

X T P L

shaping global nanofuture



**MONTHLY REPORT
SEPTEMBER 2018**

XTPL S.A.

Wrocław, 12.10.2018 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 SEPTEMBER 2018

In September 2018, the Issuer continued market activities undertaken over the past months, focusing on the US and Chinese markets, and continued work on development of technologies for further applications, as indicated by the market. The key events in the reporting period included:

- Start of the proof of concept for a leading American manufacturer from the smart glass industry; this is a result of the arrangements made with the US partner in August 2018 and the next milestone on the way to potential commercial application of XTPL's technology of ultra-precise printing on glass substrate. The smart glass market is particularly promising considering its projected growth rate. By 2023, it is expected to reach USD 8.35 billion, maintaining a CAGR of 16.6% in 2017–2023. With the disruptive nanoprinting technology being developed by XTPL, smart glass manufacturers will potentially be able to offer their customers new functionalities in their products.
- Negotiations on cooperation with a global China-based manufacturer of equipment for the production of displays; intensive talks are under way to ensure possibly fastest preparation of the XTPL's technology for the partner's industrial conditions. This will potentially speed up the implementation process and in consequence will help strengthen attractiveness of XTPL's offer in the eyes of Chinese entities which have preliminary interest.
- Starting talks with one of the leading US government scientific and research institutes in the area of applied sciences. The institute has expressed preliminary interest in including the nanoprinting technology developed by the Issuer in its research. At present, intensive talks are in progress on the form and scope of potential cooperation. Such cooperation would significantly boost XTPL's image in the United States, especially in the context of the Issuer's plans to step up its sales activity in that market.
- Talks are under way with R&D units interested in acquiring laboratory printers for the purpose of scientific prototyping. The printers are to be used for doing research projects and for identification of new areas of application of the XTPL technology in the field of printed electronics. In the case of R&D units owned by industrial partners, the talks will additionally help establish technological relations and start discussions regarding potential industrial implementation of the technology in their newly developed products.

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

B. OTHER SIGNIFICANT EVENTS IN SEPTEMBER 2018

SIGNING A SHARE SUBSCRIPTION AGREEMENT AND ENDING THE SHARE SUBSCRIPTION FOR ACATIS DATINI VALUEFLEX FONDS

With reference to ESPI Current Report No. 9/2018 and EBI Current Report No. 23/2018, on 3 September 2018, the Issuer's Management Board announced that it had signed an agreement with Universal-Investment-Gesellschaft mbH, an entity acting for and on behalf of the existing shareholder ACATIS Datini Valueflex Fonds, providing for acquisition of 47,000 series N shares (Current Report ESPI 10/2018). Signature of the agreement ended subscription of the said shares, a process started on 22 August 2018. The shares were acquired in a private placement, which included all the series N shares. The shares were taken up at the issue price of PLN 94 per share and were fully paid up in cash.

A DECLARATION OF INTEREST BY THE DEUTSCHE BALATON AG 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 18 September 2018, the Issuer's Management Board advised that it had agreed with Deutsche Balaton AG, a parent entity of Heidelberger Beteiligungsholding AG, the Company's existing shareholder, the terms of increasing the stake of Deutsche Balaton AG in the Issuer's share capital by taking up newly issued shares (Current Report ESPI 11/2018). In consequence, the XTPL'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 25/2018). On the basis of that resolution, XTPL's share capital was increased from PLN 174,222.00 to PLN 178,362.00, i.e. by PLN 4,140.00, through the issue of 41,400 series O ordinary bearer with a nominal value of PLN 0.10 each. The issue price of one series O share was set at the level corresponding to VWAP (volume weighted average price of a share) for a three-month period less 10% discount, so it takes into account the significant volume of historical transactions in XTPL shares and minimises the impact of extreme values. In the opinion of the Management Board, successful offering of the new issue of shares to an entity from the German financial ecosystem will contribute to building greater credibility of XTPL. In the future, given the Company's parallel listing on the German Open Market (Freiverkehr), this may also generate interest and stimulate liquidity of share trading in the local market. The series O shares will be issued through a private placement by offering all those shares to Deutsche Balanton AG. The share proceeds are to finance the increased business development activities of XTPL S.A. in the US market, especially in the Silicon Valley region and contribute to strengthening XTPL's patent position (financing new patent applications).

PARTICIPATION IN THE INTERNATIONAL CONFERENCE ON FLEXIBLE AND PRINTED ELECTRONICS IN CHINA

On 25–28 September, Aneta Wiatrowska, PhD, Technology Director at XTPL, took part in The International Conference on Flexible and Printed Electronics (ICFPE) in China. The event taking place in Changzhou is one of the three globally most important conferences on new technologies in electronics, next to LOPEC in Europe and FlexTech in the USA. The leading theme of this year's edition was flexible printed electronics. The nanomaterials printing technology developed by XTPL, considered as ground-breaking on a global scale, was presented by Aneta Wiatrowska already on the first day of the conference. ICFPE is a special meeting place for experts, inventors and investors. The strong presence of representatives of the Chinese industry at the event is an opportunity for business networking which may result in future proof of concept projects and commercialisation of the technology.

PARTICIPATION IN INTERNANO POLAND

On 12 and 13 September, the Issuer's representatives took part in InterNanoPoland, a science and business conference. Taking place in Katowice, the event is an international forum for scientists, entrepreneurs, institutions linked with business and students working in the areas related to nanomaterials and nanotechnology. The meeting is designed to present the latest scientific and industrial achievements in the in area of nanotechnology and advanced materials. It also serves as a platform for meetings of the world of science and business. On the second day of the event, Filip Granek, PhD, co-founder and CEO of the Issuer, presented the application potential inherent in the nanoprinting technology and the industrial problems that may be eliminated by means of the XTPL technology. Filip Granek was also a member of the event's Scientific Council.

PARTICIPATION IN HERBSTKONFERENZ IN FRANKFURT

At the beginning of September, members of the XTPL Management Board, Filip Granek and Maciej Adamczyk, took part in a conference of the German capital market – Herbstkonferenz 2018. The conference, taking place in Frankfurt am Main, was accompanied by numerous meetings between the Company's Management Board and investors and investment funds from Western Europe.

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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KRS No.:	0000619674
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Website:	www.xt-pl.com
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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. 24/2018 (14/09/2018) Monthly report for August 2018.
2. Report No. 25/2018 (26/09/2018) 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. 10/2018 (03/09/2018) Signing the share subscription agreement and ending the share subscription
2. Report No. 11/2018 (18/09/2018) Agreeing conditions concerning the new issue of shares of XTPL S.A.
3. Report No. 12/2018 (19/09/2018) Reduction in the total number of votes in XTPL S.A. below the 5% threshold
4. Report No. 13/2018 (19/09/2018) Exceeding the 5% threshold in the total number of votes in XTPL S.A.

5. INVESTOR'S CALENDAR, ENCOMPASSING EVENTS TAKING PLACE IN OCTOBER 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 November 2018: publication of monthly report for October 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