

XTPL

shaping global nanofuture



**MONTHLY REPORT
AUGUST 2018**

XTPL S.A.

Wrocław, 14.09.2018 r.

1. INFORMATION ON ISSUE OBJECTIVES AND OTHER IMPORTANT EVENTS IN THE REPORTING PERIOD

A. SUMMARY OF OPERATING ACTIVITIES IN THE AREA OF THE ISSUER'S BUSINESS DEVELOPMENT IN AUGUST 2018

In August 2018, the Issuer continued market activities undertaken over the past months, focusing on the US and Chinese markets. The key events in the reporting period include:

- Continued negotiations of the terms of the cooperation agreement with a global China-based manufacturer of equipment for the production of displays. The start of the negotiations was communicated by the Issuer in Current Report ESPI 8/2018. The cooperation relates to the use of XTPL technology in the area of repairing broken metallic connectors ("open-defect repair") in thin-film electronic circuits. The potential client is a company listed on China stock exchange, and its capitalisation is more than USD 9 billion. The long-term goal of the negotiated cooperation is to implement the unique XTPL solutions as components for the client's technological lines for the production of displays. At the same time, preparations are being made for the Chinese partner's reference visit.
- Finalisation of arrangements with a leading American manufacturer from the smart glass industry concerning the start of preparation of material samples by the application laboratory. Once successfully completed, this phase will enable transition to the next phase of the project of potential application of the XTPL technology for ultra-precise glass printing.
- Moving to another phase of the proof-of-concept project for a US company, one of the leading global manufacturers of equipment for the semiconductor industry. The results obtained by the Issuer's application laboratory as part of Phase 1 of the project were strongly welcomed by representatives of the R&D unit of the US company. The ultra-precise printing technology developed by XTPL has been recognised as the most promising alternative to the technology used at present. The end of the second phase of the proof-of-concept project will open the door to negotiating long-term, commercial cooperation.
- Over the recent period, research work was under way related to quantum dots printing using the XTPL method, and market opportunities were being identified in this regard. This was possible thanks to the successful delivery, in July this year of a proof-of-concept project for one of potential clients from the United States. The quantum dots printing technology can be used, for example, in the production of Quantum LED (QLED) displays. The market for QLED TVs alone is forecast to exceed 100 million sets in 2012 vs. 1.5 million in 2017 (source: DSCC 2017 report)

The financing of the business development department was one of the objectives of the issue of series M shares.

B. OTHER SIGNIFICANT EVENTS IN AUGUST 2018

A DECLARATION OF INTEREST BY THE ACATIS FUND TO INCREASE ITS STAKE IN THE ISSUER'S SHARE CAPITAL BY TAKING UP NEWLY ISSUED SHARES, AND ADOPTION OF RELEVANT RESOLUTIONS BY THE ISSUER'S BODIES

On 10 August 2018, the Issuer's Management Board advised that it had received from Universal-Investment-Gesellschaft mbH, acting for and on behalf of ACATIS Datini Valueflex Fonds, a declaration of ACATIS's interest in increasing its stake in the Issuer's share capital by taking up newly issued shares (Current Report ESPI 9/2018). In consequence, the Company's Management Board adopted a resolution concerning an increase in the share capital within the authorised capital, excluding all pre-emptive rights of the existing shareholders (Current Report EBI 23/2018). Based on the above resolution, the share capital of XTPL was increased from PLN 169,522.00 to PLN 174,222.00, i.e. by PLN 4,700 PLN, through the issue of 47,000 series N ordinary bearer with a nominal value of PLN 0.10 each. The series N shares have been issued by a private placement by offering all those shares to Universal-Investment-Gesellschaft mbH, acting for and on behalf of ACATIS Datini Valueflex Fonds. The purpose of the share issue proceeds is to fund XTPL's sales activity in the US market.

NOMINATION TO R&D 100

In August 2018, the judges of the American R&D 100 Awards qualified XTPL's nanotechnology projects for the final stage of the competition. Other shortlisted companies include, inter alia, Georgia Tech, Los Alamos, NASA, MIT, Toyota, Mitsubishi. Being included in the company of such big, global names shows that the US market recognises and appreciates the innovation of XTPL's nanotechnology solutions. The winner will be selected during the November gala in Orlando, Florida (USA). The R&D 100 Awards have been presented by New York's R&D Magazine since 1963. The mission of the awards is to recognise the year's top technologies which according to the judges are expected to permanently change industry, science and social relations.

PARTICIPATION IN SPIE OPTICS + PHOTONICS IN SAN DIEGO

On 19–23 August, the Issuer's representatives took part in the SPIE Optics + Photonics conference in San Diego (California, USA). This is the most important multidisciplinary event in North America dedicated to optical engineering, nanotechnology, quantum science and organic photonics. On behalf of the Issuer, a lecture on the ultra-precise printing technology was given by Piotr Kowalczewski, PhD, one of the leaders of XTPL's R&D team. The conference was also an opportunity to establish business contacts in Silicon Valley, as well as to obtain new, extensive knowledge about innovative technologies which are currently being developed.

Financing participation in trade shows and conferences was one of the objectives behind the issue of the series M shares.

2. BASIC INFORMATION ABOUT THE COMPANY

Business name:	XTPL Spółka Akcyjna
Registered office:	Wrocław
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THE MANAGEMENT BOARD:

- dr Filip Granek – President of the Management Board
- Maciej Adamczyk – Member of the Management Board

SUPERVISORY BOARD:

- Wiesław Rozłucki - Chairman of the Supervisory Board
- Bartosz Wojciechowski - Vice-chairman of the Supervisory Board
- Konrad Pankiewicz
- Sebastian Młodziński
- Piotr Lembas

3. BUSINESS PROFILE OF THE ISSUER

The Issuer operates in the nanotechnology market segment. XTPL's interdisciplinary team is developing a globally innovative technology (protected by an international patent application) that enables ultra-precise printing of nanomaterials. The XTPL solution has all the hallmarks of a so-called 'disruptive technology' and will be consistently developed as part of the advanced research works focused on defining new innovative uses within specific application areas. The Company is commercialising its solution in stages: it aims to provide nanoprinting equipment, compatible nanoink and print heads for specific application to its customers, including printed electronics manufacturers. XTPL's initial objective is to make laboratory printers for use in R&D departments of potential business clients, with additional plans for the development of an industrial printer in the next stage.

In both cases, XTPL's objective is to provide the customer with both the equipment and a unique nanoink, designed for a specific application.

The solution developed by XTPL will, for example, facilitate the production of a new generation of Transparent Conductive Films (TCF) that are widely used in the different subsets of manufacturing industry, such as the production of displays, monitors, and touch screens, but also in the branch of production of photovoltaic cells.

Another already verified application of the XTPL technology is the repair of damaged metallic conductive connectors (used in displays, printed circuits and photovoltaic cells). At the same time, due to the platform-like nature of the technology, the Company is looking for new opportunities to apply it in other areas, such as:

- production of biosensors;
- anti-counterfeit solutions.

The Company's registered office and research laboratories are located at the Polish Center for Technology Development in Wrocław (formerly: EIT+ Wrocław Research Centre). Currently the XTPL team comprises scientists and process engineers with interdisciplinary expertise in chemistry, physics, electronics, mechanics, numerical simulations (including 10 PhDs). The XTPL team also includes strategic management and commercialisation specialists with experience and successes in the fields of product development, marketing, and the capital market. One of the Issuer's chief strengths are the many professionals under its employ who possess know-how accumulated on international markets and who have worked for global corporations and research institutes over the course of their careers.



4. SUMMARY OF THE INFORMATION PUBLISHED BY THE ISSUER IN THE FORM OF CURRENT REPORTS DURING THE REPORTING PERIOD

CURRENT AND PERIODIC EBI REPORTS:

1. Report No. 21/2018 (14/08/2018) Monthly report for July 2018.
2. Report No. 22/2018 (14/08/2018) Standalone quarterly report for Q2 2018
3. Report No. 23/2018 (22/08/2018) Adoption by XTPL S.A. Management Board a resolution concerning an increase in the Issuer's share capital within the authorised capital

CURRENT ESPI REPORTS:

1. Report No. 9/2018 (10/08/2018) Receiving the declaration of interest concerning the new issue of shares of XTPL S.A.

5. INVESTOR'S CALENDAR, ENCOMPASSING EVENTS TAKING PLACE IN SEPTEMBER 2018 (OR LATER) WHICH CONCERN THE ISSUER AND ARE SIGNIFICANT FROM THE POINT OF VIEW OF INVESTORS' INTERESTS, INCLUDING IN PARTICULAR: THE DATES OF PUBLICATION OF PERIODIC REPORTS, PLANNED GENERAL MEETINGS, OPENING OF SUBSCRIPTIONS, MEETINGS WITH INVESTORS OR ANALYSTS, AND THE EXPECTED DATE OF PUBLICATION OF THE ANALYTICAL REPORT

14 October 2018: publication of monthly report for September 2018

14 November 2018: publication of a quarterly report for the third quarter of 2018

6. INFORMATION ON TRENDS AND EVENTS IN THE ISSUER'S MARKET ENVIRONMENT WHICH, IN THE OPINION OF THE ISSUER, MAY HAVE A MATERIAL EFFECT ON THE ISSUER'S FINANCIAL CONDITION AND RESULTS IN THE FUTURE

In the opinion of the Issuer's Management Board, in the period covered by the monthly report there were no events nor significant new trends in the Company's market environment which could have a significant effect on the Company's financial condition and financial results.

THE MANAGEMENT BOARD:

Maciej Adamczyk

Member of the Management Board