



**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the first half of 2024

XTPL S.A.

September 19, 2024

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 June 30, 2024 ("**Balance Sheet Date**"), the share capital of XTPL S.A. amounted to PLN 234,987.70 and consisted of 2,349,877 shares with a nominal value of PLN 0.10 each.

This document relates to XTPL Group ("**Group**", "**XTPL Group**"), and contains the Group's interim consolidated financial statements ("**Report**").

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.**").

In this Report, the interim condensed consolidated financial statements mean the consolidated financial statements (including the Company and its Subsidiaries) for the six months from January 1 to June 30, 2024 (the "**Reporting Period**") prepared in accordance with the International Financial Reporting Standards approved for application in the EU.

Unless indicated otherwise, the source of data in the Report is XTPL S.A. The Report publication date ("**Report Date**") is September 19, 2024. As at the Report Date, the share capital of XTPL S.A. amounts to PLN 234,987.70 and consists of 2,349,877 shares with a nominal value of PLN 0.10 each ("**Shares**").

"**Regulation on current and periodic reports**" means the Finance Minister's Regulation of March 29, 2018 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.

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

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SELECTED CONSOLIDATED FIGURES AND KEY INFORMATION ABOUT THE ISSUER

1. SELECTED CONSOLIDATED FIGURES

Figures in PLN thousand	January 1 – June 30, 2024		January 1 – June 30, 2023	
	PLN	EUR	PLN	EUR
Net revenue from the sale of products and services	5,643	1,309	5,532	1,199
Revenue from grants	459	106	1,356	294
Profit (loss) on sales	-2,473	-574	3,084	669
Profit (loss) before tax	-10,317	-2,393	-1,741	-377
Profit (loss) after tax	-10,325	-2,395	-1,746	-378
Depreciation/amortization	1,604	372	713	155
Net cash flows from operating activities	-8,538	-1,981	-381	-83
Net cash flows from investing activities	-3,711	-861	-2,469	-535
Net cash flows from financing activities	-1,015	-235	-219	-47

Figures in PLN thousand	June 30, 2024		December 31, 2023	
	PLN	EUR	PLN	EUR
Equity	26,273	6,091	33,592	7,726
Short-term liabilities	9,916	2,299	9,380	2,157
Long-term liabilities	11,372	2,637	4,970	1,143
Cash and cash equivalents	14,003	3,247	27,275	6,273
Short-term receivables	4,384	1,016	3,974	914
Long-term receivables	493	114	33	8

2. KEY INFORMATION ABOUT THE ISSUER AND ITS GROUP

2.1 About the Issuer

<u>Business name:</u>	XTPL Spółka Akcyjna
<u>Registered Office:</u>	Wrocław
<u>Address:</u>	Stabłowicka 147, 54-066 Wrocław
<u>Country:</u>	Poland
<u>KRS:</u>	0000619674
<u>NIP:</u>	9512394886
<u>REGON:</u>	361898062
<u>Registry Court:</u>	District Court for Wrocław-Fabryczna, VI Comm. Div.
<u>Country of registration:</u>	Poland
<u>Share capital:</u>	PLN 234,987.70, paid up in full.
<u>Phone number:</u>	+48 71 707 22 04
<u>Website:</u>	www.xtpl.com
<u>Email:</u>	investors@xtpl.com

The Parent Company has the status of a public (listed) company. Since February 20, 2019, its shares have been listed on the regulated (parallel) market operated by the Warsaw Stock Exchange (WSE ticker: XTP). The Company is member of the following indexes: WIG, SWIG80, WIGTECH, WIG140, INNOVATOR, WIGtechTR, sWIG80TR, WIG-Poland, GPWB-CENTR and CEEplus.

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

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

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

Management Board

As at the Balance Sheet Date and the Report Date, the Management Board performed its duties in the following composition:

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

Supervisory Board

As at the Balance Sheet Date and as at the Report Date, the Supervisory Board (SB) performed its duties in the following composition:

As at the Balance Sheet Date:	As at the Report Date:
Wiesław Rozłucki, PhD – SB Chairman, an independent SB Member	Wiesław Rozłucki, PhD – SB Chairman, an independent SB Member
Bartosz Wojciechowski, PhD – SB Deputy Chairman	Bartosz Wojciechowski, PhD – SB Deputy Chairman
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
Agata Gładysz-Stańczyk – an independent SB Member	Agata Gładysz-Stańczyk – an independent SB Member

2.2 Group characteristics

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

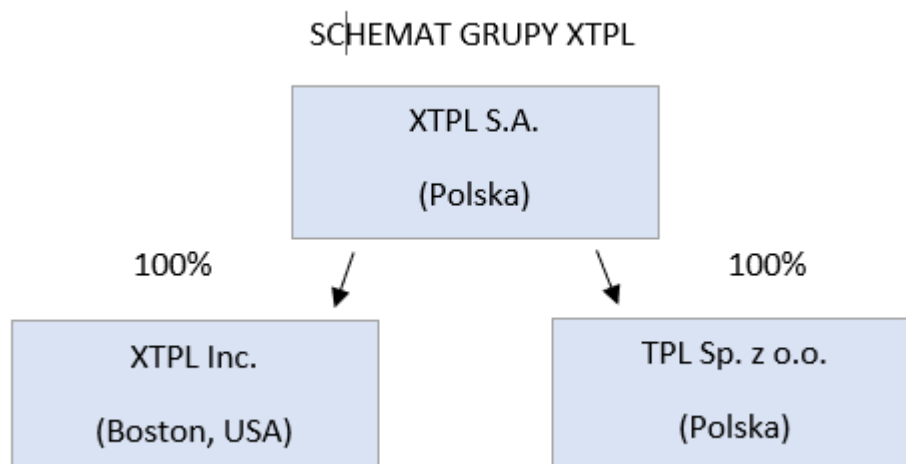
On January 31, 2019, XTPL S.A. acquired all shares in XTPL Inc., a newly formed entity based in the state of Delaware, United States. The share capital of XTPL Inc. is USD 5,000. XTPL S.A. acquired 100% of the stock at the nominal price. XTPL Inc. is consolidated using the line-by-line method.

On November 3, 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:



a) Details of the subsidiary XTPL Inc.

Business name:	XTPL Inc.
Country:	United States
Registered Office:	Boston
Address:	90 CANAL STREET WEST END, 4TH FLOOR City or town, State, Zip code, Country: BOSTON, MA 02114
NIP:	001726856

b) Details of the subsidiary TPL Sp. z o.o.

Business name:	TPL Sp. z o.o.
Country:	Poland
Registered Office:	Wrocław
Address:	The Company's registered office address is: ul. Stabłowicka 147 / 54-066 Wrocław
KRS number:	0000553991
Court designation:	District Court for Wrocław Fabryczna in Wrocław, 6th Commercial Division of the National Court Register
REGON:	361312719
NIP:	8943061516

2.3 Branches

Not applicable. Neither the Parent Company nor its Subsidiaries have any branches.

2.4 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.

2.5 Proceedings before courts and other bodies

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

2.6 Guarantees given

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

2.7 Extraordinary factors and events having a significant impact on the interim condensed financial statements

None in the Reporting Period.

2.8 Achievement of financial forecasts

The Management Board's position regarding the possibility of achieving the previously published performance forecasts for a given year, in the light of the results presented in the Report in relation to the forecast results, i.e. preliminary estimates of consolidated revenues from the sale of products and services achieved by the Company in Q2 2024 and H1 2024, published in ESPI Current Report No. 38/2024 of July 17, 2024: The preliminary data disclosed to the public were substantially in line with the actual data.

2.9 Explanation of seasonality or business cycles

Not applicable. The Company's and the Group's activity is not subject to seasonality or business cycles.

2.10 Acquisition of own shares

Not applicable. None in the Reporting Period.

2.11 Other information

Employment as at the Balance Sheet Date – 90 people.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3.1 Interim condensed consolidated statement of financial position

ASSETS	NOTE	30.06.2024	31.12.2023
PLN '000			
Non-current assets		24,223	14,654
Property, plant and equipment	2	11,843	5,072
Intangible assets	1	11,887	9,549
Long-term receivables	6	493	33
Current assets		23,339	33,288
Inventories	7	4,648	1,830
Trade receivables		1,428	1,203
Other receivables		2,955	2,771
Cash and cash equivalents		14,003	27,275
Other assets		304	209
Total assets		47,562	47,942
-			
EQUITY AND LIABILITIES	NOTE	30.06.2024	31.12.2023
PLN '000			
Total equity		26,273	33,592
Share capital		235	230
Supplementary capital		33,203	36,084
Own shares		- 4	- 4
Reserve capital		1,510	1,916
FX differences arising on translation		- 7	- 39
Retained earnings		- 8,664	- 4,595
Long-term liabilities		11,372	4,970
Long-term financial liabilities		6,344	169
Deferred income in respect of grants		5,027	4,801
Short-term liabilities		9,916	9,380
Trade liabilities		3,903	1,956
Short-term financial liabilities		854	3,980
Other liabilities		3,086	1,798
Deferred income in respect of grants		2,073	1,646
Total equity and liabilities		47,562	47,942

3.2 Interim condensed consolidated statement of comprehensive income

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME	NOTE	1.01.2024 – 30.06.2024 PLN' 000	1.01.2023 – 30.06.2023 PLN' 000
Continued operations	13	6,101	6,888
Revenues from the sale of products and services	13	5,643	5,532
Revenue from grants		459	1,356
Cost of sales	14	8,575	3,804
Research and development expenses	14	5,189	2,604
Cost of finished goods sold	14	3,385	1,200
Gross profit (loss)		- 2,473	3,084
Marketing and selling costs		2,663	1,698
General and administrative expenses	14	5,031	2,872
Other operating income		99	5
Other operating costs		127	25
Operating profit (loss)		- 10,195	- 1,506
Financial revenues		113	0
Financial expenses		234	235
Profit/ loss before tax		- 10,317	- 1,741
Income tax		8	5
Net profit (loss) on continued operations		- 10,325	- 1,746
Discontinued operations		-	-
Net profit (loss) on discontinued operations		-	-
Net profit (loss) on continued and discontinued operations		- 10,325	- 1,746
Profit (loss) attributable to non-controlling interests		-	0
Profit (loss) attributable to shareholders of the parent		- 10,325	- 1,746
Other comprehensive income		32	- 7
Items that can be transferred to profit or loss in subsequent reporting periods		32	- 7
FX differences arising on conversion of foreign affiliates		32	- 7
Items that will not be transferred to profit or loss in subsequent periods		-	-
Total comprehensive income		- 10,293	- 1,753
Total comprehensive income attributable to non-controlling shareholders		-	-
Total comprehensive income attributable to the parent company		- 10,293	- 1,753
Net profit (loss) per share (in PLN)			
On continued operations			
Ordinary		- 4,38	- 0,86
Diluted		- 4,25	- 0,84
On continued and discontinued operations			
Ordinary		- 4,38	- 0,86
Diluted		- 4,25	- 0,84
number of shares to calculate ordinary profit (loss) per share		2,349,877	2,029,222
number of shares to calculate diluted profit (loss) per share		2,420,377	2,074,877

3.3 Interim condensed consolidated statement of changes in equity

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY PLN ` 000	Share capital	Supplementa ry capital	Own shares	Reserve capital	FX differences arising on translation	Retained earnings	Total
As at January 1, 2024	230	36,084	-4	1,916	-39	-4,595	33,592
Comprehensive income:	-	-	-	-	32	-10,325	-10,293
Profit (loss) after tax	-	-	-	-	-	-10,325	-10,325
Other comprehensive income	-	-	-	-	32	-	32
Transactions with owners:	5	-2,881	-	-405	-	6,255	2,973
Issue of shares	5	3,374	-	-	-	-	3,378
Incentive scheme	-	-	-	-	-	-	-
Distribution of profit	-	-6,255	-	-	-	6,255	-
Value of conversion rights under convertible bonds	-	-	-	-405	-	-	-405
As at June 30, 2024	235	33,203	-4	1,510	-7	-8,664	26,273
As at January 1, 2023	203	1,531	-4	4,172	74	-2,001	3,975
Comprehensive income:	-	-	-	-	-7	-1,746	-1,753
Profit (loss) after tax	-	-	-	-	-	-1,746	-1,746
Other comprehensive income	-	-	-	-	-7	-	-7
Transactions with owners:	-	-	-	-2,257	-	2,257	0
Issue of shares	-	-	-	-	-	-	0
Incentive scheme	-	-	-	-	-	-	0
Distribution of profit	-	-	-	-2,257	-	2,257	0
As at June 30, 2023	203	1,531	-4	1,916	67	-1,490	2,223

3.4 Interim condensed consolidated statement of cash flows

INTERIM CONDENSED STATEMENT OF CASH FLOWS	NOTE	01.01.2024	01.01.2023
		30.06.2024 PLN' 000	30.06.2023 PLN' 000
Cash flows from operating activities	15		
Profit (loss) before tax		-10,317	-1,741
Total adjustments:		1,779	1,360
Depreciation/amortization		1,604	673
FX gains (losses)		81	-31
Interest and profit distributions (dividends)		-9	88
Profit (loss) on investing activities		0	0
Change in the balance of provisions		219	135
Change in the balance of inventories		-2,818	-901
Change in the balance of receivables		-872	-701
Change in short-term liabilities, except bank and other loans		3,016	2,082
Change in other assets		-95	-15
Change in the balance of grants to be settled		653	35
Incentive scheme valuation		-	0
Income tax paid		-	-5
Other adjustments		-	-
Total cash flows from operating activities		-8,538	-381
Cash flows from investing activities	15		
Inflows		113	0
Disposal of tangible and intangible assets		-	-
Repayment of long-term loans		-	-
Interest on financial assets		113	-
Outflows		3,824	2,469
Acquisition of tangible and intangible fixed assets		3,824	2,469
Acquisition of financial assets		-	-
Long-term loans granted		-	-
Other investment outflows		-	-
Total cash flows from investing activities		-3,711	-2,469
Cash flows from financing activities	15		
Inflows		0	248
Contributions to capital		-	-
Bank and other loans		-	248
Other financial inflows		-	-
Outflows		1,015	467
Repayment of bank and other loans		196	-
Finance lease payments		342	378
Interest		477	89
Total cash flows from financing activities		-1,015	-219
Total cash flows from investing activities		-13,264	-3,069
Change in cash and cash equivalents:		-13,272	-3,043
- change in cash due to FX differences		-8	26
Cash and cash equivalents at the beginning of the period		27,275	6,040
Cash and cash equivalents at the end of the period, including:		14,011	2,971
- restricted cash		505	576

3.5 Notes

Note 1 Intangible assets

INTANGIBLE ASSETS	figures in PLN thousand	30.06.2024	31.12.2023
Acquired concessions, patents, licenses and similar rights		-	0
Intellectual property rights		-	0
other intangible assets		1,022	507
Completed development		8,318	2,029
In-process development expenditure		2,547	7,013
Total (net)		11,887	9,549
Previous amortization		2,200	2,015
Total (gross)		14,088	11,564

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 by the Group. As at June 30, 2024, the Group did not have any agreements whereby it would be required to purchase any intangible assets. In 2024 and 2023, no impairment charges were posted for intangible assets.

Under the item "Other intangible assets" as at June 30, 2024 and December 31, 2023, the Group presents expenses incurred since 2023 related to the construction of integrated software and the website of the Parent Company. The assets were not put into use by June 30, 2024.

In the presented period, the Group completed development on the OLED printer and 3D PRINTING projects. The gross value of completed development amounted to:

- hardware R&D OLED PLN 2,685.6 thousand
- hardware R&D OLED PLN 3,788.2 thousand

As of June 30, 2024, completed development expenditure was posted under intangible assets (completed development) with a 5-year amortization period (i.e. 20% p.a.).

Note 2. Property, plant and equipment and significant acquisitions

PROPERTY, PLANT AND EQUIPMENT	figures in PLN thousand	30.06.2024	31.12.2023
Buildings, premises, rights to premises, civil and water engineering struct		6,376	0
Technical equipment and machines		2,116	975
Vehicles		201	79
Other tangible assets		3,005	3,521
Tangible assets under construction		144	498
Total (net)		11,843	5,073
Previous amortization		4,466	3,034
Total (gross)		16,309	8,107

Tangible assets under construction include expenditure related to the purchase of a system with a common optical path for a laser (in the amount of PLN 72 thousand) and investments in third-party tangible assets related to the adaptation of new office and laboratory premises (PLN 72 thousand). No

tangible assets are used as collateral. In 2024 and 2023, no impairment charges were posted for tangible assets.

As of June 30, 2024, the Group uses tangible fixed assets under rental and leasing agreements in the net amount of PLN 7,631 thousand.

PROPERTY, PLANT AND EQUIPMENT RENTED OR LEASED	figures in PLN thousand	30.06.2024	31.12.2023
Buildings, premises, rights to premises, civil and water engineering struct		6,376	0
Technical equipment and machines		57	95
Vehicles		201	79
Other tangible assets		996	1,146
Total (net)		7,631	1,320
Previous amortization		1,485	937
Total (gross)		9,115	2,256

In the table below, the Group presents the acquisition of significant tangible fixed assets.

SIGNIFICANT ACQUISITIONS OF TANGIBLE ASSETS	figures in PLN thousand	01.01.2024 - 30.06.2024	01.01.2023 - 31.12.2023
XTPL printers, 3D		922	821
Computer sets		269	268
Internal ICT network		93	0
Poweredge server		281	0
Light curing chamber, linear and spiral lamp		250	0
Rheometer		-	0
Laser measuring system		-	0
Centrifuge		-	0
Anti-vibration system		-	0
Car		143	0
Pressure control system and others		-	17
Movement system and components of the Gantry		-	2,470
Confocal microscope		-	0
Other laboratory equipment		28	163
Office equipment		105	73
Glovebox		-	0
Total significant acquisitions		2,090	3,812

On May 22, 2024, XTPL S.A. signed an agreement with VASTINT POLAND Sp. z o.o. for the lease of office and laboratory space. In accordance with IFRS 16, the Group recognized the right of use asset resulting from the agreement at PLN 6,465 thousand gross and posted the corresponding amount under tangible assets.

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

As at June 30, 2024, the Group did not have any agreements whereby it would be required to purchase any tangible assets.

The Group has liabilities of PLN 7,199 thousand arising from rental and lease of tangible assets, including short-term liabilities of PLN 854 thousand and long-term liabilities of PLN 6,344 thousand.

The maturity period of liabilities is presented in the table below.

Year	Repayment period				short-term	long-term	Total
	up to a year	1 year to 3 years	3 years to 5 years	above 5 years			
2024	854	2,472	2,545	1,328	854	6,345	7,199

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, no impairment allowances were posted on financial assets, tangible assets, intangible assets or other assets or no reversal of impairment was recognized, except for the impairment allowance on trade receivables of PLN 119 thousand in connection with the identified risk of non-collection.

Note 6. Long-term receivables

Long-term receivables	figures in PLN	30.06.2024	31.12.2023
Loans granted		-	0
Security deposits		493	33
Shares		-	0
Total long-term receivables		493	33

The increase in the value of long-term security deposits as at June 30, 2024 results from the conclusion by the Group of a lease agreement for office and laboratory premises.

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

In the Reporting Period, no write-down (impairment allowance) of inventories was created or reversed.

Note 8. Change in the balance of provisions

CHANGE IN THE BALANCE OF PROVISIONS	figures in PLN thousand	01.01.2024 - 30.06.2024	01.01.2023 - 31.12.2023
Balance at the beginning of the period		459	272
increased/ created		219	187
utilization		-	0
release		-	0
Balance at the end of the period		678	459

The change in provisions presented in the table above relates to provisions created for unused annual leaves by employees. The above provision is presented in the statement of financial position under other liabilities. The increase in the value of the provision for employee benefits is mainly due to the increase in employment in the Group.

Either in the reporting period or in prior years, the Group did not create any provisions for restructuring costs.

Note 9. 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 10. Correction of errors from previous periods

In the first half of 2024, no corrections were made on account of errors from previous periods.

In the interim condensed standalone statement of comprehensive income, the Management Board of the Parent Company decided to present marketing and selling costs separately. Previously, those costs were presented as part of general and administrative expenses. The decision was mainly dictated by the significant increase in such costs due to the change in the organizational structure and the establishment of corresponding departments within the Group. The departments were set up as a result of the commercialization process and the adopted long-term strategy of the Group.

Note 11. 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 12. Fair value of the individual classes financial assets and liabilities

	Category	Book value		Fair value	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
Financial assets					
Loans granted	WwgZK	0	0	0	0
Trade receivables	WwgZK	1,428	1,203	1,428	1,203
Other receivables	WwgZK	2,955	2,771	2,955	2,771
Cash and cash equivalents	WwgZK	14,003	27,275	14,003	27,275
Total		18,387	31,249	18,387	31,249
Financial liabilities					
Interest bearing bank and other loans	PZFwgZK	0	196	0	196
Bond liabilities	WwWGpWF	0	3,348	0	3,348
Lease liabilities	according to IFRS 16	7,199	605	7,199	605
Trade liabilities	PZFwgZK	3,903	1,956	3,903	1,956
Other liabilities	PZFwgZK	3,086	1,798	3,086	1,798
Total		14,188	7,903	14,188	7,903

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 June 30, 2024 and December 31, 2023 was not materially different from the values presented in the financial statements for the respective years, which is due to the following circumstances:

- 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 13. Net revenue from sales

NET REVENUE FROM SALES	figures in	01.01.2024	01.01.2023
	PLN	–	–
	thousand	30.06.2024	30.06.2023
Research and development revenue		242	1,595
Revenue from the sale of products		5,401	3,937
Revenue from grants		459	1,356
Total net revenue from sales		6,101	6,888

During the Reporting Period, the Group generated revenue from grants of PLN 459 thousand resulting from claimed refunds in relation to fixed asset development projects.

In accordance with IFRS 20, grants related to assets are also recognized in the equity and liabilities of the statement of financial position at the balance sheet date. Grants in relation to depreciable assets

will be recognized in the Group's profit or loss over the subsequent periods in proportion to the recognition of depreciation charges on those assets.

Note 14. Operating costs

OPERATING COSTS	figures in	01.01.2024	01.01.2023
	PLN thousand	– 30.06.2024	– 30.06.2023
Depreciation/ amortization, including		1,604	713
– depreciation of tangible assets		1,422	526
– amortization of intangible assets		181	187
Use of raw materials and consumables		4,104	1,933
External services		3,940	2,612
Cost of employee benefits		9,004	4,537
Taxes and charges		273	69
Other costs by type		536	509
Value of goods and materials sold		–	–
Total costs by type, including:		19,461	10,373
Items reported as research and development costs		5,189	2,604
Items reported as cost of finished goods sold		4,031	1,200
Marketing and selling costs		2,663	1,698
Items reported as general and administrative expenses		5,031	2,872
Change in finished goods		–	-169
Cost of producing services for internal needs of the entity		2,547	2,168

Note 15. Notes to the interim condensed statement of cash flows

	figures in PLN thousand	01.01.2024 30.06.2024	01.01.2023 30.06.2023
PBT presented in the statement of comprehensive income		- 10,317	-1,741
PBT presented in the statement of cash flows		- 10,317	-1,741

	01.01.2024 30.06.2024	01.01.2023 30.06.2023
INTEREST AND DIVIDENDS IN THE STATEMENT OF CASH FLOWS	-	-
Realized interest on financing activities	104	88
Realized interest on investing activities	- 113	-
Unrealized interest on financing activities	-	-
Unrealized interest on investing activities	-	-
Total interest and dividends:	- 9	88

	01.01.2024 30.06.2024	01.01.2023 30.06.2023
CHANGE IN THE BALANCE OF RECEIVABLES	-	-
Change in the balance of trade receivables	- 228	133
Other receivables	- 644	-834
Total change in the balance of receivables	- 872	-701

	01.01.2024 30.06.2024	01.01.2023 30.06.2023
CHANGE IN THE BALANCE OF LIABILITIES	-	-
Change in the balance of trade liabilities	1,947	897
Other liabilities	1,288	
Change in accruals for employee benefits	- 219	1,185
Total change in the balance of liabilities:	3,016	2,082

	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Cash and cash equivalents at the end of the period	-	-
Statement of cash flows	14,011	2,971
Statement of financial position	14,003	2,967

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

The difference between the balance of cash presented in the interim condensed statement of financial position and the value of cash presented in the interim condensed statement of cash flows results from the exchange rate differences relating to the valuation of cash held in the bank accounts.

Note 16. Related party transactions

FIRST HALF OF 2024	figures in PLN thousand	To associates	To joint ventures	To key managem ent personnel*	To other related entities **
Purchase of services		-	-	-	-
Loans granted		-	-	-	-
Revenue from the sale of products		-	-	-	-
Revenue from the sale of services		-	-	-	-
Cost of finished goods sold		-	-	-	-
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*

Terms of related party transactions

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 Group 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 17. Deferred tax assets

	Statement of financial position as at		Impact on the statement of comprehensive income
	30.06.2024	31.12.2023	01.01.2024 - 30.06.2024
Deferred income tax assets due to negative temporary differences			
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	129	87	42
Provision for remuneration	17	3	14
Loan valuation	-	-	-
Provision for the cost external services	7	46	- 39
Total deferred tax assets	152	136	17
Set-off with a deferred tax liability	- 152	- 136	- 17
Net deferred tax assets	-	-	-

Note 18. 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 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 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 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 Group's internal situation and market conditions.

PRICE RISK

In the period from January to June 2024, 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 Group makes purchases in currencies other than the valuation currency, mainly in USD and EUR.

Part of the Group's settlements is denominated in foreign currencies. As at June 30, 2024, the Group has assets denominated in foreign currencies, which include trade receivables. The value of the liabilities in foreign currencies as at the balance sheet date relates to trade liabilities. Therefore, there is a risk related to the negative impact of FX changes on the financial results achieved by the Group. In order to mitigate the possible effects of exchange rate fluctuations, the Group monitors the current exchange rates on an ongoing basis.

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.

Consequently, the recent interest rate hikes do not affect the Company's operations. Consequently, the Company did not apply interest rate hedges, considering that interest rate risk is not significant for its business.

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 in the future it will not receive sufficient cash to fund commercialization of its research and development projects.

The Parent Company has overdraft agreements in place for a total amount of PLN 600 thousand:

with Santander Bank Polska: limit of PLN 200 thousand;

with ING Bank Śląski: limit of PLN 400 thousand.

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

In the first half of 2024, 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 21. 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. 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.

In addition, the Parent Company issues promissory notes to secure claims up to the amount of liabilities arising from lease agreements. The sum of the promissory notes relating to the existing lease agreements amounted to PLN 2,660 thousand as at June 30, 2024, while the Company's outstanding liabilities under those agreements were PLN 263 thousand.

CONTINGENT LIABILITIES	30.06.2024	31.12.2023
Promissory notes linked to funding agreements	19,789	19,789
Total contingent liabilities	19,789	19,789

Note 22. Incentive scheme

In the Reporting Period, the Group did not grant any instruments and in the statement of interim condensed comprehensive income did not recognize the cost the incentive scheme for employees and collaborators based on the Parent Company's shares.

Note 23. Information about seasonality of business and cycles

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

Note 24. 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 interim condensed financial statements.

Note 25. 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.

In accordance with ESPI 2 of January 15, 2024: Exercising the right to exchange series A convertible bonds of XTPL S.A. for series U shares

Bondholders holding all the Issuer's series A convertible bonds issued and not redeemed until that date, issued on the basis of EGM Resolution 04/06/2020 of June 8, 2020, as amended by EGM resolution No. 03/06/2022 of June 21, 2022, in a total number of 45,655 (forty-five thousand six hundred and fifty-five) ("Convertible Bonds"), submitted to the Company a declaration on the exercise of the right to exchange Convertible Bonds for series U shares of the Company.

Due to the receipt of the bondholders' declarations on the exchange of all issued and outstanding convertible bonds, the bondholders acquired 45,655 (forty-five thousand six hundred and fifty-five) series U ordinary shares of the Company, with a nominal value of PLN 0.10 (ten grosz) each, issued on the basis of EGM resolution No. 04/06/2020 of June 8, 2020, amended by EGM resolution No. 03/06/2022 of June 21, 2022. As a result, the share capital was not increased.

Note 26. Dividend paid or declared, in total and per share, with a division into ordinary and preference shares

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

Note 27. Operating segments

The entity's reporting segments are based on product groups.

As at the Reporting Date, the Group distinguished three product groups:

- Delta Printing System laboratory printers and UPD modules
- silver-based conductive nanoinks;
- research services related to printing on client-supplied substrates in the manner specified by the client, in order to demonstrate the suitability of the XTPL technology to solve technological production problems (Proof of Concept).

SALES REVENUE BY SEGMENTS	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Nanoinks and consumables	416	212
Sale/ lease of the printer, and sales of ultra-precise printing equipment	4,985	3,725
Research and development services	242	1,595
TOTAL	5,643	5,532

Note 28. 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 29. Date of approval of the financial statements for publication

This financial report for the period from January 1, 2024 to June 30, 2024 was approved for publication by the Parent Company's Management Board on September 19, 2024.

Note 30. Deferred tax liability

	Statement of financial position as at		Impact on the statement of comprehensive income
	30.06.2024	31.12.2023	01.01.2024 - 30.06.2024
Deferred tax liability caused by positive temporary differenc			
In respect of:			
Interest on loans and deposits	-	-	-
Leased tangible assets	152	136	- 16
Total deferred tax liability	152	136	- 16
Set-off with deferred tax assets	- 152	- 136	16
Net deferred tax liability	-	-	-

Note 31. Events after the balance sheet date that have not been reflected in the interim financial statements

Date	Event	Current Report
July 1, 2024	<p>Sale of UPD printing module to a partner in Hong Kong</p> <p>The Issuer confirmed the acceptance of the order for the delivery of a UPD printing module. The direct buyer is a Hong Kong-based company that will deliver the print module to a customer in mainland China. The end client will use the XTPL-supplied module to build a device for prototyping and conducting R&D processes for applications in modern microelectronics and printed electronics;</p>	ESPI Current Report No. 36/2024 of July 1, 2024

Date	Event	Current Report
July 2, 2024	<p>Conclusion of a non-exclusive agreement for distribution of the Issuer's technological solutions in Greece</p> <p>The Issuer entered into a non-exclusive agreement with Vector Technologies Ltd from Greece for the distribution of the Issuer's technological solutions. Under the agreement, the distributor will advertise and sell XTPL's technological solutions in Greece. The purpose of the partnership is to support XTPL in reaching new academic and industrial clients and searching for broader applications for its technologies and products, with a focus on introducing solutions in the area of thin-film photovoltaics, memristors and sensors.</p>	ESPI Current Report No. 37/2024 of July 2, 2024
July 17, 2024	<p>Recognition of patent protection by the United States Patent and Trademark Office</p> <p>The Company received information about the approval by the United States Patent and Trademark Office of the patent claims for the invention "Method of forming a transparent conductive member, and a free-standing transparent conductive film" (ESPI Current Report No. 39/2024 of July 17, 2024)</p>	
July 17, 2024	<p>Recognition of patent protection by the United States Patent and Trademark Office</p> <p>The Company received information about the approval by the United States Patent and Trademark Office of the patent claims for the invention "A method for printing traces on a substrate and an additive manufacturing apparatus therefor".</p>	ESPI Current Report No. 40/2024 of July 17, 2024
August 7, 2024	<p>Recognition of patent protection by the United States Patent and Trademark Office</p> <p>The Company received information that on August 5, 2024, the United States Patent and Trademark Office approved its patent application for the invention "Method for repairing pattern defect on a substrate and apparatus therefor" (application number: 17596920). The formal requirement to obtain a patent is to pay appropriate fees. Should the requirement not be met, the Company will communicate this in a separate current report.</p> <p>The patent protection will increase the value of the potential commercialization of the Company's technology with respect to the Issuer's technological solutions for the next generation electronics market. The reported event confirms continued delivery of the Company's strategy of building a patent cloud for its proprietary technology and products, which will contribute</p>	ESPI Current Report No. 41/2024 of August 8, 2024

Date	Event	Current Report
	to building the Issuer's credibility among potential industrial clients.	
August 27, 2024	<p>Recognition of patent protection by the United States Patent and Trademark Office</p> <p>On August 20, 2024, the Issuer received information about the approval of its patent application by the United States Patent and Trademark Office for the invention “Method of detecting surface irregularities on or in an internal surface of a cylinder for use in a piston-cylinder assembly, and related apparatus (application number: 17/663,226). The formal requirement to obtain a patent is to pay appropriate fees. Should the requirement not be met, the Company will communicate this in a separate current report.</p>	ESPI Current Report No. 42/2024 of August 8, 2024
September 17, 2024	<p>Sale of the Delta Printing System to a University in the north-east region of the United States</p> <p>On September 17, 2024, the Issuer confirmed an order placed by a University in the north-east region of the United States for the delivery of the Delta Printing System. The DPS device will be used for R&D in the area of advanced packaging technology for semiconductors.</p> <p>This is a second transaction concluded as a result of the activities of the subsidiary XTPL Inc. based in Boston, USA (XTPL Inc.), which will also handle operational aspects of the transaction. The establishment of the XTPL Inc. Center in Boston is part of the Company's strategy adopted in November 2023 (Current Report 54/2023 of November 22, 2023).</p>	ESPI Current Report No. 43/2024 of September 17, 2024

ADDITIONAL INFORMATION

4. ADDITIONAL INFORMATION

4.1 General information and basis of preparation

The interim condensed standalone financial statements of XTPL S.A. cover the period of six months ended June 30, 2024, and the comparative data for the period of six months ended June 30, 2023, and as at December 31, 2023, and were prepared using the historical cost convention.

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 2023 drawn up and published on April 25, 2024.

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.

4.2 Going concern

The financial statements have been prepared on the assumption that the Group and the Group entities will continue in operation in the foreseeable future, i.e. for at least a year from the Report Date.

The Group is consistently implementing its development strategy for 2023-2026 adopted in November 2023. The main goal of the strategy is to achieve PLN 100 million in commercial revenues in 2026. In order to reach this ambition, an investment process is needed, estimated at PLN 60 million over the Strategy period. This process is designed to make the Company ready to acquire and handle sales in the order of PLN 100 million, with a focus on key areas: sales, production and product development.

In the first stage, the Company raised PLN 36.6 million gross through the issue of shares in July 2023. In this way, XTPL has managed to significantly increase its production capacity, even halving the time needed to build the devices. The Company has also achieved an appropriate level of inventory to secure key components for the fabrication of the devices. For several quarters now, hard work has been going on to launch a Demo Center in Boston, USA. The Center – which is expected to become operational in Q4 2024 – will be an important support for current and future American clients. However, Urs Berger, Managing Director of XTPL Inc., has been actively operating on the American market since the beginning of the year. At the same time, R&D and Product Management are constantly working on the development of our products in individual industrial projects, where commercialization is the main source of the sales growth expected over the Strategy horizon.

Continued implementation of the strategy involves further work in three main areas: sales, production and product development. Accordingly, XTPL plans to launch the second stage of the investment process in the fourth quarter of this year with a cost of about PLN 24 million. The implementation of the second phase will be supported by equity and other sources of funding available to the Company, including debt. The Management Board sustains its opinion about the high commercialization potential of XTPL's technology, as evidenced in particular by progress within all 4 of the most advanced industrial projects. The Company believes that raising about PLN 24 million and completing the investment process for a

total of about PLN 60 million will enable it to meet its strategic goal of achieving PLN 100 million in commercial revenues by the end of 2026.

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

4.3 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 interim condensed financial statements are presented in thousands of Polish zlotys.

4.4 Exchange rates used in the financial statements

exchange rates used in the financial statements	January 2024 – June		January 2023 – June/ December	
	EUR	USD	EUR	USD
for balance sheet items	4,3130	4,0320	4,3480	3,9350
for profit or loss and cash flow items	4,3109	3,9979	4,6130	4,2711

4.5 Description of significant accounting principles

For the purpose of preparing the half-yearly interim condensed standalone financial statements, the same accounting principles have been used as in the last annual financial statements for 2023 published on April 25, 2024, and in the last quarterly financial statements prepared as at March 31, 2024 (report for Q1 2024 of May 22, 2024).

There were no changes in the accounting policies or significant changes in estimates in the Reporting Period.

Signatures of all Management Board members

Filip Granek
CEO

Jacek Olszański
Management Board Member

Signature of the person drawing up the financial statements

Brygida Rusinek
Chief Accountant

Wroclaw, September 19, 2024

OTHER

5. OTHER

5.1 Management Board's statements

The Management Board of XTPL S.A. declares that to the best of its knowledge the interim 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 XTPL Group.

Signatures of all Management Board members

Filip Granek
Management Board President

Jacek Olszański
Management Board Member



Wroclaw, September 19, 2024

5.2 Management Board's statement on the statutory auditor

The Management Board of XTPL S.A. hereby declares that the audit firm authorized to examine financial statements and entrusted with review of the interim condensed financial statements was selected in accordance with the applicable law. The audit firm and the statutory auditors performing the review met the conditions for issuing an unbiased and independent report on the review of the interim condensed financial statements, in accordance with the applicable regulations and professional standards.

Signatures of all Management Board members

Filip Granek
Management Board President

Jacek Olszański
Management Board Member




Wroclaw, September 19, 2024

5.3 Management Board's opinion

Not applicable. The auditor has not issued any qualified opinion, adverse opinion or a disclaimer of opinion about the interim condensed consolidated financial statements.

APPROVAL FOR PUBLICATION

6. APPROVAL FOR PUBLICATION

The semi-annual report for the first half of 2024 ended on June 30, 2024 was approved for publication by the Management Board of the Parent Company on September 19, 2024.

Signatures of all Management Board members

Filip Granek
Management Board President

Jacek Olszański
Management Board Member



Wroclaw, September 19, 2024