

## XTPL's revenues from the sale of products and services grow nearly fivefold in 2022 and exceed PLN 10 million

XTPL S.A. has published its preliminary estimate of revenues from the sale of products and services, which in the fourth quarter of 2022 stood at PLN 3.4 million, growing by 83% from PLN 1.9 million reported in the same period last year. The Company estimates that throughout 2022, revenues from the sale of products and services reached PLN 10.1 million, nearly five times more than in 2021. The strong growth in performance of the global supplier of nanoprinting solutions for the modern electronics market was helped by the effective commercialization of the XTPL technology across all its three business lines. Continued progress in industrial implementations, growing sales of DPS devices and rising demand for nanoinks also translated into the achievement of the Company's financial goal of balancing total cash flow in 2022. As at December 31, 2022, the Company's cash position was PLN 5.8 million compared to PLN 4.6 million at the end of 2021.

*"The fact that we have exceeded PLN 10 million in revenues from the sale of products and services gives us great satisfaction and motivates us to move ahead. During the year, our sales increased nearly fivefold, and as a Company, we achieved our financial goal to balance total cash flow over 12 months. This is the result of our hard work in the last several years, during which we have been gradually developing and presenting our technology to an increasingly wide group of audience. In consequence, in the fourth quarter we progressed to the next stage of industrial implementation, this time with our partner from South Korea. Now we already have three projects at advanced stages of industrial implementations. The projects cover XTPL's strategic areas: displays, PCBs and semiconductors. However, all our three, concurrently developed business lines contribute to our performance. In addition to industrial implementations, an important role is also played by the recurring sales of the Delta Printing System prototyping devices, with an increasing presence in the Asian market, as well as the growing demand for the nanoinks offered by XTPL. We are optimistic about 2023, both in terms of prospects for the Company and the whole deep tech sector," commented Filip Granek, CEO of XTPL S.A.*

The second source of funding for XTPL's activities are grants. Although not a crucial revenue item, they still constitute an important portion of total revenues and support the ongoing R&D projects. In Q4 2022, the Company received grants of PLN 2.1 million compared to PLN 1.8 million in Q4 2021. During the whole year, the Company obtained PLN 5.9 million in grants, compared to PLN 4.5 million in 2021. In accordance with the policy on accounting for grants, only a part of the proceeds will be recognized in the income statement for Q4 2022, while the remainder will be kept on the balance sheet as deferred income. XTPL is currently implementing R&D projects, funded e.g. by the National Center for Research and Development (NCBR) and as part of the international consortium under the Horizon Europe program.

*"From the financial perspective, the Company's most important goal for 2022 was to balance the total cash flow and close the year with a cash position not lower than at the end of 2021. Despite the rapid development of XTPL, we achieved and exceeded that goal by approximately PLN 1.2 million, primarily due to the successful commercialization of our technology throughout the year. In the fourth quarter, our operating cash flows were also positively affected by advance payments made by our clients as a result of execution of many sales orders for DPSs in the Asian market. Those advances, together with the remaining portion of the payments, will be settled at the time of delivery of the devices to individual clients throughout 2023 and will add to XTPL's revenues generated in that period. The pronounced increase in orders for DPSs from China is the result of, among others, positive changes in economic conditions in that region and the fruitful cooperation with our distributor – Yi Xin HK Technology Co. – who has been cooperating with us since 2021. The steady DPS sales*

*in diverse geographies will be an important contributor to our set of results in 2023, too. Our next financial goal is to achieve sustainable net profitability throughout the 12-month period,” says Jacek Olszański, CFO of XTPL.*

*“XTPL’s technology is characterized by high precision and efficiency, which makes it a very promising solution for many players from the modern electronics industry with whom we constantly remain in touch. Each order for a DPS device is preceded by analyses and examine the specific goals that the end client wants to achieve using XTPL technology. We are happy to be able to cooperate with such a fast growing company and to count on its support at every stage of the process of acquiring new clients,” adds Simon Hao, Director of Yi Xin Technology Co.*

Yi Xin Technology is XTPL’s Chinese distributor, which has been operating in the market since 2011. It specializes in additive technologies and the search for innovative solutions dedicated to the printed electronics segment. The firm has an extensive network of relationships with major Chinese research institutes and industrial manufacturers from the modern electronics sector ([www.micro-nanotech.com](http://www.micro-nanotech.com)).

XTPL develops and commercializes its innovative technology and products, which are sold to the United States and China, among other countries. The Company forged key partnerships for industrial implementations with NASDAQ-listed Nano Dimension, with a leading Taiwan-based semiconductor manufacturer, and HB Technology from South Korea, which cooperates with a leading manufacturer of FPDs. Since its inception, XTPL has been operating a carefully developed industrial and intellectual property protection policy, having 4 patents granted and a total of 26 patent applications filed from September 1, 2019 to the end of December 2022.

In 2020, the value of the rapidly growing printed electronics market was USD 41.2 billion (+11.0% YoY), while in 2025 it is forecast to grow to USD 63.3 billion (source: *IDTechEx*). This means an increase in the market value at a CAGR of 9.0% in 2020–2025. According to market analyzes, the market of electronic prototyping devices (the category that includes the Company’s DPS prototyping devices) is to see CAGR of 31% in the years 2021–2031 (source: *Transparency Market Research*). Global annual sales of systems for R&D, rapid prototyping and small-lot production in the area of printed electronics sector amount to approx. 250–500 devices per annum, at a price of approx. EUR 50–500 thousand per device.

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**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 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 such areas as biosensors, security printing, microelectronics and displays. This technology enables ultra-precise deposition of ultra-thin features (up to 1 µm wide) – transparent and highly flexible lines that can conduct electricity. The XTPL technology can be applied in the printed electronics market, which is one of the most rapidly developing markets of manufacturing methods. 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.

XTPLs 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. At present, XTPL is commercializing its products: inks based on silver nanoparticles for printing new generation electronics components as well as the Delta Printing System, i.e. a precise solution for rapid prototyping with the ability to deposit very fine features up to 1 µm for microelectronics. 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](http://www.xtpl.com)

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#### **Additional information is available from:**

**Mardoniusz Maćkowiak** | cc group

+48 605 959 539 | [mardoniusz.mackowiak@ccgroup.pl](mailto:mardoniusz.mackowiak@ccgroup.pl)

## PRESS RELEASE

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**Małgorzata Młynarska** | cc group

+48 697 613 709 | [malgorzata.mlynarska@ccgroup.pl](mailto:malgorzata.mlynarska@ccgroup.pl)