

Proposal by the Management Board of XTPL S.A. on the covering of the loss for the financial year of 2018 and presentation of a recommendation to the Annual General Meeting of Shareholders of XTPL S.A.

1. Pursuant to Article 395 § 2(2) of the Commercial Companies Code, the Management Board of XTPL S.A. requests the Annual General Meeting of Shareholders of XTPL S.A. that the net loss of PLN 7,209 thousand (seven million two hundred and nine thousand zlotys) be entirely covered from the supplementary capital of XTPL S.A.
2. The Management Board of XTPL S.A. recommends that the Annual General Meeting of Shareholders of XTPL S.A. adopt a resolution whereby the loss for the financial year of 2018 will be fully covered from the supplementary capital of XTPL S.A.

Rationale for the proposal:

- I. *Pursuant to Article 395 § 2(2) of the Commercial Companies Code, it is the General Meeting that decides about the covering of the loss. According to Article 396 § 1 of the Commercial Companies Code, supplementary capital is created to cover potential losses. The decision to use the supplementary capital for this purpose is taken by the General Meeting pursuant to Article 396 § 5 of the Commercial Companies Code.*
- II. *The financial statements prepared as at 31/12/2018 do not show any loss which would exceed the total amount of the supplementary capital and the reserve capital or a third of the share capital (the net loss for the financial year amounted to PLN 7,209 thousand, and as at 31 December 2018, the supplementary capital amounted to PLN 16,340 thousand, so there is no need for a resolution on the continued existence of XTPL S.A., in accordance with Article 397 of the Commercial Companies Code.*
- III. *In view of the above, the covering of the loss for the financial year of 2018 from the supplementary capital of XTPL S.A. is deemed justified.*



(Filip Gfaneck)



(Maciej Adamczyk)