

**Resolution No. 1/09/2018**  
**of the Management Board of XTPL S.A.**  
**of 26 September 2018**  
**concerning an increase in the share capital of XTPL S.A.**  
**within the authorised capital, excluding all pre-emptive rights of the existing shareholders,**  
**and amendments to the Articles of Association of XTPL S.A.**

1. The Management Board of XTPL S.A. (taking into account Resolution No. 1/08/2018 of the Management Board of XTPL S.A. of 22 August 2018, under which the share capital of XTPL S.A. was increased from PLN 169,522 to PLN 174,222, with the share capital increase not yet registered by the registry court) hereby increases the share capital of XTPL S.A. from PLN 174,222.00 (one hundred and seventy four thousand two hundred and twenty two zlotys) to PLN 178,362.00 (one hundred and seventy eight thousand three hundred and sixty two zlotys), i.e. by PLN 4,140.00 (four thousand one hundred and forty zlotys) by issuing 41,400 (forty one thousand four hundred) series O ordinary bearer shares with a nominal value of PLN 0.10 (ten groszy) each ("**Series O Shares**").
2. The increase in the share capital of XTPL S.A. described in Section 1 above shall take place within the authorised capital, pursuant to Article 444–447 of the Commercial Companies Code and § 10(4)–(8) of the Articles of Association of XTPL S.A.
3. Pursuant to Article 446 § 2 of the Commercial Companies Code and Resolution No. 1/09/2018 of the Supervisory Board of XTPL S.A. of 26 September 2018 concerning approval for an increase in the share capital of XTPL S.A. within the authorised capital, excluding all pre-emptive rights of the existing shareholders and authorising the Management Board of XTPL S.A. to set the issue price of the shares ("**Supervisory Board Resolution**"), the Management Board shall be authorised to set an issue price for the Series O Shares. A copy of the Supervisory Board's Resolution is attached to the notarial deed.
4. The Management Board has set the issue price of one series O share at PLN 109 (one hundred and nine zlotys).
5. In the interest of XTPL S.A., the existing shareholders shall be deprived of all pre-emptive rights to the Series O Shares.
6. The pre-emptive rights to the Series O Shares are excluded in full pursuant to § 10(8) of the Articles of Association of XTPL S.A. with the prior consent expressed in the Supervisory Board Resolution.
7. The opinion of the Management Board of XTPL S.A. regarding exclusion of pre-emptive rights of the existing shareholders and the method of determining the issue price is given in an appendix to this resolution.

8. The Series O Shares shall be issued by a private placement (Article 431 §2(1) of the Commercial Companies Code) whereby an offer will be made to the investors specified by the Management Board of XTPL S.A. to take up all the Series O Shares.
9. The Series O Shares will be covered in full by a cash contribution prior to registration of the increase in the share capital of XTPL S.A.
10. The Series O Shares will participate in dividend payment starting from distribution of the profit in respect of the financial year ending 31 December 2018 (the thirty first of December two thousand and eighteen).
11. The Series O Shares will have a dematerialised form. Following dematerialisation and registration in the securities depository kept by the Central Securities Depository of Poland (KDPW) will be admitted to trading on a regulated market of the Warsaw Stock Exchange.
12. The Management Board shall take steps related to the private placement of the Series O shares (including conclusion of share subscription agreements and registration of the increased share capital of XTPL SA in the registry court), and shall take steps to have the Series O Shares admitted to trading on the regulated market of the Warsaw Stock Exchange (including actions designed to conclude an agreement with the Central Securities Depository of Poland to register the Series O Shares and implementation of other necessary actions concerning dematerialisation of the Series O Shares and their admission to trading on the regulated market, including submission of all necessary applications and statements).
13. The Management Board shall determine other detailed conditions for the issue of the Series O Shares to the extent not regulated in this resolution.
14. Due to the increase in the share capital of XTPL S.A. referred to in Section 1, the existing contents of § 5(1) of the Articles of Association of XTPL S.A. shall be amended as follows:

***“§ 5. Share capital***

*1. The share capital amounts to PLN **178,362.00** (one hundred and seventy eight thousand three hundred and sixty two zlotys and 00/100) and is divided into 1,783,620 (one million seven hundred and eighty three thousand six hundred and twenty) bearer shares of a nominal value of PLN 0.10 (ten groszy) each, including:*

*1) 670,000 (six hundred and seventy thousand) series A shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 67,000.00 (sixty seven thousand zlotys and 00/100);*

- 2) 300,000 (three hundred thousand) series B shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 30,000.00 (thirty thousand zlotys and 00/100);
- 3) 30,000 (thirty thousand) series C shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 3,000.00 (three thousand zlotys and 00/100);
- 4) 198,570 (one hundred and ninety eight thousand five hundred and seventy) series D shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 19,857.00 (nineteen thousand eight hundred and fifty seven zlotys and 00/100);
- 5) 19,210 (nineteen thousand two hundred and ten) series E shares with a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 1,921.00 (one thousand nine hundred and twenty one zlotys and 00/100);
- 6) 19,210 (nineteen thousand two hundred and ten) series F shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 1,921.00 (one thousand nine hundred and twenty one zlotys and 00/100);
- 7) 68,720 (sixty eight thousand seven hundred and twenty) series G shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 6,872.00 (six thousand eight hundred and seventy two zlotys and 00/100);
- 8) 68,720 (sixty eight thousand seven hundred and twenty) series H shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 6,872.00 (six thousand eight hundred and seventy two zlotys and 00/100);
- 9) 10,310 (ten thousand three hundred and ten) series I shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 1,031.00 (one thousand and thirty one zlotys and 00/100);
- 10) 5,150 (five thousand one hundred fifty) series J shares, of a nominal value of PLN 0.10 (ten grosz) each, and a total nominal value of PLN 515.00 (five hundred and fifteen zlotys and 00/100);
- 11) 10,310 (ten thousand three hundred and ten) series K shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 1,031.00 (one thousand and thirty one zlotys and 00/100);

- 12) 140,020 (one hundred and forty thousand and twenty) series L shares, with a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 14,002.00 (fourteen thousand two zlotys and PLN 00/100);
- 13) 155,000 (one hundred and fifty five thousand) series M shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 15,500 (fifteen thousand five hundred and 00/100).
- 14) 47,000 (forty seven thousand) series N shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 4,700 (four thousand seven hundred zlotys and 00/100).
- 15) 41,400 (forty one thousand four hundred) series O ordinary bearer shares of a nominal value of PLN 0.10 (ten groszy) each, and a total nominal value of PLN 4,140.00 (four thousand one hundred and forty zlotys and 00/100).”
15. The resolution shall become effective on the date of registration of amendments to the XTPL Articles of Association by the registry court.

**Appendix:**

**Opinion of the Management Board of XTPL S.A. with its registered office in Wrocław  
concerning justification for the decision to fully deprive the existing shareholders of XTPL S.A. of their  
pre-emptive rights to shares of the new series O issue  
and the method of determining the issue price of series O shares**

Pursuant to Article 444–447 of the Commercial Companies Code and § 10(4)–(8) of the Articles of Association of XTPL S.A., the Management Board intends to increase the share capital of XTPL S.A. from PLN 174,222.00 (one hundred and seventy four thousand two hundred and twenty two zlotys and 00/100) to PLN 178,362.00 (one hundred and seventy eight thousand three hundred and sixty two zlotys and 00/100), i.e. by PLN 4,140.00 (four thousand one hundred and forty zlotys and 00/100) by issuing 41,400 (forty one thousand four hundred) series O ordinary bearer shares with a nominal value of PLN 0.10 (ten groszy) each (“Series O Shares”), whose issue price will be determined by the Management Board and with respect to which the pre-emptive rights of the existing shareholders of XTPL S.A. will be fully excluded, and which will be taken up by way of a private placement.

The Series O Shares are to be offered to Deutsche Balaton AG and its affiliates by way of a private

placement, and will be covered in full by a cash contribution prior to registration of the share capital.

The purpose of the Series O Shares issue is to raise additional capital to finance the increased business development activities of XTPL S.A. in the US market ("United States"), especially in the Silicon Valley region and to strengthen the patent position of XTPL S.A. The proceeds from the issue of the Series O Shares are supposed to, inter alia, secure financing for XTPL's increased sales activity in the United States and to finance work connected with subsequent patent applications. The described activities were not included in the objectives of the issue of the series M shares of XTPL S.A.

In the opinion of the Management Board, the activities described above should contribute to building the credibility and recognisability of XTPL S.A. in the US market and should help generate significant sales revenues there from commercialisation of the developed technology.

In the opinion of the Management Board, in the present situation, a private placement and offering the Series O Shares to is the most time-and cost-effective way to raise finance needed by XTPL S.A.

The exclusion of pre-emptive rights secures XTPL S.A. against a situation where the existing shareholders do not take up the expected number of shares offered as part of the Series O Shares issue. Moreover, exclusion of pre-emptive right makes it possible to reduce the issue costs, and significantly expedites the process of issuing the shares and thus raising the finance.

Consequently, it should be concluded that depriving the existing shareholders of their pre-emptive rights is in the interest of XTPL S.A.

The Management Board proposes that the issue price of one series O share be set by the Management Board at PLN 109 (one hundred and nine), which is a price determined according to VWAP (volume-weighted average price) calculated for the last three months of quotations as of 17 September 2018, prior to the opening of the trading session and reduced by 10% discount and rounded down to full zlotys). In the opinion of the Management Board, application of the 3M VWAP is a solution that will allow the issue price to reflect a sufficiently large number of historical transactions in the shares of XTPL S.A. and the impact of extreme values to be sufficiently mitigated.

Moreover, in the opinion of the Management Board, offering the Series O Shares, by way of a private placement, to the financial institution (and its affiliates) which has been a shareholder (through its subsidiary) of XTPL S.A. for more than a year and which operates in the German market will contribute to strengthening the credibility of XTPL S.A. and may generate interest in and liquidity of XTPL shares in the German market, which in the context of the plans to obtain parallel listing of XTPL shares on the Open Market (Freiverkehr) of Deutsche Börse in Frankfurt (Germany), will be very important for creating shareholder value going forward.

In view of the above, the Management Board has determined that depriving the existing shareholders of their pre-emptive rights to Series O Shares and at the same time offering the Series O Shares by way of a private placement is desirable and is in the interest of XTPL S.A. and its shareholders. The exclusion of pre-emptive rights of the existing shareholders is therefore fully justified, which is why the Management Board recommends that the Supervisory Board of XTPL S.A. adopt a resolution approving exclusion of pre-emptive rights to the N Series Shares of the existing shareholders and authorising the Management Board to set the issue price.