

Report of an independent statutory auditor  
on the audit of the annual financial statements of

**XTPL S.A.**

for the year ended 31 December 2017

Wrocław, 27 March 2018

## INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

### To the General Meeting and the Management Board of XTPL S.A.

#### *Independent auditor's opinion*

We have audited the accompanying financial statements of **XTPL S.A.** ("Company", "Entity") with its registered office in Wrocław (postcode: 54-066), Stabłowicka 147, for the year ended 31 December 2017 which comprise:

- a. a balance sheet as at 31 December 2017, showing total assets (and total liabilities and equity) of **PLN 8 052 379,56**;
- b. a profit and loss account for the year from 01 January 2017 to 31 December 2017, reporting a net loss of **PLN 3 962 041,69**;
- c. a statement of changes in equity for the year from 01 January 2017 to 31 December 2017, reporting an increase in equity by **PLN 5 427 291,21**;
- d. a cash flow statement for the year from 01 January 2017 to 31 December 2017, reporting an increase in cash by **PLN 4 768 046,61**;
- e. notes comprising an introduction to the financial statements and explanatory notes;

(the "accompanying financial statements").

#### *Responsibility of the Entity's Manager and members of Supervisory Board for the financial statements*

The entity's management is responsible for the preparation, on the basis of properly maintained books of account, of the financial statements and their true presentation in compliance with the Accounting Act of 29 September 1994 (Journal of Laws of 2018, item 395) (the "Accounting Act"), with the secondary legislation issued thereunder and the other laws applicable to the entity as well as its Articles of Association, and for the preparation of the management report. The management of the Entity is also responsible for internal control which is considered necessary to make sure that financial statements which are prepared are free of misstatements arising from deliberate acts or errors.

Under the Accounting Act, the management of the Entity and members of Supervisory Board are obliged to ensure that the financial statements and the management report comply with the requirements of the Accounting Act.

### *Responsibility of the statutory auditor*

Our assignment was to express an opinion on whether the financial statements give a true and fair view of the assets, financial position and financial result of the Entity in compliance with the applicable provisions of the Accounting Act and the accounting principles (policies) which were adopted.

We conducted our audit in accordance with the applicable provisions of the Act of 11 May 2017 on statutory auditors, statutory audit firms and public supervision (Journal of Laws of 2017, item 1089) (“Statutory Auditors Act”).

These regulations require us to act in accordance with ethical principles and to plan and conduct our audit in such a way as to obtain a reasonable assurance that the financial statements and the underlying books of account are free of material irregularities.

The audit involves procedures aimed to obtain audit evidence relating to the amounts and information disclosed in the financial statements. The choice of audit procedures depends on our judgment, including without limitation an assessment of the risks of material misstatements in the financial statements arising from deliberate acts or errors. When assessing the risk we take in to account the internal control concerning the preparation and proper presentation of the financial statements in order to plan audit procedures which are appropriate to the circumstances and not to express any opinion on the effectiveness of internal control in the entity. Our audit also involves an assessment of the accounting policies which are applied to see if they are appropriate, an evaluation of judgments made by the management of the entity to see if they are justified and an evaluation of the overall presentation of the financial statements.

The scope of the audit does not include any assurance as to the future profitability of the audited entity nor efficient or effective handling of entity’s affairs by the entity’s Management now or in the future.

We believe that the evidence we obtained provides a sufficient and appropriate basis to issue our opinion.

### *Opinion*

In our opinion, the accompanying financial statements:

- a. give a true and fair view of the assets and financial position of the Company as at 31 December 2017 and of its financial result for the year from 01 January 2017 to 31 December 2017 in compliance with the applicable provisions of the Accounting Act and the accounting principles (policies) which were adopted;
- b. have been prepared on the basis of books of account maintained properly, in accordance with Chapter 2 of the Accounting Act;
- c. comply, as to form and substance, with the laws applicable to the Entity and its Articles of Association.

### **Report on other legal requirements and regulations**

#### *Opinion on the management report*

Our auditor’s opinion on the financial statements does not include the management report.

The Management of the Entity and members of the Supervisory Board are responsible for the preparation of the management report in compliance with the law.

Our duty, in accordance with the Statutory Auditors Act, was to issue an opinion on whether the management report was prepared in compliance with the law and is consistent with the information contained in the annual financial statements.

We were also obliged to state whether – with our knowledge of the entity and its environment which we obtained during our audit of the financial statements – we found any material misstatements in the management report and to describe any material misstatement which was identified.

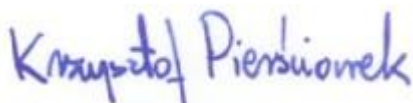
In our opinion, the management report was prepared in compliance with the applicable law and is consistent with the information contained in the annual financial statements. Furthermore, we state that, with our knowledge of the Company and its environment which we obtained during our audit of the financial statements, we have found no material misstatements in the management report.

#### *Opinion on the corporate governance statement*

The Management of the Entity and members of the Supervisory Board are responsible for the preparation of the corporate governance statement in compliance with the law.

Since we have audited the financial statements, we were also obliged under the Statutory Auditors Act to express our opinion on whether the issuer required to make the corporate governance statement (which is a separate part of the management report) included the information required by the law in such statement, and - in relation to the specific information referred to in such laws and applicable rules - to ascertain whether it complies with the applicable laws and conforms to the information contained in the annual financial statements.

In our opinion, in its corporate governance statement, the Entity provided the information specified in the Alternative Trading System Rules adopted in resolution 147/2007 by the Management Board of the Warsaw Stock Exchange dated 1 March 2007, as amended. We confirm that the information contained in the corporate governance statement complies with the applicable laws and conforms to the information contained in the annual financial statements.



Krzysztof Pięścionek  
Key Statutory Auditor  
Licence no. 11150

acting on behalf of:

**4AUDYT sp. z o.o.**

**60-846 Poznań, ul. Kochanowskiego 24/1**

Statutory audit firm, KRBR licence no. 3363

Wrocław, 27 March 2018.



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4AUDYT sp. z o.o.  
ul. Kochanowskiego 24/1  
60-846 Poznań  
e. [biuro@4audyt.pl](mailto:biuro@4audyt.pl)  
w. [www.4audyt.pl](http://www.4audyt.pl)

Biuro Poznań  
ul. Kochanowskiego 24/1  
60-846 Poznań  
e. [poznan@4audyt.pl](mailto:poznan@4audyt.pl)  
t. +48 61 816 27 81  
f. +48 61 855 10 39

Biuro Warszawa  
ul. Chłodna 51  
00-867 Warszawa  
e. [warszawa@4audyt.pl](mailto:warszawa@4audyt.pl)  
t. +48 22 22 30 542  
f. +48 22 22 30 542

Biuro Wrocław  
al. Kasztanowa 3a  
53-125 Wrocław  
e. [wroclaw@4audyt.pl](mailto:wroclaw@4audyt.pl)  
t. +48 71 342 30 28  
f. +48 71 342 30 29

Biuro Katowice  
ul. Kościuszki 38 lok. 20  
40-048 Katowice  
e. [katowice@4audyt.pl](mailto:katowice@4audyt.pl)  
t. +48 519 351 030  
t. +48 519 351 020

Biuro Gdańsk  
al. Jana Pawła II 20  
80-462 Gdańsk  
e. [gdansk@4audyt.pl](mailto:gdansk@4audyt.pl)  
t. +48 519 351 036  
f. +48 61 855 10 39

NIP: 7811817052  
REGON: 300821905

KRS 0000304558  
Kapitał zakładowy 100 000 PLN

Sąd Rejonowy w Poznaniu  
VIII Wydział Gospodarczy KRS