



INDIVIDUAL QUARTERLY REPORT

FOR Q3 2017

X T P L

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1. Basic information regarding the Company

1.1. Corporate information:

Name (business name):	XTPL Spółka Akcyjna
Seat:	Wrocław
Address:	Stabłowicka 147, 54-066 Wrocław
KRS number:	0000619674
Phone number:	+48 71 707 22 04
Website address:	www.xt-pl.com
E-mail address	hello@xt-pl.com

Management Board

- Filip Granek – President of the Management Board;
- Sebastian Młodziński – Member of the Management Board.

On 31 October 2017 the Company received a statement from Mr Sebastian Młodziński, confirming his resignation from the position of a Member of the Management Board of XTPL S.A. with effect as of 30 November 2017. Mr Sebastian Młodziński stated that his resignation was due to personal reasons and at the same time declared that he would stand as a candidate for a Member of the Supervisory Board during the next General Meeting of Shareholders.

Supervisory Board:

- Konrad Pankiewicz - Chairman of the Supervisory Board
- Agnieszka Młodzińska - Granek - Member of the Supervisory Board
- Maja Młodzińska - Member of the Supervisory Board

On 31 October 2017 the Company received a statement from Mrs Maja Młodzińska confirming her resignation from the position of a Member of the Supervisory Board with effect as of 30 November 2017. Mrs Maja Młodzińska stated that her resignation was due to personal reasons.

- Bartosz Wojciechowski – Member of the Supervisory Board
- Piotr Janczewski – Member of the Supervisory Board

The Company operates on the basis of the act of 15 September 2000 Commercial Companies Code, i.e. of 19 April 2013 (Journal of laws from 2013, item 1030) and other commonly applicable provisions of law as well as the consolidated text of the Articles of Association.

The XTPL S.A. company was established as a result of the transformation of a limited liability company named XTPL Sp. z o.o. based on the resolution of the Extraordinary General Meeting of the transformed company of 25 April 2016, Repertory A No. 604/2016 and was established for an unspecified period of time. The transformation was registered by the District Court for Wrocław-Fabryczna in Wrocław, VI Commercial Division of the National Court Register on 1 June 2016.

The Company has the status of a public company, whose shares are listed in the alternative trading system on the NewConnect market run by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.)

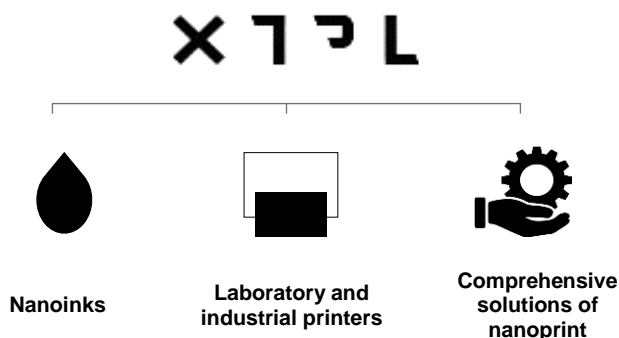
In terms of financial reporting, the Company applies accounting standards resulting from the provisions of the accounting act of 29 September 1994 (consolidated text of Journal of laws from 2013, item 330). The Company's financial year lasts from 1 January to 31 December.

The Company does not form a capital group hence it does not prepare consolidated financial statements.

1.2. Business profile of the Issuer

The Issuer is an innovative technology company, commercialising the R&D works aimed at the development of a breakthrough technology of ultraprecise printing of a wide range of nanomaterials.

The company intends to provide receivers from the printed electronics sector with nanoprinting equipment, nanoink and comprehensive technological solutions. First of all, the Issuer intends to develop a product in the form of laboratory printers (including nanoink) for the R&D works for customers, and later industrial printers (also with nanoink).



The solution developed by XTPL will allow for, among others, the production of the new generation of TCFs (Transparent Conductive Films), used mainly in the industry of manufacturers of displays, monitors, touchscreens, as well as in the industry of manufacturers of photovoltaic panels, characterised by the following:

- lower unit cost (due to, among others, no need to use rare earths),
- very high optical transparency while preserving high energy efficiency (very low surface resistance) and
- flexible layers, resistant to bending (important from the point of view of development trends in the electronics market).

Owing to the achieved parameters of the implemented solutions, the XTPL technology is described as a disruptive technology. The method of the XTPL printing may be seen as a factor influencing functioning of key business entities of the aforesaid markets.

At the same time, due to the platform nature of the developed technology, the Company seeks possible usages also in other areas, such as:

- repair of damaged metallic conductive connectors (displays, printed circuits, photovoltaic panels, the so-called open-defect repair;
- manufacturing of biosensors;
- technology of anti-counterfeit protection.

The registered seat of the company and research laboratories are located in the area of the Campus Pracze of Wrocław Research Centre EIT+ (since September 2016). The XTPL team includes scientists and technologists of interdisciplinary experience in the areas of: chemistry, physics, electronics, material engineering and numeric simulations, as well as specialists in the scope of strategic management and commercialization of technology.

2. Quarterly condensed financial statements

2.1. Selected items of the financial statement.

<i>Data in thousand PLN</i>	01 Jul– 30 Sep 2016	01 Jul– 30 Sep 2017	01 Jan – 30 Sep 2016	01 Jan – 30 Sep 2017
Net revenues from sales	0	364,44	0	1 312,88
Profit (loss) from sales	-817,47	-1 405,73	-1 302,36	-2 880,00
Profit (loss) from operating activity [EBIT]	-817,47	-1 405,73	-1 302,36	-2 880,00
EBITDA	-739,45	-1 249,86	-1 111,09	-2 519,62
Profit (loss) gross	-818,18	-1 432,28	-1 303,07	-2 912,71
Profit (loss) net	-818,18	-1 432,28	-1 303,07	-2 912,71
Amortization / Depreciation	78,02	155,87	191,27	360,39
Net cash flows from operating activity	-631,66	-1 222,72	-946,17	-2 813,41
Net cash flows from investment activity	-47,18	-122,60	-47,18	-462,43
Net cash flows from financial activity	3 049,96	8 168,86	3 239,96	9 238,30
Equity	2 739,99	8 417,43	2 739,99	8 417,43
Short-term liabilities	743,44	544,34	743,44	544,34
Long-term liabilities	0	31,39	0	31,39
Cash and other cash assets	2 398,88	7 383,41	2 398,88	7 383,41
Short-term receivables	198,15	300,82	198,15	300,82
Long-term receivables	5,00	20,67	5,00	20,67

2.2. Profit and loss account

<i>Data in thousand PLN</i>	01 Jul– 30 Sep 2016	01 Jul– 30 Sep 2017	01 Jan – 30 Sep 2016	01 Jan – 30 Sep 2017
A. Net revenues from sales and equivalent, including:	0	364,44	0	1 312,88
- from affiliates	0	0	0	0
I. Net revenues from sales of products (including subsidies)	0	201,46	0	1 149,90
II. Change in stock of products (increase - positive value, decrease- negative value)	0	162,98	0	162,98
III. Manufacturing cost of products for internal purposes	0	0	0	0
IV. Net revenues from sales of goods and materials	0	0	0	0
B. Cost of operating activity	817,47	1 770,17	1 302,36	4 192,88
1. Amortization / Depreciation	78,02	155,87	191,27	360,39
II. Consumption of materials and power	9,36	66,43	19,08	188,79
III. Outsourcing	460,49	747,12	557,06	1 591,08
IV. Taxes and levies, including:	2,58	22,50	7,38	51,29
- excise tax	0	0	0	0
V. Salaries	213,30	578,26	382,57	1 553,05
VI. Social security payments and other benefits, including:	39,78	87,27	71,11	266,98
- pension benefits	30,75	99,40	55,52	214,26
VII. Other costs by nature	13,94	112,72	73,89	181,30
VIII. Value of sold goods and materials	0	0	0	0
C. Profit (loss) from sales (A-B)	-817,47	-1 405,73	-1 302,36	-2 880,00
D. Other operating revenues	0,10	0	0,11	0
I. Profit from outflow of non-financial assets	0	0	0	0
II. Subsidies	0	0	0	0
III. Revaluation of non-financial assets	0	0	0	0
IV. Other operating revenues	0,10	0	0,11	0
E. Other operating expenses	0,10	0	0,11	0,01
1. Loss from outflow of non-financial assets	0	0	0	0
II. Revaluation of non-financial assets	0	0	0	0
III. Other operating expenses	0,10	0	0,11	0,01
F. Profit (loss) from operating activity (C+D-E)	-817,47	-1 405,73	-1 302,36	-2 880,00
G. Net financial revenues	0	11,66	0	11,66
I. Dividends and profit share, including:	0	0	0	0
II. Interests, including:	0	11,66	0	11,66
- from affiliates	0	0	0	0
H. Financial costs	0,71	38,21	0,71	44,37
I. Interests, including:	0	34,51	0	35,74
- for affiliates	0	0	0	0
II. Loss from outflow of financial assets, including:	0	0	0	0
- in affiliates	0	0	0	0

III. Revaluation of non-financial assets	0	0	0	0
IV. Other	0,71	3,70	0,71	8,62
1. Profit (loss) gross (F+G-H)	-818,18	-1 432,28	-1 303,07	-2 912,71
J. Income tax	0	0	0	0
K. Other mandatory profit reductions (loss increases)	0	0	0	0
L. Profit (loss) net (I-J-K)	-818,18	-1 432,28	-1 303,07	-2 912,71

2.3. Assets

<i>Data in thousand PLN</i>	30.09.2016	30.09.2017
A. FIXED ASSETS	870,77	1 102,84
I. Intangible assets	802,58	598,28
1. R&D expenses	0	0
2. Goodwill	0	0
3. Other intangible assets	802,58	598,28
4. Advances for intangible assets	0	0
II. Tangible fixed assets	63,19	483,89
1. Tangible fixed assets	60,70	422,73
a) land (including right to perpetual usufruct)	0	0
b) buildings, premises, civil and water engineering structures	0	0
c) technical equipment and machines	23,30	261,87
d) vehicles	0	56,40
e) other tangible fixed assets	37,40	104,46
2. Tangible fixed assets under construction	2,49	61,16
3. Advances for tangible fixed assets under construction	0	0
III. Long-term receivables	5,00	20,67
1. From affiliates	0	0
2. From other entities, in which the entity holds a share in the capital	0	0
3. From other entities	5,00	20,67
IV. Long-term investments	0	0
V. Long-term prepayments	0	0
B. CURRENT ASSETS	2 612,66	7 890,32
1. Inventories	15,14	43,11
1. Materials	0	17,30
2. Semi-finished products and work in progress	0	0
3. Finished products	0	0
4. Goods	0	0
5. Advances for deliveries and services	15,14	25,81
II. Short-term receivables	198,15	300,82
1. Receivables from affiliates	0	0
2. Receivables from other entities, in which the entity holds a share in the capital	0	0
3. Receivables from other entities	198,15	300,82

a) trade receivables, maturing:	0	0
b) receivables from tax, subsidy, customs, social and health security and other benefits	157,50	277,16
c) other	40,65	23,66
d) claimed at court	0	0
III. Short-term investments.	2 398,88	7 383,41
1. Short-term financial assets	2 398,88	7 383,41
a) in affiliates	0	0
b) in other entities	0	0
c) cash and other cash assets	2 398,88	7 383,41
- cash at hand and in accounts	2 398,88	1 383,41
- other cash	0	6 000,00
- other cash assets	0	0
2. Other short-term investments	0	0
IV. Short-term prepayments	0,49	162,98
C. Called up share capital	0	0
D. Own shares	0	0
TOTAL ASSETS	3 483,43	8 993,16

2.4. Liabilities and equity

<i>Data in thousand PLN</i>	30.09.2016	30.09.2017
A. Equity	2 739,99	8 417,43
I. Share capital	140,02	169,52
II. Supplementary capital, including:	4 309,95	13 856,50
- excess in value of sales (issue value) over face value of shares	4 309,95	13 856,50
III. Revaluation reserve, including:	0	0
- due to revaluation of fair value	0	0
IV. Other reserve capitals, including:	0	0
V. Profit (loss) from previous years	-406,91	-2 695,88
VI. Profit (loss) net	-1 303,07	-2 912,71
VII. Write-off on net profit during the financial year (negative value)	0	0
B. Liabilities and provisions for liabilities	743,44	575,73
I. Provisions for liabilities	0	0
II. Long-term liabilities	0	31,39
1. Towards affiliates	0	0
2. Towards other entities, in which the entity holds a share in the capital	0	0
3. Towards other entities	0	31,39
a) loans and advances	0	0
b) from issue of securities	0	0
c) other financial liabilities	0	31,39
d) promissory notes payable	0	0
e) other	0	0
III. Short-term liabilities	743,44	544,34
1. Liabilities towards affiliates	0	0
2. Towards other entities, in which the entity holds a share in the capital	0	0
3. Liabilities towards other entities	743,44	544,34
a) loans and advances	345,00	13,96
b) from issue of securities	0	0
c) other financial liabilities	0	25,02
d) trade receivables maturing:	215,85	178,46
- up to 12 months	215,85	178,46
- above 12 months	0	0
e) received advances for deliveries	0	0
f) promissory notes payable	0	0

g) tax, customs, insurance and other liabilities	80,90	185,42
h) salaries	89,65	141,07
i) other	12,04	0,41
4. Special funds	0	0
IV. Accruals	0	0
TOTAL LIABILITIES AND EQUITY	3 483,43	8 993,16

2.5. Cash flow statement

<i>Data in thousand PLN</i>	01 Jul– 30 Sep 2016	01 Jul– 30 Sep 2017	01 Jan – 30 Sep 2016	01 Jan – 30 Sep 2017
A. Cash flows from operating activity				
I. Profit (loss) net	-818,18	-1 432,28	-1 303,07	-2 912,71
II. Total adjustments	186,52	209,56	356,90	99,30
1. Amortization / Depreciation	78,02	155,87	191,26	360,39
2. Exchange gains (losses)	0	0	0	0
3. Interests and profit share (dividends)	0	34,65	0	35,64
4. Profit (loss) from investment activity	0	-11,66	0	-11,67
5. Change in provisions	0	0	0	0
6. Change in inventory	-14,07	-29,87	-14,07	52,88
7. Change in receivables	-154,32	-18,70	-172,04	-173,66
8. Change in short-term liabilities excluding credits and loans	275,91	140,28	352,25	106,57
9. Change in prepayments and accruals	0,98	-61,01	-0,49	-270,85
10. Other adjustments	0	0	0	0
III. Net cash flows from operating activity (I + II)	-631,66	-1 222,72	-946,17	-2 813,41
B. Cash flows from investment activity				
1. Inflows	0	11,66	0	11,66
1. Disposal of intangible and tangible fixed assets	0	0	0	0
2. Disposal of investments in real property and in intangible assets	0	0	0	0
3. From financial assets, including:	0	11,66	0	11,66
a) in affiliates	0	0	0	0
b) in other entities	0	11,66	0	11,66
- sales of financial assets	0	0	0	0
- dividends and profit share	0	0	0	0
- repayment of granted long-term loans	0	0	0	0
- interests	0	11,66	0	11,66
- other inflows from financial assets	0	0	0	0
4. Other inflows from investment activities	0	0	0	0
II. Outflows	47,18	134,26	47,18	474,09
1. Purchase of intangible assets and tangible fixed assets	47,18	134,26	47,18	474,09
2. Investments in real property and intangible assets	0	0	0	0
3. For financial assets, including:	0	0	0	0
4. Other investment expenses	0	0	0	0
III. Net cash flows from investment activity (I- II)	-47,18	-122,60	-47,18	-462,43

C. Cash flows from financial activity				
1. Inflows	3 049,96	9 812,05	3 239,96	10 910,80
1. Net inflows from issuance of shares and other capital instruments and from capital contributions	2 894,96	9 562,05	2 894,96	9 576,06
2. Loans and advances	155,00	250,00	345,00	1 265,95
3. Issuance of debt securities	0	0	0	0
4. Other inflows from financial activities	0	0	0	68,79
II. Outflows	0	1 643,19	0	1 672,51
1. Purchase of own shares	0	0	0	0
2. Dividend and other payments to shareholders	0	0	0	0
3. Other than payment to shareholders, expenses due to profit share	0	0	0	0
4. Repayment of loans and advances	0	1 602,22	0	1 602,22
5. Redemption of debt securities	0	0	0	0
6. Payment of other financial liabilities	0	0	0	0
7. Payment of liabilities arising from financial leases	0	6,32	0	34,65
8. Interests	0	34,65	0	35,64
9. Other financial expenses	0	0	0	0
III. Net cash flows from financial activity (I-II)	3 049,96	8 168,86	3 239,96	9 238,30
D. Total net cash flows (A.III ± B.III ± C.III)	2 371,12	6 823,54	2 246,61	5 962,46
E. Balance sheet change in cash, including	2 371,12	6 823,54	2 246,61	5 962,46
change in cash due to exchange differences	0	0	0	0
F. Cash opening balance	27,76	559,87	152,27	1 420,95
G. Cash closing balance (F ± D), including	2 398,88	7 383,41	2 398,88	7 383,41
- of limited disposability	0	0	0	0

2.6. Statement of changes in equity

<i>Data in thousand PLN</i>	01 Jul– 30 Sep 2016	01 Jul– 30 Sep 2017	01 Jan – 30 Sep 2016	01 Jan – 30 Sep 2017
I. Equity opening balance	1 148,09	287,65	1 148,09	1 754,08
- changes in accounting standards (policy)	0	0	0	0
- adjustments of errors	0	0	0	0
I.a. Equity opening balance (BO), adjusted	1 148,09	287,65	1 148,09	1 754,08
1. Share capital opening balance	100,00	154,02	100,00	140,02
1.1. Changes in share capital	40,02	15,50	40,02	29,50
a) increase from:	40,02	15,50	40,02	29,50
- issuance of shares	40,02	15,50	40,02	29,50
b) decrease due to:	0	0	0	0
- redemption of shares	0	0	0	0
1.2. Share capital closing balance	140,02	169,52	140,02	169,52
2. Supplementary capital opening balance	1 455,00	4 309,94	1 455,00	4 309,94
2.1. Changes in supplementary capital	2 854,94	9 546,55	2 854,94	9 546,55
a) increase from:	2 854,94	9 546,55	2 854,94	9 546,55
- issue of shares above face value	2 854,94	9 546,55	2 854,94	9 546,55
b) decrease due to:	0	0	0	0
2.2. Supplementary capital closing balance	4 309,94	13 856,50	4 309,94	13 856,50
3. Revaluation reserve opening balance - change of accounting standards (policy)	0	0	0	0
3.1. Changes in revaluation reserve	0	0	0	0
3.2. Revaluation reserve closing balance	0	0	0	0
4. Other reserve capitals opening balance	0	0	0	0
4.1. Changes of other reserve capitals	0	0	0	0
4.2. Other reserve capitals closing balance	0	0	0	0
5. Profit (loss) from previous years opening balance	-406,91	-2 695,88	-406,91	-2 695,88
5.1. Previous years profit opening balance	0	0	0	0
5.2. Previous years profit opening balance, adjusted	0	0	0	0
5.3. Previous years profit closing balance	0	0	0	0
5.4. Previous years loss opening balance	2 695,88	2 695,88	2 695,88	2 695,88
- changes in accounting standards (policy)	0	0	0	0
- adjustments of errors	0	0	0	0
5.5. Previous years loss opening balance, adjusted	406,91	2 695,88	406,91	2 695,88
a) increase from:	484,89	1 480,44	0	0
- loss for 6 months	484,89278	1 480,44	0	0

b) decrease due to:	0	0	0	0
- profit distribution	0	0	0	0
5.6. Previous years loss closing balance	891,80	4 176,31	406,91	2 695,88
5.7. Profit (loss) from previous years closing balance	-891,80	-4 176,31	-406,91	-2 695,88
6. Net result	-818,18	-1 432,28	-1 303,07	-2 912,71
a) net profit	0	0	0	0
b) net loss	-818,18	-1 432,28	-1 303,07	-2 912,71
c) write-offs on profit	0	0	0	0
II. Equity closing balance	2 739,99	8 417,43	2 739,99	8 417,43
III. Equity, including proposed profit distribution (loss coverage)	2 739,99	8 417,43	2 739,99	8 417,43

3. Information on standards adopted when preparing the report, including information on amendments to applied accounting standards (policy).

The financial statement has been prepared based on the accounting standards arising from the provisions of the accounting act of 29 September 1994.

This condensed financial statement for Q3 2017 and, for comparison purposes, for Q3 2016, has been prepared on the going concern principle of the business of XTPL S.A. in a foreseeable future.

As at the date of this financial statement there are no circumstances that would indicate a risk to the business conducted by XTPL S.A.

The accounting standards (policy) applied by the Issuer, including methods of valuation of assets and liabilities (also amortization and depreciation), measurement of the financial result and the method of preparing the financial statements in the scope in which the act provides options for entities:

- Assets and liabilities are measured taking into account major accounting standards, as specified in the accounting act.
- For the purposes of recognition of particular assets and liabilities in the books, the company adopted the following arrangements:

- Intangible assets as at the date of commissioning are measured at the purchase price. As at the balance sheet date they are measured at the purchase price net of amortization and impairment loss provisions.

Intangible assets:

- of the value up to PLN 700 are charged to expenses in the month of commissioning,
- of the value between PLN 700 and PLN 3,500 are depreciated on a one-off basis in the month of commissioning.
- other intangible assets are depreciated with a straight-line method for the period of expected useful economic life.
- These periods are as follows for particular categories:
 - Software licences and copyright - 24 months
 - From costs of finished development works - 12 months,
 - From other intangible assets - 60 months.

- Fixed assets as at the commissioning date are measured as at the balance sheet date at the price of purchase net of depreciation and impairment loss provisions.

Fixed assets:

- of the value of PLN 350 are charged as costs in the month of commissioning,
- of the value from PLN 350 to 3,500 are depreciated on a one-off basis in the month of commissioning.
- other fixed assets are depreciated according to the rules determined for tax purposes.

- Leasing - as at the date of the report the Company has one lease contract. The operating lease contract is classified for tax purposes as operating lease, and for balance sheet purposes as financial lease. The Company applies a simplified declining depreciation method (sum of year digits/SOYD) to assets used under the lease contract.

- Fixed assets under construction include fixed assets during their construction, assembly or improvement of an already existing fixed asset. They are measured in the amount of general costs directly related with their purchase or production, net of impairment loss.

- Long-term and short-term receivables were measured in the amount payable, preserving the prudent valuation principle. There were no write-offs for receivables.

- Cash was measured in the face value.

- Prepayments and accruals relate to the costs of future periods that will be settled within 12 months from the balance sheet date. The prepayments include:

- costs of insurance,
- costs of development works.

The costs of R&D works, to the extent not regulated in the accounting act, are recognised by the Company according to the regulations included in the International Accounting Standard No. 38 "Intangible assets" (IAS 38)

- research expenditures – no regulations – application of IAS as costs of the financial period,
- development expenditures – recognised as cost prepayments and accruals,

- recognition of development works under intangible assets after completion and determination of a positive result,
- balance sheet valuation of development works conducted on one's own, as per manufacturing cost net of amortization and impairment loss provisions.
- Equity is measured in the face value by type and rules specified in the Company's articles of association. Supplementary capital presented in the financial statements is established from the surplus of issue value over nominal value of shares.
- Liabilities as at the balance sheet date were measured in the due amount.
- There are no accrued revenues in Q3. Revenues on account of received subsidies for R&D works are recognised in item A.I of the profit and loss account
- Recognition of revenues and costs.
 - revenues - pursuant to Art. 4 section 1b of the accounting act the Company applies an exemption from application of the provisions of the act for the purpose of reliable and clear presentation. The Company presents received subsidies for research and development purposes under revenues from operating activity, and not under other operating revenues pursuant to Art. 3 section 1 point 32 letter h),
 - costs - costs are recognized by the Company by nature in accounts of team 4 and at the same time by cost centres in accounts of team 5. Costs in the profit and loss account are recognized in the periods they concern.
- The Company applies simplified rules of valuation introduced by the Act of 23 July 2015 on amending the accounting act, i.e. with application of Art. 37 section 10 and the accounting act in the scope of resignation from determining deferred tax.
- The entity applies a comparative profit and loss account.

4. Brief characteristics of material successes or failures of the Issuer in the reported period, including description of key events and factors, in particular those of untypical nature, having impact on the results

■ Conducting the public subscription of M series shares

In Q3 the Company conducted the public subscription of M series shares. The opening of the subscription took place on 4 July 2017. The closing of the subscription took place on 7 July 2017. On 11 Jul 2017 the shares were allocated. All the shares were duly subscribed and paid for. The issue was divided into the following tranches: institutional investors (135,000 shares) and individual investors (20,000 shares). In the retail investors' tranche the oversubscription occurred, resulting in subscription reduction amounting to 93%. As a result of the public share issue, the Issuer obtained the amount of 10,2 million PLN.

■ Registration of the share capital increase as part of the issue of series M shares

On 18 August 2017 the District Court for Wrocław – Fabryczna in Wrocław, VI Commercial Division of the National Court Register registered the Issuer's share capital increase as a result of the issue of 155,000 series M ordinary bearer shares included in the public issue, thereby the Issuer's share capital was increased from 154,022.00 PLN to 169,522.00 PLN. As a result of the above, the Issuer's share capital consists of 1,695,220 shares, of the face value of 0,10 PLN (in words: ten groszy) each, including:

- 670,000 series A ordinary bearer shares
- 300,000 series B ordinary bearer shares
- 30,000 series C ordinary bearer shares
- 198,570 series D ordinary bearer shares
- 19,210 series E ordinary bearer shares
- 19,210 series F ordinary bearer shares
- 68,720 series G ordinary bearer shares
- 68,720 series H ordinary bearer shares
- 10,310 series I ordinary bearer shares
- 5,150 series J ordinary bearer shares
- 10,310 series K ordinary bearer shares
- 140,020 series L ordinary bearer shares
- 155,000 series M ordinary bearer shares

■ Exceeding the threshold of 5% of votes at the General Meeting by two international financial institutions

Two international investment funds have revealed that the threshold of 5% of votes at the General Meeting of the Issuer was exceeded:

- **Universal-Investment GmbH on behalf of ACATIS Investment GmbH** – an investment fund with its seat in Frankfurt – acquired, in the public offering, 94,000 shares, which gives 5,55% of votes at the General Meeting of XTPL company. ACATIS Investment GmbH is one of the most known investment funds in Europe, with assets at the level of over 3 billion Euros. ACATIS Investment GmbH manages one of the most often rewarded German investment funds;
- **Heidelberger Beteiligungsholding AG**, being a part of an investment holding - Deutsche Balaton AG listed on the Frankfurt stock exchange, on 14 September 2017 informed that the threshold of 5% of votes at the General Meeting of the Issuer was exceeded and reported the ownership of 102,000 shares, which gives 6,02% of votes at the General Meeting of the Issuer. Deutsche Balaton AG is an investment company of the capitalisation amounting to nearly 200 million Euros, which allocates its capital primarily in securities listed on the capital market, mainly in bonds and shares. The Company most often selects German assets but it also uses attractive investment opportunities abroad.

■ Commencement of listing of the Issuer's shares on the NewConnect market

On 14 September 2017 the Company had its debut on the NewConnect market. The Issuer intends to invest the funds from the issue of shares to, most of all, support the commercialisation process of the developed technology. The status of a company listed on the NewConnect market will also allow for the initiation of a motivation program based on the shares issued in Q1 2017, which will support the process of sourcing, maintaining and motivating experienced personnel, guaranteeing the achievement of assumed objectives and implementation of the growth strategy.



■ Commencement of R&D works aimed at verifying the possibility of using the developed technology to repair broken metallic connectors, the so-called open-defect repair in thin-film electronic systems.

As a result of the survey conducted by the British research company - IDTechEx regarding the possibilities for the application of the technology developed by the Issuer (more information in the quarterly report for Q2 2017) as well as the information obtained during Printed Electronics Europe trade fair in Berlin in May 2017, the Issuer identified a potential possibility of applying XTPL's technology in, among others, the process of repairing broken metallic connectors, the so-called open-defect repair (this application area was also indicated in the Information Document as one of the possible applications of the Issuer's technology). With reference to the above, preliminary R&D works were commenced in August 2017, aimed at verifying the possibility of using the technology in this application area. The purpose of the works is to develop the content of nanoink that is appropriate to this application, prepare and test preliminary assumptions of the technology for repairing submicron metallic connectors and to construct the first laboratory prototype (proof of concept) of a device

allowing for the initial demonstration of the technology under laboratory conditions. The implementation of that task will allow for obtaining technical data and samples, which may constitute basis for commencing discussions with potential clients and partners interested in the development of the aforesaid solution for industrial purposes.

■ Participation in TechInnovation trade fair in Singapore

On 19 and 20 September 2017 the Company participated in TechInnovation 2017 as one of 15 companies representing the European Union. TechInnovation 2017 is the largest event in Singapore connecting entrepreneurs with inventors and companies developing breakthrough technologies.

During the trade fair, the Issuer presented the invention and possibilities for its application to companies from all over the world seeking technologies and business cooperation. Since the very beginning the Company has dedicated its invention to the photovoltaic industry and manufacturers of displays, it also researches the possibilities of applying the printing technology of nanomaterial in entirely new areas, among others, printed electronics, nano- and microphotonics, the so-called smart windows and anti-counterfeit protection.

TechInnovation 2017 allowed for the presentation of the newest achievements of the Issuer in the area of both research and development as well as for preparations to introduce its first products to the market, establish relations with potential business partners that will translate into the development of the Company's product offer. The interest of foreign partners in XTPL's technology is one of the main objectives at the current stage of business development.



■ Completion of preparations for establishing a unit responsible for business development

According to the planned activities in the area of technology commercialisation, the company has completed one of the tasks regarding the establishment of dedicated business development structures. At the end of September the recruitment process of employees was finished and framework for the new unit operations was prepared. The establishment of a business development structure is aimed at increasing competencies in the area of attracting potential technological partners and clients, establishing appropriate business relations and developing a solution (product) that precisely meets client/industry needs. The Company pays considerable attention to the development of the unit responsible for business development, because building strategic partnerships and the created framework for distribution channels will decide about the business strength and possibility of proper commercialisation of R&D works. The new department will also ensure the appropriate level of cooperation with suppliers/receivers in both commercial and technical terms, will help evaluate development opportunities of new technologies and monitor the activities of competitors.

Important events after 30 September 2017

■ **The Issuer's application approved for co-financing as part of the Regional Operational Programme**

On 3 October 2017 the Issuer received information that the Company's application named "Development of demo prototypes of a laboratory printer along with appropriate nanoink formulas leading to the commercialisation of printing technology of ultra-thin conductive lines for applications in the area of printed electronics " was approved for co-financing as part of the Lower Silesia Regional Operational Programme 2014-2020, Action 1.2 "Innovative enterprises" (ESPI report no. 3/2017). The total cost of the project amounts to 4,5 million PLN, while the amount of the co-financing from the EU funds amounts to 2,5 million PLN. The aforesaid amount of co-financing will constitute one element of financing the works planned to be executed during Phase II of the commercialisation model adopted by the Issuer (next to the funds obtained from the issue of series M shares conducted in Q3 of the current year). Currently, the Issuer conducts preparatory activities aimed at signing the agreement with the Lower Silesia Financing Institution. The obtained public funds will allow for strengthening the capital of stock investors and facilitating the process of introducing the product into the market. Owing to the received grant, the Issuer may dispose of the capital obtained from the public issue of shares more effectively.

■ **Convening the Extraordinary General Meeting of Shareholders of XTPL S.A. for 29 November 2017 and publishing the draft Regulations of the Motivation Program**

On 2 November 2017 the Issuer's Management Board published the notice of Convening the EGM of Shareholders, including the agenda providing for, among others, the adoption of the Regulations of XTPL S.A. Motivation Program based on the Issuer's shares (ESPI report no. 4/2017). The motivation program will be based on already existing 140,020 series L shares issued in Q1 2017 exclusively intended for the motivation program. The shares are allocated in the target company - TPL Sp. z o.o. The Motivation Program for 2018 – 2020 will cover the employees and key co-workers of the Issuer. Pursuant to the draft Regulations of the Motivation Program, its implementation will require the Issuer to achieve an appropriate level of revenues from sales in particular years (50% of the pool of shares) and the program participants to meet individual requirement (another 50% of the pool). According to the Issuer's Management Board, the initiation of the Motivation Program will significantly support the process of acquiring, maintaining and motivating experienced personnel, and will contribute to increasing the probability of achieving assumed strategic objectives of the Issuer.

■ **Changes in managing and supervisory bodies**

On 31 October 2017 the Company received a statement from Mr Sebastian Młodziński, confirming his resignation from the position of a Member of the Management Board with effect as of 30 November 2017 (EBI report no. 7/2017). Mr Sebastian Młodziński is one of the founders of the Company and is responsible for Marketing and Public Relations. Due to the growing importance of these areas and planned development phase of the Issuer, after consultations with the other founders of the Company, Mr Sebastian Młodziński decided that due to his professional activities conducted also outside the Issuer's structures, he will no longer be able to devote enough time for fulfilling the duties of a Management Board Member and Marketing Director. At present, the Issuer has already finished the recruitment process to acquire the needed marketing personnel, while the Chairman of the SB has convened the meeting of the Supervisory Board to appoint the missing Member of the Management Board from 1 December 2017.

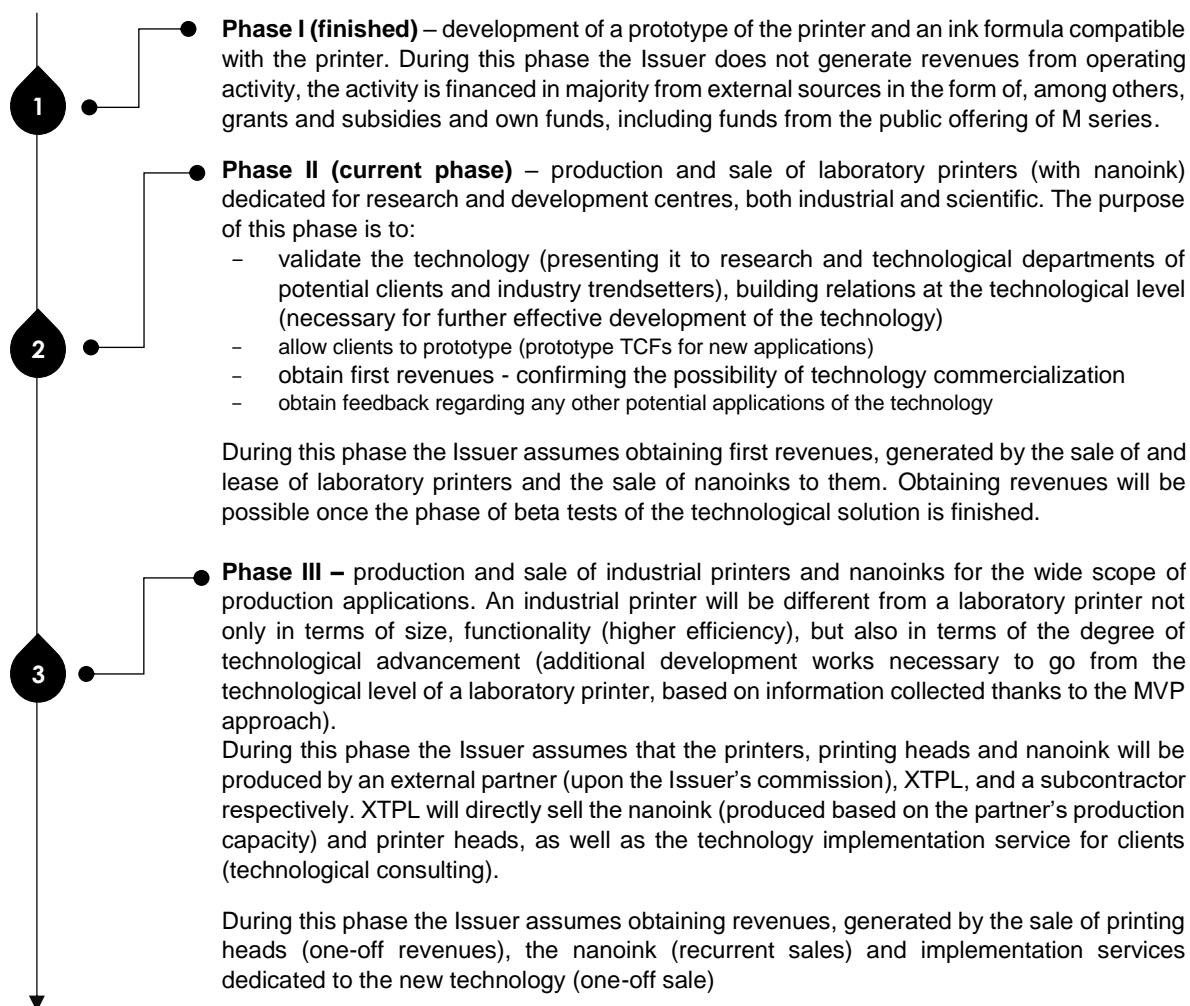
Mr Sebastian Młodziński, as one of the largest shareholders of the Company (17,7% share in votes at the General Meeting) has further declared his intent to stand as a candidate for the Supervisory Board and further support the Issuer's development with his business experience, holding a supervisory position. At the same time, the Issuer received a statement from Mrs Maja Młodzińska, confirming her resignation from the position of a Member of the Supervisory Board with effect as of 30 November 2017 (EBI report no. 8/2017). In view of the above, as of 01 December 2017 the Supervisory Board would operate without one member as a 4-member body until the appointment of a new member by the General Meeting. At the next EGM convened for 29 November 2017, the meeting agenda provides for voting on the appointment of a new member of the Supervisory Board.

5. Position of the Management Board as regards the possibility to realize the published performance forecasts for a given year in the light of performance results presented in the quarterly report.

The Issuer did not disclose performance forecasts.

6. In the case the issuer's information document included information specified in art. 10.13 a) of appendix no. 1 to the regulations of alternative trading system - description of the status of realization of actions and investments of the issuer, and the schedule of their realization

COMMERCIALISATION *The process of commencing full commercialisation of XTPL solutions is divided into three phases.*



The most important strategic actions planned by the Issuer in the area of commercialization of technology:

- preparing laboratory printers for serial production and sale (including beta tests with potential clients) 2017/2018
- expansion of the patent family related to XTPL technology 2018
- promoting the technology at selected international fair trades 2017-2019
- creating dedicated structures for market development and sale 2017/2018
- starting cooperation in the scope of R&D with potential clients and research institutions in the area of printing electronics 2018
- development of activity of the application laboratory and establishing next application laboratories (including research of new applications) 2017/2018

- designing and constructing a prototype of printing heads for industrial applications 2018/2019
- obtaining additional subsidy funding to support the phase of technology commercialization 2018

Main material investments planned by the Issuer will be focused on:

- financing the manufacturing of submicron laboratory printers by XTPL to let: approx. 1,100 thousand PLN (2018/2019)
- Purchasing and constructing equipment for application laboratories, approx. 800 thousand PLN (2017/2018)
- Constructing industrial prototypes of printing heads and a prototype of an industrial printer, approx. 2,300 thousand PLN (2018/2019).

7. If in the reported period the issuer undertook, in the area of development of the conducted business, initiatives aiming at the implementation of innovative solutions in the enterprise - information on that activity.

The main area of the Issuer's activity is the development and commercialisation of innovative technology of ultraprecise printing of a wide range of nanomaterials. In particular, the commercialisation concerns the printing technology of nanomaterials, obtaining the width of printed lines of less than 1 micrometre.

In the reported period the Issuer started conducting internal tests (the so-called alpha test) of a laboratory printer allowing for ultraprecise printing of various nanomaterials and continued works aimed at using the developed technologies in the area of transparent conductive films (TCFs) for applications in displays and solar cells. The Issuer also commenced preliminary R&D works in terms of adjusting the developed technology to the repair of defects of metallic structures, the so-called open-defect repair, which defects occur statically while manufacturing thin-film metallic structures.

8. Description of the capital group organisation, including specification of entities subject to consolidation.

Not applicable. As at the date of the report the Issuer does not have subsidiaries, thus does not constitute a capital group.

9. In the case the issuer forms a capital group and does not prepare consolidated financial statements - specification of reasons for not preparing such statements.

Not applicable. As at the date of the report the Issuer does not have subsidiaries, thus does not constitute a capital group.

10. Information on the shareholding structure of the company, with specification of shareholders holding, as at the date of the report, at least 5% of voting power at the company's general meeting.

The list of shareholders holding a minimum of 5% of the share capital and votes at the General Meeting as at the date of this quarterly report.

No.	Shareholder	Number of shares	% of shares	Number of votes	% of votes
1.	Filip Granek	303 000	17,87%	303 000	17,87%
2.	Sebastian Młodziński	300 000	17,70%	300 000	17,70%
3.	Leonarto Sp. z o.o.	298 000	17,58%	298 000	17,58%
4.	TPL Sp. z o.o.*	140 020	8,26%	140 020	8,26%
5.	Stefan Twardak	103 081	6,08%	103 081	6,08%
6.	Heidelberger Beteiligungsholding AG	102 000	6,02%	102 000	6,02%
7.	Universal-Investment GmbH (on behalf of Acatis Investment GMBH)	94 000	5,55%	94 000	5,55%

8. Other	457 119	20,95%	457 119	20,95%
TOTAL	1 695 220	100%	1 695 220	100%

**34% of shares in TPL Sp. z o.o. are held by Filip Granek, 33% are held by Sebastian Młodziński and 33% by Adriana Pankiewicz – wife of the President of the Management Board and the sole shareholder of Leonarto Sp. z o.o.*

11. Information on the number of persons employed by the Issuer, in FTEs

The company employs 24,32 FTEs on the basis of employment contracts (as at 30 September 2017).

On behalf of the Management Board:

Filip Granek – President of the Management Board