shaping global nanofuture

MONTHLY REPORT
JULY 2018

XTPL S.A.

Wrocław, 14.08.2018 r.

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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 JULY 2018

In July 2018, the Issuer focused its market activities on the United States and China in order to prepare for execution of JDAs (Joint Development Agreements), JVs (Joint Venture) agreements and hardware sales agreements (for laboratory printers and industrial printing heads). The key events in the reporting period include:

- Continued negotiations of a cooperation agreement with a global China-based manufacturer of equipment for the production of displays (Current Report ESPI 8/2018). The purpose of the negotiations is to determine the shape of the final offer specifying all essential commercial and technical conditions for the first phase of the cooperation;

- ransition to the next phase of the project commercialising the Issuer's technology in cooperation with one of the leading global manufacturers of equipment for the semiconductor industry. The partner has recognised the XTPL technology as the most promising alternative that can be used in designing a new, innovative product. After the partner had approved the effects of the first stage of the proof-of-concept project, the parties agreed actions and milestones for the next stage, and defined preliminary long-term conditions of the cooperation;
- agreeing on the initial conditions for the implementation of XTPL nanoprinting technology in the project for the leading American manufacturer of smart glass;
- agreeing the initial conditions for the implementation of XTPL technology the project for a leading American manufacturer from the automoive industry. XTPL technology is to be used in the design of a car using innovative smart glass.

Implementation of the above projects will allow the Issuer to adapt the developed technology to clients' specifications, e.g. by developing and producing multi-heads which print with the speed and precision required for industrial applications. Over the next dozen or so weeks, two potential counterparties are expected to pay a reference visit at the Issuer's headquarters. At the same time, the Issuer expects that some of the projects which are under way now will result in payments being made by the partners to the Issuer on account of NREs (Non-Recurring Expenses). The funds raised in this way would be applied to joint development projects or would be allocated as payments for the equipment supplied.

In addition, as part of validation of the Issuer's technology at one of the potential US clients, the Company has successfully completed a proof-of-concept project in the area of printing quantum dots by the XTPL method. This opens the door to further research on the use of the Issuer's technology in the manufacture of QLED displays.

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

B. NEW MEMBER OF THE ADVISORY BOARD.

On 24 July 2018, the Issuer announced in a press release that Amir Nayyerhabibi had joined the XTPL Advisory Board, a newly formed body supporting the management board and key company managers in strategic decision-making. The new member of the Board is an entrepreneur with experience in the semiconductor sector, a co-founder and author of the success of such companies as Cortina Systems, StratumOne and AuroraNetics. At present, Amir Nayyerhabibi is one of the partners for Benhamou Global Ventures from Silicon Valley, a fund which invests in dozens of companies from the digital economy sector. Amir uses his experience and talent to support companies that have unique technology and potential for rapid growth.

C. BUILDING OPERATIONAL STRUCTURES FOR BUSINESS DEVELOPMENT IN THE UNITED STATES

In July 2018, the Issuer started to set up operational structures in Silicon Valley to lay foundations for further business development in the United States. Two American managers have been directly entrusted with market development and acquisition of customers for XTPL in the US market. Mehran Sedigh and Kedar Patel have been professionally involved in the disruptive technologies sector in Silicon Valley for several decades. They held key roles with e.g. Cypress Semiconductor, a firm designing and selling semiconductor solutions. Mehran Sedigh has a Ph.D. in Chemical Engineering from University of Southern California, and recently has supported technology firms (e.g. from the quantum computers sector) in scaling their solutions. Kedar Patel, who obtained his Ph.D. in sciences from University of California at Berkeley, is a long-standing manager and executive at such firms as SanDisk and Avogy. Engaging seasoned managers in the commercialisation process marks another step towards broad, industrial implementation of the disruptive nanoprinting technology which is being developed by XTPL.

The establishment and financing of the business development area was one of the objectives of the issue of series M shares.

2. 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
Website:	www.xt-pl.com
E-mail:	investors@xt-pl.com

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 EIT+ Wroclaw 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. 20/2018 (13/07/2018) Monthly report for June 2018

CURRENT ESPI REPORTS:

The Issuer did not publish any ESPI current reports in July 2018

5. INVESTOR'S CALENDAR, ENCOMPASSING EVENTS TAKING PLACE IN AUGUST 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 August 2018: publication of a quarterly report for the second quarter of 2018.

14 September 2018: publication of monthly report for August 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