



Quarterly Report

BLACK PEARL S.A.

for the period
1st January 2022 – 31st March 2022

Warsaw, 16th May 2022

Warsaw, 16th May 2022

Dear Sir or Madam,

Management Board of BLACK PEARL S.A. hereby presents the Quarterly Report for the 1st 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 1st quarter of 2022.

This quarter was a period of hard work primarily focused on the implementation of the development strategy aimed at the dynamic strengthening of the sphere of unconventional investments and, consequently, an increase in the value of the Company's assets. As part of the strategy implementation, during this period, the Management Board focused on developing the most effective model of cooperation with MEDICANCOIN GREECE S.A. in order to ensure the Company's future revenues.

In addition, the Management Board completed the procedure related to the implementation 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 29th, 2021) and 1:100 split of shares (approved by the National Depository for Securities on December 30th, 2021). On January 14th, 2022, the District Court for the Capital City of Warszawy w Warszawie, XII Commercial Division of the National Court Register, made an appropriate entry in Section 1 Heading 9 - Share Issue.

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.

Thus, after performing these operations, the parity of minority shareholders increased, and the shareholding structure was as follows:

- Janusz Skopowski: 77.66% of the total number of shares and votes at the General Meeting of Shareholders,
- Midorana Investment Ltd (a subsidiary of Janusz Skopowski): 2.82% of the total number of shares and votes at the General Meeting of Shareholders,
- other shareholders (Free Float): 19.52% of the total number of shares and votes at the General Meeting of Shareholders.

I am convinced that the activities carried out in the 1st 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



Table of Contents

1.	Basic information about the Company.....	4
1.1.	Company Information:.....	4
1.2.	Management Board	4
1.3.	Supervisory Board	4
1.4.	Shareholding structure.....	4
2.	Information on companies related to the Issuer, indicating entities subject to consolidation	5
2.1.	List of companies related to the Issuer.....	5
2.2.	Brief description of companies related to the Issuer.....	5
2.3.	Additional information on significant entities cooperating with the Issuer	6
3.	Selected financial data.....	6
4.	Separate financial data for the 1 st quarter of 2022	8
4.1.	Balance sheet.....	8
4.2.	Profit and Loss	11
4.3.	Cash Flow Statement.....	12
4.4.	Statement of changes in equity capital	13
5.	Management Board's report on activities in the 1 st quarter of 2022	14
5.1.	Management Board's comment on significant factors and events that influenced the results in the 1 st quarter of 2022.....	14
5.1.1.	Significant financial information.....	14
5.1.2.	Significant information on changes in the Company's governing bodies	14
5.1.3.	Significant information on the implementation of the provisions of contracts and resolutions ..	14
5.2.	Brief description of significant achievements of the Issuer in the 1 st quarter of 2022.....	14
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.....	15
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	15
5.5.	Initiatives aimed at introducing innovative solutions in the enterprise.....	15
6.	Information on the number of people employed by the Issuer, converted into full time jobs	16
7.	Information on the principles adopted when drawing up the report, including information on changes in the applied accounting principles (policy)	16
8.	Statement of the Management Board.....	17

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 Słomińskiego 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

As at the date of publication of the report, the Issuer's Management Board is composed of:

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

1.3. Supervisory Board

As at the date of publication of the report, the Supervisory Board of the Issuer is 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	190 529 490	77,66 %	77,66 %
2.	OTHER SHAREHOLDERS	54 808 510	22,34 %	22,34 %
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:

Company name	Share in capital
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 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 1st 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 RED PHARMA LABORATORIES S.A. will be added at a later date for reasons beyond the control of the Issuer.

2.2. Brief description of companies related to the Issuer

Eco Milan Sp. z o.o.

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.

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.

A company specializing mainly in supplying microspheres to concerns in selected countries of the world. 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.

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.

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 project based on permits and licenses obtained from the Government of Greece for the cultivation of medical marijuana in a strictly defined legal regime. Currently the company has completed project preparation phase covering buildings and installations necessary for the implementation of the business.

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 its 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 proprietary 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.

BLACK PEARL S.A.	31.03.2021	31.03.2022
<i>Balance sheet sum</i>	27.502.537,82	25.563.245,69
<i>Equity capital</i>	24.123.846,54	24.314.117,97
<i>Fixed assets, including:</i>	25.055.271,94	22.843.170,94
<i>Long-term receivables</i>	0,00	0,00
<i>Current assets, including:</i>	2.447.265,88	2.720.074,75



4. Separate financial data for the 1st quarter of 2022

4.1. Balance sheet

Separate balance sheet of BLACK PEARL S.A. as of 31st March 2022:

BLACK PEARL SA

00-195 Warsaw, 15/504 Słomińskiego street

Item	Name of the item	as of 31.03.2021	as of 31.03.2022
A	FIXED ASSETS	25.055.271,94	22.843.170,94
I	Intangible assets	0,00	20.000,00
1	Costs of completed development works	0,00	0,00
2	Goodwill	0,00	0,00
3	Other intangible assets	0,00	20.000,00
4	Advance payments against intangible assets	0,00	0,00
II	Tangible fixed assets	0,00	0,00
1	Tangible assets	0,00	0,00
a)	Land(including perpetual usufruct right to the land)	0,00	0,00
b)	Buildings, premises and civil engineering structures	0,00	0,00
c)	Technical equipment and machinery	0,00	0,00
d)	Means of transport	0,00	0,00
e)	Other tangible assets	0,00	0,00
2	Tangible assets under construction	0,00	0,00
3	Advance payments against tangible assets under construction	0,00	0,00
III	Long-term receivables	0,00	0,00
1	From affiliates	0,00	0,00
2	From other companies where the company holds interest	0,00	0,00
3	From other companies	0,00	0,00
IV	Long-term investments	25.055.271,94	22.823.170,94
1	Real properties	0,00	0,00
2	Intangible assets	14.000.000,00	14 000 000,00
3	Long-term financial assets	11.055.271,94	8.823.170,94
a)	In affiliates	0,00	0,00
-(1)	Stocks or shares	0,00	0,00
-(2)	Other securities	0,00	0,00
-(3)	Granted loans	0,00	0,00
-(4)	Other long-term financial assets	0,00	0,00
b)	In other companies where the company holds interest	8.823.171,94	8.823.170,94
-(1)	Stocks or shares	8.823.171,94	8.823.170,94
-(2)	Other securities	0,00	0,00
-(3)	Granted loans	0,00	0,00
-(4)	Other long-term financial assets	0,00	0,00
c)	In other companies	2.232.100,00	0,00
-(1)	Stocks or shares	2.232.100,00	0,00
-(2)	Other securities	0,00	0,00
-(3)	Granted loans	0,00	0,00
-(4)	Other long-term financial assets	0,00	0,00
4	Other long-term investments	0,00	0,00
V	Long-term prepayments	0,00	0,00
1	Deferred income tax assets	0,00	0,00
2	Other prepayments	0,00	0,00

B	CURRENT ASSETS	2.447.265,88	2.720.074,75
I	Inventories	0,00	0,00
1	Materials	0,00	0,00
2	Half-finished products and products in progress	0,00	0,00



3	Finished products	0,00	0,00
4	Goods	0,00	0,00
5	Advance payments against deliveries	0,00	0,00
II	Short-term receivables	363.258,36	1.806.096,15
1	Receivables from affiliates	0,00	935.000,00
a)	Trade receivables with maturity:	0,00	935.000,00
-(1)	-up to 12 months	0,00	935.000,00
-(2)	-over 12 months	0,00	0,00
b)	Other	0,00	0,00
2	Receivables from other companies where the Company holds interest	0,00	0,00
a)	Trade receivables with maturity:	0,00	0,00
-(1)	-up to 12 months	0,00	0,00
-(2)	-over 12 months	0,00	0,00
b)	Other	0,00	0,00
3	Receivables from other companies	363.258,36	871.086,15
a)	Trade receivables with maturity:	9.538,24	71.167,15
-(1)	Up to 12 months	9.538,24	71.167,15
-(2)	Over 12 months	0,00	0,00
b)	Taxes, donations, customs, social and health insurance and other public law receivables	85,00	83.470,00
c)	Other	353.635,12	716.459,00
d)	Litigation	0,00	0,00
III	Short-term investments	2.015.472,52	913.978,60
1	Short-term financial assets	1.945.013,42	903.553,99
a)	In affiliates	0,00	0,00
b)	In other companies	217.552,59	852.629,75
-(1)	stocks or shares	0,00	0,00
-(2)	other securities	0,00	0,00
-(3)	loans granted	217.552,59	852.629,75
-(4)	other short-term financial assets	0,00	0,00
c)	Cash and other monetary assets	1.727.460,83	50.924,24
-(1)	- cash on hand and in banks	1.727.460,83	50.924,24
-(2)	-other cash	0,00	0,00
-(3)	Other monetary assets	0,00	0,00
2	Other short-term investments	70.549,10	10.424,61
IV	Short-term prepayments	68.535,00	0,00
C	Payments due to share capital	0,00	0,00
D	Equity shares	0,00	0,00
Total ASSETS:		27.502.537,82	25.563.245,69

LIABILITIES

Item	Name of the item	as of 31.03.2021	as of 31.03.2022
A	Equity capital	24.123.846,54	24.314.117,97
I	Share capital	27.533.800,00	24.533.800,00
II	Reserve capital, including:	3.021.917,45	5.621.917,45
-(1)	Surplus of sale value (share price) over share per value	0,00	0,00
III	Revaluation capital, including:	0,00	0,00
-(1)	Revaluation of goodwill	0,00	0,00
IV	Other reserve capitals, including:	4 499 700,00	4 499 700,00
-(1)	Created in compliance with the company's share capital	0,00	0,00
-(2)	Equity shares	0,00	0,00
V	Profit (loss) from previous years	-12.880.995,29	-10.303.548,76
VI	Net profit (loss)	1.949.424,38	-37.750,72

VII	Write-down from net profit during the financial year (negative value)	0,00	0,00
B	Liabilities and provisions for liabilities	3.378.691,28	1.249.127,72
I	Provisions for liabilities	0,00	0,00
1	Provision for deferred income tax	0,00	0,00
2	Provision for pension and similar benefits	0,00	0,00
-(1)	Long-term	0,00	0,00
-(2)	Short-term	0,00	0,00
3	Other provisions	0,00	0,00
-(1)	Long-term	0,00	0,00
-(2)	Short-term	0,00	0,00
II	Long-term liabilities	3.190.000,00	985.306,60
1	To affiliates	3.190.000,00	985.306,60
2	To other companies where the Company holds interest	0,00	0,00
3	To other companies	0,00	0,00
a)	Credits and loans	0,00	0,00
b)	Issue of debt securities	0,00	0,00
c)	Other financial liabilities	0,00	0,00
d)	Promissory notes	0,00	0,00
e)	Other	0,00	0,00
III	Short-term liabilities	188.691,28	263.821,12
1	Liabilities to affiliates	5.303,70	90.680,00
a)	Trade liabilities with maturity:	0,00	2.400,00
-(1)	-up to 12 months	0,00	2.400,00
-(2)	-over 12 months	0,00	0,00
b)	Other	5.303,70	88.280,00
2	Liabilities to other companies where the Company holds interest	0,00	0,00
a)	Trade liabilities with maturity:	0,00	0,00
-(1)	Up to 12 months	0,00	0,00
-(2)	Over 12 months	0,00	0,00
b)	other	0,00	0,00
3	Liabilities to other companies	183.387,58	173.141,12
a)	Credit and loans	2.656,16	0,00
b)	Issue of debt securities	0,00	0,00
c)	Other financial liabilities	0,00	0,00
d)	Trade liabilities with maturity:	162.206,72	168.633,37
-(1)	- up to 12 months	162.206,72	168.633,37
-(2)	- over 12 months	0,00	0,00
e)	Advance payments against deliveries and services	0,00	0,00
f)	Promissory notes	0,00	0,00
g)	Taxes, customs, social and health insurance and other public law payments	2008,81	2.144,19
h)	Payroll	9.895,10	2.363,56
i)	Other	6.620,79	0,00
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
-(1)	Long-term	0,00	0,00
-(2)	Short-term	0,00	0,00
Total LIABILITIES		27.502.537,82	25.563.245,69

4.2. Profit and Loss

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

	2021	2022
	01.01.2021 to 31.03.2021	01.01.2022 to 31.03.2022
Profit and Loss		
A. NET REVENUES FROM SALE AND EQUIVALENT, INCLUDING:	8.610,00	12.600,00
- from affiliates	0,00	0,00
I. Net revenues from sale of products	8.610,00	12.600,00
II. Change in products (increase- positive value, decrease – negative value)	0,00	0,00
III. Cost of manufacturing products for company's own needs	0,00	0,00
IV. Net revenues from sale of goods and material	8.610,00	0,00
B. Costs of operating activities	47.548,43	52.731,35
I. Amortization	0,00	6.909,76
II. Consumption of materials and energy	3.492,09	585,81
III. Outsourcing	11.853,81	28.684,08
IV Taxes and fees, including:	10.000,00	0,00
-excise duty	0,00	0,00
V. Payroll	8.400,00	9.030,00
VI. Social insurance and other payments, including	1.720,32	8.749,38
VII Other generic costs	3.557,24	5.682,08
VIII. Sold goods and materials	8.560,97	0,00
C. Profit(loss) from sale (A-B)	-38.974,43	-40.131,35
D. Other operating revenues	0,00	0,44
I. Profit from sale of nonfinancial assets	0,00	0,00
II. dotations	0,00	0,00
III. Revaluation of non-financial assets	0,00	0,44
IV. Other operating revenues	0,00	0,29
E. Other operating expenses	633.685,52	1.153.076,01
I. Loss from sale of non-financial tangible assets	0,00	0,00
II. Revaluation of non-financial assets	0,00	0,00
III. Other operating expences	0,00	0,29
F. Profit (loss) from operating activities (C+D-E)	-38.974,24	-40.131,20
G Financial revenues	1.990.051,99	2.499,00
I. Dividend and profit shares, including:	0,00	0,00
- from affiliates, including:	0,00	0,00
II. Interest, including:	0,00	0,00
- from affiliates	0,00	0,00
III. Profit from sale of financial assets	0,00	2.499,00
IV. Revaluation of financial assets	0,00	0,00
V. other	1.990.051,99	0,00
756 Other financial income	0,00	0,00
H. Financial expenses	1.653,37	118,52
I. Interest including:	1.653,37	118,52
II. loss on the sale of financial assets, including:	0,00	0,00
III. Revaluation of financial assets	0,00	0,00
IV. Other	0,00	0,00
I. Gross profit (loss) (F+G-H)	1.949.424,38	-37.750,72
J. Income tax	0,00	0,00
K. Other compulsory profit reduction (loss increase) (loss increase)	0,00	0,00
L. Net profit (loss) I-J-K	1.949.424,38	-37.750,72



4.3. Cash Flow Statement

Separate Cash Flow Statement – BLACK PEARL S.A.

	31.03.2021	31.03.2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
I. Net profit (loss)	1.949.424,38	-37.750,72
II. Adjustments total	2.367.140,48	-45.196,92
III. net cash flows from operating activities (I±II)	0,00	7.446,20
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
I. Inflows	0,00	2.500,00
II. Expenses	2.450,00	0,00
III. Net cash flows from investing activities (I-II)	0,00	2.500,00
C. CASH FLOWS FROM FINANCIAL ACTIVITIES		
I. Inflows	1.990.142,40	14.000,00
II. Expenses	0,00	20.400,00
III. Net Cash flows from financial activities (I-II)	1.990.142,40	-6.400,00
D. TOTAL NET CASH FLOWS (A.III±B.III±C.III)	1.569.976,30	3.546,20
E. Balance sheet change in cash, including	0,00	3.546,20
- change in cash due to exchange rate differences	-	-
F. CASH FLOW OPENING BALANCE	157.484,53	47.378,04
G. CASH FLOW CLOSING BALANCE (F±D), INCLUDING	1.727.460,83	50.924,24
- with restricted disposal	-	-



4.4. Statement of changes in equity capital

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

Item	31.03.2021	31.03.2022
I. Equity capital opening balance	22.174.422,16	24.751.868,69
I.a. Equity capital opening balance, after adjustments	27.533.800,00	24.751.868,69
1. Share capital opening balance	27.533.800,00	27.533.800,00
1.2. Share capital closing balance	27.533.800,00	24.533.800,00
2. Opening balance of called up share capital	-	-
3. Opening balance of own shares	3.021.917,45	3 021 917,45
4. Opening balance of reserve capital	-	-
4.1. Changes on other reserve capitals opening balance	-	-
a) increase (in respect of)	-	-
b) decrease (in respect of)	-	2.600,000,00
4.2. Other reserve capitals closing balance	3.021.917,45	5.621.917,45
5. Opening balance of revaluation reserve	-	-
5.1. Changes in revaluation reserve	-	-
6. Opening balance of the other reserve capitals	4.499.700,00	4.499.700,00
6.2. Closing balance of the other reserve capitals	4.499.700,00	4.499.700,00
7. Opening balance of previous years' profit	-	-
7.1. opening balance of previous years' profit	-	-
7.2. opening balance of previous years' profit after adjustments	-	-
7.4. Closing balance of previous years' profit	-	-
8. Net result	1.949.424,38	-37.750,72
II. Closing balance of equity	24.123.846,54	24.314.117,97
III. Equity including proposed profit distribution	-	-

5. Management Board's report on activities in the 1st quarter of 2022

5.1. Management Board's comment on significant factors and events that influenced the results in the 1st quarter of 2022

5.1.1. Significant financial information

In the 1st quarter of 2022, BLACK PEARL S.A. generated net sales revenues of PLN 12,600.00 and financial revenues of PLN 2,499.00. In this period, it incurred operating expenses in the amount of PLN 52,731.35 and financial expenses in the amount of PLN 118.52.

The balance sheet total as at March 31, 2022 was PLN 25,563,245.69 and equity was PLN 24,314,117.97.

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

In the 1st 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

In addition to activities related to the implementation of the strategy, the Management Board focused on completing the 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 KDPW with on December 29th, 2021) and the split of shares 1:100 (approved by the National Depository for Securities on December 30th, 2021).

The process was successfully completed in December 2021 and after these operations were performed, the parity of minority shareholders increased, and the shareholding structure was as follows:

- Janusz Skopowski: 77.66% of the total number of shares and votes at the General Meeting of Shareholders,
- Midorana Investment Ltd (a subsidiary of Janusz Skopowski): 2.82% of the total number of shares and votes at the General Meeting of Shareholders,
- other shareholders (Free Float): 19.52% of the total number of shares and votes at the General Meeting of Shareholders.

On January 14th 2022, the District Court for the Capital City of Warszawy w Warszawie, XII Commercial Division of the National Court Register, made an appropriate entry in Section 1, Heading 9 - Share Issue.

After the redemption and split, 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.

5.2. Brief description of significant achievements of the Issuer in the 1st quarter of 2022.



In the 1st quarter of 2022, the Issuer focused its activities primarily on the implementation by BLACK PEARL S.A. a development strategy aimed at dynamic strengthening of the sphere of unconventional investments based on the acquisition of enterprises, and thus an increase in the value of the Company's assets.

As at the end of the 1st quarter of 2022, the Company owned the following assets:

- Eco Milan Sp. z o.o. (95% shares)
- Elektrownia Słoneczna 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)

In addition, due to the nature of the activities of MEDICANCOIN GREECE S.A. (the cultivation of medical marijuana and the production of medical marijuana preparations with THC, and not only with CBD) and legislative discrepancies between Greece and Poland, the Management Board focused its activities on developing a more effective cooperation model that will ensure long-term revenues for the Company under the applicable legal order related to legally traded 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.

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

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).

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

General principles of the Issuer's bookkeeping policy

INFORMATION ON CHANGES IN THE APPLIED ACCOUNTING PRINCIPLES (POLI-CIES)

The accounting principles applied by the entity are adjusted to the provisions of the Accounting Act of 29 September 1994 (Journal of Laws of 2002, No. 76, item 694, as amended).

Principles of preparing financial statements

The quarterly financial statements have been prepared on the assumption that the company will continue its business activities for the foreseeable future. There were no changes in the accounting principles in the period covered by the report. These principles were applied consistently in all the presented periods. The report was drawn up in PLN.

The 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 principles, the Accounting Act and national accounting standards applied by the entity.

In the field of records of intangible assets

Intangible assets are considered acquired, fit for economic use on the date of acceptance for use.

In the field of records of fixed assets

Fixed assets are recorded according to the following rules: Complete and fit for use at the time of acceptance for use, with an estimated period of use longer than one year, intended for own needs or to be put into use under a lease, lease or other agreement for similar character. Fixed assets with an initial value of up to PLN 3,500.00 are classified as low-value fixed assets. Assets with an expected useful life longer than one year and with an initial value lower than the lower value of a low-value fixed asset are included in the cost of materials. Each fixed asset, except for low-value fixed assets, is classified according to the Classification of Fixed Assets (KŚT).

In terms of long-term investments

Receivables are measured at the amount due, in line with the prudence principle, i.e. after taking into account impairment losses. Short-term investments are valued at market value. Cash in hand and at bank is measured at its nominal value.

In terms of financial assets and financial liabilities

Receivables are measured at the amount due, in line with the prudence principle, i.e. after taking into account impairment losses. Short-term investments are valued at market value. Cash in hand and at bank is measured at its nominal value.

With regard to tangible current assets

Receivables are measured at the amount due, in line with the prudence principle, i.e. after taking into account revaluation write-offs. Short-term investments are valued at market value



In the field of records of receivables

Receivables are measured at the amount due, in line with the prudence principle, i.e. after taking into account revaluation write-offs. Cash in hand and at bank is measured at its nominal value.

In the field of cash register

Cash in hand and at bank is measured at its nominal value.

In terms of equity (funds)

Own shares (stocks) are valued according to purchase prices.

In terms of reserves

Provisions for losses and liabilities are measured at a justified, reliably estimated value.

In the field of records of liabilities

Liabilities are measured at the amount due, i.e. the principal amount of liabilities is increased by interest resulting from the interest notes received from contractors.

In the field of cost accounting

Financial liabilities which are settled in accordance with the agreement by issuing financial assets other than cash or exchanging for financial instruments, are measured at fair value.

In terms of taxation

As at the balance sheet date, assets and liabilities expressed in foreign currencies are measured at the average exchange rate established for a given currency by the National Bank of Poland on that date.

In terms of deferred income tax

As at the balance sheet date, assets and liabilities expressed in foreign currencies are measured at the average exchange rate established for a given currency by the National Bank of Poland on that date.

Cryptocurrency Valuation

The company applies the rules for the valuation of cryptocurrencies according to the exchange rate of the active market.

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