



Quarterly Report

BLACK PEARL S.A.

for the period

October 1st, 2022 – December 31th, 2022

Warsaw, February 13th, 2022

Warsaw, February 13th, 2022

Dear Sir or Madam,

The Management Board of BLACK PEARL S.A. hereby publishes the Report for the fourth quarter of 2022 presenting the financial results and the most important facts regarding the activities of the Issuer and the companies related to the Issuer in the fourth quarter of 2022.

This quarter was a period of further work related primarily to the implementation by BLACK PEARL S.A. of a development strategy aimed at dynamically strengthening the sphere of unconventional investments, and thus increasing the value of the Company's assets.

Bearing in mind the dynamically changing macroeconomic and geopolitical situation, the Management Board continues activities related to the analysis and organization of the Issuer's portfolio. The Management Board analysed the portfolio companies in terms of development potential, with particular emphasis on entities in the case of which write-downs were made. The aim of the Issuer's Management Board is to potentially reduce the number of portfolio companies and focus on the development of entities from the most promising industries.

The actions taken are aimed at increasing the efficiency of managing portfolio companies and preparing the Company to implement the most advantageous strategy aimed at dynamic value growth.

In addition, due to the fact that KDPW is not technically prepared to pay a dividend in the amount lower than 1 gr per share, and at the same time, in accordance with Resolution No. 15 of the Ordinary General Meeting of the Company of June 30th, 2022, the amount of dividend for each individual share is 0.15 gr, the Management Board has taken action to pay dividends directly by the Issuer in the form of bank transfers, as announced in the relevant communications. The dividend was paid in accordance with the payment instructions received by the Management Board from the shareholders.

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

Yours faithfully,
Arkadiusz Trela
President of the Management Board

Table of Contents

1.	<i>Basic information about the Company</i>	4
1.1.	<i>Company Information:</i>	4
1.2.	<i>Management Board</i>	4
1.3.	<i>Supervisory Board</i>	4
1.4.	<i>Shareholding structure</i>	4
2.	<i>Description of the organization of the capital group, with an indication of the entities subject to consolidation</i>	6
2.1.	<i>List of the Issuer's subsidiaries and the Issuer's associates with an indication of the entities subject to consolidation</i>	6
2.2.	<i>If the issuer forms a capital group and does not prepare consolidated financial statements - an indication of the reasons for not preparing such statements</i>	7
2.3.	<i>If the issuer forms a capital group and does not prepare consolidated financial statements or the consolidated financial statements do not include data of all subsidiaries - selected financial data of the issuer's subsidiaries not included in the consolidation, containing the basic items of the quarterly financial statements</i>	8
3.	<i>Selected financial data</i>	9
4.	<i>Separate financial data for the 4th quarter of 2022</i>	10
4.1.	<i>Balance sheet</i>	10
4.2.	<i>Profit and Loss</i>	12
4.3.	<i>Cash Flow Statement</i>	13
4.4.	<i>Statement of changes in equity capital</i>	15
5.	<i>Management Board's report on activities in the 4th quarter of 2022</i>	16
6.	<i>Description of the status of the implementation of the activities and investments of the Issuer and related companies and the schedule of their implementation, which the Issuer informed about in the information document</i>	18
7.	<i>Position of the Management Board regarding the possibility of realizing the published forecasts of financial results</i>	18
8.	<i>Initiatives aimed at introducing innovative solutions in the enterprise</i>	18
9.	<i>Information on the number of people employed by the Issuer, converted into full time jobs</i>	18
10.	<i>Information on the principles adopted when drawing up the report, including information on changes in the applied accounting principles (policy)</i>	18
11.	<i>Statement of the Management Board</i>	23

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

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 last day of the reporting period, the composition of the Issuer's Management Board 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 changed and as at the last day of the reporting period, the composition of the Supervisory Board of the Issuer is:

1. Dominik Poszywała – Member 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

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

Shareholding structure as at the last day of the reporting period, with an indication of shareholders holding at least 5% of 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. Description of the organization of the capital group, with an indication of the entities subject to consolidation

2.1. List of the Issuer's subsidiaries and the Issuer's associates with an indication of the entities subject to consolidation

Subsidiaries of the Issuer as at 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 %

CANNABISHUBMED Sp. z o.o.

Company seat: ul. Zygmunta Słomińskiego 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. Zygmunta Słomińskiego 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.

Companies associated with the Issuer as at the last day of the period covered by this report:

Company name	Share in capital
Energa Plus Sp. z o.o.	37,50 %
Red Pharma Laboratories Polska S.A.	22,50 %

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.

Bearing in mind the dynamically changing macroeconomic and geopolitical situation, the Management Board decided to analyse and organize the Issuer's portfolio. The Management Board analysed the portfolio companies in terms of development potential, with particular emphasis on entities in the case of which write-downs were made. The aim of the Issuer's Management Board is to potentially reduce the number of portfolio companies and focus on the development of entities from the most promising industries.

The actions taken are aimed at increasing the efficiency of managing portfolio companies and preparing the Company to implement the most advantageous strategy aimed at dynamic value growth.

As a result of the actions taken, from the beginning of 2022, the following actions were carried out:

25 March 2022 – sale of shares in Carbonheat Sp. z o.o. (50 shares with a total nominal value of PLN 2,500.00 were sold for PLN 2,500.00)

5 May 2022 – registration of CANNABISHUBMED Sp. z o.o.

25 August 2022 – sale of shares in Elektrownia Słoneczna Blizocin Sp. z o.o. (49 shares with a total nominal value of PLN 2,450.00 were sold for PLN 4,900.00)

25 August 2022 – sale of shares in Reeco Nieruchomości Sp. z o.o. (1,000 shares with a total nominal value of PLN 50,000.00 were sold for PLN 100,000.00)

2.2. If the issuer forms a capital group and does not prepare consolidated financial statements - an indication of the reasons for not preparing such statements

The Issuer, analysing the degree of materiality of financial data, made a decision pursuant to Art. 56 and 58 of the Accounting Act, on the lack of consolidation of financial data of subsidiaries of Black Pearl S.A.

The company does not publish a consolidated statement for the fourth quarter of 2022.

2.3. If the issuer forms a capital group and does not prepare consolidated financial statements or the consolidated financial statements do not include data of all subsidiaries - selected financial data of the issuer's subsidiaries not included in the consolidation, containing the basic items of the quarterly financial statements

For the avoidance of any doubts, the Issuer encloses the profit and loss accounts and balance sheets of individual subsidiaries to the published Report, while the profit and loss account and balance sheet of CANNABISHUBMED Sp. z o. o. is not attached because this company has not yet started operations.

3. Selected financial data

Selected financial data of BLACK PEARL S.A. as of December 31th, 2022

BLACK PEARL S.A.	31.12.2021	31.12.2022
<i>Balance sheet sum</i>	27.727.199,35	21.258.988,66
<i>Equity capital</i>	22.569.565,75	15.505.295,37
<i>Fixed assets, including:</i>	25.595.712,50	19.674.419,04
<i>Long-term receivables</i>	0,00	0,00
<i>Current assets, including:</i>	1.731.486,85	1.584.569,62
<i>Short-term receivables</i>	1.156.551,95	966.988,73
<i>Long-term liabilities</i>	4.995.306,60	4.948.991,24
<i>Short-term liabilities</i>	162.327,00	804.702,05
<i>Net revenues from sale</i>	59.010,00	50.400,00
<i>Profit/loss from operating activities</i>	-1.111.195,18	1.848.906,59
<i>Financial income</i>	3.793.827,40	0,00
<i>Financial costs</i>	2.287.488,63	8.145.169,67
<i>Gross profit/loss</i>	395.143,59	-6.296.263,08
<i>Net profit / loss</i>	395.143,59	-6.296.263,08

4. Separate financial data for the 4th quarter of 2022

4.1. Balance sheet

Separate balance sheet of BLACK PEARL S.A.:

ASSETS		Per day	Per day
		2021-12-31	2022-12-31
A.	ASSETS	25.595.712,50	19.674.419,04
I.	Intangible assets	20.000,00	296.157,54
1.	Costs of completed development works	0,00	0,00
2.	Goodwill	0,00	0,00
3.	Other intangible assets	20.000,00	296.157,54
4.	Advances on intangible assets	0,00	0,00
II.	Property, plant and equipment	0,00	0,00
1.	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	0,00
IV.	Long-term investments	25.575.712,50	19.378.261,50
1.	Property	0,00	0,00
2.	Intangible assets	14.000.000,00	7.800.000,00
3.	Long-term financial assets	9.422.712,50	9.425.261,50
4.	Other long-term investments	2.153.000,00	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	1.731.486,85	1.584.569,62
I.	Stocks	0,00	0,00
1.	Materials	0,00	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 and services	0,00	0,00
II.	Short-term receivables	1.156.551,95	966.988,73
1.	Receivables from related parties	0,00	3.500,00
2.	Receivables from other entities in which the entity has a principal interest	0,00	0,00
3.	Receivables from other entities	1.156.551,95	963.488,73
III.	Short-term investments	574.934,90	617.580,89
1.	Short-term financial assets	564.510,29	607.148,80
2.	Other short-term investments	10.424,61	10.432,09
IV.	Short-term accruals	0,00	0,00
C.	CONTRIBUTIONS DUE TO THE BASIC CAPITAL (FUND)	0,00	0,00
D.	OWN SHARES	400.000,00	0,00
	Total assets	27.727.199,35	21.258.988,66

LIABILITIES		Per day	Per day
		2021-12-31	2022-12-31
A.	EQUITY	22.569.565,75	15.505.295,37
I.	Share capital	27.533.800,00	24.533.800,00
II.	Reserve capital	3.021.917,45	5.621.917,45
III.	Revaluation reserve	0,00	0,00
IV.	Other reserves	4.499.700,00	4.499.700,00
V.	Profit (loss) from previous years	-12.880.995,29	-12.853.858,70
VI.	Net profit (loss)	395.143,59	-6.296.263,38
VII.	Write-offs from net profit during the financial year (negative amount)	0,00	0,00
B.	LIABILITIES AND PROVISIONS FOR LIABILITIES	5.157.633,60	5.753.693,29
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
3.	Other provisions	0,00	0,00
II.	Long-term liabilities	4.995.306,60	4.948.991,24
1.	To related parties	995.306,60	965.506,60
2.	For other entities in which the entity has an equity interest	0,00	0,00
3.	For other entities	4.000.000,00	3.983.484,64
III.	Current liabilities	162.327,00	804.702,05
1.	Liabilities to related parties	18.270,00	294.327,54
2.	Liabilities to other entities in which the entity has an equity interest	0,00	0,00
3.	Liabilities to other entities	144.057,00	510.374,51
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
Liabilities together		27.727.199,35	21.258.988,66

4.2. Profit and Loss

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

	ITEM	01.01.2021 – 31.12.2021	01.10.2021 – 31.12.2021	01.01.2022 – 31.12.2022	01.10.2022 – 31.12.2022
A.	Net sales revenue and assimilated	59.010,00	12.600,00	50.400,00	12.600,00
	1. Net revenue from the sale of products	50.400,00	12.600,00	50.400,00	12.600,00
	2. Change in the status of products	0,00	0,00	0,00	0,00
	3. Cost of manufacturing products for the unit's own needs	0,00	0,00	0,00	0,00
	4. Net revenues from the sale of goods and materials	8.610,00	0,00	0,00	0,00
B.	Operating expenses	269.438,01	114.961,73	250.889,39	51.516,33
	1. Depreciation	0,00	0,00	0,00	0,00
	2. Material and energy consumption	11.795,22	2.391,07	2.280,35	90,24
	3. External services	167.669,43	87.428,34	171.906,85	33.240,31
	4. Taxes and fees	16.952,00	6.922,00	11.402,59	7.306,40
	5. Salary	48.869,10	11.900,00	36.120,00	9.030,00
	6. Social security and other benefits	11.638,27	6.320,32	23.497,52	1.849,38
	7. Other generic costs	3.953,02	0,00	5.682,08	0,00
	8. Value of goods and materials sold	8.560,97	0,00	0,00	0,00
C.	Profit/Loss on Sales (A-B)	-210.428,01	-102.361,73	-200.489,39	-38.916,33
D.	Other operating income	1.030.571,74	1.030.570,93	2.050.473,00	0,52
	1. Gain on the disbursement of non-financial fixed assets	0,00	0,00	0,00	0,00
	2. Grants	0,00	0,00	0,00	0,00
	3. Revaluation of non-financial assets	0,00	0,00	0,00	0,00
	4. Other operating income	1.030.571,74	1.030.570,93	2.050.473,00	0,52
E.	Other operating expenses	1.931.338,91	1.297.663,55	1.077,02	1,02
	1. Loss on the disbursement of non-financial fixed assets	0,00	0,00	0,00	0,00
	2. Revaluation of non-financial assets	0,00	0,00	0,00	0,00
	3. Other operating costs	1.931.338,91	1.297.663,55	1.077,02	1,02
F.	Operating profit/loss (C+D-E)	-1.111.195,18	-369.454,35	1.848.906,59	-38.916,83
G.	Financial income	3.793.827,40	1.400.090,41	0,00	0,00
	1. Dividends and profit shares	0,00	0,00	0,00	0,00
	2. Interest	0,00	0,00	0,00	0,00
	3. Gain on the disbursement of financial assets	313.685,00	0,00	0,00	0,00
	4. Value adjustment of financial assets	0,00	0,00	0,00	0,00
	5. Other	3.480.142,40	1.400.090,41	0,00	0,00
H.	Financial costs	2.287.488,63	2.285.835,26	8.145.169,67	6.200.000,00
	1. Interest	1.653,57	0,00	118,67	0,00
	2. Loss on the disbursement of financial assets	0,00	0,00	1.945.051,00	0,00
	3. Value adjustment of financial assets	2.284.571,94	2.284.571,94	6.200.000,00	6.200.000,00
	4. Other	1.263,12	1.263,12	0,00	0,00
I.	Gross profit/loss	395.143,59	-1.255.199,20	-6.296.263,08	-6.238.916,85
J.	Income tax	0,00	0,00	0,00	0,00
K.	Other mandatory profit reductions	0,00	0,00	0,00	0,00
L.	Net Profit/Loss	395.143,59	-1.255.199,20	-6.296.263,08	-6.238.916,85

4.3. Cash Flow Statement

Separate Cash Flow Statement – BLACK PEARL S.A.:

	ITEM	01.01.2021 – 31.12.2021	01.01.2022 – 31.12.2022
A	Cash flows from operating activities	1.807.308,66	396.343,28
I.	Net profit (loss)	395.143,59	-6.296.263,08
II.	Total corrections	1.412.165,07	6.692.606,36
1.	Depreciation	0,00	0,00
2.	Foreign exchange gains (losses)	0,00	0,00
3.	Interest and profit shares (dividends)	0,00	-344.643,28
4.	Profit (loss) on investment activities	-313.685,00	0,00
5.	Change in provisions	0,00	0,00
6.	Change in inventory	8.560,97	0,00
7.	Change in receivables	-1.044.350,77	189.563,22
8.	Change in short-term liabilities, with the exception of loans and advances	-137.962,63	660.645,05
9.	Change in accruals	0,00	0,00
10.	Other adjustments	2.899.602,50	6.187.041,37
III.	Net cash flow from operating activities	1.807.308,66	396.343,28
B	Cash flows from investing activities	-2.119.112,50	0,00
I.	Influence	0,00	11.700,00
1.	Disposal of intangible assets and property, plant and equipment	0,00	0,00
2.	Disposal of investments in real estate and intangible assets	0,00	0,00
3.	From financial assets	0,00	11.700,00
4.	Other investment receipts	0,00	0,00
II.	Expenditure	2.119.112,50	281.157,54
1.	Acquisition of intangible assets and property, plant and equipment	0,00	276.157,54
2.	Investments in real estate and intangible assets	0,00	0,00
3.	On financial assets	1.237.112,50	5.000,00
4.	Other capital expenditure	882.000,00	0,00
III.	Net cash flow from investing activities	-2.119.112,50	-269.457,54
C	Cash flows from financing activities	201.697,35	0,00
I.	Influence	654.091,60	13.500,00
1.	Net proceeds from the issuance of shares (issue of shares) and other equity instruments and capital subsidies	0,00	0,00
2.	Loans and advances	129.400,00	11.000,00

	3.	Issuance of debt securities	0,00	0,00
	4.	Other financial inflows	524.691,60	2.500,00
	II.	Expenditure	452.394,25	86.747,23
	1.	Acquisition of own shares	0,00	0,00
	2.	Dividends and other payments to owners	0,00	7.747,23
	3.	Other than distribution expenses to owners	0,00	0,00
	4.	Repayment of loans and advances	135.262,00	79.000,00
	5.	Redemption of debt securities	0,00	0,00
	6.	For other financial liabilities	0,00	0,00
	7.	Payment of liabilities under finance lease agreements	0,00	0,00
	8.	Interest	0,00	0,00
	9.	Other financial expenditure	317.132,25	0,00
	III.	Net cash flow from financing activities	201.697,35	-73.247,23
D		Total net cash flow	-110.106,49	53.638,51
E		Balance sheet change in cash	-110.106,49	53.638,51
F		Cash at the beginning of the period	157.484,53	47.378,04
G		Cash at the end of the period	47.378,04	101.016,55

4.4. Statement of changes in equity capital

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

	ITEM	01.01.2021 – 31.12.2021	01.01.2022 – 31.12.2022
I.	Equity (fund) at the beginning of the period (BO)	22.174.422,16	22.569.565,75
I.A.	Equity (fund) at the beginning of the period (BO), after adjustments	22.174.422,16	22.569.565,75
1.	Capital (fund) at the beginning of the period	27.533.800,00	27.533.800,75
1.1.	Changes in the capital (fund) of the core	0,00	-3.000.000,00
1.2.	Capital (fund) at the end of the period	27.533.800,00	24.533.800,00
2.	Reserve capital (fund) at the beginning of the period	3.021.917,45	3.021.917,45
2.1.	Changes in reserve capital (fund)	0,00	2.600.000,00
2.2.	Reserve capital (fund) at the end of the period	0,00	5.621.917,45
3.	Revaluation reserve at the beginning of the period - changes in accounting policies	0,00	0,00
3.1.	Changes in revaluation reserve (fund)	0,00	0,00
3.2.	Revaluation reserve at the end of the period	0,00	0,00
4.	Other reserve capitals (funds) at the beginning of the period	4.499.700,00	4.499.700,00
4.1.	Changes in other reserves	0,00	0,00
4.2.	Other reserve capitals (funds) at the end of the period	4.499.700,00	4.499.700,00
5.	Profit (loss) from previous years at the beginning of the period	-12.880.995,29	-12.880.995,29
5.1.	Profit from previous years at the beginning of the period	0,00	395.143,59
5.2.	Profit from previous years at the beginning of the period, after adjustments	0,00	395.143,59
5.3.	Profit from previous years at the end of the period	0,00	0,00
5.4.	Loss from previous years at the beginning of the period	12.880.995,29	12.880.995,29
5.5.	Loss from previous years at the beginning of the period, after corrections	12.880.995,29	12.853.858,70
5.6.	Loss from previous years at the end of the period	12.880.995,29	12.853.858,70
5.7.	Profit (loss) from previous years at the end of the period	-12.880.995,29	-12.853.858,70
6.	Net result	395 143,59	-6.296.263,08
II	Equity (fund) at the end of the period (BZ)	22 569 565,75	15.505.295,37
III	Equity (fund), after taking into account the proposed distribution of profit (covering the loss)	22 569 565,75	15.505.295,37

5. Management Board's report on activities in the 4th quarter of 2022

At the end of the fourth quarter of 2022 (in the period from 01/01/2022 to 31/12/2022) BLACK PEARL S.A. achieved cumulative net sales revenues of PLN 50,400.00, while in the fourth quarter of 2022 they amounted to PLN 12,600.00.

The Company's financial result was charged with the value of the revaluation of intangible assets, which changed significantly due to the revaluation of intangible assets received on November 3, 2022 in the area of 'Lignolit technology' as at June 30, 2022 for commercial and management. Valuation prepared by mgr inż. Andrzej Półkoszek indicates the following values:

o valuation of the business area for the licensee: PLN 14,800,000,

o valuation of the business area for the licensor: PLN 7,800,000.

According to the current document, the valuation has been divided into 2 separate areas. The company adopted a prudential approach and included the business area for the licensor (PLN 7,800,000) in the valuation. The company also plans to take operational steps related to the "Lignolit" technology. After taking operational actions, the valuation will be additionally increased by the value of the business area valuation for the licensee.

In the reporting period, the valuation of intangible assets was updated from PLN 14,000,000 to PLN 7,800,000.

Revaluation by PLN 6,200,000 affected both the value of assets and liabilities and was reflected in the Company's financial result.

At the same time, the Management Board informs that the "Lignolit" technology was designed in the early 2000s and is protected by a Polish patent (protection until April 2033).

In the reporting period, the Company achieved an operating loss of PLN -38,916.83 and a net loss of PLN -6,238,916.85. The loss at this level is mainly due to the revaluation of intangible assets described above

The balance sheet total as at December 31, 2022 amounted to PLN 21,258,988.66, compared to equity of PLN 15,505,295.37.

On June 30, 2022, the Ordinary General Meeting was held, which adopted Resolution No. 15 on the allocation of the Company's profit for the financial year ending on December 31, 2021 and setting the dividend date and payment date, according to which:

- part of the net profit for the financial year 2021 in the amount of PLN 368,007.00 (three hundred and sixty-eight thousand and seven zlotys) was allocated to the payment of dividends to the Company's Shareholders,
- dividend in the amount of PLN 368,007.00 is 1.5% of the nominal value of shares - PLN 0.15 per share with a nominal value of PLN 0.10,
- the dividend day was set for September 30, 2022,
- the dividend payment date was set for December 30, 2022.

The shareholders who hold the Company's shares under the code ISINPLBLKPC00014 are entitled to the dividend. The total number of shares entitled to dividend is 245,338,000.

After consultations with the National Depository for Securities ("KDPW"), the Issuer decided to pay the dividend on its own, ie without the intermediation of the National Depository for Securities.

This decision results from the fact that KDPW is not technically prepared to pay dividends in the amount lower than PLN 0.1 per share, and at the same time, in accordance with Resolution No. 15 of the Ordinary General Meeting of the Issuer, the Issuer's Management Board intends to pay the approved dividend.

On September 28, 2022, the Extraordinary General Meeting was held, which adopted, among others, a resolution on approving the following mechanism for the Issuer's self-payment of dividends:

1/ The total amount paid as dividend may not be higher than PLN 368,007, i.e. the amount allocated for dividend payment in accordance with Resolution No. 15 of the Ordinary General Meeting of the Company of June 30, 2022.

2/ The payment of the dividend will take place in the form of bank transfers.

3/ The total amount of dividend paid to individual shareholders will be rounded up to the nearest grosz (except for the majority shareholder of the Company, i.e. Janusz Skopowski, in the case of whom the amount of dividend to be paid will be determined taking into account point 4/ and point 1/.

4/ The General Meeting took note of the position of the largest shareholder of the Company, i.e. Janusz Skopowski, who undertook and agreed that the amount of dividend due to this shareholder should be reduced by the amounts necessary to cover the roundings referred to in point 3/.

On November 4, 2022, the Management Board informed the shareholders about the method of dividend payment and provided an instruction form

All information on the actions taken and the next steps regarding the implementation of resolutions regarding the payment of dividends are published on an ongoing basis in the form of appropriate announcements. The dividend was paid in accordance with the payment instructions received by the Management Board from the shareholders.

This quarter was a period of further work related primarily to the implementation by BLACK PEARL S.A. development strategy aimed at dynamic strengthening of the area of unconventional investments, and thus an increase in the value of the Company's assets.

Due to the nature of the activity of MEDICANCOIN GREECE S.A. (growing of medical marijuana and production of preparations based on medical marijuana with THC, not only CBD) and legislative discrepancies between Greece and Poland, the Issuer reduced its holdings by selling in 2021 the previously held 8,750 shares in MEDICANCOIN GREECE S.A. and currently has no 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 produced by MEDICANCOIN GREECE S.A.

MEDICANCOIN GREECE S.A. is currently in an advanced investment phase and plans to start operating in 2024. A company governed by Greek law, dedicated to the implementation of a project based on permits and licenses obtained from the Greek government for the cultivation of medical marijuana under a strictly defined legal regime. At present, design work has been completed in the field of buildings and installations necessary for the implementation of the project.

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

Not applicable.

7. Position of the Management Board regarding the possibility of realizing the published forecasts of financial results

The issuer did not publish any forecasts.

8. 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.

9. 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 and the Proxy perform their functions on the basis of an appointment.

10. 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.

11. 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