



**BLACK PEARL S.A.**

NIP: 7010211009

KRS: 0000343453

REGON: 142121110

**Management report  
from activities  
in the financial year 2021**

for the period  
1<sup>st</sup> January 2021 – 31<sup>st</sup> December 2021

Warsaw, 31<sup>st</sup> May 2022



Management Report  
from activities in the financial year 2021

Warsaw, 31<sup>st</sup> May 2022

Dear Sir or Madam,

Management Board of BLACK PEARL S.A. hereby presents the Management Board's Report on the activities in the financial year 2021 presenting the key results and the most important facts about the Issuer's activities.

The year 2021 was a period of intense work related primarily to the preparation and 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.

The actions taken contributed to the generation of a net profit of PLN 2,242,143.59 compared to the loss in the previous year. This allows the Management Board to formulate a recommendation to allocate the amount of PLN 1,226,690.00 for dividend payment and to allocate the remaining part of the profit earned to cover losses from previous years.

I am convinced that the activities carried out in 2021 and in the following periods will be reflected in the financial results of the Company, 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 Słomińskiego street, 00-195 Warsaw
Phone:	+48 22 415 41 46
www:	<a href="http://www.blackpearlcapital.pl">www.blackpearlcapital.pl</a>
E-mail:	<a href="mailto:biuro@blackpearlcapital.pl">biuro@blackpearlcapital.pl</a>
KRS registration number:	0000343453
REGON statistical number:	142121110
NIP tax number:	7010211009

### 1.2. Management Board

As at January 1<sup>st</sup>, 2021, the Management Board of the Issuer was composed of:

- Dominik Poszywała – President of the Management Board
- Jacek Jakubowski – Proxy

On June 30<sup>th</sup>, 2021, a meeting of the Supervisory Board of BLACK PEARL S.A. took place, during which the resignation was accepted and Mr. Dominik Poszywała was recalled from the position of the President of the Management Board and Mr. Arkadiusz Trela was appointed as the President of the Management Board.

As at December 31<sup>st</sup>, 2021 and as at the date of this report, the Management Board of the Issuer was composed of:

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

Changes in the composition of the Management Board of the Company serve to increase the ability to take on new challenges both on the domestic and international markets. They contributed to the efficient preparation and 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 and increasing the ability to adapt the operating model to the changing formal and legal environment.

### 1.3. Supervisory Board

As at January 1<sup>st</sup>, 2021, the Issuer's Supervisory Board was composed of:

1. Arkadiusz Trela – President of Supervisory Board
2. Adam Strużyk - Member of Supervisory Board
3. Marek Roguski – Member of Supervisory Board
4. Jan Lupa – Member of Supervisory Board

5. Marek Majcher – Member of Supervisory Board

On June 30<sup>th</sup>, 2021, the Ordinary General Meeting of the Company was held, during which a member of the Supervisory Board, Mr. Arkadiusz Trela, was dismissed and two new members of the Supervisory Board, Mr. Mirosław Szczepański and Mr. Dominek Poszywała, were appointed.

As at December 31<sup>st</sup>, 2021 and as at the date of this 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

Changes in the composition of the Supervisory Board of the Company serve to increase the level of expert knowledge related to the future directions of business development.

## 2. Share capital and shareholding structure

### 2.1. Share capital

The share capital structure as at January 1<sup>st</sup>, 2021 was as follows:

No	Series of shares	Number of shares (units)	Share in the capital (percentage)	Share in votes (percentage)
1.	D	403 380	14,65	14,65
2.	E	1 300 000	47,21	47,21
3.	F	750 000	27,24	27,24
4.	G	300 000	10,90	10,90
Total		2 753 380	100,00	100,00

As at January 1<sup>st</sup>, 2021, the share capital of BLACK PEARL S.A. amounted to PLN 27,533,800.00 and was divided into 2,753,380 ordinary bearer shares with a par value of PLN 10.00 each.

In 2021, in order to increase the parity of minority shareholders to 19.52% by reducing the number of shares held by Janusz Skopowski by 300,000, a redemption procedure was carried out, which was finally approved by the National Depository for Securities on December 29<sup>th</sup>, 2021.

In addition, a 1:100 split was made, which was finally approved by the National Depository for Securities on December 30<sup>th</sup>, 2021.

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 on January 14<sup>th</sup>. 2022.

As a result of the above operations, the share capital of BLACK PEARL S.A. as at December 31<sup>st</sup>, 2021 and as at the date of this report, amounted to PLN 24,533,800.00 and is divided into 245,338,000 ordinary bearer shares with a nominal value of PLN 0.10 each. The share capital structure as at December 31<sup>st</sup>, 2021 and as at the date of this report was 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	100,00	100,00

The share capital is properly presented in the balance sheet.

### 2.2. Shareholding structure

According to BLACK PEARL S.A. notifications prepared pursuant to Art. 69 of the Act of July 29, 2005 on public offering and the conditions for introducing financial instruments to organized trading and on public companies

(consolidated text, Journal of Laws of 2013, No. 1382, as amended, hereinafter also referred to as "Act on Public Offering") list of shareholders holding over 5% of BLACK PEARL S.A. shares is presented below.

The shareholding structure as of January 1<sup>st</sup>, 2021, with an indication of shareholders holding at least 5% votes at the General Meeting, was as follows:

No	Shareholder designation	Number of shares (units)	Share in the capital (percentage)	Share in votes (percentage)
1.	Janusz Skopowski	2 205 000	80,08	80,08
2.	OTHER SHAREHOLDERS	548 380	19,92	19,92
Total		2 753 380	100,00	100,00

The shareholding structure as of December 31<sup>st</sup>, 2021, with an indication of shareholders holding at least 5% votes at the General Meeting, was 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	100,00	100,00

The shareholding structure as at the date of this report, indicating 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	100,00	100,00

### 3. Information on companies related to the Issuer

#### 3.1. List of companies related to the Issuer

Companies related to the Issuer:

Company name	Share in capital
CarbonHeat Sp. z o.o.	50 %
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 2021.

#### 3.2. Brief description of companies related to the Issuer

##### CarbonHeat Sp. z o.o.

The company popularizes and sells heating products based on the technology of emission of infrared waves.

##### 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.



### 3.1. Additional important information on 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 Greek government for the cultivation of medical marijuana in a strictly defined legal regime.

In 2021, due to the nature of MEDICANCOIN GREECE S.A.'s operations, (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.

Currently, design work has been completed in the field of buildings and installations necessary for the implementation of the project.

#### 4. Selected financial data

Selected financial data of BLACK PEARL S.A.

<b>BLACK PEARL S.A.</b>	<b>31.12.2020</b>	<b>31.12.2021</b>
<i>Balance sheet sum</i>	25.561.608,35	29.574.199,35
<i>Equity capital</i>	22.174.422,16	24.416.565,75
<i>Fixed assets, including:</i>	25.052.821,94	27.442.712,50
<i>Long-term receivables</i>	0,00	0,00
<i>Current assets, including:</i>	508.786,41	1.731.486,85
<i>Short-term financial assets</i>	333.231,89	1.156.551,95
<i>Short-term receivables</i>	3.190.000,00	4.995.306,60
<i>Long-term liabilities</i>	197.186,19	162.327,00
<i>Short-term liabilities</i>	448.767,98	59.010,00
<i>Net revenues from sale</i>	1.109.722,97	-1.111.195,18
<i>Profit/loss from operating activities</i>	586.840,94	3.793.827,40
<i>Financial income</i>	3.360.850,09	440.488,63
<i>Financial costs</i>	-1.664.286,18	2.242.143,59
<i>Gross profit/loss</i>	-1.664.286,18	2.242.143,59

#### Important information on off-balance sheet measures:

BLACK PEARL S.A. informs that in the third quarter of 2021, as the owner of the MCAN COIN cryptocurrency portfolio listed on: Latoken, P2PB2B, CoinTiger, DigiFinex, QB Exchange and Coinsbit - in accordance with the development strategy aimed at dynamic strengthening of the sphere based on the acquisition of enterprises for their own cryptocurrency, and hence the increase in the value of the physical assets of the Company:

1. Reduced the number of MCAN COINs in circulation by 80%, which limited the available quantity of MCAN COINs from 5,000,000,000 to 1,000,000,000. The reduction took place through the so-called "Burning" or permanent exclusion from circulation due to transfer of 4.000.000.000 MCAN COIN to the address 0x00000000000000000000000000000000dEaD - transaction hash: 0x7fa0d5ac5b3012a5ed5f2235db19dbab249be55c272c9ba0292ef2d11e173bef

The number of mined / issued coins has thus been permanently reduced and limited to the maximum quantity available ("Maximum Supply") of 1,000,000,000 MCAN COIN.

2. Froze a further amount of 400,000,000 MCAN COIN from new reduced quantity of 1,000,000,000 to provide investors with transaction certainty and the utility of MCAN COIN as a digital currency based on the potential of the medical marijuana market, which is now in line with global trends and is growing rapidly. Thus, 600,000,000 MCAN COIN out of 1,000,000,000 of which 11,687,454 MCAN COIN is at the disposal of Black Pearl S.A. in use for a period of 2 years for the purpose of acquiring other business entities and the possible sale of MCAN COIN by Black Pearl to institutional investors.



## 5. The scope of activities of the Company in the reporting period

The scope of the company's activities in 2021 was and still is:

- Activities of financial holding companies - PKD 64.20.Z
- Financial leasing - PKD 64.91.Z
- Other financial service activities, not classified elsewhere, except insurance and pension funds - PKD 64.99.Z
- Buying and selling of real estate - PKD 68.10.Z
- Rent and management of own or leased real estate - PKD 68.20.Z
- Real estate brokerage - PKD 68.31.Z
- Other business and management consultancy activities - PKD 70.22.Z
- Renting and leasing of office machinery and equipment, including computers - PKD 77.33.Z
- Other professional, scientific and technical activities not elsewhere classified - PKD 74.90.Z
- Other non-school forms of education not elsewhere classified - PKD 85.59.B

The main company's activity is raising capital and the implementation of investments of the collected funds in selected non-public entities, financing their development and substantive support at various stages of growth.

The investment is implemented through the acquisition of stocks and shares in non-public companies, conducting activities characterized by a high level of innovation and high growth potential - thanks to this, BLACK PEARL S.A. has above-average rates of return on investment.

## 6. Significant events in 2021

2021 was a year of dynamic business activities aimed at building the value of owned assets.

### Activities in the first quarter of 2021:

In the first quarter of 2021, listings and direct exchange of MCAN currency began on the world's cryptocurrency exchanges: Cointiger, P2PB2B, Latoken as well as Coinsbit and QB.com. On the Cointiger exchange, there was an automatic listing of the MCAN digital currency at position 2,993 out of 8,565 listed currencies.

On February 24<sup>th</sup>, 2021, the Company launched the market.medicancoin.com platform that enables the purchase of vehicles, real estate and other items with full payment of the price with the digital MCAN Coin currency in the MCAN Benefit rebate system.

Black Pearl purchased shares in Elektrownia Słoneczna Blizocin, which is implementing a project to build a 1MW photovoltaic power plant.

In the first quarter of 2021, the company announced the registration of the capital increase transaction by Black Pearl S.A. and the acquisition of a 25% stake in the increased share capital of the Greek entity Medicancoin Greece Ltd. The Greek company has a Government License for the cultivation and processing of Medical Marijuana with THC content - a license published in the Journal of Laws of the Hellenic Republic of August 6, 2020 in sheet No. 3278-. The objective of taking over the shares, was to ensure that the Company generates profit from trading in this medical product range with anti-cancer, pain-relieving and neurological ailments properties.

### Activities in the second quarter of 2021:

In April 2021, the Digital Currency Exchange "DIGIFINEX", which according to the ranking of the "COINPAPRIKA.COM" portal, is in the TOP 10 world exchanges, started listing the digital currency MCAN COIN.

In May 2021, Black Pearl S.A. granted to the company "Medicancoin Greece Ltd", in which it held a 25% stake, a loan for the construction of the factory. The aim is to finance the acquisition of a building permit for the factory.

On May 17<sup>th</sup>, 2021, the Management Board of the Company concluded the notarized "Conditional Agreement for the Purchase of 300,000 BPC's own shares for redemption" for the amount of: 1,000,000 MCAN COINS. It was another element of the implementation of the restructuring measures, which were notified in ESPI 4/2019, ESPI 50/2020, ESPI 51/2020 and EIB: 8/2019, aiming at increasing the percentage share in the market of shares belonging to minority shareholders.

### Significant resolutions of the Ordinary General Meeting of June 30<sup>th</sup>, 2021:

The Ordinary General Meeting adopted Resolution No. 23 of June 30<sup>th</sup>, 2021 on cancellation of the Company's own shares and reduction of its share capital, with the following wording:

## „§1

*In view of the fact that Resolution No. 17 of the Ordinary General Meeting of the Company's Shareholders dated 27 June 2019 on the cancellation of the Company's own shares, reduction of the share capital and amendment of the Company's Articles of Association has not been implemented - the Company's redemption of 300,000 (three hundred thousand) Series G bearer shares, their cancellation and reduction of the Company's capital has not taken place, with reference to the purpose of the resolution in question, it is decided as follows:*

*1. The Ordinary General Meeting of the Company's Shareholders approves and authorises the Management Board of the Company to acquire fully paid-up 300,000 (three hundred thousand) Series G bearer shares of the Company for a consideration not exceeding MCAN 1,000.000.00 (one million MCAN COIN) - a digital currency held by Black Pearl S.A. in off-balance sheet assets in the amount of MCAN 4,412,687,454 (four billion four hundred and twelve million six hundred and eighty-seven thousand four hundred and fifty-four) - equivalent to the amount of PLN 400,000 (four hundred thousand).*

*2. The General Meeting indicates that the redemption of shares by the Company shall be made for the purpose of their cancellation, in accordance with the disposition of Article 362 § 1 item 5 of the Commercial Companies Code.*

## § 2

*1. The General Meeting resolves on the redemption and cancellation of 300 000 (in words: three hundred thousand) Series G bearer shares with the face value of PLN 10 (ten zloty) each. The redemption shall be voluntary and effected against payment.*

*2. The cancellation of shares shall take place upon the Company's redemption of 300,000 (three hundred thousand) Series G bearer shares and a reduction in the Company's share capital.*

## § 3

*1. In connection with the cancellation of Series G shares referred to above, the share capital of the Company shall be reduced from PLN 27,533,800 (twenty-seven million five hundred and thirty-three thousand eight hundred zloty) by PLN 3,000,000 (three million zloty) to PLN 24,533,800 (twenty-four million five hundred and thirty-three thousand eight hundred zloty).*

*2. The share capital shall be reduced by cancelling 300,000 (three hundred thousand) Series G shares acquired by the Company for the purpose of redemption, in accordance with the provisions of § 1 of this Resolution.*

*3. The Company's share capital shall be reduced in order to adjust the amount of the share capital to the sum of the face values of the Company's shares existing after the redemption of the shares which are the subject of this resolution.*

## §4

*In connection with the reduction of the Company's share capital as described above, the wording of § 6.1 of the Company's Articles of Association is amended and given the following wording:*

*„1. The share capital of the Company amounts to PLN 24,533,800 (twenty-four million five hundred and thirty-three thousand eight hundred zloty) and is divided into 2,453,380 (two million four hundred and fifty-three thousand three hundred and eighty) shares, including:*

*a) 403,380 (four hundred and three thousand three hundred and eighty) Series D bearer shares with the face value of PLN 10 (ten zloty) each;*

*b) 1,300,000 (one million three hundred thousand) Series E bearer shares with the face value of PLN 10 (ten zloty) each;*

*c) 750,000 (seven hundred and fifty thousand) Series F bearer shares with the face value of PLN 10 (ten zloty) each.”*

## §5

*The resolution shall enter into force on the date of its adoption, with the proviso that the cancellation of shares shall take place at the time of reduction of the Company's share capital.”*

**The Ordinary General Meeting adopted Resolution No. 24 of June 30<sup>th</sup>, 2021 on the splitting of Company's shares and the consequent amendment of its Articles of Association, and on the obligation of the Management Board to establish the consolidated text of the Company's Articles of Association, with the following wording:**

## „§ 1.

- 1. The Company's shares ("Shares of the Company") shall be split by decreasing the face value of shares from PLN 10 (say: ten zloty) to PLN 0.10 (say: ten grosz) and increasing the number of the Company's Shares forming the Company's share capital from 2,453,380 (say: two million four hundred and fifty-three thousand three hundred and eighty) Shares of the Company with the face value of PLN 10 (ten zloty) each to 245,338,000 (say: two hundred and forty-five million three hundred and thirty-eight thousand) with the face value of PLN 0.10 (say: ten grosz) each.*
  - 2. The Shares of the Company shall be split by exchanging all the Shares of the Company in the ratio of 1:100 (say: one to one hundred). Therefore, each 1 (say: one) Share of the Company with the face value of PLN 10 (say: ten zloty) each shall be exchanged to 100 (say: one hundred) Shares of the Company with the face value of PLN 0.10 (say: ten grosz) each.*
  - 3. There shall be no amendment in the amount of the Company's share capital in connection with the splitting of the Shares of the Company.*
  - 4. In connection with the splitting of the Shares of the Company, § 6.1 of the Company's Articles of Association shall be amended.*
- ..."

#### **Activities in the third quarter of 2021:**

In the third quarter of 2021, the Company 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.

In addition, due to the nature of the activities of MEDICANCOIN GREECE S.A. (cultivation of medical marijuana and production of medical marijuana products with THC, and not only with CBD) and legislative discrepancies between Greece and Poland, the Management Board undertook negotiations for a more effective investment cooperation, which will ensure long-term revenues for the Company, and reduced ownership by divesting 8,750 shares in MEDICANCOIN GREECE S.A. and currently does not have any shares in MEDICANCOIN GREECE S.A.

The effect is to optimise 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.

#### **Activities in the fourth quarter of 2021:**

In the fourth quarter of 2021, 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.

In addition to activities related to the implementation of the strategy, the Management Board focused on 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 owned by Janusz Skopowski by 300,000 in connection with their redemption (approved by the National Depository for Securities on December 29<sup>th</sup>, 2021). r.) and the 1:100 split of shares (approved by the National Depository for Securities on December 30<sup>th</sup>, 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.

In addition, in order to avoid collisions with the new laws on cryptocurrency trading in Poland and after having achieved 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 digital currency), on October 29<sup>th</sup>, 2021, the Company concluded an agreement for the sale of 411,434,101.3703 of the MCAN COIN virtual currency. Consequently, the entire MCAN COIN wallet owned by the Company was sold on October 29<sup>th</sup>, 2021 and permanently removed from the RC20 chain by sending it to the address indicated by the Buyer: 0x00000000000000000000000000000000dEaD.

The forced sale transaction was made against payment, as a result of which the Company will receive payment in the amount 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 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 S.A.

#### **Significant information on changes in the Company's governing bodies:**

On June 30<sup>th</sup>, 2021, the Ordinary General Meeting of the Company took place, which discharged Members of the Supervisory Board and Members of the Management Board of the Company for the performance of their duties in 2020.

Moreover, the Ordinary General Meeting of the Company dismissed a member of the Supervisory Board, Mr. Arkadiusz Trela, and appointed two new members of the Supervisory Board, Mr. Mirosław Szczepański and Mr. Dominek Poszywała.

The Management Board also informs that on June 30<sup>th</sup>, 2021 a new Supervisory Board meeting was held, during which the Supervisory Board changed the Management Board of the Company, dismissing Mr. Dominik Poszywała and appointing Mr. Arkadiusz Trela to the position of the President of the Management Board.

## **7. Major achievements in research and development**

The Company is the owner of the patent "Modular device for longitudinal chipping of wood for the production of wood material", which was registered in the Patent Office of the Republic of Poland, with the application number P.403730 and PCT / PL2014 / 000046 "Patent".

As part of the trilateral cooperation, the Issuer and the Biomass Energy Project S.A. and Zakłady Drzewne Poldan Eksport Import in Sławno takes part in the research and implementation process of the longitudinal wood shredding technology and the construction of an innovative new generation device. In November 2020, an agreement was signed with the National Center for Research and Development by Biomass Energy Project S.A., as a licensee of the patent owned by the Issuer, and the project was launched: development of a technology for the



production of innovative construction materials made of wood material based on patent no. PCT / PL2014 / 000046. Value of the subsidy: PLN 4,817,621.25 (four million eight hundred seventeen thousand six hundred and twenty-one zlotys 25/100). The aim of the project is to conduct research leading to the development of a device in which the poles or wood pits move continuously, splitting at the same time in many planes. The plant material is crushed into strands of fibers forming a "mat" of any small thickness.

The obtained material, after drying and covering with binder, can be compiled into suitably formed piles and pressed into a beam or a board with practically unlimited dimensions. As a result of the R&D works, a technology for the production of panels and structural beams with high technical parameters will be developed. A prototype production line on a semi-technical scale will be constructed.

The structural slabs and beams created in this way will constitute a product innovation on a global scale with technical and mechanical parameters significantly exceeding the parameters of materials currently available on the market.

Based on the information obtained by the Issuer's Management Board, a prototype device was built and at present it is in the second testing phase.

Forecasts for the coming decades provide for significant changes in the quantitative and qualitative nature of the raw material base, therefore an excess of small-size wood should be expected with a significant deficit of large-size assortments. After completion of all test phases of the prototype device, a revised plan for further implementation activities will be prepared.

## **8. Employment**

BLACK PEARL S.A. in 2021, employed 1 employee for an Employment Contract.

## **9. Revenues**

In 2021, the Company achieved sales revenues of PLN 59,010.00, other operating revenues of PLN 1,030,571.74 and financial revenues of PLN 3,793,827.40.

## **10. Credits and loans**

At the end of 2021, the Company has liabilities under loans and borrowings in the amount of PLN 0,00.

## **11. Accruals**

At the end of 2021, the Company did not create accruals.

## **12. Liabilities**

At the end of 2021, the Company had liabilities in the amount of PLN 5.157.633,60. The company regulates its obligations on an ongoing basis.

### 13. Information on the seasonal or cyclical nature of the Company's operations

The company's operations are neither seasonal nor cyclical.

### 14. Transactions with related entities

In 2021, the Company conducted transactions with the following related entities:

- Eco Milan Sp. z o.o.

### 15. Information on loans granted by the Company, sureties for a credit or loan and on guarantees

At the end of 2021, the value of loans, credit or loan sureties and guarantees granted by the Company amounted to PLN 1.037.112,50.

### 16. Major risks related to the conducted activity

#### Competition risk.

Growing number of similar entities in the future may adversely affect the results of BLACK PEARL S.A. however, such a situation was not observed in the reporting period.

#### Risks associated with the worldwide SARS Covid-19 disease pandemic.

The weakening of the market position of some economic entities could have affected the financial condition of potential trading partners of BLACK PEARL S.A. However, no significant impact of this factor on the Company's operations was observed in the reporting period.

#### The risk of losing financial liquidity related to investing in shares of non-public companies.

Risks in this area are an immense feature of investment activity. If there is a need to sell shares or acquired shares, there may be a problem with finding an investor, and the proceeds from the sale of shares in non-public companies may be lower than in the case of public companies. The constantly changing economic situation on the capital market has a significant impact on the value of revenues from the sale of shares or stocks.

In connection with the above, the Management Board takes special care to present the financial data related to this activity in a proper and prudent manner. The correctness of data presentation is assessed by a statutory auditor.

#### Risk related to the macroeconomic situation in Poland.

Development of BLACK PEARL S.A. is closely correlated with the economic situation of Poland in which the Company operates, so the GDP growth rate, the level of interest rates, the level of inflation as well as unemployment, and thus the degree of indebtedness of economic entities and households, affect the activities of BLACK PEARL S.A. A slowdown in the economic pace or a decrease in the level of investments of enterprises and an increase in indebtedness of economic entities may have a negative impact on the financial situation of the Company.

The company undertakes activities aimed at risk diversification through the geographical expansion of its activities.

## 17. Financial risks

The adopted objectives and methods of financial risk management, including the methods of securing significant types of planned transactions for which hedge accounting is applied.

Financial risks related to the activities of BLACK PEARL S.A.:

- **risk of losing financial liquidity**  
constant monitoring of financial liquidity prevents the risk of losing financial liquidity
- **time risk** (deadline - the risk of achieving the planned effects within a specified period of time)  
The company monitors the effectiveness of investment projects in terms of investment crediting, investment schedules, project life and payback times.

## 18. Expected development and financial situation of the Company

The Management Board anticipates a good financial standing of the Company. The year 2021 was a period of intense work related primarily to the preparation and 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. The goal is to build a stable investment portfolio and provide the Company with constant income related to the increase in the value of the Company.

## 19. Additional information

### Branches.

BLACK PEARL S.A. did not have and does not have any branches as at the date of the report.



Management Report  
from activities in the financial year 2021

Warsaw, 31<sup>st</sup>, May 2022

**STATEMENT OF THE MANAGEMENT BOARD OF BLACK PEARL S.A.  
ON THE RELIABILITY OF PREPARING FINANCIAL STATEMENTS**

Management Board of BLACK PEARL S.A. declares that, to the best of its knowledge, the annual financial statements and comparable data have been prepared in accordance with the provisions applicable to BLACK PEARL S.A. and that they reflect in a true, reliable and clear manner the property and financial situation of BLACK PEARL S.A. and its financial result, and that the management board's report on the activities of BLACK PEARL S.A. contains a true picture of the situation of BLACK PEARL S.A. including a description of the main threats and risks.

Arkadiusz Trela  
President of the Management Board



Management Report  
from activities in the financial year 2021

Warsaw, 31<sup>st</sup>, May 2022

**STATEMENT OF THE MANAGEMENT BOARD OF BLACK PEARL S.A.  
ON THE ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS**

Management Board of Black Pearl S.A. declares that the audit company authorized to audit the annual financial statements, auditing the annual separate financial statements of Black Pearl S.A. for the year 2021 was selected in accordance with the law, including the selection and selection procedure of an audit firm. In addition, the Management Board of Black Pearl S.A. declares that the audit firm and team members auditing the annual financial statements for 2021 meet the conditions for expressing an impartial and independent report, in accordance with applicable regulations, professional standards and professional ethics rules.

Arkadiusz Trela  
President of the Management Board

## 20. Information on the application of corporate governance by the Issuer

### COMPANY STATEMENT

On the Company's compliance with the rules set out in Annex 1 to Resolution No. 293/2010 of the Management Board of the Warsaw Stock Exchange in Warsaw of March 31, 2010 "Good Practices of NewConnect Listed Companies"

PT	GOOD PRACTICE	DECLARATION OF APPLICATION
1	The company should pursue a transparent and effective information policy, both with the use of traditional methods and with the use of modern technologies and the latest communication tools ensuring speed, security and wide and interactive access to information. A company that uses these methods to the greatest possible extent should ensure adequate communication with investors and analysts, also using modern methods of Internet communication, enabling the broadcast of general meetings via the Internet, recording the course of the meeting and publishing it on the website.	<b>YES</b> As part of the above rule, the Issuer applies all provisions of this point, with the exception of broadcasting the general meeting via the Internet, recording the course of the meeting and publishing it on the website. In the opinion of the Management Board, the costs related to the technical handling of the broadcast and the registration of general meetings via the Internet are disproportionate to the possible benefits resulting therefrom. Additionally, the Issuer would like to ensure that all information regarding the General Meeting of Shareholders is published using current reports and the Company's website.
2	The company should ensure effective access to information necessary to assess the company's standing and prospects as well as the way it operates.	<b>YES</b>
3	The company runs a corporate website and publishes on it:	
3.1	Basic information about the company and its activities (home page)	<b>YES</b>
3.2	A description of the issuer's activities with an indication of the type of activity from which the issuer obtains the most revenues,	<b>YES</b>
3.3	A description of the market on which the issuer operates, together with an indication of the issuer's position on the market,	<b>YES</b>
3.4	Professional CVs of members of the company's governing bodies,,	<b>YES</b>
3.5	Information received by the Management Board, on the basis of a statement of a member of the Supervisory Board, on the links between a member of the Supervisory Board and a shareholder holding shares representing not less than 5% of the total number of votes at the general meeting of the company,	<b>YES</b>
3.6	Corporate documents of the company,	<b>YES</b>
3.7	Outline of the company's strategic plans,	<b>YES</b>

3.8	Published forecasts of financial results for the current financial year, together with assumptions to these forecasts and adjustments to these forecasts (where the issuer publishes forecasts),	<b>NO</b> The Issuer does not publish forecasts
3.9	The issuer's shareholding structure, indicating the main shareholders and freely traded shares	<b>YES</b>
3.10	Data and contact with the person who is responsible in the company for investor relations and contact with the media,	<b>YES</b>
3.11	(deleted)	
3.12	Published current and periodic reports	<b>YES</b>
3.13	Calendar of scheduled dates of publication of financial periodic reports, dates of general meetings, as well as meetings with investors and analysts and press conferences,	<b>YES</b>
3.14	Information on corporate events, such as dividend payments, and other events resulting in the acquisition or limitation of rights on the part of the shareholder, taking into account the timing and rules for conducting these operations. This information should be provided in time for investors to take investment decisions,	<b>YES</b>
3.15	(deleted)	
3.16	Questions on matters on the agenda, asked before and during the general meeting, together with answers to the questions asked,	<b>NO</b> The company considers that the publication of the questions could harm the interests of shareholders.
3.17	Information on the reasons for the cancellation of the general meeting, change of the date or agenda together with the justification,	<b>YES</b>
3.18	Information on the break in the general meeting and the reasons for ordering the break,	<b>YES</b>
3.19	Information on the entity with which the company has signed a contract for the provision of Authorized Advisor services with an indication of the name, website address, telephone numbers and e-mail address of the Advisor,	<b>YES</b>
3.20	Information on the entity that acts as the animator of the issuer's shares,	<b>YES</b>
3.21	Information document (prospectus) of the company, published within the last 12 months,	<b>YES</b>
3.22	(deleted)	
	The information contained on the website should be provided in a way that allows easy access to that information. The issuer should update the information on its website. In the event of the emergence of new, relevant information or a material change in the information on the website, the update should be carried out without delay.	<b>YES</b>
4	The Company maintains a corporate website, at the choice of the issuer, in Polish or English. Current and	<b>YES</b>

	periodic reports should be published on the website in at least the same language in which they are published in accordance with the provisions applicable to the issuer.	
5	The Company should conduct an information policy with particular emphasis on the needs of individual investors. For this purpose, the company, in addition to its corporate side, should use the company's individual investor relations section located on the website <a href="http://www.GPWInfoStrefa.pl">www.GPWInfoStrefa.pl</a>	<b>NO</b> The Company does not currently use the individual investor relations section located on the <a href="http://www.InfoStrefa.com">www.InfoStrefa.com</a> website, however, it shall ensure sufficient access to information by running a department "Investor Relations" on the <a href="http://www.blackpearlcapital.pl">www.blackpearlcapital.pl</a> website
6	The Issuer should maintain ongoing contacts with representatives of the Authorised Adviser to enable it to properly perform its duties towards the issuer. The Company should appoint a person responsible for contacting the Authorized Adviser.	<b>YES</b>
7	In the event that an event occurs in the company which, in the opinion of the issuer, is significant for the performance of the Authorized Adviser's duties, the issuer shall immediately notify the Authorized Adviser of this fact.	<b>YES</b>
8	The Issuer should provide the Authorised Adviser with access to all documents and information necessary to perform the duties of the Authorised Adviser.	<b>YES</b>
9	The Issuer shall provide in the annual report:	
9.1	Information on the total remuneration of all members of the management board and the supervisory board,	<b>NO</b> Information on the remuneration of members of the management board and members of the supervisory board is confidential information. The Issuer will not publish such information without the consent of the members of the company's governing bodies.
9.2	Information on the remuneration of an Authorized Adviser received from the issuer for the provision of services to the issuer in any scope	<b>NO</b> The issue of the remuneration of the Authorized Adviser is confidential information contained in the contract. The Issuer shall not publish such information without the consent of the Authorised Adviser.
10	Members of the management board and the supervisory board should participate in the general meeting in a composition enabling them to provide a substantive answer to questions asked during the general meeting.	<b>YES</b>
11	At least 2 times a year, the issuer, in cooperation with an Authorized Adviser, should organize a publicly available meeting with investors, analysts and the media.	<b>NO</b> As at the date of publication of this statement, the Issuer cannot declare that it will at least 2 times a year, in cooperation with an Authorized Adviser, organize a public



		meeting with investors, analysts and the media. However, the Issuer does not exclude a change in its position regarding the application of this principle in the future. However, the Issuer, in cooperation with the Authorized Advisor, will organize meetings with investors, analysts and the media as often as possible and necessary for the proper functioning of the Company.
12	The resolution of the general meeting on the issue of shares with pre-emptive rights should specify the issue price or the mechanism for its determination or oblige the body authorized to determine it before the date of determining the pre-emptive right, in time to make an investment decision.	YES
13	The resolution of the general meeting should ensure that the necessary time interval is maintained between decisions triggering certain corporate events and the dates on which shareholders' rights arising from those corporate events are determined.	YES
13a	If the issuer's management board receives from a shareholder holding at least half of the share capital or at least half of the total votes in the company, information about his convening an extraordinary general meeting in the manner specified in Article 399 § 3 of the Commercial Companies Code, the issuer's management board shall immediately perform the activities to which it is obliged in connection with the organization and conduct of the general meeting. This rule also applies if the registered shareholders authorize to convene an extraordinary general meeting pursuant to Article 400 § 3 of the Commercial Companies Code.	YES
14	The dividend entitlement date and the dividend payment date should be such that the time between them is as short as possible and in any case not longer than 15 working days. The establishment of a longer period between those time limits requires detailed justification.	YES
15	A resolution of the general meeting on a conditional dividend may contain only such conditions, the possible fulfillment of which will take place before the date of determining the right to dividend.	YES
16	The Issuer publishes monthly reports within 14 days from the end of the month. The monthly report should contain at least: <ul style="list-style-type: none"> <li>information on the occurrence of trends and events in the issuer's market environment which, in the issuer's opinion, may have significant effects on the issuer's financial condition and financial results in the future,</li> </ul>	NO Due to the fact that the published current and periodic reports provide shareholders and investors with access to information that gives a sufficient picture of the Company's situation, the Issuer's Management Board does not currently see the need to publish monthly reports.

	<ul style="list-style-type: none"> <li>• summary of all information published by the issuer in the current report made in the period covered by the report,</li> <li>• information on the achievement of emission targets, if such implementation, even in part, took place during the period covered by the report,</li> <li>• the investor's calendar, including events to take place in the coming month that concern the issuer and are relevant to the interests of investors, in particular the dates of publication of periodic reports, planned general meetings, opening of subscriptions, meetings with investors or analysts, and the expected date of publication of the analytical report.</li> </ul>	
16a	<p>In the event of a breach by the issuer of the information obligation set out in Appendix No. 3 to the Regulations of the Alternative Trading System ("Current and periodic information provided in the alternative trading system on the NewConnect market"), the issuer should immediately publish, in a manner appropriate for submitting current reports on the market. NewConnect, information explaining the situation.</p>	YES
17	(deleted)	