

## XTPL posts a nearly two-fold increase in revenues from the sale of products and services in H1 2023

According to preliminary estimates, in the first half of 2023, XTPL has generated PLN 5.6 million in revenues from the sale of products and services, up 87% year-on-year. The Company estimates that in Q2 2023 alone revenues from the sale of products and services reached PLN 2.6 million, an increase of 27% compared to the same period last year. This is another consecutive year-on-year increase in sales, driven by the Company's all three business lines, especially regular sales and delivery of Delta Printing System (DPS) prototyping devices to international clients. Until the publication of the preliminary estimates, in 2023 XTPL received a total of seven orders for DPS devices, the same as for the whole of 2022. The Company expects to receive further orders in the second half of the year, and estimates that in the July–December period it will deliver and settle at least seven devices, which will have a positive impact on the financial performance in the subsequent quarters. At the same time, in H2 2023, the Company is to deliver two printing modules as part of industrial projects, thus increasing its presence among global electronics makers.

*“We are gradually acquiring new orders as part of the Delta Printing System prototyping devices line. Since the beginning of the year, we have already confirmed seven such orders, thus equaling the number of orders for the whole of 2022, while the second half of the year is still ahead of us, and we are currently in advanced talks with other potential customers for DPS devices. Running at our full capacity now, we expect to provide customers with at least seven more DPS devices by the year-end. In the long term, the development of this business line will require investment in increasing production capacity in order to be able to respond to the growing demand that we are successfully creating for our technological solution on international markets. To this end, we will use proceeds from the most recent issue of the series V shares, which was a great success and brought us more than PLN 36.5 million. The other business lines are growing steadily and also contribute well to our overall performance. In the second quarter, we accepted two orders for the delivery of our printing module in industrial projects and already in the second half of the year we will deliver them to be used in the construction of prototype devices by industrial partners so they can carry out final tests on the lines of our end customers: global makers of next generation electronics, active in semiconductor components and advanced displays. This will give us presence on test production lines in the United States, South Korea and Taiwan, where we delivered our module last year. Our goal remains unchanged: to implement the XTPL technology on the industrial lines of the largest electronics manufacturers and achieve PLN 100 million in revenues from the sale of products and services by the end of 2026”* says Filip Granek, CEO of XTPL S.A.

The second source of funding for XTPL's activities are grants. While not key to the continued growth of the Company, they still contribute significantly to the financing of ongoing R&D projects. In H1 2023, the Company received grants of PLN 1.4 million compared to PLN 2.4 million in H1 2022. In the second quarter alone, the value of grants obtained was PLN 0.4 million compared to PLN 1.3 million in the same period last year. In accordance with the policy on accounting for grants, only a part of the proceeds will be recognized in the income statement for Q2 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. The Company's cash position as at 30 June 2023 was PLN 2.6 million compared to PLN 3.7 million at the end of Q1 2023.

In May this year, XTPL announced its plan to increase revenues 10 times to PLN 100 million in 2026. The potential average annual revenues from all nine industrial projects being developed at present is estimated

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at approx. PLN 400 million. To achieve this ambition, XTPL intends to make investments of approx. PLN 60 million in 2023-2026 aimed at strengthening and accelerating the Company's development to respond to customer demand, e.g. by increasing its production capacity, supporting sales activities and stepping up its R&D efforts. To fund the investments planned, XTPL intends to use the proceeds from the issue of shares, and the remaining part of the financing is to come mainly from equity generated in the course of operating activities, as well as from grants and debt financing.

*"The second quarter was very successful for us. Once again we increased our revenues from the sale of products and services on a year-on-year basis and for the first time presented our business goals to investors for the following years, as we successfully completed the offer of the series V shares, which will significantly contribute to the achievement of this ambitious plan. Our cash position at the end of June was PLN 2.6 million, which results from the working capital needs related to growing sales, primarily stock-building to support our current order portfolio. We opened the second half of the year with confirmed orders for seven Delta Printing System devices and two industrial modules, which is an unprecedented result for us. At the same time, we continue to implement organizational improvements that will help us automate many processes and strengthen key departments in the company due to the growing demand for our products, which we commercialize as part of all three of our business lines"* says **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. The Company currently has 4 advanced projects geared towards industrial implementation of its technology. They cover all 3 sectors strategic for the Company: advanced PCBs, semiconductors and displays. 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.

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 July 2023.

In 2022, the value of the rapidly growing printed electronics market was USD 51 billion (+8% YoY), while in 2026 it is forecast to grow to USD 66 billion (source: IDTechEx). This means an increase in the market value at a CAGR of 7% in 2022–2026.

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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, 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.

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. 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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