

Proposal by the Management Board of XTPL S.A. on covering the loss for the financial year of 2020 and presenting 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 8,182 thousand (eight million one hundred and eighty-two thousand zlotys) for the financial year of 2020 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 net loss for the financial year of 2020 will be entirely covered from the supplementary capital.
3. Bearing in mind that the sum of the supplementary and reserve capital as at 31 December 2020 amounts to PLN 19,088 thousand and exceeds the net loss for 2019, there is no need to adopt a resolution on the continued existence of the Company.

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 December 2020 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 8,182 thousand, and as at 31 December 2020, the combined supplementary capital and reserve capital amounted to PLN 19,088 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 2020 from the reserve capital and the supplementary capital of XTPL S.A. is deemed justified.*

(Filip Granek)
Wrocław, 14 May 2021

Jacek Olszański,
Wrocław, 14 May 2021