FINANCIAL REPORT FOR Q1 2025 OF XTPL
XTPL GROUP

28/05/2025

Ladies and Gentlemen, Dear Shareholders and Investors,

We are pleased to present the report for the first quarter of 2025, summarizing the key events and achievements of XTPL. As a Polish company and a representative of the deep tech sector, we remain committed to becoming a global provider of technologies that enable advanced electronics manufacturers to produce next-generation devices in a scalable and cost-effective manner. In Q1 2025, we achieved a milestone that brings us significantly closer to realizing this vision.

On January 3, 2025, we started our first-ever industrial implementation for a leading display maker from China. The initial order for six units of our proprietary UPD (Ultra-Precise Dispensing) modules marks a fundamental shift in how our Company is perceived by some of the world's largest technology corporations. We are now demonstrating that our technology, developed over many years, performs reliably not only in laboratory conditions but also in industrial environments. As at the date of this report, we have delivered two UPD modules to our direct partner – a top-tier Chinese manufacturer of equipment for mass production of flat panel displays (FPDs) – and are preparing to ship the remaining units. The process is progressing according to schedule. Our partner's large-scale machines equipped with our UPD modules are being installed on the industrial line of one of China's largest display producers, a company with annual revenues exceeding USD 20 billion. The equipment will be used for open-defect repair in cutting-edge FPDs at the micron scale. In this segment, defect rates can reach as high as 50%, and the cost of rejected components may account for up to 70% of the final product's value. XTPL's technology significantly reduces these critical metrics by minimizing material waste and maximizing production line efficiency. Following the delivery of the remaining modules from the initial order, we anticipate further orders. Over the full course of the industrial implementation, we expect the opportunity to deliver several dozen UPD modules in the coming years.

The growing global recognition of the XTPL brand continues to facilitate the steady expansion of our official distributor network across key international markets. As at the date of this report, XTPL solutions are represented by 17 distributors covering the Company's strategic regions: North America, Asia, and EMEA. The partnership with one of the distributors led to the sale (in February 2025) of the Delta Printing System (DPS) to the Faculty of Engineering at the University of Cambridge, UK. As one of the world's highest-ranked academic institutions, Cambridge attracts the brightest minds across generations. We are proud that such a prestigious university has chosen our system for its research purposes. Equally significant was a DPS order placed in March 2025 by a US-based defense contractor. This marks XTPL's first entry into the defense sector – an entirely new customer segment for us. The deal was supported by the activities of our first Demo Center located in Boston. Given the current geopolitical climate and ongoing global conflicts, we see defense applications as a promising new growth area for XTPL technology in the years ahead. We are actively engaging with this new client, exploring mutual capabilities and expectations, and identifying additional potential clients from this sector in our sales pipeline. At the same time, we acknowledge the broader international market environment – marked by high uncertainty around tariffs – is not conducive to conducting the type of global device sales carried out by XTPL. This is reflected in lower-than-expected sales revenues, which account for, among other things, the three DPS devices delivered so far in 2025 (out of four ordered). However, it is important to note that we have not lost any sales opportunities in our pipeline, and the markets are gradually adapting to the evolving landscape. As a result, we maintain our full-year outlook for year-over-year growth in DPS system sales in 2025.

A key pillar of XTPL's long-term growth and competitive advantage lies in our continuous investments in R&D. We are currently advancing development on a new business line under the working name DPS+, designed to address a market niche between our existing UPD modules and DPS devices. This product is being developed in direct response to demand from potential client and is intended for High-Mix Low-Volume (HMLV) manufacturing environments. We do not rule out the possibility of securing

a first order as early as 2025, with delivery expected in 2026. In the first quarter of 2025, we also implemented further enhancements to the DPS devices in the form of new GUI software – the modified graphical interface will facilitate operation for both new and existing DPS users. Our installed base of DPS systems worldwide has now surpassed 35 units. During the reporting period, we also unveiled the first prototype of a multi-head for the UPD printing system, enabling simultaneous and precise dispensing of materials using eight independently controlled nozzles. To our knowledge, XTPL is currently the only company in the world to have demonstrated multi-channel printing of sub-10-micron features using high-viscosity conductive inks. This innovation has attracted strong interest from leading players in the microelectronics industry and has the potential to open up new high-value application segments for us, while also expanding our addressable use cases in existing application fields such as displays, semiconductors, and PCBs. Development of the multi-head will continue throughout 2025 and into 2026.

XTPL stands at a pivotal point in its development – we are starting our first industrial implementation. We are confident that within the time frame of our 2023–2026 Strategy, additional industrial deployments will follow. Our entire team is working intensively toward this aspiration, and we believe it's just a matter of time until we achieve it. Global megatrends such as miniaturization, the evolution of consumer electronics in terms of form factor and functionality, and a printed electronics market growing at a CAGR of over 22%, together with the feedback we receive from existing and potential clients, reinforce our conviction and strengthen our determination to build a globally successful technology company, proudly rooted in Wrocław, Poland.

We invite you to review the Q1 2025 report in detail, and we look forward to staying in touch through our Investor Relations team and our regular earnings calls.

Yours faithfully,

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. Legnicka 48E, 54-202 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. On March 11, 2025, the registered office address changed from ul. Stabłowicka 147, 54-066 Wrocław to ul. Legnicka 48E, 54-202 Wrocław.

As at March 31, 2025 ("**Balance Sheet Date**"), the share capital of XTPL S.A. amounted to PLN 264,987.70 and consisted of 2,649,877 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 third quarter of 2025 ("**Management Report**") for the first quarter of 2025 ("**Reporting Period**"), as well as standalone and consolidated financial statements of XTPL S.A. and the 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 May 28, 2025.

The consolidated financial statements contained in the Report mean the consolidated financial statements (including the Company and the Subsidiaries) for the period from January 1 to March 31, 2025 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 January 1 to March 31, 2025 ("**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 September 15, 2000 – Commercial Companies Code.

"**Regulation on current and financial reports**" – the Finance Minister's Regulation of March 29, 2019 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 July 29, 2005 on public offering, conditions governing the introduction of financial instruments to organized trading and public companies.

"**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.

DEFINITIONS:

Ω (ohm) means a unit of electrical resistance
Ω / □ means resistance per square, or surface resistance
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)
Adhesion means the tendency of different materials to stick together
Particle agglomeration means joining fine particles into larger parts
AMOLED (active-matrix organic light-emitting diode) means OLED diode with an active matrix
CAD means Computer Aided Design
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
Ink formulation means precise formulation of the ink, giving it the desired physicochemical properties
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
Conductance means electrical conductivity, which is the inverse of resistance
Viscosity – a physical property of materials (fluids) that characterizes their internal frictional force during the flow of a fluid (for example, the viscosity of water, as a low-viscosity liquid, is about 1 cP, and the viscosity of honey varies from 2,000 to 10,000 cP)
Hydrophilic material means a material whose tendency is to attract water molecules
Hydrophobic material means a material whose tendency is to repel water molecules
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
NDA (Non-Disclosure Agreement) means a confidentiality agreement
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 dispensing) 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
Sintering process means mutual binding of particles after heating them to a temperature lower than the temperature need to needed to melt them
Proof of concept means one of the first phases of cooperation involving the implementation of a client's idea to prove that it is fit for purpose
R&D means Research and Development
Resistance means electrical resistance
SEM means scanning electron microscope
Flash sintering means a method of curing a material using high-energy light within milliseconds
TEA means a **Technology Evaluation Agreement**

FINANCIAL HIGHLIGHTS

2. FINANCIAL HIGHLIGHTS

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.

Exchange rates used in the financial statements	2025 January – March		January – March/ December 2024	
	EUR	USD	EUR	USD
for balance sheet items	4.1839	3.8643	4.2730	4.1012
for profit or loss and cash flow items	4.1848	3.9737	4.3211	3.9941

2.1 Selected standalone figures

Figures in thousand	January 1 – March 31, 2025		January 1 – March 31, 2024	
	PLN	EUR	PLN	EUR
Net revenue from the sale of products and services	2,003	479	2,748	636
Revenue from grants	396	95	118	27
Profit (loss) on sales	-2,239	-535	-620	-143
Profit (loss) before tax	-6,434	-1,537	-5,330	-1,233
Profit (loss) after tax	-6,434	-1,537	-5,330	-1,233
Depreciation/amortization	1,328	317	668	155
Net cash flows from operating activities	-6,907	-1,650	-5,338	-1,235
Net cash flows from investing activities	-146	-35	-1,603	-371
Net cash flows from financing activities	-496	-119	-679	-157

Figures in thousand	March 31, 2025		December 31, 2024	
	PLN	EUR	PLN	EUR
Equity	34,293	8,196	40,727	9,531
Short-term liabilities	9,436	2,255	9,460	2,214
Long-term liabilities	9,648	2,306	10,344	2,421
Cash and cash equivalents	19,250	4,601	26,921	6,300
Short-term receivables	6,274	1,500	5,443	1,274
Long-term receivables	835	200	890	208

2.2 Selected consolidated figures

Figures in thousand	January 1 – March 31, 2025		January 1 – March 31, 2024	
	PLN	EUR	PLN	EUR
Net revenue from the sale of products and services	2,024	484	2,744	635
Revenue from grants	396	95	118	27
Profit (loss) on sales	-2,393	-572	-624	-144
Profit (loss) before tax	-7,253	-1,733	-5,746	-1,330
Profit (loss) after tax	-7,257	-1,734	-5,750	-1,331
Depreciation/amortization	1,336	319	668	155
Net cash flows from operating activities	-6,814	-1,628	-5,578	-1,291
Net cash flows from investing activities	-146	-35	-1,603	-371
Net cash flows from financing activities	-496	-119	-679	-157

Figures in thousand	March 31, 2025		December 31, 2024	
	PLN	EUR	PLN	EUR
Equity	33,223	7,941	40,548	9,489
Short-term liabilities	10,074	2,408	9,534	2,231
Long-term liabilities	9,648	2,306	10,344	2,421
Cash and cash equivalents	20,231	4,835	27,686	6,479
Short-term receivables	4,548	1,087	4,365	1,022
Long-term receivables	490	117	490	115

MANAGEMENT REPORT

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

3.1 Key information about the Issuer

Business name:	XTPL Spółka Akcyjna
Registered Office:	Wroclaw, Poland
Address:	Legnicka 48E, 54-202 Wroclaw, Poland
Country	Poland
KRS:	0000619674
NIP:	9512394886
REGON:	361898062
Registry Court:	District Court for Wrocław-Fabryczna, VI Commercial Division of the National Court Register
Place of registration:	Poland
Share capital:	PLN 264,987.70, paid up in full.
Phone number:	+48 71,707 22 04
Internet address:	www.xtpl.com
E-mail:	investors@xtpl.com

The 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. The Company has the status of a public (listed) company. The Company is part of the following indices: 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.

3.2 Issuer's governing bodies

Management Board

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

- Filip Granek, PhD – CEO
- Jacek Olszański – Management Board Member.

Supervisory Board

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

- Wiesław Rozłucki, PhD – SB Chairman, an independent SB Member
- Bartosz Wojciechowski, PhD – SB Deputy Chairman
- Beata Turlejska – SB Member
- Piotr Lembas – an independent SB Member
- Prof. Herbert Wirth – an independent SB Member
- Agata Gładysz-Stańczyk – an independent SB Member

Audit Committee:

As at the Balance Sheet Date and the Report Date, the Audit Committee (AC) performed its duties in the following composition:

- Piotr Lembas – Chairman of the Audit Committee, an independent AC Member
- Wiesław Rozłucki – Member of the Audit Committee, an independent AC Member
- Professor Herbert Wirth – Member of the Audit Committee, an independent AC Member.

3.3 Group structure

3.3.1 Key information about the Group

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 (currently the company's registered office is in Massachusetts). The registered capital of XTPL Inc. was USD 5,000. XTPL S.A. acquired 100% of the stock at the nominal price.
On December 14, 2023, XTPL Inc. issued 3,000 shares, which were 100% acquired by XTPL S.A. The value of the new shares was set at USD 1,086,478.89. XTPL S.A. acquired the shares by way of conversion of a loan in the amount of USD 850,000 and interest accrued on the loan in the amount of USD 236,478.89. Furthermore, on December 14, 2023, the value of 8,000 shares in the share capital of XTPL Inc. held by XTPL S.A. was increased by USD 200,000 by way of a capital injection. Those measures were aimed at ensuring financing of XTPL Inc.'s operations on the North American market in 2024, in accordance with the adopted XTPL 2023-2026 Strategy.

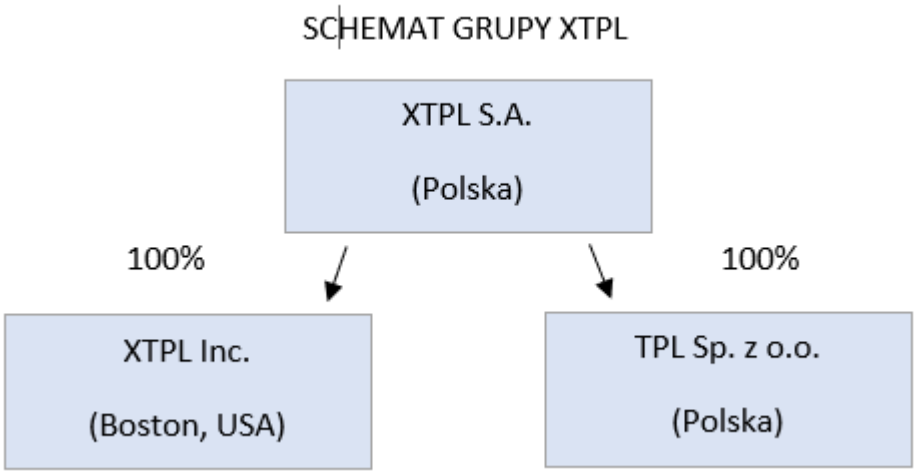
XTPL Inc. is consolidated using the line-by-line method.

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 Parent Company and subsidiaries do not have any plants or branches.

Structure of XTPL Group as at the Report Date:



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, United States
NIP:	001726856

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. Legnicka 48E, 54-202 Wrocław, Poland
KRS number:	0000553991
Court designation:	District Court for Wrocław Fabryczna in Wrocław, 6th Commercial Division of the National Court Register
REGON:	361312719
NIP:	8943061516

Management and supervisory bodies of the Group

Members of the Management Board of the parent company XTPL S.A.

The Management Board was appointed on June 30, 2023.
The term of office of the Management Board is joint and lasts 3 years.
In the period from January 1, 2025 to March 31, 2025, the Management Board was composed of:
Filip Granek – Management Board President (CEO) since June 6, 2017
Jacek Olszański – Management Board Member since June 30, 2020
The composition of the Management Board remained unchanged until the date of preparation of this Report.

Members of the Management Board of the subsidiary XTPL Inc.

The Management Board was appointed on November 24, 2023.
The term of office of the Management Board is joint and the term of office is indefinite
In the period from January 1, 2025 to March 31, 2025, the Management Board was composed of:
Filip Granek – President and CEO, Treasurer
Urs Berger – Secretary
Stan Lewandowski – Assistant Secretary
The composition of the Management Board remained unchanged until the date of preparation of this Report.

Management Board members of the subsidiary TPL Sp. z o.o.

The Management Board was appointed on May 10, 2024.
In the period from January 1, 2025 to March 31, 2025, the Management Board was composed of:
Jacek Olszański – Management Board President, CEO

The composition of the Management Board remained unchanged until the date of preparation of this Report.

3.3.2 Changes in the Group organization

Not applicable. In the Reporting Period, no changes were made in the organization of the Group.

3.4 Employment and information about the Issuer's employee team

As at the Balance Sheet Date, the Company employed 71 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 32% 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 and Customer Service Team.

Women accounted for 34.0% of the whole XTPL team. At the same time, in the technology team, women represented 20.0% 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, funding for a sports program, program of awards for patent applications, employee referral program, remote working options (depending on the nature of the job), access to the XTPL corporate library and funding for English language courses.

3.5 Company history

XTPL was founded in 2015 as a limited liability company. The founders sought to develop and commercialize the ground-breaking technology of manufacturing ultra-thin conductive metallic lines.

2015–2018

During the initial period of the Company's activity, a laboratory with a unique infrastructure was set up. There, within five months of intensive research and development, the Company's team achieved the ability to control the process of printing ultra-thin conductive lines which were several dozen times narrower than those available in the market at that time. This technological breakthrough allowed the Company to submit its first patent application in March 2016 for the XTPL printing method and the nanoink formulation.

On April 25, 2016, the General Meeting adopted a resolution to transform the firm into a joint-stock company (S.A.). The transformation was recorded by the registry court on June 1, 2016.

As its scale of operations expanded, on September 1, 2016 the Company transferred its research infrastructure to modern laboratories in the Wroclaw Research Centre EIT+ (currently the Łukasiewicz Research Network – PORT: Polish Center for Technology Development). The team increased, and so the number and quality of the devices necessary to conduct research.

On February 21, 2017, the Extraordinary General Meeting of XTPL adopted resolution No. 02/02/2017 to split the Company's shares without decreasing its share capital, by converting the nominal value of a share to PLN 0.10.

In the first quarter of 2017, another technological barrier was broken. The Issuer's R&D team obtained the width of printed lines below 100 nanometers. Next, in the second quarter of 2017, the Company completed the prototype of the unique XTPL printer, which earned it the Technical Development Manufacturing Award at the IDTechEX Show in Berlin.

In July 2017, XTPL carried out a public issue of shares, which included 155,000 series M ordinary bearer shares. The shares were allocated to 16 (natural and legal) persons in the Institutional Investors Tranche and to 349 (natural and legal) persons in the Retail Tranche. The Company raised PLN 10,230,000 gross from the issue. One of the investors taking up the shares was Acatis, a German investment fund acting through Universal-Investment GmbH.

On September 14, 2017, the Company's shares debuted on the NewConnect market in the Alternative Trading System. After the debut, another large investment fund from Germany, Heidelberger Beteiligungsholding AG, announced that it had exceeded the threshold of 5% of the total number of votes at the Company's General Meeting.

In subsequent periods, the Issuer consistently developed its unique technology. In the fourth quarter of 2017, the Company started testing new (except silver) nanoparticles – quantum dots and semiconductors and new substrates – silicon wafers.

In November 2018, the CEO of XTPL Filip Granek won the most prestigious award for entrepreneurs in Poland – EY Entrepreneur of 2018. He was awarded for his work on the disruptive technology that has a serious chance to change the world for the better.

2019–2021

In the first quarter of 2019, business development activities accelerated strongly as a proof-of-concept (PoC) project was elaborated for the security printing sector and for quantum dots printing. In addition, an advanced PoC project was put together for the open defect repair and semiconductors sector.

On April 16, 2019, the Company's Extraordinary General Meeting appointed Mr Wiesław Rozłucki, the former CEO and co-founder of the Warsaw Stock Exchange, as the Chairman of the XTPL Supervisory Board. Now he actively supports XTPL in its activities related to capital markets and broadly understood corporate governance.

On May 23, 2019, XTPL was awarded for one of the most promising technologies among participants of the I-Zone (the innovation zone) as part of the Display Week in Los Angeles, one of the world's most important conferences of display manufacturers. Other firms awarded during the event were such giants as Apple, LG Display or Sharp.

In subsequent periods, the Issuer registered further patent applications for the XTPL printing method. One of the registered applications concerned the method of increasing the maximum current flowing through a conductive line and improving mechanical capability of conductive lines, while the other registered application focused on the printing substrate, specifically on the adaptation of this substrate to facilitate the printing of long lines with arbitrary shapes.

In the third quarter of 2019, the Issuer carries on its technological development by implementing new printing substrates – smart glass and advanced optical surfaces, and by using new nanoparticles for printing.

In August 2019, the German fund ACATIS decides to re-invest in the Company's shares. The EUR 1 million raised in this way financed the Company's business development in the United States, especially in Silicon Valley.

In September 2019, Heidelberger Beteiligungsholding AG (daughter company of Deutsche Balaton AG Group) also decided to re-invest in XTPL. The fund took up the Company's shares in a private placement. The capital raised (EUR 1.05 million) was used for further strategic strengthening of the process of commercialization of the Company's solutions in the United States and development of its patent cloud.

On December 21, 2019, XTPL was announced the best investment in the capital market in Poland in 2019. The Company brought investors a net return of almost 110%.

On January 9, 2020, XTPL shareholders appointed Professor Herbert Wirth, the former CEO of KGHM Polska Miedź S.A., to the company's Supervisory Board. He has considerable experience in business development in global markets and unique competences and a network of contacts which will strategically strengthen the Company's business activities, notably in the Chinese market.

On February 24, German MainFirst Bank AG from the Stifel Group recommends "BUY" with regard to XTPL and valued the company at a PLN 215 price target. XTPL is the first Polish company covered by MainFirst

On March 6, 2020, the Frankfurt Stock Exchange consented to admit XTPL shares to the Quotation Board segment, which is a part of the Open Market. Since that time, XTPL shares have been traded on a dual-listing basis, with the Warsaw Stock Exchange remaining the Company's main trading floor.

In March 2020, the Company finalized its first sales transaction for its nanoink based on sliver nanoparticles. The delivery took place for one of the partners operating in the display sector, the first application field commercialized by XTPL.

In June, the Issuer was awarded in the "Issuer's Golden Website" competition in for the "Best IR Service" in the "small companies" category. The competition was organised by the Polish Association of Listed Companies (SEG).

On June 30, 2020, the Supervisory Board of XTPL S.A. appointed Jacek Olszański to the Company's Management Board. Since October 2018, he had served as the Company's financial manager. In addition, Beata Turlejska, Managing Partner in the Leonarto VC Fund, was appointed as a new Supervisory Board member.

On July 30, 2020, the Company adopted a resolution on the allocation of 48,648 series A registered bonds convertible into the Company's series U shares at an issue price of PLN 74 per bond. Overall, the Company's proceeds from the issue of shares and bonds were PLN 12,849,951.

In September, the German MainFirst Bank AG from the Stifel Group recommends "BUY" with regard to XTPL and valued the company at a PLN 210 price target.

On 5 November, the Supervisory Board of XTPL S.A. was joined by Andrzej Domański, economist and financial market analyst with experience in managing stock exchange funds.

In November 2020, XTPL signed the first major commercial contract for the UPD technology demonstrator – XTPL Delta Printing System – a device for precise printing of micro-features, including conductive features, with the University of Stuttgart, Institut für Großflächige Mikroelektronik ("IGM").

On December 28, 2020, the Company signed a EUR 2.6 million grant agreement with the Polish National Centre for Research and Development (NCBR) for the project on development of innovative technology of precise deposition of conductive grids for next-generation OLED displays.

In February 2021, Lux Research put XTPL on the list of top young, innovative technology companies disrupting the chemicals and materials industry in 2020 in the category "materials and digital transformation".

In March 2021, the Company was awarded for the best conference publication "Ultra-Precise Deposition Technology for High-Resolution Flat Panel Displays" at the 27th International Display Workshop (IDW'20) conference.

On March 25, 2021, XTPL established cooperation with Bandi Consortia to support the commercialization of XTPL technology on the Korean market.

On April 14, 2021, XTPL signed a grant agreement of PLN 7.7m with NCBiR (the National Centre for Research and Development) for a project relating to the development of breakthrough printing technology of 3D micrometric conductive structures using an innovative printhead capable of printing on non-planar substrates and compatible ink for printed electronics applications.

Also in April 2021, the Company started cooperation with Yi Xin Technology, which is a distributor of the Company's technological solutions in China.

During the Display & Touch Industry Conference 2021 (DTIC 2021) in May 2021, XTPL was awarded as "The most valuable brand of an optoelectronic product" and "The most valuable brand of materials for the production of optoelectronic components".

On July 2, 2021, the Issuer signed an agreement with the German Karlsruhe Institute of Technology (KIT) for the sale of the Delta Printing System.

In the same month, XTPL started cooperation with Semitronics Sales Ltd, a specialized distributor for the region of Great Britain and Ireland.

On November 3, 2021, the Company concluded a sales agreement with the Łukasiewicz Research Network – PORT Polish Center for Technology Development for the sale of the Delta Printing System.

On 5 November 2021, XTPL sold another Delta Printing System printer, which is to be delivered to the Bendable Electronics and Sensing Technologies (BEST) research group at the University of Glasgow.

In December 2021, scientists from the Italian University in Brescia bought the Delta Printing System from XTPL S.A. for application in biosensors and bioelectronics for next-generation biomedicine.

2022-2024

Early in 2022, German Metronics joined the group of distributors of XTPL solutions. The new distributor will promote XTPL technology and products in selected European countries, including in Germany, France, Austria and Switzerland.

On January 10, 2022, XTPL announced that it had signed an agreement with Nano Dimension Ltd, an Israeli company listed on NASDAQ. The purpose of the cooperation is to develop a next generation conductive nanoink.

On February 18, 2022, XTPL expanded its international distribution network by starting cooperation with Mumbai-based Vertex Global Solutions.

On March 21, 2022, XTPL received a grant recommendation for the technological project "Manufacture of active, flexible microLED displays using the additive method". The project will be delivered by an international consortium of seven complementary European partners, including XTPL S.A. The total value of the project is more than EUR 4.29 million, including the recommended grant for XTPL coming in at almost EUR 430 thousand.

On March 22, 2022, the Issuer began strategic cooperation with the Department of Information Engineering of the Italian University of Brescia (UniBS). The purpose of the cooperation is to work together on development of new generation organic and biodegradable biological sensors using the Company-developed electronics printing technology.

On April 5, 2022, a license agreement was signed between the Issuer and the US company nScrypt, Orlando, Florida, providing for the sale of conductive nanopaste CL85 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.

On April 11, 2022, the first stage of development as part of the technological phase of the activities specified in the Agreement was completed and approved by Nano Dimension Ltd.

On June 27, 2022, the Issuer signed a grant agreement as part of the competition HORIZON-CL4-2021-DIGITAL-EMERGING-01-31 – Research and Innovations Actions organized by the European Commission under the Horizon Europe Framework Programme. The agreement relates to the project developed by the consortium: "Building Active MicroLED Displays By Additive Manufacturing". The project is designed to develop an innovative technology for the production of flexible microLED displays using precise additive printing technologies.

On July 13, 2022, the second stage of development work was completed and accepted by the XTPL Client as part of the technological phase of activities specified in the cooperation agreement with Nano Dimension Ltd.

On July 22, 2022, acceptance of an order for the delivery of a printing module for industrial integration was confirmed. The order was received from a Taiwan-based global manufacturer of specialized equipment for the production of semiconductor components. Acceptance of the order means delivery of the XTPL technology to build a prototype of an industrial device for applications in semiconductor production.

On August 1, 2022, the Company confirmed an order placed by the IRIS Adlershof Institute of Humboldt University in Berlin for the delivery of a Delta Printing System device.

On August 3, 2022, the Company confirmed an order placed by Yi Xin HK Technology Co., Ltd based in China for the delivery of a Delta Printing System device.

On September 28, 2022, the Company accepted and confirmed an order for the delivery of a demonstration device for a NASDAQ-listed US corporation, one of the Big Five global tech (ICT) companies.

On November 15, 2022, the third stage of development as part of the technological phase of the activities specified in the cooperation agreement was completed and approved by Nano Dimension Ltd.

On December 14, 2022, the Issuer confirmed a second order placed by Yi Xin HK Technology Co., Ltd based in China for the delivery of a Delta Printing System device. The ultimate buyer of the device was a leading Chinese R&D center, Southeast University School of Electronic Science Engineering in Nanjing.

On December 15, 2022, the Issuer confirmed the acceptance of the order for the delivery of a technology validation device in the area of next-generation ultra-high-resolution micro OLED displays. The ordering partner was HB Technology – a manufacturer of testing and repair equipment for the largest global display manufacturers, listed on KOSDAQ _078150.KQ in South Korea. HB Technology's clients include leading global manufacturers such as: Samsung Display Corporation and Beijing BOE Display Technology.

On December 22, 2022, the Company confirmed another order placed by Yi Xin HK Technology Co., Ltd based in China for the delivery of a Delta Printing System device. The ultimate buyer of the device will be China's leading R&D center, Harbin Institute of Technology in Harbin.

On December 27, 2022, the Company confirmed another order placed by Yi Xin HK Technology Co., Ltd based in China for the delivery of a Delta Printing System device. The ultimate buyer of the device will be China's leading R&D center Tianjin University in Tianjin.

On January 4, 2023, the Company confirmed another order placed by Yi Xin HK Technology Co., Ltd based in China for the delivery of a Delta Printing System device. The ultimate buyer of the device will be China's leading R&D center, South China University of Technology in Guangzhou, China.

On January 19, 2023, the Company confirmed another order placed by Yi Xin HK Technology Co., Ltd based in China for the delivery of a Delta Printing System device. The ultimate buyer of the device will be China's leading R&D center, the University of Electronic Science and Technology of China in Chengdu.

On February 6, 2023, the Company confirmed another order placed by Yi Xin HK Technology Co., Ltd based in China for the delivery of a Delta Printing System device. The ultimate buyer of the device will be China's leading R&D center, Beijing Institute of Technology in Beijing.

On March 8, 2023, the Company confirmed another order placed by Yi Xin HK Technology Co., Ltd based in China for the delivery of a Delta Printing System device. The ultimate buyer of the device will be China's leading R&D center, School of Integrated Circuits, Guangdong University of Technology.

On March 30, 2023, the Company completed the key elements of the fourth stage of the technological phase of activities specified in the cooperation agreement with Nano Dimension Ltd.

On April 11, 2023, the Company confirmed another order placed by Yi Xin HK Technology Co., Ltd based in China for the delivery of a Delta Printing System device. The ultimate buyer of the device will be China's leading R&D center Tianjin University.

On May 26, 2023, the Issuer accepted an order for the delivery of a printing module for industrial integration placed by one of the key global manufacturers of industrial machines, including for the semiconductor industry and displays, part of NASDAQ 100 index.

On June 1, 2023, the Issuer confirmed the acceptance of an order for the delivery of a printing module for industrial integration placed by HB Technology – a manufacturer of testing and repair equipment for the largest global display manufacturers listed on KOSDAQ 078150.KQ in South Korea.

On June 22, 2023, the Company confirmed an order placed by the Electrical & Computer Engineering Dep. at Northeastern University in Boston.

On June 22, 2023, the Company confirmed an order placed by a client for the delivery of a Delta Printing System device to the Germany-based laboratory of the German-American consortium developing hardware and software for advanced data analysis and machine learning.

On July 12, 2023, the Issuer completed the subscription for the Company's series V ordinary bearer shares, under which 275,000 shares were acquired. As part of the issue, over PLN 36.5 million was raised.

On September 6, 2023, the Company confirmed another order placed by Yi Xin HK Technology Co., Ltd based in China. The ultimate buyer of the device is a leading Chinese R&D center, Research Institute of Tsinghua University in Shenzhen, China.

On September 8, 2023, an agreement was signed between the Issuer and Detekt Technology Inc. based in Taiwan for the non-exclusive distribution of the Issuer's technology solutions in Taiwan.

On October 2, 2023, an agreement was signed between the Issuer and CWI Technical Sales based in the USA for the non-exclusive distribution of the Issuer's technology solutions in the United States of America.

On October 5, 2023, the Issuer signed an agreement with Ontos Equipment System INC., based in the USA, for the non-exclusive distribution of the Issuer's technology solutions mainly in North America.

On November 22, 2023, the Management Board of XTPL S.A. adopted the Company's 2023-2026 Strateg (after the prior approval of the Supervisory Board).

On November 27, 2023, the Company confirmed an order placed by the German Research Foundation – Deutsche Forschungsgemeinschaft for the delivery of the Delta Printing System device to the Technical University of Hamburg.

On December 1, 2023, the Issuer concluded an agreement with Trident Electronics Technologies Pte Ltd based in Singapore for the distribution of the Issuer's technological solutions in Singapore, Malaysia, Indonesia, Thailand, Vietnam and the Philippines.

On December 13, 2023, the fourth and final stage of development as part of the technological phase of activities specified in the agreement was completed and approved by Nano Dimension Ltd.

On December 15, 2023, the Company confirmed an order placed by DETEKT Technologies Inc. based in Taiwan for the delivery of a Delta Printing System device.

On December 18, 2023, the Company confirmed an order placed by Ontos Equipment System INC based in the USA for the delivery of a Delta Printing System device.

On December 19, 2023, the Issuer entered into a non-exclusive agreement with 3H Corporation Ltd based in Korea for the distribution of the Issuer's technological solutions in South Korea.

On December 20, 2023, the Company confirmed an order placed the University of Surrey in the United Kingdom for the delivery of a Delta Printing System device.

On January 11, 2024, the Issuer received information that the project developed in a consortium of which the Issuer is a member, entitled "Ultra-sound combined with bioimpedance analysis and graphene fet-enhanced wearable sensing for decentral health-monitoring" was recommended for funding in the competition HORIZON-CL4-2023-RESILIENCE-01-33 Smart sensors for the Electronic Appliances Market, organized by the European Commission under the Horizon Europe Framework Programme.

On January 23, 2024, the Issuer entered into a non-exclusive agreement with Sigma Technology Corporation based in Taiwan and China for the distribution of the Issuer's technological solutions in Taiwan and China.

On February 19, 2024, the Issuer concluded a non-exclusive distribution agreement for the Issuer's technological solutions with YES01, Youngil Education System Co., Ltd. based in South Korea.

On March 29, 2024, the Company confirmed an order placed by a new industrial client based in California, USA, for the delivery of a Delta Printing System device.

On April 17, 2024, the Issuer confirmed the acceptance of an order for the delivery of another industrial module as part of a project aimed at industrial implementation in the display industry conducted together with HB Technology.

On April 24, 2024, the Issuer confirmed the acceptance of an order for the delivery of a printing module for industrial integration; the direct ordering party is Yi Xin (HK) Technology Co., Ltd based in China, and the final buyer of the device will be a leading manufacturer of testing and repair equipment used in the production lines of modern displays on the Chinese market.

On May 6, 2024, the Company confirmed an order placed by the Italian Institute of Technology – Istituto Italiano di Tecnologia for the delivery of a Delta Printing System device.

On May 10, 2024, a non-exclusive agreement was concluded between the Issuer and CDS ELECTRONIQUE, based in France, for the distribution of the Issuer's technological solutions in France.

On July 1, 2024, the Issuer confirmed the acceptance of an order for the delivery of a UPD printing module; the direct ordering party is a company based in Hong Kong, which will deliver the printing module to a customer in mainland China.

On July 2, 2024, a non-exclusive agreement was signed between the Issuer and Vector Technologies Ltd based in Greece for the distribution of the Issuer's technological solutions in the territory of Greece.

On September 17, 2024, the Company confirmed an order placed by a University in the north-east region of the United States for the delivery of a Delta Printing System device.

On September 20, 2024, the Company confirmed an order placed by an industrial client in Canada for the delivery of the Delta Printing System (DPS).

On September 23, 2024, the Company confirmed an order placed by the Vienna University of Technology in Austria for the delivery of a Delta Printing System device.

On October 14, 2024, the Company confirmed an order placed by an industrial client based in California, USA, for the delivery of a Delta Printing System device.

On November 19, 2024, the Company confirmed an order placed by Åbo Akademi University in Turku, Finland for the delivery of a Delta Printing System device.

On December 6, 2024, the Issuer completed the subscription for the Company's series X ordinary bearer shares, under which 300,000 shares were acquired. As part of the issue, over PLN 27.6 million was raised.

On December 24, 2024, the Company confirmed an order placed by Yi Xin HK Technology Co., Ltd based in China for the delivery of a Delta Printing System device.

On December 27, 2024, the Company confirmed an order placed by a University in the Pacific Northwest region of the United States for the delivery of a Delta Printing System device.

On January 3, 2025, the Issuer confirmed receipt of an order for the first batch of six UPD modules (printheads) to be deployed on the industrial production line of the end client – a leading display maker from China listed on the Shenzhen Stock Exchange with annual revenues of tens of billions of USD.

On February 3, 2025, the Company confirmed an order placed by the Department of Engineering, University of Cambridge, UK, for the delivery of a Delta Printing System device.

On February 19, 2025, the Issuer announced the conclusion of a non-exclusive distribution agreement for the Issuer's technological solutions between the Company and Printed Electronics Corporation based in Japan.

On March 4, 2025, the Company reported entering into an exclusive agreement to distribute the Issuer's technology solutions in Australia and New Zealand

On March 11, 2025, the Management Board of XTPL S.A. with its registered office in Wrocław announced that as of March 11, 2025, the address of the Issuer's registered office changed from ul. Stabłowicka 147, 54-066 Wrocław to ul. Legnicka 48E, 54-202 Wrocław.

On March 13, 2025, the Company reported entering into a non-exclusive agreement to distribute the Issuer's technology solutions in Spain, Portugal, Mexico, Italy, France

On March 27, 2025, the Issuer confirmed the information about the approval by the United States Patent and Trademark Office (USPTO) of the patent claims for the invention "Metallic nanoparticle composition dispenser and method of dispensing metallic nanoparticle composition".

On March 28, 2025, the Issuer reported confirmed an order placed by an industrial client from the USA for the delivery of the Delta Printing System. The client is a defence contractor operating in the defence sector. The DPS device will be used for research, development and prototyping.

On April 8, 2025, the Issuer confirmed the information about the sale of the Delta Printing System device to the University of Massachusetts at Lowell in the USA.

On April 18, 2025, the Issuer reported preliminary estimates of the Company's consolidated revenues from the sale of products and services for the fourth quarter and for the whole of 2025.

On April 29, 2025, the Management Board of XTPL S.A. announced that the Łukasiewicz Research Network – Institute of Microelectronics and Photonics had selected the Company's offer in an open public procurement procedure conducted in the form of a tender [tender procedure number F2/39/2025/ZP].

On May 8, 2025, the Company reported entering into a non-exclusive agreement to distribute the Issuer's technology solutions in China and Taiwan.

3.6 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

Ultra-Precise Dispensing System (UPD System)

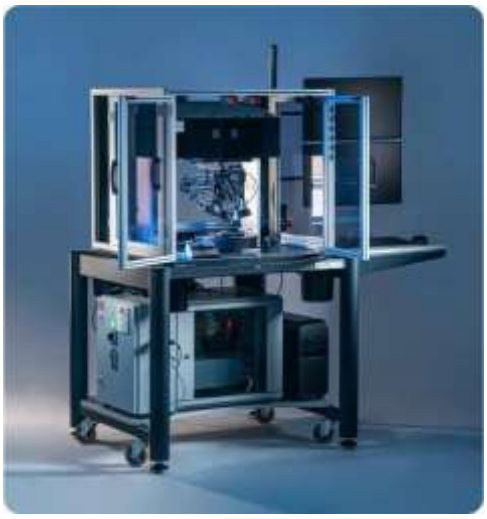
Developed by the Issuer, the UPD System product line is a modular UPD dispensing device for integration with industrial systems, In this way, industrial integrators and end customers can print functional structures with high resolution and packing density. These innovative printing modules with compatible nanoinks enable the ultra-precise creation of conductive lines on the customer's selected technological substrate in low and high-volume applications. The UPD System integrates all the functions required by the XTPL® UPD technology along with electronic control and the proprietary XTPL® UPD Process Control Software package. In addition to the strong market interest in the evaluation of UPD System, XTPL is conducting advanced talks on the commercialization of UPD System solutions with three global producers of consumer electronics (in Europe, South Korea and the USA) and five industrial integrators and producers of industrial machines (in Taiwan, South Korea, China and the USA).

As at the Report Date, the Company had delivered or confirmed orders for 12 devices:

- 1 device to a partner from Taiwan, as a printing module, a prototype of a device for the production of semiconductors for the target client: one of the world's largest semiconductor manufacturers;
- 1 device to one of the key global manufacturers of industrial machines, including machines for the semiconductor and display industries, member of the NASDAQ 100 index;
- 2 devices to HB Technology – listed on KOSDAQ 078150.KQ in South Korea;
- Apparatus1 device to a leading Chinese manufacturer of machines for the FPD (Flat Panel Displays) industry; Display technologies (Flat Panel Display);
- 1 device to a partner in Hong Kong, who will deliver a printing module to a client in mainland China, as a printing module in a machine for prototyping and conducting R&D processes for applications in modern microelectronics and printed electronics.
- 6 devices to a major Chinese manufacturer of testing and repair machines used on the production lines of modern displays (FPDs).

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.

As at the Report Date, the Company had delivered or confirmed orders for 37 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 IRIS Adlershof Institute from the Humboldt University of Berlin, Germany (Q3 2022)
- to Yi Xin HK Technology Co., China (Q3 2022)
- to an industrial entity, United States (Q3 2022)
- to Yi Xin HK Technology Co., China (Q4 2022) – three devices for end buyers:
  - Southeast University School of Electronic Science Engineering in Nanjing
  - Harbin Institute of Technology in Harbin, China
  - Tianjin University School of Precision Instrument and Opto-Electronics Engineering in Tianjin, China
- to HB Technology, Korea (Q4 2022)
- to Yi Xin HK Technology Co., China (Q1 2023) – four devices for end buyers:
  - South China University of Technology in Guangzhou, China;
  - University of Electronic Science and Technology of China in Chengdu, China
  - Beijing Institute of Technology from Beijing, China
  - School of Integrated Circuits, Guangdong University of Technology, China
- to Yi Xin HK Technology Co., China (Q2 2023) – one device for end buyer:
  - Tianjin University in Tianjin, China
- to the Electrical & Computer Engineering Dep. at Northeastern University in Boston (Q2 2023)
- to the Germany-based laboratory of the German-American consortium developing hardware and software for advanced data analysis and machine learning (Q2 2023)
- to the CENIMAT|i3N scientific research center in Portugal (Q3 2023)
- to Yi Xin HK Technology Co., China (Q3 2023) – one device for the end buyer: Research Institute of Tsinghua University in Shenzhen, China
- to the Technical University of Hamburg in Germany (Q4 2023)
- to DETEKT Technologies Inc. in Taiwan (Q4 2023)
- to Ontos Equipment System INC in the USA (Q4 2023)
- to the University of Surrey in the UK (Q4 2023)
- to a new industrial client based in California, USA (Q1 2024)
- to the Italian Institute of Technology in Pisa, Italy (Q2 2024)
- to a university in the northeastern region of the USA (Q3 2024)
- to an industrial client in Canada (Q3 2024)
- to the Vienna University of Technology (TU Wien) in Austria (Q3 2024).
- to an industrial client based in California, USA (Q4 2024)
- to Åbo Akademi University in Turku, Finland (Q4 2024)
- to Yi Xin HK Technology Co., Ltd based in China (Q4 2024)
- to a university in the Pacific Northwest region of the USA (Q4 2024)
- to the Department of Engineering at the University of Cambridge, UK (Q1 2025).

- to a defense contractor in the USA (Q1 2025).
- to the University of Massachusetts at Lowell, USA (Q2 2025).

The Issuer is gradually delivering the devices to the buyers.

High-Performance Materials (HPM)

Since the start of the commercialization of nanoinks developed by the Company's internal R&D department, the XTPL materials line has been developed as a complementary and at the same time independent business line. During this time, the Company has reported a significant increase in activity in terms of the nanoinks on offer alongside expansion of the customer base and improving sales performance. The offer of this business includes both conductive nanopastes with a unique formula enabling the full use of the potential of the UPD method, as well as a line of inks and pastes based on silver nanoparticles intended for use in other printing technologies, such as inkjet printing, LIFT (Laser Induced Forward Transfer), aerosol printing (with pneumatic systems) and micro-dispensing. 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 highly attractive both in the context of the UPD technology and for customers/ end users of other commercial technologies.

As at the Report Date, the Company sold HPM line products in over 110 transactions (362 since the beginning of commercialization of nanoinks – HPM from the EMEA, USA and Asia regions) to customers in 23 countries, gaining the trust of 79 returning customers.

In 2024, as part of its product portfolio, the Issuer offered within the HPM line a new innovative product: conductive paste based on gold nanoparticles. In this way, the XTPL offer currently includes inks and pastes based on two different types of metallic nanoparticles: silver and gold. Introduced as part of the "early access" program addressed to the current customer base, the new product offers an exceptionally high charge of the metallic component (90wt%) while being able to efficiently dispense the paste, even when using very thin printing nozzles. With this technological breakthrough, XTPL enables its customers to apply connections and electrodes of an unprecedented width of merely several micrometers. This is a step forward in the revolution of sensor printing or densely packed connections in semiconductor technologies, opening new possibilities in the design of advanced electronic devices.

The dual expertise of the XTPL team in both printing technology and materials engineering enables the Issuer to provide high-performance materials as a supplier and partner in contract research. The combination of the two areas of expertise is unique on the market and constitutes a competence advantage over the competition. The Company's departments are constantly working on improving the materials on offer to flexibly respond to the needs of the market and individual customers.

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.

3.7 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 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

The printed and flexible electronics market, which the Company addresses with its technology, is steadily growing in value. In 2023, the market was valued at USD 33 billion, and over the next decade – by 2032 – it is projected to grow to USD 75 billion, representing a CAGR of 9.7% between 2023 and 2032 (source: SDS Insider).

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 the authors of the report published by IDTechEx, the global market for conductive inks exceeded USD 2.7 billion in 2022, and is expected to reach USD 4.5 billion in 2033. The data published in another market report – Custom Market Insights (CMI) – show that the global market for conductive inks reached USD 3.8 billion in 2021, and is expected to reach USD 9.8 billion in 2030. 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 LINES AND PROSPECTS for the Company and the Group

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.

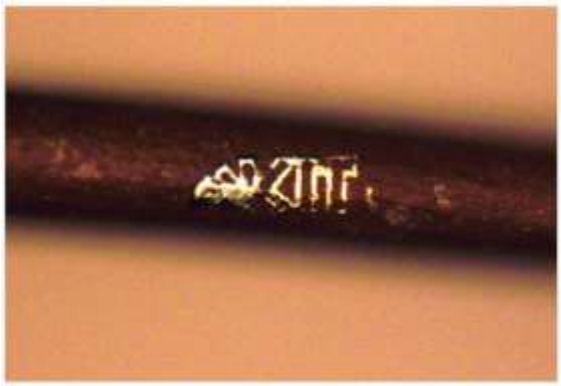
3.8 DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS AND FAILURES OF XTPL AND THE GROUP IN Q1 2025

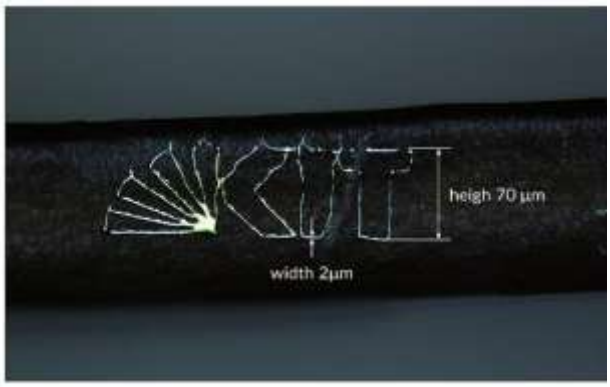
3.8.1 Issuer's progress and achievements in the commercialization of technologies and products

In the first quarter of 2025, 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 set up 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, which is enabled by the Delta Printing System, is the main feature that makes global technological innovators interested in this device. Users of the Delta Printing System users appreciate the device 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 Company's efforts helped stimulate a substantially increased interest in the Delta Printing System. In 2025, the Company carried out 2 orders for the delivery of Delta Printing System (DPS) devices:

- to the Department of Engineering at the University of Cambridge, UK
- to the Washington University in the United States

In addition, the Company confirmed another order placed in the first quarter of 2025 by:

- a defence contractor in the USA.

After the Reporting Period, the Company confirmed another order placed by:

- University of Massachusetts at Lowell, USA.

The Company confirmed that the Łukasiewicz Research Network – Institute of Microelectronics and Photonics had selected the Company's offer in an open public procurement procedure conducted in the form of a tender.

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.

In 2024, the Company's laboratories were working on new nanoink formulations and gold ink was introduced to the sales offer in the first half of 2024. In the Reporting Period, the Company also held talks with leaders of electronics manufactured by means of the additive method concerning 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 – intensive 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 ten projects that will be developed to bring them to a higher level of evaluation.

Other tasks related to the commercialization of the UPD technology

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 concentrated 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 repairs in the PCBA area;
(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).

In addition to the strong market interest in the evaluation of UPD technology integration in production processes, XTPL is conducting advanced talks on the commercialization of printing module solutions with three global producers of consumer electronics (in Europe, South Korea and the USA) and five industrial integrators and producers of industrial machines (in Taiwan, South Korea, China and the USA). 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.

On July 1, 2024, the Issuer confirmed acceptance of the order for the delivery of the UPD printing module. The direct buyer is a company based in Hong Kong ("**Partner**") that will deliver the printing module to its customer in Mainland China. The partner is an entity that develops and distributes modern devices for prototyping processes using additive techniques, 3D product testing and the production of high-performance parts for the aerospace, energy and other sectors. Using the UPD printing module supplied by XTPL S.A., the end customer will build a device for prototyping and conducting R&D processes for applications in modern microelectronics and printed electronics. The devices will be intended for customers based in China.

In the Reporting Period, the Company delivered the first module out of a batch of the ordered UPD modules (6 printheads) to be deployed on the industrial production line of the end client – a leading display maker from China listed on the Shenzhen Stock Exchange with annual revenues of tens of billions of USD. The modules will be used to repair defects in modern, ultra-high resolution Flat Panel Displays (FPDs).
After the Reporting Period, another UPD Module was delivered.

Commercialization activities in the Flat Panel Display sector (ODR)

The Company continues cooperation with manufacturers of high-resolution displays in the area of repairing open defects in conductive paths within the electrical layer, as well as in the area of using precise dispensing 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 since 2024, talks have continued with representatives of a Korean company producing devices for the display industry and with an end-user – one of the largest display manufacturers in the world. The results achieved relating to the Client's specific application area are in line with expectations and significantly accelerate subsequent steps aimed at implementing the UPD technology at the end Client's site.

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 within a single package. Entities with whom talks are being held are global top-tier producers in this area, based in North America, Asia and Europe.

3.8.2 Key achievements and progress in research & development

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. Filling gaps in semiconductor structures with selected material, including controlled and efficient filling of microwells/ subpixels with quantum inks for uLED displays;
3. Significant printing automation related to mapping substrates with complex topography before printing and then importing the map to the device;
4. Modifying the dot printing method to achieve printing frequency of 8 Hz;
5. Work on the implementation of projects within the NPD (New Product Development) process corresponding to the development roadmap of DPS devices, the UPD module and HPM materials.

During the reporting period, the R&D Team worked on such initiatives as the development and marketing of a new type of formulation based on gold nanoparticles with a metal content above 90%. It is intended for use in printable electronics, particularly in precision printing and putting electrodes in sensors. The new product is an advanced composition based mainly on spherical nanoparticles.

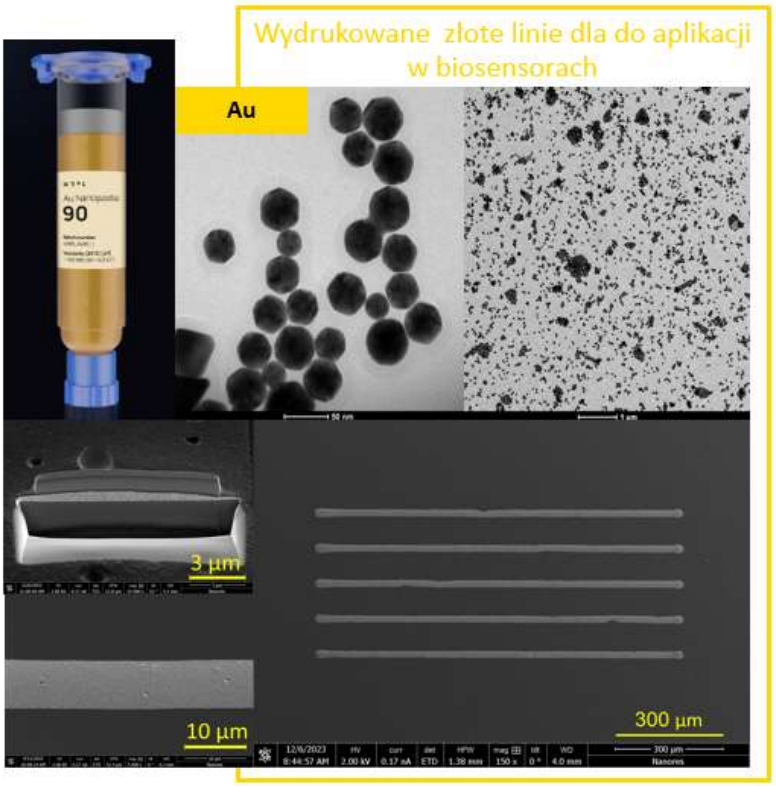


Fig. Summary of the new Au90 product intended for printing in UPD technology and commercially available dispensers. TEM images of 50 nm gold nanoparticles and prints of conductive microlines.

The Au 90 paste enables precise printing of microstructures with complex geometry based on a DPS printer, and thanks to its high gold content, it enables efficient deposition of a large amount of conductive material in one iteration. The low content of organic material in the formulation makes the product suitable for use in many industrial sectors that require a reduced amount of organic material, including in medical electronics, semiconductor technology and sensors. Thanks to its unique properties that prevent micro-nozzle clogging, it is an ideal product for depositing fine details on various substrates, such as glass, PCBs and foils (e.g. PET, Kapton).

Moreover, during work carried out under the European grant "Building Active MicroLED displays By Additive Manufacturing", the R&D team validated the compatibility of quantum inks with the DPS printing system for applications in precise and controlled sub-pixel filling in the new µLED display architecture. The UPD technology has a major advantage in this application based on precise regulation of the height of deposition of quantum dot layers in microwells which house the light conversion module. At the bottom of the subpixel there are nanowires emitting blue light that stimulates deposited quantum dots. As a result, the blue light is converted to green or red light. With the ability to adjust the volume of quantum inks put in microwells using a DPS printer, it is possible to control the external quantum efficiency in the light conversion module, achieve higher process repeatability and minimize losses of the fluorescent nanomaterials used during printing

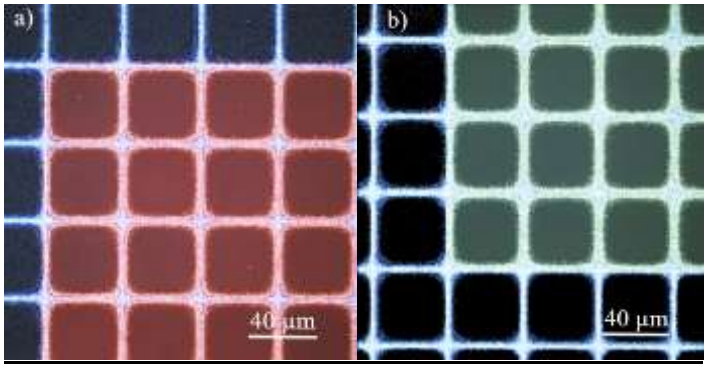


Fig. Microwells filled with inks based on a) red and b) green quantum dots using the DPS.

During the Reporting Period, the company also worked on depositing dots from dispensable materials in a repeatable and rapid manner using XTPL UPD technology. A print speed of about 8 dots per second (8Hz) was achieved. The dots are deposited using the Delta Printing System (DPS) printer with CL85 silver paste and a nozzle with an outer diameter of 5 µm. At the stated speed, over 100,000 dots were deposited. The diameter of the dots ranged from 6.8 to 9.2 µm.

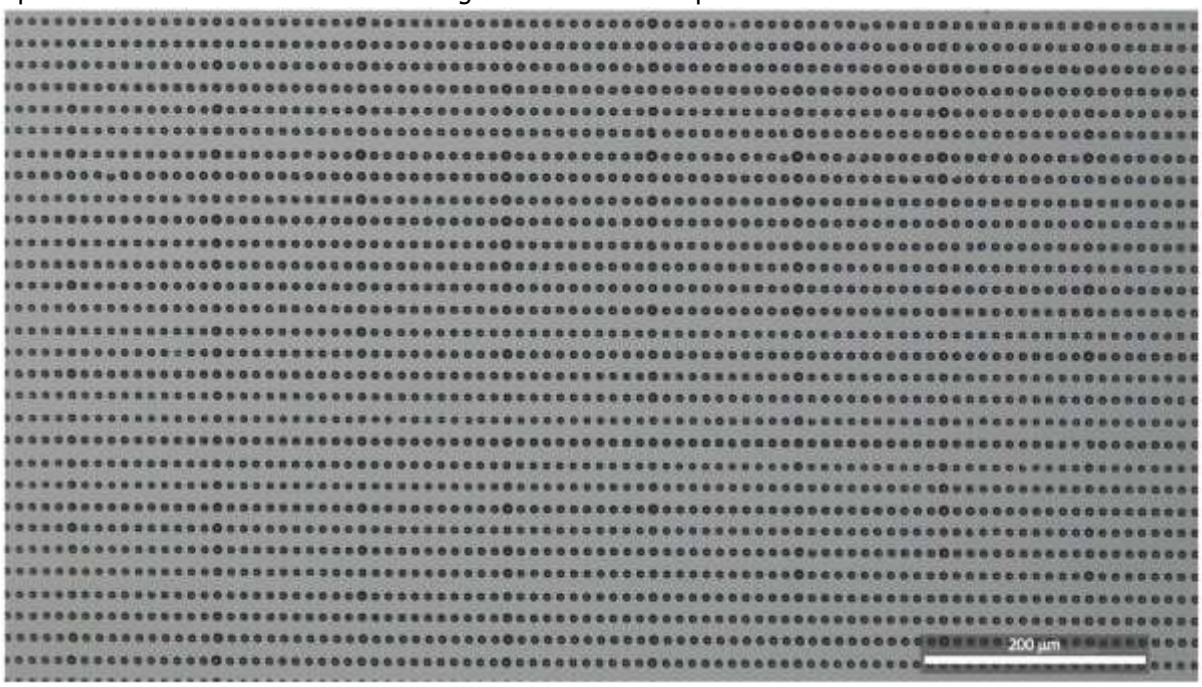


Fig. Photo of a fragment of a sample dot matrix

To meet the needs of our customers and market requirements, the R&D Team has also begun research into increasing the capabilities of autonomous printing on our devices. In the current configuration, our printer fully supported automatic printing along a set trajectory in the X and Y axes. However, market requirements and the rapidly developing industry have shown a great demand for enabling printing in 3 axes, allowing for the variable topography of the substrate, including, for example, printing on "steps".

As part of the research, it was first necessary to indicate a potentially optimal tool that would allow scanning the substrate with sufficient accuracy and resolution. Taking into account the initial assumptions and requirements for the developed functionality, we decided to use a confocal sensor as a tool to virtualize the substrate surface and record it as a set of coordinates in three-dimensional space.

Based on the virtual surface map, the operator is able to mark the head's travel path in the XY axes using the implemented graphical interface.

Using the data from the confocal sensor and the plotted travel coordinates, the system automatically generates the head travel trajectory taking into account 3 axes (XYZ). Moreover, thanks to the ability to determine the degree of tolerance, the system is able to minimize certain imperfections of the scanning device by eliminating the influence of noise on the resulting print trajectory.

In the case of step printing, the algorithms used automatically approximate the movement on the edge to optimize the path as much as possible.

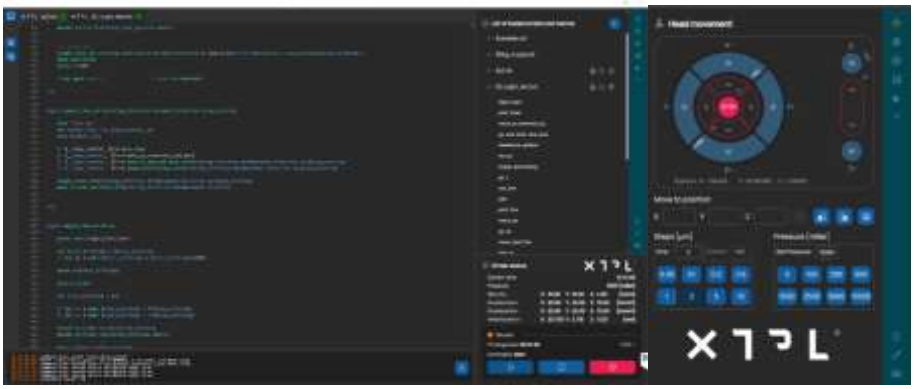
In order to increase the precision and quality of the print, while maintaining or even increasing the speed of the entire process, the Team began work on further optimization of the DPS device. The research and subsequent development work directly affected both the control software and the printer hardware solutions themselves.

Thanks to the use of the new 2.0 dosing system together with the optimization of the printing algorithm, the inertia of the dosing system has been minimized. This helped in almost complete elimination of artifacts appearing at the beginning and end of printed paths, while maintaining or even increasing the maximum printing speeds achieved by our device.

The introduction of a graphical interface (GUI) to the DPS device control application has brought significant improvements in everyday work. Thanks to the GUI, operation has become more intuitive and user-friendly, which significantly facilitates the daily work of both experienced operators and new users.

Today, instead of entering complex commands in console mode, users can benefit from clear, visual interfaces, which minimizes the risk of errors and allows work to be started faster. Additionally, new operators can learn to operate the machine more quickly, reducing training time and facilitating an earlier start of production. The GUI has also improved the accessibility of key functions, such as monitoring print progress and easy management of settings, which significantly increases the efficiency and comfort of working with the printer.

The implementation of the GUI means the integration of the interface in devices sold in Q4, as well as the upgrade of some products already with customers. Standardization of solutions that influence ease of use is appreciated by customers and strengthens the recommendation process of XTPL as a partner that treats customer needs as a priority.



The next planned step in development is to enable remote control or monitoring of our device, e.g. from an external room, so that the operator does not have to work directly from a clean room. This is possible by changing the architecture of the entire system and setting up the API interface.

During the Reporting Period, many online publications were released on XTPL and its technology.

In February 2025, an article was published in IEEE Journals and Magazines discussing the application of UPD (Ultra-Precise Deposition) printing technology for the fabrication of capacitors.

The article titled "Ultrabroadband DC-Blocking Capacitors Using 3-D-Printed Interdigitated Finger Structures" presents an advanced technology that enables the printing of broadband DC-blocking capacitors for frequencies up to 170 GHz. The solution is the optimal choice for broadband optical systems in data communication applications. The broadband behavior is achieved by combining commercially available low-cost surface-mounted devices (SMDs) with cutting-edge 3-D-printing technology. The applied ultraprecise dispensing (UPD) technology enables printing multiple thin lines, forming an interdigitated finger capacitor with a small capacitance and a beneficial high-frequency behavior. This solution stands out due to the small footprint of an SMD component in a 0201 package (600 × 300 µm), allowing high-density packaging solutions. Furthermore, this approach results in lower costs compared with silicon capacitors or complex manufacturing solutions and benefits from the easy integration into commercially available printed circuit board (PCB) processes.

3.8.3 Development and demonstration of a multi-head UPD printing prototype

XTPL has taken a significant step forward in the development of its Ultra-Precise Dispensing (UPD) technology by presenting the first prototype of a multi-head system, enabling simultaneous and precise printing using eight independently controlled nozzles. This breakthrough achievement shows that the Company's technology can be scaled, which means not only faster printing, but also the ability to simultaneously apply different materials – e.g. conductive and insulating nanoinks.

The Company is currently the only one in the world to have demonstrated the precise printing of sub-10 µm structures using high-viscosity nanoinks (>100,000 cP) within a multi-head system. This solution has generated enormous interest among key clients from the advanced microelectronics industry because it opens up new possibilities in the production of modern displays, sensors and semiconductors.

R&D will continue in 2025–2026 to refine and commercialize the technology. In the future, the multi-head may become a standalone product or be integrated as an option in the developed DPS+ device, which will further increase the potential of the Company's technology.

3.8.4 Milestones achieved by the Issuer in Q1 2025

The first milestone is related to the Delta Printing System as the demonstrator of the XTPL technology. Significant printing automation was introduced in relation to mapping substrates with complex topography before printing and then importing the map to the device.
Another milestone relates to the development of the Ultra-Precise Deposition technology itself. In this context, the dot printing method was modified to achieve printing frequency of 8 Hz.

1. The development and marketing of a new gold nanoparticle-based formulation (Au 90). XTPL has developed and introduced a new gold nanoparticle paste formulation with a metal content exceeding 90% by weight, designed for precise dispensing and the production of electrodes used in sensors and advanced printed electronics. Au 90 paste enables the production of microfeatures with complex geometry using a DPS printer. Due to its low content of organic material, it is used in sectors such as medical electronics, semiconductors and sensors. Unique anti-clogging properties make the product ideal for precision printing on a variety of substrates, including glass, PCBs, and flexible films such as PET and Kapton.
2. Implementation of the new XTPL GUI software. XTPL has introduced a new version of software with an improved graphical interface (GUI), significantly improving the comfort of use and work efficiency. The new GUI has been designed for intuitive navigation, streamlining the user experience by removing unnecessary complexities and reducing the risk of errors. Users can now quickly find the features they need without having to search through complex collections. The software also supports keyboard shortcuts and macros, allowing repetitive tasks to be automated and increasing productivity.
3. Development and demonstration of a multi-head UPD printing prototype XTPL presented the first prototype of a multi-head UPD printing system, enabling simultaneous and precise dispensing of materials using eight independently controlled nozzles. This breakthrough significantly enhances the scalability of the technology by accelerating the printing process and enabling the simultaneous use of both conductive and insulating inks. XTPL is the only company in the world to have demonstrated the ability to multi-channel print structures smaller than 10 µm using high-viscosity pastes. The solution has attracted significant interest from key customers in the microelectronics industry, unlocking new applications in areas such as semiconductors and displays. Work on the commercialization of the multi-head system will continue until 2026, with the potential for it to be implemented either as a standalone product or as an option within DPS+.
4. Development related to the launch of the new DPS+ business line for the HMLV market. XTPL plans to expand its offering with a new DPS+ business line, addressing the niche between industrial modules and DPS devices. The new solution is designed for High Mix Low Volume (HMLV) production, responding to the growing market demand for personalization in electronics production. DPS+ is a standalone device offering a higher level of automation than the DPS, designed for technology corporations and electronics manufacturers. As of the report's publication date, research and development on the prototype is well advanced, and the Company anticipates the possibility of receiving the first orders in 2025. The commercialization of the new business line will play a key role in reaching the strategic goal of PLN 100 million in commercial sales by 2026.
5. XTPL has developed and implemented a technological solution using Ultra-Precise Dispensing (UPD) technology to repair open defects on electrodes with widths of 1-2 micrometers, which occur during the production of microOLED displays. An open defect refers to a break in the conductive path, resulting in dead pixels and causing production rejects as high as 50%. The cost of rejected components can reach up to 70% of the final product's value, and traditional repair methods are both costly and time-consuming. UPD allows for the precise repair of defects smaller than 1 µm, reducing material waste and improving efficiency.

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

In the process of commercialization of technologies developed by the Company, an important role is played by intellectual property (IP), which constitutes XTPL's competitive advantage. The development of an IP portfolio and its appropriate protection are crucial to the company's market position and significantly affect its value. XTPL technological solutions are protected from the moment of patent filing.

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 devices 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 devices.

In the first quarter of 2025, the Company:

1) received information, on January 13, 2025, that the South Korean patent office had approved its patent claims for the invention "Methods of Dispensing a Metallic Nanoparticle Composition from a Nozzle onto a Substrate" (ESPI Current Report No. 2/2025 of January 14, 2025);
2) received information, on January 21, 2025, that the Taiwan Intellectual Property Office (TIPO) had approved the patent claims for the invention "Method of filling a microcavity with a polymer material, a filler in a microcavity, and an apparatus for filling a microcavity on or in a substrate with a polymer material" (ESPI Current Report No. 4/2025 of January 23, 2025);
3) received information, on March 25, 2025, about the approval by the United States Patent and Trademark Office (USPTO) of the patent claims for the invention "Metallic nanoparticle composition dispenser and method of dispensing metallic nanoparticle composition".

In addition, after the Reporting Period, the Company obtained the following industrial and intellectual property protection:

1) On April 15, 2025, it obtained trademark registration from the local Taiwan Patent Office: for the XTPL trademarks (word mark and word-and-design mark) under the primary USPTO register.

The Company has adapted its process of filing patent application to the recommendations of the patent offices cooperating with it. The recommendations help create patent applications of the highest quality and, as a result, strengthen the level of protection of the Company's intellectual property.

As at the Report Date, the Company has **44** patents approved, covering e.g. The territory of Japan, China, South Korea, Malaysia, 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, the United States and the UK.

The building of a patent cloud for the proprietary technology and products is an essential part of the Company's strategy, which raises the Issuer's credibility among potential industrial clients. The patent protection obtained as a result of the filings will increase the value of the potential commercialization of the Company's technology with respect to industrial implementations. The Company plans to file more patent applications for inventions to be developed in the course of current and future research and development.

3.8.6 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.
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 (including press releases and presentations) and through the 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 institutional investors, analysts and journalists. The Company publishes earnings calls in Polish (and starting from April 30, 2025 also in English) on its corporate YouTube channel: https://www.youtube.com/@xtplsa/videos.

Below is a description of the key events and activities addressed to the capital market in Q1 2025:

On January 28, 2025, the Company's Management Board conducted an investor webinar, during which the Company's current achievements and development plans for 2025-2026 were presented. The webinar also covered a detailed discussion of another milestone in the Company's development, i.e. concluding an agreement to deliver the first batch of UPD modules (printheads) for industrial implementation on the client's production lines in China.
Link to the webinar: https://www.youtube.com/watch?v=TWtxouj2aWY

On March 16, 2025, the Management Board of the Company, represented by the CEO Filip Granek, took part in the 15th edition of the "Książęca Street" conference in Warsaw. The two-day in-person event dedicated to individual investors featured several presentations by companies, including those listed on the Warsaw Stock Exchange. During the conference, XTPL outlined its achievements and development prospects for the coming years.

On March 29, 2025, the Management Board of the Company, represented by CEO Filip Granek took part in the Invest Cuffs conference in Kraków as part of the "Individual Investor Day" organized by Telewizja Biznesowa (Business TV). XTPL took part in the "Innovations Made in Poland" panel, where it presented its unique UPD technology and its role in shaping the production of next-generation electronics. Link to the interview conducted during the conference:
https://www.youtube.com/watch?v=WgZ27qr7c3c

After the Reporting Period, the Company continued active communication with investors:

On April 30, 2025, the Company organized two earnings calls for investors and all capital market stakeholders, during which the Company's Management Board discussed the Issuer's financial results for the fourth quarter of 2024 and the entire year 2024. The first meeting was held in Polish and the other in English. During both video conferences, the Management Board of XTPL S.A. presented the financial and operational results of the Company, summarized the most important events and achievements of this period and answered investors' questions in the Q&A section. Links to the conference:
(PL): https://www.youtube.com/watch?v=X2Zv3X_DBqQ
(ENG): https://www.youtube.com/watch?v=698yOj0kuqA

From May 12 to 14, the Company's Management Board participated in the German Spring Conference in Frankfurt (Germany), where it delivered an investor presentation on XTPL to a broad audience and held a series of one-on-one and small-group meetings with the Company's stakeholders. The event was

organized by Equity Forum, and the conference is one of the key meetings for institutional investors, financial analysts and representatives of venture capital and private equity in Europe.

On May 23-25, the Management Board of the Company, represented by CFO Jacek Olszański, participated in the WallStreet 29 conference in Karpacz (Poland) held on May 23-25. During the largest individual investor event in Central and Eastern Europe, the Management Board delivered a presentation on XTPL and held a series of meetings with attending investors and media representatives. WallStreet 29 is the largest and most prestigious event for individual investors and entrepreneurs in Poland, organized by the Association of Individual Investors (SII) and co-organized by the Entrepreneurship Club.

The Issuer is monitoring upcoming investor events in which to participate to be able to showcase its achievements with respect to technology and its commercialization, financial performance and development prospects.

3.8.7 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.

The Issuer's activity at industry events in Q1 2025 is described below:

February 25–27, 2025 – LOPEC 25 Trade Fair, Munich, Germany. The LOPEC trade fair brings together professionals interested in printed electronics from around the world and serves as an excellent platform to explore the latest market trends. This year, there was particularly strong interest in biosensors and printing on flexible substrates.
As every year, the XTPL team conducted dozens of discussions with potential clients of the UPD technology during the event.

In 2025 to date/ in the upcoming quarters of 2025, the Company participated/ plans to participate in the following industry events:

April 10 – a conference under the EMERGE project banner will be organized jointly by RI.SE Research Institutes of Sweden and XTPL. The event was held in Norrköping, Sweden, in a hybrid format combining in-person and online participation. During the meeting, a presentation on Micron Scale Dispensing Technology for Advanced Electronics was delivered, and a live connection was made with the laboratory in Wrocław to demonstrate printing using the Delta Printing System.

May 14 – the rapid.tech 3D conference in Erfurt, Germany: an XTPL representative presented on Additive Manufacturing for Next Generation Microelectronics. Additive Manufacturing for Next Generation Microelectronics.

May 22 – XTPL will participate in SEMICON Southeast Asia. XTPL was invited by the Polish Embassy in Singapore, showcasing the company at the embassy's stand as one of five Polish technology firms.

May 22 – a conference to be organized jointly with ETH Zurich.

May 27 to 30 – ECTC conference in Dallas, USA. XTPL will participate as an exhibitor through its representative, XTPL Inc., based in Boston.

June 11 and 12 – the Tech Blick conference held in Boston, USA. As in the case of ECTC, XTPL will participate via its Boston office, XTPL Inc.

In Q1 2025, work was under way on a new marketing and communication strategy, which is to support the change of XTPL's image as a provider of disruptive technologies for the printed microelectronics industry. The new strategy will be implemented and developed in the coming quarters of 2025 in order to increase the visibility of the XTPL brand and products on the markets selected by the Company. This will also allow XTPL's solutions to be introduced to a wide group of customers on the markets identified by the Company as those with the greatest revenue potential for XTPL, namely the United States, UE, Taiwan and South Korea.

At the beginning of April 2024, a new website was launched – xtpl.com.

The Company acquires new contacts and sales leads mainly through active participation in industry events. Other sources also include various marketing and sales activities, such as changing and positioning the xtpl.com website, an active, regularly maintained profile and campaigns on LinkedIn, and SEO (search engine optimization) activities aimed at attracting traffic to the website and building awareness of the XTPL brand and products on the web.

3.8.8 Events during the Reporting Period

Date	Event	Current Report
January 3, 2025	**Sale of the first batch of UPD modules for industrial implementation on the production line of ultra-high resolution displays at a leading manufacturer of displays in China** The Issuer confirmed receipt of an order for the first batch of six UPD modules (printheads) to be deployed on the industrial production line of the end client – a leading display maker from China listed on the Shenzhen Stock Exchange with annual revenues of tens of billions of USD. The modules will be used to repair defects in modern, ultra-high resolution FPDs). The direct ordering party is Yi Xin (HK) Technology Co., Ltd based in China, which distributes XTPL's technological solutions. (Current Report No. 4/2021 of April 15, 2021). The final buyer of the UPD modules will be a major Chinese manufacturer of testing and repair machines used on the production lines of modern displays (FPDs). The partner's clients are leading manufacturers of modern FPDs on the Chinese market. The order was placed following a technological evaluation in the form of tests of a prototype industrial device by the Partner (Current Report No. 24/2024 of April 24, 2024).	ESPI 1/2025
January 14, 2025	**Recognition of patent protection by the South Korean Patent Office (KIPO)** The Company has received information that the South Korean patent office has approved its patent claims for the invention "Methods of Dispensing a Metallic Nanoparticle Composition from a Nozzle onto a Substrate".	ESPI 2/2025
January 17, 2025	**XTPL S.A. – statement on compliance with the Best Practice for GPW Listed Companies 2021** Pursuant to § 29(3) of the Rules of the Warsaw Stock Exchange S.A., the Issuer has disclosed information regarding the status of compliance with the 2021 Good Practices.	EBI 1/2025

Date	Event	Current Report
January 22, 2025	**Preliminary estimates of revenues from the sale of products and services for Q4 and 2024** The Issuer reported preliminary estimates of the Company's consolidated revenues from the sale of products and services for the fourth quarter and for the whole of 2024: 1. **Estimated consolidated revenues from the sale of the Company's products and services in the fourth quarter of 2024** were PLN 5,434 thousand. In the same period of the previous year, the revenues were PLN 4,247 thousand. This figure does not include proceeds on account of grants related to the Issuer's implementation of research and development projects. 2. **Estimated consolidated revenues from the sale of the Company's products and services in** 2024 are PLN 12,095 thousand compared to PLN 13,418 thousand posted in the previous year. This figure does not include proceeds on account of grants related to the Issuer's implementation of research and development projects.	ESPI 3/2025
January 23, 2025	**Recognition of Patent Protection by the Taiwan Intellectual Property Office ("TIPO")** The Company has received information that the Taiwan Intellectual Property Office (TIPO) has approved the patent claims for the invention "Method of filling a microcavity with a polymer material, a filler in a microcavity, and an apparatus for filling a microcavity on or in a substrate with a polymer material".	ESPI 4/2025
January 29, 2025	**Dates of publication of financial reports in 2025** The Issuer provided information on the dates of publication of periodic (financial) reports in 2025: – consolidated and standalone annual report for 2024 – April 28, 2025; – consolidated Q1 2025 – May 28, 2025; – consolidated half-yearly for H1 2025 – September 25, 2025, – consolidated Q3 2025 – May 25, 2025. At the same time, the Issuer announced that it would not publish quarterly reports or consolidated quarterly reports for the fourth quarter of 2024 and the second quarter of 2025. In addition, the Issuer announced that the consolidated quarterly and half-yearly reports will include quarterly and half-yearly condensed standalone financial statements, respectively.	ESPI 5/2025
February 3, 2025	**Sale of Delta Printing System to the Faculty of Engineering at the University of Cambridge, UK** The Issuer's Management Board reported that on February 3, 2025, the Company had confirmed an order placed by the Department of Engineering, University of Cambridge, UK, for the delivery of a Delta Printing System device. The Company will deliver and install the device in the first quarter of 2025.	ESPI 6/2025
February 19, 2025	**Conclusion of a non-exclusive agreement for distribution of the Issuer's technological solutions in Japan** The Issuer reported that on February 19, 2025, a non-exclusive distribution agreement for the Issuer's technology solutions was signed between the Issuer and Printed Electronics Corporation headquartered in Japan. Under the agreement, the distributor will advertise and sell XTPL technological solutions in Japan. The cooperation is designed to support the Issuer in reaching new academic and industrial clients and finding broader applications for XTPL technologies and products. It will focus on introducing solutions in the area of thin-film photovoltaics, memristors and sensors.	ESPI 7/2025

March 4, 2025	**Entering into an exclusive agreement to distribute the Issuer's technology solutions in Australia and New Zealand** The Company announced that on March 4, 2025, an exclusive distribution agreement for the Issuer's technology solutions was signed between the Issuer and InnovoTechX, headquartered in Australia. Under the agreement, the distributor will advertise and sell XTPL technological solutions in Australia and New Zealand. The cooperation is designed to support XTPL in reaching new academic and industrial clients and finding broader applications for XTPL technologies and products. It will focus on introducing solutions in the area of micro- and nano-manufacturing and biointerface.	ESPI 8/2025
March 11, 2025	**Change of the Issuer's registered office address** The Issuer's Management Board reported that on March 11, 2025 its registered office address changed from ul. Stabłowicka 147, 54-066 Wrocław to ul. Legnicka 48E, 54-202 Wrocław.	ESPI 9/2025
March 13, 2025	**Entering into a non-exclusive agreement to distribute the Issuer's technology solutions in Spain, Portugal, Mexico, Italy, France** The Issuer reported that on March 13, 2025, a non-exclusive distribution agreement for the Issuer's technology solutions was signed between the Issuer and SURFACE MOUNT TECHNOLOGY, SL, headquartered in Spain. Under the agreement, the distributor will advertise and sell XTPL technological solutions in Spain, Portugal, Mexico, Italy, France. The cooperation aims to support XTPL in reaching new academic and industrial customers, finding broader applications for XTPL technologies and products, and will focus on introducing solutions in the area of microelectronics assembly, semiconductors, as well as inks and consumables.	ESPI 10/2025
March 27, 2025	**Recognition of patent protection by the United States Patent and Trademark Office** The Company reported that on March 25, 2025 it had received information about the approval by the United States Patent and Trademark Office (USPTO) of the patent claims for the invention "Metallic nanoparticle composition dispenser and method of dispensing metallic nanoparticle composition".	ESPI 11/2025
March 28, 2025	**Sale of the Delta Printing System to a defence contractor in the USA** The Issuer reported that on March 27, 2025 the Company confirmed an order placed by an industrial client from the USA for the delivery of the Delta Printing System. The client is a defence contractor operating in the defence sector. The device will be used for research, development and prototyping. Furthermore, the Issuer reported that the transaction had been concluded as a result of the activities of the subsidiary XTPL Inc. based in Boston, which will also handle operational aspects of the transaction. The opening of the XTPL Inc. office, a Demo Center in Boston, was part of the Company's strategy adopted in November 2023. The Company has so far sold a total of eight DPS devices on the North American market.	ESPI 12/2025

3.8.9 Events occurring after the Balance Sheet Date

Date	Event	Current Report
April 8, 2025	**Sale of Delta Printing System to the University of Massachusetts at Lowell, USA** The Issuer reported that on April 7, 2025, the Company confirmed an order placed by the University of Massachusetts at Lowell in the USA for the delivery of a Delta Printing System device. The device will be used for research and	ESPI 13/2025

Date	Event	Current Report
	development activities in the field of microelectronics and printed electronics.The transaction was concluded as a result of the activities of the subsidiary XTPL Inc. based in Boston, which will also handle operational aspects of the transaction.	
April 18, 2025	**Preliminary estimates of revenues from the sale of products and services for Q1 2025** The Issuer reported preliminary estimates of the Company's consolidated revenues from the sale of products and services for the first quarter of 2025.	ESPI 14/2025
April 28, 2025	**2024 Annual Report** The Issuer published its Annual Report for 2024.	N/A
April 28, 2025	**2024 Financial Statements** The Issuer published its financial statements for 2024.	N/A
April 29, 2025	**Information on selection of the Issuer's offer in the proceedings for the supply of a device for the manufacture of conductive micro-traces** The Company announced that on April 29, 2025, the Company became aware of the selection by the Lukasiewicz Research Network – Institute of Microelectronics and Photonics of the offer presented by the Company in the proceedings for the award of an open public procurement contract conducted by means of a tender. The bid submitted by the Company was for the sale, delivery, commissioning, personnel training and maintenance care of a system for producing conductive micro-traces. As part of the bid, the Issuer proposed the Delta Printing System device it developed.	ESPI 15/2025
March 8, 2025	**Conclusion of a non-exclusive agreement for distribution of the Issuer's technological solutions in China and Taiwan** The Company announced that on May 8, 2025, a non-exclusive distribution agreement for the Issuer's technology solutions was signed between the Issuer and Dong Rong Electronics, Hong Kong. Under the agreement, the distributor will promote and sell XTPL technological solutions to customers based in China and Taiwan. XTPL's products will be offered in key industries such as semiconductors, advanced packaging, and flat panel display manufacturing The promotional strategy includes participation in industry events and conferences, as well as cooperation with local universities and research and development centers.	ESPI 16/2025

3.8.10 Industry and investor events after the Balance Sheet Date

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 (including press releases and presentations) and through the 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 institutional investors, analysts and journalists. The Company publishes earnings calls in Polish on its corporate channel on YouTube:

https://www.youtube.com/@xtplsa/videos.

After the Reporting Period, the Company continued active communication with investors:

On January 28, 2025, the Company's Management Board conducted an investor webinar, during which the Company's current achievements and development plans for 2025-2026 were presented. The webinar also covered a detailed discussion of another milestone in the Company's development, i.e. concluding an agreement to deliver the first batch of UPD modules (printheads) for industrial implementation on the client's production lines in China.

On March 16, 2025, the Management Board of the Company, represented by the CEO Filip Granek, took part in the 15th edition of the "Książęca Street" conference in Warsaw. The two-day in-person event dedicated to individual investors featured several presentations by companies, including those listed on the Warsaw Stock Exchange. During the conference, XTPL outlined its achievements and development prospects for the coming years.

On March 29, 2025, the Management Board of the Company, represented by CFO Jacek Olszański, took part in the Invest Cuffs conference in Kraków as part of the "Individual Investor Day" organized by Telewizja Biznesowa (Business TV). XTPL took part in the "Innovations Made in Poland" panel, where it presented its unique UPD technology and its role in shaping the production of next-generation electronics.

In the coming months, the Company plans to participate in the following industry events:

On April 30, 2025, the Company organized two earnings calls for investors and all capital market stakeholders, during which the Company's Management Board discussed the Issuer's financial results for the fourth quarter of 2024 and the entire year 2024. The first meeting was held in Polish and the other in English. During both video conferences, the Management Board of XTPL S.A. presented the financial and operational results of the Company, summarized the most important events and achievements of this period and answered investors' questions in the Q&A section. Links to the conference:
(PL): https://www.youtube.com/watch?v=X2Zv3X_DBqQ
(ENG): https://www.youtube.com/watch?v=698yOj0kuqA

From May 12 to 14, the Company's Management Board participated in the German Spring Conference in Frankfurt (Germany), where it delivered an investor presentation on XTPL to a broad audience and held a series of one-on-one and small-group meetings with the Company's stakeholders. The event was organized by Equity Forum, and the conference is one of the key meetings for institutional investors, financial analysts and representatives of venture capital and private equity in Europe.

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The Issuer is monitoring upcoming investor events in which to participate to be able to showcase its achievements with respect to technology and its commercialization, financial performance and development prospects.

3.9 PRINCIPLES FOR DRAFTING THE QUARTERLY FINANCIAL STATEMENTS

3.9.1 General information and basis of preparation

The quarterly condensed financial statements of XTPL Group (standalone and consolidated financial statements) cover the period of three months ended March 31, 2025, and the comparative data for the period of three months ended March 31, 2024. 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 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.

3.9.2 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.

3.9.3 Exchange rates used in the financial statements

exchange rates used in the financial statements	2025 January – March		January – March/ December 2024	
	EUR	USD	EUR	USD
for balance sheet items	4.1839	3.8643	4.2730	4.1012
for profit or loss and cash flow items	4.1848	3.9737	4.3211	3.9941

3.9.4 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 financial statements for 2024 published on April 28, 2025. There were no changes in the accounting policies or significant changes in estimates in the Reporting Period

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

In the Reporting Period, there were no factors or events, including extraordinary ones, that would have a significant impact on the condensed financial statements

3.9.6 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 Q1 2025, published in ESPI Current Report 14/2025 of October 18,

2025, is as follows: The preliminary data disclosed to the public were substantially in line with the actual data.

3.9.7 Factors which may affect the results in the 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.

3.10 OTHER INFORMATION

3.10.1 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.

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.

3.10.2 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.

3.10.3 Branches

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

3.10.4 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.

3.10.5 Proceedings before courts and other bodies

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

3.10.6 Guarantees given

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

3.10.7 Explanation of seasonality or business cycles

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

3.10.8 Acquisition of own shares

Not applicable. None in the Reporting Period.

3.10.9 Financial instruments

Not applicable. Neither the Parent Company nor its Subsidiaries use financial instruments in relation to the price risk, credit risk, risk of material disruption of cash flows or financial liquidity risk.

3.10.10 Other information which, in the Issuer's opinion, is important for the assessment of its personnel, asset and financial position, financial performance and their changes, as well as information which is important for the assessment of the Issuer's ability to fulfill its obligations

The financial statements have been prepared on the assumption that the Group and its entities will continue as going concern in the foreseeable future, i.e. for a period of at least one year from the Report Date.

The Group is consistently implementing it 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 Group raised PLN 36.6 million gross through the issue of shares in July 2023. In the fourth quarter of 2024, the Group started the second stage of the investment process, raising PLN 27.6 million gross for this purpose through the issue of shares. 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. A Demo Center was also launched in Boston, USA (XTPL Inc.), and the international network of distributors was expanded. At the same time, the strengthened R&D and Product Management Departments are constantly working on the development of products in individual industrial projects, where commercialization is the main source of the sales growth expected over the Strategy horizon.

As a result of these activities, at the beginning of the first quarter of 2025, the Group started the implementation of its first-ever industrial implementation of its technology and confirmed the order for the first batch (6) of Ultra-Precise Dispensing (UPD) modules to a direct partner – a leading Chinese manufacturer of machines for the mass production of FPDs. The end client of the XTPL-enabled solution is one of China's largest display manufacturers, generating annual revenues of several tens of billions of USD. It is also worth noting the high efficiency of the Demo Center in Boston, which delivered five Delta Printing System devices to the North American market in its first year of operation. Moreover, already in the first quarter of 2025, XTPL Inc. received its first order from the defense sector, which, given the global situation, is a potentially important market for the Group. 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.

At the same time, to ensure the Group's financial stability, the management board maintains a flexible approach to strategic assumptions, adapting them as necessary in response to changing market conditions In 2024, the Group conducted a review of its R&D projects, with payback period identified as one of the key priorities in project implementation. Depending on the implementation of budget assumptions, the management board may suspend, terminate, start or unfreeze individual projects, which will have a direct impact on the level of operating costs in most areas. In addition, the Group is engaged in several processes aimed at securing grants for innovative projects aligned with its business activities, while actively exploring debt financing options to support the Group in the event of dynamic sales growth. In addition, the Group is in advanced discussions with an external partner regarding production outsourcing, which is expected to enable a swift response in 2025 to changes in production costs and inventory levels of materials and components, without disrupting the production process.

At the date of approval of these financial statements, the Management Board is not aware of any circumstances that would point to a risk to continuity of operations.

SHAREHOLDING STRUCTURE

4. SHAREHOLDING STRUCTURE

4.1 Significant shareholdings

As at the Balance Sheet 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.	Deutsche Balaton Group	392,042	14.79	392,042	14.79
2.	Filip Granek, PhD	330,498	12.47	330,498	12.47
3	Leonarto Funds	267,564	10.10	267,564	10.10
4	ACATIS Investment	262,337	9.90	262,337	9.90
5	Esaliens TFI SA	174,453	6.58	174,453	6.58
7	Others	1,222,983	46.15	1,222,983	46.15
	TOTAL	**2,649,877**	**100.0%**	**2,649,877**	**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):

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4	ACATIS Investment	262,337	9.90	262,337	9.90
5	Esaliens TFI SA	174,453	6.58	174,453	6.58
7	Others	1,222,983	46.15	1,222,983	46.15
	TOTAL	**2,649,877**	**100.0%**	**2,649,877**	**100.0%**

Since the date of the Issuer's previous financial report, i.e., the 2024 annual report on April 28, 2025, there have been no changes in the ownership of significant shareholdings.

4.2 Shares held by members of management and supervisory bodies

Ref.	Name	Role	Shares held as at March 31, 2025	Shares held as at the Report Date
1.	Filip Granek, PhD	CEO	330,498	330,498
2.	Jacek Olszański	Management Board Member	9,250	9,250
3.	Wiesław Rozłucki, PhD	Chairman of the Supervisory Board	–	–
4.	Bartosz Wojciechowski, PhD	Deputy Chairman of the Supervisory Board	1,240	1,240
5.	Prof. Herbert Wirth	Supervisory Board Member	–	–
6.	Piotr Lembas	Supervisory Board Member	–	–
7.	Beata Turlejska	Supervisory Board Member	–	–
8	Agata Gładysz-Stańczyk	Supervisory Board Member	–	–

Since the date of the Issuer's previous financial report, i.e., the submission of the 2024 annual report on April 28, 2025, there have been no changes in the ownership of the Issuer's shares by members of the Issuer's management and supervisory bodies.

CONDENSED STANDALONE FINANCIAL STATEMENTS

5. CONDENSED STANDALONE FINANCIAL STATEMENTS

5.1 Condensed standalone statement of financial position

ASSETS	NOTE	31.03.2025	31.12.2024
PLN '000 PLN			
Non-current assets		**22,916**	**23,894**
Property, plant and equipment	2	10,453	10,907
Intangible assets	1	11,628	12,097
Long-term receivables	6	835	890
Current assets		**30,461**	**36,638**
Inventories	7	4,413	4,014
Trade receivables		4,341	3,822
Other receivables		1,933	1,621
Cash and cash equivalents		19,250	26,921
Other assets		523	259
Total assets		**53,377**	**60,532**

EQUITY AND LIABILITIES	NOTE	31.03.2025	31.12.2024
PLN '000 PLN			
Total equity		**34,293**	**40,727**
Share capital		265	265
Supplementary capital		59,312	59,312
Reserve capital		2,386	2,386
Retained earnings, including:		- 27,671	-21,236
- current period result		*- 6,434*	-20,864
Long-term liabilities		**9,648**	**10,344**
Long-term financial liabilities		5,429	5,729
Deferred income in respect of grants		4,220	4,616
Short-term liabilities		**9,436**	**9,460**
Trade liabilities		2,825	3,133
Short-term financial liabilities		1,307	1,154
Other liabilities		2,707	2,577
Deferred income in respect of grants		2,597	2,597
TOTAL EQUITY AND LIABILITIES		**53,377**	**60,532**

5.2 Condensed standalone statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME	NOTE	1.01.2025 – 31.03.2025 PLN`000	1.01.2024 – 31.03.2024 PLN`000
Continued operations			
Revenue from sales	**13**	**2,400**	**2,866**
Revenue from the sale of products and services	13	2,003	2,748
Revenue from grants		396	118
Cost of sales	**14**	**4,639**	**4,463**
Research and development expenses	14	3,117	2,677
Cost of finished goods sold	14	1,522	1,786
Gross profit (loss)		**- 2,239**	**-1,597**
Marketing and selling costs	14	1,233	1,274
General and administrative expenses	14	2,935	2,491
Other operating income		5	1
Other operating costs		2	3
Operating profit (loss)		**- 6,404**	**-5,365**
Financial revenues		116	71
Financial expenses		146	36
Profit/ loss before tax		**- 6,434**	**-5,330**
Income tax		–	–
Net profit (loss) on continued operations		**- 6,434**	**-5,330**
		–	–
Discontinued operations		–	–
Net profit (loss) on discontinued operations		–	–
		–	–
Net profit (loss) on continued and discontinued operations		**- 6,434**	**-5,330**
Other comprehensive income		–	–
Total comprehensive income		**- 6,434**	**-5,330**
Net profit (loss) per share (in PLN)		–	–
On continued operations		–	–
Ordinary		-2.43	-2.27
Diluted		-2.43	-2.27
On continued and discontinued operations			
Ordinary		-2.43	-2.27
Diluted		-2.43	-2.27
number of shares to calculate ordinary profit (loss) per share		**2,649,877**	**2,349,877**
number of shares to calculate diluted profit (loss) per share		**2,649,877**	**2,349,877**

5.3 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 January 1, 2025	**265**	**59,312**	**2,386**	**- 21,236**	**40,727**
Comprehensive income:	–	–	–	**- 6,434**	**- 6,434**
Profit (loss) after tax	–	–	–	- 6,434	- 6,434
Other comprehensive income	–	–	–		–
Transactions with owners:	–	–	–	–	–
Issue of shares	–	–	–	–	–
Incentive scheme	–	–	–		–
Profit distributions	–	–	–	–	–
Value of conversion rights under convertible bonds	–	–	–	–	–
As at March 31, 2025	**265**	**59,312**	**2,386**	**- 27,671**	**34,293**
As at January 1, 2024	**230**	**36,084**	**2,792**	**-6,627**	**32,479**
Comprehensive income:	–	–	–	**-5,330**	**-5,330**
Profit (loss) after tax	–	–	–	-5,330	-5,330
Other comprehensive income	–	–	–	–	–
Transactions with owners:	**5**	**3,374**	**406**	–	**2,973**
Issue of shares	5	3,374	–	–	3,379
Incentive scheme	–	–	–	–	–
Distribution of profit	–	–	–	–	–
Valuation of bonds	–	–	-406	–	-406
As at March 31, 2024	**235**	**39,458**	**2,386**	**-11,957**	**30,122**

5.4 Condensed standalone statement of cash flows

STATEMENT OF CASH FLOWS	NOTE	01.01.2025 – 31.03.2025 PLN'000	01.01.2024 – 30.03.2024 PLN'000
Cash flows from operating activities	15		
Profit (loss) before tax		**- 6,434**	**-5,330**
Total adjustments:		**- 473**	**-8**
Depreciation/amortization		1,328	668
FX gains (losses)		- 34	3
Interest and profit distributions (dividends)		70	-36
Profit (loss) on investing activities		- 13	–
Change in the balance of provisions		301	198
Change in the balance of inventories		- 399	-1,240
Change in the balance of receivables		- 586	-1,047
Change in short-term liabilities, except bank and other loans		- 479	1,596
Change in other assets		- 263	-150
Change in the balance of grants to be settled		- 396	–
Incentive scheme valuation		–	–
Income tax paid		–	–
Other adjustments		–	–
Total cash flows from operating activities		**- 6,907**	**-5,338**
Cash flows from investing activities	**15**		
Inflows		**13**	**70**
Disposal of tangible and intangible assets		3	–
Repayment of long-term loans		–	–
Interest on financial assets		10	70
Outflows		**160**	**1,673**
Acquisition of tangible and intangible assets		160	1,673
Acquisition of financial assets		–	–
Long-term loans granted		–	–
Other investment outflows		–	–
Total cash flows from investing activities		**- 146**	**-1,603**
Cash flows from financing activities	**15**		
Inflows		**72**	**–**
Contributions to capital		–	–
Bank and other loans		–	–
Other financial inflows		72	–
Outflows		**568**	**679**
Repayment of bank and other loans		154	197
Finance lease payments		268	73
Interest		146	409
Total cash flows from financing activities		**- 496**	**-679**
Total cash flows from investing activities		**- 7,549**	**-7,620**
Change in cash and cash equivalents:		**- 7,546**	**-7,623**
– change in cash due to FX differences		- 3	3
Cash and cash equivalents at the beginning of the period		**26,800**	**26,044**
Cash and cash equivalents at the end of the period, including:		**19,253**	**18,424**
– restricted cash		214	–

5.5 Notes

Note 1. Intangible assets

INTANGIBLE ASSETS	figures in PLN thousand	31.03.2025	31.12.2024
Acquired concessions, patents, licenses and similar rights			–
Intellectual property rights			–
Other intangible assets		1,274	1,383
Completed development		7,070	7,486
In-process development expenditure		3,283	3,228
Total (net)		**11,628**	**12,097**
Previous amortization		**3,638**	**3,113**
Total (gross)		**15,266**	**15,210**

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 Company does not use its intangible assets as collateral. As at March 31, 2025, the Company did not have any agreements whereby it would be required to purchase any intangible assets. In 2025 and 2024, no impairment charges were posted for intangible assets.

Note 2. Property, plant and equipment and significant acquisitions of property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	figures in PLN thousand	31.03.2025	31.12.2024
Tangible assets, including:		10,453	10,469
Buildings, premises, rights to premises and civil and water engineering structures		5,568	5,837
Technical equipment and machines		353	586
Vehicles		141	161
Other tangible assets		3,856	3,885
Tangible assets under construction		536	438
Property, plant and equipment, net		**10,453**	**10,907**
Previous depreciation		**6,940**	**6,247**
Property, plant and equipment, gross		**17,393**	**17,154**

The heading tangible assets under construction includes expenses related to the development of the multihead and the UPD head (PLN 464 thousand in total) and leasehold improvements related to the adaptation of new office and laboratory premises (PLN 72 thousand). No tangible assets are used as collateral. In 2025 and 2024, no impairment charges were posted for tangible assets.

As at March 31, 2025, the Company uses tangible assets under rental and lease agreements totalling PLN 6,586 thousand net.
In Q1 2025, the Company signed two new leases for laboratory equipment with a total net value of PLN 245 thousand.

TANGIBLE ASSETS LEASED	31.03.2025			31.12.2024		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Buildings, premises, rights to premises and civil and water engineering structures	6,466	- 898	5,568	6,466	-629	5,837
technical equipment and machines	516	- 288	229	516	-251	265
other tangible assets	2,429	- 1,780	649	2,184	-1,605	579
vehicles	241	- 100	141	241	-80	161
Total	**9,652**	**- 3,066**	**6,586**	**9,407**	**-2,565**	**6,842**

The table below presents the acquisition of material items of property, plant and equipment.

SIGNIFICANT INCREASES IN PROPERTY, PLANT AND EQUIPMENT, AND LEASES	figures in PLN thousand	01.01.2025 - 31.03.2025	01.01.2024 - 31.12.2024
XTPL printers, 3D		–	1,092
Computer sets		–	281
Internal ICT network		–	101
Poweredge server		–	281
Light curing chamber, linear and spiral lamp		–	250
Rheometer		–	–
Laser measuring system		–	–
Centrifuge		–	–
Anti-vibration system		–	–
Car		–	143
Pressure control system and other		–	–
Gantry movement system and elements		–	–
Confocal microscope		–	–
Other laboratory equipment		251	479
Office equipment		–	109
Exhibition stand		–	109
Office space for rent at Legnicka Street 48E		–	6,466
Glove box		–	–
Total significant acquisitions		**251**	**9,311**

The incurred expenditure enable further development of UPD technology, both in the area of materials and in the development of subsequent models of printing devices.

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

As at March 31, 2025, the Company did not have any agreements whereby it would be required to purchase any tangible assets. The Company has liabilities arising from rental and lease of tangible assets totalling PLN 6,634 thousand, including short-term liabilities of PLN 1,205 thousand and long-term liabilities of PLN 5,429 thousand. PLN
The maturity period of liabilities is presented in the table below.

Year	Repayment period				short term	long term	Total
	up to 1 year	1 year to 3 years	3 to 5 years	above 5 years			
2025	1,205	2,405	2,608	415	1,205	5,429	6,634

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 period presented, there were no impairment allowances on financial assets, property, plant and equipment, intangible assets or other assets or any reversal of such impairment allowances.

Note 6. Long-term receivables

Long-term receivables	figures in PLN thousand	31.03.2025	31.12.2024
Loans granted		–	–
Security deposits		490	490
Shares		–	–
Equipment lease receivables		345	400
Total long-term receivables		**835**	**890**

CompanyCompanyLong-term receivables include long-term deposits resulting from the lease agreement concluded by the Company for office and laboratory premises and amounted to PLN 475 thousand as at September 30, and long-term receivables resulting from the printing device lease agreement concluded with a related party (XTPL Inc.) in the amount of PLN 345 thousand. The agreement was signed for 48 months.

Note 7. Impairment allowance on inventories to their net recoverable amount and reversal of the allowance

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	01.01.2025 - 31.03.2025	01.01.2024 - 31.12.2024
Balance at the beginning of the period		**398**	**459**
increased/ created		301	–
utilization		–	–
release		–	61
Balance at the end of the period		**699**	**398**

The change in provisions presented in the table above relates to provisions created for unused annual leaves by the Company's employees. The above provisions are presented in the statement of financial position under other liabilities.
In the reporting period and in previous years, the Company did not create any provisions for restructuring costs.

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

	Category as per IFRS 9	Book value		Fair value	
		31.03.2025	31.12.2024	31.03.2025	31.12.2024
Financial assets					
Loans granted	WwgZK	14	14	14	14
Trade receivables	WwgZK	4,341	3,822	4,341	3,822
Equipment lease receivables	according to IFRS 16	467	532	467	532
Other receivables	WwgZK	2,286	1,964	2,286	1,964
Cash and cash equivalents	WwgZK	19,250	26,921	19,250	26,921
Total		**26,360**	**33,254**	**26,360**	**33,254**
Financial liabilities					
Interest bearing bank and other loans	PZFwgZK	102	125	102	125
Bond liabilities	WwWGpWF	–	–	–	–
Lease liabilities	according to IFRS 16	6,634	6,757	6,634	6,757
Trade liabilities	PZFwgZK	2,825	3,133	2,825	3,133
Other liabilities	PZFwgZK	2,008	2,577	2,008	2,577
Total		**11,568**	**12,592**	**11,568**	**12,592**

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 March 31, 2025 and December 31, 2024 was not materially different from the values presented in the financial statements for the individual years. 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.

Note 11. Explanations to the statement of cash flows

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

figures in PLN thousand	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
PBT presented in the statement of comprehensive income	- 6,434	-5,330
PBT presented in the statement of cash flows	- 6,434	-5,330

INTEREST AND DIVIDENDS IN THE STATEMENT OF CASH FLOWS	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Realized interest on financing activities	146	409
Realized interest on investing activities	- 10	-70
Unrealized interest on financing activities	–	-373
Unrealized interest on investing activities	–	–
Total interest and dividends:	**136**	**-34**

CHANGE IN THE BALANCE OF RECEIVABLES	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Change in the balance of trade receivables	- 274	-862
Other receivables	- 312	-185
Loans granted		–
Total change in the balance of receivables:	**- 586**	**-1,047**

CHANGE IN THE BALANCE OF LIABILITIES	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Change in the balance of trade liabilities	- 649	724
Other liabilities	171	872
Change in employee benefit provisions	301	–
Total change in the balance of liabilities:	**- 178**	**1,596**

Cash and cash equivalents at the end of the period	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Statement of cash flows	19,253	18,424
Statement of financial position	19,250	18,420

The difference between the balance of cash presented in the statement of financial position as at March 31, 2025 and the value of cash presented in the statement of cash flows results from the exchange rate differences relating to the valuation of cash held in the bank accounts.

Note 12. Net revenue from sales

NET REVENUE FROM SALES	figures in PLN thousand	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Research and development revenue		131	23
Revenue from the sale of products		1,872	2,725
Revenue from sales – leases		–	–
Revenue from grants		396	118
Total net revenue from sales		**2,400**	**2,866**

Note 13. Grants

Inflow from grants	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
– to operations	–	118
– to assets	–	–
– advance payments not settled/ (settled)	–	–
Total grant proceeds		**118**

During the Reporting Period, the Company, did not generate any revenue from grants
In accordance with IFRS 20, grants to assets are also recognised in the liabilities of the statement of financial position at the balance sheet date. Grants to depreciable assets will be recognized in the Company's profit or loss over the individual periods in proportion to the recognition of depreciation on those assets.

Note 14. Operating costs

OPERATING COSTS	figures in PLN thousand	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Depreciation/ amortization, including		1,328	668
– depreciation of tangible assets		803	576
– amortization of intangible assets		525	92
Use of raw materials and consumables		1,161	1,527
External services		2,128	2,431
Cost of employee benefits		3,890	3,179
Taxes and charges		107	158
Other costs by type		193	266
Value of goods and materials sold		–	–
Total costs by type, including:		**8,807**	**8,229**
Items reported as research and development costs		3,117	2,677
Items reported as cost of finished goods sold		1,522	1,786
Marketing and selling costs		1,233	1,275
Items reported as general and administrative expenses		2,935	2,429
Change in product inventories		–	–
Cost of producing services for internal needs of the entity		–	–

Note 15. Related party transactions

01.012025 - 31.03.2025	figures in PLN thousand	To related parties	To joint ventures	To key management personnel*	To other related entities*
Purchase of services		–	–	–	48
Loans granted		–	–	–	–
Revenue from the sale of products		–	–	–	826
Revenue from the sale of services		–	–	–	51
Cost of products sold		–	–	–	341
Financial revenues - interest on loans and printer lease agreement		–	–	–	10

01.012024 - 31.03.2024	figures in PLN thousand	To related parties	To joint ventures	To key management personnel*	To other related entities*
Purchase of services		–	–	–	180
Loans granted		–	–	–	–
Revenue from the sale of products		–	–	–	–
Revenue from the sale of services		–	–	–	4
Cost of products sold		–	–	–	–
Financial revenues - interest on loans and printer lease agreement		–	–	–	–

** 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 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
PLN '000 PLN	31.03.2025	31.03.2024	01.01.2025 - 31.03.2025
Due to differences between the carrying amount and the tax value:			
Interest on loans and deposits	–	–	–
The value of tangible asset (leased item)	248	101	5
Total deferred tax liability		**101**	
Offset against the deferred tax assets	- 248	-101	5
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
PLN '000 PLN	31.03.2025	31.03.2024	01.01.2025 - 31.03.2025
Due to differences between the tax value and the carrying amount:			
Provisions for payroll and similar costs (including bonuses, jubilee awards, non-staff expenses)	73	–	2
Accruals for unused annual leaves	126	38	50
Provision for the cost external services	48	7	-45
Loan valuation	–	–	–
Total deferred tax assets	**248**	**45**	**7**
Set-off with a deferred tax liability	248	101	5
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 primarily dependent on the Company's internal situation and market conditions.

PRICE RISK

In the period from January to March 2025, 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 entity makes purchases in currencies other than the valuation currency, mainly in USD and EUR.

Part of the Company's settlements is denominated in foreign currencies. As at March 31, 2025, the Company 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 Company. In order to mitigate the possible effects of exchange rate fluctuations, the Company 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, interest rate hikes do not affect the Company's operations. In view of the above, the Company did not apply interest rate hedges, considering that interest rate risk is not significant for its business.

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

In the Reporting Period, the Company had a PLN 600 thousand overdraft agreement. The facility was used rarely and for a short term only.

Santander Bank Polska: limit of PLN 200 thousand until April 13, 2026;

ING Bank Śląski: limit of PLN 400,000 until March 31, 2026;

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 risk of customer insolvency, the Company secures its proceeds with 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 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 January 1, 2025 to March 31, 2025, 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 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 Company issues promissory notes to secure claims up to the amount of liabilities arising from lease agreements. The total amount of promissory notes relating to applicable lease agreements as at March 31, 2025 was PLN 15,834 thousand.

CONTINGENT LIABILITIES	31.03.2025	31.12.2024
Promissory notes	15,834	15,834
Total contingent liabilities	**15,834**	**15,834**

Note 21. Incentive scheme

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

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 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

The Company's reporting segments are based on product groups.
As at the Reporting Date, the Company distinguished three product groups:
– Delta Printing System laboratory printers;
– Nanoinks and other consumables;
– 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	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Sale and lease of printers	1,670	2,542
Nanoinks and other consumables	202	183
Leasing services	–	0
Research and development services	131	23
TOTAL	**2,003**	**2,748**

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 first quarter of 2025 are consistent with the policies used in preparation of the Company's financial statements for 2024. 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 2024.

Note 29. Types and amounts of changes in estimates presented in prior 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

In Q1 2025, no corrections were made on account of errors from previous periods.
The Management Board of the Parent Entity has separated the heading marketing and selling costs in the standalone statement of comprehensive income. Previously, these costs were presented together with general and administrative expenses. The main reason for the decision was a significant increase in such costs resulting from changes in the organizational structure and the establishment of these departments within the Group's structure. The formation of these departments is the result of commercialization and the adopted long-term strategy of the Group.

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

This financial information for the period from January 1, 2025 to March 31, 2025 was approved for publication by the Company's Management Board on May 28, 2025.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6.1 Condensed consolidated statement of financial position

ASSETS	NOTE	31.03.2025	31.12.2024
PLN '000 PLN			
Non-current assets		**22,737**	**23,668**
Property, plant and equipment	2	10,619	11,081
Intangible assets	1	11,628	12,097
Long-term receivables	6	490	490
Current assets		**30,209**	**36,758**
Inventories		4,920	4,415
Trade receivables		2,732	2,872
Other receivables		1,816	1,493
Cash and cash equivalents		20,231	27,686
Other assets		509	292
Total assets		**52,945**	**60,426**

EQUITY AND LIABILITIES	NOTE	31.03.2025	31.12.2024
PLN '000 PLN			
Total equity		**33,223**	**40,548**
Share capital	7	265	265
Supplementary capital		59,312	59,312
Own shares		- 4	-4
Reserve capital		1,510	1,510
FX differences arising on translation		*- 128*	-126
Retained earnings		**- 27,733**	-20,409
Long-term liabilities		**9,648**	**10,344**
Long-term financial liabilities		5,429	5,728
Deferred income in respect of grants		4,220	4,616
Short-term liabilities		**10,074**	**9,534**
Trade liabilities		3,331	3,133
Short-term financial liabilities		1,307	1,153
Other liabilities		2,839	2,651
Deferred income in respect of grants		2,597	2,597
TOTAL EQUITY AND LIABILITIES		**52,945**	**60,426**

6.2 Condensed consolidated statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME	NOTE	1.01.2025 – 31.03.2025 PLN`000	1.01.2024 – 31.03.2024 PLN`000
Continued operations			
Revenue from sales	**13**	**2,420**	**2,862**
Revenue from the sale of products and services	13	2,024	2,744
Revenue from grants		396	118
Cost of sales	**14**	**4,813**	**4,463**
Research and development expenses	14	3,117	2,677
Cost of finished goods sold	14	1,696	1,786
Gross profit (loss)		**- 2,393**	**-1,601**
Marketing and selling costs		1,897	1,686
General and administrative expenses	14	2,927	2,491
Other operating income		5	1
Other operating costs		2	3
Operating profit (loss)		**- 7,213**	**-5,780**
Financial revenues		106	70
Financial expenses		146	36
Profit/ loss before tax		**- 7,253**	**-5,746**
Income tax		4	4
Net profit (loss) on continued operations		**- 7,257**	**-5,750**
Discontinued operations		–	–
Net profit (loss) on discontinued operations		–	–
Net profit (loss) on continued and discontinued operations		**- 7,257**	**-5,750**
Profit (loss) attributable to non-controlling interests		–	–
Profit (loss) attributable to shareholders of the parent		**- 7,257**	**-5,750**
Other comprehensive income		–	–
Items that can be transferred to profit or loss in subsequent reporting periods		–	–
FX differences arising on conversion of foreign affiliates		–	–
Items that will not be transferred to profit or loss in subsequent periods		–	–
Total comprehensive income		**- 7,257**	**-5,750**
Total comprehensive income attributable to non-controlling shareholders		–	–
Total comprehensive income attributable to the parent company		- 7,257	-5,750
Net profit (loss) per share (in PLN)		–	–
On continued operations		–	–
Ordinary		-2.74	-2.45
Diluted		-2.74	-2.45
On continued and discontinued operations			
Ordinary		-2.74	-2.45
Diluted		-2.74	-2.45
number of shares to calculate ordinary profit (loss) per share		**2,649,877**	**2,349,877**
number of shares to calculate diluted profit (loss) per share		**2,649,877**	**2,349,877**

6.3 Condensed consolidated statement of changes in equity

STATEMENT OF CHANGES IN EQUITY PLN`000	Share capital	Supplementary capital	Own shares	Reserve capital	FX differences arising on translation	Retained earnings	Non-controlling interests	Total
As at January 1, 2025	**265**	**59,312**	**- 4**	**1,510**	**- 126**	**- 20,409**	**–**	**40,548**
Comprehensive income:	**–**	**–**	**–**	**–**	**- 70**	**- 7,257**	**–**	**- 7,327**
Profit (loss) after tax	–	–	–	–	–	- 7,257	–	- 7,257
Other comprehensive income	–	–	–	–	- 70		–	- 70
Transactions with owners:	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Issue of shares	–	–	–	–		–	–	–
Incentive scheme	–	–	–	–		–	–	–
Profit distributions	–	–	–	–		–	–	–
Value of conversion rights under convertible bonds	–	–	–	–		–	–	–
As at March 31, 2025	**265**	**59,312**	**- 4**	**1,510**	**- 196**	**- 27,664**	**–**	**33,222**
As at January 1, 2024	**230**	**36,084**	**-4**	**1,916**	**-39**	**-4,595**	**–**	**33,592**
Comprehensive income:	**–**	**–**	**–**	**–**	**17**	**-5,750**	**–**	**-5,733**
Profit (loss) after tax	–	–	–	–	–	-5,750	–	-5,750
Other comprehensive income	–	–	–	–	17	–	–	17
Transactions with owners:	**5**	**3,374**	**–**	**-406**	**–**	**–**	**–**	**2,973**
Issue of shares	5	3,374	–	–	–	–	–	3,379
Incentive scheme	–	–	–	–	–	–	–	–
Distribution of profit	–	–	–	–	–	–	–	–
Issue of shares	–	–	–	–	–	–	–	–
Valuation of bonds	–	–	–	-406	–	–	–	-406
Take-over of control over a related party	–	–	–	–	–	–	–	–
Transactions with acquired own shares	–	–	–	–	–	–	–	–
As at March 31, 2024	**235**	**39,458**	**-4**	**1,510**	**-22**	**-10,345**	**–**	**30,832**

6.4 Condensed consolidated statement of cash flows

STATEMENT OF CASH FLOWS	NOTE	01.01.2025 – 31.03.2025 PLN'000	01.01.2024 – 30.03.2024 PLN'000
Cash flows from operating activities	15		
Profit (loss) before tax		**- 7,257**	**-5,746**
Total adjustments:		**443**	**168**
Depreciation/amortization		1,336	668
FX gains (losses)		- 34	20
Interest and profit distributions (dividends)		70	-36
Profit (loss) on investing activities		- 13	–
Change in the balance of provisions		301	197
Change in the balance of inventories		- 506	-1,239
Change in the balance of receivables		- 183	-1,043
Change in short-term liabilities, except bank and other loans		89	1,591
Change in other assets		- 217	14
Change in the balance of grants to be settled		- 396	–
Incentive scheme valuation		–	–
Income tax paid		- 4	4
Other adjustments		–	–
Total cash flows from operating activities		**- 6,814**	**-5,578**
Cash flows from investing activities	**15**		
Inflows		**13**	**70**
Disposal of tangible and intangible assets		3	–
Repayment of long-term loans		–	–
Interest on financial assets		10	70
Outflows		**160**	**1,673**
Acquisition of tangible and intangible assets		160	1,673
Acquisition of financial assets		–	–
Long-term loans granted		–	–
Other investment outflows		–	–
Total cash flows from investing activities		**- 146**	**-1,603**
Cash flows from financing activities	**15**		
Inflows		**72**	**–**
Contributions to capital		–	–
Bank and other loans		–	–
Other financial inflows		72	–
Outflows		**568**	**679**
Repayment of bank and other loans		154	197
Finance lease payments		268	73
Buyback of debt securities		–	–
Interest		146	409
Total cash flows from financing activities		**- 496**	**-679**
Total cash flows from investing activities		**- 7,456**	**-7,860**
Change in cash and cash equivalents:		**- 7,452**	**13,402**
– change in cash due to FX differences		- 3	-21,262
Cash and cash equivalents at the beginning of the period		**27,686**	**27,276**
Cash and cash equivalents at the end of the period, including:		**20,234**	**19,416**
– restricted cash		214	–

6.5 Notes

Note 1. Intangible assets

INTANGIBLE ASSETS	figures in PLN thousand	31.03.2025	31.12.2024
Acquired concessions, patents, licenses and similar rights		–	–
Intellectual property rights		–	–
other intangible assets		1,274	1,383
Completed development		7,070	7,486
In-process development expenditure		3,283	3,228
Total (net)		**11,628**	**12,097**
Previous amortization		**3,638**	**3,113**
Total (gross)		**15,266**	**15,210**

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 March 31, 2025, the Group did not have any agreements whereby it would be required to purchase any intangible assets. In 2025 and 2024, no impairment charges were posted for intangible assets.

Note 2. Property, plant and equipment and significant acquisitions of property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	figures in PLN thousand	31.03.2025	31.12.2024
Tangible assets, including:		10,619	10,642
Buildings, premises, rights to premises and civil and water engineering structures		5,568	5,837
Technical equipment and machines		353	586
Vehicles		141	161
Other tangible assets		4,021	4,058
Tangible assets under construction		536	438
Property, plant and equipment, net		**10,619**	**11,081**
Previous amortization		**6,973**	**6,272**
Property, plant and equipment, gross		**17,592**	**17,352**

The heading tangible assets under construction includes expenses related to the development of the multihead and the UPD head (PLN 464 thousand in total) and leasehold improvements related to the adaptation of new office and laboratory premises (PLN 72 thousand). No tangible assets are used as collateral. In 2025 and 2024, no impairment charges were posted for tangible assets.
As at March 31, 2025, the Group uses tangible assets under rental and lease agreements totalling PLN 6,586 thousand net.
In Q1 2025, the Company signed two new leases for laboratory equipment with a total net value of PLN 245 thousand.

TANGIBLE ASSETS LEASED	**31.03.2025**			**31.12.2024**		
	Gross value	**Depreciation**	**Net value**	**Gross value**	**Depreciation**	**Net value**
Buildings, premises, rights to premises and civil and water engineering structures	6,466	- 898	5,568	6,466	-629	5,837
technical equipment and machines	516	- 288	229	516	-251	265
other tangible assets	2,429	- 1,780	649	2,184	-1,605	579
vehicles	241	- 100	141	241	-80	161
Total	**9,652**	**- 3,066**	**6,586**	**9,407**	**-2,565**	**6,842**

The table below presents the acquisition of material items of property, plant and equipment.

SIGNIFICANT INCREASES IN PROPERTY, PLANT AND EQUIPMENT, AND LEASES	figures in PLN thousand	01.01.2025 - 31.03.2025	01.01.2024 - 31.12.2024
XTPL printers, 3D		–	1,291
Computer sets		–	281
Internal ICT network		–	101
Poweredge server		–	281
Light curing chamber, linear and spiral lamp		–	250
Rheometer		–	–
Laser measuring system		–	–
Centrifuge		–	–
Anti-vibration system		–	–
Car		–	143
Pressure control system and other		–	–
Gantry movement system and elements		–	–
Confocal microscope		–	–
Other laboratory equipment		251	479
Office equipment		–	109
Exhibition stand		–	109
Office space for rent at Legnicka Street 48E		–	6,466
Glove box		–	–
Total significant acquisitions		**251**	**9,509**

The incurred expenditure enable further development of UPD technology, both in the area of materials and in the development of subsequent models of printing devices.

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

As at March 31, 2025, the Group did not have any agreements whereby it would be required to purchase any tangible assets.

The Group has liabilities arising from rental and lease of tangible assets totalling PLN 6,634 thousand, including short-term liabilities of PLN 1,205 thousand and long-term liabilities of PLN 5,429 thousand.

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

Year	Repayment period				short term	long term	Total
	up to 1 year	1 year to 3 years	3 to 5 years	above 5 years			
2025	1,205	2,405	2,608	415	1,205	5,429	6,634

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 period presented, there were no impairment allowances on financial assets, property, plant and equipment, intangible assets or other assets or any reversal of such impairment allowances.

Note 6. Long-term receivables

Long-term receivables	figures in PLN thousand	31.03.2025	31.12.2024
Loans granted		–	–
Security deposits		490	490
Shares		–	–
For equipment used under a lease agreement		–	–
Total long-term receivables		**490**	**490**

Long-term receivables include long-term deposits resulting from the lease agreement concluded by the Company for office and laboratory premises and amounted to PLN 475 thousand as at March 31, 2025.

Note 7. Impairment allowance on inventories to their net recoverable amount and reversal of the allowance

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	01.01.2025 - 31.03.2025	01.01.2024 - 31.12.2024
Balance at the beginning of the period		**398**	**459**
increased/ created		301	–
utilization		–	–
release		–	61
Balance at the end of the period		**699**	**398**

The change in provisions presented in the table above relates to provisions created for unused annual leaves by employees. The above provisions are presented in the statement of financial position under other liabilities.
In the reporting period and in previous years, the Group did not create any provisions for restructuring costs.

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

	Category as per IFRS 9	Book value		Fair value	
		31.03.2025	31.12.2024	31.03.2025	31.12.2024
Financial assets					
Loans granted	WwgZK	–	–	–	–
Trade receivables	WwgZK	2,732	2,872	2,732	2,872
Equipment lease receivables	according to IFRS 16	–	–	–	–
Other receivables	WwgZK	2,306	1,493	2,306	1,493
Cash and cash equivalents	WwgZK	20,231	27,686	20,231	27,686
Total		**25,269**	**32,051**	**25,269**	**32,051**
Financial liabilities					
Interest bearing bank and other loans	PZFwgZK	102	125	102	125
Bond liabilities	WwWGpWF	–	–	–	–
Lease liabilities	according to IFRS 16	6,634	6,757	6,634	6,757
Trade liabilities	PZFwgZK	3,331	3,133	3,331	3,133
Other liabilities	PZFwgZK	2,141	2,651	2,141	2,651
Total		**12,207**	**12,666**	**12,207**	**12,666**

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 March 31, 2025 and December 31, 2024 was not materially different from the values presented in the financial statements for the respective years:
– 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.

Note 11. Explanations to the statement of cash flows

figures in PLN thousand	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
PBT presented in the statement of comprehensive income	- 7,257	-5,746
PBT presented in the statement of cash flows	- 7,257	-5,746

INTEREST AND DIVIDENDS IN THE STATEMENT OF CASH FLOWS	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Realized interest on financing activities	146	409
Realized interest on investing activities	- 10	-70
Unrealized interest on financing activities	–	-373
Unrealized interest on investing activities	–	–
Total interest and dividends:	**136**	**-34**

CHANGE IN THE BALANCE OF RECEIVABLES	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Change in the balance of trade receivables	140	-859
Other receivables	-323	-184
Loans granted	–	–
Total change in the balance of receivables:	**-183**	**-1,043**

CHANGE IN THE BALANCE OF LIABILITIES	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Change in the balance of trade liabilities	- 22	719
Other liabilities	112	872
Change in employee benefit provisions	- 301	–
Total change in the balance of liabilities:	**- 212**	**1,591**

Cash and cash equivalents at the end of the period	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Statement of cash flows	20,234	19,416
Statement of financial position	20,231	19,412

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

Note 12. Net revenue from sales

NET REVENUE FROM SALES	figures in PLN thousand	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Research and development revenue		131	23
Revenue from the sale of products		1,892	2,721
Revenue from sales – leases		–	–
Revenue from grants		396	118
Total net revenue from sales		**2,420**	**2,862**

Note 13. Grants

Inflow from grants	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
– to operations	–	118
– to assets	–	–
– advance payments not settled/ (settled)	–	–
Total grant proceeds	**–**	**118**

During the reporting period, the Group did not receive proceeds from submitted grant applications.
In accordance with IFRS 20, grants to assets are recognized in the liabilities of the statement of financial position at the balance sheet date. Grants to depreciable assets are recognized in the Group's profit or loss over the individual periods in proportion to the recognition of depreciation on those assets.

Note 14. Operating costs

OPERATING COSTS	figures in PLN thousand	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Depreciation/ amortization, including		1,328	668
– depreciation of tangible assets		803	576
– amortization of intangible assets		525	92
Use of raw materials and consumables		1,335	1,527
External services		2,256	2,429
Cost of employee benefits		4,281	3,579
Taxes and charges		188	172
Other costs by type		248	266
Value of goods and materials sold			–
Total costs by type, including:		**9,637**	**8,641**
Items reported as research and development costs		3,117	2,677
Items reported as cost of finished goods sold		1,696	1,786
Marketing and selling costs		1,897	1,687
Items reported as general and administrative expenses		2,927	2,491
Change in product inventories			–
Cost of producing services for internal needs of the entity			–

Note 16. Related party transactions

01.01.2025 - 31.03.2025	figures in PLN thousand	To associates	To joint ventures	To key management personnel*	To other related entities*
Purchase of services		–	–	–	–
Loans granted		–	–	–	–
Revenue from the sale of products		–	–	–	–
Revenue from the sale of services		–	–	–	–
Cost of products sold		–	–	–	–
Financial expenses – interest on loans		–	–	–	–

01.01.2024 - 31.03.2024	figures in PLN thousand	To associates	To joint ventures	To key management personnel*	To other related entities*
Purchase of services		–	–	–	–
Loans granted		–	–	–	–
Revenue from the sale of products		–	–	–	–
Revenue from the sale of services		–	–	–	–
Cost of products 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 16. Deferred tax

Deferred tax liability caused by positive temporary differences	Statement of financial position as at		Impact on the statement of comprehensive income
PLN '000 PLN	31.03.2025	31.03.2024	01.01.2025 - 31.03.2025
Due to differences between the carrying amount and the tax value:			
Interest on loans and deposits	–	–	–
The value of tangible asset (leased item)	248	101	5
Total deferred tax liability		**101**	
Offset against the deferred tax assets	- 248	-101	5
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
PLN '000 PLN	31.03.2025	31.03.2024	01.01.2025 - 31.03.2025
Due to differences between the tax value and the carrying amount:			
Provisions for payroll and similar costs (including bonuses, jubilee awards, non-staff expenses)	73	–	2
Accruals for unused annual leaves	126	38	50
Provision for the cost external services	48	7	-45
Loan valuation	–	–	–
Total deferred tax assets	**248**	**45**	**7**
Set-off with a deferred tax liability	248	101	5
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 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 March 2025, 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 March 31, 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, interest rate hikes do not affect the Group's operations. Consequently, the Group 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 it in the future it will not receive sufficient cash to fund commercialization of its research and development projects.

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

Santander Bank Polska: limit of PLN 200 thousand until April 13, 2026;
ING Bank Śląski: limit of PLN 400,000 until March 31, 2026;

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 risk of customer insolvency, the Group secures its proceeds with 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 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 January 1, 2025 to March 31, 2025, 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.
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 Company issues promissory notes to secure claims up to the amount of liabilities arising from lease agreements. The total amount of promissory notes relating to applicable lease agreements as at March 31, 2025 was PLN 15,834 thousand.

CONTINGENT LIABILITIES	31.03.2025	31.12.2024
Promissory notes	15,834	15,834
Total contingent liabilities	**15,834**	**15,834**

Note 21. Incentive scheme

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

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 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 Parent Company did not pay or declare any dividends.

Note 26. Operating segments

The Group's reporting segments are based on product groups.
As at the Reporting Date, the Group distinguished three product groups:
– Delta Printing System laboratory printers;
– Nanoinks and other consumables;
– 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	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Sale and lease of printers	1,664	2,538
Nanoinks and other consumables	229	183
Leasing services	–	–
Research and development services	131	23
TOTAL	**2,024**	**2,744**

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 first quarter of 2025 are consistent with the policies used in preparation of the Company's financial statements for 2024. 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 2024.

Note 29. Types and amounts of changes in estimates presented in prior 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

In Q1 2025, no corrections were made on account of errors from previous periods.
The Management Board of the Parent Entity has separated the heading marketing and selling costs in the standalone statement of comprehensive income. Previously, these costs were presented together with general and administrative expenses. The main reason for the decision was a significant increase in such costs resulting from changes in the organizational structure and the establishment of these departments within the Group's structure. The formation of these departments is the result of commercialization and the adopted long-term strategy of the Group.

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

This financial report for the period from January 1, 2025 to March 31, 2025 was approved for publication by the Parent Company's Management Board on May 28, 2025.

Person responsible for maintaining books of account

Brygida Rusinek

Chief Accountant

APPROVAL FOR PUBLICATION

7. APPROVAL FOR PUBLICATION

This report for the first quarter of 2025 ended March 31, 2025 was approved for publication by the Issuer's Management Board on May 28, 2025.

Signatures:

Filip Granek — Management Board President

Jacek Olszański — Management Board Member