Quarterly report for Q3 2022

XTPL S.A.

22 November 2022

XTPL S.A.
Stabłowicka 147
54-066 Wrocław, Poland
xtpl.com

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LETTER FROM THE MANAGEMENT BOARD

Ladies and Gentlemen, Dear Shareholders and Investors,

We are pleased to present our report summarizing the key activities and achievements of XTPL S.A. in the third quarter of 2022. This period was record-breaking for us in many respects and brought us closer to the Company's long-term goal, namely industrial implementation of the XTPL technology on the production lines of global electronics manufacturers.

Since 2022, XTPL has been a Company that successfully commercializes its innovative solutions based on its proprietary technology, which is reflected in its financial results. In the third quarter, the Company posted net profit – PLN 0.6 million – for the first time in its history. At the same time – and we find it extremely important – we once again strengthened our revenues from the sale of products and services. On a year-to-date basis, after the three quarters, XTPL's revenues under this heading came in at PLN 6.6 million, which represents 78% of total revenues, with grants representing the remaining 22%. This confirms our successful transformation from a research and development entity into a rapidly growing company that gradually builds up its sales revenue base. The increases reported for Q3 were driven by the steady development of all three business lines.

The key to XTPL's long-term growth is the business line of printing modules intended for industrial implementation at global electronics manufacturers. We are currently working on 9 such projects, which are at the stage of evaluation by our potential partners. We are in constant contact with them, while consistently heading towards subsequent milestones. With those efforts, the third quarter saw the end of verification of the XTPL technology by our partner from Taiwan, a process which lasted about 18 months. As a result, we received an order for the delivery of our printing module for the construction of an industrial device prototype for use in the innovative semiconductor industry. The construction has already begun. Once completed, the device will be tested on the production line of the end customer – the world's leading semiconductor manufacturer. Another partner that we have a continued, successful business relationship with is Nasdaq-listed Israeli company Nano Dimension Ltd. In the third quarter, we posted in our books the second payment tranche related to the implementation of the second stage of the technological phase of the project relating to metallic nanoparticles for the printed PCB market. We complete individual stages on time and in appropriate quality. And after the balance sheet date, we informed the market about the finalization of the third stage, which will be settled in Q4 2022. We are optimistic about the prospect of strengthening our relations with the partner in 2023 as well.

The sale of Delta Printing System (DPS) prototyping devices is another important XTPL business line. In the third quarter, we signed a total of three orders and for the first time made inroads into new markets, i.e. China and the United States. These events open up further promising prospects for us, as China and the United States are among the greatest innovators on the map of next-generation electronics. On top of that, it should be noted that the US buyer of our device is one of the Big Five giants from the ICT (Information Communication Technologies) sector. Importantly, this is the first corporate client, listed on Nasdaq, who will use our DPS for e.g. the development of virtual reality (VR) technologies and products.

The significant growth of the conductive nanoinks business line is another source of satisfaction for us. In the third quarter, we entered into 11 product sales and delivery contracts, which equaled the result achieved during the first six months of the year. We are proud that through the continuous development of nanoinks on the back of our R&D, we are able to successfully compete with global players that have been in the market longer than we have.

The parallel development of all three business lines, the entry of the XTPL technology into new markets and countries, and the successful commercialization of industrial implementations make us very happy while motivating us

to continue our hard work. In our discussions, we note the importance of testimonials obtained from reputable entities. We can increasingly often use this argument – both directly and through our distributors based in Europe and Asia. We continue to actively participate in global industry and scientific events, and we observe growing interest in the issues that are addressed by our technology. These include, for example, the miniaturization and reshaping of electronic devices, and the drive towards greater cost efficiency. All this confirms the high potential of our solutions, and we will keep up our relentless efforts to forge new business relationships and continue the vigorous growth of XTPL.

Gradually and as expected, further patent offices are granting the Company protection for its inventions submitted over the recent years. This strengthens XTPL's position in the process of commercialization and technology transfer to global technology firms and is one of the Company's competitive advantages. In 2022, the Company was granted 3 new patents that have effect in the United States of America. The protection area for the patent obtained last year was successfully extended to Japan and Israel. In the reported quarter, we filed another patent application – for the method of printing advanced three-dimensional electronic connections with high packing density. Currently, XTPL already has 4 patents granted and 23 application processes pending.

In Q3 2022, we recorded total revenues of PLN 3.7 million, most of which were revenues from the sale of products and services – they rose by 80% quarter-on-quarter, and translated into 52x revenue growth year-on-year. The Company's EBITDA was PLN 0.9 million vs PLN -1.8 million a year earlier. The positive results are also reflected in our operating cash flows, which in the third quarter of this year came in at PLN 0.9 million compared to PLN -1.1 million in the year-ago period. For the first time in its history, the Company reported net profit: PLN 0.6 million compared to a loss of PLN -1.9 million in the third quarter of the previous year. At the end of September, we maintained a safe and comfortable cash position at PLN 3.3 million vs PLN 3.5 million at the end of June. Cumulatively, after the three quarters of 2022, total revenues were PLN 8.5 million, including PLN 6.6 million in revenues from the sale of products and services, a 31-fold increase compared to the same period last year. EBITDA was PLN -1.3 million compared to PLN -6.1 million in the year-ago period. Operating cash flows were positive at PLN 1.1 million vs PLN -3.2 million in the previous year. Net loss decreased to PLN -2.1 million, compared to net loss of PLN -6.5 million after the three quarters of 2021.

The growing financial results are testament to our successfully pursued development strategy and allow us to look ahead with optimism to the whole of 2022 and beyond. At the same time, we sustain our goal of balancing the total cash flow this year, and in 2023 we will focus on achieving profitability at the bottom-line level. We believe that the XTPL technology will at some point be implemented by global electronics manufacturers on a mass, industrial scale, and the Company will have a significant share in the development of future-generation electronic devices.

We hope you enjoy reading this report for the third quarter of 2022. We will make every effort to maintain our strong growth momentum, continuing transparent and open communication. If you have any questions, as always feel free to contact us through our Investor Relations Team or by email to: investors@xtpl.com

Kind regards,

Filip Granek, PhD Jacek Olszański

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1 INFORMATION ABOUT THE REPORT AND A GLOSSARY OF TERMS AND ABBREVIATIONS

XTPL Spółka Akcyjna, a joint stock company having its registered office at ul. Stabłowicka 147, 54-066 Wrocław, entered in the business register of the National Court Register kept by the District Court for Wrocław-Fabryczna, VI Commercial Division of the National Court Register under KRS No. 0000619674 ("**XTPL**", "**XTPL S.A.**", "**Company**", "**Entity**", "**Parent Company**", "**Issuer**"), NIP: 9512394886, REGON: 361898062.

As at 30 September 2022 ("**Balance Sheet Date**"), the share capital of XTPL S.A. amounted to PLN 202,922.20 and consisted of 2,029,222 shares with a nominal value of PLN 0.10 each ("**Shares**").

This document ("**Report**") contains the Report of the Management Board of XTPL S.A. on the activities of XTPL Group ("**Group"**, "**XTPL Group**") and on the activities of XTPL S.A. for the first quarter of 2022 ("**Management Report**"). The standalone and consolidated financial statements of XTPL and the XTPL Group.

The Group includes the parent company and subsidiaries: XTPL Inc. with its registered office in the USA, and TPL Sp. z o.o. with its registered office in Wrocław, fully controlled by XTPL S.A. ("**Subsidiaries**", "**Subsidiary Undertakings**", "**XTPL Inc.**", "**TPL sp. z o.o.**").

Unless indicated otherwise, the source of data in the Report is XTPL S.A. The Report publication date ("**Report Date**") is 22 November 2022.

The consolidated financial statements mean the condensed consolidated financial statements (including the Company and the Subsidiaries) for the period from 1 January to 30 September 2022 prepared in accordance with the International Financial Reporting Standards approved for application in the EU. The standalone financial statements contained in the Report mean the Parent Company's financial statements for the period from 1 January to 30 September 2022 ("**Reporting Period**"), prepared in accordance with the International Financial Reporting Standards approved for application in the EU.

"**WSE**" – Warsaw Stock Exchange: Giełda Papierów Wartościowych w Warszawie S.A.

"**CCC**" – the Act of 15 September 2000 – Commercial Companies Code.

"**Regulation on current and financial reports**" – the Finance Minister's Regulation of 29 March 2020 on current and periodic reports released by the issuers of securities and the conditions for equivalent treatment of the information required by the laws of non-member states.

"**Articles of Association**" – the articles of association of XTPL S.A. available to the public at https://ir.xtpl.com/pl/materialy/korporacyjne/.

"**Public Offering Act**" – the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organized trading and public companies.

"**Accounting Act**" – the Accounting Act of 29 September 1994.

Due to the fact that the activities of XTPL S.A. have a dominant impact on the Group's operations, the information presented in the Management Report relates to both to XTPL S.A. and XTPL Group, unless stated otherwise.

Unless stated otherwise, the financial data are presented in thousands.

DEFINITIONS:

µm means micrometer, i.e. one millionth of a meter (1/1,000,000 m)

nm means nanometer, i.e. one billionth of a meter (1/1,000,000,000 m)

CAD means Computer Aided Design

Aerosol Jet means a printing method that uses aerodynamic focusing to apply a material in the form of a dense cloud of micron-size droplets on the substrate

CAGR means Compound Annual Growth Rate – the average rate of annual growth over the period under analysis, assuming that annual increases are added to the base value of the next period

Deposition means depositing a material locally

FHE (Flexible Hybrid Electronics) means an electronic circuit made on a flexible substrate containing rigid electronic components, i.e. components not susceptible to bending

FPD (Flat-Panel Display) means a flat display

IP (Intellectual Property) means intellectual and industrial property

Laser-induced forward transfer (LIFT) means a method of direct material deposition using a laser to transfer material from the donor layer onto a substrate

MEMS means an integrated electromechanical structure with at least one specific dimension in the micro scale (0.1–100 µm)

Additive method means adding material to obtain a specific structure; it is the opposite of the subtractive method whereby material is subtracted to obtain a specific structure

micro-LED (uLED, µLED) means flat display technology based on semiconductor electroluminescent diodes (LED), in which each pixel is a microscopic LED diode

ODR (Open Defect Repair) means repairing defects in the form of broken conductive paths in the electronic system

OLED (organic light-emitting diode) means an LED based on organic material

UPD (ultra-precise deposition) means a technology of ultra-precise printing of structures developed by the Company

PCB means printed circuit board made of insulating material with electronic connections, intended for assembly of electronic components

R&D – Research and Development

SEM means scanning electron microscope

Flash sintering means a method of curing a material using high-energy light within milliseconds

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Financial highlights

2 FINANCIAL HIGHLIGHTS

2.1 Introduction

The selected financial data presented below contain basic figures (in thousands of zlotys and converted into euro) summarizing the financial position of the Company and XTPL Group.

Exchange rates applied

Balance sheet items have been converted at the average euro exchange rate announced by the National Bank of Poland, effective as at the balance sheet date.

The items of the income statement and the statement of cash flows were converted at the average EUR exchange rate being the arithmetic mean of the average EUR exchange rates announced by the National Bank of Poland and effective as at the last day of each completed month.

The table below contains the euro exchange rates used to convert the data in this report.

	2022 January – September		2021 January – September/ December 2021	
exchange rates used in the financial statements	EUR	USD	EUR	USD
for balance sheet items	4.8698	4.9533	4.6603	3.9676
for profit or loss and cash flow items	4.6880	4.4413	4.5585	3.8179

2.2 Selected standalone figures

	1 January – 30 September 2022 (PLN '000)	1 January – 30 September 2021 (PLN '000)	1 January – 30 September 2022 (EUR '000)	1 January – 30 September 2021 (EUR '000)
Net revenue from the sale of products and services	6,636	213	1,416	47
Revenue from grants	1,882	1,039	401	228
Profit (loss) on sales	3,594	-1,556	767	-341
Profit (loss) before tax	-2,214	-6,599	-472	-1,448
Profit (loss) after tax	-2,214	-6,599	-472	-1,448
Depreciation/amortization	700	270	149	59
Net cash flows from operating activities	1,028	-3,023	219	-663
Net cash flows from investing activities	-1,649	-2,540	-352	-557
Net cash flows from financing activities	-637	-4	-136	-1

	30 September 2022 (PLN '000)	31 December 2021 (PLN '000)	30 September 2022 (EUR '000)	31 December 2021 (EUR '000)
Equity	4,223	5,288	867	1,150
Short-term liabilities	3,892	5,923	799	1,288
Long-term liabilities	5,772	1,616	1,185	351
Cash and cash equivalents	3,241	4,473	666	973
Short-term receivables	2,262	1,845	464	401
Long-term receivables	486	449	100	98

2.3 Selected consolidated figures

	1 January – 30 September 2022 (PLN '000)	1 January – 30 September 2021 (PLN '000)	1 January – 30 September 2022 (EUR '000)	1 January – 30 September 2021 (EUR '000)
Net revenue from the sale of products and services	6,636	213	1,416	47
Revenue from grants	1,882	1,039	401	228
Profit (loss) on sales	3,594	-1,556	767	-341
Profit (loss) before tax	-2,108	-6,481	-450	-1,422
Profit (loss) after tax	-2,128	-6,485	-454	-1,423
Depreciation/amortization	700	270	149	59
Net cash flows from operating activities	1,055	-3,153	225	-692
Net cash flows from investing activities	-1,664	-2,187	-355	-480
Net cash flows from financing activities	-637	-320	-136	-70
	30 September 2022 (PLN '000)	31 December 2021 (PLN '000)	30 September 2022 (EUR '000)	31 December 2021 (EUR '000)
Equity	4,017	4,983	825	1,083
Short-term liabilities	3,899	5,947	801	1,293
Long-term liabilities	5,771	1,616	1,185	351
Cash and cash equivalents	3,358	4,580	690	996
Short-term receivables	2,272	1,855	467	403
Long-term receivables	166	33	34	7

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Management Report

3 MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF XTPL S.A. AND XTPL GROUP

3.1 INFORMATION ABOUT XTPL S.A. AND ITS GROUP

3.1.1 Key information about the Issuer

Business name:	XTPL Spółka Akcyjna
Registered Office:	Wrocław
Address:	Stabłowicka 147, 54-066 Wrocław
KRS:	0000619674
NIP:	9512394886
REGON:	361898062
Registry Court:	District Court, Wrocław-Fabryczna, VI Commercial Div. of the National Court Register
Share capital:	PLN 202,922.20, paid up in full.
Phone number:	+48 71 707 22 04
Website:	www.xtpl.com
Email:	investors@xtpl.com

The Company has the status of a public (listed) company. Since 20 February 2019, its shares have been listed on the regulated (parallel) market operated by the Warsaw Stock Exchange.

As regards financial reporting, the Group and the Company use IASs/ IFRSs.

The Group's and the Company's financial year is from 1 January to 31 December.

3.1.2 Group structure

The corporate group XTPL S.A. was established on 31 January 2019.

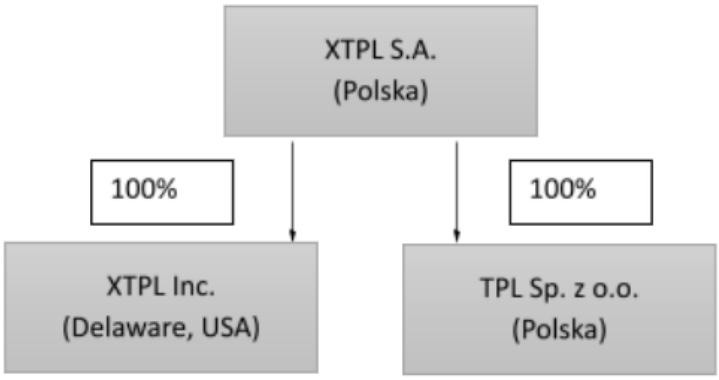
On 31 January 2019, XTPL S.A. acquired all shares in XTPL Inc., a newly formed entity based in the state of Delaware, United States. The share capital of XTPL Inc. is USD 5,000. XTPL S.A. acquired 100% of the stock at the nominal price. XTPL Inc. is consolidated using the line-by-line method.

On 3 November 2020, the Issuer acquired all shares in TPL sp. z o.o. based in Wrocław. The shares in the share capital of TPL were acquired without remuneration, but as a donation from each of the TPL shareholders to the Issuer.

Under an agreement with the Issuer, TPL acts as the administrator of the Issuer's employee incentive scheme, which is an important part of managing and motivating the Issuer's employees and collaborators, contributing to the Issuer's business development and value generation.

The Company has no plants or branches.

Structure of XTPL Group as at the Report Date:



In Q3 2022, the organization of the Group did not change.

3.1.3 Issuer's governing bodies

Management Board

As at the Balance Sheet Date and the Report Date:

As at the Balance Sheet Date:	As at the Report Date:
Filip Granek, PhD, CEO	Filip Granek, PhD, CEO
Jacek Olszański – Management Board Member	Jacek Olszański – Management Board Member

Powers of the Management Board

Filip Granek, PhD – CEO, Shareholder

Co-creator of the technology and founder of XTPL. He is an expert in nanotechnology, printed electronics, solar cells and modern technological processes for the production of semiconductor elements.

For nearly 10 years, he worked for most prestigious international research institutions and Hi-Tech companies, including: Fraunhofer ISE (Germany), ECN (Netherlands), ANU (Australia), Kingstone Semiconductor Company Ltd. (China). He led research work in close cooperation with the largest photovoltaic industry representatives from Europe, Asia and the United States. He has won many awards and distinctions, including the Burgen Scholarship (Academia Europaea) and a scholarship from the Foundation for Polish Science; he is a member of the prestigious Young Academy of Europe; obtained a scholarship from Ministry of Science and Higher Education for outstanding young scientists and from DAAD, Germany. He received the prestigious LIDER research grant financed by the National Center for Research and Development, and was awarded in the ranking of outstanding innovators of new Europe: "New Europe 100 Challengers". Winner of the 16th edition of the 2018 EY Entrepreneur of the Year competition. He was awarded for his work on the

disruptive technology that has a serious chance to change the world for the better. He is also the winner in the New Business category, where the award is granted for using own scientific experience to create an globally innovative product.At the Wrocław Research Centre EIT+, he built a new laboratory from scratch and set up an interdisciplinary scientific team which is currently implementing a number of research projects. He has 70 scientific publications and 30 international patent applications and patents to his name.
Filip Granek does not pursue any business activity outside the Issuer that would be of major significance to the Company's business.

His responsibilities at XTPL include supervision over R&D activity, business and sales development and HR, marketing and strategy management.

Jacek Olszański – Management Board Member, CFO
He holds a master's degree in economics from the Poznań University of Economics. He has 25 years' hands-on experience in finance and controlling gained in corporate groups. Previously worked for KGHM Polska Miedź S.A. and Selena Group, where he held a number of managerial functions. He run his own business in the market of controlling services outsourcing. Supervisory Board and Audit Committee member at companies from various sectors, including companies listed on the Warsaw Stock Exchange. Jacek Olszański joined XTPL S.A. in October 2018, originally as financial manager.
His responsibilities at XTPL include managing the Company's financial and economic affairs, shaping the Company's strategy, financial reporting and oversight over the compliance area.
Jacek Olszański does not pursue any business activity outside the Issuer that would be of major significance to the company's business.

Supervisory Board

As at the Balance Sheet Date and the Report Date:

As at the Balance Sheet Date:	As at the Report Date:
Wiesław Rozłucki, PhD – Chairman of the Supervisory Board, an independent Supervisory Board Member	Wiesław Rozłucki, PhD – Chairman of the Supervisory Board, an independent Supervisory Board Member
Bartosz Wojciechowski, PhD – Deputy Chairman of the Supervisory Board	Bartosz Wojciechowski, PhD – Deputy Chairman of the Supervisory Board
Andrzej Domański – Deputy Chairman of the Supervisory Board, an independent Supervisory Board Member	Andrzej Domański – Deputy Chairman of the Supervisory Board, an independent Supervisory Board Member
Beata Turlejska – SB member	Beata Turlejska – SB member
Piotr Lembas – an independent SB member	Piotr Lembas – an independent SB member
Prof. Herbert Wirth – an independent SB Member	Prof. Herbert Wirth – an independent SB Member

Audit Committee:

As at the Balance Sheet Date and the Report Date:

Name	Role
Piotr Lembas	Chairman of the Audit Committee
Wiesław Rozłucki. PhD	Audit Committee Member
Prof. Herbert Wirth	Audit Committee Member
Andrzej Domański	Audit Committee Member

3.1.4 Employment and information about the Issuer's employee team

As at the Balance Sheet Date, the Company employed 42 people.

Our Team:
The development of XTPL ultra-precise printing technology is a success of the Company's entire team, which, using its interdisciplinary knowledge and experience, keeps achieving further technological and business goals. Technological progress is the result of intensive cooperation of engineers and specialists who pool competences of many areas of technology, business and operations.

What distinguishes the XTPL technology team is its interdisciplinary knowledge in fields such as physics, optics, chemistry, mechanics, electronics and programming. The technology team represents 65% of all employees and carries out work in individual laboratories: Application Laboratory, Nanoinks and Nanomaterials Laboratory, Mechatronic Laboratory, Material Characterization and Pre-Post Treatment Laboratory, and Numerical Simulations Laboratory.

The technology team is backed up by an operations team, which provides support in the areas of finance, law, HR, procurement, IT and project management. At the same time, the Marketing Department is responsible for marketing and PR/IR activities. Making inroads into new markets and establishing new customer relations is the responsibility of the Business Development Team.

Women accounted for 45% of the full XTPL team. At the same time, in the technology team, women represented 39% of the staff.

Team training and development:
Upskilling training courses are implemented in consultation with the team leaders and the Company's management board. Most training courses are organized on the employees' initiative. The development of the XTPL team is promoted

by regular participation in domestic and foreign conferences, as well as in on-site an online industry events. Some of those events were held remotely due to the pandemic.

Benefits:
XTPL offers its employees a benefits package in the form of a non-wage benefits program. XTPL offers: private medical care, health & life insurance, sports program, program of awards for patent applications, the possibility of telecommuting, access to the Company's corporate library and funding for English language courses. The Company also implemented an incentive scheme based on shares and warrants.

3.1.5 Organizational and capital connections

Except for its affiliation with the subsidiary XTPL Inc. and the subsidiary TPL sp. z o.o., XTPL has no other organizational connections.

3.1.6 Description of operations and basic products and services

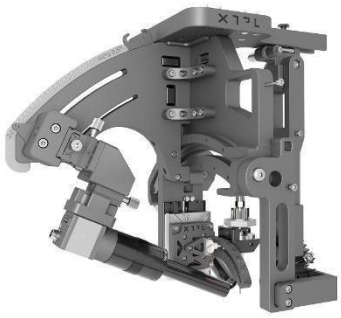
XTPL operates in the nanotechnology and microelectronics segment. The Company develops and commercializes its globally innovative platform technology of ultra-precise printing of nanomaterials, protected by an international patent application. The breakthrough nature of the XTPL method is based on the unique combination of features such as additive material deposition, deposition accuracy, inks with high concentration of silver nanoparticles, and no need to use an electric field on the substrate during the printing process. In addition, the method ensures major time and material savings, and uses the traditional advantages of printing such as scalability, cost effectiveness, simplicity and speed. Thanks to dedicated inks, the XTPL method can be used to make prints that are have been so far unachievable by means of any other methods. Due to its platform character, the Company's solution will find application in the broadly understood printed electronics industry.

XTPL's strategic goal is commercialization of its platform technology of ultra-precise printing of nanomaterials in the area of advanced electronics.

TECHNOLOGY:
The Ultra Precise Deposition (UPD) technology developed and patented by the Company in response to the three market megatrends in the production of modern electronics. The industry is currently strongly focused on further miniaturization of the size and weight of electronic devices, modifying their forms and properties, and moving towards an increased flexibility and three-dimensionality. A critical global trend is also environmental protection based on efficient use of limited resources while reducing the production waste, which is enabled by additive technology.

One of the biggest achievements of XTPL is the innovative Ultra Precise Deposition (UPD) technology. The XTPL printing head, equipped with a special nozzle, applies ink to the substrate to create designed structures with a width as small as 1 µm. For comparison, most of the methods of printing electronic materials available on the market with difficulty reach the value of 20 µm, and only single manufacturers declare that they achieve values around 10 µm. The Company's solution can be used on various types of substrates, including flexible or curved ones. The UPD technology can be used to print both simple lines as well as patterns and microdots. Simplicity, unparalleled precision, speed and versatility are the features that make the Company's solution unique.

PRODUCTS



EPSILON printing module for industrial integration

The EPSILON head developed by the Issuer is a printing module that can be integrated with industrial devices. It can be used by industrial integrators and end users to benefit from new possibilities of printing high-resolution functional features at ultra-high density. This innovative printing head with dedicated nanoinks enables ultra-precise creation of conductive lines on a selected substrate (application field). EPSILON integrates all the functions required by the XTPL® UPD technology along with electronic control and the proprietary XTPL® UPD Process Control Software package. In terms of commercialization of this business line, the Company is engaged in nine evaluation processes with international, global producers of new generation consumer electronics.

Delta Printing System (DPS)

The Delta Printing System is an independent research and development and prototype system designed to test the capabilities of XTPL's UPD technology on various substrates and with the use of the Issuer's nanoinks. The role of the device is also to promote the Issuer's technology among global opinion leaders from the deep-tech industry – including the best academic and scientific centers as well as R&D institutes of electronics manufacturers.

The Issuer began the commercialization of this business line late in 2020/ early in 2021. So far, the Company has sold 8 devices:

- to the University of Stuttgart, Germany (Q1 2021);
- to Karlsruhe Institute of Technology "KIT", Germany (Q3 2021);
- to PORT in Poland (Q4 2021);
- to the Glasgow University, UK (Q4 2021);
- to the University of Brescia in Italy (Q4 2021).
- to the Humboldt University of Berlin (Q3 2022);
- to Yi Xin HK Technology Co., China (Q3 2022);
- to an industrial entity, United States (Q3 2022).

The Issuer delivers devices to customers in accordance with the delivery schedule.

Highly concentrated nanoinks

Developed by the Company's in-house R&D team, the nanoinks with a unique formulation are one of the elements of XTPL ultra-precise deposition method. They have special physicochemical properties enabling full utilization of the UPD method's potential. In this way, the Company can develop the additive technology comprehensively, with concurrent work on the ink deposition head and constant adaptation of the deposition material. Most of the inks used by XTPL are based on silver nanoparticles. Other elements are also used, including gold, copper and platinum, as well as quantum dots, for example. Owing to the diversity of materials, XTPL can flexibly respond to the needs of the market and individual clients. The XTPL method can also accommodate many commercially available materials, which may expand the area of its application in the future, giving customers real technological versatility. With the small size of silver nanoparticles, in the range of 35 to 50 nm, their high stability and high electrical conductivity after the sintering process, the product is attractive for the ongoing development projects in the field of printed electronics.

Thanks to the proven compatibility and highly efficient application of XTPL inks in non-UPD printing method, such as: LIFT (Laser Induced Forward Transfer), Aerosol Jet printing (with pneumatic systems), and high-viscosity ink micro-dispensing techniques, the Company has been able to expand the group of its customers to include users of other commercial technologies. By entering the market of conductive materials and expanding the range of its inks available for other market segments, XTPL has decided to develop its nanoinks proposition as a complementary and stand-alone business line.

APPLICATION:

At present, the Company is focusing on commercialization of its technology in selected application fields. The first field is displays, where XTPL intends to offer open defect repair (ODR) in the first place. Along with the development of displays, increasing their resolution and functionality, the level of their miniaturization and the density of conductive paths also increases. A side effect of this development is a greater likelihood of critical defects, including broken conductive paths. For manufacturers, this means losses generated already on the production line as a result of the need to reject panels that fails quality tests. XTPL stands the chance to be the first and, for the time being, the only market player to introduce a proprietary solution, which will ensure a significant reduction of production losses without compromising the quality of the repaired displays. Next, the Company plans to provide the display industry with solutions that will help achieve a significant increase in the resolution of a new class of displays, also for new, flexible substrate types.
In the long run, the Company intends to develop its solution for new market segments. The XTPL technology may be implemented in the semiconductor industry also as a sought-after alternative for photolithography or in new types of connecting integrated circuits with PCBs, and, for example, facilitate the fabrication of innovative security printing solutions, functional and effective biosensors and high-performance photovoltaic panels. The technological revolution in which the Company is to play a vital role is about enabling the manufacture of complex and complicated electronic devices using cheap and scalable printing methods.

3.1.7 Business model, strategy and development outlook

BUSINESS MODEL:
XTPL is a supplier of advanced ultra-precise technology for nanomaterials printing. It develops and commercializes the technology in a way dedicated to a specific application field, and will rely primarily on the selected model:

- LICENSING:
  The Company develops a technological solution dedicated to a particular application field, which is licensed to a partner who on its basis builds devices that allow the technology to be used in industry. In this case, the Company generates revenue from license fees related to the sale of devices equipped with the developed technology.

- STRATEGIC PARTNERSHIP AND DISTRIBUTION AGREEMENTS:
  The Company develops a technological solution dedicated to a particular application field; the solution is then commercialized in cooperation with a strategic partner under a joint venture agreement. In this case, commercialization tasks are divided between the partners in accordance with their competencies and potential. The Company participates in profits achieved through the joint venture.

  Another possible option is to acquire a distributor for the Company's technology and products in a particular geographical region. In this case, the terms of cooperation and contracts will be determined depending on the market, the distributor's position, and the obligations agreed by the Parties.

- SALE OF PRODUCTS
  The Company also develops sales of its proprietary products: Conductive nano-inks, based on silver nanoparticles, intended for use in printed electronics, and also adapted to other printing methods such as Ink Jet, Aerosol Jet and LIFT, and laboratory and prototyping devices complete with the necessary consumables. The Delta Printing System can be both a revenue source when sold to research institutes and industrial R&D departments, and an intermediate step towards licensing revenue in deals with business partners. Cooperation in the two areas will be based on a mutual exchange of experiences and knowledge, while the device will be delivered on commercial terms. In addition, each demonstrator sold will generate a stream of revenue from consumables, such as inks, cartridges, capillaries, as well as services, including consulting, research and maintenance (for the machines and software).

The choice of the optimal business model depends on the specific customer in the particular application field. Current talks take into account all of the above-mentioned business models, and the appropriate model is selected during the relationship-building process.

International Distributor Network

Starting from 2021, the Company began building a distribution network that will facilitate the promotion of XTPL technologies and products on the Issuer's most important markets. The need for that model of operation arose in 2020, when the coronavirus outbreak derailed the organization of on-site industry events. The difficulties building direct relations with potential buyers of XTPL technology prompted the Management Board to look for an alternative solution. As a result, during 2021 XTPL quickly attracted first five distribution companies to represent it on Asian and European markets. In Q1 2022, partnership was forged with another two companies. In addition, in 2019, the Issuer also set up a commercial presence in the form of a subsidiary in the United States.

MARKET ENVIRONMENT AND OUTLOOK

With its technology, the Company is targeting the market of electronics, the production of which could potentially be completely replaced by additive printing. The market is growing fast. In 2021, its value exceeded USD 45 billion, with the display market having the highest share in it (USD 40.2 billion, according to IDTechEx). According to the same report, the value of components produced solely by printing methods exceeded the USD 6.5 billion in 2021. Other reports, such as Markets and Markets, suggest that the value of the printed electronics market in 2021 was almost USD 10 billion, and in 2026 it is expected to reach USD 23 billion. According to the authors of the report, the value of that market is driven by the increasing demand for energy-efficient thin and flexible consumer electronics.

XTPL's strategic goal is wide commercialization of its platform technology of ultra-precise printing of materials in the area of advanced electronics. The company seeks to adapt its technology for various application fields, and then offer the technological solution to industrial partners through various mechanisms: licensing, strategic partnerships and joint ventures. The overarching objective of XTPL's operations is to implement nanoprinting solutions adapted to market needs in selected industry sectors.

Value of the R&D equipment market

According to the Issuer's estimates based on available market data, the global annual sales of printers for R&D, rapid prototyping and small-lot production in the area of broadly understood printed electronics amount to approx. 250–500 devices per annum. The price of those printers ranges from EUR 50 thousand to more than EUR 500 thousand per device.

Value of the conductive nanoinks market

According to data published in the Markets and Markets market report, the global market for conductive inks reached USD 3.0 billion in 2020, and is expected to reach USD 3.7 billion in 2025. The market is buoyed by the growing use of electronics in the rapid urbanization processes, miniaturization of electronic components, as well as by the possibility of reducing production costs while maintaining high electrical conductivity and efficient manufacturing in line with environmental protection standards.

DEVELOPMENT DIRECTIONS AND FOCUS AREAS:

An exceptional feature of the XTPL technology is the possibility of its application in many fields of industry.

Presented below are applications in the areas that are currently key for the Company:

Displays:

Currently, commercialization is carried out in a subsector of this market, namely the open defect repair.
XTPL offers a new breakthrough solution that allows defects in conductive paths to be repaired at low cost, with precision and speed unparalleled to any other existing solution.
The technology developed by the Company will help display manufacturers increase production efficiency and reduce costs associated with material losses.

Another area of application of the technology for flat panel displays is the precise printing of electrical connections for LEDs in micro-LED displays. The Company's technology can be used for printing repeatable conductive structures with a diameter of less than 10 µm and a very aspect ratio. These unique properties are much in demand amongst manufacturers of future micro-LED displays.

FHE (flexible hybrid electronic) sector:

Flexible hybrid electronics is another new market that is in the focus of the Company's attention. Companies such as Boeing, Lockheed Martin, Applied Materials and research centers including Dutch Holst Centre, Belgian IMEC and German Fraunhofer have already confirmed their activities in that field. In the United States, Next Flex was formed, an institution bringing together 90 representatives of the industry and 28 representatives of research universities. This is the largest agency investing in the FHE sector. According to an analysis by Mordor Intelligence, the FHE market in 2019 was valued at USD 95 million, but in already 2025 it may reach USD 235 million. According to IDTechEx, FHE is expected to become so "ubiquitous" in 2030, with a value of even USD 3 billion.

Semiconductors market

Another market for the Company's technology is the semiconductor market. Its special application areas include making electronic connections on complex 3D topographies and heterogeneous substrates in advanced integrated circuits or microelectromechanical systems (MEMS). According to an analysis carried out by Mordor Intelligence that takes into account the impact of the COVID-19 pandemic, in 2020, the global market for advanced integrated circuits reached USD 24.93 billion, and by 2026 is expected to grow even to USD 38.62 billion. The size of this market shows great possibilities: not only in terms of potential application of the UPD technology in new areas, but also in the research and prototyping of new systems.

In this area, the Company is conducting active talks (at various levels of advancement) with market leaders.

Moving forward, the growth of the electronics market will be strongly driven by the areas where conventional production methods cannot be applied. By marketing its UPD technology embodied by the Delta Printing System, the Company promotes the innovative, proprietary solution that is used by pioneering research and scientific centers in their research and development, while at the same time defining breakthrough standards for the production of future electronic devices.

The new, already identified and pre-verified application areas for the XTPL technology include:
– PCB (printed circuit boards) market
– biosensors market
– photovoltaic cells market.

All the Company's R&D work takes place in Poland. Commercialization will be primarily focused on markets of North America (mainly the United States), Asia (China, Korea, Taiwan, Japan) and EMEA.

3.1.8 Protection of intellectual and industrial property

The policy of building a patent cloud plays an crucial role in the processes of commercialization of the technological solutions designed and implemented the Company. Intellectual property is a product and a competitive advantage of XTPL. For this reason, its development has a major impact on the business value – the size and appropriate protection of the cloud are key to the market position. XTPL solutions are protected from the moment of patent filing with the appropriate office.

The Company distinguishes five patent groups for its technology and products based on that technology:

1. UPD process – patents describing the ultra-precise deposition process or a device used for this process
2. Nanoinks – patents protecting various nanoink formulations
3. Software – patents protecting the solutions implemented in the software that controls the printing devices
4. Application fields – patents describing solutions to specific technological problems using the UPD method
5. Characterization and quality control – patents related to the characterization and quality control of selected components of the printing head

In the third quarter of 2022, the Company continued activities related to the development of the patent cloud:

1. On 16 September 2022, the Company received information about the conditional approval of a patent for the Company by the United States Patent and Trademark Office for its method of forming lines of several hundred nanometers wide using the XTPL-developed silver nanoink, i.e. for the patent application "*METHOD OF FORMING A STRUCTURE UPON A SUBSTRATE*" (*as reported by the Issuer via ESPI Current Report No. 28/2022 of 19 September 2022*); the final formal requirement to obtain a patent is to pay the patent fee by 14 December 2022; the application procedure for this patent was initiated on 3 August 2018; it is also the date from which the protection of the invention applies;
2. On 16 September 2022, the Issuer submitted to the United States Patent and Trademark Office (USPTO) a patent application concerning its proprietary technology solution of printing of advanced three-dimensional electronic connections with high packing density (*as reported by the Issuer in ESPI Current Report No. 29/ 2022 of 19 September 2022*).
3. On 23 September 2022, the Company was advised that the Israeli Patent Office granted it patent for the method of forming lines <1 micrometer wide using the XTPL-developed silver nanoink (patent application: "Bottom-up method for forming wire structures upon a substrate" (*as reported by the Issuer in ESPI Current Report No. 30/2022 of 26 September 2022*); the final formal requirement to obtain the patent is to pay the patent fee by 13 December 2022; the application procedure for this patent was initiated on 22 March 2016; it is also the date from which the protection of the invention applies;

4. On 26 September 2022, the Company received information about the approval of a patent for the Company by the British Intellectual Property Office for its method of forming lines of several hundred nanometers wide using the XTPL-developed silver nanoink, i.e. for the patent application “METHOD FOR REMOVING BOTTLENECKS"(*as reported by the Issuer in ESPI Current Report No. 31/2022 of 27 September 2022*); The application procedure for this patent was initiated on 6 June 2018.

The Company has adapted its process of filing patent application to the recommendations of the patent offices cooperating with it and the advisors from the executive board of XTPL Inc. based in the United States. The recommendations concern, *inter alia*, an appropriate combination of new technological solutions and inventions into a single patent application. This is expected to increase the quality of individual submissions and consequently strengthen protection of the Company's intellectual property.

According to ESPI Current Report No. 45/2020 of 23 November 2020, the Management Board expected that by submitting the applications in the model described above, by the end of 2022 the number of all the Company's applications to date would be 26. As at the date of publication of this report, the Company’s Management Board does not see any risk to achieving this target. The Company is gradually increasing its competitive edge by filing further patent applications. During the Reporting Period, 1 (one) new patent application (described in Section 2 above) was filed.

As at the Balance Sheet Date, the Company had 25 patent applications filed in total. As at the Balance Sheet Date, the Company had three patents approved, covering e.g. the territory of Japan, China, South Korea, Germany and the USA. As at the Report Date, the Company had trademarks registered with the Patent Office of the Republic of Poland and the European Union Intellectual Property Office, as well as in China.

3.2 XTPL'S ACTIVITY AND ACHIEVEMENTS IN Q3 2022

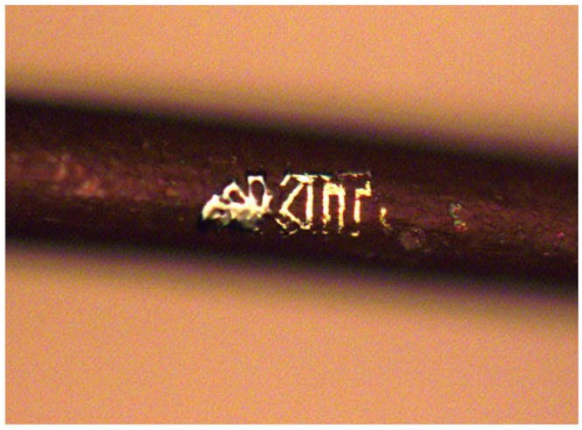
3.2.1 Issuer's progress and achievements in the commercialization of technologies and products

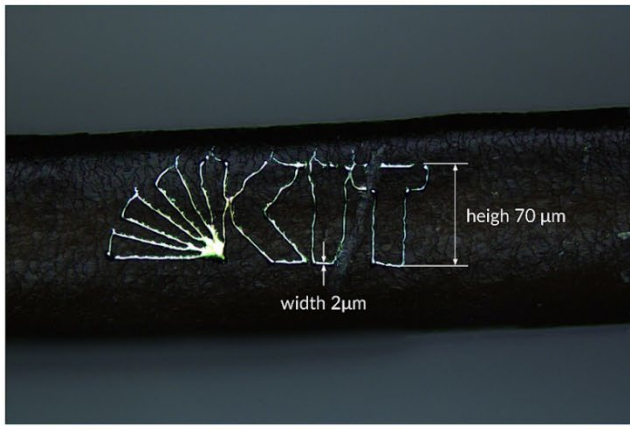
In the third quarter of 2022, the Company continued activities aimed at closing further sales transactions within all business lines.

Delta Printing System:

During the Reporting Period, the XTPL team responsible for the commercialization of the Delta Printing System held numerous talks and engaged in many interactions with potential clients. As a result, the Company generated a list of experts from around the world, operating mainly in the microelectronics, microsystems, semiconductors, biosensors, displays and similar industries, who highly value the technology developed by the Company and are potential buyers of XTPL products in the following years.

The unprecedentedly high printing precision, especially when using highly-viscous metallic inks is the main feature that makes global technological innovators interested in this device. Users of the device appreciate it also for its ease of use, platform character and the ability of quick start without long prior preparation, and for not having to clean the printing elements once the work is finished. The printed logo of KIT on a human hair is an unusual way of showing the possibilities of the Company's technology and devlce. Importantly, this kind of printout can be made right after a short user training conducted by the Company's team.





The Company's efforts helped stimulate a substantially increased interest in the Delta Printing System. In Q3 2022, the Company confirmed orders placed for the delivery of the Delta Printing System from the following clients:

1. on 1 August 2022, the Company confirmed the order placed by the IRIS Adlershof Institute of the Humboldt University in Berlin (*as reported by the Issuer in ESPI Current Report No. 26/2022 of 1 August 2022*);
2. on 3 August 2022, the Company confirmed the order placed by Yi Xin HK Technology Co., Ltd, based in China (*as reported by the Issuer in ESPI Current Report No. 27/2022 of 3 August 2022)*.
3. on 28 September 2022, it confirmed the order placed by a NASDAQ-listed US corporation, one of the Big Five American companies from the ICT sector (*as reported by the Issuer in ESPI Current Report No. 32/2022 of 28 September 2022)*.

Further to this, the IGM Institute (Institut für Großflächige Mikroelektronik) of the University of Stuttgart decided to use the option to buy the Delta Printing System that it had so far under used a lease agreement signed on 23 November 2020.

(Current Report 47/2020 of 23 November 2020). IGM is historically the first external user of DPS, and its decision to buy the device before the end of the lease confirms its high usefulness in the area of printed electronics R&D.

XTPL continues and develops relations with other potential clients. The interest of potential buyers of the Delta Printing System is particularly attracted by the Company's activities aimed at direct relationship-building, participation in trade fairs and conferences, cooperation with local distributors and promotion of the device by its current users, who present and publish the results achieved by means of the Company's technology. The possibility of making microelectronic structures that previously could not be achieved using alternative methods is highly noted both by academic and industrial communities.

Metallic nanoinks:

The fundamental concepts of nanoinks production elaborated by the Company during the development of conductive materials for the UPD technology have been commanded by representatives of scientific and industrial communities as extremely valuable in terms of production of new types of electronic devices with the use of additive technologies. Those concepts respond to the high requirements of the rapidly growing market for conductive inks, including the need for efficient deposition at a high load of the metallic component. The developed know-how enables the Company to sell its inks to various segments of the printed electronics market, animating further advances along this path of the Company's development.

Growing sales are generated on the back of this business line. The unique properties of XTPL inks have been successfully put to use in the projects of clients who operate in the sectors nanotechnology, OLED displays, and smart devices for medical technologies, using inkjet printing techniques, LIFT (Laser Induced Forward Transfer), and micro-dispensing techniques for high-viscosity inks.

The Company's laboratories are working on new formulations of nanoinks and there are plans to add those materials to the XTPL offer in 2023. In the Reporting Period, the Company also held talks with leaders of electronics manufactured by means of the additive method, and is talking to them about the establishment of strategic partnerships in the area of conductive inks. If the negotiations and ensuing business relations are successful, additional distribution channels will be established for nanoinks, and growing revenues will be achieved from the sale of those products.

Industrial implementations of the Company's technological solutions

As regards the Issuer's third and key business line – implementation of the XTPL technology on the production lines of global electronics manufacturers – work was conducted on nine projects from the Company's project pipeline. In addition to the reported pipeline, the Company intends to have up to five projects that will be developed to bring them to a higher level of evaluation.

Doubtless, the highlight of the Reporting Period in the context of industrial application of the Issuer's technology solutions was the fact that on 22 July 2022 the Company's Management Board confirmed the acceptance of the order for the delivery of a printing module for industrial integration (*as reported by the Issuer in ESPI Current Report No. 24/2022 of 22 July 2022*). The order was received from a Taiwan-based global manufacturer of specialized equipment for the production of semiconductor components ("Partner"). Acceptance of the order means delivery of the XTPL technology to build a prototype of an industrial device for applications in semiconductor production. The Partner's decision to buy the printing module and start the construction of a prototype industrial device was taken following a complex process consisting of three stages of evaluation of XTPL's technological solutions in cooperation with the Partner in Taiwan (equipment manufacturer) and a client, also Taiwan-based – a leading global manufacturer of semiconductors. The complex evaluation process with the Partner took about 18 months to complete. The XTPL printing module will be an essential element of the industrial device prototype for advanced packaging applications in the semiconductor industry. The Company's printing module will be integrated into the prototype of the device, which is to meet the technological requirements set for the Partner by the End Client.

As we reported in Q1 2022 financial report, in the first quarter the Company reached a significant milestone in terms of cooperation with the industry, namely signing an agreement with Nano Dimension Ltd. The agreement was signed on 10 January 2022. Nano Dimension Ltd. is a NASDAQ-listed provider of intelligent machines for the fabrication of Additively Manufactured Electronics (AME). In Reporting Period the second stage of development as part of the technological phase of the activities specified in the agreement was completed and approved by Nano Dimension Ltd. (*as reported by the Issuer in ESPI Current Report No. 22/2022 of 13 July 2022*). The agreement relates to developing a new generation conductive nanoink for industrial applications in the Client's products designed for the production of PCBs. Under the Agreement, completion of the second stage of the technological phase and the Client's approval of the work triggers the payment of the second tranche. The related revenue was recognized in the Reporting Period and significantly influenced the financial results for Q3. Accordingly, in the Reporting Period the Issuer entered the next stage of work under the technological phase defined in the agreement, aimed at creating a dedicated nanoink formulation. Already after the Reporting Period, the Company announced (Current Report No. 35/2022 on 15 November 2022) that it had reached the third stage of the technological phase and obtained acceptance from the Client. The related revenue will be posted in Q4 2022. The Agreement between the Issuer and Nano Dimension Ltd. provides for four main stages in the technological phase.

On top of that, in the Reporting Period the Issuer maintained its focus on other tasks related to the commercialization of the UPD technology in industrial applications. The most advanced talks and efforts are focused on selected applications related to the precise deposition of functional inks for:

(a) yield management in the area of high-resolution OLED displays;
(b) yield management in the semiconductor industry, in the area of back-end semiconductor chip processing; and
(c) depositing metallic inks to make high density metallic interconnections of the advanced PCBs.
(d) producing conductive 3D interconnections

At the same time, the Company also engaged in talks with industrial entities regarding the use of the UPD technology to repair other types of advanced devices. This applies to the repair of displays made in micro-LED technology and the repair of defects in advanced integrated circuits. For both described applications, low production efficiency was one of the biggest challenges to further commercialization and to reduction of the unit price of the end product. The technology presented by the Company may solve this problem and help popularize new products (micro-LED displays and more efficient integrated circuits).

Six entities from the EMEA region and two from the North America region that are manufacturers of devices for advanced electronic approached XTPL in order to look into the possibility of integrating the XTPL technology into those devices. The sale of printing modules equipped with the UPD technology, and then the supply of consumables and paid maintenance of the modules are financially attractive for the Company. Increasing the variety of devices in the market will help the Company reach more customers and make inroads into new markets. As part of the described activities, as a result of talks conducted, among others, during Q1 2022, after the end of Q1 2022, the Company entered into an agreement with the US company nScrypt based in Orlando, Florida, providing for the sale of conductive Ag CL85 nanopaste developed and produced by XTPL. Under the Agreement, the nanopaste produced by the Issuer will be distributed by nScrypt to its customers under the nScrypt brand.

<u>Commercialization activities in the Flat Panel Display sector (ODR)</u>

The Company continues cooperation with manufacturers of high-resolution displays in the area of repairing open defects in conductive trances within the electrical layer, as well as in the area of using precise deposition technology for the production of new types of displays based on quantum dots technology. At the same time, the Company started talks and began evaluation tests with other display manufacturers in China and South Korea.

Based on talks and market analyses, the Company has also focused on repairing defects in micro-LED displays. These displays use LED diodes as a light source. Due to their size, the diodes can be used as independent pixels. The biggest challenge in manufacturing is to ensure proper efficiency level. If just one in tens of millions of LEDs is not properly

mounted, the display will fail the quality test. By using the UPD technology, the micro-LED diode can be mounted again connected to electricity, which will significantly increase efficiency of the manufacturing process.

As regards the Issuer's activities in the ODR sector, it should be noted that in the third quarter of 2022, talks continued with representatives of a Korean company producing devices for the display industry and with an end-user – a display manufacturer.

Commercialization activities in the area of advanced integrated circuits

The Company's technological solution consisting in the possibility of printing using material of very high viscosity on 3D surface topographies has attracted attention from manufacturers of advanced integrated circuits. With the UPD technology, it is possible make precise electrical connections in SiP (System-in-Package) systems, which bring together two or more integrated circuits in one housing. Entities with whom talks are being held are global top-tier producers in this area, based in North America, Asia and Europe.

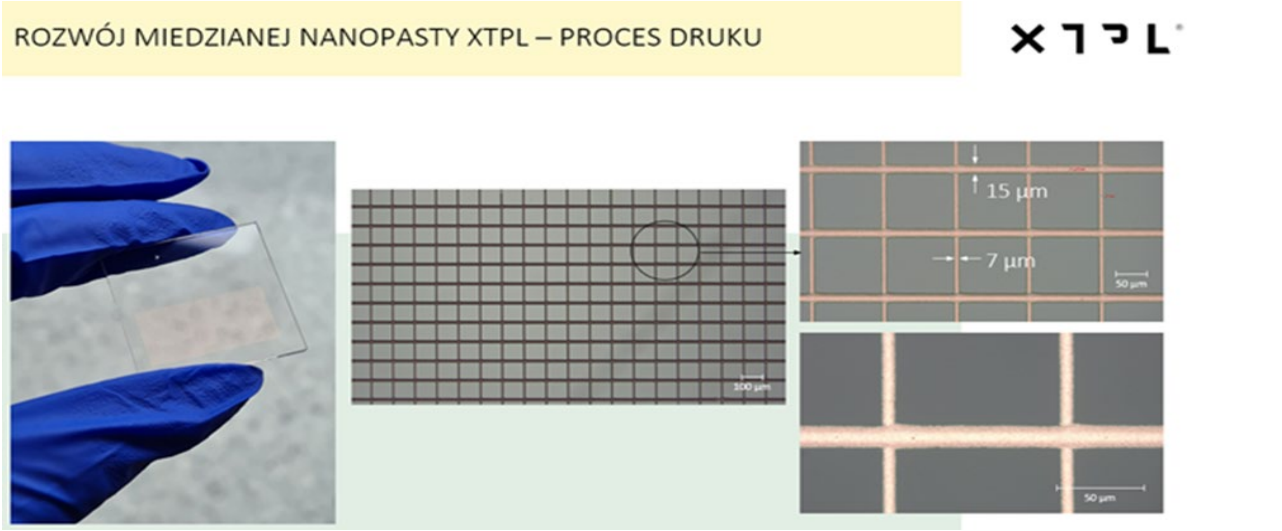
3.2.2 Description of research & development carried out by the Issuer with respect to technologies and products

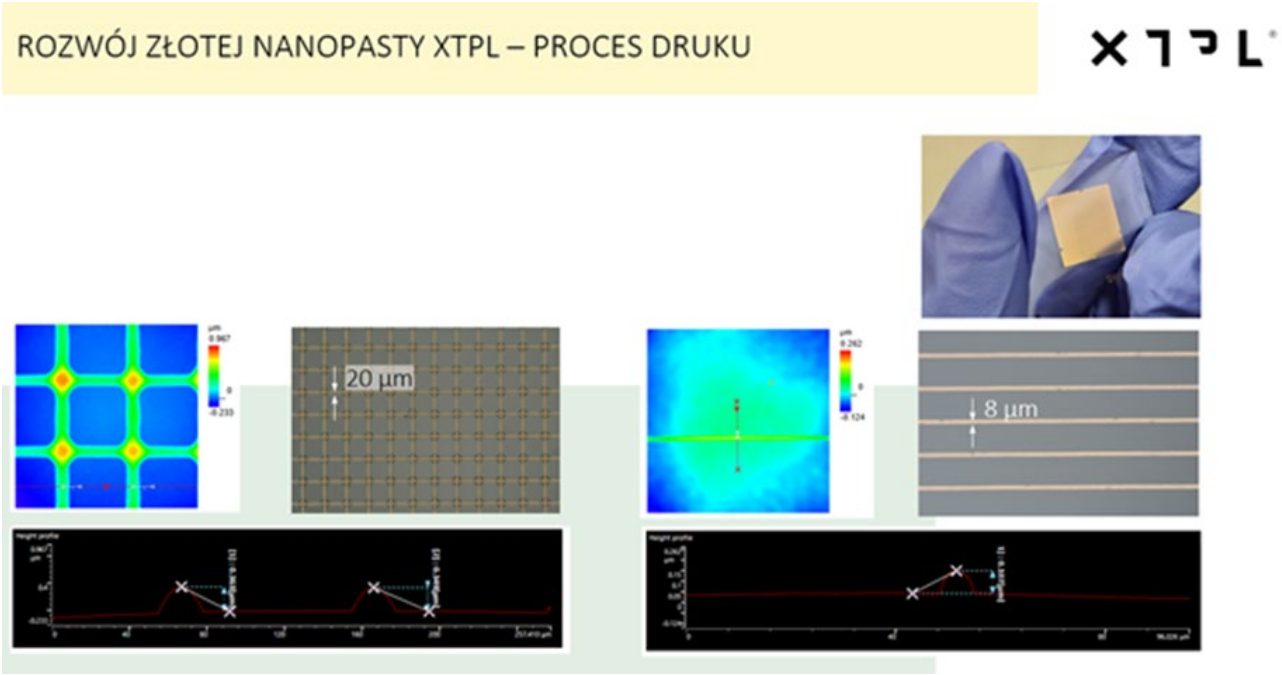
The key achievements and progress in research & development in the reporting period included: 1) Development of high-concentration inks (pastes) based on copper and gold particles; 2) Printing on high steps (up to 350 micrometers in height); 3) Filling gaps in semiconductor structures using selected materials; 4) Significant automation of printing; 5) Printing of electronic connections in advanced integrated circuits where the connections had structures filled with insulating material on the outside, and with a conductive material on the inside; 6) Making a simple transistor for detecting organic materials; 7) Implementation of new functionalities in the Delta Printing System; 8) High-resolution prints composed of microdots.

During the Reporting Period, the Company's R&D department worked on further development of the printing technology using highly concentrated conductive ink based on silver nanoparticles. The new nanoink formulation keeps the physicochemical parameters that are key to the UPD technology, associated with, e.g. high homogeneity of nanoparticle size and the prevention of agglomeration (the sticking of nanoparticles) during the printing process. At the same time, due to the high concentration, the printed lines have a very high aspect-ratio, i.e. the height-to-width ratio after the printing head has deposited a single layer of ink, i.e. after a single “pass”. This is a distinguishing feature of the Company’s technology as in order to obtain a similar result by competitive methods it would be necessary to deposit conductive material multiple times at the same point with multiple “passes”, thus extending process duration.

As well as developing the ink based on silver nanoparticles, during the Reporting Period the Company stepped up its efforts related to the development of ink based on copper and gold nanoparticles. The introduction of these materials is

of major importance in the context of achieving optimal parameters for industrial applications and new market areas.



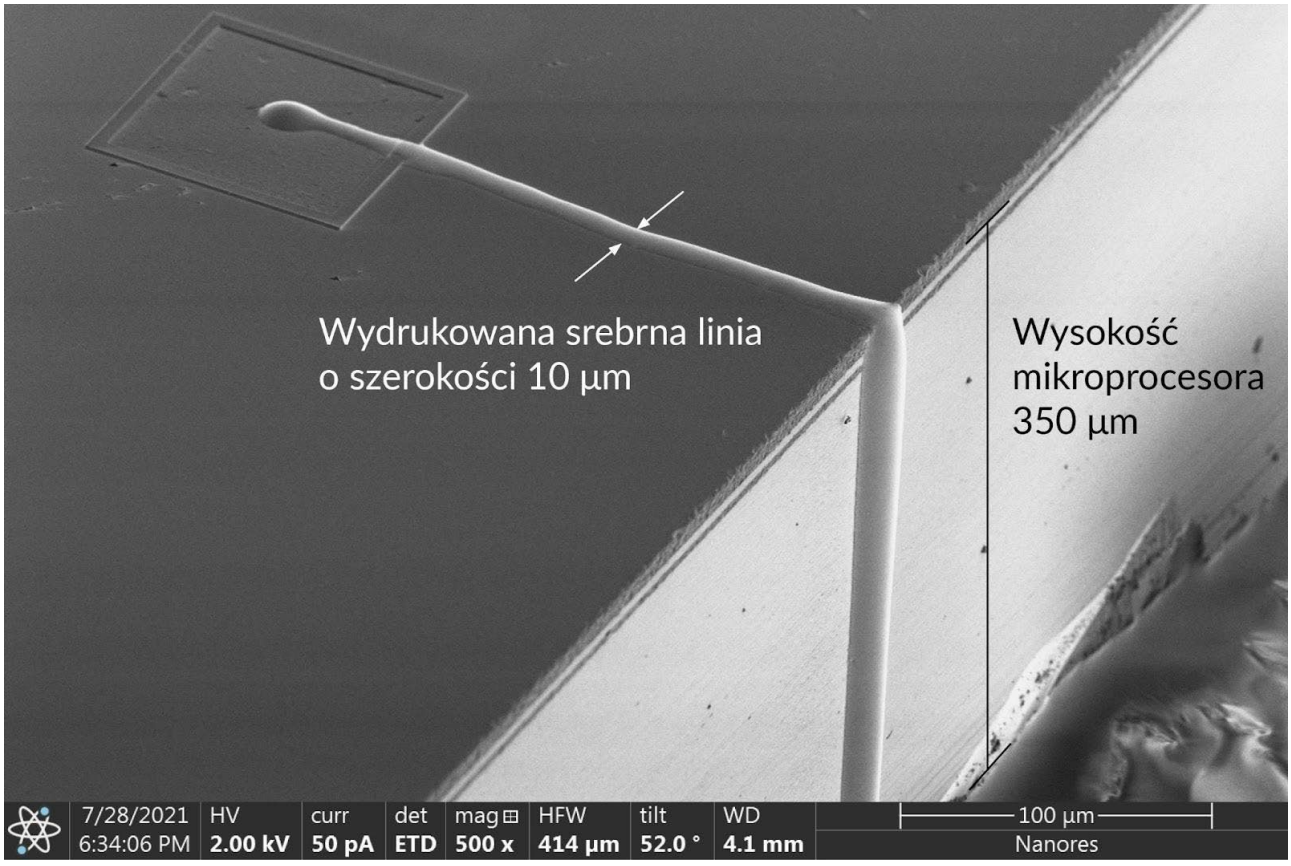


All inks developed by the Company's R&D department, based on silver, copper and gold nanoparticles, are highly-concentrated, and thus enable printing on non-planar substrates with a complex topography. It allows the continuity of the structure to be maintained even if it was printed, for example, on a "step", when the substrate is not homogeneous and its layers are at different height levels. An additional advantage of using the ink in question is the negligible influence of the material on which printing takes place.

In practice, this means that whether hydrophobic or hydrophilic material is used for printing, the width and height remain almost unchanged, and so does adhesion. When using inks with a more fluid consistency (inks with a lower viscosity), the shape of the printed features depends largely on the type of substrate on which it was printed. Lower viscosity ink that will be used on a hydrophilic substrate will "spill", increasing the track width compared with what is achieved with same parameters on the hydrophobic material.

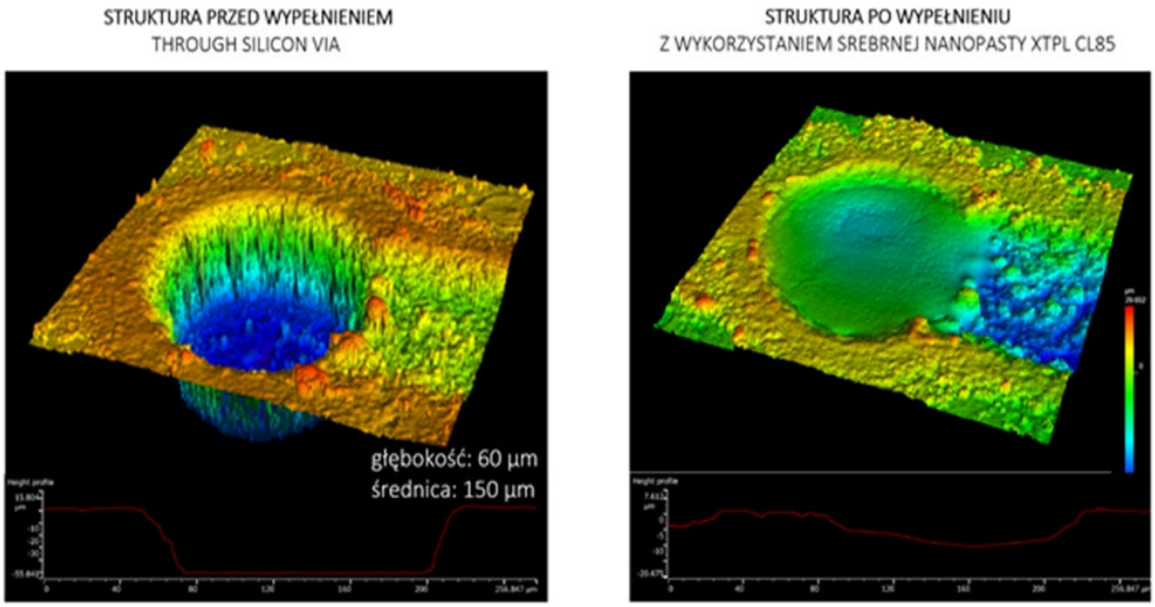
In the Reporting Period, the XTPL R&D team demonstrated the ability to print precise conductive features that effectively cover a high step, up to 350 micrometers in height, which is much more than the width of printed lines. Additionally, this

was done without compromising the high print resolution or the conductivity of the structure. The current research in this area is focused on increasing the repeatability and speed of printing connectors on substrates with advanced topography. This is achieved by optimizing printing parameters, modifying the conductive ink, fully automating the printing process, and using a script for automatic movement in 3D. As a result, the time needed to print a single conductive connection on steep edges was reduced to less than 1 second.



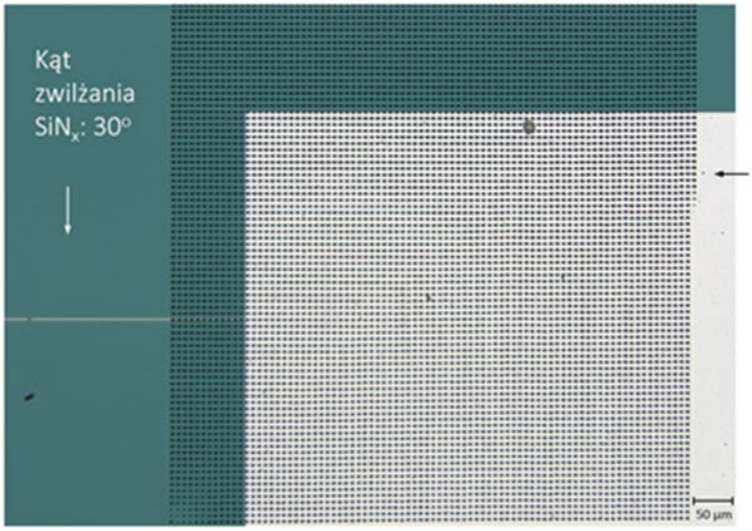
Another research area that has attracted great interest from industrial players and academic institutions is the possibility of filling gaps in semiconductor structures using selected materials. This applies to both making electronic connections between layers in advanced integrated circuits – TSVs (Through Silicon Vias), as well as

filling gaps in insulating layers created at the production stage.



For the Company, this opens further application areas related to advanced electronic circuits or integrated circuits. The use of the UPD technology in these markets fits with the strategy adopted by a group of experts from the semiconductor industry (from the United States, Europe, Japan, China, South Korea and Taiwan) laid down in the documents of the National Technology Roadmap for Semiconductors (NTRS), which provide for integration of individual electronic circuits into one integrated circuit. The precise deposition of material with a high concentration of nanoparticles started to be used in the Company's several new technological and business streams. This is testament to the uniqueness of the developed solution and its potential to be used in new technologies.

In Q3 2022, the Company also focused on optimizing the printing speed using the UPD method, as well as on increasing the possibility of automatic printing. In this way, it is possible to print advanced features and patterns, as instructed by clients, with reduced or indeed no operator presence during the printing process itself. The introduction of this functionality is of great importance for the use in prototyping or even in small-lot production with the Delta Printing System. Below you can see an example printout made by means of the automatic process, characterized by a very high repeatability of the shape.

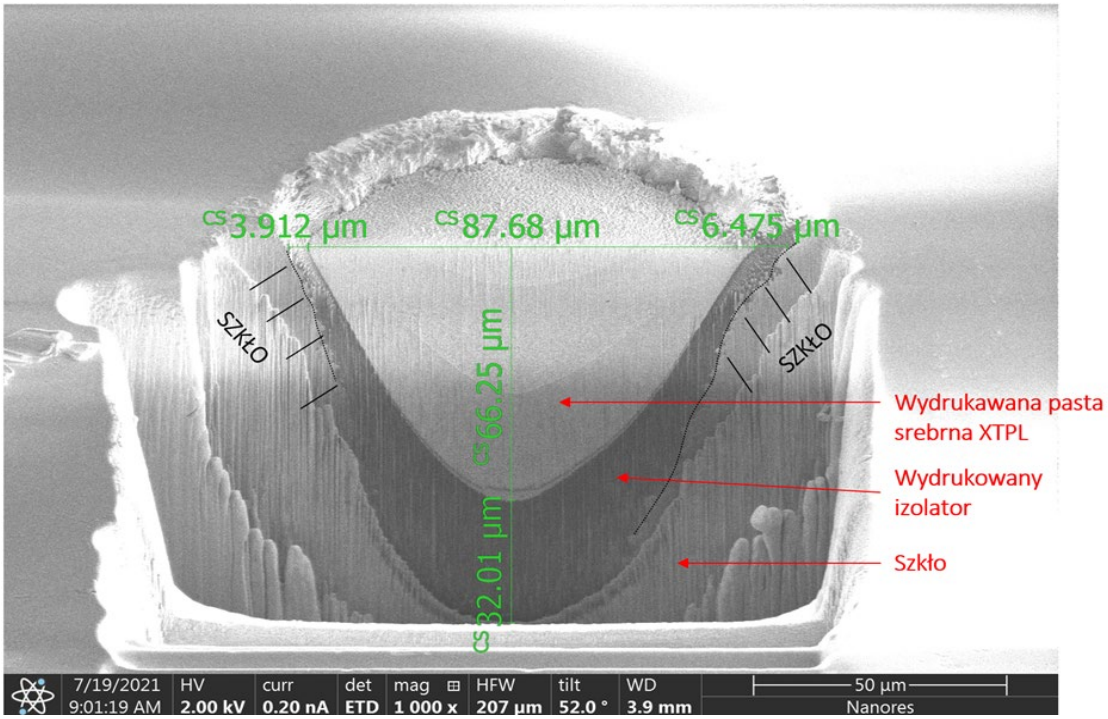


Pasta XTPL na bazie srebra CL85

Lepkość: 1 000 000 Cp

- jednorodne struktury uzyskane na niejednorodnym podłożu
- 8 000 mikrokropek o średnicy 5 µm

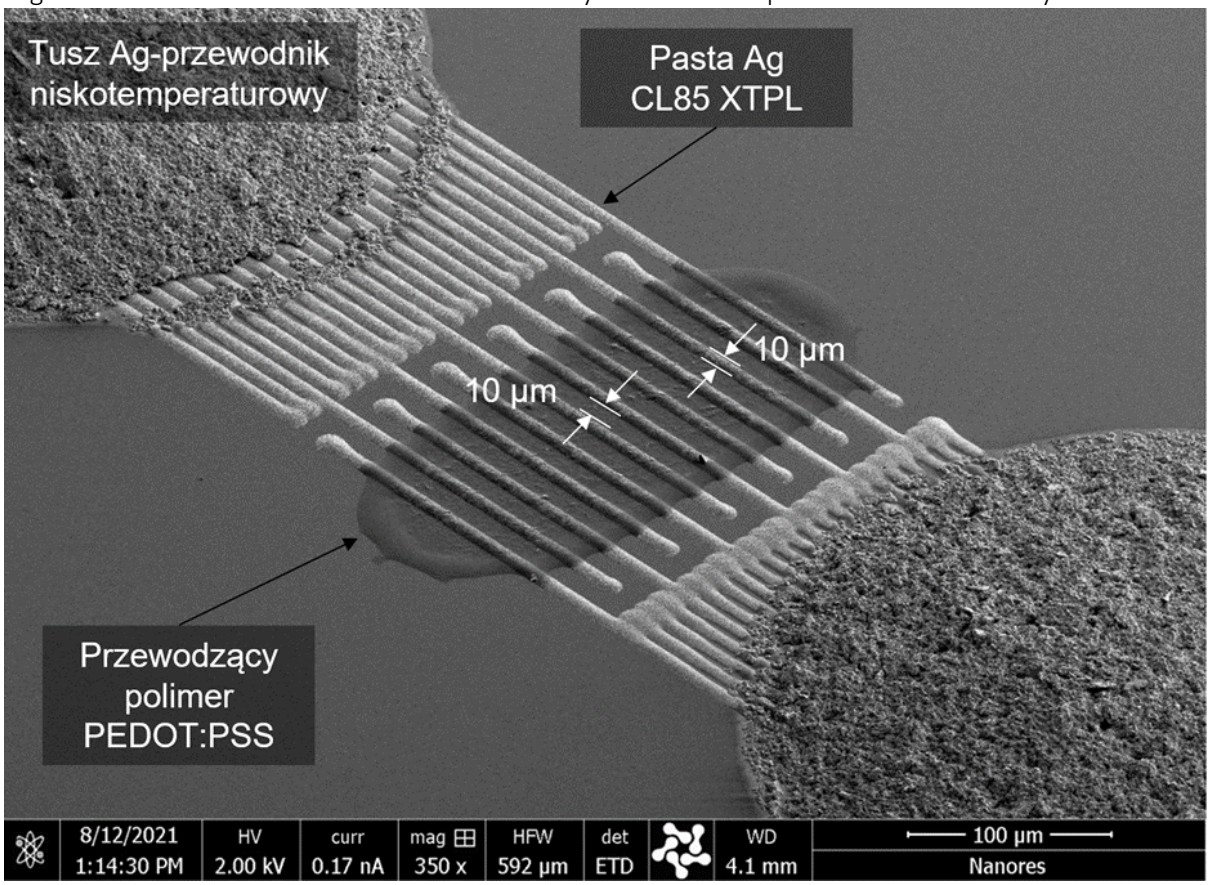
In Q3 2022, the Company's R&D team went a step further in the development of technology for applications in printing electronic connections in advanced integrated circuits, as it presented a structure filled with insulating material on the outside and conductive material inside. In practice, end users of the XTPL technology will be able to isolate electronic connections made on conductive and semiconductive substrates. Until now, such structures could only be achieved by traditional, multi-stage production methods used in the semiconductor industry. The introduction of this technological solution by the Company's customers will allow them to cut the costs of small-lot production of advanced integrated circuits, and once the technology has been scaled to production efficiency, it will help reduce material consumption.



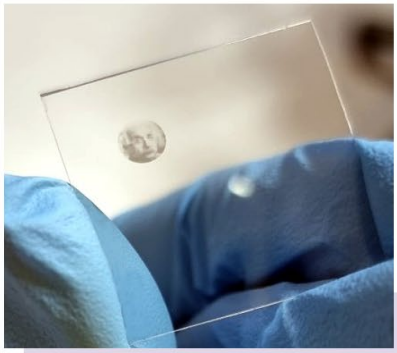
In addition to the above example, the printing of multiple materials one after another allows advanced functional structures to be achieved. This is perfectly exemplified by the implementation of a high-resolution redistribution layer

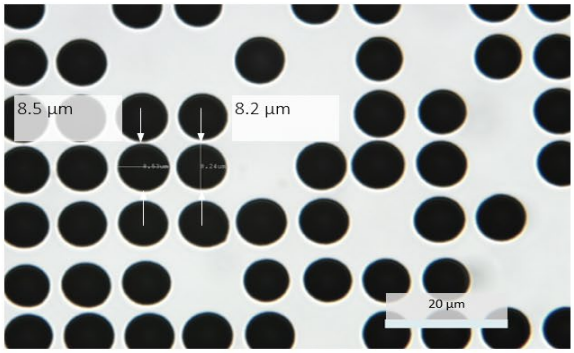
(RDL) for integrated circuits. Ultimately, this will enable the prototyping of the structures whose production using traditional methods is time-consuming and costly.

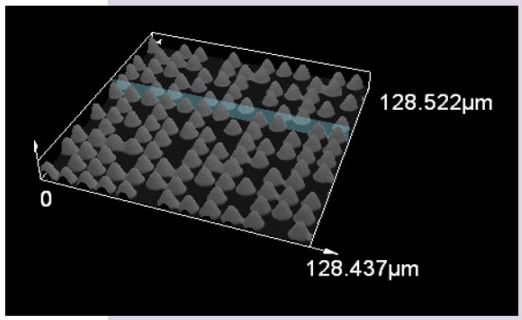
Another example of printing functional structures composed of multiple materials (the example presented below uses low-temperature conductive ink, and PEDOT conductive polymer: PSS and Ag CL85 nanopaste). This made it possible to make a simple transistor for detecting organic materials. Transistor for detecting organic materials fully printed by XTPL.



- Wysoka rozdzielczość druku, średnica poniżej 10 µm
- Wysoka powtarzalność i stabilność druku
- Wysoki stosunek wysokości do szerokości (800 nm do 8 µm)
- Druk na dużych powierzchniach







R&D progress was also achieved with respect to high-resolution prints composed of microdots of less than 10 µm in diameter. The dots are characterized by a parabolic cross-section (which facilitates deposition of successive layers) and a high aspect ratio (height of 800 nm for a dot of 8 µm in diameter). High repeatability of dot deposition enables printing on large surfaces.

Testing XTPL inks for various printing methods:

XTPL conductive inks based on silver nanoparticles attract the interest of manufacturers from several industry sectors and representatives of the scientific community due to their innovative physicochemical properties. In response to the evident market interest in XTPL nanoinks, protected by patent applications, efforts are being made to add new products to the Company's portfolio.

The Company is currently working with R&D units in Europe and the United States to verify the compatibility and efficacy of using new formulations developed by XTPL's R&D units for specific printing methods, including: LIFT (Laser Induced Forward Transfer), Aerosol Jet printing (with ultrasonic systems) and electro-hydro-dynamic (EHD) printing. It is worth noting that one of the XTPL ink formulations is now being tested by a leading global R&D center for application in the photovoltaic industry for the purpose of advanced metallization in solar cells.

3.2.3 Issuer's activities designed to its intellectual and industrial property

In the third quarter of 2022, the Company continued activities related to the development of the patent cloud:

1. On 16 September 2022, the Company received information about the conditional approval of a patent for the Company by the United States Patent and Trademark Office for its method of forming lines of several hundred nanometers wide using the XTPL-developed silver nanoink, i.e. for the patent application "*METHOD OF*

FORMING A STRUCTURE UPON A SUBSTRATE" (*as reported by the Issuer via ESPI Current Report No. 28/2022 of 19 September 2022*); the final formal requirement to obtain a patent is to pay the patent fee by 14 December 2022; the application procedure for this patent was initiated on 3 August 2018; it is also the date from which the protection of the invention applies;

2. On 16 September 2022, the Issuer submitted to the United States Patent and Trademark Office (USPTO) a patent application concerning its proprietary technology solution of printing of advanced three-dimensional electronic connections with high packing density (*as reported by the Issuer in ESPI Current Report No. 29/ 2022 of 19 September 2022*).
3. On 23 September 2022, the Company was advised that the Israeli Patent Office granted it patent for the method of forming lines <1 micrometer wide using the XTPL-developed silver nanoink (patent application: "Bottom-up method for forming wire structures upon a substrate" (*as reported by the Issuer in ESPI Current Report No. 30/2022 of 26 September 2022*); the final formal requirement to obtain the patent is to pay the patent fee by 13 December 2022; the application procedure for this patent was initiated on 22 March 2016; it is also the date from which the protection of the invention applies;
4. On 26 September 2022, the Company received information about the approval of a patent for the Company by the British Intellectual Property Office for its method of forming lines of several hundred nanometers wide using the XTPL-developed silver nanoink, i.e. for the patent application "METHOD FOR REMOVING BOTTLENECKS"(*as reported by the Issuer in ESPI Current Report No. 31/2022 of 27 September 2022*); The application procedure for this patent was initiated on 6 June 2018.

3.2.4 Issuer's participation in events dedicated to capital market investors

The Company attaches great importance to communication with capital market participants. In order to implement the corporate governance and communication standards and to ensure constant and equal access to information about the Company for all stakeholders, and to meet their needs, the Company undertakes numerous activities in the area of investor relations. Below is a description of the key events and activities in Q3 addressed to the capital market in 2022.

On 22 September 2022, two earnings calls took place with the participation of the Management Board of XTPL for Polish and international investors – first in Polish and then in English. During both calls, the Company's Management Board presented the financial results and the most important operational events for the first half of the year and the second quarter of 2022, as well as the prospects for the coming periods.

At the same time, in Q3 2022, the Company took part in several important domestic and international conferences with the participation of investors and analysts. Those events are summarized in the table below.

Event	Date	Description
Trigon Tech Conference	15.09.2022	Conference for investors organized by the brokerage house Trigon, dedicated to technology companies.
GPW Deep Tech Investor Day	24.08.2022	An event addressed to institutional and individual investors aimed at presenting companies from the Deep Tech industry and educating the audience interested in the industry.

Investor conferences taking place after the balance sheet date:

Event	Date	Description
GPW Innovation Day	20.10.2022	A conference in the form of online meetings for Polish investors with innovative companies listed on the Warsaw Stock Exchange.

In addition, the Company focuses on regular communication with the capital market, including through a constantly updated website with a separate investor relations section where current information materials are posted (press releases, presentations, newsletters, answers to frequently asked questions from investors), publication of short information from the life of XTPL in social media channels (Facebook, LinkedIn, Twitter), and publication of selected video materials on YouTube. Furthermore, the Company tries to provide fast and reliable answers to the questions received from individual investors. In order to facilitate contact with the Company, the "Contact" tab on the investor relations site contains contact details for individual investors, institutional investors, analysts and journalists.

3.2.5 Issuer's participation in industry events

In order to effectively promote its unique technology and products, the Company actively participates in numerous industry conferences that enjoy high reputation on an international scale. The technology solutions presented by the Company are highly appreciated by experts from different fields. As a result, XTPL receives numerous invitations to lectures on the latest technological achievements.

For the Company, participation in industry events is one of the key promotion methods, as well as the opportunity to keep track of the current trends in technology development in selected areas and search for new use cases, for which the unique properties of the XTPL ultra-precise printing method are a key – if not the only – way to solve problems with and fabricate the target device.

Event	**Date**	**Description**
Eurodisplay 2022	21-23.09 2022	A conference devoted to current research on new generation displays and trends in the development of this industry on the European and global market. The event was co-organized by the international organization Society for Information Display, its main organizer and host was the University of Stuttgart, which is also the first user of the Delta Printing System.

Micro and Nano Engineering MNE 2022	19-23.09 2022	The MNE conference is one of the world's most important events devoted to the micro- and nano-fabrication of materials, semiconductor production methods and the applications of structures and devices in the micro- and nano-scale.
The 17th International Thin-Film Transistor Conference ITC 2022	14-16.09 2022	An event focused on TFT thin-film transistor technologies used in displays, precision sensors, large-area electronics and flexible electronics.
Electronics System-Integration Technology Conference ESTC 2022	13-16.09 2022	The ESTC conference covers issues related to the production and use of advanced integrated circuits and system integration.
Symposium on Advanced Technologies and Materials ATAM 2022	6-9.09 2022	A conference dedicated to advanced technologies and materials, focused on hybrid materials and 2D coatings, as well as perovskites and polymers.
Swiss-ePrint – The Swiss Conference on Printed Electronics and Functional Materials	5-6.09 2022	An event focused on the techniques of printed electronics, the materials used in this field and possible application areas enabled by unique properties of additive technologies.
The 22nd International Meeting on Information Display IMID 2022	23-26.08 2022	One of the most significant events on a global scale dedicated to display technology; it is important both for representatives of the academic community and the largest industrial players.
International Conference on	16-19.07 2022	A conference devoted to new display technologies and methods of display manufacturing. This is the most important event on this subject

Display Technology ICDT 2022		in China. It is held under the auspices of the international organization Society for Information Display.

3.2.6 Other events

3.2.6.1 Signing an agreement for the purchase of a part of series A convertible bonds of XTPL S.A. for redemption

On 6 July 2022, the Issuer concluded an agreement with the bondholder to purchase 2,993 series A bonds of the Company convertible into series U shares for the purpose of their redemption (*as reported by the Issuer in ESPI Current Report No. 20/2022 of 6 July 2022*). In consideration for the purchase of the Bonds, the Issuer paid the bondholder PLN 230,122.83, which included the nominal value of the purchased Bonds of PLN 221,482 and interest of PLN 8,640.83. The sale price of the Bonds includes all receivables resulting from the purchased Bonds.

After the settlement of the Bond purchase transaction, the Issuer redeemed the Bonds and submitted an application for their deregistration from the securities register kept by the Central Securities Depository of Poland. After the Bond redemption, as at the Balance Sheet Date, the total number of issued and not redeemed Series A convertible bonds of the Company is 45,655. The purchase of the Bonds for their redemption is part of the process of extending and changing the debt financing granted to the Issuer on the basis of series A convertible bonds, which was communicated by the Issuer in ESPI Current Report No. 12/2022 of 25 May 2022.

3.2.6.2 Signing agreements for and change of conditions for the issue of series A convertible bonds of XTPL S.A.

On 20 July 2022, the Issuer and two bondholders holding all issued and unredeemed Company's series A bonds convertible to series U shares – 45,655 bonds with a total nominal value of PLN 3,378,470, registered in the securities register kept by the National Depository for Securities S.A. under No. ISIN PLO228300011, entered into an agreement on changing the terms of the issue of the Bonds (as reported by the Issuer in ESPI Current Report No. 23/2022 in relation to ESPI Current Report No. 12/2022of 25 May 2022).

Based on the second sentence of Article 7(1) of the Bond Act of 15 January 2015 and under the concluded Agreements, the terms of the Bonds were changed as follows: (a) redemption date: the Bond redemption date was changed from 30 July 2022 to 30 January 2024; (b) interest rate: the interest rate on the Bonds (which from the Bond allocation date to 30 July 2022 is fixed and amounts to 2% per annum) is calculated on the nominal value of the Bonds, and as of 31 July 2022 to the redemption date or to the early redemption date

will be 5% p.a., calculated on the nominal value of the Bonds. Other terms of the Bonds issue remain unchanged.

3.2.7 Events occurring after the balance sheet date

3.2.7.1 Obtaining patent protection from the United States Patent and Trademark Office

On 2 November 2022, XTPL received information that the Company was granted patent by the United States Patent and Trademark Office for a new type of ink used in the UPD (Ultra Precise Deposition) process, i.e. for a patent application "Metallic nanoparticle composition". The final formal requirement for obtaining the patent is to pay the patent fee by 25 January 2023. Should the requirement not be met, the Company will communicate this in a separate current report. The application procedure for this patent was initiated on 17 September 2020. This is also the date when patent protection started. Moreover, the Company's portfolio includes 24 patent applications. The patent application was filed with the United States Patent and Trademark Office on 17 September 2020, which is the start date for protection of the above technological solution.

3.2.7.2 The Company completes the third stage of the technological phase under the agreement with Nano Dimension Ltd

On 15 November 2022, the third stage of development as part of the technological phase of the activities specified in the Agreement was completed and approved by Nano Dimension Ltd. The agreement relates to developing a new generation conductive nanoink for industrial applications in the Client's products designed for the production of PCBs. Under the Agreement, completion of the third stage of the technological phase and the Client's approval of the work triggers the payment of the third tranche. The related revenue will be recognized in Q4 2022 and will significantly influence the financial results for that period. This means that the Issuer enters the next stage of work under the technological phase defined in the Agreement, aimed at creating a dedicated nanoink formulation. The Agreement between the Issuer and Nano Dimension provides for four main stages in the technological phase.

3.3 FINANCIAL PERFORMANCE

3.3.1 Principles for drafting the Quarterly Financial Statements

3.3.1.1 General information and basis of preparation

The financial statements of XTPL Group (standalone and consolidated financial statements) cover the period of nine months ended 30 September 2022, and the comparative data for the period of nine months ended 30 September 2021. They were prepared using the historical cost convention. The financial statements have been prepared on the assumption that the Company will continue in operation for at least a year from the Report Date.

At the date of approval of these financial statements, the Management Board has not identified any circumstances which would point to a risk to continuity of operations in the above period.

The financial statements do not contain all the information and disclosures required of annual financial statements and should be read jointly with the annual financial statements of XTPL S.A. for 2021 as published on 26 April 2022.

The financial statements have been prepared in accordance with the International Accounting Standard ("IAS") 34 Interim Financial Reporting and in accordance with the Finance Minister's Ordinance on current and financial information.

3.3.1.2 Currency of the financial statements

The functional currency and reporting currency of the financial statements is the Polish zloty (PLN), and the data contained in the financial statements are presented in thousands of Polish zlotys.

3.3.1.3 Description of significant accounting principles

For the purpose of preparing the quarterly condensed financial statements, the same accounting principles have been used as in the last annual financial statements for 2021 published on 26 April 2022. They have been described in the following sections: 3.6, 3.7 and 3.14 of the Standalone Financial Statements for 2021, and the Consolidated Financial Statements for 2021.

3.3.2 Factors and events, including extraordinary ones, having a significant impact on the condensed financial statements

In the Reporting Period, in the condensed financial statements the Company recognized the cost the incentive scheme for employees and collaborators based on the Company's shares, in the portion relating to the period ended 31 March 2022. The date of recognition of costs was the moment when the persons covered by the scheme were offered the purchase of the shares. The cost of the scheme (fair value of the shares issued) was estimated at PLN 1,149 thousand and was fully taken to the profit or loss of the current period.

Recognition of the scheme's costs of PLN 1,149 thousand has no impact on the Company's and the Group's assets or financial position, or their ability to service its obligations. The scheme's costs are a non-cash in nature, and reflect the value of shares transferred (net of their purchase price paid by scheme participants). This transaction did not cause any changes in the measurement of assets, the level of equity or the company's ability to generate revenues in the future. The shares transferred also did not cause additional dilution of the existing stock as they had been issued in the first half of 2017 (and were intended for the incentive scheme).

The table below presents the Group's result with and without the effect of the incentive scheme valuation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	WITHOUT THE INCENTIVE SCHEME PLN`000	WITH THE INCENTIVE SCHEME PLN`000
Continued operations		
Sales	**8,518**	**8,518**
Revenue,from,the,sale,of,products,and,services	6,636	6,636
Revenue,from,grants	1,882	1,882
Cost of sales	**4,579**	**4,924**
Research,and,development,expenses	4,170	4,515
Cost,of,finished,goods,sold	409	409
Gross profit (loss)	**3,939**	**3,594**
General,and,administrative,expenses	4,832	5,636
Other,operating,income	-	-
Other,operating,costs	1	1
Operating profit (loss)	**-894**	**-2,043**
Financial,revenues,	52	52
Financial,expenses,	117	117
Profit/ loss before tax	**-959**	**-2,108**
Income,tax	20	20
Net profit (loss) on continued operations	**-979**	**-2,128**

3.3.3 Achievement of financial forecasts

Not applicable. The Issuer has not decided to publish financial forecasts.

3.3.4 Factors which may affect the Issuer's results in subsequent quarters

Factors which may affect the Company's and the Group's operations and results in the following quarters:

- Signing commercial contracts, and progress of work on paid evaluation initiatives, licensing or joint-development agreements in relation to the Issuer's technology;
- Ability to protect and safeguard intellectual and industrial property, including the number and scope of submitted patent applications;
- Favorable trends in the electronics industry;
- Acquiring additional financing in the form of grants and subsidies supporting the Issuer's research and development activities;
- Economic consequences of the war in Ukraine;
- Situation in financial markets and development of the coronavirus pandemic.

3.4 OTHER INFORMATION

3.4.1 Impact of the SARS-CoV-2 pandemic on the Company's and Group's operations

As a result of the COVID-19 pandemic and due to administrative constraints, the Company developed a number of procedures that are triggered depending on the risk level. The Company is well prepared for remote work. The XTPL team members are provided with laptops and company phones with internet access. They can use the GSuite apps to smoothly continue work from home. Teamwork tools are also used to ensure work efficiency. Technological work is continued at the Company's headquarters while maintaining all sanitary requirements announced by state institutions. 95% of the Team members have been vaccinated.

The procedures do not inhibit business development. XTPL conducts proactive sales support activities, also through a network of distributors. All deliveries and installations of devices at clients' sites are carried out in line with the requirements in force in the target country.

3.4.2 Impact of the war in Ukraine on the Company's and Group's operations

The war in Ukraine did not change XTPL's operating model. The Company has not been affected by any impact of the conflict on the printed electronics market. In addition, the Company:

- is not dependent on any raw material/ component supplies from the regions of Russia, Belarus or Ukraine;
- does not conduct sales activities in the above markets; Likewise, the Company's business strategy does not envisage sales to those countries going forward;
- does not have any on-site or remote collaborators from those countries;
- is exporter of goods denominated mainly in EUR, so it is not exposed to negative effects of depreciation of the zloty;
- has not received any information from business partners from countries other than those mentioned above about their plans to introduce changes in their business activities that could adversely affect XTPL.

The Company has identified the risk that the war might impact its operations indirectly by affecting the global economy in terms of:

- reduced availability of raw materials and the related lower availability of materials and components;
- supply chain difficulties due to limitations in air transport.

The Company and its employees undertook a number of activities to help Ukrainian war refugees:

- introduced an additional day off per month for volunteering for all employees
- published job ads on a portal dedicated to Ukrainian refugees
- collected toys and essential items for children from an Ukrainian orphanage who came to Poland
- offered accommodation to Ukrainian refugees
- sewed clothes for children from Ukraine

- helped in sorting donations at local help centers
- donated computer equipment to the crisis management center that helps refugees
- helped in transporting Ukrainian citizens from the railway station to their place of accommodation
- provided material support to Ukrainian soldiers
- paid contributions to verified fundraisers.

3.4.3 Changes in the Issuer's Group organization

Not applicable. In the Reporting Period, no changes took place in the Group organization.

3.4.4 Acquisition of own shares

Not applicable. None in the Reporting Period.

3.4.5 Non-arms length transactions with related entities

Not applicable. As part of the group, no transaction was made with any related party on non-commercial terms.

3.4.6 Proceedings before courts and other bodies

No significant judicial, arbitration or administrative proceedings are pending in relation to liabilities or receivables of the Issuer or its Subsidiaries.

3.4.7 Guarantees given and received

Not applicable. Neither the Issuer nor its Subsidiary provided any guarantees in the Reporting Period.

3.5 RISK FACTORS AND THREATS RELATED TO THE COMPANY'S AND THE GROUP'S BUSINESS ENVIRONMENT

3.5.1 Risk factors and threats related to the Company's and the Group's business environment

3.5.1.1 Macroeconomic risk

The Company's and the Group's activity depends on the macroeconomic situation in individual markets, primarily in Western Europe, Asia and the United States.

The Company is already present in all those markets. The XTPL technology finds its main application in the field of printed electronics, which is a highly competitive sector. For this reason, the main incentive for the current and potential clients to do business with XTPL is to use this cooperation to achieve significant competitive advantage through the application of the Company's innovative technology in their products. Some of the phenomena that are unfavorable from the point of view of the macroeconomics of a given country/ area (e.g. the growing raw material prices) may constitute an additional positive impulse to use the XTPL technology. However, the pace of economic growth, the level of consumption and investments (especially in the electronics sector), the fiscal and monetary policy, inflation, and especially the level of expenditures on consumer electronics individual countries are the factors that may have an impact on the Company's and the Group's financial results, and thus may also affect implementation of the Company's development strategy.

3.5.1.2 Currency risk

Due to the fact that the Company's and the Group's clients are international entities, most of the Company's revenues related to the commercialization of technology are settled in foreign currencies (mainly the euro and the US dollar). At the same time, as the Company is based in Poland, most of its ongoing expenses will be settled in the Polish zloty. As a result, the Company may be exposed to a significant FX risk. Volatility of exchange rates may primarily cause changes in the value of the Company's revenues and receivables after their conversion into PLN. Despite the significant weakening of the Polish currency related to the outbreak of the war in Ukraine,, the Company and the Group do not see currency risk as a significant threat to the expected level of their operating profitability. The weakening of the Polish zloty strengthens the cash position of the Company as an exporter. A significant portion of purchases of materials and components for the production of printers is settled in euro. As a result, revenues from foreign currency sales constitute a natural hedge against exchange rate movements. As and when required, the Company and the Group will resort to FX risk management instruments available in the banking market.

3.5.1.3 New technology risk

The market in which the Company and the Group operate is characterized by rapid development of technologies. For this reason, the development of the Company's and the Group's operations entails constant tracking and analysis of new market trends and identification of emerging potential competitors and technological solutions they implement. There is a risk that if the current market trends change, the Company and the Group will be forced to look for new applications for its technology outside of what it previously saw at its core business or to incur expenditures to make its existing solutions more competitive. Likewise, the Company and the Group cannot rule out that in the future a new technology will be developed which will make the solutions offered by the Company and the Group unattractive for potential clients. Materialization of this risk will mean additional costs, which will adversely affect profitability of the Company's and the

Group's operations. In addition, the need to perform additional work may delay the moment of commercialization of the Company's and the Group's product.

3.5.1.4 Competitive risk

The Company and the Group operate in a very attractive market of modern technologies characterized by a steadily growing demand. In this market, there is a number of players whose experience and capital resources are higher than those of the Company. As the market is changing fast, there is a risk of a new entity emerging whose offer will be more innovative than the Company's and the Group's offer. A competitive edge may be obtained by implementing innovative, unique solutions that are attractive for prospective clients in utility and economic terms.

At present, the Company is not aware of any solutions that would technically offer better parameters for the ultra-precise printing of nanomaterials. However, it cannot be ruled out that a new entity or a solution will emerge that will surpass the Company's technology in some or all key parameters. There is also a risk that the Company and the Group will be unable to respond quickly or effectively to the changing market environment, and consequently the solutions offered by the Company and the Group will be considered less competitive. Materialization of this risk may have a negative impact on the sale of the Company's and the Group's products and services and, in consequence, on its trading performance.

3.5.1.5 Risk related to the development of the SARS-CoV-2 pandemic

Due to the market in which the Company operates, the situation related to the coronavirus threat fundamentally does not affect the Issuer's operational activity. The Company has developed a number of procedures depending on the level of risk and applies them as appropriate depending on the situation. Office workers may perform their duties remotely (they are provided with a company phone with Internet access and a laptop). Technology staff work in compliance with all the standards announced by state authorities. Some technology staff are involved in the development of new grant applications, and therefore may also partly work from home. As a rule, all meetings take place using video- or teleconferencing. The planned operations related to the shipment of products take place in conformity with the requirements in force in the country of destination.

3.5.2 Sources of supply

The Company commercializes and develops its proprietary nanoprinting technology. Due to the advancement of the technology, the Company makes use of a wide range of products and services available in the market, the key ones being measurement, research, conductive nanoinks formulation development and patent protection services as well as services related to rental of specialist equipment and laboratories. The great diversity and variability of the Company's R&D work is reflected in the number of sources of supply it uses.

As a result, in 3Q 2022, the Company reached a 61% threshold of purchases from one supplier – provider of research services and lessor of laboratories and office space (100%). At the same time, the Company steadily increases its own laboratory equipment and limits the use of outsourced measurement and research services.

In the manufacturing process, the Company sources materials and chemical reagents, which are the key inputs for the production of highly conductive inks offered by XTPL S.A. and uses suppliers of components and materials in the process of making the Delta Printing System devices.

Among chemical suppliers, the highest share of one supplier is 63%, but there are many high-quality materials available on the market and there is no risk of dependence on a single source of supply. The company has established relationships with alternative suppliers, although for logistical reasons it tries to maintain uniform deliveries. Importantly, the vast majority of chemical materials are purchased on the domestic market, so possible problems in the logistics of global supplies are limited.
Among the suppliers of materials and components for the production of printers, the value of deliveries of one of the suppliers reached 25% of the total sum of purchases in this category. The remaining suppliers do not exceed the level of 15%. The company constantly establishes relations with new entities and builds a base of alternative suppliers.

3.5.3 Risk factors related to the Company's and the Group's operations

3.5.3.1 Risk related to the technology commercialization process

The Company's and the Group's business model provides for a gradual commercialization of the technology of printing ultra-thin conductive lines for various applications in printed electronics. At present, the commercialization process already covers printing devices and nanoinks. In terms of industrial implementations on clients' production lines, the target business model is that the Company and the Group will commercialize their technological solutions through licensing or will manage the whole value chain, i.e. manufacture, product marketing, distribution and provision of specialized services tailored to the client's needs. The choice of the commercialization model will depend on the results of negotiations with the partner, specific nature of the particular application field and the Issuer's assessment regarding effectiveness of each of the possible commercialization methods in that field.
Currently, the Company is involved in nine industrial implementation projects, which confirms the market need for solutions offered by the XTPL technology. As part of those projects, the Company signed and carries out an agreement with Nano Dimension Ltd. to develop a next generation conductive nanoink for industrial applications in the firm's products designed for the production of PCBs This agreement is the first agreement signed with an industrial partner and is a milestone in the Company's development. Furthermore, also as part of industrial implementations the Company is delivering a printing module for industrial integration under which a prototype of an industrial device for applications in semiconductor production will be developed in cooperation with a partner from Taiwan.
However, there is a risk that introduction of devices into individual markets will not be in line with the current expectations due to, for example, a lack of or insufficient demand in target countries, misidentification of potential clients' needs, misidentification of legal conditions, incomplete adaptation of the Company's products to the requirements of foreign markets, an ineffective promotional campaign or an unexpected emergence of a competitor. Occurrence of the above events may stifle the Company's and the Group's growth dynamics, adversely impacting their operations and financial position.

3.5.3.2 Risk of failure to achieve revenues

At the present stage of the Company's development, this risk should be considered negligible. In H1 2022, the Company significantly increased its sales revenues compared to the same period last year. The main sources of those revenues were: implementation of an industrial project for the development of a next-generation conductive nanoink; sale of printing devices; implementation of paid stages in some industrial projects, and the sale of nanoinks. The Company is rapidly expanding sales of all product groups. However, it should be taken into account that in its strategy the Company

treats revenues from the industrial use of XTPL technology on the production lines of global players as the main source of revenues, so there is a risk related to failure to achieve the same.

3.5.3.3 Risk of low product quality

The Company's and the Group's business model providing for a gradual introduction of the technology of printing ultra-thin conductive lines for various applications in printed electronics gives rise to a risk of defects, insufficient product quality or unsatisfactory performance of the technology at the initial phase of its commercialization. However, the emergence of unforeseen defects and problems should be taken into account. Such situations may result in a negative first reception of the Company's and the Group's products and, consequently might dampen interest in and demand for the product. As a result, the Company and the Group might not receive revenues in the expected amount.

3.5.3.4 Risk related to the business development model and the failure deliver the Company's and the Group's strategy

The goal of the business model is commercialization of the Company's ultra-precise technology of printing a wide range of nanomaterials. The Company is already commercializing its first products – technology carriers. It also conducts nine projects related to the implementation of technologies on the production lines of partners, but in this area with the greatest potential the Company does not yet implement a repeatable business model. Due to the geographic and economic conditions in the market, the Company will develop its business presence mainly in the United States, Asia and Western Europe. The Company intends to build its market position through organic growth, primarily based on further development of its technology. Due to a number of factors, the Company is unable to guarantee in full that its business development model will work. The Company's future in the broadly understood printed electronics market depends on its ability to create and implement a successful long-term development strategy and to continue to develop its technology. The risk of making bad decisions resulting from improper assessment of the situation or the Company's inability to adapt to changing market conditions, incorrect strategic assumptions, including in relation to the developed technology and the adopted commercialization plan and the degree of demand from potential clients, may mean that the business development model will not be effective and the future financial results might be lower than currently expected.

3.5.3.5 Risk related to the difficulty with acquiring experienced and specialized employees

The high level of technological advancement of the Company's research leads to a constant increase in the requirements regarding skills and experience of employees. Next to technology, the engineering and scientific staff is the Company's most valuable asset. The pace and quality of the Company's R&D is directly related to the skills of specialists who form the R&D team. The Company employs engineers from the fields of chemistry, physics, electronics, mechanics, material engineering, programming and numerical simulations. Nearly in all these fields, the number of specialists available for hiring is not high. As regards acquisition of the best specialists, the Company competes with firms both in Poland and abroad.

As the Company expands the size of its operations, this factor may be of particular importance in the future as it might limit the development potential. Difficulties in sourcing employees may delay work or force the Company to abandon certain projects.

3.5.3.6 Risk of losing key team members

The Company's activity is based on a narrow team of people with relevant know-how who pool competencies in engineering and technical, financial management and strategic management of the Company. For this reason, losing key people may adversely affect the Company's further business, its financial, property and economic condition as well as its development prospects as it may impair the Company's potential to sell its products, develop its technology, win new contracts and properly manage already existing contracts.
Most of the Company's personnel are people employed in operational roles. They do tasks which require expertise, skill and education. The Company is exposed to the risk of losing some of its operational staff, which might weaken the organizational foundations of the Company's business. These situations might result in the Company's stability being undermined and force it to raise remuneration levels in order to retain employees. As a result, it may affect the Company's operating costs.

3.5.3.7 Risk of dependence on future counterparties

Due to the specific nature of industrial implementation projects (with high contract values), commercialization of the first projects will result in major dependence on individual clients. Hence, the Company conducts projects with many partners in various markets and application fields.
The sale of printing devices and consumables does not pose such a risk due to the one-sided nature of transactions in the case of printers and the fragmented market in the case of consumables.
Due to the fact that the Company supplies advanced technical equipment, there is a risk of dependence on suppliers of materials and components. The Company tries to diversify supply sources, forges partnerships and builds a base of alternative suppliers, but it should be kept in mind that with such technically advanced devices, the replacement of components is also subject to risk in terms of efficiency of the manufactured devices.

3.5.3.8 Risk of potential disclosure of confidential information on technology

Implementation of the Company's strategy depends, inter alia, on the fact that the holders of confidential information, particularly that concerning development and technological processes related to the ultra-precise printing technology. There is a risk that sensitive information will be divulged by persons connected with the Company, which may result in the information being used by competitors, despite the intellectual property protection measures used by the Company. The indicated risk factor may have a negative impact on the Company's business, financial position, development prospects, results and share price.

3.5.3.9 Risk of intellectual property infringement

The Company operates in an area where regulations concerning industrial and intellectual property rights and their protection are of significant importance. At present, there are no proceedings under way regarding infringement of any industrial or intellectual property rights in which the Company would be involved. The Company intends to conduct its business in such a way as not to infringe any third party rights in this respect. However, it can not be ruled out that third parties would bring claims against the Company regarding infringement of industrial and intellectual property rights by the Company. Even if unwarranted, such claims might adversely affect the schedule of the Company's strategy implementation, and the defense against such claims may involve significant costs, which may adversely impact the Company's financial results. In addition, during work on its own patent applications, the Company carefully reviews the available literature and patents known at present. However, there is a risk of infringement of intellectual property rights

related to patents that have been submitted but not published yet. Cooperation with external partners gives rise to similar risks. Formally unauthorized entities might attempt to use the intellectual property of XTPL by either violating or attempting to circumvent the patent application. The circumstances described above may have a material adverse effect on the Company's development prospects, results and financial position.

3.5.3.10 Risk of technology scaling

Due to the fact that the technology underlying the printing process developed by XTPL is based on highly innovative solutions, there is a risk that an increase in its use from laboratory to industrial scale might end up unsuccessfully.
This risk may materialize due to difficulties with obtaining technology parameters in industrial production that would be equally stable as those obtained in the laboratory. In addition, there is a risk that the technology developed may not be sufficiently effective for certain production processes in industry (e.g. due to a failure to achieve satisfactory production process efficiency).

3.5.3.11 Risk of a failure to reach the target clients and achieve sales plans

XTPL clients will include, in particular, large manufacturers of devices for the fabrication of electronics. They have long communication and decision-making channels. There is a risk that a proposition from XTPL, as a company with a short market history, will be assessed as not reliable enough. This may delay delivery of the Company's sales targets or indeed lead to a failure to acquire a targeted client. However, an increase in sales, especially the sales of printing devices, is accompanied by a steady increase in awareness of the XTPL technology, both among direct buyers, including research institutes, and indirect ones, such as industrial partners that research institutes cooperate with. In addition, the Company itself has established a number of relationships with industrial partners and is now working with them on nine projects.

3.5.3.12 Risk of emergence of a competitive technological solution

New technological solutions that are in competition against XTPL are constantly being developed in the global technology market. A comparison of the parameters of the currently available solutions with the parameters achieved in the XTPL technology shows, in the Company's opinion, that competitive technologies offer solutions with weaker parameters and oftentimes higher production costs compared with what is expected to be achieved by the industrial XTPL solution. The Company has undertaken measures designed to cover its technology with extensive patent protection. As at the report date, the Company's competitive risk can be described as low, as the developed solutions are less effective than those on which the Company is working at present. However, it is not possible to rule out the possibility that a more technologically advanced or more cost-effective solution might emerge in the market. There is also a risk that competitors might significantly increase their expenditures to promote available solutions. These risks may materially affect the Company's development outlook.

3.5.3.13 Risk of loss of financial liquidity and access to financing

As at the Report Date, the Company's revenues from the sale of products and services, supported by grant proceeds, are sufficient to secure its operating activities. However, it should be noted that except for nanoink sales, the Company has not yet achieved stable, recurring income.
There is also a risk of financing the operations when the business is taken to an industrial scale.

3.5.3.14 Risk of not receiving grants and subsidies

Grants and subsidies are an additional source of financing the Company's research and development. There is a risk of not receiving adequate grants and subsidies, which may delay research and development.

In the past, the Company entered into a grant agreement with NCBR whereby NCBR is authorized to terminate the financing in the cases enumerated in the agreement, including when (i) the Issuer refuses to undergo or hinders inspections; (ii) the Issuer has made legal and organizational changes that jeopardize the performance of the agreement or fails to inform the NCBR of its intention to make such changes; (iii) the NCBR identifies gaps in the submitted documentation on the environmental impact of the project, and such gaps are not eliminated by a stated deadline; (iv) the beneficiary fails to comply with disclosure obligations during implementation and durability period of the project; (v) irregularities, listed directly in the agreement, occur in delivery of the project. Therefore, there is a risk that NCBR might claim reimbursement of the grant provided to the Company, in whole or in part, which may affect the financial position of the Company.

3.5.3.15 Risk of implementation of in-house technologies by the Company's potential clients

An important group of potential buyers of the technology developed by the Companies are global producers of electronic components (e.g. displays). There is a risk that these entities, which have significant technical and organizational resources, may develop their in-house nanoprinting solutions, and consequently will not be interested in the product offered by the Company.

3.5.3.16 Risk of unforeseen events

The Company is exposed to the risk of extraordinary events, such as technical failures (e.g. of electrical networks, either internal or external), natural disasters, acts of war, etc. These events might impair the effectiveness of or disrupt the Company's operations. In such circumstances, the Company may be exposed to unforeseen costs.

3.5.3.17 Human factor risk

In its production activity, the Company works with people employed under employment contracts and other civil law contracts. Actions performed by these persons as part of their work may lead to errors caused by improper performance of their duties. Such actions may be intentional or unintentional and may lead to disruptions and delays in the commercialization process.

3.5.3.18 Risk of failure of the equipment used in the Company's and the Group's operations

In its operations, the Company relies on properly working specialist equipment. There is a risk that in the event of a serious equipment failure which cannot be addressed immediately, the Company may be forced to temporarily suspend some or all of its activities until the failure is removed. Equipment failures may also lead to a loss of the data used for developing the Company's product. An interruption in business or loss of key data for a particular project may result in the Company being unable to perform its obligations under existing contracts or cause a loss of these contracts, which may adversely affect the Company's financial performance.

3.5.3.19 Risk of insufficient insurance coverage

The Company enters into insurance contracts in the course of its activity. However, it can not be ruled out that insurance risks will materialize in the Company's activity that will go beyond the scope of insurance coverage, or unforeseen events occur that are out of scope of the existing insurance policies. Such events may have an adverse impact on the Company's trading performance.

3.5.3.20 Risk of court and administrative proceedings

According to the available information, no court or administrative proceedings are pending against the Company that would have a significant impact on its operations. However, the Company's future sales activity will give rise to potential risks associated with possible customer claims in relation to the products sold. The Company also enters into commercial contracts with external entities whereby both parties are required to provide specified service/ consideration. This in turn gives rise to a risk of disputes and claims arising from such contracts. These disputes or claims may adversely affect the Company's reputation and, consequently, its financial results.

3.5.3.21 Risk of related-party transactions

The Company enters into transactions with its related parties. Where competent tax authorities question the methods of how the Company has determined market conditions for related-party transactions, this may have negative tax implications for the Company, potentially causing a material adverse effect on its business, financial position and results.

3.5.3.22 Risk of intellectual property rights and application patents

The Company's technology may be the basis for other entities to develop derivative or related technologies. There is a risk that such entities will decide to submit application patents based on the Company's technology. As a result, the Company, as the holder of the underlying patent, will have to cooperate with a third party, as the application patent holder, to ensure commercial implementation of a particular technology. In terms of intellectual property rights, the Company uses works created by persons employed under employment contracts.

3.5.3.23 Risk related to commercialization agreements

Due to the specific nature of its operations, the Company may use various types of commercialization agreements (license agreements, JDAs, product sale agreements, joint venture agreements). However, it is not possible to rule out the market risk related to a failure to find a partner interested in purchase of the Company's products or commercialization. Market risk is also affected by changes in potential clients' strategies, changes resulting from movements in market trends and inability to reach decision makers. In addition, account should be taken of the risk of default by a contractual partner or the risk of the Issuer's failure to abide by the terms of the contract due to materialization of any of the risks described above. Should any of these circumstances occur, this may adversely affect the Issuer's operations, financial results and/or development prospects.

3.6 SHAREHOLDING STRUCTURE

3.6.1 Shareholding structure

The shareholding structure as at the Balance Sheet Date was as follows (shareholders holding at least 5% of the total number of votes at the General Meeting):

Ref.	Shareholder	Number of shares held	% of all shares	Number of votes	% of all votes
1.	Filip Granek	316,998	15.62%	316,998	15.62%
2.	Deutsche Balaton Group*	246,203	12.13%	246,203	12.13%
3.	Sebastian Młodziński	224,992	11.09%	224,992	11.09%
4.	ACATIS Investment	195,663	9.64%	195,663	9.64%
5.	Pankiewicz Venture	185,028	9.12%	185,028	9.12%
6.	Others	860,338	42.40%	860,338	42.40%
	TOTAL	**2,029,222**	**100.0%**	**2,029,222**	**100.0%**

** Deutsche Balaton AG and Heidelberger Beteiligungsholding AG*

As at the Report Date, the shareholding structure was as follows (shareholders holding at least 5% of the total number of votes at the General Meeting):

Ref.	Shareholder	Number of shares held	% of all shares	Number of votes	% of all votes
1.	Filip Granek	326,998	16.11%	326,998	16.11%
2.	Deutsche Balaton Group*	246,203	12.13%	246,203	12.13%
3.	Sebastian Młodziński	224,992	11.09%	224,992	11.09%
4.	ACATIS Investment	195,663	9.64%	195,663	9.64%
5.	Pankiewicz Venture	185,028	9.12%	185,028	9.12%
6.	Others	850,338	41.90%	850,338	41.90%
	TOTAL	**2,029,222**	**100.0%**	**2,029,222**	**100.0%**

** Deutsche Balaton AG and Heidelberger Beteiligungsholding AG*

3.6.2 A decrease in shareholding below 5% of the total number of votes in the Company

In the Reporting Period, the Company did not receive any notifications of a drop below the 5% threshold of the total number of votes in the Company.

3.6.3 Shares held by members of management and supervisory bodies

Ref.	Name	Role	Shares held as at 30 September 2022	Shares held as at the Report Date
1.	Filip Granek, PhD	CEO	316,998	326,998
2.	Jacek Olszański	Management Board Member	1,250	9,250
3.	Wiesław Rozłucki. PhD	Chairman of the Supervisory Board	–	–
4.	Bartosz Wojciechowski, PhD	Deputy Chairman of the Supervisory Board	1000	1000
5.	Prof. Herbert Wirth	Supervisory Board Member	–	–
6.	Piotr Lembas	Supervisory Board Member	–	–
7.	Beata Turlejska	Supervisory Board Member	–	–
8.	Andrzej Domański	Deputy Chairman of the Supervisory Board	–	–

3.6.4 Share warrants held by members of management and supervisory bodies

Ref.	Name	Role	Shares held as at 30 September 2022	Shares held as at the Report Date
1.	Filip Granek, PhD	CEO	5,000	5,000
2.	Jacek Olszański	Management Board Member	5,000	5,000
3.	Wiesław Rozłucki. PhD	Chairman of the Supervisory Board	–	–
4.	Bartosz Wojciechowski, PhD	Deputy Chairman of the Supervisory Board	–	–
5.	Prof. Herbert Wirth	Supervisory Board Member	–	–
6.	Piotr Lembas	Supervisory Board Member	–	–
7.	Beata Turlejska	Supervisory Board Member	–	–
8.	Andrzej Domański	Deputy Chairman of the Supervisory Board	–	–

3.6.5 Agreements that in the future might affect the proportion of shareholdings

In April 2019, the shareholders of XTPL S.A. adopted an incentive scheme for key employees and collaborators of the Group. The scheme may potentially bring about changes in the proportions of shares held by

shareholders. The resolution introducing the scheme conditionally increased the Company's share capital, excluding preemptive rights of existing shareholders, by no more than PLN 18,262.20 through the issue of no more than 182,622 series R ordinary bearer shares with a nominal value of PLN 0.10 each. The series R Shares may be subscribed for by holders of Series A registered subscription warrants. Under the resolution on the issue of series A subscription warrants with exclusion of preemptive rights, maximum 182,622 warrants, at a price of PLN 165.84, may be taken up. The incentive scheme covers the years 2019–2021. The scheme participants will have the right to exercise the warrants by 23 April 2029. After this date, the warrants will expire.

ESPI Current Report No. 20/2019 of 24 April 2019 and previous current reports contain details on resolutions concerning establishment of the incentive scheme and the issue of shares and warrants.

The valuation of the financial instruments granted in 2022 is PLN 1,149 thousand, and was reflected in this financial report.

Moreover, it is noted that in accordance with Resolution No. 04/06/2020 of the Extraordinary General Meeting of XTPL S.A. of 8 June 2020 on the issue of bonds convertible into series U shares, and a conditional share capital increase by issuing series U shares, depriving shareholders of all their preemptive rights to the convertible bonds and series U shares, on 30 July 2020 the Management Board of XTPL S.A. adopted a resolution on the allocation of 48,648 series A registered bonds convertible into the Company's series U shares with a nominal value of PLN 74 per bond, and a total nominal value of PLN 3,599,952. The original redemption date was 30 July 2022.

On 6 July 2022, the Issuer concluded an agreement with the bondholder to purchase 2,993 series A bonds of the Company convertible into series U shares for the purpose of their redemption (*as reported by the Issuer in ESPI Current Report No. 20/2022 of 6 July 2022*).

On 20 July 2022, the Issuer and two bondholders holding all issued and unredeemed Company's series A bonds convertible to series U shares – 45,655 bonds with a total nominal value of PLN 3,378,470, registered in the securities register kept by the National Depository for Securities S.A. under No. ISIN PLO228300011, entered into an agreement on changing the terms of the issue of the Bonds. Based on the second sentence of Article 7(1) of the Bond Act of 15 January 2015 and under the concluded Agreements, the terms of the Bonds were changed as follows: (a) redemption date: the Bond redemption date was changed from 30 July 2022 to 30 January 2024; (b) interest rate: the interest rate on the Bonds (which from the Bond allocation date to 30 July 2022 is fixed and amounts to 2% per annum) is calculated on the nominal value of the Bonds, and as of 31 July 2022 to the redemption date or to the early redemption date will be 5% p.a., calculated on the nominal value of the Bonds. Other terms of the Bonds issue remain unchanged.

The bondholders have the right to request the conversion of the Bonds into the Issuer's series U shares. The conversion will be based on the rule that there will be one series U share allocated to each bond, and the conversion price will be equal to the nominal value of one bond. The bondholder has the right to request the conversion of the Bonds into series U shares not earlier than 1 (one) month prior to the redemption date and not later than 11 (eleven) business days prior to the redemption date. The Company communicated this in ESPI Current Report No. 29/2020 of 30 July 2020. Exercise of the Bondholders' right to convert the Bonds into series U shares might potentially change the proportions of shares held by shareholders.

3.6.6 Presence on the stock market

3.6.6.1 XTPL S.A. on the Warsaw Stock Exchange

The Company has the status of a public (listed) company. Since 20 February 2019, its shares have been listed on the regulated (parallel) market operated by the Warsaw Stock Exchange.

WSE Ticker	XTP
ISIN	PLXTPL000018
Number of shares	2,029,222
Free float	42%
Indexes	WIG-Poland, WIGtech, WIGtech Total Return, INNOVATOR

3.6.6.2 XTPL S.A. on the Frankfurt Stock Exchange

Since March 2020, the Company has also been listed on the Open Market at Deutsche Börse in Frankfurt (FRA ticker: 5C8).

XTPL S.A.
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shaping global nanofuture

Condensed standalone financial statements

4 CONDENSED STANDALONE FINANCIAL STATEMENTS

4.1 Condensed standalone statement of financial position

ASSETS PLN'000	NOTE	30.09.2022	31.12.2021
Non-current assets		**7,454**	**5,845**
Property, plant and equipment		3,914	2,615
Intangible assets		3,054	2,781
Long-term receivables		486	449
Current assets		**6,433**	**6,982**
Inventories		739	560
Trade receivables		1,199	1,359
Other receivables		1,063	486
Cash and cash equivalents		3,241	4,473
Other assets		191	104
Total assets		**13,887**	**12,827**

LIABILITIES PLN'000	NOTE	30.09.2022	31.12.2021
Total equity		**4,223**	**5,288**
Share capital		203	203
Supplementary capital		1,531	8,129
Reserve capital		5,075	3,926
Retained profit (loss carried forward)		-2,586	-6,970
-Profit (loss) for the current period		*-2,214*	*-6,598*
Long-term liabilities		**5,772**	**1,616**
Long-term financial liabilities		3,436	242
Deferred income in respect of grants		2,335	1,374
Short-term liabilities		**3,892**	**5,923**
Trade liabilities		1,173	1,093
Short-term financial liabilities		272	3,383
Other liabilities		1,596	981
Deferred income in respect of grants		852	466
Total equity and liabilities		**13,887**	**12,827**

4.2 Condensed standalone statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME PLN'000	NOTE	1.01.2022 - 30.09.2022	1.07.2022 - 30.09.2022	1.01.2021 - 30.09.2021	1.07.2021 - 30.09.2021
Continued operations					
Revenue from sales	12	**8,518**	**3,732**	**1,252**	**504**
Revenue from the sale of products and services	26	6,636	3,666	213	70
Revenue from grants	13	1,882	66	1,039	434
Cost of sales		**4,924**	**1,549**	**2,808**	**1,121**
Research and development expenses	14	4,515	1,371	2,808	1,121
Cost of finished goods sold		409	178	-	-
Gross profit (loss)		**3,594**	**2,183**	**-1,556**	**-617**
General and administrative expenses	14	5,661	1,558	4,834	1,250
Other operating income		-	-	1	-
Other operating costs		1	-	-	-
Operating profit (loss)		**-2,061**	**625**	**-6,389**	**-1,867**
Financial revenues		116	55	337	202
Financial expenses		262	93	547	212
Profit/ loss before tax		**-2,214**	**587**	**-6,599**	**-1,877**
Income tax		-	-	-	-
Net profit (loss) on continued operations		**-2,214**	**587**	**-6,599**	**-1,877**
Discontinued operations		**-**	**-**	**-**	**-**
Net profit (loss) on discontinued operations	,	-	-	-	-
Net profit (loss) on continued and discontinued operations		**-2,214**	**587**	**-6,599**	**-1,877**
Other comprehensive income		**-**	**-**	**-**	**-**
Total comprehensive income		**-2,214**	**587**	**-6,599**	**-1,877**
Net profit (loss) per share (in PLN)					
On continued operations					
Ordinary		-1.09	0.29	-3.25	-0.92
Diluted		-1.07	0.28	-3.18	-0.90
On continued and discontinued operations					
Ordinary		-1.09	0.29	-3.25	-0.92
Diluted		-1.07	0.28	-3.18	-0.90

number of shares to calculate ordinary profit (loss) per share		2,029,222	2,029,222	2,029,222	2,029,222
number of shares to calculate diluted profit (loss) per share *		2,077,870	2,077,870	2,077,870	2,077,870

* number of shares reflecting the conversion of convertible bonds into shares

4.3 Condensed standalone statement of changes in equity

STATEMENT OF CHANGES IN EQUITY PLN'000	Share capital	Supplementary capital	Reserve capital	Retained profit (loss carried forward)	Total
As at 1 January 2022	**203**	**8,129**	**3,926**	**-6,970**	**5,288**
Comprehensive income:	**-**	**-**	**-**	**-2,214**	**-2,214**
Profit (loss) after tax	-	-	-	-2,214	-2,214
Transactions with owners:	**-**	**-6,598**	**1,149**	**6,598**	**1,149**
Incentive scheme	-	-	1,149	-	1,149
Distribution of profit	-	-6,598	-	6,598	-
As at 30 September 2022	**203**	**1,531**	**5,075**	**-2,586**	**4,223**
As at 1 January 2021	**203**	**16,311**	**2,777**	**-8,554**	**10,737**
Comprehensive income:	**-**	**-**	**-**	**-4,722**	**-4,722**
Profit (loss) after tax	-	-	-	-4,722	-4,722
Transactions with owners:	**-**	**-8,182**	**1,149**	**8,182**	**1,050**
Incentive scheme	-	-	1,149	-	1,149
Distribution of profit	-	-8,182	-	8,182	-
As at 30 September 2021	**203**	**8,129**	**3,926**	**-5,094**	**7,164**

4.4 Condensed standalone statement of cash flows

STATEMENT OF CASH FLOWS PLN'000	1.01.2022 - 30.09.2022	1.07.2022 - 30.09.2022	1.01.2021 - 30.09.2021	1.07.2021 - 30.09.2021
Cash flows from operating activities				
Profit (loss) before tax	**-2,214**	**587**	**-6,599**	**-1,877**
Total adjustments:	**3,242**	**367**	**3,576**	**690**
Depreciation/amortization	700	267	270	116
FX gains (losses)	-86	-46	-156	-89
Interest and profit distributions (dividends)	108	57	-124	19
Profit (loss) on investing activities	146	32	465	-
Change in the balance of provisions	23	-103	125	18
Change in the balance of inventories	-179	168	-299	-8
Change in the balance of receivables	-548	-1,471	22	68
Change in short-term liabilities, except bank and other loans	697	657	520	117
Change in prepayments/accruals	1,232	806	1,604	449
Income tax paid	-	-	-	-
Other adjustments	1,149	-	1,149	-
Total cash flows from operating activities	**1,028**	**954**	**-3,023**	**-1,187**
Cash flows from investing activities				
Inflows	**271**	**1**	**-**	**-**
Disposal of tangible and intangible assets	169	-	-	-
Repayment of long-term loans	100	-	-	-
Interest on financial assets	2	1	-	-
Outflows	**1,920**	**707**	**2,540**	**653**
Acquisition of tangible and intangible fixed assets	1,835	707	2,187	653
Acquisition of financial assets	85	-	353	-
Long-term loans granted	-	-	-	-
Other investment outflows	-	-	-	-
Total cash flows from investing activities	**-1,649**	**-706**	**-2,540**	**-653**
Cash flows from financing activities				
Inflows	**-**	**-**	**-**	**-**
Contributions to capital	-	-	-	-
Bank and other loans	-	-	-	-
Issue of bonds	-	-	-	-
Outflows	**637**	**351**	**4**	**1**
Acquisition of own shares	-	-	-	-

Payment of dividend	-	-	-	-
Redemption of debt securities	221	221	-	-
Repayment of bank and other loans	-	-	-	-
Lease payments	363	96	-	-
Interest	53	34	4	1
Total cash flows from financing activities	**-637**	**-351**	**-4**	**-1**
Total cash flows from investing activities	**-1,258**	**-103**	**-5,567**	**-1,841**
Change in cash and cash equivalents:	**-1,232**	**-88**	**-5,569**	**-1,841**
– change in cash due to FX differences	-26	-15	2	-
Cash and cash equivalents at the beginning of the period	**4,477**	**3,322**	**10,298**	**6,571**
Cash and cash equivalents at the end of the period, including:	**3,219**	**3,219**	**4,730**	**4,730**
– restricted cash	-	-	-	

4.5 Notes

Note 1 Intangible assets

OTHER INTANGIBLE ASSETS PLN'000	30.09.2022	31.12.2021
Acquired concessions, patents, licenses and similar rights	6	15
Intellectual property rights	-	-
Completed development	2,490	2,766
In-process development expenditure	558	-
Total (net)	**3,054**	**2,781**
Previous write-off	**1,650**	**1,365**
Total (gross)	**4,704**	**4,146**

All intangible assets are the property of the Company; none of these assets are used based on any rental, lease or a similar contract. The intangible assets are not used as collateral. As at 30 September 2022, the Company did not have any agreements whereby it would be required to purchase any intangible assets. In 2022 and 2021, no impairment charges were posted for intangible assets.

Note 2. Significant acquisitions of tangible assets

SIGNIFICANT ACQUISITIONS OF TANGIBLE ASSETS PLN '000	01.01.2022 - 30.09.2022	01.01.2021 - 31.12.2021
XTPL printers	**61**	**145**
Computer sets	96	**66**
Confocal microscope	**258**	**400**
Pressure control system and other	**13**	**22**

Laser measuring system	144	-
Rheometer	162	-
Laboratory equipment (vacuum dryer, evaporator and centrifuge)	32	-
Server with software	-	130
Laboratory centrifuge	293	-
Office equipment	-	4
Total significant acquisitions	**1,074**	**767**

Note 3. Significant liabilities on account of purchase of tangible assets

In the reporting period, the Company did not incur any significant liabilities on account of purchase of tangible assets.

Note 4. Changes in the classification of financial assets as a result of a change in the purpose or use of these assets

In the reporting period no changes were made in the classification of financial assets.

Note 5. Impairment allowance for financial assets, tangible assets, intangible assets or other assets and reversal of the impairment allowance

Loan granted to the subsidiary.
Due to the results of the subsidiary XTPL Inc. as the Balance Sheet Date, the Management Board of XTPL S.A. assessed the value of the loans granted to the subsidiary in terms of impairment of assets. The Management Board is of the opinion that the probability of XTPL Inc. obtaining revenues as a result of a license agreement signed by the subsidiary in 2022 is low, and for this reason decided to create an impairment allowance for full value of the tranches paid out from 1 January 2022 to 30 September 2022, i.e. PLN 146 thousand.

Note 6. Long-term receivables

Long-term receivables	PLN'000	30 September 2022	31 December 2021
Loans granted		321	416
Security deposits		165	33
Shares		-	-
Total long-term receivables		**486**	**449**

Note 7. Write-down of inventories to their net recoverable amount and reversal of the write-down

In the reporting period no write-down for inventories was created or reversed.

Note 8. Change in the balance of provisions

CHANGE IN THE BALANCE OF PROVISIONS	PLN'000	01.01.2022 - 30.09.2022	01.01.2021 - 31.12.2021
Balance at the beginning of the period		**229**	**318**
increased/ created		105	150
utilization		-	-
release		109	239
Balance at the end of the period		**225**	**229**

In the reporting period, no provisions for restructuring costs were released.

Note 9. Transfers between individual fair value hierarchy levels in respect of financial instruments

In the reporting period no transfers took place between individual fair value hierarchy levels in respect of financial instruments.

Note 10. Fair value of the individual classes financial assets and liabilities

PLN'000	Category as per IFRS 9	Book value		Fair value	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
Financial assets					
Loans granted	WwgZK	321	416	321	416
Trade receivables	WwgZK	1,199	1,359	1,199	1,359
Other receivables	WwgZK	1,063	486	1,063	486
Cash and cash equivalents	WwWGpWF	3,241	4,473	3,241	4,473
Total		**5,824**	**6,734**	**5,824**	**6,734**
Financial liabilities					
Bond liabilities	PZFwgZK	3,110	3,270	3,110	3,270
Finance lease liabilities	PZFwgZK	598	355	598	355
Trade liabilities	PZFwgZK	1,173	1,093	1,173	1,093
Other liabilities	PZFwgZK	1,596	982	1,596	982
Total		**6,477**	**5,700**	**6,477**	**5,700**

Abbreviations used:
WwgZK – Measured at amortized cost
PZFwgZK – Other liabilities measured at amortised cost

WwWGpWF – Financial assets/ liabilities measured at fair value through profit or loss

Fair value of financial instruments that the Company held as at 30 September 2022 and 31 December 2021 was not materially different from the values presented in the financial statements. This is because:

– with regard to short-term instruments, the potential effect of the discount is not material;
– the instruments relate to the transactions concluded on market terms.

Bond liabilities were measured at fair value due to the fact that they represent complex financial instruments, as series A registered bonds are convertible into series U shares of the Company. At the initial recognition, the value of the complex financial instrument was assigned to equity and to liabilities.

Note 11. Explanations to the statement of cash flows

Presented below are explanations to selected items of the statement of cash flows.

Reconciliation of the profit-before-tax disclosed in the statement of cash flows

PLN'000	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
PBT presented in the statement of comprehensive income	-2,214	**-6,599**
PBT presented in the statement of cash flows	-2,214	**-6,599**

INTEREST AND DIVIDENDS IN THE STATEMENT OF CASH FLOWS	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Realized interest on financing activities	53	**4**
Realized interest on investing activities	-2	**-**
Unrealized interest on financing activities	61	**-182**
Unrealized interest on investing activities	-4	**54**
Total interest and dividends:	**108**	**-124**

CHANGE IN THE BALANCE OF RECEIVABLES	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Change in the balance of trade receivables	160	**-11**
Other receivables	-708	**33**

Total change in the balance of receivables	**-548**	**22**

CHANGE IN THE BALANCE OF LIABILITIES	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Change in the balance of trade liabilities	81	**379**
Other liabilities	616	**141**
Total change in the balance of liabilities:	**697**	**520**

Cash and cash equivalents at the end of the period	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Statement of cash flows	3,219	**4,730**
Statement of financial position	3,241	**4,730**

The amount presented in the statement of cash flows as "other adjustments" refers to the cost of remuneration included in the statement of comprehensive income in respect of the valuation of the incentive scheme (PLN 1,149 thousand).

In the statement of cash flows the Company recognizes inflows and expenses related to received grants to its operating activities.

Note 12. Net revenue from sales

NET REVENUE FROM SALES	PLN'000	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Revenue from research and development services		4,582	-
Revenue from the sale of products		2,054	65
Revenue from grants		1,882	624
Total net revenue from sales		**8,518**	**689**

Note 13. Grants

Inflows from grants	PLN'000	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
– to operations		1 882	624
– to assets		-	-
Total inflows from grants		**1 882**	**624**

The note presents proceeds from the reimbursement of costs incurred. In addition, the Company recorded proceeds from advance payments and grants to assets of PLN 1,160 thousand, recognized under accruals.

Note 14. Operating costs

OPERATING COSTS	PLN '000	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Depreciation/ amortization, including		701	359
– depreciation of tangible assets		432	346
– amortization of intangible assets		269	13
Use of raw materials and consumables		1,307	780
External services		3,048	2 560
Cost of employee benefits		4,530	3,900
Taxes and charges		128	51
Other costs by type		428	81
Value of goods and materials sold		443	-
Total costs by type, including:		**10,585**	**7,731**
Items reported as research and development costs		4,515	2,808
Items reported as cost of finished goods sold		409	-
Items reported as general and administrative expenses		5,661	4,834
Change in finished goods			-
Cost of producing services for internal needs of the entity		-	89

Recognition of costs related to the valuation of the incentive scheme in the total amount of PLN 1,149 thousand (PLN 345 thousand recognized in the cost of research & development, and PLN 804 thousand in general and administrative expenses) has no impact on the Company's assets or financial position, or its ability to service its obligations. The scheme's costs are a non-cash in nature, and reflect the value of shares transferred (net of their purchase price paid by scheme participants). This transaction did not cause any changes in the measurement of assets, the level of equity or the Company's ability to generate revenues in the future. The shares transferred also did not cause additional dilution of the existing stock as they had been issued in the first half of 2017 (and were intended for the incentive scheme).

Note 15. Related party transactions

01.01.2022 - 30.09.2022	PLN'000	to associates	to joint ventures	to key management personnel*	to other related entities **
Purchase of services		-	-	-	180
Loans granted		85	-	-	-
Financial expenses – interest on loans		61	-	-	-

01.01.2021 - 30.09.2021		to	to		

PLN'000	associates	joint ventures	to key management personnel*	to other related entities **
Purchase of services	-	-	-	180
Loans granted	352	-	-	-
Financial expenses – interest on loans	182	-	-	-

** the item includes persons who have the authority and responsibility for planning, managing and controlling the company's activities*

*** the item includes entities linked through key management*

Sales to and purchases from related parties are made on an arm's length basis. Any overdue liabilities/ receivables existing at the end of the period are interest-free and settled on cash or non-cash basis. The Company does not charge late interest from other related entities. Receivables from or liabilities to related parties are not covered by any guarantees given or received. They are not secured in any other way either. In the Reporting Period, the Company created an impairment allowance for a loan granted to the related party, covering the principal amount and interest. In each financial year, an assessment is carried out which involves examining the financial position of the related party and the market in which it operates.

Note 16. Deferred tax

Deferred tax liability caused by positive temporary differences	Statement of financial position as at		Impact on the statement of comprehensive income
	30.09.2022	31.12.2021	01.01.2022 - 30.09.2022
In respect of:			
Interest on loans and deposits	1	13	12
Leased fixed assets	164	13	-151
Loan valuation	6	-	-6
Total deferred tax liability	**171**	**26**	-145
Set-off with deferred tax assets	-171	-26	-145
Net deferred tax liability	-	-	-

Deferred income tax assets due to negative temporary differences	Statement of financial position as at		Impact on the statement of comprehensive income
	30.09.2022	31.12.2021	01.01.2022 - 30.09.2022
Due to differences between the tax value and the carrying amount:			

Provisions for payroll and similar costs (including bonuses, jubilee awards, non-staff expenses)	-	-	-
Accruals for unused annual leaves	42	26	16
Provision for the cost external services	-	-	-
Total deferred tax assets	**42**	**26**	**16**
Set-off with a deferred tax liability	-42	-26	-16
Net deferred tax assets	**-**	**-**	**-**

Note 17. Objectives and rules of financial risk management

The Company is exposed to risk in each area of its operations. With understanding of the threats that originate through the Company's exposure to risk and the rules for managing these threats the Company can run its operations more effectively.

Financial risk management includes the processes of identification, assessment, measurement and management of this risk. The main financial risks to which the Company is exposed include:
Market risks:
• The risk of changes in market prices (price risk)
• The risk of changes in foreign exchange rates (currency risk)
• The risk of changes in interest rates (interest rate risk)
• Liquidity risk
• Credit risk.
The risk management process is supported by appropriate policies, organisational structure and procedures.

MARKET RISK

The company actively manages the market risk to which it is exposed. The objectives of the market risk management process are to:
• limit the volatility of pre-tax profit/loss
• increase the probability of achievement of the budget plan
• maintain the Company in good financial condition
• support the strategic decision-making process in the area of investment activity taking into account the sources of investment financing; all market risk management objectives should be considered jointly, and their achievement is primarily dependent on the Company’s internal situation and market conditions.

PRICE RISK

In the period from January to September 2022, the Company did not invest in any debt instruments and, therefore, is not exposed to any price risk.

CURRENCY RISK

The Company is exposed to currency risk in respect of the transactions it concludes. Such risk arises when the Company makes purchases in currencies other than the valuation currency.

INTEREST RATE RISK

Deposit transactions are made with institutions with a strong and stable market position. The instruments used – short-term, fixed-rate transactions – ensure full security. The Company used no loans in the period from January to September 2022.

LIQUIDITY RISK

The company monitors the risk of a lack of funds using the periodic liquidity planning tool. This tool takes into account the maturity dates of both investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operating activities.
The Company seeks to maintain a balance between continuity and flexibility of financing by using different sources of financing, such as finance leases.
The Company is exposed to financing risk due to the possibility that it in the future it will not receive sufficient cash to fund commercialisation of its research and development projects.

CREDIT RISK

In order to mitigate the credit risk related to cash and cash equivalents deposited in banks, loans granted, deposits paid in respect of rental contracts and performance security as well as trade credit, the Company:

- cooperates with banks and financial institutions with a known financial position and established reputation
- analyzes the financial position of its counterparties based on publicly available data as well as through business intelligence agencies
- in the event of a customer's insolvency risk, the Company secures its receipts through bank guarantees or corporate guarantees.

Note 18. Material settlements on account of court cases

At the reporting date there are no court proceedings pending whose value would be considered material. Furthermore, in the period covered by the interim report no material settlements were made on account of court cases.

Note 19. Information about changes in the economic position and operating conditions which might have a material impact on the fair value of the Company's financial assets and liabilities, whether those assets and liabilities are recognized at fair value or at adjusted purchase price (amortized cost)

In the period from 1 January 2022 to September 2022, no significant changes were identified in the economic position or operating conditions which would have a material impact on the fair value of the Company's financial assets and liabilities.

Note 20. Information about changes in contingent liabilities and contingent assets and non-disclosed liabilities arising from contracts in relation to the last reporting period

Contingent liabilities granted by the Parent Company were in the form of promissory notes together with promissory note declarations to secure the contracts for co-financing projects financed by the EU as well as a bank loan agreement.
The change in the value of contingent liabilities in relation 31 December 2022 amounts to PLN 3,042 thousand. It is caused by the payment of the next tranches of subsidies and advances. At the Balance Sheet Date and until the date of approval of the financial statements for publication, no events occurred that could result in materialisation of the above contingent liabilities. As at the date of approval of the financial statements there were no undisclosed liabilities resulting from any agreements of material value.

CONTINGENT LIABILITIES	30.09.2022 PLN'000	31.12.2021 PLN'000
Promissory notes	16,251	13,209
Total contingent liabilities	**16,251**	**13,209**

Note 21. Incentive scheme

In the Reporting Period, in the statement of comprehensive income the Company recognized the cost of the incentive scheme for employees and collaborators based on the Parent Company's shares. The date of recognition of costs was the moment when the persons covered by the scheme were offered the purchase of the shares. The cost of the scheme (fair value of the shares issued) was estimated at PLN 1,149 thousand and was fully taken to the profit or loss of the current period.
Recognition of the scheme's costs of PLN 1,149 thousand has no impact on the Company's assets or financial position, or its ability to service its obligations. The scheme's costs are a non-cash in nature, and reflect the value of shares transferred (net of their purchase price paid by scheme participants). This transaction did not cause any changes in the measurement of assets, the level of equity or the company's ability to generate revenues in the future. The shares transferred also did not cause additional dilution of the existing stock as they had been issued in the first half of 2017 (and were intended for the incentive scheme).

Note 22. Information about seasonality of business and cycles

The Company's activity is not subject to seasonality or business cycles.

Note 23. Extraordinary factors which occurred in the reporting period with an indication of their impact on the financial statements

In the reporting period, no extraordinary events occurred that would affect the financial statements.

Note 24. Information on issue, redemption and repayment of debt and equity securities

In the reporting period no events took place in connection with an issue, redemption or repayment of debt or equity securities.

Note 25. Dividend paid or declared, in total and per share, with a division into ordinary and preference shares

In the reporting period the Company did not pay or declare any dividends.

Note 26. Operating segments

SEGMENT	01.01.2022 - 30.09.2022 PLN'000	01.01.2021 - 30.09.2021 PLN'000
Nanoinks	163	45
Research and development services	4,582	7
Printers	1,891	161
TOTAL	**6,636**	**213**

Note 27. Information on default on any bank and other loans or a breach of material provisions of bank and other loan agreements where no remedial actions have been taken before the end of the reporting period

No such events occurred in the reporting period.

Note 28. Effect of application of new accounting standards and changes in accounting policy

The accounting policies that were used in preparation of these financial statements for the third quarter of 2022 are consistent with the policies used in preparation of the Company's financial statements for 2021. The same policies were applied for the current and comparative period. Detailed description of the accounting principles adopted by XTPL S.A. and XTPL Group was presented in the annual financial statements for 2021.

Note 29. Types and amounts of changes in estimates presented in prior interim periods of the present financial year or changes to estimates presented in prior financial years

In the reporting period no changes in estimates were made.

Note 30. Correction of errors from previous periods

As at the Balance Sheet Date, no corrections were made on account of errors from previous periods.

Note 31. Date of approval of the financial statements for publication

This financial information for the period from 1 January 2022 to 30 September 2022 was approved for publication by the Company's Management Board on 22 November 2022.

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Condensed consolidated financial statements

5 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5.1 Condensed consolidated statement of financial position

ASSETS PLN'000	NOTE	30.09.2022	31.12.2021
Non-current assets		**7,134**	**5,429**
Property, plant and equipment		3,914	2,615
Intangible assets		3,054	2,781
Long-term receivables		166	33
Current assets		**6,553**	**7,117**
Inventories		739	560
Trade receivables		1,209	1,369
Other receivables		1,063	486
Cash and cash equivalents		3,358	4,580
Other assets		184	122
Total assets		**13 687**	**12,546**

LIABILITIES PLN'000	NOTE	30.09.2022	31.12.2021
Total equity		**4,017**	**4,983**
Share capital		203	203
Supplementary capital		1,531	8,129
Own shares		-7	-8
Reserve capital		4,199	3,050
FX differences arising on translation		83	70
Retained profit (loss carried forward)		-1,992	-6,461
Profit (loss) for the current period		*-2,128*	*-6,598*
Long-term liabilities		**5,771**	**1,616**
Long-term financial liabilities		3,436	242
Deferred income in respect of grants		2,335	1,374
Short-term liabilities		**3,899**	**5,947**
Trade liabilities		1,180	1,116
Short-term financial liabilities		271	3,383
Other liabilities		1,596	983
Deferred income in respect of grants		852	465
Total equity and liabilities		**13,687**	**12,546**

5.2 Condensed consolidated statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME PLN'000	NOTE	1.01.2022 - 30.09.2022	1.07.2022 - 30.09.2022	1.01.2022 - 30.09.2022	1.07.2021 - 30.09.2021
Continued operations					
Revenue from sales	12	**8,518**	**3,732**	**1,252**	**504**
Revenue from the sale of products and services	26	6,636	3,666	213	70
Revenue from grants	13	1,882	66	1,039	434
Cost of sales		**4,924**	**1,549**	**2,808**	**1,121**
Research and development expenses	14	4,515	1,371	2,808	1,121
Cost of finished goods sold		409	178	-	-
Gross profit (loss)		**3,594**	**2,183**	**-1,556**	**-617**
General and administrative expenses	14	5,636	1,549	4,819	1,288
Other operating income		-	-	1	-
Other operating costs		1	-	-	-
Operating profit (loss)		**-2,043**	**634**	**-6,374**	**-1,905**
Financial revenues		52	22	156	139
Financial expenses		117	60	263	67
Profit/ loss before tax		**-2,108**	**596**	**-6,481**	**-1,833**
Income tax		20	-	4	-
Net profit (loss) on continued operations		**-2,128**	**596**	**-6,485**	**-1,833**
Discontinued operations		**-**	**-**	**-**	**-**
Net profit (loss) on discontinued operations		-	-	-	-
Net profit (loss) on continued and discontinued operations		**-2,128**	**596**	**-6,485**	**-1,833**
Profit (loss) attributable to non-controlling interests		-	-	-	-
Profit (loss) attributable to shareholders of the parent		-2,128	596	-6,485	-1,833
Other comprehensive income		**13**	**7**	**-40**	**-41**
Items that can be transferred to profit or loss in subsequent reporting periods		**13**	**7**	**-40**	**-41**
FX differences arising on conversion of foreign affiliates		13	7	-40	-41
Items that will not be transferred to profit or loss in subsequent periods		**-**	**-**	**-**	**-**
Total comprehensive income		**-2,115**	**603**	**-6,525**	**-1,872**

Total comprehensive income attributable to non-controlling shareholders		-	-	-	-
Total comprehensive income attributable to the parent company		-2,115	603	-6,525	-1,872
Net profit (loss) per share (in PLN)					
On continued operations					
Ordinary		-1.05	0.29	-3.20	-0.90
Diluted		-1.02	0.29	-3.12	-0.88
On continued and discontinued operations					
Ordinary		-1.05	0.29	-3.20	-0.90
Diluted		-1.02	0.29	-3.12	-0.88
number of shares to calculate ordinary profit (loss) per share		2,029,222	2,029,222	2,029,222	2,029,222
number of shares to calculate diluted profit (loss) per share *		2,077,870	2,077,870	2,077,870	2,077,870

* number of shares reflecting the conversion of convertible bonds into shares

5.3 Condensed consolidated statement of changes in equity

STATEMENT OF CHANGES IN EQUITY	Share capital	Supplementary capital	Own shares	Reserve capital	FX differences arising on translation	Retained profit (loss carried forward)	Non-controlling interests	Total
As at 1 January 2022	**203**	**8,129**	**-8**	**3,050**	**70**	**-6,461**	**-**	**4,983**
Comprehensive income:	**-**	**-**	**1**	**-**	**13**	**-2,129**	**-**	**-2,115**
Profit (loss) after tax	-	-	-	-	-	-2,129	-	-2,129
Other comprehensive income	-	-	1	-	13	-	-	14
Transactions with owners:	**-**	**-6,598**	**-**	**1,149**	**-**	**6,598**	**-**	**1,149**
Issue of shares	-	-	-	-	-	-	-	-
Incentive scheme	-	-	-	1,149	-	-	-	1,149
Distribution of profit	-	-6,598	-	-	-	6,598	-	-
As at 30 September 2022	**203**	**1,531**	**-7**	**4,199**	**83**	**-1,992**	**-**	**4,017**
As at 1 January 2021	**203**	**16,311**	**-8**	**1,901**	**48**	**-8,070**	**-**	**10,386**
Comprehensive income:	**-**	**-**	**-**	**-**	**1**	**-4,652**	**-**	**-4,651**
Profit (loss) after tax	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	1	-	-	1

Transactions with owners:	**-**	**-8,182**	**-**	**1,149**	**-**	**8,182**	**-**	**1,149**
Issue of shares	-	-	-	-	-	-	-	-
Incentive scheme	-	-	-	1,149	-	-	-	1,149
Distribution of profit	-	-8,182	-	-	-	8,182	-	-
As at 30 September 2021	**203**	**8,129**	**-8**	**3,050**	**49**	**-4,540**	**-**	**6,883**

5.4 Condensed consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS PLN'000	1.01.2022 - 30.09.2022	1.07.2022 - 30.09.2022	1.01.2021 - 30.09.2021	1.07.2021 - 30.09.2021
Cash flows from operating activities				
Profit (loss) before tax	**-2,108**	**596**	**-6,481**	**-1,833**
Total adjustments:	**3,183**	**342**	**3,328**	**733**
Depreciation/amortization	700	267	270	116
Write-off of goodwill	-	-	-	-
FX gains (losses)	-13	-8	-87	-89
Interest and profit distributions (dividends)	113	60	58	19
Profit (loss) on investing activities	-	-	-	-
Change in the balance of provisions	-4	130	125	18
Change in the balance of inventories	179	168	-299	-8
Change in the balance of receivables	-549	-1,472	12	68
Change in short-term liabilities, except bank and other loans	681	658	510	160
Change in prepayments/accruals	1,285	799	1,590	449
Income tax paid	20	-	-	-
Other adjustments	1,149	-	1,149	-
Total cash flows from operating activities	**1,055**	**938**	**-3,153**	**-1,100**
Cash flows from investing activities				
Inflows	**171**	**1**	**-**	**-**
Disposal of tangible and intangible assets	169	-	-	-
Repayment of long-term loans	-	-	-	-
Interest on financial assets	2	1	-	-
Other investment inflows	-	-	-	-
Outflows	**1,835**	**708**	**2,187**	**653**
Acquisition of tangible and intangible fixed assets	1,835	708	2,187	653
Acquisition of financial assets	-	-	-	-
Long-term loans granted	-	-	-	-
Other investment outflows	-	-	-	-

Total cash flows from investing activities	**-1,664**	**-707**	**-2,187**	**-653**
Cash flows from financing activities				
Inflows	**-**	**-**	**-**	**-**
Contributions to capital	-	-	-	-
Bank and other loans	-	-	-	-
Issue of bonds	-	-	-	-
Outflows	**637**	**351**	**320**	**1**
Acquisition of own shares	-	-	-	-
Payment of dividend	-	-	-	-
Redemption of debt securities	221	221	-	-
Repayment of bank and other loans	-	-	316	-
Finance lease payments	363	96	-	-
Interest	53	34	4	1
Total cash flows from financing activities	**-637**	**-351**	**-320**	**-1**
Total cash flows from investing activities	**-1,246**	**-120**	**-5,660**	**-1,754**
Change in cash and cash equivalents:	**-1,221**	**-106**	**-5,661**	**-1,754**
– change in cash due to FX differences	-25	-14	-1	-
Cash and cash equivalents at the beginning of the period	**4,583**	**3,457**	**10,477**	**6,571**
Cash and cash equivalents at the end of the period, including:	**3,337**	**3,337**	**4,817**	**4,817**
– restricted cash	–	-	-	–

5.5 Notes

Note 1 Intangible assets

OTHER INTANGIBLE ASSETS	PLN'000	30.09.2022	31.12.2021
Acquired concessions, patents, licenses and similar rights		9	15
Intellectual property rights		–	–
Completed development		2,582	2,766
In-process development expenditure		266	–
Total (net)		**2,857**	**2,781**
Previous write-off		***1,555***	***1,365***
Total (gross)		**4,412**	**4,146**

All intangible assets are the property of the Group; none of these assets are used based on any rental, lease or a similar contract. The intangible assets are not used as collateral. As at 30 June 2022, the Group did not have any agreements whereby it would be required to purchase any intangible assets. In 2022 and 2021, no impairment charges were posted for intangible assets.

Note 2. Significant acquisitions of tangible assets

SIGNIFICANT ACQUISITIONS OF TANGIBLE ASSETS	PLN '000	01.01.2022 - 30.09.2022	01.01.2021 - 31.12.2021
XTPL printers		61	145
Computer sets		96	66
Confocal microscope		258	400
Pressure control system and other		13	22
Laser measuring system		144	-
Rheometer		162	-
Laboratory equipment (vacuum dryer, evaporator and centrifuge)		32	-
Server with software		-	130
Laboratory centrifuge		293	-
Office equipment		-	4
Total significant acquisitions		**1,074**	**767**

Note 3. Significant liabilities on account of purchase of tangible assets

In the reporting period, the Group did not incur any significant liabilities on account of purchase of tangible assets.

Note 4. Changes in the classification of financial assets as a result of a change in the purpose or use of these assets

In the reporting period no changes were made in the classification of financial assets.

Note 5. Impairment allowance for financial assets, tangible assets, intangible assets or other assets and reversal of the impairment allowance

In the reporting period, the Group did not recognize any impairment allowances on non-current assets.

Note 6. Long-term receivables

Long-term receivables	PLN'000	30 September 2022	31 December 2021
Loans granted		–	–
Security deposits		166	33
Shares		–	–

Total long-term receivables	**166**	**33**

Note 7. Write-down of inventories to their net recoverable amount and reversal of the write-down

In the reporting period no write-down for inventories was created or reversed.

Note 8. Change in the balance of provisions

CHANGE IN THE BALANCE OF PROVISIONS	PLN'000	01.01.2022 - 30.09.2022	01.01.2021 - 31.12.2021
Balance at the beginning of the period		**229**	**318**
increased/ created		105	150
utilization		-	-
release		109	239
Balance at the end of the period		**225**	**229**

In the reporting period, no provisions for restructuring costs were released.

Note 9. Transfers between individual fair value hierarchy levels in respect of financial instruments

In the reporting period no transfers took place between individual fair value hierarchy levels in respect of financial instruments.

Note 10. Fair value of the individual classes financial assets and liabilities

PLN'000	Category as per IFRS 9	Book value		Fair value	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
Financial assets					
Loans granted	WwgZK	-	-	-	-
Trade receivables	WwgZK	1,209	**1,369**	1,209	**1,369**
Other receivables	WwgZK	1,063	**486**	1,063	**486**
Cash and cash equivalents	WwWGpWF	3,358	**4,580**	3,358	**4,580**
Total		**5,630**	**6,435**	**5,630**	**6,435**
Financial liabilities					
Interest bearing bank and other loans	PZFwgZK	-	-	-	-
Finance lease liabilities	PZFwgZK	597	355	597	355
Bond liabilities	PZFwgZK	3,110	**3,270**	3,110	**3,270**

Trade liabilities	PZFwgZK	1,180	**1,116**	1,180	**1,116**
Other liabilities	PZFwgZK	1,596	**983**	1,596	**983**
Total		**6,483**	**5,722**	**6,483**	**5,722**

Abbreviations used:
WwgZK – Measured at amortized cost
PZFwgZK – Other liabilities measured at amortised cost
WwWGpWF – Financial assets/ liabilities measured at fair value through profit or loss

Fair value of financial instruments that the Group held as at 30 September 2021 and 31 December 2020 was not materially different from the values presented in the financial statements. This is because:
– with regard to short-term instruments, the potential effect of the discount is not material;
– the instruments relate to the transactions concluded on market terms.

Bond liabilities were measured at fair value due to the fact that they represent complex financial instruments, as series A registered bonds are convertible into series U shares of the Parent Company. At the initial recognition, the value of the complex financial instrument was assigned to equity and to liabilities.

Note 11. Explanations to the statement of cash flows

Presented below are explanations to selected items of the statement of cash flows.

Reconciliation of the profit-before-tax disclosed in the statement of cash flows

	PLN'000	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
PBT presented in the statement of comprehensive income		-2,108	-6,481
PBT presented in the statement of cash flows		-2,108	-6,481

INTEREST AND DIVIDENDS IN THE STATEMENT OF CASH FLOWS	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Realized interest on financing activities	53	4
Realized interest on investing activities	-2	-
Unrealized interest on financing activities	62	-
Unrealized interest on investing activities	-	54
Total interest and dividends:	**113**	**58**

CHANGE IN THE BALANCE OF RECEIVABLES	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Change in the balance of trade receivables	160	-21
Other receivables	-709	33
Total change in the balance of receivables	**-549**	**12**

CHANGE IN THE BALANCE OF LIABILITIES	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Change in the balance of trade liabilities	64	369
Other liabilities	617	141
Total change in the balance of liabilities:	**681**	**510**

Cash and cash equivalents at the end of the period	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Statement of cash flows	3,337	4,817
Statement of financial position	3,358	4,817

The amount presented in the statement of cash flows as "other adjustments" refers to the cost of remuneration included in the statement of comprehensive income in respect of the valuation of the incentive scheme (PLN 1,149 thousand).

In its statement of cash flows the Group recognizes inflows and expenses related to received grants to its operating activities.

Note 12. Net revenue from sales

NET REVENUE FROM SALES	PLN'000	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Revenue from research and development services		4,582	-
Revenue from the sale of products		2,054	65
Revenue from grants		1,882	624
Total net revenue from sales		**8,518**	**689**

Note 13. Grants

Inflows from grants	PLN'000

	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
– to operations	1,882	624
– to assets	-	-
Total inflows from grants	**1,882**	**624**

The note presents proceeds from the reimbursement of costs incurred. In addition, the Company recorded proceeds from advance payments and grants to assets of PLN 1,160 thousand, recognized under accruals.

Note 14. Operating costs

OPERATING COSTS	PLN '000	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Depreciation/ amortization, including		700	359
– depreciation of tangible assets		432	346
– amortization of intangible assets		269	13
Use of raw materials and consumables		1,307	780
External services		3,152	2,691
Cost of employee benefits		4,530	3,900
Taxes and charges		136	56
Other costs by type		430	111
Value of goods and materials sold		443	-
Total costs by type, including:		**10,669**	**7,897**
Items reported as research and development costs		4,515	2,808
Items reported as cost of finished goods sold		409	-
Items reported as general and administrative expenses		5,775	5,000
Cost of producing services for internal needs of the entity		-	89

Items reported as cost of finished goods sold

Recognition of the costs related to the valuation of the incentive scheme in the total amount of PLN 1,149 thousand (PLN 345 thousand recognized in the cost of research & development, and PLN 804 thousand in general and administrative expenses) has no impact on the Group's assets or financial position, or its ability to service its obligations. The scheme's costs are a non-cash in nature, and reflect the value of shares transferred (net of their purchase price paid by scheme participants). This transaction did not cause any changes in the measurement of assets, the level of equity or the Group's ability to generate revenues in the future. The shares transferred also did not cause additional dilution of the existing stock as they had been issued in the first half of 2017 (and were intended for the incentive scheme).

Note 15. Related party transactions

01.01.2022 - 30.09.2022	to	to	

	PLN'000	associates	joint ventures	to key management personnel*	to other related entities **
Purchase of services		–	–	–	–
Loans granted		–	–	–	–
Financial expenses – interest on loans		–	–	–	–

01.01.2021 - 30.09.2021	PLN'000	to associates	to joint ventures	to key management personnel*	to other related entities **
Purchase of services		–	–	–	–
Loans granted		–	–	–	–
Financial expenses – interest on loans		–	–	–	–

** the item includes persons who have the authority and responsibility for planning, managing and controlling the company's activities*

*** the item includes entities linked through key management*

Sales to and purchases from related parties are made on an arm's length basis. Any overdue liabilities/ receivables existing at the end of the period are interest-free and settled on cash or non-cash basis. The Parent Company does not charge late interest from other related entities. Receivables from or liabilities to related parties are not covered by any guarantees given or received. They are not secured in any other way either.

Note 16. Deferred tax

Deferred tax liability caused by positive temporary differences	Statement of financial position as at		Impact on the statement of comprehensive income
	30.09.2022	31.12.2021	01.01.2022 - 30.09.2022
In respect of:			
Interest on loans and deposits	1	13	12
Leased fixed assets	164	13	-151
Loan valuation	6	-	-6
Total deferred tax liability	**171**	**26**	-145
Set-off with deferred tax assets	-171	-26	-145
Net deferred tax liability	-	-	-

Deferred income tax assets due to negative temporary differences	Statement of financial position as at		Impact on the statement of comprehensive income
	30.09.2022	31.12.2021	01.01.2022 - 30.09.2022
Due to differences between the tax value and the carrying amount:			
Provisions for payroll and similar costs (including bonuses, jubilee awards, non-staff expenses)	-	-	-
Accruals for unused annual leaves	42	26	16
Provision for the cost external services	-	-	-
Total deferred tax assets	**42**	**26**	**16**
Set-off with a deferred tax liability	-42	-26	-16
Net deferred tax assets	**-**	**-**	**-**

Note 17. Objectives and rules of financial risk management

The Group is exposed to risk in each area of its operations. With understanding of the threats that originate through the Company's exposure to risk and the rules for managing these threats the Group can run its operations more effectively.

Financial risk management includes the processes of identification, assessment, measurement and management of this risk. The main financial risks to which the Group is exposed include:
Market risks:
• The risk of changes in market prices (price risk)
• The risk of changes in foreign exchange rates (currency risk)
• The risk of changes in interest rates (interest rate risk)
• Liquidity risk
• Credit risk.
The risk management process is supported by appropriate policies, organisational structure and procedures.

MARKET RISK

The Group actively manages the market risk to which it is exposed. The objectives of the market risk management process are to:
• limit the volatility of pre-tax profit/loss
• increase the probability of achievement of the budget plan
• maintain the Group in good financial condition

• support the strategic decision-making process in the area of investment activity taking into account the sources of investment financing; all market risk management objectives should be considered jointly, and their achievement is primarily dependent on the Group's internal situation and market conditions.

PRICE RISK

In the period from January to September 2022, the Group did not invest in any debt instruments and, therefore, is not exposed to any price risk.

CURRENCY RISK

The Group is exposed to currency risk in respect of the transactions it concludes. Such risk arises when the Company makes purchases in currencies other than the valuation currency.

INTEREST RATE RISK

Deposit transactions are made with institutions with a strong and stable market position. The instruments used – short-term, fixed-rate transactions – ensure full security. The Group used no loans in the period from January to September 2022.

LIQUIDITY RISK

The Group monitors the risk of a lack of funds using the periodic liquidity planning tool. This tool takes into account the maturity dates of both investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operating activities.
The Group seeks to maintain a balance between continuity and flexibility of financing by using different sources of financing, such as finance leases.
The Group is exposed to financing risk due to the possibility that it in the future it will not receive sufficient cash to fund commercialization of its research and development projects.

CREDIT RISK

In order to mitigate the credit risk related to cash and cash equivalents deposited in banks, loans granted, deposits paid in respect of rental contracts and performance security as well as trade credit, the Group:

• cooperates with banks and financial institutions with a known financial position and established reputation
• analyzes the financial position of its counterparties based on publicly available data as well as through business intelligence agencies
• in the event of a customer's insolvency risk, the Group secures its receipts through bank guarantees or corporate guarantees.

Note 18. Material settlements on account of court cases

At the reporting date there are no court proceedings pending whose value would be considered material. Furthermore, in the period covered by the interim report no material settlements were made on account of court cases.

Note 19. Information about changes in the economic position and operating conditions which might have a material impact on the fair value of the Company's financial assets and liabilities, whether those assets and liabilities are recognized at fair value or at adjusted purchase price (amortized cost)

In the period from 1 January 2022 to 30 September 2022, no significant changes were identified in the economic position or operating conditions which would have a material impact on the fair value of the Group's financial assets and liabilities.

Note 20. Information about changes in contingent liabilities and contingent assets and non-disclosed liabilities arising from contracts in relation to the last reporting period

Contingent liabilities granted by the Parent Company were in the form of promissory notes together with promissory note declarations to secure the contracts for co-financing projects financed by the EU as well as a bank loan agreement.
The change in the value of contingent liabilities in relation 31 December 2022 amounts to PLN 3,042 thousand. It is caused by the payment of the next tranches of subsidies and advances. At the Balance Sheet Date and until the date of approval of the financial statements for publication, no events occurred that could result in materialisation of the above contingent liabilities. As at the date of approval of the financial statements there were no undisclosed liabilities resulting from any agreements of material value.

CONTINGENT LIABILITIES	30.09.2022 PLN'000	31.12.2021 PLN'000
Promissory notes	16,251	13,209
Total contingent liabilities	**16,251**	**13,209**

Note 21. Incentive scheme

In the Reporting Period, in the statement of comprehensive income the Group recognized the cost the incentive scheme for employees and collaborators based on the Parent Company's shares. The date of recognition of costs was the moment when the persons covered by the scheme were offered the purchase of the shares. The cost of the scheme (fair value of the shares issued) was estimated at PLN 1,149 thousand and was fully taken to the profit or loss of the current period.
Recognition of the scheme's costs of PLN 1,149 thousand has no impact on the Group's assets or financial position, or its ability to service its obligations. The scheme's costs are a non-cash in nature, and reflect the value of shares transferred (net of their purchase price paid by scheme participants). This transaction did not cause any changes in the measurement of assets, the level of equity or the company's ability to generate revenues in the future. The shares transferred also did not cause additional dilution of the existing stock as they had been issued in the first half of 2017 (and were intended for the incentive scheme).

Note 22. Information about seasonality of business and cycles

The Group's activity is not subject to seasonality or business cycles.

Note 23. Extraordinary factors which occurred in the reporting period with an indication of their impact on the financial statements

In the reporting period, no extraordinary events occurred that would affect the financial statements.

Note 24. Information on issue, redemption and repayment of debt and equity securities

In the reporting period no events took place in connection with an issue, redemption or repayment of debt or equity securities.

Note 25. Dividend paid or declared, in total and per share, with a division into ordinary and preference shares

In the reporting period the Group did not pay or declare any dividends.

Note 26. Operating segments

SEGMENT	01.01.2022 - 30.09.2022 PLN'000	01.01.2021 - 30.09.2021 PLN'000
Nanoinks	163	45
Research and development services	4,582	7
Printers	1,891	161
TOTAL	**6,636**	**213**

Note 27. Information on default on any bank and other loans or a breach of material provisions of bank and other loan agreements where no remedial actions have been taken before the end of the reporting period

No such events occurred in the reporting period.

Note 28. Effect of application of new accounting standards and changes in accounting policy

The accounting policies that were used in preparation of these financial statements for the third quarter of 2022 are consistent with the policies used in preparation of the Company's financial statements for 2021. The same policies were applied for the current and comparative period. Detailed description of the accounting principles adopted by XTPL S.A. and XTPL Group was presented in the annual financial statements for 2021.

Note 29. Types and amounts of changes in estimates presented in prior interim periods of the present financial year or changes to estimates presented in prior financial years

In the reporting period no changes in estimates were made.

Note 30. Correction of errors from previous periods

As at the Balance Sheet Date, no corrections were made on account of errors from previous periods.

Note 31. Date of approval of the financial statements for publication

This financial report for the period from 1 January 2022 to 30 September 2022 was approved for publication by the Parent Company's Management Board on 22 November 2022.

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shaping global nanofuture

Management Board's statements

6 MANAGEMENT BOARD'S STATEMENTS

6.1 Statement of assurance

The Management Board of XTPL S.A. declares that to the best of its knowledge the quarterly condensed financial statements and the comparable data have been prepared in accordance with the applicable accounting policies and give a true, fair and clear view of the assets, financial position and profit or loss of the Issuer. The Issuer's quarterly Management Report gives a true view of development, achievements and the situation of the Issuer, including a description of key threats and risks.

6.2 Approval for publication

This quarterly report for the third quarter of 2022 ended 30 September 2022 was approved for publication by the Issuer's Management Board on 22 November 2022.

Signature of the Management Board:

Filip Granek
Prezes Zarządu

Jacek Olszański
Członek Zarządu