

XTPL to report a three-fold increase in revenues from the sale of products and services in Q1 2023

According to preliminary estimates, in Q1 2023 XTPL achieved PLN 3.0 million in revenues from the sale of products and services, which is over three times more year on year. Revenues achieved were positively impacted by the settlement of the key elements of the fourth stage of the technological phase with NASDAQ-listed Nano Dimension. In March this year, XTPL and Nano Dimension began defining subsequent phases of their commercial cooperation. In addition, the number of orders for the Delta Printing System (DPS) prototyping devices continued to trend upwards in the first quarter of the year. With a scheduled delivery in the latter half of the year, the orders will have a positive impact on the Company's future financial results. In 2023, until the publication of the preliminary estimates, XTPL received a total of five orders for DPS devices from leading research centers in China. As at March 31, 2023, the Company's cash position was PLN 3.7 million and remained stable compared to the same period of 2022.

"This was another quarter in which we stepped up our sales and customer acquisition efforts across all three business lines in response to the noticeable increase in interest in our innovative technology. Above all, we settled the key elements of the fourth, largest stage of the technological phase with Nano Dimension. I'm glad to report that with our cooperation going smoothly since January 2022, we have recently begun working together to define subsequent commercial phases for our Israeli partner. This is especially important given the unchanging, long-term goal of XTPL's activities, which is to implement the Company's technology on an industrial scale on the production lines of global manufacturers of next generation electronics. Currently, three projects are at an advanced stage of such potential implementations. They cover what we see as our key areas, namely PCBs, semiconductors and displays. I should also emphasize the four orders received for DPS devices in the period from January to March and the last April order, which makes us particularly happy, as it was from a returning client who has decided to buy our device again. This is the best possible reference and testament to the wide range of applications of our devices we offer" says 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 Q1 2023, the Company received grants of PLN 1.0 million compared to PLN 1.1 million in Q1 2022. In accordance with the policy on accounting for grants, only a part of the proceeds will be recognized in the income statement for Q1 2023, 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.

"We are looking forward to another good year, as for the first time we are entering it with the comfort of having firmed up orders for our DPS devices. We settle the orders upon delivery to the client, which is why the current number of seven deliveries planned for the second half of 2023 allows us to focus on continued development of the Company and leveraging of our competitive advantages. The increase in orders is inextricably linked to investments. We have increased employment to over 50 people, and in order to handle the growing demand for our devices and ahead of the anticipated implementation on an industrial scale, we need to make sure that we are prepared in terms of organization – by steadily developing internal processes and key departments, and in terms of materials – by securing the most important components well in advance. Nonetheless, we maintain a safe level of cash. Our cash position decreased in the first quarter, but the schedule of orders from clients and the sales experience to date indicate that our cash flows tend to become stronger in the second half of the year" says Jacek Olszański, CFO of XTPL.

PRESS RELEASE

Wroclaw, 18/04/2023



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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, a leading Taiwan-based semiconductor manufacturer, and HB Technology from South Korea, which cooperates with one of the largest manufacturers of FPDs. Since its inception, XTPL has been operating a carefully developed industrial and intellectual property protection policy, having 7 patents granted and a total of 26 patent applications filed from September 2019 to the end of April 2023.

In 2021, the value of the rapidly growing printed electronics market was USD 47.1 billion (+14.5% 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 a 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.

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

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