

Opinion of the Management Board of XTPL S.A., a joint stock company with its registered office in Wrocław dated 11 May 2020 justifying the reasons for depriving the Company's shareholders of all their preemptive rights to the newly issued series T shares, and the method of determining the issue price of the series T shares and the reasons for depriving the Company's shareholders of all their preemptive rights to subscribe for the bonds convertible into series U shares, and series U shares, and the method of determining the issue price of the convertible bonds and series U shares.

This opinion of the Management Board of XTPL, a joint stock company with its registered office in Wrocław ("**Company**") has been prepared on the basis of Article 433 § 2 and 6 of the Commercial Companies Code of 15 September 2000 ("**Commercial Companies Code**"), and Article 21 of the Bonds Act of 15 January 2015 (the "**Bonds Act**").

The Management Board has called the Extraordinary General Meeting of the Company to be held on 8 June 2020, whose proposed agenda includes, among other things, the adoption of the following resolutions:

- 1) A resolution on increasing the Company's share capital by issuing series T ordinary bearer shares; depriving the shareholders of all their preemptive rights to series T shares; amendments to the Company's Articles of Association; applying for admission and introduction of the series T shares to trading on the regulated market of the Warsaw Stock Exchange S.A., and on the dematerialization of the series T shares. The draft of the resolution is appended to this opinion ("**Draft Resolution on the Issue of the Series T Shares**"); The draft resolution of the issue of the Series T Shares provides for the issue (through a private placement) of not fewer than 1 (one) and not more than 42 000 (forty two thousand) series T ordinary bearer shares with a nominal value of PLN 10 (ten groszy) each ("**Series T Shares**");
- 2) A resolution on 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, and on amending the Articles of Association. The draft of the resolution is appended to this opinion ("**Draft Resolution on the Issue of Bonds**"); The Draft Resolution on the Issue of the Bonds provides for the issue of registered bonds, convertible into the Company's series U ordinary bearer shares with a total nominal value not higher than PLN 3 200 000 (three million two hundred thousand zlotys) ("**Bonds**").

The Draft Resolution on the Issue of the Series T Shares and the Draft Resolution on the issue of Bonds will be jointly referred to as "**Draft Resolutions**".

The funds obtained from the issue of the Series T Shares and Bonds are to be used for the same purpose. For this reason, the Management Board has drawn up a single document explaining the reasons for depriving the Company's shareholders of all their preemptive rights to the newly issued series T shares, and the method of determining the issue price of the Series T Shares, and the reasons for depriving the Company's shareholders of all their preemptive rights to subscribe for the Bonds and series U shares, and the method of determining the issue price of the bonds and series U shares.

The Management Board requests the Company's shareholders to deprive the shareholders of all their preemptive rights to:

- 1) all the newly issued Series T Shares; and
- 2) all the issued Bonds and all the series U shares.

Purpose of issue of the Series T Shares and the Bonds

The Company is working intensively on the commercialization of its technology, primarily undertaking steps to secure its intellectual and industrial property, and its technological know-how. At the same time, the Company conducts a number of R&D activities aimed at developing the nanoprinting technology in the commercialized segments, and plans to start work on new application fields. The Management Board believes that the continued development of the Company's technology and the pursuit of its commercialization require further financing.

Considering the Company's financial needs specified above, and the specific nature of its business model, including the fact that the expected revenue potential can be achieved after a partial commercialization of the developed technology, it will not always be possible to resort to external financing in the form of a bank debt.

Financing has to be raised to ensure the Company's strong development so that it can move from the research & development phase to the next stage of activity involving full commercialization of its technology and achievement of a stable revenue base. This outlook, combined with the current stock market valuation of the Company's shares, means that the optimum solution is to obtain financing combining the issue of shares with a hybrid instrument in the form of a convertible bond.

For these reasons, the Management Board estimates that it is in the Company's interest to obtain financing combining the issue of shares and a debt instrument convertible into shares in the future.

Issue of Series T Shares

Assuming that the share capital is increased by the maximum amount specified in the Draft Resolution on the Issue of Series T Shares, i.e. 42 000 (forty two thousand) Series T Shares, immediately after such increase the newly issued Series T Shares would represent approximately 2.16% of all the Company's shares.

The exclusion of the shareholders' preemptive rights is justified by the nature of the issue – the Series T Shares are to be subscribed for through a private placement, which ensures quick acquisition of capital. In turn, the private placement is possible only if the preemptive rights of the shareholders are excluded in their entirety, or else the Company would have to draw up a prospectus to issue the Series T Shares as part of a public offering, which would entail additional costs and would significantly extend the capital-raising process. The Management Board intends to offer the Series T Shares to, among others, foreign financial investors, who often expect a short share issue process. As opposed to an open or closed offer, a private placement caters very well to this need.

The draft resolution on the issue of the Series T Shares provides that the issue price of the Series T Shares will be determined by the Supervisory Board on the basis of an authorization granted to it. This is dictated by the need to ensure flexibility in this regard, which is the possibility of adapting the share issue price to the current market situation, as well as to the supply of and demand for the Company's shares and their stock exchange valuation. This becomes particularly important given the current epidemic situation and the resulting destabilization of the economies in the markets where the Company operates.

From August 2018 to June 2019, the Management Board completed three share capital increases (within the authorized capital), excluding the preemptive rights of shareholders, by issuing 166,400 series N, O and S shares with a total nominal value of PLN 16,640. When determining the issue price of the newly issued shares, the Management Board has so far taken into account the stock market valuation of the Company's shares for the period preceding the planned issue, as well as the possibility of adjusting the issue price to the volume of the expected demand for shares and investors' declared

expectations, bearing in mind achievement of the Company's goals for the time being, in particular the current demand for financing. Therefore, it should be expected that the Supervisory Board will follow similar principles in determining the issue price of the Series T Shares.

The issue of the Series T Shares through a private placement will ensure quick and flexible financing for the Company, while being a time and cost effective mechanism, which is of particular importance due to the specific nature of the Company's business, its financial needs and the current difficult economic situation in many markets.

Issue of bonds

Pursuant to the Draft Resolution on the Issue of Bonds, the Bonds are to entitle the bondholders to convert their Bonds into the Company's series U ordinary bearer shares to be issued as part of the conditional increase of the Company's share capital to the amount of no higher than 5 000 PLN (five thousand zlotys) by issuing no more than 50 000 (fifty thousand)) series U ordinary bearer shares with a nominal value of 10 groszy each ("**Series U Shares**").

In accordance with Article 433(6) of the Commercial Companies Code, the provisions on depriving shareholders of preemptive rights to shares also apply to the issue of securities convertible into shares.

The offer of the Series T Shares and Bonds will run as close as possible to each other in terms of timing, taking into account their legal conditions. Similarly to the justification for depriving the subscription rights to the Series T Shares, also in the case of the issue of Bonds, the Company wants to raise capital quickly, while maintaining flexibility in the issue and offering process. For these reasons, the Management Board will be entitled to select investors to whom it will offer the Bonds. These will be qualified investors within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and non-qualified investors in the maximum number of 149. Such a placement of the Bonds will only be possible if the preemptive rights of the shareholders in relation to the Bonds are excluded in their entirety, or else the Company would have to draw up a prospectus to issue the Bonds as part of a public offering addressed to more than 149 people, which would entail additional costs and would significantly extend the capital-raising process. The Management Board intends to offer the Bonds to, among others, foreign financial investors, who often expect a short issue process, unachievable in the case of a public offer based on an issue prospectus. Therefore, the private placement of the Bonds caters very well to this need.

Article 21 of the Bonds Act provides that if shareholders have preemptive rights to new shares, this right should be excluded in the resolution on the issue of convertible bonds to the extent necessary to exercise the bondholders' rights. Therefore, addressing the Bonds to a group of investors other than the Company's shareholders, following the prior exclusion of the shareholders' preemptive rights to the Bonds, requires the exclusion of the preemptive rights to the Series U Shares, so that the holders of the Bonds can, without additional legal conditions, exercise their right to have the Bonds converted into the Series U Shares if they so decide.

In accordance with the Draft Resolution on the Issue of Bonds, the nominal value of one Bond will be determined by the Company's Management Board in the terms and conditions of issue of the Bonds, provided that the nominal price of one Bond may not be lower than PLN 1 (one zloty). The Management Board's intention is to set the nominal value of one Bond at a level similar or equal to the issue price of one Series T Share.

The issue price of each Bond will be equal to its nominal value. In turn, the Bonds will be converted into the Series U

Shares in such a way that there will be one Series U Share per each Bond, which will mean that the conversion price will be equal to the nominal value of one Bond.

Since the nominal value of one Series U Share will amount to PLN 0.10, the mechanism provided for in the Draft Resolution on the Issue of Bonds for determining the issue price of the Bonds, the issue price of the Series U Shares and the price of converting the Bonds into the Series U Shares will ensure compliance of the issue with the principle expressed in Article 19(4)(2) of the Bonds Act, requiring that every one zloty of the nominal value of bonds should correspond to no more than one zloty of the nominal value of shares, which consequently will ensure full coverage of the Company's share capital in the event of conversion of the Bonds into the Series U Shares.

In the opinion of the Management Board, the General Meeting's decision to deprive shareholders of all their preemptive rights to the Series T Shares, Bonds and the Series U Shares is in the interest of the Company.

Considering the above, the Management Board recommends to the General Meeting that it should adopt the following resolutions:

- 1) a resolution on increasing the Company's share capital by issuing Series T Shares in the wording specified in the Draft Resolution on the issue of Series T Shares, and on depriving the existing shareholders of all their preemptive rights to the Series T Shares; and
- 2) a resolution on the issue of Bonds convertible into the Series U Shares, and a conditional share capital increase by issuing the Series U Shares, in the wording specified in the Draft Resolution on the Issue of Bonds, and on depriving shareholders of all their preemptive rights to the Bonds and the Series U Shares.