



STANDALONE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01-01-2024 TO 31-12-2024

XTPL S.A.

28/04/2025

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 December 31, 2024 ("**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.

XTPL S.A. forms the XTPL Group ("**Group**", "**XTPL Group**"). This document contains the standalone financial statements of XTPL.

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

This report ("**Report**") contains standalone financial statements of XTPL S.A. for the period from January 1, 2024 to December 31, 2024 ("**Reporting Period**") prepared in accordance with the International Financial Reporting Standards approved for application in the EU.

Unless indicated otherwise, the source of data in the Report is XTPL S.A. The Report publication date ("**Report Date**") is 28 April 2025. As at the Report 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**").

"**Regulation on current and financial reports**" – the Finance Minister's Regulation of March 29, 2018 on current and periodic reports released by the issuers of securities and the conditions for equivalent treatment of the information required by the laws of non-member states.

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

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

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

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Selected standalone figures and key information about the Issuer

1 SELECTED STANDALONE FIGURES

Figures in thousand	January 1 – December 31, 2024		January 1 – December 31, 2023	
	PLN	EUR	PLN	EUR
Net revenue from the sale of products and services	12,435	2,889	13,418	2,963
Revenue from grants	1,430	332	2,057	454
Profit (loss) on sales	-5,225	-1,214	7,048	1,556
Profit (loss) before tax	-20,864	-4,847	-6,255	-1,381
Profit (loss) after tax	-20,864	-4,847	-6,255	-1,381
Depreciation/amortization	4,501	1,046	1,958	432
Net cash flows from operating activities	-17,797	-4,136	-4,792	-1,058
Net cash flows from investing activities	-5,902	-1,371	-8,644	-1,909
Net cash flows from financing activities	24,580	5,712	33,560	7,411

Figures in thousand	December 31, 2024		December 31, 2023	
	PLN	EUR	PLN	EUR
Equity	40,727	9,531	32,479	7,470
Short-term liabilities	9,460	2,214	9,370	2,155
Long-term liabilities	10,344	2,421	4,970	1,143
Cash and cash equivalents	26,921	6,300	26,043	5,990
Short-term receivables	5,443	1,274	4,107	945
Long-term receivables	890	208	33	8

2 KEY INFORMATION ABOUT THE ISSUER

Business name:	XTPL Spółka Akcyjna
Registered Office:	Wrocław, Poland
Address:	Legnicka 48E, 54-202 Wrocław, 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 234,987.70, paid up in full.
Phone number:	+48 71,707 22 04
Internet address:	www.xtpl.com
E-mail:	investors@xtpl.com
Place of business:	Legnicka 48E, 54-202 Wrocław, Poland
ACTIVITY CODE (PKD):	72.19.Z OTHER RESEARCH AND EXPERIMENTAL DEVELOPMENT ON NATURAL SCIENCES AND ENGINEERING

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

As regards financial reporting, the Company uses IASs/ IFRSs.

The presented standalone financial statements cover the period of 12 months from January 1 to December 31, 2024.

Management Board

As at the Balance Sheet Date and the Report Date, the Company's 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 performed its duties in the following composition:

- Wiesław Rozłucki, PhD – Chairman of the Supervisory Board – an independent Supervisory Board Member
- Bartosz Wojciechowski, PhD – Deputy Chairman of the Supervisory Board
- Beata Turlejska – Supervisory Board Member
- Professor Herbert Wirth – independent Supervisory Board Member
- Piotr Lembas – independent Supervisory Board Member;
- Agata Gładysz-Stańczyk – an independent Supervisory Board Member

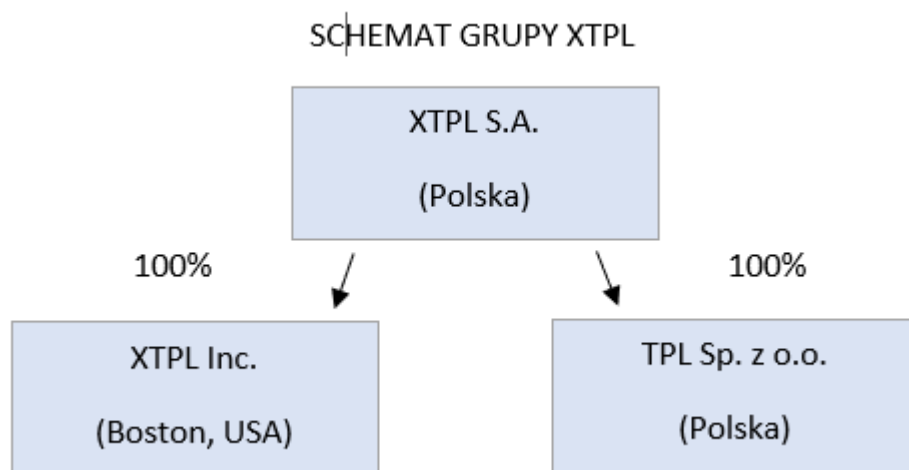
On June 28, 2024, the Annual General Meeting of the Company appointed Agata Gładysz-Stańczyk as a Supervisory Board Member.

Audit Committee:

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

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

Structure of XTPL Group as at the Balance Sheet Date and the Report Date:



a) Details of the subsidiary XTPL Inc.

Business name:	XTPL Inc.
Country:	United States
Registered Office:	Boston
Address:	Greentown Labs 444 Somerville Ave Somerville, MA 02143 USA
NIP:	001726856

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

Business name:	TPL Sp. z o.o.
Country:	Poland
Registered Office:	Wrocław
Address:	The Company's registered office address is ul. Legnicka 48E, 54-202 Wrocław
KRS number:	0000553991
Court designation:	District Court for Wrocław Fabryczna in Wrocław, 6th Commercial Division of the National Court Register
REGON:	361312719
NIP:	8943061516

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, 2024 to December 31, 2024, 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, 2024 to December 31, 2024, 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, 2024 to May 10, 2024, the Management Board was composed of:

Jacek Olszański – Management Board President since May 29, 2020

In the period from May 10, 2024 to December 31, 2024, the Management Board was composed of:

Jacek Olszański – Management Board President since May 10, 2024

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

Annual standalone financial statements

3 ANNUAL STANDALONE FINANCIAL STATEMENTS

3.1 Period covered by the financial statements

These financial statements cover the period of 12 months ended December 31, 2024 and the data as of that date.

3.2 Comparative data

The statement of comprehensive income, the statement of cash flows and the statement of changes in equity cover the data for the 12 months ended December 31, 2024 as well as comparative data for the period of 12 months ended December 31, 2023. The statement of financial position covers the data presented as at December 31, 2024, and comparative data as at December 31, 2023.

The Company made a change to the presentation of costs disclosed in the statement of comprehensive income related to marketing and sales by separating them into a new line item "Marketing and selling costs". Previously, those costs were presented as part of general administrative expenses. As a result and taking into account the significant increase in the share of this type of costs, in order to increase the transparency and usefulness of financial information, the Management Board of the Company has changed the presentation of costs in the financial data for 2023. The change will have no impact on the financial result for 2023.

3.3 Identification of consolidated financial statements

These are standalone financial statements. As at December 31, 2024, the Parent Company had two subsidiaries and prepares consolidated financial statements, which are presented in a separate document.

3.4 Foreign currency transactions

The items included in the financial statements are presented in the Polish zloty, which is the functional currency of the Company.

Transactions expressed in foreign currencies are translated at initial recognition into the functional currency as follows:

- at the exchange rate actually used, i.e. at the buy or sell rate applied by the bank at which the transaction takes place, in the case of currency sale or purchase transactions and payment of receivables or liabilities, or at the rate arising from contracts signed with the entity's bank or the rate agreed through negotiations;
- at the average exchange rate set for the particular currency by the National Bank of Poland as at the transaction date for other transactions. The exchange rate applicable at the transaction date is the average exchange rate of the National Banking of Poland announced on the last business day before the transaction.

At the end of each reporting period:

- any cash items expressed in foreign currency are converted using the closing rate applicable on that day, i.e. the average exchange rate set for the particular currency by the National Bank of Poland;
- any non-cash items measured at historical cost in a foreign currency are converted using the exchange rate (i.e. the average exchange rate set for the particular currency by the National Bank of Poland) applicable on the transaction date, and
- any non-cash items measured at fair value in a foreign currency are converted using the exchange rate (i.e. the average exchange rate set for the particular currency by the National Bank of Poland) applicable on the date of determination of the fair value.

Foreign exchange gains and losses arising from:

- settlement of transactions in a foreign currency;
- Balance sheet valuation of monetary assets and liabilities other than derivatives denominated in foreign currencies is recognized in profit or loss.

3.4.1 FX rates

The following exchange rates were adopted for the purpose of preparing the financial statements:

exchange rates used in the financial statements	2024 January - December		2023 January - December	
	EUR	USD	EUR	USD
for balance sheet items	4.2730	4.1012	4.3480	3.9350
for profit or loss and cash flow items	4.3042	3.9853	4.5284	4.1823

3.5 Basis for preparation

These standalone financial statements have been prepared under the historical cost convention, except for financial instruments measured at fair value. These standalone financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") approved by the EU. Taking into account the ongoing IFRS implementation process in the EU, as regards the Company's operations there is no difference between the already implemented IFRS and the IFRS approved by the EU for the financial year ended December 31, 2024. IAS and IFRS include the standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee (IFRIC).

3.5.1 New and amended IFRSs

Presented below are new or amended provisions of IASs/IFRSs and IFRIC interpretations that were adopted in the EU and applied by the Company since January 1, 2024:

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (published on May 25, 2023) – effective for reporting periods beginning on or after 1 January 2024*
The amendments introduce disclosure requirements in relation to supplier finance arrangements (also referred to as reverse factoring). The amendments require specific disclosure of information regarding such arrangements to enable users of financial statements to assess the impact of these arrangements on liabilities and cash flows, as well as the entity's exposure to liquidity risk. These amendments aim to enhance the transparency of disclosures about supplier finance arrangements but do not affect the principles of recognition and measurement.
- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback Transaction (published on September 22, 2022) – effective for reporting periods beginning on or after January 1, 2024.*
The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not recognize any gain or loss related to the retained right of use. The new requirement is particularly relevant when the sale and leaseback transaction involves variable lease payments that are not based on an index or rate, as these payments are excluded from "lease payments" under IFRS 16.

- *Amendments to IAS 1 Presentation of Financial Statements:*
 - *Classification of liabilities as current or non-current (issued on January 23, 2020);*
 - *Classification of liabilities as current or non-current – deferral of the effective date (issued on July 15, 2020) and*
 - *Non-current liabilities with covenants (issued on October 31, 2022)*
- effective for reporting periods beginning on or after January 1, 2024
- The IASB has clarified the rules for the classification of liabilities as non-current or current, primarily in terms of the fact that classification depends on the rights held by the entity at the reporting date and that management's intentions regarding the acceleration or deferral of liability payments are not taken into account.*

The amendments to standards effective from January 1, 2024 had no material impact on the Company's financial statements.

3.5.2 New standards and interpretations that have been published but have not been adopted for application yet

Presented below are new or amended provisions of IASs/IFRSs and IFRIC interpretations that were already issued by the International Accounting Standards Board and were ratified by the EU, but have not been implemented yet:

- *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (published on August 15, 2023) – effective for reporting periods beginning on or after January 1, 2025.*
The amendments aim to assist entities in determining whether a currency is exchangeable for another currency and in estimating the spot exchange rate in the case of a currency's lack of exchangeability. Additionally, the amendments to the standard introduce a requirement for additional disclosures in the case of a lack of currency exchangeability regarding the method used to determine an alternative exchange rate.

The following standards and interpretations have been issued by the International Accounting Standards Board, but have not been ratified by the EU yet:

- *IFRS 18 Presentation and Disclosure in Financial Statements (published on April 9, 2024) – effective for reporting periods beginning on or after January 1, 2027.*
The standard is set to replace IAS 1 "Presentation of Financial Statements" and will be effective from January 1, 2027. The changes compared to the replaced standard mainly concern three issues: the statement of profit or loss, required disclosures related to performance measures, and matters related to the aggregation and disaggregation of information included in the financial statements.
- *IFRS 19 Subsidiaries Without Public Accountability: Disclosures (published on May 9, 2024) – effective for reporting periods beginning on or after January 1, 2027.*
The new standard introduces simplified and limited disclosure requirements. As a result, the qualifying subsidiary applies the requirements of other IFRS accounting standards, except for the disclosure requirements specified in IFRS 19. Eligible subsidiaries are entities that are not subject to "public accountability" as defined in the new standard. Additionally, IFRS 19 requires that the ultimate or intermediate parent entity of the subsidiary prepare publicly available consolidated financial statements in accordance with IFRS.
- *Annual Improvements Volume 11 (published on July 18, 2024) – effective for reporting periods beginning on or after January 1, 2026 (EFRAG has not yet received a request for an opinion from the European Commission).*

The "Annual Improvements to IFRS" introduce amendments to the following standards: IFRS 1 "First-time Adoption of International Financial Reporting Standards," IFRS 7 "Financial Instruments: Disclosures," IFRS 9 "Financial Instruments," IFRS 10 "Consolidated Financial Statements," and IAS 7 "Statement of Cash Flows." The improvements provide clarifications and refine the guidelines of the standards regarding recognition and measurement.

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (published on May 30, 2024) – effective for reporting periods beginning on or after January 1, 2026. The amendments aim to: clarify the recognition and derecognition date for certain financial assets and liabilities, with an exemption for certain financial liabilities settled through electronic money transfer systems; provide further clarification and additional guidance on assessing whether a financial asset meets the SPPI criteria; add new disclosures for certain instruments whose contractual terms may change cash flows; and update disclosures related to equity instruments measured at fair value through other comprehensive income (FVOCI).*
- *Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (published on December 18, 2024) – effective for reporting periods beginning on or after January 1, 2026. Current guidance may not fully reflect the impact of these contracts on the undertaking's results. To enable companies to better reflect these contracts in the financial statements, the Board introduced amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures." These changes include clarifying the application of the "own use" exception; allowing hedge accounting where these contracts are used as hedging instruments; and adding new disclosures to enable stakeholders to understand the impact of these contracts on financial performance and cash flows.*

In addition:

- *IFRS 14 "Regulatory Deferral Accounts" – The European Commission has decided not to propose the draft version of the standard (published on January 30, 2014) for endorsement in the EU before the final version of the standard is released.*

The effective dates are the dates arising from the standards published by the International Financial Reporting Board. The effective dates of the standards in the European Union may differ from the effective dates arising from the standards and are announced upon the adoption of the standards by the European Union.

The Company is currently analyzing the potential impact of IFRS 18 on its financial statements. The remaining standards and amendments to standards mentioned above would not have had a material impact on the standalone financial statements if they had been applied by the Company as at the balance sheet date.

3.6 Going concern

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

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

In the first stage, the Company raised PLN 36.6 million gross through the issue of shares in July 2023. In the fourth quarter of 2024, the Company 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 Company 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 Company. 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 Company'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 Company 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 Company 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 Company in the event of dynamic sales growth. In addition, the Company 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.

3.7 Approval of the financial statements

This financial report for the period from January 1, 2024 to December 31, 2024 was approved for publication by the XTPL Management Board on April 28, 2025.

3.8 Annual standalone statement of financial position

ASSETS PLN '000	NOTE	31.12.2024	31.12.2023
Non-current assets		23,894	14,654
Property, plant and equipment	3.12.4-9	10,907	5,072
Intangible assets	3.12.1-3	12,097	9,549
Long-term receivables	3.12.13	890	33
Current assets		36,638	32,165
Inventories	3.12.17	4,014	1,830
Trade receivables	3.12.18	3,822	1,193
Other receivables	3.12.19	1,621	2,914
Cash and cash equivalents	3.12.20	26,921	26,043
Other assets		259	185
Total assets		60,532	46,819
EQUITY AND LIABILITIES PLN '000	NOTE	31.12.2024	31.12.2023
Total equity		40,727	32,479
Share capital	3.12.23	265	230
Supplementary capital		59,312	36,084
Reserve capital		2,386	2,792
Retained earnings, including:		- 21,236	-6,627
- <i>current period result</i>		- 20,864	-6,255
Long-term liabilities		10,344	4,970
Long-term financial liabilities	3.12.25	5,729	169
Deferred income in respect of grants	3.12.30	4,616	4,801
Short-term liabilities		9,460	9,370
Trade liabilities	3.12.26	3,133	1,947
Short-term financial liabilities	3.12.29	1,154	3,980
Other liabilities	3.12.27	2,577	1,797
Deferred income in respect of grants	3.12.30	2,597	1,646
TOTAL EQUITY AND LIABILITIES		60,532	46,819

3.9 Annual standalone statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME	NOTE	1.01.2024	1.01.2023
		31.12.2024 PLN`000	31.12.2023 PLN`000
Continued operations			
Revenue from sales	3.12.40, 3.12.42	13,865	15,475
Revenue from the sale of products and services		12,435	13,418
Revenue from grants		1,430	2,057
Cost of sales	3.12.43	19,090	8,427
Research and development expenses		11,708	5,044
Cost of finished goods sold		7,382	3,383
Gross profit (loss)		- 5,225	7,048
Marketing and selling costs	3.12.43	5,724	3,967
General and administrative expenses	3.12.43	9,566	7,934
Other operating income	3.12.47	117	11
Other operating costs	3.12.48	139	40
Operating profit (loss)		- 20,536	-4,882
Financial revenues	3.12.49	196	369
Financial expenses	3.12.50	524	1,742
Profit/ loss before tax		- 20,864	-6,255
Income tax	3.12.16, 3.12.51	-	-
Net profit (loss) on continued operations		- 20,864	-6,255
Discontinued operations		-	-
Net profit (loss) on discontinued operations		-	-
Net profit (loss) on continued and discontinued operations		- 20,864	-6,255
Other comprehensive income		-	-
Total comprehensive income		- 20,864	-6,255
Net profit (loss) per share (in PLN)			
On continued operations			
Ordinary		- 7.87	-2.71
Diluted		- 7.87	-2.66
On continued and discontinued operations			
Ordinary		-7.87	-2.71
Diluted		-7.87	-2.66
number of shares to calculate ordinary profit (loss) per share		2,649,877	2,304,222
number of shares to calculate diluted profit (loss) per share		2,649,877	2,349,877

3.10 Annual standalone statement of changes in equity

STATEMENT OF CHANGES IN EQUITY PLN ` 000	Share capital	Supplementary capital	Reserve capital	Retained earnings	Total
As at January 1, 2024	230	36,084	2,792	- 6,627	32,479
Comprehensive income:	-	-	-	- 20,864	- 20,864
Profit (loss) after tax	-	-	-	- 20,864	- 20,864
Other comprehensive income	-	-	-	-	-
Transactions with owners:	35	23,228	- 405	6,255	29,112
Issue of shares	35	29,483	-	-	29,518
Incentive scheme	-	-	-	-	-
Profit distributions	-	- 6,255	-	6,255	-
Value of conversion rights under convertible bonds	-	-	- 405	-	- 405
As at December 31, 2024	265	59,312	2,386	- 21,236	40,727
As at January 1, 2023	203	1,531	5,048	- 2,629	4,153
Comprehensive income:	-	-	-	- 6,255	- 6,255
Profit (loss) after tax	-	-	-	- 6,255	- 6,255
Other comprehensive income	-	-	-	-	-
Transactions with owners:	27	34,553	- 2,257	2,257	34,580
Issue of shares	27	34,553	-	-	34,580
Incentive scheme	-	-	-	-	-
Profit distributions	-	-	- 2,257	2,257	-
Value of conversion rights under convertible bonds	-	-	-	-	-
As at December 31, 2023	230	36,084	2,792	- 6,627	32,479

3.11 Annual standalone statement of cash flows

STATEMENT OF CASH FLOWS	NOTE	01.01.2024	01.01.2023
		31.12.2024	30.12.2023
	3.12.38	PLN'000	PLN'000
Cash flows from operating activities			
Profit (loss) before tax		- 20,864	-6,255
Total adjustments:		3,067	1,463
Depreciation/amortization		4,501	1,840
FX gains (losses)		172	-28
Interest and profit distributions (dividends)		243	36
Profit (loss) on investing activities		-	1,321
Change in the balance of provisions		- 61	187
Change in the balance of inventories		- 2,184	-881
Change in the balance of receivables		- 2,323	-1,375
Change in short-term liabilities, except bank and other loans		2,027	-893
Change in other assets		-74	-28
Change in the balance of grants to be settled		766	1,284
Incentive scheme valuation		-	-
Income tax paid		-	-
Other adjustments		-	-
Total cash flows from operating activities		- 17,797	-4,792
Cash flows from investing activities			
Inflows		304	468
Disposal of tangible and intangible assets		-	-
Repayment of long-term loans		130	180
Interest on financial assets		174	288
Outflows		6,206	9,112
Acquisition of tangible and intangible assets		6,206	7,791
Acquisition of financial assets		-	790
Long-term loans granted		-	531
Other investment outflows		-	-
Total cash flows from investing activities		- 5,902	-8,644
Cash flows from financing activities			
Inflows		26,187	34,776
Contributions to capital		26,165	34,580
Bank and other loans		-	196
Other financial inflows		22	-
Outflows		1,607	1,216
Repayment of bank and other loans		72	-
Finance lease payments		729	1,059
Interest		806	157
Total cash flows from financing activities		24,580	33,560
Total cash flows from investing activities		881	20,124
Change in cash and cash equivalents:		878	20,152
- change in cash due to FX differences		- 3	28
Cash and cash equivalents at the beginning of the period		26,044	5,920
Cash and cash equivalents at the end of the period, including:		26,925	26,044
- restricted cash		504	861

3.12 Notes

Notes are an integral part of these financial statements.

3.12.1 Intangible assets

INTANGIBLE ASSETS	figures in PLN thousand	31.12.2024	31.12.2023
Acquired concessions, patents, licenses and similar rights		–	–
Intellectual property rights		–	–
Other intangible assets		1,383	507
Completed development		7,486	2,029
In-process development expenditure		3,228	7,013
Total (net)		12,097	9,549
Previous amortization		3,113	2,015
Total (gross)		15,210	11,564

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 December 31, 2024, the Company did not have any agreements whereby it would be required to purchase any intangible assets. In 2024 and 2023, no impairment charges were posted for intangible assets.

During 2024, the Company completed development initiatives that had been ongoing since 2023 and included the following intangible assets in the register of intangible assets (in gross amounts):

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

The Company's Management Board assessed the useful lives of the identified completed development in 2024 and decided to adopt a five-year amortization period. When determining the useful life, the Company's Management Board took into account in its analysis, among other things, the pace of development of the technology in which the Company specializes.

In addition, in 2024, the Company included the following significant gross value components in the intangible assets register:

- Website PLN 191 thousand
- Graphical user interface (software) PLN 614 thousand
- Image-building spot PLN 68 thousand

In-process development expenditure, including	in thousands PLN
Salaries	2,495
External services	151
Materials	551
Other	31
Impairment allowances on capitalized expenditure	–
Total	3,228

Completed development and in-process development are described in Note 3.12.15 of this report.

3.12.2 Change in intangible assets by type

As at 31.12.2024

in thousands PLN	Acquired concessions, patents, licenses and similar rights	Intellectual property rights	Completed development	Advances for intangible assets	In-process development expenditure	Total intangible assets
Gross value of intangible assets at the beginning of the period	24	1,070	2,951	507	7,013	11,565
Increases	–	873	6,474	83	2,688	10,118
Acquisition	–	873	6,474	83	2,688	10,118
Decreases	–	–	–	–	6,474	6,474
Gross value of intangible assets at the end of the period	24	1,943	9,425	591	3,228	15,210
Accumulated amortization at the beginning of the period	24	1,070	922	–	–	2,016
Increases	–	81	1,016	–	–	1,097
Amortization for the current year	–	81	1,016	–	–	1,097
Decreases	–	–	–	–	–	–
Accumulated amortization at the end of the period	24	1,151	1,938	–	–	3,113
impairment allowances at the beginning of the period	–	–	–	–	–	–
impairment allowances at the end of the period	–	–	–	–	–	–
Net value of intangible assets at the end of the period	–	793	7,486	591	3,228	12,097

As at 31.12.2023

As at 31.12.2023 PLN '000	Acquired concessions, patents, licenses and similar rights	Intellectual property rights	Completed development	Advances for intangible assets	In-process development expenditure	Total intangible assets
Gross value of intangible assets at the beginning of the period	100	1,095	2,951	–	1,039	5,184
Increases	–	–	–	507	5,975	6,482
Acquisition	–	–	–	–	–	–
Decreases	76	24	–	–	–	–
Gross value of intangible assets at the end of the period	24	1,070	2,951	507	7,013	11,565
Accumulated amortization at the beginning of the period	97	1,095	553	–	–	1,745
Increases	3	–	370	–	–	373
Amortization for the current year	3	–	370	–	–	373
Decreases	76	24	–	–	–	101
Accumulated amortization at the end of the period	24	1,070	923	–	–	2,017
impairment allowances at the beginning of the period	–	–	–	–	–	–
impairment allowances at the end of the period	–	–	–	–	–	–
Net value of intangible assets at the end of the period	–	–	2,028	507	7,013	9,548

3.12.3 Amortization of intangible assets

Amortization of intangible assets is included in the following items as part of the statement of comprehensive income.

ITEM IN THE STATEMENT OF COMPREHENSIVE INCOME in thousands PLN	Year ended 31.12.2024	Year ended 31.12.2023
Research and development expenses	696	371
Cost of finished goods sold	369	–
General and administrative expenses	30	–
Total	1,094	371

3.12.4 Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT	figures in PLN thousand	31.12.2024	31.12.2023
Tangible assets, including:		10,469	4,574
Buildings, premises, rights to premises and civil and water engineering structures		5,837	–
Technical equipment and machines		586	975
Vehicles		161	79
Other tangible assets		3,885	3,520
Tangible assets under construction		438	497
Property, plant and equipment, net		10,907	5,071
Previous depreciation		6,247	3,034
Property, plant and equipment, gross		17,154	8,105

The heading tangible assets under construction includes expenses related to the development of the multihead and the UPD head (PLN 366 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 2024 and 2023, no impairment charges were posted for tangible assets.

As at December 31, 2024, the Company uses tangible assets under rental and lease agreements totalling PLN 6,842 thousand net.

TANGIBLE ASSETS LEASED	31.12.2024			31.12.2023		
	Gross value	Depreciation	Net value	Gross value	Depreciation	Net value
Buildings, premises, rights to premises and civil and water engineering structures	6,466	- 629	5,837	–	–	–
technical equipment and machines	516	- 251	265	225	-130	95
other tangible assets	2,184	- 1,605	579	1,934	-788	1,146
vehicles	241	- 80	161	97	-19	78
Total	9,407	- 2,565	6,842	2,256	-937	1,319

3.12.5 Tangible assets on the balance sheet – ownership structure

TANGIBLE ASSETS ON BALANCE SHEET (OWNERSHIP STRUCTURE) PLN '000	31.12.2024	31.12.2023
Own	4,065	3,752
used based on any rental, lease or a similar contract	6,842	1,319
Total tangible assets on the balance sheet	10,907	5,071

3.12.6 Changes in tangible assets by type

AS AT 31.12.2024 CHANGES IN TANGIBLE ASSETS BY TYPE IN THOUSANDS PLN (except for tangible assets under construction)	Buildings, premises, rights to premises and civil and water engineering structures	Technical equipment and machines	Vehicles	Other tangible assets	Total tangible assets
Gross value of at the beginning of the period	–	1,994	190	5,424	7,608
Increases	6,466	1,635	143	1,106	9,349
Acquisition	–	1,635	143	1,106	2,884
Regrouping	–	- 1,485	–	1,485	–
Decreases	–	217	–	25	242
Gross value at the end of the period	6,466	1,927	333	7,990	16,716
Accumulated depreciation at the beginning of the period	–	1,019	111	1,904	3,034
Increases	629	730	60	1,997	3,416
depreciation for the current period	629	730	60	1,997	3,416
Regrouping	–	- 229	–	229	–
Decreases	–	178	–	25	203
Accumulated depreciation at the end of the period	629	1,341	172	4,106	6,247
impairment allowances at the beginning of the period					
impairment allowances at the end of the period					
Net value of tangible assets at the end of the period	5,837	586	161	3,885	10,469

AS AT 31.12.2023 CHANGES IN TANGIBLE ASSETS BY TYPE IN THOUSANDS PLN (except for tangible assets under construction)	Buildings, premises, rights to premises and civil and water engineering structures	Technical equipment and machines	Vehicles	Other tangible assets	Total tangible assets
Gross value of at the beginning of the period	–	1,690	92	1,905	3,687
Increases	–	1,069	98	3,585	4,752
Acquisition	–	1,069	98	3,585	4,752
Decreases	–	765	–	66	831
Gross value at the end of the period	–	1,994	190	5,424	7,608

Accumulated depreciation at the beginning of the period	–	1,409	92	769	2,270
Increases	–	368	19	1,200	1,587
depreciation for the current period	–	368	19	1,200	1,587
Decreases	–	758	–	65	823
Accumulated depreciation at the end of the period	–	1,019	111	1,904	3,034
impairment allowances at the beginning of the period	–	–	–	–	–
impairment allowances at the end of the period	–	–	–	–	–
Net value of tangible assets at the end of the period	–	975	79	3,520	4,575

The regrouping line item applies to XTPL DPS printers to which an incorrect asset group was assigned in the previous periods in the tangible asset register (491 instead of 801). After verifying the tangible asset register as at December 31, 2024, an adjustment was made to take into account the actual use of the tangible assets in the Company's operations.

3.12.7 Depreciation of tangible assets

Depreciation of tangible assets is reported in the following items of the statement of comprehensive income.

ITEM IN THE STATEMENT OF COMPREHENSIVE INCOME in thousands PLN	Year ended 31.12.2024	Year ended 31.12.2023
Research and development expenses	1,811	1,224
Cost of finished goods sold	116	73
Marketing and selling costs	75	–
General and administrative expenses	1,404	171
Total	3,407	1,468

3.12.8 Significant acquisitions of property, plant and equipment

SIGNIFICANT INCREASES IN PROPERTY, PLANT AND EQUIPMENT, INCLUDING LEASING (RENTAL) AGREEMENTS	figures in PLN thousand	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
XTPL printers, 3D		1,092	821
Computer sets		281	268
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		–	17
Gantry movement system and elements		–	2,470
Confocal microscope		–	–
Other laboratory equipment		479	163
Office equipment		109	73
Exhibition stand		109	0
Office space for rent at Legnicka Street 48E		6,466	0
Glove box		–	–
Total significant increases		9,311	3,812

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.

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

3.12.9 Significant liabilities on account of purchase of tangible assets

As at December 31, 2024, 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 tangible assets totalling PLN 6,757 thousand,

including short-term liabilities of PLN 1,029 thousand and long-term liabilities of PLN 5,729 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			
2024	1,029	2,478	2,660	591	1,029	5,729	6,757

3.12.10 Investment properties

As at the Balance Sheet Date, no investment properties were included in the Company's statement of financial position.

3.12.11 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.

3.12.12 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.

3.12.13 Long-term receivables and long-term investments

Long-term receivables	figures in PLN thousand	31.12.2024	31.12.2023
Loans granted		–	–
Security deposits		490	33
Shares		–	–
Equipment lease receivables		400	–
Total long-term receivables		890	33

As of December 31, 2024, under "Security deposits" the Company presents PLN 459 thousand concerning the lease of office and laboratory space, while PLN 30 thousand concerns the guarantee deposit with a Client.

Under equipment lease agreements, the Company presents a printer [DPS] lease agreement with its subsidiary XTPL Inc. The presented value refers to capital repaid in installments, which for balance sheet purposes was recognized in accordance with the principles of IFRS 16. According to the agreement, the lease began in July 2024, the lease period was set at 48 months.

3.12.14 Capital expenditure

CAPITAL EXPENDITURE INCURRED	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<i>– including on environmental protection</i>	–	–
Expenditures on tangible assets under construction	1,092	13
Tangible assets purchased	1,068	1,296
Intangible assets purchased	873	507
Development expenditure	–	–
In-process development expenditure	2,688	5,975
Investments in properties	–	–
Total investments in non-financial fixed assets	5,722	7,791
Loans granted	–	531
Acquisition of treasury bills	–	–
Acquisition of shares	–	789
Total investments in financial fixed assets	–	1,320
Total capital expenditure	5,722	9,111

The increase in capital expenditure on purchases of tangible assets was caused by the construction of own laboratories and office space with the purchase of necessary equipment.

As part of the adopted budget, in 2025 the Company plans to incur capital expenditure of PLN 750 thousand on R&D and production. Most of the planned capital expenditure relates to the provision of the necessary equipment for workshops and laboratories.

3.12.15 Impairment allowance for financial assets, tangible assets, intangible assets or other assets and reversal of the impairment allowance

Intangible assets – completed development: Delta Printing System – net carrying amount of PLN 1,660 thousand. As required by IAS 36 Impairment of Assets, the Company's Management Board carried out an impairment test for the Company's assets: cost of completed development – by comparing their carrying amount with recoverable amount. As part of the procedure, the management tested all the previous assumptions underlying the decisions to recognize the development expenditure as an asset. The probability and value of future economic benefits were verified. The test was based on a 5-year forecast, with discount rate of 16.19%. The discount rate includes a risk-free rate based on 10Y treasury bonds, a market risk premium based on A. Damodaran's calculations, 1Y WIBOR + commercial banks' margin, and a beta calculated on the basis of the Company's quotations. The discount rate also takes into account the specific risk of the Company and the premium for the type of assets. The Company did not include the residual value in the test model.

When calculating sales forecasts, account was taken of the fact that the main application field for commercialization based on completed development was the display market (the ODR segment). Three revenue streams were identified: the sale of demonstration printers, sale of printer consumables and services, and license fees.

The test results showed that the recoverable amount of intangible assets exceeds their carrying amount, so there is no need to post any impairment allowances for those assets.

The table below presents the sensitivity of the model to the influence of two variables tested simultaneously, i.e.:

1. the impact of the change in WACC and the change in sales levels
2. the impact of sales change and product price change

The results of the sensitivity analysis are presented below. None of the variables examined in the system presented below affect the sensitivity of the model with respect to liquidity loss or a possible impairment allowance.

	24,923	WACC						
		13.19%	14.19%	15.19%	16.19%	17.19%	18.19%	19.19%
change in sales	-3.0%	25,648	24,732	23,857	23,021	22,223	21,460	20,730
	-2.0%	26,341	25,404	24,510	23,655	22,839	22,059	21,312
	-1.0%	27,033	26,076	25,162	24,289	23,455	22,657	21,894
	0.0%	27,726	26,748	25,815	24,923	24,071	23,256	22,477
	1.0%	28,418	27,421	26,468	25,557	24,687	23,855	23,059
	2.0%	29,111	28,093	27,120	26,191	25,303	24,454	23,642
	3.0%	29,803	28,765	27,773	26,825	25,919	25,053	24,224

	24,923	change in sales						
		-6%	-4%	-2%	0%	2%	4%	6%
price change	-4%	18,736	19,953	21,170	22,388	23,605	24,822	26,039
	-2%	19,928	21,170	22,413	23,655	24,898	26,141	27,383
	0%	21,120	22,388	23,655	24,923	26,191	27,459	28,727
	2%	22,311	23,605	24,898	26,191	27,485	28,778	30,071
	4%	23,503	24,822	26,141	27,459	28,778	30,097	31,415

Intangible assets – in-process development: laboratory printers in a glove box – net carrying amount of PLN 2,417 thousand

As required by IAS 36 Impairment of Assets, the Company's Management Board carried out an impairment test for the Company's assets: cost of completed development – by comparing their carrying amount with recoverable amount. As part of the procedure, the management tested all the previous assumptions underlying the decisions to recognize the development expenditure as an asset. The probability and value of future economic benefits were verified. The test was based on a 5-year forecast, with discount rate of 16.19%. The discount rate includes a risk-free rate based on 10Y treasury bonds, a market risk premium based on A. Damodaran's calculations, 1Y WIBOR + commercial banks' margin, and a beta calculated on the basis of the Company's quotations. The discount rate also takes into account the specific risk of the Company and the premium for the type of assets. The Company did not include the residual value in the test model.

When calculating sales forecasts, account was taken of the fact that the main application field for commercialization based on completed development was the display market (the ODR segment). Three revenue streams were identified: the sale of demonstration printers, sale of printer consumables and services, and license fees.

The test results showed that the recoverable amount of intangible assets exceeds their carrying amount, so there is no need to post any impairment allowances for those assets.

The table below presents the sensitivity of the model to the influence of two variables tested simultaneously, i.e.:

1. the impact of the change in WACC and the change in sales levels
2. the impact of sales change and product price change

The results of the sensitivity analysis are presented below. None of the variables examined in the system presented below affect the sensitivity of the model with respect to liquidity loss or a possible impairment allowance.

change in sales	WACC							
	10,055	13.19%	14.19%	15.19%	16.19%	17.19%	18.19%	19.19%
-3.0%	10,396	9,948	9,522	9,116	8,729	8,360	8,008	
-2.0%	10,740	10,282	9,845	9,429	9,032	8,654	8,294	
-1.0%	11,085	10,615	10,168	9,742	9,335	8,948	8,579	
0.0%	11,429	10,949	10,491	10,054	9,639	9,242	8,864	
1.0%	11,774	11,282	10,814	10,367	9,942	9,536	9,149	
2.0%	12,118	11,615	11,137	10,680	10,245	9,830	9,434	
3.0%	12,463	11,949	11,460	10,993	10,549	10,124	9,720	

price change	change in sales							
	10,055	-6%	-4%	-2%	0%	2%	4%	6%
-4%	7,001	7,602	8,203	8,804	9,404	10,005	10,606	
-2%	7,589	8,203	8,816	9,429	10,043	10,656	11,269	
0%	8,178	8,804	9,429	10,055	10,681	11,307	11,933	
2%	8,766	9,404	10,043	10,681	11,319	11,958	12,596	
4%	9,354	10,005	10,656	11,307	11,958	12,609	13,260	

Intangible assets – completed development: printers/heads for working on large surfaces – net carrying amount of PLN 3,409 thousand

As required by IAS 36 Impairment of Assets, the Company's Management Board carried out an impairment test for the Company's assets: cost of completed development – by comparing their carrying amount with recoverable amount. As part of the procedure, the management tested all the previous assumptions underlying the decisions to recognize the development expenditure as an asset. The probability and value of future economic benefits were verified. The test was based on a 5-year forecast, with discount rate of 16.19%. The discount rate includes a risk-free rate based on 10Y treasury bonds, a market risk premium based on A. Damodaran's calculations, 1Y WIBOR + commercial banks' margin, and a beta calculated on the basis of the Company's quotations. The discount rate also takes into account the specific risk of the Company and the premium for the type of assets. The Company did not include the residual value in the test model.

When calculating sales forecasts, account was taken of the fact that the main application field for commercialization based on completed development was the display market (the ODR segment). Three revenue streams were identified: the sale of demonstration printers, sale of printer consumables and services, and license fees.

The test results showed that the recoverable amount of intangible assets exceeds their carrying amount, so there is no need to post any impairment allowances for those assets.

The table below presents the sensitivity of the model to the influence of two variables tested simultaneously, i.e.:

1. the impact of the change in WACC and the change in sales levels
2. the impact of sales change and product price change

The results of the sensitivity analysis are presented below. None of the variables examined in the system presented below affect the sensitivity of the model with respect to liquidity loss or a possible impairment allowance.

	WACC							
	8,985	13.19%	14.19%	15.19%	16.19%	17.19%	18.19%	19.19%
change in sales	-3.0%	9,893	9,307	8,752	8,225	7,726	7,252	6,802
	-2.0%	10,174	9,578	9,014	8,479	7,971	7,489	7,032
	-1.0%	10,454	9,849	9,276	8,732	8,216	7,726	7,261
	0.0%	10,735	10,120	9,538	8,985	8,461	7,963	7,490
	1.0%	11,015	10,391	9,800	9,238	8,705	8,200	7,719
	2.0%	11,296	10,662	10,061	9,491	8,950	8,436	7,948
	3.0%	11,576	10,933	10,323	9,744	9,195	8,673	8,178

	change in sales							
	8,985	-6%	-4%	-2%	0%	2%	4%	6%
price change	-4%	6,514	7,000	7,486	7,972	8,458	8,944	9,431
	-2%	6,990	7,486	7,982	8,479	8,975	9,471	9,967
	0%	7,466	7,972	8,479	8,985	9,491	9,998	10,504
	2%	7,942	8,458	8,975	9,491	10,008	10,524	11,041
	4%	8,418	8,944	9,471	9,998	10,524	11,051	11,577

Intangible assets – in-process development: industrial head – net carrying amount of PLN 3,024 thousand

As required by IAS 36 Impairment of Assets, the Company's Management Board carried out an impairment test for the Company's assets: cost of in-process development – by comparing their carrying amount with recoverable amount. As part of the procedure, the management tested all the previous assumptions underlying the decisions to recognize the development expenditure as an asset. The probability and value of future economic benefits were verified. The test was based on a 5-year forecast, with discount rate of 16.19%. The discount rate includes a risk-free rate based on 10Y treasury bonds, a market risk premium based on A. Damodaran's calculations, 1Y WIBOR + commercial banks' margin, and a beta calculated on the basis of the Company's quotations. The discount rate also takes into account the specific risk of the Company and the premium for the type of assets. The Company did not include the residual value in the test model.

When calculating sales forecasts, account was taken of the fact that the main application field for commercialization based on completed development was the display market (the ODR segment). Three revenue streams were recognized: sales of industrial printheads, sales of consumables and services related to the operation of printheads, and license fees.

The test results showed that the recoverable amount of intangible assets exceeds their carrying amount, so there is no need to post any impairment allowances for those assets.

The table below presents the sensitivity of the model to the influence of two variables tested simultaneously, i.e.:

1. the impact of the change in WACC and the change in sales levels
2. the impact of sales change and product price change

The results of the sensitivity analysis are presented below. None of the variables examined in the system presented below affect the sensitivity of the model with respect to liquidity loss or a possible impairment allowance.

	WACC							
	21,875	13.19%	14.19%	15.19%	16.19%	17.19%	18.19%	19.19%
change in sales	-3.0%	23,122	22,183	21,288	20,435	19,621	18,844	18,102
	-2.0%	23,649	22,694	21,783	20,915	20,086	19,296	18,541
	-1.0%	24,177	23,205	22,278	21,395	20,552	19,747	18,979
	0.0%	24,704	23,716	22,774	21,875	21,018	20,199	19,418
	1.0%	25,231	24,227	23,269	22,355	21,483	20,651	19,856
	2.0%	25,759	24,738	23,764	22,835	21,949	21,103	20,295
	3.0%	26,286	25,249	24,259	23,315	22,415	21,555	20,733

	change in sales							
	21,875	-6%	-4%	-2%	0%	2%	4%	6%
price change	-4%	17,189	18,111	19,033	19,955	20,876	21,798	22,720
	-2%	18,092	19,033	19,974	20,915	21,856	22,797	23,738
	0%	18,995	19,955	20,915	21,875	22,835	23,795	24,756
	2%	19,897	20,876	21,856	22,835	23,815	24,794	25,773
	4%	20,800	21,798	22,797	23,795	24,794	25,793	26,791

3.12.16 Total deferred tax assets and liabilities

Deferred income tax assets due to negative temporary differences	Statement of financial position as at		Impact on the statement of comprehensive income 01.01.2024 - 31.12.2024
	31.12.2024	31.12.2023	
PLN '000			
Due to differences between the carrying amount and the tax value:			
Accruals for unused annual leaves	76	87	- 11
Provision for salaries	6	3	3
Provision for the cost external services	93	46	47
Provision for extra social security costs	69	-	69
Loan valuation	-	-	-
Total deferred tax assets	243	136	107
Offset against the deferred tax liability	- 243	- 136	- 107
Net deferred tax assets	-	-	-

Deferred tax liability caused by positive temporary differences	Statement of financial position as at		Impact on the statement of comprehensive income 01.01.2024 - 31.12.2024
	31.12.2024	31.12.2023	
PLN '000			
Due to differences between the carrying amount and the tax value:			
Interest on loans and deposits	-	-	-
Leased tangible assets	243	136	107
Total deferred tax liability	243	136	107
Offset against the deferred tax assets	- 243	- 136	- 107
Net deferred tax liability	-	-	-

Negative temporary differences and tax losses for which no deferred tax asset was recognized in the statement of financial position:	Basis for generating the asset at the end of the period 31.12.2024	Basis for generating the asset at the end of the period 31.12.2023	Date of expiry of negative temporary differences, tax losses
In respect of:			
Salaries	–	–	
Accruals for unused annual leaves	–	–	
Provision for the cost external services	–	133	
Tax losses	32,231	20,882	2025/2029

No deferred tax assets were created under the above headings due to uncertainty as to the possibility of using this asset in future periods.

3.12.17 Inventories

INVENTORIES PLN '000	31.12.2024	31.12.2023
Materials	2,184	1,495
Work in progress	1,827	334
Finished goods	3	1
<i>Impairment allowance on inventories</i>	–	–
Total	4,014	1,830

In the Reporting Period, no impairment allowance on inventories was created or reversed.

3.12.18 Trade receivables

TRADE RECEIVABLES PLN '000	31.12.2024	31.12.2023
Trade receivables, including:	3,941	1,203
Up-to-date	3,495	912
Overdue	446	291
1-30	19	21
31-90	28	70
91-180	276	200
180-365	5	–
- over a year	119	–
including claimed in court	–	–
Total gross trade receivables	3,941	1,203
Impairment allowances on receivables	119	–
Total net trade receivables	3,822	1,203
– from related parties	1,377	–

3.12.19 Other receivables

OTHER RECEIVABLES PLN '000	31.12.2024	31.12.2023
Other receivables, including:		
Statutory receivables (except income tax)	1,008	1,333
Other receivables	598	1,437
including claimed in court	–	–
Short-term loans granted	14	144
Total gross other receivables	1,621	2,914

Impairment allowances on receivables	–	–
Total net other receivables	1,621	2,914
– from related parties	147	144

3.12.20 Cash and cash equivalents

CASH AND CASH EQUIVALENTS	31.12.2024	31.12.2023
PLN '000		
Cash, including:	26,921	26,043
– cash on hand	–	–
– cash in bank	26,921	26,043
Other cash (short term deposits)	–	–
Other cash assets	–	–
Total cash and other cash assets	26,921	26,043

3.12.21 Restricted cash, including cash in the VAT account

As at the Balance Sheet Date, the Company did not have any cash in its VAT account. Restricted cash includes PLN 505 thousand worth of funds blocked in favor of a lessor.

3.12.22 Assets held for sale

In the current and comparable periods, the Company did not identify any held-for-sale assets or assets related to discontinued operations.

3.12.23 Registered capital

On December 10, 2024, the Issuer's Management Board submitted a declaration on determining the share capital in the Company's Articles of Association, in such a way that the Company's share capital is PLN 264,987.70 (two hundred sixty-four thousand nine hundred and eighty-seven zlotys and 70/100) and is divided into 2,649,877 (two million six hundred and forty-nine thousand eight hundred and seventy-seven) ordinary bearer shares with a nominal value of PLN 0.10 (ten groszy) each, including:

REF.	number of shares	series
1	670,000	A
2	300,000	B
3	30,000	C
4	198,570	D
5	19,210	E
6	19,210	F
7	68,720	G
8	68,720	H
9	10,310	I
10	5,150	J
11	10,310	K
12	140,020	L

13	155,000	M
14	47,000	N
15	41,400	O
16	42,602	P
17	78,000	S
18	125,000	T
19	45,655	U
20	275,000	V
21	300,000	X

Below, the Company presents information summarizing the public offering (in the form of a private placement) of series X ordinary bearer shares issued pursuant to resolution No. 03/11/2024 of the Extraordinary General Meeting of the Company of November 18, 2024 on increasing the Company's share capital by issuing series X ordinary bearer shares (fully disapplying shareholders' preemption rights), amending the Company's Articles of Association and applying for the admission and introduction of those shares to trading on the regulated market ("Series X Shares"):

1. Subscription start and end dates: November 18, 2024 to December 6, 2024;
2. Share allocation date: The Series X Shares were acquired through a private placement pursuant to Article 431 § 2 point 1 of the Polish Commercial Companies Code, by way of the Company submitting offers to acquire Series X Shares to designated investors. As a result, no public subscriptions for shares were conducted, nor was there an allocation of shares within the meaning of Article 434 of the Polish Commercial Companies Code.
3. Number of shares covered by the placement: The private placement for Series X Shares included no fewer than 1 and no more than 300,000 Series X Shares
4. Reduction rate in individual tranches: The Series X Shares were acquired by investors in a private placement. As a result, no public subscriptions were made for shares and therefore no reduction occurred. The issue of Series X Shares was not divided into tranches
5. Number of securities subscribed for under the placement: The issue of Series X Shares was carried out in the form of a private placement, so no public share subscriptions were conducted. 300,000 Series X Shares were acquired in the private placement.
6. Number of shares allocated under the placement: The issue of Series X Shares was carried out in the form of a private placement, so no shares allocations were made within the meaning of Article 434 of the Commercial Companies Code. 300,000 Series X Shares were acquired in the private placement.
7. Issue price: Series X shares were acquired at an issue price of PLN 92.00 (ninety-two zlotys) per share.
8. Method of paying for shares: Series X shares were fully covered by cash contributions. The payment for the Series X Shares was not made by offsetting mutual receivables.
9. Number of persons who subscribed for shares covered by the placement in individual tranches: The issue of Series X Shares was carried out in the form of a private placement, so no public subscriptions for shares were

conducted, nor was there an allocation of shares within the meaning of Article 434 of the Commercial Companies Code. A total of 23 investors acquired Series X shares.

10. Number of persons who were allocated shares under the placement carried out in individual tranches: The issue of Series X Shares was carried out in the form of a private placement, so no public subscriptions for shares were conducted, nor was there an allocation of shares within the meaning of Article 434 of the Commercial Companies Code. A total of 23 investors acquired Series X shares.

11. Company names of the underwriters who acquired the securities under the underwriting agreements: No underwriting agreements were concluded, and the Series X Shares were not acquired by underwriters.

12. The value of the placement, understood as the product of the number of Series X Shares acquired and their issue price: The value of the offer of Series X Shares was PLN 27,600,000.

13. Total amount of costs included in the issue costs:

As of the date of publication of the report, total costs included in the issue costs amounted to PLN 1,458,335.48, including:

- a) preparation and execution of the offer: PLN 1,458,335.48;
- b) remuneration of underwriters: not applicable;
- c) preparation of the prospectus, including advice: not applicable;
- d) offer promotion: not applicable.

The costs of issuing Series X Shares reduced the Company's reserve capital.

The average placement cost per Series X Share is: PLN 4.86.

In connection with the completion of the placement of Series X Shares and the submission by the Management Board of the Company of a declaration on determining the share capital in the Company's Articles of Association, on December 31, 2024, the National Depository for Securities (KDPW S.A) issued an announcement setting January 10, 2025 as the date of registration in the securities depository of 300,000 series X ordinary bearer shares of the Company marked with the ISIN code PLXTPL000018. As at the Balance Sheet Date (December 31, 2024), the share capital increase through the issue of series X shares was registered in the National Court Register.

Change in share capital	01.01.2024 -	01.01.2023
	31.12.2024	- 31.12.2023
Balance at the beginning of the period	230	203
Increases	35	27
Decreases	-	-
Balance at the end of the period	265	230

In accordance with Resolution No. 04/06/2020 of the Extraordinary General Meeting of XTPL SA of June 8, 2020 on the issue of bonds convertible into series U shares and the conditional increase of the share capital by issuing series U shares, depriving the shareholders of the entire preemptive rights in relation to convertible bonds and series U shares, on July 30, 2020, the Management Board of XTPL S.A. adopted a resolution on the allocation of 48,648 series A registered bonds convertible into series U shares of the Company with a nominal value of PLN 74 per bond, with a total nominal value of PLN 3,599,952. The bonds were issued at a price equal to their nominal value. The bonds were subject to redemption on July 30, 2022. The interest rate on the Bonds is fixed

and amounts to 2% per annum, calculated on the nominal value of the Bonds starting from the allocation date (excluding that date) to the redemption date or early redemption date (including that date) and will be paid on one of those dates. As part of conversion of the Bonds into the Issuer's series U shares, there will be one U series share allocated to each Bond, and the conversion price will be equal to the nominal value of one Bond. The bondholder has the right to request the conversion of the Bonds into series U shares not earlier than 1 (one) month prior to the redemption date and not later than 11 (eleven) business days prior to the redemption date. The Issuer is not entitled to redeem all or part of the Bonds before the redemption date. The Bonds will not be listed on the regulated market or in an alternative trading system. The bonds are not secured. The bonds were offered pursuant to Article 33(1) of the Bonds Act of January 15, 2015, as amended, and Article 1(4)(a) and (b) of Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC by offering the Bonds to investors selected by the Management Board of the Company – but fewer than 149 – without drawing up an issue prospectus or an information memorandum.

On July 6, 2022, the Issuer entered into an agreement with a bondholder to purchase 2,993 of the Company's series A bonds convertible to series U shares for the purpose of their redemption, which the Issuer announced on July 6, 2022 in ESPI Current Report No. 20/2022, in reference to ESPI current report No. 12/2022 of May 25, 2022. In consideration for the purchase of the Bonds, the Issuer was to pay the bondholder PLN 230,122.83, which included the nominal value of the purchased Bonds of PLN 221,482 and interest of PLN 8,640.83. The sale price of the Bonds included all receivables resulting from the purchased Bonds.

After the settlement of the Bond purchase transaction, the Issuer redeemed the Bonds and submitted an application for their deregistration from the securities register kept by the National Depository for Securities (KDPW S.A.). Following the redemption of the Bonds, the total number of issued and unredeemed series A convertible bonds of the Company is 45,655.

On July 20, 2022, the Management Board of the Parent Company, in ESPI Current Report No. 23/2022, announced the conclusion of an agreement on amending the terms of the issue of the Bonds with two bondholders holding all issued and unredeemed series A bonds of the Company convertible to series U shares, in the total number of 45,655 and a total nominal value of PLN 3,378,470, registered in the securities register maintained by the National Depository for Securities (KDWP S.A) under ISIN number PLO228300011.

Pursuant to the second sentence of Article 7(1) of the Bonds Act of January 15, 2015 and based on the concluded Agreements, the terms and conditions of the Bonds issue were changed as follows:

- a) redemption date: the redemption date of the Bonds was changed from July 30, 2022 to January 30, 2024;
- b) interest rate: the interest rate on the Bonds was changed in that from the date of allocation of the Bonds to July 30, 2022 it is 2% per annum, calculated on the nominal value of the Bonds, and starting from July 31, 2022 until the redemption date or early redemption date, it will be 5% per annum, calculated on the nominal value of the Bonds. In all other respects, the terms and conditions of the Bonds issue remain unchanged.

The change in the terms of the issue of the Bonds was previously authorised by the General Meeting of the Company by Resolution No. 03/06/2022 of June 21, 2022 amending Resolution No. 04/06/2020 of the Extraordinary General Meeting of June 8, 2020 on the issue of bonds convertible into series U shares, and a conditional share capital increase by issuing series U shares, depriving shareholders of all their preemptive rights to the convertible bonds and series U shares, and on amending the Articles of Association, which the Issuer communicated in ESPI Current Report No. 16/2022 of June 21, 2022.

In accordance with IAS 32 Financial Instruments: Presentation, as at July 30, 2020, the complex financial instrument was subject to measurement. At the initial recognition, the value of the complex financial instrument was assigned to equity and to liabilities.

Upon initial recognition, the fair value of the liability component is the present value of the future contractual cash flows, discounted at the interest rate used by the market at that time for instruments with similar credit characteristics, cash flows and the same terms, but without the conversion option.

As at the measurement date, the Company was unable to identify any bonds with those parameters on the CATALYST market, issued by an entity with capital/ debt characteristics similar to those of XTPL S.A.

Due to the lack of reference to the measurement, an alternative approach was used, based on the Black-Scholes option valuation model taking into account the valuation as at the date of initial recognition, i.e. July 30, 2020

As at the balance sheet date of December 31, 2023, the liability for the bonds issued, taking into account the redemption date in 2024, was presented under short-term financial liabilities.

In 2024, Bondholders holding all the Issuer's series A convertible bonds issued and not redeemed until that date, issued on the basis of EGM Resolution 04/06/2020 of June 8, 2020, as amended by EGM resolution No. 03/06/2022 of June 21, 2022, in a total number of 45,655 ("Convertible Bonds"), submitted to the Company a declaration on the exercise of the right to exchange Convertible Bonds for series U shares of the Company.

Due to the receipt of the bondholders' declarations on the exchange of all issued and outstanding convertible bonds, the bondholders acquired 45,655 series U ordinary shares of the Company, with a nominal value of PLN 0.10 each, issued on the basis of EGM resolution No. 04/06/2020 of June 8, 2020, amended by EGM resolution No. 03/06/2022 of June 21, 2022. In connection with the above, the convertible bonds were converted into shares with a nominal value of PLN 3,378 thousand, which did not affect the financial position of the Company.

Taking into account the conversion of convertible bonds into shares in 2024, the value of the share capital of the Company increased compared to the value of the share capital presented as at December 31, 2023 by PLN 4,565.50, to PLN 234,987.70. As of December 31, 2024, the increase was registered in the National Court Register.

3.12.24 Change in the balance of provisions

CHANGE IN THE BALANCE OF PROVISIONS	figures in PLN thousand	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Balance at the beginning of the period		459	272
increased/ created		–	187
utilization		–	–
release		61	–
Balance at the end of the period		398	459

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.

3.12.25 Long-term financial liabilities

Long-term financial liabilities PLN '000	31.12.2024	31.12.2023
Bonds	–	–
Leasing liabilities	5,729	168
Balance at the end of the period	5,729	168

The increase in leasing liabilities is related to the signing of a lease agreement for office and laboratory space for a total gross amount of PLN 6,466 thousand.

3.12.26 Trade liabilities

SHORT-TERM TRADE LIABILITIES PLN '000	31.12.2024	31.12.2023
due to related parties	–	–
due to other entities	3,133	1,947
Total short term trade liabilities	3,133	1,947

3.12.27 Other short-term liabilities

OTHER SHORT-TERM LIABILITIES PLN '000	31.12.2024	31.12.2023
Short term liabilities:		
statutory obligations, except income tax	1,011	315
employee benefits	1,135	863
purchase of non-financial (investment) fixed assets	–	–
in respect of business travel costs	–	–
liabilities under contracts – advances received	432	609
other	–	9
Total other short-term liabilities, excluding provisions	2,577	1,796

3.12.28 Obligations in respect of employee benefits

OBLIGATIONS IN RESPECT OF EMPLOYEE BENEFITS PLN '000	31.12.2024	31.12.2023
Short term liabilities:		
remuneration	736	403
Payments for unused annual leave	398	460
Other	–	–
Total	1,135	863

3.12.29 Short term financial liabilities

Short-term financial liabilities PLN '000	31.12.2024	31.12.2023
Bonds	–	3,348
Leasing liabilities	1,029	436
Bank loans	125	196
Balance at the end of the period	1,154	3,980

The increase in leasing liabilities is related to the signing of a lease agreement for office and laboratory space for a total gross amount of PLN 6,466 thousand.

The 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;

LEASE OBLIGATIONS PLN '000	Minimum lease payments		Current value of minimum lease	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Lease obligations, payable:				
Up to one year	1,573	483	1,029	436
up to 1 month	108	31	61	25
1 to 3 months	218	62	122	50
3 to 6 months	363	217	224	205
6 to 12 months	884	173	622	156
1 to 5 years inclusive	6,250	188	5,138	168
Above 5 years	603	–	591	–
Total:	8,427	671	6,757	604
Less: costs to be incurred in subsequent periods	1,670	67	–	–
Current value of minimum lease payments	6,757	604	6,757	604
Long term lease obligations (payable over more than 12 months)	–	–	5,729	168
Short-term lease obligations (payable up to 12 months)	–	–	1,029	436

In 2024, the Company incurred PLN 23 thousand in costs related to the lease of low-value assets and PLN 1,271 thousand in costs on account of rental agreements relating to objects other than tangible assets on the balance sheet. In the current reporting period, the Company did not incur costs related to variable lease payments not included in the measurement of lease liabilities.

3.12.30 Deferred income in respect of grants

Description PLN '000	31.12.2024	31.12.2023
Long-term, including:	4,616	4,801
– grants to assets	4,616	4,801
– advance payments on R&D	–	–
Short-term, including:	2,597	1,646
– grants to assets	1,539	494
– advance payments on R&D	1,058	1,152
Total	7,212	6,447

During the reporting period, the Company received proceeds from submitted grant applications in the amount of PLN 2,192 thousand.

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 Company's profit or loss over the individual periods in proportion to the recognition of depreciation on those assets.

3.12.31 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

None in the Reporting Period.

3.12.32 Information on 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.

3.12.33 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.

3.12.34 Fair value of the individual classes financial assets and liabilities

	Category	Book value		Fair value	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
Financial assets					
Loans granted	WwgZK	14	144	14	144
Trade receivables	WwgZK	3,822	1,193	3,822	1,193
Equipment lease receivables	according to IFRS 16	532	–	532	–
Other receivables	WwgZK	1,964	2,770	1,964	2,770
Cash and cash equivalents	WwgZK	26,921	26,043	26,921	26,043
Total		33,254	30,150	33,254	30,150
Financial liabilities					
Interest bearing bank and other loans	PZFwgZK	125	196	125	196
Bond liabilities	WwWGpWF	–	3,348	–	3,348
Lease liabilities	according to IFRS 16	6,757	604	6,757	604
Trade liabilities	PZFwgZK	3,133	1,947	3,133	1,947
Other liabilities	PZFwgZK	2,577	1,797	2,577	1,797
Total		12,592	7,892	12,592	7,892

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 the Balance Sheet Date and December 31, 2023 was not materially different from the values presented in the financial statements. This is because:

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

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

3.12.35 Capital management

The key goal of the Company's capital management is to maintain safe capital ratios to facilitate the Company's operations and increase its value.

CAPITAL MANAGEMENT PLN '000	31.12.2024	31.12.2023
Interest bearing borrowings	125	196
Bonds issued	–	3,348
Lease liabilities	6,757	604
Trade and other liabilities	5,710	3,743

Less cash and cash equivalents	- 26,921	-	26,043
Net debt	- 14,329	-	18,152
Equity	40,727		32,479
Equity and net debt	26,398		14,327
Leverage	-54%		-127%

3.12.36 Description of the post-employment benefit plan

The Company does not operate any post-employment benefit plan within the meaning of IAS 19.

3.12.37 Proposed profit distributions (loss cover) for the financial year

The Company's Management Board proposes to cover the net loss of PLN 20,864 thousand incurred by the Company in the reporting period from the supplementary capital.

3.12.38 Explanations to the statement of cash flows

	figures in PLN thousand	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
PBT presented in the statement of comprehensive income		- 20,864	-6,255
PBT presented in the statement of cash flows		- 20,864	-6,255

INTEREST AND DIVIDENDS IN THE STATEMENT OF CASH FLOWS	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Realized interest on financing activities	417	157
Realized interest on investing activities	- 174	-288
Unrealized interest on financing activities	-	170
Unrealized interest on investing activities	-	-3
Total interest and dividends:	243	36

CHANGE IN THE BALANCE OF RECEIVABLES	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Change in the balance of trade receivables	-2,629	-417
Other receivables	439	-958
Loans granted	-133	-
Total change in the balance of receivables:	-2,323	-1,375

CHANGE IN THE BALANCE OF LIABILITIES	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Change in the balance of trade liabilities	1,186	518
Other liabilities	780	-1,224
Change in employee benefit provisions	-61	-187
Total change in the balance of liabilities:	2,027	-893

Cash and cash equivalents at the end of the period	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Statement of cash flows	26,921	26,044
Statement of financial position	26,925	26,043

Inflow from grants	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
– to operations	2,192	2,057
– to assets	-	1,977
– advance payments not settled/ (settled)	-	-634
Total grant proceeds	2,192	3,400

The difference between the balance of cash presented in the statement of financial position as at December 31, 2024 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.

During the reporting period, the Company received proceeds from submitted grant applications in the amount of PLN 2,192 thousand.

3.12.39 Related party transactions

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		3,828	–	–	–
Revenue from the sale of services		137	–	–	–
Revenue from equipment lease		571	–	–	–
Cost of products sold		1,396	–	–	–
Financial revenues - interest on loans and printer lease agreement		22	–	–	–

2023	figures in PLN thousand	To related parties	To joint ventures	To key management personnel*	To other related entities **
Purchase of services		180	–	–	–
Loans granted		531	–	–	–
Revenue from the sale of products		–	–	–	–
Revenue from the sale of services		–	–	–	–
Cost of products sold		–	–	–	–
Financial revenues - interest on loans and printer lease agreement		2	–	–	–

* the item includes persons who have the authority and responsibility for planning, managing and controlling the parent 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 entities do 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.

3.12.40 Net revenue from sales

NET REVENUE FROM SALES	figures in PLN thousand	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Research and development revenue		647	2,238
Revenue from the sale of products		11,217	11,180
Revenue from sales – leases		571	
Revenue from grants		1,430	2,057
Total net revenue from sales		13,865	15,475

3.12.41 Information about seasonality of business and cycles

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

3.12.42 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	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Sale and lease of printers	10,288	10,605
Nanoinks and other consumables	929	575
Leasing services	571	–
Research and development services	647	2,238
TOTAL	12,435	13,418

As at December 31, 2024, in its statement of financial position, the Company presents PLN 3,559 thousand in respect of trade receivables and PLN 1,827 thousand relating to expenditure on work in progress, as well as PLN 386 thousand representing advances for deliveries. The above amounts relate to the segment of laboratory printers – the Delta Printing System.

As at December 31, 2024, the Company shows in the statement of financial position PLN 172 thousand concerning trade receivables in the inks and consumables segment.

As at December 31, 2024, the Company shows in the statement of financial position PLN 91 thousand concerning trade receivables in the R&D segment.

As of December 31, 2024, the Company has receivables towards the subsidiary under a laboratory equipment lease agreement in the amount of PLN 527 thousand (including long-term PLN 400 thousand, short-term PLN 127 thousand). The Company recognized a profit of PLN 373 thousand on the equipment lease transaction in 2024.

All sales revenues reported by the Company in 2024 (PLN 12,435 thousand) relate to transactions concluded with foreign partners.

The following countries had the largest share in sales: 44.1% USA (sales through the subsidiary XTPL Inc.), China 8.4%, Korea 7.4%, Finland 7.2%, Austria 7.1%, Great Britain 7.0%, Italy 6.6%.

As at December 31, 2023, in its statement of financial position, the Company presents PLN 774 thousand in respect of trade receivables and PLN 334 thousand relating to expenditure on work in progress, as well as PLN 609 thousand representing advances for deliveries. The above amounts relate to the segment of laboratory printers – the Delta Printing System.

As at December 31, 2023, the Company shows in the statement of financial position PLN 378 thousand concerning trade receivables in the R&D segment.

As at December 31, 2023, the Company shows in the statement of financial position PLN 50 thousand concerning trade receivables in the inks and consumables segment.

All sales revenues reported by the Company in 2023 (PLN 13,418 thousand) relate to transactions concluded with foreign partners.

The following countries had the largest share in sales: 52.0% China, 14.8% Israel, 8.8% Germany.

In 2023, the Company achieved sales revenues from one partner in the amount of PLN 5.8 million, representing 43.3% of total sales revenues. The sales revenues concerned the Delta Printing System laboratory printers and the inks & consumables segment. The key partner (distributor) of the Company in the financial year ended December 31, 2023 was Yi Xin Technology (HK) Co Limited.

In 2024, the Company achieved sales revenues from one partner in the amount of PLN 4.5 million, representing 36.5% of total sales revenues. The sales revenues mainly concerned the sales segment of Delta Printing System laboratory printers and the rental of laboratory equipment. The key partner of the Company in the financial year ended on December 31, 2024 was the subsidiary XTPL Inc.

3.12.43 Operating costs

OPERATING COSTS	figures in PLN thousand	01.01.2024 – 31.12.2024	01.01.2023 – 31.12.2023
Depreciation/ amortization, including		4,513	1,958
– depreciation of tangible assets		3,419	1,586
– amortization of intangible assets		1,094	372
Use of raw materials and consumables		8,153	5,444
External services		9,285	7,237
Cost of employee benefits		15,024	10,045
Taxes and charges		411	183
Other costs by type		1,177	1,555
Value of goods and materials sold		–	–
Total costs by type, including:		38,563	26,422
Items reported as research and development costs		11,708	5,044
Items reported as cost of finished goods sold		7,382	3,383
Marketing and selling costs		5,724	3,967
Items reported as general and administrative expenses		9,566	7,934
Change in product inventories		1,495	120
Cost of producing services for internal needs of the entity		2,688	5,974

3.12.44 Employment

As at the Balance Sheet Date: 76 people

At the end of 2023: 70 people

3.12.45 Cost of employee benefits

COST OF EMPLOYEE BENEFITS	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Salaries under employment contracts	11,528	6,906
Salaries under civil law contracts, including contracts for specific work	270	1,315
Social security and other benefits	3,226	1,824
Costs of the incentive scheme	–	–
Total	15,024	10,045

3.12.46 Incentive scheme

In 2024, no rights were granted to persons entitled under the incentive scheme applicable at the Company.

3.12.47 Other operating income

OTHER OPERATING INCOME	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Gain on disposal of non-financial fixed assets	–	–
Provision released	–	–
Reversal of impairment allowances on assets	–	–
Other income:	–	–
damages and penalties received	109	–
COVID-19 anti-crisis shield	–	–
reimbursement of court costs	–	–
expired settlements	–	–
Other	8	11
Total other operating income	117	11

3.12.48 Other operating costs

OTHER OPERATING COSTS	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Loss on disposal of non-financial fixed assets	–	–
Provision released	–	–
Creation of impairment allowances on assets	119	–
Other costs:	–	–
penalties, fines, damages	–	–
Donations	–	–
Expired settlements	–	–
Other	20	40
Total other operating costs	139	40

3.12.49 Financial revenues

FINANCIAL REVENUES	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest on bank accounts	143	291
Interest on bank accounts	–	–
Interest on leases	22	0
FX gains	–	78
Other	31	–
Total net financial revenues	196	369

3.12.50 Financial expenses

FINANCIAL EXPENSES	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Financial expenses in respect of finance leases	387	146
Interest expense in respect of bonds	14	169
Costs of bank fees	–	10
Interest expense in respect of a loan received	–	–
FX losses	57	–
Budgetary interest expense	6	28
Creation of impairment allowances on assets	–	1,382
Other	59	7
Total financial expenses	524	1,742

3.12.51 Reconciliation of the effective tax rate

RECONCILIATION OF THE EFFECTIVE TAX RATE	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023
Gross profit/(loss) before tax on continued operations	- 20,864	-6,255
Profit/(loss) before tax on discontinued operations	-	-
Profit/(loss) before tax	- 20,864	-6,255
Tax at the Polish statutory rate of 19%	- 3,964	-1,188
Unrecognized deferred tax assets in respect of tax loss	3,578	626
Non-tax deductible costs	609	939
Increase in tax costs	-	-
Non-taxable revenues	- 223	-377
Tax at the effective tax rate	-	-
Income tax (charge) recognized in the statement of comprehensive income	-	-
Income tax attributable to discontinued operations	-	-

3.12.52 Discontinued operations

No discontinued operations occurred either in the current or in the previous reporting period.

3.12.53 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 to estimates were made.

3.12.54 Correction of errors from previous periods

In the Reporting Period, no corrections were made on account of errors from previous periods.

3.12.55 Tax settlements

Tax payment and other regulated areas of business (including customs or currency-related activities) may be subject to inspection by administrative bodies, which have the right to impose high fines and sanctions. In the absence of well-established legislation, Polish regulations tend to be unclear and inconsistent. There are frequent differences in interpretation of tax regulations both within State administration bodies and between such bodies and corporations, which gives rise to uncertainties and conflicts. As a result, the tax risk in Poland is substantially higher than in the countries with a more mature tax system. Tax payments may be inspected for five years after the year when the tax was paid. As a result of inspections, additional tax may be assessed for the Company in addition to the tax paid before. In the Company's opinion, as at the Balance Sheet Date, appropriate provisions existed for the identified and quantifiable tax risk.

3.12.56 Hedge accounting

The Company does not use hedge accounting.

3.12.57 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 Reporting Period, 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 December 31, 2024, 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.

Rate prevailing on the last day of the year:	31.12.2024	31.12.2023
1 EUR / 1 PLN	4.2730	4.3480
1 USD / 1 PLN	4.1012	3.9350
Average rate, calculated as the arithmetic mean of the rates applicable on the last day of each month in the period:	01.01.2024	01.01.2023
	31.12.2024	31.12.2023

1 EUR / 1 PLN	4.3042	4.5284
1 USD / 1 PLN	3.9853	4.1823

Presented below is the estimated impact on the Company's financial result of a potential adverse change in the value of PLN in relation to EUR and USD in relation to the carrying amounts as at December 31, 2024:

	As at 31.12.2024 in currency	As at 31.12.2024 in PLN	Estimated rate change in %	Effects of changes in exchange rates in PLN
Trade receivables in currency:				
EUR	378	1,632	+/- 5%	+/- 81
USD	662	2,653	+/- 5%	+/-133
Trade liabilities in currency:				
EUR	100	429	+/- 5%	+/- 21
USD	82	344	+/- 5%	+/- 17

INTEREST RATE RISK

Deposit transactions are made with institutions with a strong and stable market position. The instruments used – short-term, fixed-rate transactions – ensure full security. Consequently, the recent interest rate hikes do not affect the Company's operations. 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 lease agreements.

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.

The table below shows the Company's financial obligations as at December 31, 2024 and comparative data as at December 31, 2023 by maturities based on contractual non-discounted payments.

31.12.2024	On demand	Below 3 months	3 To 12 months	1 To 5 years	Above 5 years	Total
Bond obligations	-	-	-	-	-	-
Lease obligations	-	326	1,247	6,250	603	8,427
Loan obligations	-	-	125	-	-	125
Trade and other liabilities	-	5,312	-	-	-	5,312
Total	-	5,638	1,372	6,250	603	13,864

31.12.2023	On demand	Below 3 months	3 To 12 months	1 To 5 years	Above 5 years	Total
Bond obligations	-	3,753	-	-	-	3,753
Lease obligations	-	93	390	188	-	671
Loan obligations	-	-	196	-	-	196
Trade and other liabilities	-	3,134	-	-	-	3,134
Total	-	6,980	586	188	-	7,754

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

3.12.58 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 Reporting Period no material settlements were made on account of court cases.

3.12.59 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 Reporting Period, 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.

3.12.60 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 December 31, 2024 was PLN 15,834 thousand.

The value of contingent liabilities as at 31.12.2024 decreased by PLN 6,691 thousand due to the termination of lease agreements and the return of promissory notes of PLN 632 thousand, as well as the return of collateral for grant projects of PLN 6,059 thousand.

CONTINGENT LIABILITIES	31.12.2024	31.12.2023
Promissory notes	15,834	22,525
Total contingent liabilities	15,834	22,525

3.12.61 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.

3.12.62 Information about the influence of changes in the composition of the entity during the financial year, any business combinations, acquisition or loss of control over subsidiaries, long-term investments, restructures or discontinued businesses.

Not applicable.

3.12.63 Remuneration, bonuses or benefits for members of the Company's bodies

Management Board:

Name	Role	2024	2023
Filip Granek	CEO	360	360
Salary under employment contract		360	360
Incentive scheme valuation		–	–
Jacek Olszański	Management Board Member	360	360
Salary under employment contract		360	360
Incentive scheme valuation		–	–

The value of remuneration includes remuneration under the employment contract.

Detailed information on the conditions and amount of remuneration of the Management Board:

Filip Granek – PhD, CEO:

Receives remuneration based on an employment contract at PLN 30,000 gross monthly. He did not receive any bonus or reward for the Reporting Period.

Jacek Olszański – Management Board Member

Receives remuneration based on an employment contract at PLN 30,000 gross monthly. He did not receive any bonus or reward for the Reporting Period.

Supervisory Board:

Name	Role	2024	2023
Wiesław Rozłucki, PhD	Chairman of the Supervisory Board	108.0	96.0
Bartosz Wojciechowski, PhD	Deputy Chairman of the Supervisory Board	36.0	24.0
Prof. Herbert Wirth	Supervisory Board Member	24.0	12.0
Piotr Lembas	Supervisory Board Member	24.0	12.0
Beata Turlejska	Supervisory Board Member	24.0	12.0
Agata Gładysz-Stańczyk	Supervisory Board Member	18.1	0.0

Until June 2024, Members of the Supervisory Board received a fixed monthly remuneration of PLN 1,000 per month (except for the Chairman, whose remuneration is PLN 8,000 per month and the Deputy Chairs, whose remuneration is PLN 2,000 per month).

By resolution number 22/06/2024 of June 28, 2024, new remuneration of the Supervisory Board was established and adopted.

Under the resolution, Members of the Supervisory Board receive a fixed monthly remuneration of PLN 3,000 per month (except for the Chairman, whose remuneration is PLN 10,000 per month and the Deputy Chairs, whose remuneration is PLN 4,000 per month).

As of June 28, 2024, pursuant to resolution No. 23/06/2024 Agata Gładysz-Stańczyk was appointed to the Supervisory Board as a Member of the Supervisory Board.

Audit Committee:

Name	Role	2024	2023
Piotr Lembas	Chairman of the Audit Committee	12.0	12.0
Wiesław Rozłucki	Audit Committee Member	12.0	12.0
Herbert Wirth	Audit Committee Member	12.0	12.0

Members of the Audit Committee receive a fixed monthly remuneration of 1,000 PLN.

3.12.64 Transactions with the audit firm

On 8 July 2021, the Issuer concluded an agreement on audit of the standalone and consolidated financial statements with **4AUDYT sp. z o.o.** with its registered office in Poznań (60-779) at ul. Skryta 7/1, with share capital of PLN 100,000.00, NIP 7811817052, entered under KRS number 0000304558 in the National Court Register, Register of Entrepreneurs kept by the District Court for Poznań Nowe Miasto i Wilda in Poznań.

The agreement provides for:

1. Audit of the standalone financial statements of **XTPL S.A.** prepared in accordance with the International Financial Reporting Standards, International Accounting Standards and related interpretations published in the form of European Commission Regulations (IFRSs/ IASs) **for the period from January 1, 2021 to December 31, 2021.**
2. Audit of the consolidated financial statements of the **XTPL Group** prepared in accordance with IFRSs/IASs **for the period from January 1, 2021 to December 31, 2021.**
3. Interim review of the half-yearly standalone financial statements of **XTPL S.A.** prepared in accordance with IFRSs/IASs **for the period from January 1, 2021 to June 30, 2021.**
4. Interim review of the half-yearly consolidated financial statements of the XTPL Group prepared in accordance with IFRSs/IASs for the period from January 1, 2021 to June 30, 2021.
5. Audit of the standalone financial statements of **XTPL S.A.** prepared in accordance with IFRSs/IASs **for the period from January 1, 2022 to December 31, 2022.**
6. Audit of the consolidated financial statements of the **XTPL Group** prepared in accordance with IFRSs/IASs for the period from **January 1, 2022 to December 31, 2022.**
7. Interim review of the half-yearly standalone financial statements of **XTPL S.A.** prepared in accordance with IFRSs/IASs **for the period from January 1, 2022 to June 30, 2022.**
8. Interim review of the half-yearly consolidated financial statements of the **XTPL Group** prepared in accordance with IFRSs/IASs **for the period from January 1, 2022 to June 30, 2022.**

The remuneration for the above services is:

- a. item 1 – net remuneration of **PLN 30,000.00** + VAT
- b. item 2 – net remuneration of **PLN 16,000.00** + VAT
- c. item 3 – net remuneration of **PLN 15,000.00** + VAT
- d. item 4 – net remuneration of **PLN 10,000.00** + VAT
- e. item 5 – net remuneration of **PLN 30,000.00** + VAT

- f. item 6 – net remuneration of **PLN 16,000.00** + VAT
- g. item 7 – net remuneration of **PLN 15,000.00** + VAT
- h. item 8 – net remuneration of **PLN 10,000.00** + VAT

The agreement was amended to include audit of compliance of financial statements in the ESEF format and increased the remuneration as below:

re b – by PLN 4,000 net + VAT;

re f – by PLN 4,000 net + VAT.

Furthermore, pursuant to the agreement of May 10, 2021, 4AUDYT sp. z o.o. assessed the Issuer's report on remuneration for 2019-2020 and, pursuant to the agreement of April 20, 2022, 4AUDYT sp. z o.o. assessed the Issuer's report on remuneration for 2022.

The remuneration for this service was PLN 11,000 + VAT for 2019-2020 and PLN 7,000 + VAT for 2022.

On August 16, 2023, the Issuer concluded another agreement on audit of the standalone and consolidated financial statements with **4AUDYT sp. z o.o.** with its registered office in Poznań (60-779) at ul. Skryta 7/1, with share capital of PLN 100,000.00, NIP 7811817052, entered under KRS number 0000304558 in the National Court Register, Register of Entrepreneurs kept by the District Court for Poznań Nowe Miasto i Wilda in Poznań.

The agreement provides for:

1. Audit of the standalone financial statements of XTPL S.A. prepared in accordance with IFRSs/IASs and related interpretations published in the form of European Commission Regulations ("IFRSs/IASs") for the period from January 1, 2023 to December 31, 2023.
2. Audit of the consolidated financial statements of the XTPL Group prepared in accordance with IFRSs/IASs for the period from January 1, 2023 to December 31, 2023.
3. Interim review of the half-yearly standalone financial statements of XTPL S.A. prepared in accordance with IFRSs/IASs for the period from January 1, 2023 to June 30, 2023.
4. Interim review of the half-yearly consolidated financial statements of the XTPL Group prepared in accordance with IFRSs/IASs for the period from January 1, 2023 to June 30, 2023.
5. Assurance service regarding the assessment of the completeness of disclosures in the report on the remuneration of members of the Management Board and Supervisory Board of XTPL S.A. for 2023
6. Audit of the standalone financial statements of XTPL S.A. prepared in accordance with IFRSs/IASs for the period from January 1, 2024 to December 31, 2024.
7. Audit of the consolidated financial statements of the XTPL Group prepared in accordance with IFRSs/IASs for the period from January 1, 2024 to December 31, 2024.
8. Interim review of the half-yearly standalone financial statements of XTPL S.A. prepared in accordance with IFRSs/IASs for the period from January 1, 2024 to June 30, 2024.
9. Interim review of the half-yearly consolidated financial statements of the XTPL Group prepared in accordance with IFRSs/IASs for the period from January 1, 2024 to June 30, 2024.
10. Assurance service regarding the assessment of the completeness of disclosures in the report on the remuneration of members of the Management Board and Supervisory Board of XTPL S.A. for 2024

The remuneration for the above services is:

- a. item 1 of the agreement: net remuneration of **PLN 38,000.00** + VAT;
- b. item 2 of the agreement: net remuneration of **PLN 25,000.00** + VAT;
- c. item 3 of the agreement: net remuneration of **PLN 20,000.00** + VAT;
- d. item 4 of the agreement: net remuneration of **PLN 13,000.00** + VAT;
- e. item 5 of the agreement: net remuneration of **PLN 7,000.00** + VAT;
- f. item 6 of the agreement: net remuneration of **PLN 40,000.00** + VAT;
- g. item 7 of the agreement: net remuneration of **PLN 27,000.00** + VAT;

- h. item 8 of the agreement: net remuneration of **PLN 20,000.00** + VAT;
- i. item 9 of the agreement: net remuneration of **PLN 13,000.00** + VAT;
- j. item 10 of this agreement, the Contractor will receive a net remuneration of **PLN 7,000.00** + VAT.

4AUDYT sp. z o.o. is an audit firm in accordance with Article 46 of the Act of 11 May 2017 on statutory auditors, audit firms and public oversight, and in accordance with Article 57 of this Act is entered on the list of audit firms kept by the Polish Audit Oversight Agency under number 3363.

The auditor was selected by the Supervisory Board by resolution No. 01/08/2023 of August 14, 2023 on the selection of audit firm 4AUDYT sp. z o.o. to conduct audits of the separate financial statements of XTPL S.A. and the consolidated financial statements of the XTPL Group for the years 2023 and 2024 and limited review of the standalone half-yearly financial statements of XTPL S.A. and the consolidated half-yearly financial statements of the XTPL Group for the periods: from January 1, 2023 to June 30, 2023 and from January 1, 2024 to June 30, 2024.

In the 2024 financial year, the audit of the Issuer's separate and consolidated financial statements was also conducted by 4AUDYT sp. z o.o.

On April 8, 2025, the Supervisory Board adopted resolution No. 02/04/2025 on the selection of the audit firm 4AUDYT sp. z o.o. to conduct audits of standalone financial statements and the consolidated financial statements of the XTPL Group for the years 2025 and 2026 and interim review of the standalone half-yearly financial statements of XTPL S.A. and the consolidated half-yearly financial statements of the XTPL Group for the periods: from January 1, 2025 to June 30, 2025 and from January 1, 2026 to June 30, 2026.

3.12.65 Events after the balance sheet date that have not been reflected in the financial statements

Date	Event	Current Report
January 3, 2025	<p>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</p> <p>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).</p> <p>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).</p>	ESPI 1/2025
January 13, 2025	<p>Recognition of patent protection by the South Korean Patent Office (KIPO)</p> <p>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".</p>	ESPI 2/2025
January 22, 2025	<p>Preliminary estimates of revenues from the sale of products and services for Q4 and 2024</p> <p>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:</p> <ol style="list-style-type: none"> 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. 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 29, 2025	<p>Recognition of Patent Protection by the Taiwan Intellectual Property Office ("TIPO")</p> <p>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</p>	ESPI 4/2025

Date	Event	Current Report
	microcavity, and an apparatus for filling a microcavity on or in a substrate with a polymer material".	
February 3, 2025	<p>Sale of Delta Printing System to the Faculty of Engineering at the University of Cambridge, UK</p> <p>The Company has confirmed an order placed by the Department of Engineering, University of Cambridge, UK, for the delivery of a Delta Printing System. The Company will deliver and install the device in the first quarter of 2025.</p> <p>The Department of Engineering, University of Cambridge is one of the world's leading research institutions. The DPS device will be used for research and development projects in the field of sensors and other microelectronics applications.</p>	ESPI 6/2025
February 19, 2025	<p>Conclusion of a non-exclusive agreement for distribution of the Issuer's technological solutions in Japan</p> <p>The Management Board of XTPL S.A. announces 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.</p> <p>Under the agreement, the distributor will advertise and sell XTPL technological solutions in Japan. 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 thin-film photovoltaics, memristors and sensors.</p>	ESPI 7/2025
March 4, 2025	<p>Entering into an exclusive agreement to distribute the Issuer's technology solutions in Australia and New Zealand</p> <p>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.</p> <p>Under the agreement, the distributor will advertise and sell XTPL technology 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.</p>	ESPI 8/2025
March 13, 2025	<p>Entering into a non-exclusive agreement to distribute the Issuer's technology solutions in Spain, Portugal, Mexico, Italy, France</p> <p>The Management Board of XTPL S.A. announced 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.</p> <p>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.</p>	ESPI 10/2025

Date	Event	Current Report
	<p>SMT is a leading company supplying research and manufacturing equipment and materials in Southern Europe and Central America to the universities and industries such as semiconductor or microelectronics. As part of the cooperation, the Distributor will promote XTPL solutions among its current and new customers.</p>	
<p>March 27, 2025</p>	<p>Recognition of patent protection by the United States Patent and Trademark Office</p> <p>The Management Board of XTPL S.A. reported that on March 25, 2025 The Company 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".</p> <p>The application procedure for the patent was initiated on May 7, 2021. The formal requirement to obtain a patent is to pay appropriate fees. Should the requirement not be met, the Company will communicate this in a separate current report.</p> <p>The patent protection will increase the value of the potential commercialization of the Company's technology with respect to the technology solutions for the next generation electronics market.</p>	<p>ESPI 11/2025</p>
<p>March 28, 2025</p>	<p>Sale of the Delta Printing System to a defence contractor in the USA</p> <p>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 DPS device will be used for research, development and prototyping.</p> <p>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. 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.</p>	<p>ESPI 12/2025</p>
<p>April 8, 2025</p>	<p>Sale of Delta Printing System to the University of Massachusetts at Lowell, USA</p> <p>The Management Board of XTPL S.A. 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 DPS device will be used for research and development activities in the field of microelectronics and printed electronics.</p> <p>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.</p> <p>The revenue from the order for the ordered DPS device will have a positive impact on XTPL's financial performance in 2025.</p>	<p>ESPI 13/2025</p>

3.12.66 Impact of the SARS-CoV-2 pandemic on the Company'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 team members are provided with laptops and company phones with internet access. They can use the GSuite apps to smoothly continue work from home. Teamwork tools are also used to ensure work efficiency. Technological work is continued at the Company's headquarters while maintaining all sanitary requirements announced by state institutions. 95% of the Team members have been vaccinated.

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

3.12.67 Impact of the war in Ukraine on the Company'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.

3.12.68 Acquisition of own shares

None.

3.13 Uniform description of the Group's significant accounting principles

3.13.1 Intangible assets

Intangible assets are recognized if:

- a. the intangible asset is identifiable
- b. the intangible asset is controllable
- c. it is possible to identify the way of achieving future economic benefits generated by the intangible asset.

The identification criteria is met if:

- a. the asset is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- b. arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An entity controls an asset if the entity has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.

The future economic benefits flowing from an intangible include revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity.

The spending on intangible assets in the Company is divided into three stages:

1. spending related to the innovative and planned search for solutions, undertaken with the intention of acquiring and absorbing new scientific and technical knowledge; such spending is treated as research costs and are recognized in the profit or loss of the period;
2. The expenses related to the use of research results in business activities that meet the definition of IAS 38, until receipt of the first revenue from the sale or rental of a fixed asset or other benefits resulting from the use of an asset by the Company, are reported under the heading "intangible assets – in-process development expenditure";
3. The expenses related to the use of research results in business activities that meet the definition of IAS 38, until receipt of the first revenue from the sale or rental of a fixed asset or other benefits resulting from the use of an asset by the Company, are transferred to "intangible assets – completed development" and are amortized.

An intangible asset is recognized if, and only if:

- a. it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- b. the cost of the asset can be measured reliably.

Before starting the second stage of work on intangible assets, the Company's Management Board assesses the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset, both on the income and cost side, including by estimating availability of the means needed to complete, use and generate benefits from the asset.

The Company uses judgement to assess the degree of certainty attached to the flow of future economic benefits that are attributable to the use of the asset on the basis of the evidence available at the time of initial recognition, giving greater weight to external evidence.

All research completed in the financial year is analysed on an ongoing basis in terms of commercialization potential. If the result of the assessment is positive, i.e. there are indications the intangible assets will help the Company obtain future economic benefits that can be assigned to the given assets component, while meeting the remaining conditions indicated below, the Management Board decides to start development.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, the Company can demonstrate all of the following:

- a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b. its intention to complete the intangible asset and use or sell it;
- c. its ability to use or sell the intangible asset;
- d. how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- f. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where there is no certainty as to fulfillment of the above conditions, development costs are recognized in the statement of comprehensive income in the period in which they were incurred (under costs of ordinary activities).

The in-process development expenditure is an item of intangible assets that is not yet available for use. According to paragraph 97 of IAS 38, development expenditure is not amortized as amortization begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Intangible assets are amortized on a straight-line basis over the anticipated period of their economic life. The value of amortization of intangible assets is recognized in the statement of comprehensive income.

Intangible assets used by the Company with their useful lives:

Licenses for computer programs	2 to 5 years
Intellectual property rights (know-how)	5 years
Completed development	During the period of using the development results

The Company has no intangible assets with an indefinite useful life.

3.13.2 Tangible assets

Tangible assets are measured at purchase cost increased by all costs directly related to the purchase and adaptation of the asset for use or at generation cost less any depreciation and impairment allowances.

Costs incurred after the tangible assets had been put in use, such as repair and maintenance costs and running costs are reflected in profit or loss of the reporting period in which they were incurred.

However, if it is possible to demonstrate that the expenditure caused an increase in the expected future economic benefits from ownership of the asset above the originally expected benefits, then the expenditure increases the initial value of such asset (improvement).

At the time of liquidation or sale of tangible assets, any ensuing gains or losses are recognised in the statement of financial position as a difference between net proceeds from disposal (if any) and the carrying amount of this item.

In the case of tangible assets financed with grants, the amount corresponding to the initial value of such assets in the part financed with the grant is recognised in deferred income and settled over time as a grant together with depreciation of such assets.

Tangible assets are depreciated on a straight-line basis over the anticipated period of their economic life, which is as follows:

Technical equipment and machines: 4 to 15 years

Vehicles: 3 to 10 years

Other tangible assets: 2 to 4 years

Estimates regarding the economic useful life and the depreciation method are reviewed at the end of each financial year to verify if the depreciation methods and period correspond to the anticipated time distribution of the economic benefits conveyed by the tangible asset.

3.13.3 Tangible assets under construction

Tangible assets under construction are measured at the overall cost directly related to their acquisition or generation, including financial costs (except exchange differences which do not represent an adjustment to interest paid), less impairment losses. Tangible assets under construction are not depreciated until they are completed and put in use.

3.13.4 Financial instruments

The Company has classified financial assets into the following valuation categories:

- measured at amortized cost
- measured at fair value through other comprehensive income
- measured at fair value through profit or loss.

The Company allocates financial assets to the appropriate category depending on the business model adopted for managing financial assets and considering the characteristics of contractual cash flows for a particular financial asset.

Financial assets measured at amortized cost are debt instruments held to collect contractual cash flows which include only payments of principal and interest.

To this category the Company classifies trade receivables, loans granted, other financial receivables and cash and cash equivalents.

Financial assets are measured at amortized cost using the effective interest rate. After initial recognition, trade receivables are measured at amortized cost using the effective interest rate method, including impairment allowances. Any trade receivables maturing within less than 12 months from the date of origination (i.e. without a financing element) and not transferred to factoring, are not discounted and are measured at nominal value.

Financial assets measured at fair value through other comprehensive income are:

- debt instruments whose flows contain only payments of principal and interest, and which are held to collect contractual flows and for sale;
- investments in equity instruments.

Changes in the carrying amount are measured through other comprehensive income, except for impairment losses (gains), interest income and foreign exchange differences and dividends, which are reflected in profit or loss. Assets measured at fair value through other comprehensive income include shares in other entities at the time of initial recognition.

Financial assets measured at fair value through profit or loss are financial instruments which do not meet the criteria for measurement at amortized cost or fair value through other comprehensive income. In the category of assets measured at fair value through profit or loss the Company classifies derivatives, factored trade receivables where the terms of the factoring agreement result in the respective amounts to be no longer treated as receivables, as well as loans which have not passed the SPPI test, convertible bonds, and dividends.

3.13.5 Impairment of financial assets

Interest carried at amortized cost

IFRS 9 has introduced a change in the approach to estimating the impairment of financial assets with a shift from the incurred loss model to the expected loss model. At each balance sheet date, the Company assesses the expected credit losses whether or not there are any indications of impairment.

3.13.5.1 Loans granted and receivables from related parties

The Company performs an individual analysis of all exposures, assigning them to one of three stages:

Stage 1 – where credit risk has not increased significantly since initial recognition and where 12-month expected credit loss (ECL) is recognized.

Stage 2 – where credit risk has increased significantly since initial recognition and where lifetime ECL is recognized.

Exposures classified to stage 1 have impairment allowances determined based on an individually set rating, repayment profile and assessment of recovery from collateral.

For exposures classified to stage 2, the amount of impairment allowance is calculated as the difference between the carrying amount of the asset and the present value of the estimated future cash flows (excluding future losses on account of uncollected receivables), discounted using the effective interest rate.

Impairment allowances are reversed when the present value of the estimated future cash flows is higher than the net assets employed, and a positive balance of payments with the entity concerned is expected to be achieved within the next 12 months.

3.13.5.2 Financial receivables

The Company performs a collective analysis of exposures (except for those which are subject to individual analysis as non-performing receivables) and uses a simplified matrix of allowances for individual age ranges based on expected credit losses over the entire life of the receivables (based on default ratios determined using historical data). The expected credit loss is calculated when the receivable is recognized in the statement of

financial position and is updated on each subsequent day ending the reporting period, depending on the number of days in arrears.

3.13.5.3 Cash

The Company estimates allowances based on the likelihood of default determined using external bank ratings. The most important item of financial assets in the Company's financial statements is cash, held on accounts with banks from Santander Group, BNP Paribas and ING. Banks which are members of Santander Group and ING have a stable short-term and long-term rating, so the Company decided not to post any allowances.

3.13.6 Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Due to the nature and intended use of inventories, they are classified into the following groups:

- materials
- finished and semi-finished products
- work in progress
- goods

The Company initially measures inventories at cost, which includes all purchase costs, processing costs and other costs incurred in bringing the inventories to their current location and condition.

Inventories are measured at the lower of cost and net realizable value, where cost is defined as purchase cost or production cost, and net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. In the event of an increase in the value of inventories for which write-downs were previously recognized, a reversal of those write-downs is required.

3.13.7 Leasing

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership onto the lessee. All other leases are treated as operating leases. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract.

The Company is a party to contracts which transfer substantially all risks and rewards incidental to ownership of the underlying assets. A lease is recognized as a tangible asset at the lower of its fair value and the present value of minimum lease payments determined at the lease commencement date. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. Financial expenses are recognized directly in the statement of comprehensive income.

Tangible assets used on the basis of lease contracts are depreciated over the anticipated period of their useful life.

At the lease commencement date, the Company measures the lease liability at the present value of the lease payments remaining to be paid on that date, discounted using the lessee's incremental borrowing rates.

Lease payments include:

- fixed payments (including substantially fixed lease payments) less any applicable lease incentives,
- variable payments that depend on an index or rate and the amounts expected to be paid under the guaranteed residual value.
- the exercise price of the call option, if it can be reasonably certain that the Company will exercise the option.

- payments for penalties for terminating the lease, if the lease terms provide the Company with the option to terminate the lease.

Variable lease payments that are not based on an index or rate are recognized as expenses in the period in which the event or condition triggering the payment occurs.

In calculating the present value of lease payments, the Company uses the lessee's incremental borrowing rate at the lease inception date if the lease interest rate cannot be readily determined. After the lease inception date, the lease liability is increased to reflect interest and reduced by any lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in substantially fixed lease payments or a change in judgment regarding the purchase of the underlying assets.

The operating lease fees and the subsequent lease payments are expensed in the statement of comprehensive income on a straight-line basis throughout the lease term.

The Company assumes that for contracts concluded for an indefinite period, with a notice period of less than 12 months but not meeting the definition of a lease, and with regard to low-value leases, the practical expedient under IFRS 16 can be used. Lease fees are recognized as costs using the straight-line method throughout the lease period.

The Company is a party to contracts under which it is a lessor. The Company recognises assets subject to finance leases in the statement of financial position and presents them as receivables at an amount equal to the net lease investment. A net lease investment is understood as the gross lease investment (the sum of lease payments due to the lessor and any unguaranteed residual value assigned to the lessor) discounted at the lease's interest rate. Under a finance lease, the Company essentially transfers all the risks and benefits associated with the legal title, and therefore treats the lease payments due as repayments of the principal amount and financial income, which represent a return on invested funds and compensation for the services rendered. Leases that are not finance leases are treated as operating leases. Payments arising from the Company's operating lease agreements are recognized in the profit or loss of the current period on a straight-line basis over the lease term.

3.13.8 Foreign currency transactions

The items included in the financial statements are presented in the Polish zloty, which is the functional currency of the Company.

Transactions expressed in foreign currencies are translated at initial recognition into the functional currency as follows:

- at the exchange rate actually used, i.e. at the buy or sell rate applied by the bank at which the transaction takes place, in the case of currency sale or purchase transactions and payment of receivables or liabilities, or at the rate arising from contracts signed with the entity's bank or the rate agreed through negotiations;
- at the average exchange rate set for the particular currency by the National Bank of Poland as at the transaction date for other transactions. The exchange rate applicable at the transaction date is the average exchange rate of the National Banking of Poland announced on the last business day before the transaction.

At the end of each reporting period:

- any cash items expressed in foreign currency are converted using the closing rate applicable on that day, i.e. the average exchange rate set for the particular currency by the National Bank of Poland;
- any non-cash items measured at historical cost in a foreign currency are converted using the exchange rate (i.e. the average exchange rate set for the particular currency by the National Bank of Poland) applicable on the transaction date, and
- any non-cash items measured at fair value in a foreign currency are converted using the exchange rate (i.e. the average exchange rate set for the particular currency by the National Bank of Poland) applicable on the date of determination of the fair value.

Foreign exchange gains and losses arising from:

– settlement of transactions in a foreign currency;

Balance sheet valuation of monetary assets and liabilities other than derivatives denominated in foreign currencies is recognized in profit or loss.

3.13.9 Prepayments and accruals

The Company recognizes prepayments and accruals to comply with the accrual principle and the matching principle. This applies to the revenues and expenses which relate to future periods and meet the recognition criteria as items of assets or liabilities, in accordance with the conceptual framework of IFRSs.

Prepayments are measured at cost at the time of initial measurement, while on the balance sheet date the cost is adjusted by the portion of the written off cost or income attributable to the previous period.

The Company recognizes unearned revenues if they relate to future reporting periods.

Unearned revenues are measured at nominal value.

3.13.10 Equity

The Company's equity is divided into:

- Registered (share) capital – recognized at the value stated in the Company's Articles of Association and entered in the National Court Register (KRS);
- Supplementary capital
- Reserve capital
- Retained earnings, which consist of the financial results of previous years and the result of the current period

3.13.11 Provisions

Provisions are recognized when the entity has a present legal or constructive obligation towards third parties as a result of past events and when it is certain or highly likely than an outflow of resources (tantamount to economic losses) will be required to settle the obligation, and when the amount of the obligation can be reliably estimated.

3.13.12 Bank loans and other loans received

At initial recognition, bank loans are recognized at cost, which is the value of cash received and which includes the cost of obtaining the loan. Then all bank and other loans are measured at adjusted purchase price (amortized cost), using the effective interest rate.

3.13.13 Borrowing costs

Borrowing costs are recognized in profit or loss in the period to which they relate.

Borrowing costs that may be directly attributed to the acquisition, construction or production of a qualifying asset affect its initial value as a part of the cost of that asset. The costs are capitalized when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably.

Borrowing costs which were incurred without any specific purpose and used to finance the acquisition or production of a qualifying asset affect the initial value of this asset in the amount determined by applying the capitalisation rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Exchange differences on borrowings drawn in a foreign currency (both specific and general) affect the initial value of the qualifying asset to the extent in which it represents an adjustment of interest costs. The value of

exchange rate differences adjusting the interest costs is the difference between the interest costs on similar borrowings that the Company would incur in its functional currency and the cost incurred for the foreign currency borrowings.

3.13.14 Deferred and current tax

Income tax recognized in profit or loss includes current and deferred tax.

Current tax is calculated in accordance with the applicable tax law.

Deferred tax is determined using tax rates (and laws) that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax liability is recognized for all taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. A deferred tax liability is recognized in the full amount. This liability is not subject to discounting.

A deferred tax asset is recognized for all deductible temporary differences between the carrying amount and tax base of assets and liabilities. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference or tax loss can be utilized.

Deferred tax assets and liabilities are recognized regardless of when they are to be utilized.

Deferred tax assets and deferred tax liabilities are not recognized if they arise from the initial recognition of an asset or liability in a transaction that:

- is not a business combination;
- at the time of the transaction, affects neither the pre-tax profit nor taxable profit. No deferred tax assets and deferred tax liabilities are recognized for temporary differences resulting from the initial recognition of goodwill. Deferred tax is recognized in profit or loss for a given period, unless the deferred tax:
 - arises from transactions or events which are directly recognized in other comprehensive income – in which case the deferred tax is also recognized in other comprehensive income; or
 - arises from a business combination – in which case the deferred tax affects goodwill or a gain on a bargain purchase.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set off current tax assets and current tax liabilities, and if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxpayer.

3.13.15 Revenue recognition

The Company applies the principles of IFRS 15 taking into account the 5-step revenue recognition model. The Company recognizes revenue when it satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Revenue is recognized as an amount corresponding to the transaction price allocated to that performance obligation.

In order to determine the transaction price, the Company takes into account the terms of the contract and the customary business practices. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example certain sales taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer.

As at the Balance Sheet Date, the Company did not have any signed commercial contracts that could be the basis for detailed disclosures in accordance with IFRS 15.

3.13.15.1 Revenues from the sale of services (products)

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of the revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the enterprise;
- the stage of completion of the transaction at the balance sheet date can be measured reliably;
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the expenses incurred that are recoverable.

3.13.15.2 Revenue from the sale of goods and materials

The Company recognized revenue from the sale of goods and materials when the following conditions are satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of the revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the enterprise;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognized at the fair value of the consideration received or receivable.

3.13.15.3 Interest

Interest income is recognized pro-rata to the passage of time, using an effective interest rate. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and gradually unwinds the discount in correspondence with interest income. Interest income on loans which have become impaired is recognized at the original effective interest rate.

3.13.16 Grants

Non-cash grants are recognized in the books at fair value.

Cash government grants are presented in the statement of financial position as deferred income.

Grants related to income are presented under "Revenue from grants".

A government grant is not recognized until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. They do not increase the equity directly.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable as the above fact has been disclosed.

Grants related to income are presented as revenue, separately from the related costs which the grants are intended to compensate. The grants are recognized as income regardless of whether they were received in the form of cash or as a decrease of liabilities.

Inflows and expenses related to received grants are presented in the statement of cash flows (under cash flows from operating activities).

The benefit of a government loan at a below-market rate of interest is treated as a government grant, which is recognized and measured in accordance with IFRS 9 "Financial Instruments", i.e. at the amount of the difference

between the initial carrying amount of the loan determined in accordance with IFRS 9 and the inflows received. The grant is accounted for in accordance with IAS 20 "Accounting for government grants and disclosure of government assistance".

The Company estimates the probability of having to return the received grants. Depending on the adopted estimate, grants received may be recognised in the profit or loss in the year when the grant-funded expenses were incurred or treated as deferred income until a reasonable certainty is obtained that the funding will not have to be returned.

The Company distinguishes the following types of risk attached to the return of grants:

Risks related to projects:

- The Company refuses to submit to or obstructs an inspection, or fails to comply with the post-inspection recommendations within the stated deadline;
- During an inspection carried out by authorized institutions, errors or deficiencies were found in the submitted documentation and they were not remedied within the prescribed period;
- The Company fails to submit a payment application on time;
- The Company fails to correct the payment application within the prescribed period or submits an application containing significant deficiencies or errors;
- The Company fails to submit information or explanations about the project;
- The Company uses the funding contrary to its intended purpose; will obtain any undue or excessive amount of the grant;
- The Company uses the funding in breach of applicable procedures;
- continued implementation of the project by the Company is impossible or unreasonable;
- The Company discontinues the project or implements it in a manner incompatible with the contract or law;
- no progress is observed in project implementation in relation to the deadlines specified in the grant application, which might give rise to a reasonable expectation that the project will not be implemented in full or its goal will not be achieved.

The Company has the above risks under control. The Company ensures implementation of projects in accordance with the applicable guidelines and grant agreements. The Company monitors progress of projects on an ongoing basis. Where a project cannot be continued, the Company reports this to relevant institutions as soon as possible after becoming aware of this fact. The Company declares that it will not breach any conditions under the control of the Company's Management Board.

3.13.17 Contingent liabilities

A contingent liability is defined as:

- a) a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognized in financial statements because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.13.18 Incentive scheme

IFRS 2 requires that the Company should recognize the related costs and equity increase for such transactions when the employee benefits are received. On the date when the individual tranches under the scheme vest in the eligible persons, the Company will estimate the remuneration costs based on the fair value of the awarded options. The cost determined in this way will be recognized in the statement of comprehensive income for a given period in correspondence with the equity position presented in the statement of financial position throughout the vesting period.

3.13.19 Management Board's estimates

The preparation of standalone financial statements requires the management board of the Company to make estimates and assumptions that affect the amounts reported in these financial statements and notes thereto. Actual results may be different from estimates. These estimates concern, inter alia, provisions and impairment allowances, prepayments and accruals and adopted depreciation/ amortization rates.

3.13.19.1 Accruals for unused annual leaves

Accruals for unused holiday leaves are determined on the basis of the number of unused leave days as at a particular date and the employee's average salary as at that date, increased by the national insurance contributions payable by the employer.

3.13.19.2 Useful lives of tangible assets

Each year, the Company's Management Board verifies the residual value, depreciation method and useful lives of the fixed assets which are subject to depreciation. As at the Balance Sheet Date, the Company's Management Board is of the opinion that the useful lives of assets applied by the Company for purposes of depreciation reflect the expected period of future economic benefits from these assets.

3.13.19.3 Deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates which according to the available projections will be apply at the time when the asset is realised or the liability is settled based on tax laws that were in force or were substantively in force at the end of the reporting period.

3.13.19.4 Asset impairment test

In accordance with the requirements of IAS 36, the Company monitors its assets in terms of impairment on an ongoing basis. At the time of a decision to start a new development project, the Company assesses the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset, both on the income and cost side, including by estimating availability of the means needed to complete, use and generate benefits from the asset. Where there is no certainty as to the possibility of obtaining future economic benefits, technical capability or an intention to complete the development or availability of funds to complete the development or a possibility of a reliable estimate of the expenditure incurred, then development costs are recognized in the statement of comprehensive income in the period in which they were incurred (under costs of ordinary activities). At the end of each reporting period, the Company tests all previous assumptions regarding in-process development. Where there are any indications of impairment, the Company will assess the recoverable amount of the assets affected and will post relevant impairment allowances. Impairment tests are carried out to ensure that assets are carried at a value not exceeding their recoverable amount. The recoverable amount is the higher of:

- fair value, less costs to sell, if the fair value can be determined;

- value in use determined on the basis of the present value (i.e. after discounting) of the future cash flows related to the assets to be tested.

The indicators of impairment of assets at the Company are as follows:

- an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- significant changes of technological, market, economic or legal nature, with an adverse effect on the entity have taken place or are expected to take place;
- evidence is available of obsolescence or physical damage of an asset;
- significant changes to the use of an asset, with an adverse effect on the entity, have taken place or are expected to take place;
- the economic performance of an asset is or will be worse than expected.

At each balance sheet date, the Company assesses whether there are any indications that any of its may be impaired. If this is the case, the Company estimates the recoverable amount of the asset.

Whether or not there are any indications of impairment, each year the Company performs annual impairment tests for its intangible assets with an indefinite useful life or an intangible asset which is not yet available for use, by comparing its carrying amount with its recoverable amount. This test may be carried out at any time during the year, provided that each year it takes place at the same date. Different intangible assets may be tested for impairment at various dates. If an intangible asset was initially recognized during the current year, the asset is tested for impairment before the year-end.

At the end of the reporting periods presented, in the opinion of the Company's Management Board there were no indications of impairment of tangible or intangible assets. As at the balance sheet date, in accordance with the International Accounting Standard 36 "Impairment of Assets", the Company performed an impairment test for completed and for in-process development. The test results showed that the recoverable amount of intangible assets exceeds their carrying amount, so there is no need to post any impairment allowances for those assets.

3.13.20 Earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings (loss) per share are calculated by dividing the net profit attributable to ordinary equity holders of the Company for the period by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of all potential dilutive ordinary shares.

Signatures:

Filip Granek, PhD
CEO

Jacek Olszański

Management Board Member

Person responsible for maintaining books of account

Brygida Rusinek
Chief Accountant

Wrocław, April 28, 2025