

XTPL reports another quarter of strong sales growth Revenues expected to grow 10x by the end of 2026

XTPL has published its set of results for the first quarter of 2023, which confirmed the dynamic, upward trend of the Company's revenues. Total revenues are PLN 3.6 million, and more than doubled year-on-year, with revenues from the sale of products and services at PLN 3.0 million, growing at an even faster pace, more than 3x year-on-year. The share of commercial sales in total revenues has already exceeded 80%, driven by successful development of all the Company's three business lines. In addition, XTPL's EBITDA was positive for the fourth quarter in a row, coming in at PLN 0.1 million in Q1. As at March 31, 2023, the Company's cash position was PLN 3.8 million up PLN 0.1 million vs Q1 2022. The robust sales and trading performance is a strong foundation for a significant scaling of the Company's operations, the goal being to increase revenues from the sale of products and services to PLN 100 million in 2026. To achieve this, XTPL intends to invest approx. PLN 60 million in 2023-2026 in three key areas: sales, production and R&D.

"The results of the first months of 2023 reflect the direction in which we have been heading for the last few quarters, with a focus on strong growth of revenues from the sale of products and services, i.e. the commercialization of our product portfolio verified by global clients. The Company started the year with several confirmed orders for its Delta Printing System (DPS) prototyping devices. Until recently, each single order was a big event for us, and now we have 7 confirmed new orders with delivery scheduled for 2023, with another, statistically better half of the year, still ahead of us. Growing interest in our offer, rising sales of DPS devices and the potential to move forward with our projects, focused on implementations on production lines at industrial, globally recognized entities, encourage us to accelerate our revenue growth even more. Our goal is to generate annual product sales of PLN 100 million by the end of 2026, which is a 10-fold increase compared to 2022 over 4 years, and we believe that we are able to achieve this ambition. At the same time, this level does not use up the long-term potential of the extensive application of our proprietary modules for industrial implementations. The milestone will be the first integration with a global player, which in our electronics manufacturing industry based on additive methods is perceived as the final confirmation of the high potential of technology and is associated with a significant strengthening of the company's position on the international front. This may significantly speed up the other projects we are developing now, that is nine in total" **comments Filip Granek, CEO of XTPL.**

XTPL is planning to increase its revenues 10x by 2026 and reach PLN 100 million in revenues from the sale of products and services. The goal is to be reached on the back of investments of approx. PLN 60 million in 2023-2026 in three key areas: sales, production and R&D. The financing of those investments requires that the Company raise funds from a new issue of shares, which is to ensure more than half of the necessary monies. The remaining portion, which the Company intends to secure over the next 12 months, will be covered by debt capital, grants and equity. The investments are primarily designed to increase XTPL's production capacity for the modules intended for industrial implementation from a small number of units per year to approx. 100 annually. The Company also intends to increase the maximum number of orders processed and deliveries of the Delta Printing System (DPS) devices from several units per annum today to several tens of units per year going forward. The production capacity of the business line of conductive nanoinks, consumables for printing modules and DPS devices, will increase fourfold.

The Management Board of XTPL has called an Extraordinary General Meeting for June 12, 2023. The EGM will decide on the issue of up to 275,000 ordinary bearer shares addressed to investors who meet the

eligibility criteria set out in the issue resolution. It is the Company's intention to give, if possible, the pre-emptive right to the existing shareholders holding more than 0.5% of Company's share capital.

"In order to carry out our plan to increase revenues to PLN 100 million, we intend to allocate about PLN 60 million to investments in 2023-2026. These funds will strengthen the company's three key business areas: sales, production and R&D. Reaching the stage of industrial implementation will require us to significantly scale up our current production capacity, which is why we intend to strengthen all our three business lines in this regard: printing modules for industrial implementation, Delta Printing System prototyping devices and conductive nanoinks. At the same time, we intend to significantly enhance our sales processes, expand internationally and create up to three sales centers of the Company in the geographic markets that are the most promising in the context of the additive electronics industry. These centers will consist of small teams, complete with a demonstration lab equipped with our printing heads and DPS devices, which will shorten the initial, long stages of building relationships with potential customers interested in our technology. The last investment area is research and development. As an innovative company from the deep-tech industry, we need to constantly develop our technology to retain our competitive edge and at the same time develop next generations of products that will further expand our offering and bring additional revenue streams" **Filip Granek explains.**

In Q1 2023, XTPL generated PLN 3.6 million in revenues, more than 2x more year-on-year, with revenues from the sale of products and services at PLN 3.0 million, soaring by over 3x compared to Q1 2022. As a result, commercial sales have a more than 80% share in total revenues, which is testament to the successful development of all three business lines of the Company. EBITDA was PLN 0.1 million compared to PLN -2.4 million a year earlier, positive for the fourth year in a row. The Company's net loss was PLN -0.3 million, reduced from PLN -2.6 million in Q1 2022. Cash flows, after they had grown by PLN 2.7 million in Q4 2022, were PLN -2.2 million, due to a significant increase in receivables, which will positively affect the next quarter's results. As at March 31, 2023, the cash position was PLN 3.8 million, and broadly stable vs March 31, 2022.

"This was another successful quarter for us, in which we significantly increased revenues from the sale of products and services. They reached PLN 3.0 million and more than tripled year-on-year. The first quarter also saw continuation of the positive EBITDA trend and a significant reduction of the net loss compared to the same period last year. Total cash flows and the cash position at the end of the quarter were affected by a significant increase in trade receivables, which were already paid at the date of publication, as we apply 30-day payment terms. Last year and Q1 2023 are a very good foundation for us to accelerate growth and start achieving the business goal of PLN 100 million in revenues by 2026. Our historical performance and the pipeline of orders for DPS devices, as well as advanced stages of industrial projects, allow us to think about financing some of the planned investments using debt capital, which additionally emphasises the successful transformation of the Company from a small R&D entity into a much more mature company, with a verified product portfolio and the potential to continue the growth trajectory that we have been on for many recent quarters" **adds Jacek Olszański, CFO of XTPL.**

XTPL's business model is based on three complementary business lines with a high potential to generate revenue streams, supported by R&D, and IP protection to maintain a long-term competitive edge. These are printing modules for industrial implementation on the production lines of global manufacturers of electronics, the Delta Printing System prototyping devices, and conductive nanoinks. XTPL is currently doing nine projects geared towards industrial implementation of its technology. Three of those are at an advanced stage, covering all three sectors strategic for the Company: advanced PCBs, semiconductors and displays.

PRESS RELEASE

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shaping global nanofuture

The Company's end customers are leading and global entities responsible for the production of next generation electronics, including one of the world's largest producers of FPDs (Flat Panel Displays).

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 May 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.

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. 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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