the nominal value of shares - 0.15 grosz (PLN 0.0015) for each share with a nominal value of PLN 0.10.

Among others, the following Resolutions were adopted:

**"Resolution No. 4 of June 30, 2022
of the Ordinary General Meeting of Black Pearl S.A. with its registered office in Warsaw**

regarding the consideration and approval of the Management Board's report on the Company's activities for 2021.

The Ordinary General Meeting of Black Pearl spółka akcyjna with its registered office in Warsaw, acting on the basis of the provisions of Article 393 point 1 and Article 395 § 2 point 1 of the Commercial Companies Code, after considering the Management Board's report on the Company's activities in 2021, resolves the following: -----

§ 1

The Ordinary General Meeting approves the Management Board's report on the Company's activities for the period from 1 January 2021 to 31 December 2021. -----

§ 2

The resolution shall enter into force upon its adoption. "-----

**"Resolution No. 5
of 30 June 2022**

**of the Ordinary General Meeting of Black Pearl S.A. with its registered office in Warsaw
regarding the consideration and approval of the Company's financial statements for 2021**

Acting pursuant to Article 393 point 1), in conjunction with Article 395 § 2 point 1) of the Commercial Companies Code, the Ordinary General Meeting of Black Pearl Spółka Akcyjna with its registered office in Warsaw, decides as follows: -----

§ 1.

The Ordinary General Meeting of Black Pearl Spółka Akcyjna with its registered office in Warsaw, after consideration, decides to agree to the use of the method adopted for the preparation of this Report and to approve the Financial Statements of the Company for the financial year 2021, i.e. for the period from January 1, 2021 to December 31, 2021, including:-----

1. introduction, -----
2. the balance sheet prepared as at 31 December 2021, -----
3. profit and loss account for the period from 1 January 2021 to 31 December 2021, indicating a profit of PLN 395,143.59, -----
4. statement of changes in equity (fund), -----
5. cash flow statement during the financial year 2021, -----
6. notes to the financial statements for the financial year 2021, i.e. for the period from 1 January 2021 to 31 December 2021.

§ 2.

The resolution shall enter into force upon its adoption."-----

**"Resolution No. 15
of 30 June 2022**

**of the Ordinary General Meeting of Black Pearl S.A. with its registered office in Warsaw
on the allocation of the Company's profit for the financial year ending on 31 December 2021 and the
determination of the dividend date and the date of its payment**

§1

The Ordinary General Meeting of Black Pearl Spółka Akcyjna with its registered office in Warsaw, after reading and considering the opinion of the Supervisory Board and the Management Board's motion, acting pursuant to Article 395 § 2 point 2 and Article 396 § 5 of the Commercial Companies Code, decides and resolves the following:-----

1. Part of the net profit for the financial year 2021 in the amount of PLN 368,007.00 (in words, three hundred and sixty-eight thousand seven zlotys) to be allocated for the payment of dividends to the Company's Shareholders. -----
2. The dividend in the amount of PLN 368,007.00 constitutes 1.5% of the nominal value of the shares – 0.15 grosz per

share with a nominal value of PLN 0.10. -----
 3. The remaining part of the net profit for the financial year 2021 in the amount of PLN 27,136.59 (twenty-seven thousand one hundred and thirty-six zlotys and fifty-nine groszy) should be allocated to cover losses from previous years.

§2

The Ordinary General Meeting of Black Pearl S.A. pursuant to Article 348 § 4 of the Commercial Companies Code determines:-----

- dividend date as at 30.09.2022 -----
- dividend payment date as at 30.12.2022 -----

§3

The resolution shall enter into force on the day of its adoption. "-----

5.2. Brief description of significant achievements of the Issuer in the 2nd quarter of 2022.

In the second quarter of 2022, the Issuer focused its activities primarily on the implementation by BLACK PEARL S.A. a development strategy aimed at increasing the value of the Company's assets.

At the same time, as a result of macroeconomic and geopolitical changes, the Management Board started an analysis of the economic environment aimed at developing a review of options for further strategic development.

Additionally, on May 5th, 2022, a new special purpose vehicle - CANNABISHUBMED Sp. z o.o. has been registered. Until the date of this report, the company has not commenced operations.

As at the end of the 2nd quarter of 2022, the Company owned the following assets:

- CANNABISHUBMED Sp. z o.o. (100% shares)
- Eco Milan Sp. z o.o. (95% shares)
- Elektrownia Stoneczna Blizocin Sp. z o.o. (49% shares)
- Energa Plus Sp. z o.o. (37,5% shares)
- Red Pharma Laboratories S.A. (22,5% shares)
- Reeco Nieruchomości Sp. z o.o. (100% shares)

Due to the nature of the activities of MEDICANCOIN GREECE S.A. (cultivation of medical marijuana and production of medical marijuana preparations with THC, and not only with CBD) and legislative discrepancies between Greece and Poland, the Management Board, as part of the implementation of the Company's development strategy aimed at providing the Issuer with long-term revenues, focused its activity on developing the most effective model of cooperation with MEDICANCOIN GREECE S.A. providing the Issuer with future revenues related to the right to distribute products containing THC manufactured by MEDICANCOIN GREECE S.A. as part of the applicable legal order related to the legal trade in goods in accordance with local and international law regulating the trade in psychoactive substances.

Until the unification of the law in the economic sphere related to cryptocurrencies in Poland and the Issuer compliance with requirements imposed by the Polish Financial Supervision Authority on entities trading in digital currencies, the Issuer temporarily ceased activities in the sphere of crypto currencies, focusing on activities aimed at dynamic strengthening of the sphere based on acquisitions of enterprises, and thus an increase in the value of the assets of Black Pearl S.A.

Nevertheless, regardless of the suspension of activities in the field of digital currencies, in order to secure the possibility of future activities based on virtual currencies, the Management Board of the Company submitted an application for entry in the register of activities in the field of virtual currencies and on May 5, 2022, the Company was entered to the register of activities in the field of virtual currencies under the number RDWW-261.

5.3. Description of the status of implementation of the activities and investments of the Issuer and related companies and the schedule of their implementation, about which the Issuer informed in the information document

In the reporting quarter, the company did not conduct direct investment activities.

5.4. The position of the Management Board regarding the possibility of meeting the published forecasts of financial results for a given year in the light of the results presented in this quarterly report

The issuer did not publish any forecasts.

5.5. Initiatives aimed at introducing innovative solutions in the enterprise

In the period covered by the report, the Issuer did not implement innovative solutions in the Issuer's enterprise.

6. Information on the number of people employed by the Issuer, converted into full time jobs

BLACK PEARL S.A. in the reported quarter, it employed 1 employee (FTE). The Management Board is not employed by the Company.

7. Information on the principles adopted when drawing up the report, including information on changes in the applied accounting principles (policy)

Selected principles of the Issuer's accounting bookkeeping policy

The accounting principles applied by the entity are adapted to the provisions resulting from the Accounting Act of 29 September 1994 (Journal of Laws of 2002, No. 76, item 76, item 76). 694 of late. as amended) and comply with IFRS 1 and IAS.

Analytical accounts are adapted to the scope of the Company's operations and needs in a way that ensures the preparation of financial statements, their analysis and settlement of taxes. Changes in the list of accounts may be made in the event of changes resulting from the limitation or extension of the scope of the Company's activities or in other justified cases. Changes can be made by deleting existing accounts or adding new accounts. The account designation contains a three-digit symbol and the full name of the account. The Company groups economic events in accordance with the law in force in Poland and the common rules applicable in business transactions.

The financial year is the calendar year. It consists of 12 consecutive calendar months.

Rules for the preparation of financial statements

The quarterly financial statements were prepared on the assumption that the Company will continue its business activities in the foreseeable future. There were no changes in accounting policies during the period covered by the reporting. These principles were applied in all presented periods continuously. The report was prepared in PLN.

Applicable rules for the valuation of assets and liabilities.

The financial data presented in this report have been prepared in accordance with the accounting policy, the Accounting Act and national accounting standards applied in the entity.

Intangible assets

Intangible assets consist of assets acquired per entity, not classified as fixed assets or investments, suitable for economic use, with an expected economic useful life of more than one year, intended for use for the purposes of the entity, in particular:

- a) copyrights, related rights, licenses, concessions,
- b) rights to inventions, patents, trademarks, utility models and ornamental models,
- c) know-how,
- d) acquired goodwill and costs of successful and implemented development work.

Intangible assets are valued at the purchase price or production costs less depreciation charges as well as impairment losses.

Depreciation shall begin in the month following that in which the transfer for use took place in equal monthly amounts.

Intangible assets with a unit initial value of not more than PLN 10,000.00 are depreciated once.

The depreciation periods shall be:

- for the license – 24 months,
- for other intangible assets – 60 months.

Fixed assets and fixed assets under construction

Fixed assets are recorded according to the following principles:

Fixed assets, i.e. property, plant and equipment and assimilated assets, not eligible for investment, with an expected useful life of more than one year complete and remotely usable for the purposes of the entity:

- real estate – including land, the right of perpetual usufruct of land, buildings and structures, separate ownership premises, cooperative ownership right to a dwelling;
- machinery, equipment, means of transport and other goods,
- improvements in foreign fixed assets

- the initial value of fixed assets is recognised in the accounts at cost.

The initial value (representing the purchase price or the cost of production of a fixed asset) is increased by the costs of its improvement, consisting in reconstruction, extension, modernization or reconstruction and causing that the value in use of this asset after completion of the improvement exceeds the value in use possessed at the time of acceptance for use, measured by the period of use, production capacity, quality of products obtained with the help of the improved fixed asset, operating costs or the passage of time. The initial value and depreciation charges made so far on fixed assets may be revalued.

The net book value of a fixed asset determined as a result of the revaluation should not be higher than its fair value, which is economically unjustified to describe during the intended period of its continued use.

The difference in the net value of fixed assets resulting from the revaluation relates to the revaluation reserve and cannot be allocated for distribution.

The Company applies a straight-line method of depreciation of assets, starting from the month following commissioning, in equal monthly installments and sets the rules, rates and depreciation periods, taking into account the period of economic usefulness of the fixed asset.

Property, plant and equipment with a unit initial value of not more than PLN 10,000.00 shall be depreciated once in the following month after being put into use.

Fixed assets under construction

Expenses incurred for the production of property, plant and equipment until they are put into use are presented as fixed assets under construction.

Fixed assets under construction are entered into the books and measured at least as at the balance sheet date in the amount of all costs directly related to their acquisition or production, less impairment losses.

During the construction of a complex of facilities, the records should distinguish common costs, which are subject to settlement for individual objects in proportion to their value after completion of construction. Construction costs do not include the costs of acquiring land for construction. Land acquired in connection with the construction is an independent object and its value is included directly in fixed assets.

Long-term investments

Real estate is recorded and valued in accordance with the rules applicable to fixed assets and intangible assets, i.e. at purchase prices or production costs, or revalued value, less depreciation charges and impairment losses.

Intangible assets included in the investment are recorded and valued in accordance with the rules applicable to fixed assets and intangible assets, i.e. at purchase prices or production costs, or revalued value, less depreciation charges and impairment losses.

Shares in subordinated entities classified as non-current assets are measured at cost less impairment losses.

Interests in subordinated entities not included in fixed assets are measured at cost less impairment losses.

Shares in other entities and investments classified as non-current assets are measured at cost less impairment losses.

Crypto currency (MCAN) classified as "Other long-term investments" is valued at the active market quote rate and revaluation is made once a year at the end of the financial year.

Short- and long-term receivables

Receivables shall be entered in the accounts in the amount of payment required, with caution. Overdue receivables (not covered by a guarantee or other security for receivables) are revaluation write-down.

Write-downs on receivables are included in other operating or financial expenses. Receivables that have been written off, expired or irrecoverable reduce previously made write-downs of their value and are removed from the records. If the reason for which the impairment loss was made ceases, the equivalent of all or the relevant part of the previously made write-down increases the value of the receivables and is included in other operating income or financial income, respectively.

Records of receivables shall be kept in such a way as to enable:

- In accounts receivable for trade and services, separation of receivables in settlements with related and other entities, including:
 - a) Amounts payable within a period of up to 12 months,
 - b) Payable over a period of more than 12 months
- When granting loans, the division into short-term and long-term loans
- When paying advances, the division into:
 - a) Advances on intangible assets,
 - b) Advances on fixed assets under construction,
 - c) Advances on the supply of working capital and services.

Investments – financial assets – financial instruments

The Company classifies financial instruments on the date of their acquisition or inception into the following categories:

1) Financial assets and financial liabilities held for trading

Financial assets held for trading include assets acquired for the economic purpose of obtaining economic benefits resulting from short-term price changes and fluctuations in other market factors or the short duration of the instrument acquired, as well as other financial assets, regardless of the intention pursued when concluding the contract, if they are part of a portfolio of similar financial assets that is likely to be executed in the short term. The assumed economic benefits.

2) Available-for-sale financial assets

The category of financial assets held for sale includes other financial assets that do not meet the conditions for classification as financial assets held for trading.

Method of valuation:

Financial assets are entered in the accounts at the date of conclusion of the contract at the purchase price, i.e. at the fair value of expenses incurred or transferred in exchange for other assets, and financial liabilities - at the fair value of the amount obtained or the value of other assets received. Transaction costs incurred by the entity shall be taken into account in determining fair value at that date.

Financial assets shall be measured no later than at the end of the reporting period, at a reliably determined fair value without deducting the transaction costs that the Company would incur by disposing of those assets or excluding them from the accounts for other reasons, unless the amount of those costs would be significant.

The above valuation does not apply to:

1. Financial assets held to maturity,
2. Financial assets for which there is no market price determined in active regulated trading or whose fair value cannot be determined in any other reliable way
- those assets shall be valued as follows:

Ad. 1. Financial assets held until maturity – these are financial assets with specified or determinable payments and a fixed maturity date that the company intends and is able to hold until then. Financial assets held to maturity shall be measured at the adjusted cost using the effective interest method,

Ad. 2. Financial assets for which there is no fixed maturity at the cost.

The effects of periodic valuation of financial assets, including derivatives, and financial liabilities classified as held for trading are included in the financial income or expenses of the reporting period in which the revaluation took place, respectively.

The effects of revaluation of financial assets classified as available for sale and measured at fair value are reported from the date of their acquisition or creation until the date of their exclusion from the accounting books and relate to the revaluation reserve (fund).

The effects of revaluation of financial assets and liabilities measured at the adjusted cost, i.e. discount or premium write-downs, as well as other differences determined at the date of their exclusion from the accounts, are included in the financial income or expenses of the reporting period in which the revaluation took place, respectively.

Cash, cash equivalents

Cash in the bank, cash on hand and short-term deposits held until maturity are valued at nominal value.

Accruals

The Company makes active accruals of expenses if they relate to future reporting periods. Accruals are made in the amount of probable liabilities for the current reporting period.

Accruals of expenses are made in the amount of probable liabilities attributable to the current reporting period, resulting in particular:

- from services rendered to the entity by the entity's counterparties when the amount of the liability can be estimated reliably,
 - from the obligation to perform, related to the current activity, future benefits to unknown persons, the amount of which can be estimated even though the date on which the liability arose is not yet known.
- The time and method of settling accruals is justified by the nature of the costs accounted for, while respecting the principle of prudence.

Capital

The share capital is recognised in the amount specified in the statutes and entered in the court register. Differences between the fair value of the consideration received and the nominal value of the shares are recognised in the reserve capital from the sale of shares above their nominal value. The costs of issuing shares incurred when the company is established or the share capital is increased reduce the company's reserve capital to the amount of the excess of the issue value over the nominal value of the shares, and the remaining part of them is included in the financial costs.

Reserves

Provisions are recognised when the Company has an existing obligation (legal or customary) arising from past events and when it is certain or highly probable that compliance with this obligation will result in the outflow of measures embodying economic benefits, and when a reliable estimate of the amount of this liability can be made.

Deferred income tax

The income tax provision is created using the balance sheet liabilities method in relation to all temporary differences occurring at the balance sheet date between the tax base of assets and liabilities and their carrying amount shown in the financial statements. Due to temporary differences between the value of assets and liabilities reported in the accounts and their tax base and the tax loss deductible in the future, a provision is created and deferred tax assets are determined.

Deferred tax assets are determined at the amount to be deducted from income tax in the future in relation to deductible temporary differences that will result in a future reduction in the basis for calculating income tax and the deductible tax loss determined taking into account the prudential principle.

A deferred tax liability is recognised in the amount of income tax that requires payment in the future due to the occurrence of taxable temporary differences, i.e. differences that will increase the basis for calculating income tax in the future.

The amount of deferred tax liability and assets is determined taking into account the income tax rates in force in the year in which the tax obligation arises.

The difference between deferred tax liabilities and assets at the end and beginning of the reporting period affects profit or loss, while deferred tax liabilities and assets relating to operations accounted for with equity are also applied to equity.

Liabilities

Liabilities are measured at the balance sheet date at the amount to be paid, except for liabilities which are contractually settled by spending financial assets other than cash or exchanging them for financial instruments that are measured at fair value.

If the maturity exceeds one year from the balance sheet date, the balances of those liabilities, with the exception of trade liabilities, shall be reported as long-term. The remaining parts of the balances shall be shown to be short-term.

Impairment of financial assets

At each balance sheet date, the Company assesses whether there is objective evidence of permanent impairment of an asset or group of assets. If such evidence exists, the Company determines the estimated recoverable value of the asset and makes an impairment loss equal to the difference between the recoverable amount and the carrying amount. Impairment loss is recognised in the income statement for the current period.

Revenue recognition

Revenues are recognized to the extent that it is likely that the Company will obtain economic benefits that can be reliably measured.

Interest

Interest income is recognised in proportion to the passage of time (recognition at the time of accrual) taking into account the amount of capital employed and the effective interest rate over the maturity period, provided that it is certain that the Company will realise the income.

Presentation of income and expenses from investing activities in the cash flow statement

Proceeds and expenses from investing activities are presented in the cash flow statement in investing activities.

Profit

The Financial Result of the Company for a given financial year includes all revenues generated and attributable to it and related costs in accordance with the principles of accruals, commensurability of revenues and expenses and prudent valuation. The net financial result consists of:

- a) Result of operating activities, including income and operating expenses,
- b) Result of financial operations,
- c) Mandatory charges on profit or loss for income tax of which the entity is a taxpayer.

Off-balance sheet records

The following shall be recorded in the off-balance-sheet records:

- contingent liabilities due to, for example, granted sureties, guarantees or endorsement of bills of exchange.
- foreign assets, fixed assets used on the basis of lease, lease or leasing agreements.

8. Statement of the Management Board

Management Board of BLACK PEARL S.A. declares that, to the best of its knowledge, financial information and comparable data have been prepared in accordance with the Issuer's regulations and that the quarterly report on its activities contains a true picture of the development, achievements and situation of the Company.

Arkadiusz Trela

President of the Management Board