



shaping global nanofuture



MONTHLY REPORT OCTOBER 2018

XTPL S.A.

Wrocław, 14.11.2018

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 OCTOBER 2018

In the reporting period, the most important events in the area of business development included:

- Delivery of a proof-of-concept project for a leading US manufacturer from the smart glass industry. The potential partner is interested in implementation of the XTPL technology into its products. A pre-condition for the start of potential cooperation is to meet the partner's technical specification (a two-stage proof of concept). A positive outcome obtained in the Issuer's application laboratory will open the door to commencement of negotiations on a project of development of a dedicated printing multi-head with dedicated nanoink. This will mean paving the way for introduction of the XTPL technology into the very promising smart glass segment, which is undergoing rapid development, especially in the North American market. Partnership with the manufacturer who has a chance to dominate this market, may represent an essential part of the Issuer's future business in the medium/long-term.
- Finalisation of preparations for a reference visit of representatives of the Issuer's partner from China – a global manufacturer of equipment for the production of displays, who is interested in using XTPL technology in the area of open-defect repair. In October, administrative procedures were completed in relation to obtaining Polish visas for members of the Chinese business delegation. The ongoing negotiations are focused on the sale of a printing head dedicated to the above-mentioned applications. Their successful finalisation will at the same time be the first industrial and commercial application of the technology developed by the Issuer.
- Conducting in-depth analyses of a wide range of sectors and industries in terms of possibilities to apply XTPL technologies, bearing in mind their attractiveness, potential and speed of implementation. These measures aim to create a roadmap for technology development to optimise and increase the effectiveness of the Issuer's commercialisation activities.
- Starting work on further patent applications. Their intended business effect includes, inter alia, consolidating the Company's credibility and securing further layers of the IP being created, which will help strengthen the Company's leverage in talks with potential business partners.
- Expanding the business development team in the United States to include two more experts. The Company's new employees will be responsible for activities in the field of intellectual property, including patent protection, and technology implementation in industrial conditions.

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

B. OTHER SIGNIFICANT EVENTS IN OCTOBER 2018

CONDUCTING AND FINALISING THE ISSUE OF SHARES FOR HEIDELBERGER BETILUNGSHOLDING AG

With reference to Current Report ESPI 11/2018 and Current Report ESPI 25/2018, on 22 October 2018 the Issuer's Management Board informed about signing a subscription agreement with the Heidelberger Beteiligungsholding AG fund, one of the Company's shareholders, providing for acquisition of 41,400 series O shares by the fund (Current Report ESPI 14/2018). The agreement ends the subscription of those shares, a process started on 26 September 2018. The subscription took the form of a private placement and included all the series O shares.

PARTICIPATION IN THE CAPITAL INVESTMENT MEETING CONFERENCE IN VIENNA



In October, members of the Management Board of XTPL – Filip Granek and Maciej Adamczyk – took part in The Capital Investment Meeting conference. During the event, held in Vienna, the Management Board presented the Company's profile. The conference was an opportunity to reach a wide range of private investment funds and investors from Austria, Germany, Switzerland, Lichtenstein, Great Britain and the United States.

GLOBAL CAPITAL MARKETS FOR HIGH GROWTH COMPANIES – HOW TO SCALE UP SUCCESSFULLY

On 18 October 2018, the Company's representatives took part in the event called "Global Capital Markets for high growth companies – How to scale up successfully", which took place on the London Stock Exchange. Co-organised by the British Embassy in Warsaw, the event was exclusively dedicated to Central European firms with a proven track record in the technology area and with a potential for continuous growth. The meetings held on this occasion made it possible to find out about the specific features of the buoyant London capital market and to network with representatives of the technology industry from Central Europe.

Financing of 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
Address: Stabłowicka 147, 54-066 Wrocław
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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. THE ISSUER'S BUSINESS PROFILE

The Issuer operates in the nanotechnology segment. XTPL's interdisciplinary team develops a technology of ultra-precise printing of nanomaterials, which is innovative on a global scale and is protected by an international patent application. The XTPL solution has all the features of a disruptive technology and will be consistently developed as part of advanced research with a view to defining further, innovative uses of the solution in specific application areas.

The Company commercialises its solution in a phased approach: it intends to supply nanoprinting equipment, compatible nanoinks, dedicated to specific applications, and printing heads to buyers from e.g. the printed electronics sector. In the first place, XTPL develops laboratory printers for R&D works by research and development departments of potential business clients and research centres. The next phase will include comprehensive solutions for the industry: unique printing heads – dedicated for specific application fields, as well as compatible, precisely adjusted nanoinks. The company plans for the printing heads – enabling implementation of the revolutionary nanoprinting and ultraprecise deposition technology - to be designed by XTPL, manufactured by external contractors and assembled finally by XTPL. Nanoinks will be manufactured by a selected subcontractor – based on patented formulations. XTPL intends to sell nanoinks (based commercial partner's production capacity) and printing heads directly, as well as to implement technology as a service for selected clients (technology consulting).

XTPL's goal is to revolutionise selected areas of the broad sector of printed electronics. Strong development of this market is due to the growing number of new applications of printed, flexible and organic electronics in various fields. XTPL technology will be used in many existing areas of printed electronics industry or - thanks to the unprecedented precision of the nanomaterials printing solution – XTPL might enable implementation of new areas in this sector. The technological revolution is based on enabling the production of complex and complicated electronic components using cheap and scalable printing methods. Just as today we cheaply and quickly print newspapers and books, in the future we will print displays, solar cells, biosensors and other elements. **The size of the entire electronics market: 2017 – USD 29.3 billion; 2027 – USD 73.4 billion; CAGR 9.3% (forecast)**

THE KEY IDENTIFIED APPLICATIONS OF XTPL TECHNOLOGY IN THE PRINTED ELECTRONICS SECTOR INCLUDE:

OPEN DEFECTS REPAIR



Micro- and nano-conductive structures are indispensable in the broadly understood electronics (i.e. integrated circuits, LCD/ OLED displays, PCBs, solar cells and many others). This sector faces a major problem as these conductive structures are very often damaged at the production stage. Electronic components made on the basis of such structures are extremely expensive, which is why repair of those defects is of key importance. The repair methods currently available in the market are very limited,

complicated and costly. XTPL offers a new breakthrough solution that allows defects in conductive paths to be repaired at low cost, with unparalleled precision and speed.

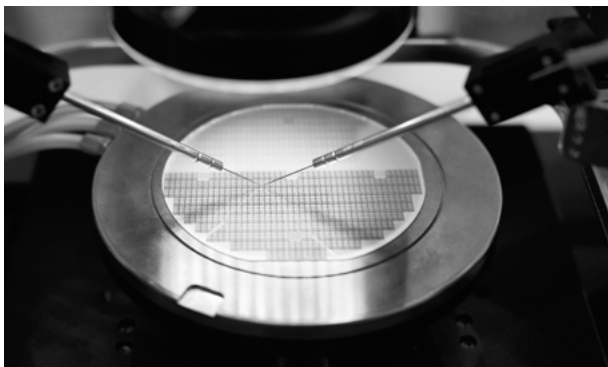
TRANSPARENT CONDUCTIVE FILMS (TCF)



Transparent conductive films are indispensable in the production of displays, monitors, touch screens and photovoltaic cells. Currently, the most commonly used TCFs are based on indium-tin oxide (ITO). Indium is a rare element whose supply on a global scale is mostly controlled by China (about 50%–60% of global production) and Korea (15% market share). ITO-based films are not flexible (which is a serious limitation for electronics manufacturers); they insufficiently conduct electricity and have a limited

optical transparency. Due to limitations of ITO, technology companies around the world are looking for new generation TCF technology as an alternative to ITO. XTPL solution presents such an alternative. It ensures full transparency, excellent conductance parameters, low production costs due to the use of commonly available materials (i.e. silver) that can provide the sought-after technological independence from indium as well as flexibility of the conductive films, which will enable electronics manufacturers to develop and provide new generation of revolutionary solutions to customers.

SEMICONDUCTORS



XTPL solution responds to the needs of equipment manufacturers in the semiconductor sector who seek to replace photolithography with a simpler and cheaper method, yet one that ensures the highest precision. Photolithography is a technique which is highly complex, very expensive and not versatile. It requires an extremely clean substrate and ideal temperature conditions that are void of all contaminants, liquids and environmental hazards. Furthermore, it is used only for flat surfaces

in order to produce effective patterns. The additive, ultra-precise technology of creating submicron structures offered by XTPL eliminates all these disadvantages and is a sought-after alternative in this sector.

The Company's registered office and research laboratories are located on the premises of the PORT Wrocław Research Centre. Currently, the XTPL team consists of more than 45 people in Poland and the United States – scientists and technologists with interdisciplinary expertise in chemistry, physics, electronics, mechanics and numerical simulations (including nine persons with a doctorate degree), as well as specialists in strategic management and technology commercialisation with experience and successful track record in product development, marketing and capital markets. An important advantage is the fact that the Issuer's team includes many professionals with know-how developed in international markets, who in their professional career have cooperated with global corporations and research institutes.

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. 26/2018 (12/10/2018) Monthly report for September 2018.
2. Report No. 27/2018 (19/10/2018) Registration of amendments to and a consolidated text of the Articles of Association of XTPL S.A.

CURRENT ESPI REPORTS:

1. Report No. 14/2018 (22.10.2018) Signing the share subscription agreement and ending the share subscription

5. INVESTOR'S CALENDAR, ENCOMPASSING EVENTS TAKING PLACE IN NOVEMBER 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 a quarterly report for the third quarter of 2018

14 December 2018: publication of monthly report for November 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