

XTPL posts record revenues from the sale of products and services in the fourth quarter and the whole of 2023

According to preliminary figures, in Q4 2023 XTPL achieved all-time high revenues from the sale of products and services. They stand at PLN 4.4 million, which is an increase of 29% year-on-year and 20% quarter-on-quarter. In the whole of 2023, the global supplier of ground-breaking nanoprinting solutions for the modern electronics market posted revenues from the sale of products and services of PLN 13.6 million, up 35% year-on-year, maintaining strong momentum of the commercialization of its solutions. The record performance in Q4 2023 is to a large extent owed to the delivery of a total of 5 Delta Printing System (DPS) prototyping devices and the finalization of the fourth stage of the development as part of the technological phase with Nano Dimension Ltd. in the area of advanced PCBs. The Company's estimated cash position as at the end of December 31, 2023 was PLN 27.1 million, which in 2024 will fully secure the implementation of the elements of the 2023–2026 Strategy, announced by XTPL in November last year. As at January 19, the Company's backlog in the form of orders received for the delivery of DPSs in 2024 is five devices.

XTPL started the commercialization of its Delta Printing System prototyping devices late in 2020/ early in 2021. By January 19, 2024, XTPL confirmed a total of 25 orders for DPSs, including 13 orders in 2023, up 6 compared with 2022. A total of 13 DPSs were delivered and settled in 2023, 10 more compared to the whole of 2022. The unit price of a DPS is approx. EUR 170–200 thousand.

The record fourth quarter greatly complements and summarizes 2023, one of the most intensive and key periods for the long-term growth of XTPL. We maintained a strong upward trend in revenues from the commercialization of our three business lines, and all projects targeting industrial implementation are progressing continuously. Last year, two of them reached an advanced stage of building a prototype of an industrial device with XTPL technology at its heart. Additionally, we successfully conducted a public offering, securing funds for the announced 2023-2026 development Strategy, which broadly addresses our business, operational and organizational plans and, above all, sets a clear, measurable goal for us: to achieve PLN 100 million from the sale of products and services by the end of 2026. Having said that, we are entering 2024 being aware of the clearly defined path towards that goal and having a sense of comfort in the form of the existing backlog of orders for our DPS prototyping devices, as well as feeling satisfied with the increasingly stronger brand that XTPL is becoming on the international arena” says Filip Granek, CEO of XTPL S.A.

XTPL commercializes its three business lines and also generates income from grants, which represent an important source of financing its ongoing R&D projects. In Q4 2023, PLN 0.7 million worth of grants were obtained, compared to PLN 2.9 million in the same period last year. Throughout 2023, the value of grants obtained was PLN 3.4 million compared to PLN 5.9 million in 2022. In accordance with the policy on accounting for grants, only a part of the proceeds will be recognized in the income statement for Q4 2023, while the remainder will be kept on the balance sheet as deferred income. The Company's cash position was PLN 27.1 million as at December 31, 2023.

“The last quarter of 2023 saw a clear increase in revenues as a result of the effective efforts of the various departments of our company, from sales and marketing, to the research, production and logistics. We are successively strengthening each of these areas, keeping in mind the strategic goal of PLN 100 million in commercial revenues by the end of 2026. We are also expanding the sales department through agreements we conclude with new distributors of solutions offered by XTPL. In the fourth quarter, the range of markets we cover was extended to include: Taiwan, the United States, Singapore and South Korea. These are high-potential markets where XTPL products will now be even more visible and available to potential customers.

With a view to generating further sales opportunities in 2024, we also intend to increase our presence at industry fairs. According to our estimates, our participation in international fairs in 2023 contributed to more than 60% of qualified leads, which resulted in the order and delivery of DPS devices. At those events, we are present as a participant, but also as an exhibitor or speaker. In 2024, in those roles we intend to visit more than 13 countries to attend various conferences and events. We see tangible effects of this activity and we trust that this will bring a number of benefits also in 2024 for each business line we develop” says Jacek Olszański, CFO of XTPL.

XTPL's business model is based on three complementary business lines. These are printing modules for industrial implementation on the production lines of global manufacturers of electronics, the Delta Printing System (DPS) prototyping devices, and High Performance Materials (HPM, nanoinks). The Company has a total of nine projects aimed at industrial implementation of its technology, four of which are at an advanced stage of development. They cover three areas the Company considers strategic: semiconductors, displays and advanced PCBs. The potential average annual revenues from all nine industrial projects being developed at present totals an estimated PLN 400 million. The Company's end customers are global entities responsible for the production of next generation electronics, including a leading semiconductor manufacturer from Taiwan, one of the world's largest producers of FPDs (Flat Panel Displays) from South Korea and a top manufacturer of industrial machines from the United States, listed on the Nasdaq 100 index.

XTPL's strategy for 2023–2026 zooms in on two main areas of operations. The first area is developing business and sales in order to achieve commercial revenues of PLN 100 million by the end of 2026 and achieving the first implementations of the XTPL technology on an industrial scale. In addition, the Company's plan is to expand its projects to include new industries – telecommunications and biosensors, continue to expand the international distributor network, and establish physical sales centers in technologically key destinations: the United States, Taiwan and South Korea. The second area is operational development and the development of the entire organization in order to significantly increase production capacity in all three business lines, as well as continuation of R&D on the existing portfolio and future products of the Company. This will be accompanied by the adaptation of the organization's structure by streamlining internal processes with a view to building a strong brand with a tailored proposition and targeted markets. The Company also expects to strengthen and expand its competences by attracting new talent.

XTPL S.A. is a deep-tech company providing ground-breaking precision printing solutions for the global electronics market. The company develops and commercializes products and solutions relying on its globally innovative, ultra-precise platform technology protected by international patent applications. The innovative additive method designed by the company is unique on a global scale. The technology can be used in the fast-growing industry of printed electronics and in its such areas as microelectronics, displays, biosensors or security printing. This technology enables ultra-precise deposition of ultra-thin features (up to 1 µm wide) – transparent and highly flexible lines that can conduct electricity. Due to the possibility of depositing very thin conductive lines, while using ink with a very high concentration of metallic nanoparticles, the XTPL printing technology can be used in areas such as electronic connections in advanced integrated circuits, 3D printed electronics, hybrid flexible electronics or the Internet of Things.

XTPL's goal is to license its technological solutions created for industrial implementation in dedicated application fields. The company may also achieve this goal by sales through distributors or strategic partnerships – in this way the cooperation can be geared to the needs of the future counterparty. Since 2019, XTPL S.A. has been listed on the main market of the Warsaw Stock Exchange, and since 2020 on the Open Market in Frankfurt. More information: www.xtpl.com

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