

XTPL

shaping global nanofuture



MONTHLY REPORT
JANUARY 2018

XTPL S.A.

Wrocław, 14 February 2018

1. Basic information about the Company

Business name:	XTPL Spółka Akcyjna
Registered office:	Wrocław
Address:	Stabłowicka 147, 54-066 Wrocław
KRS No.	0000619674
Telephone number:	+48 71 707 22 04
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XTPL S.A. is an innovative technology company that has been commercializing a breakthrough method (protected by an international patent application) of ultra-precise printing with the use of a wide range of nanomaterials. On 14 September 2017, the Company made its debut in the Alternative Trading System on the New Connect market.

The Management Board:

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

The Supervisory Board:

- Konrad Pankiewicz – Chairman of the Supervisory Board
- Agnieszka Młodzińska-Granek
- Sebastian Młodziński
- Bartosz Wojciechowski
- Piotr Janczewski



2. Business profile of the Issuer

The Issuer operates in the nanotechnology market segment. Its interdisciplinary team is developing a globally innovative technology (protected by an international patent application) that enables ultraprecise printing of nanomaterials. XTPL's 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, nanoink and print heads to its customers, including printed electronics manufacturers. XTPL's initial objective is to design laboratory printers for use in research and development works of 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. This list also includes the production of photovoltaic cells characterized by:

- considerably lower per-unit cost (due to e.g. eliminating the need to use rare earth elements in the manufacturing process)
- very high optical transparency combined with high energy efficiency (extremely low surface resistance),
- flexible layers resistant to bending (an essential characteristic, given the current trends within the electronics industry).

Another tried and tested application of XTPL's technology is the repair of damaged metallic conductive connections (for use, among others, in displays, printed circuits and photovoltaic cells), which the technology can improve by:

- significantly accelerating the process in comparison with current methods;
- eliminating highly toxic substances from the process;
- increasing the range of repairable connections (by pathways normally too narrow to be repaired).

Due to the achieved parameters of the implemented solutions, the XTPL technology is defined as a "disruptive technology". The XTPL printing method may be seen as a factor that will impact the business operation of key players in the aforementioned markets.

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 and sectors, such as:

- production of biosensors;
- anti-counterfeiting solutions.

The Company's registered office and research laboratories are located at the EIT+ Wrocław Research Centre. The XTPL team comprises scientists and process engineers with interdisciplinary expertise in chemistry, physics, electronics, materials engineering and numerical simulations (including ten 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.

3. Information concerning the implementation of the objectives of the issue and other significant events during the reporting period.



- **Commencement of development works on the beta version of the laboratory printer**

Based on the results from (internal) alpha testing conducted in the last months of 2017 at the Issuer's application laboratory, as well as the feedback on the needs of potential customers collected by the Issuer's business development department, the Company has developed a design for a beta version of its innovative nano-printing equipment. In accordance with the strategy outlined in the Information Document, the features of the printer's beta version will be the same as those planned for the subsequent production units. The completed beta printer is intended for field testing at the premises of customers and partners interested in purchasing the product. The manufacture of beta version units will be co-financed under the Regional Operational Programme, as communicated by the Issuer in the current report ESPI 9/2017.

- **Launch of commercialisation of the open defects repair technology – extensive efforts towards partnership agreements**

The Issuer's business development department (established in Q4 2017) has initiated and conducted extensive discussions with potential international partners with a view to effectively commercialize Company's innovative nanoprinting technology for open-defects repair (i.e. the repair of metallic connections damaged in production and used in thin film electronic circuits). The partnerships would be based on joint development agreements (JDAs), under which the development works would be co-financed by the partner in exchange for, e.g. pre-emptive rights to purchase the final solution. The Company is also open to traditional joint venture partnerships. Finally, further commercialisation may also involve government/public funding.



- **Establishment of the marketing and public relations department**

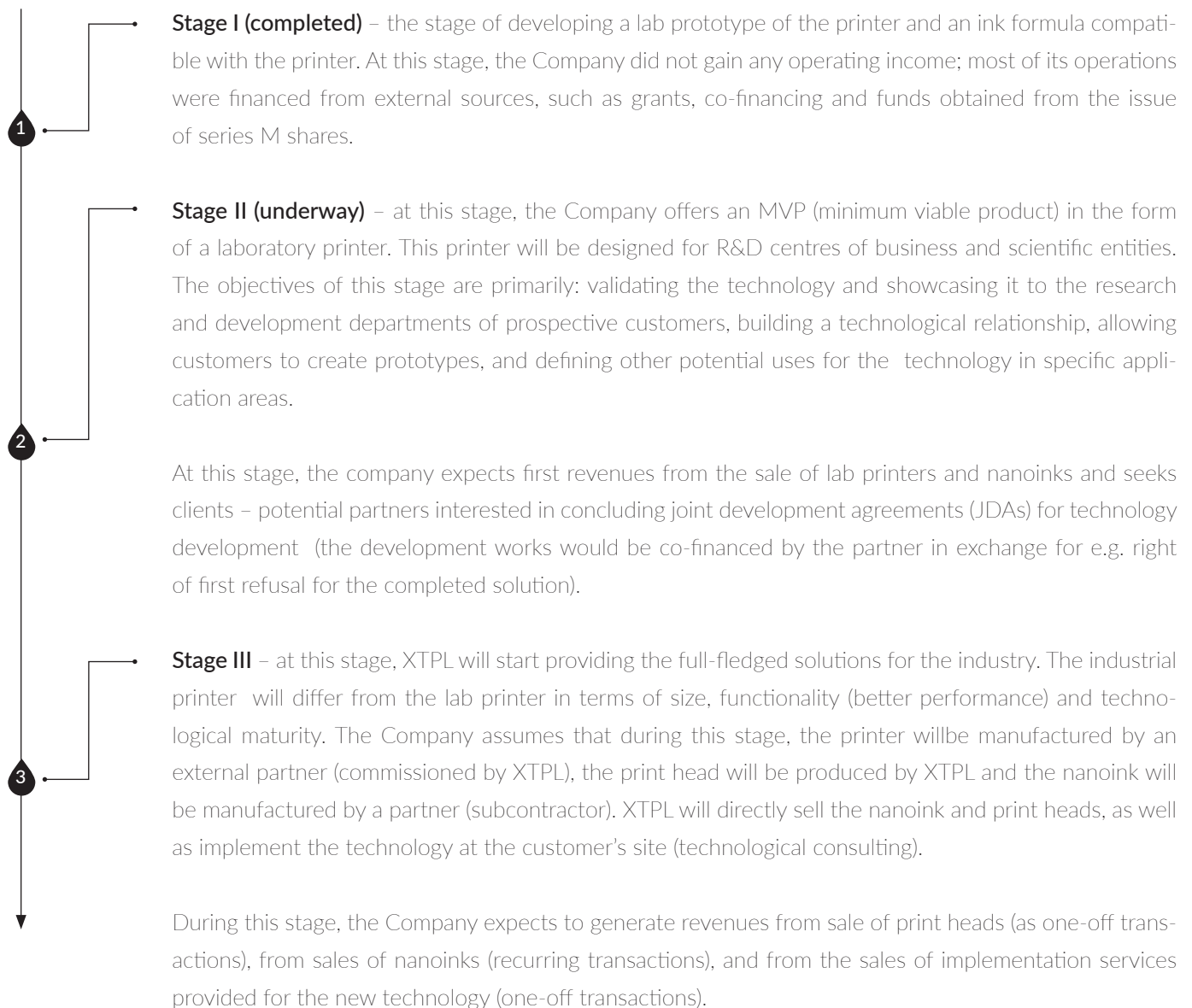
Beginning January 2018, the Company has established a marketing and public relations department. The new department is headed by Marta Ziobrowska who has built her professional career working for international corporations (including Selena Group and Zehnder). She is a manager with many years of experience in the field of marketing and communication, business support and implementation of innovative technologies in foreign markets. The main responsibilities of the newly established department include developing and implementing a relevant action plan for the commercialisation of the Issuer's breakthrough technology within selected market segments. The department's focus encompasses the strengthening of XTPL's company image, promoting the Company's revolutionary solutions in the field of nanoprinting and the potential innovative uses of the technology within specific application fields. And last but not least, building strategic relations between the company and its customers. At the current stage of the Company's development, the marketing and public relations team provides extensive support of the business development activities aimed at securing the sales of laboratory printers and nanoinks, while at the same time attracting partners – potential customers – interested in concluding joint development agreements (JDAs) to further develop the technology. The establishment of the marketing and public relations department marks the fulfilment of another objective of the issue of series M shares.



4. Business model

COMMERCIALISATION

The process of launching the full commercialisation of XTPL solutions consists of three stages.



5. Summary of the information published by the Issuer in the form of current reports during the reporting period.

Current EBI reports:

- 1) Report No. 1/2018 (12.01.2018) – Monthly report for December 2017
- 2) Report No. 2/2018 (16.01.2018) – A contract with a certified auditor for an audit of the financial statements
- 3) Report No. 3/2018 (30.01.2018) – Periodic report submission deadlines for 2018

Current ESPI reports:

The Issuer did not publish any ESPI current reports in January 2018.

6. Investor's calendar, including events taking place in February 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 the subscriptions, meetings with investors or analysts, and the expected date of publication of the analytical report.

- 14 February 2018 – publication of the Q4 2017 report.
- 31 March 2018 – publication of the 2017 annual report.

7. Information on the occurrence of trends and developments in the Issuer's market environment, which, in the Issuer's opinion, may have a significant impact on the Issuer's financial condition and financial results in the future.

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

For and on behalf of the Management Board:

Filip Granek
President of the Management Board

Maciej Adamczyk
Member of the Management Board