

XTPL®



XTPL NEWSLETTER

OCTOBER 2022



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Ladies and Gentlemen,



The past quarter brought a lot of positive news about the ongoing commercialization of our innovative technologies and products. By far, one of the most critical, and at the same time recent events, was the receipt of an order for our Delta Printing System prototyping device from one of the “Big Five” tech giants from Silicon Valley in the United States. This is a remarkable achievement for us, because not only did we make our first entry into the crucial American market, but we also made a sale to a corporate client, which brings us closer to forging subsequent alliances with the potential for industrial implementation of our technologies.

We can expect to see that implementation with a leading global semiconductor manufacturer from Taiwan. In July, we reported the start of a contract for the delivery of the XTPL printing module for the construction of a prototype of an industrial device in the advanced packaging area. This means that our solution will be tested right on the client’s production line, which is the last, key stage of the evaluation.

Our cooperation with the Israeli partner Nano Dimension is also going well. In July, we successfully completed the second phase of technological work, and are getting closer to developing a special conductive ink formula for the devices manufactured and supplied by our partner.

September is also the period of releasing financial reports to the Warsaw Stock Exchange, so we encourage you to read our Financial Statements and Management Report, in which we summarized the first six months of the year and presented highlights of XTPL’s business. We are very pleased with the robust growth of our financial results, as well as the continued development of all our three business lines.

We hope that you enjoy reading this newsletter, and encourage you to reach out to our investor relations team available at investors@xtpl.com

Kind regards,
Management Board of XTPL S.A.



BUSINESS & COMMERCIALIZATION



XTPL ENTERS THE US MARKET – COOPERATION WITH A “BIG FIVE” COMPANY FROM SILICON VALLEY

The last quarter ended with a piece of news of critical importance for us. The Delta Printing System prototyping device was ordered by a NASDAQ-listed American company, one of the “Big Five” tech giants. For XTPL this means:

- The first sale of the device to the United States, and the first DPS ordered by a corporate client; The start of building a relationship with a reputable global player, which strengthens the Company's position in business talks;
- Confirmation of the potential of our technologies – our device has surpassed the quality offered by competitive solutions.

Once the XTPL's ultra-precise deposition technology enters the R&D labs in Silicon Valley, California, our device will be used to develop virtual reality technologies and products, among other things.

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EFFECTIVE COMMERCIALIZATION OF DPS DEVICES – SALES TO CHINA AND GERMANY

Early August brought further good news in the form of orders for the Delta Printing System prototyping devices. We steadily mark our presence in an increasing number of global markets. In consequence, the XTPL technology is attracting more and more supporters while gaining increasing visibility in industry communities. It is worth noting that the first sale of the DPS device to a leading R&D center in China, where it will be used for advanced packaging applications in the semiconductor industry, was possible thanks to the successful efforts of our distributor Yi Xin Technology. The global distribution network of XTPL solutions keeps growing in the key regions of the world, which is testament to the right course of our strategy and bring us tangible results.

In Germany, our client is the IRIS Adlershof Institute from the Humboldt University in Berlin, one of the largest universities in the capital of the country, boasting more than 200 years of history. Our technology will be used for research on electronic and optoelectronic devices fabricated with additive methods.

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ANOTHER IMPORTANT STEP TOWARDS INDUSTRIAL INTEGRATION WITH A TAIWANESE PARTNER

Solutions focused on industrial implementations are the business line of strategic importance for XTPL. In July this year, we took another step that brings us closer to this goal – we started the implementation of an order for the supply of a printing module for industrial integration, which will be an essential element of building a prototype of an industrial device for tests to be carried out on the production line of a global semiconductor manufacturer from Taiwan.

The device building process should take about two quarters to complete with the following two–three quarters to be devoted to tests by the end client. Technology verification and testing by the partner lasted for about two years, and the decision to choose our solution to build the prototype of the target machine was due to the fact that we achieved the best results from among competing entities. We are extremely proud about it and will certainly use the references in further business talks and tests of our solutions. We currently have a total of nine projects at the stage of evaluation with global entities.

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SMOOTH IMPLEMENTATION OF THE CONTRACT WITH NANO DIMENSION; SUCCESSFULLY COMPLETED SECOND PHASE OF THE PROJECT

On 10 January this year we started cooperation with a NASDAQ-listed industrial partner who is implementing a globally innovative system of PCB production based on ink-jet printing methods. We are happy to report that after the first stage of the technological phase completed in April, we successfully finalized the second stage in July and are getting closer to the development of a special conductive ink formula for the devices manufactured and supplied by Nano Dimension.

The completion and acceptance by the partner of individual stages of the technological phase triggered the payment tranches agreed under the contract. The first tranche had a significant impact on the Q2 results, while the second tranche will positively affect the results to be reported for Q3 this year. The cooperation with Nano Dimension provides for a total of four stages in the technological phase.

[↓](#) ESPI CURRENT REPORT NO. 22/2022



GRANT OF EUR 430 THOUSAND OBTAINED IN A COMPETITION ORGANIZED BY THE EUROPEAN COMMISSION

Late in Q2/early in Q3, a grant agreement was approved and signed as part of the Research and Innovations Actions competition organized by the European Commission under the Horizon Europe Framework Programme (HORIZON). XTPL is a member of the international consortium approved for the grant. We work with talented teams to develop an innovative technology for the production of flexible microLED displays using precise additive printing technologies, including our proprietary UPD technology.

- Project duration: 24 months
- Project and grant value: EUR 4,293,263.75
- Grant for XTPL: EUR 430,000.00

[↓](#) ESPI CURRENT REPORT NO. 17/2022



TECHNOLOGY & DEVELOPMENT





PRESENTING XTPL TECHNOLOGY TO A DELEGATION FROM TAIWAN'S SEMICONDUCTOR INDUSTRY

On 25-26 September, Wrocław was visited by an economic mission from Taiwan led by Dr. Ming-Yen Tsai, Head of Taipei's Representative Office in the European Union and Belgium. The delegation included leading scientific and academic institutions and representatives of semiconductor companies. As XTPL, we were pleased to host the delegation at our headquarters and present technology solutions we are working on. This was an important event for us, not only because of the nature of the substantive and business meeting at the intersection of business and technology, but also because of the presence among the delegation of representatives of the semiconductor industry interested in our printing technology.

The organisation of the event was the responsibility of the Polish Investment and Trade Agency with the Ministry of Development and Technology for the Taipei Representative Office in Poland, supported by the Regional Development Agency of Wrocław.



WE ARE STRENGTHENING THE APPLICATION LAB TEAM

In the last quarter, two new people joined the application lab department. They will work with the rest of the team on, among other things, the development of the proprietary Ultra-Precise Deposition (UPD) technology, the testing of new ink formulations and the preparation of technology demos for potential customers. Positive assessments of the demos are one of the first steps to begin working together to further evaluate the technology with its potential industrial implementation in the future.



LAST QUARTER, OUR TEAM AND REPRESENTATIVES WERE PRESENT AT:



ATAM

POLAND



ESTC

ROMANIA



ICDT 2022

CHINA



IEEE FLEPS
2022

AUSTRIA



IMID Korea

KOREA



NANOTECHNOLOGY/
ISFOE 2022

GREECE



Swiss ePrint
2022

SWITZERLAND



The 17th ITC
2022

UK



INTELLECTUAL PROPERTY PROTECTION



CONTINUOUS DEVELOPMENT OF THE PATENT CLOUD

Intellectual property is one of the competitive advantages of XTPL, which is why we invariably focus on the development of this business area. In September this year, after the application procedure started in 2018, we obtained protection by the United States Patent and Trademark Office for the patent “Method of forming a structure upon a substrate”. As a result, currently the Company holds a total of three patents granted.

In September, we also started the procedure for filing another patent, which brings the current number of active applications pending approval to 25. In addition, some of the patents already granted to us have been accepted by other markets, i.e. in Israel and Great Britain.

[↓](#) ESPI CURRENT REPORT NO. 28/2022

[↓](#) ESPI CURRENT REPORT NO. 29/2022

[↓](#) ESPI CURRENT REPORT NO. 30/2022

[↓](#) ESPI CURRENT REPORT NO. 31/2022



INVESTOR RELATIONS



A SURGE IN REVENUES FROM THE SALE OF PRODUCTS AND SERVICES; SEMI-ANNUAL FINANCIAL REPORT OF XTPL

According to the calendar of periodic reports, on 21 September we published our set of results for Q2 and H1 2022. We consider this period to be very successful, as all our three business lines grew at a rapid pace, which was reflected in our revenues.

In the first half of the year, we posted:

- Revenues of PLN 4.8 million, including PLN 3.0 million from the sale of products and services – up 21x year-on-year
- Operating cash flows of PLN 0.1 million

In the second quarter, we achieved:

- Revenues of PLN 3.2 million, including PLN 2.0 million from the sale of products and services – up 26x year-on-year
- Operating cash flows of PLN 0.3 million

We have fully completed the process of transformation from an entity with an R&D profile into a company that is starting to commercialize its solutions with success.

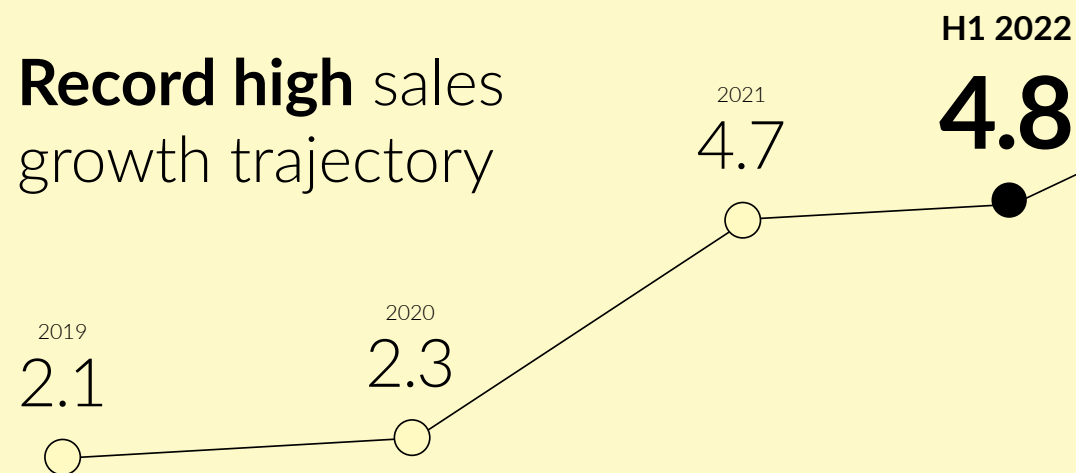
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Record high sales
growth trajectory



Q2 2022 Financial Results

	Q2 2022	q/q	y/y
Sales	3.2	+96%	+3.1
Revenue from the sale of products	2.0	+119%	+2.0
Operating cash flows	0.3	+0.5	+1.5



AGREEMENT WITH THE BONDHOLDERS OF XTPL

In July, we entered into an agreement with investors holding bonds with a total nominal value of PLN 3,378 thousand whereby we extended the redemption date from 30 July 2022 to 30 January 2024. The interest rate has also changed: to 2% p.a. until 30 July 2022, and 5% p.a. from 31 July 2022 to the redemption date.

The change in the terms of the bond issue was previously approved by the Company's General Meeting (EGM Resolution No. 03/06/2022 of 21 June 2022).

[↓](#) ESPI CURRENT REPORT NO. 23/2022



CONFERENCES FOR POLISH AND INTERNATIONAL INVESTORS:



24/08/2022

GPW Deep Tech
Investor Day



15/09/2022

Trigon Tech
Conference

XTPL APPEARANCES IN BUSINESS MEDIA:



04/2022

Inwestorzy.tv

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22/09/2022

BIZNES24

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26/07/2022

Parkiet

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62.20 PLN

SHARES PRICE

2022-10-12

RESULTS PRESENTATION

for H1 2022

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22 NOV
TUE

PUBLICATION OF THE INTERIM REPORT

for the third quarter of 2022

INVESTOR'S CALENDAR

STAY IN TOUCH

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FOR MORE INFORMATION GO TO
OUR INVESTOR RELATIONS SITE

