

In Q1 2024, XTPL posts PLN 2.8 million in commercial sales Strategy implementation remains on track

According to preliminary estimates, in the first quarter of 2024 XTPL achieved PLN 2.8 million in revenues from the sale of products and services compared to PLN 3.0 million reported in the corresponding period last year. In Q1 this year, the Company delivered a total of four Delta Printing System devices to its customers. The Company's estimated cash position at the end of March 31, 2024 was PLN 22.0 million. The change compared to the estimated cash balance of PLN 27.1 million at the end Q4 2023 results from the assumptions adopted in the implementation of the 2023-2026 Strategy as well as investments in increasing production capacity, expanding the team and undertaking activities designed to strengthen sales in subsequent periods. XTPL's goal is to boost revenues from the sale of products and services to PLN 100 million by the end of 2026.

The number of personnel members at the end of Q1 2024 was 90, a two-fold increase over the last 12 months. In addition, the Delta Printing System production capacity has been increased: the devices can now be delivered approx. twice as fast as before. This creates the potential for a significantly larger number of deliveries in the second half of the year, the best period for this business line.

"Over the last months, XTPL has made significant capital expenditures that are closely linked to the implementation of our 2023-2026 Strategy. A key part of the Strategy is to significantly scale up revenues from the sale of products and services to PLN 100 million by the end of 2026 and complete the first industrial implementations of our technology on the production lines of global manufacturers of advanced electronics. To this end, we have doubled our team, which now has 90 experts, and have fully staffed our key departments. As a result, we already operate in a new, target structure, tailored to our strategic plans. Together with our investments in production capacity and intensified sales efforts, this gives us a strong foundation for growth moving forward. Urs Berger, Managing Director for North America, who joined XTPL in 2024, provides us a great support in the process of scaling our revenues. We already see the first effects of strengthening our presence in that region, as we have received another order for the Delta Printing System for a US-based industrial customer. In the second half of the year, we are going to launch a physical Demo Center, which will give us an even stronger foothold in that promising market. According to our knowledge and signals we are receiving from the industry, XTPL offering is likely to attract major interest there" says **Filip Granek, CEO of XTPL S.A.**

XTPL commercializes its three business lines and generates additional income from grants, which contribute to the financing of ongoing R&D projects. In Q1 2024, the Company did not obtain any new grants, unlike in the corresponding period last year when PLN 0.6 million worth of grants were obtained. However, grant proceeds may be disclosed in the current reporting period as an effect of accounting for advances for grants. At the end of 2023, XTPL completed two grant projects and is continuing one international project in a consortium under Horizon Europe and preparing to launch a second one. In addition XTPL is currently engaged in processes aimed at obtaining further grants towards innovative projects related to its operations.

"During 2024, we again want to increase the number of Delta Printing System (DPS) sales transactions, in which we will be significantly helped by our new organizational structure and additional production and assembly stations – our capability to process DPS orders has now doubled. Based on ongoing business discussions and preliminary arrangements with customers, and taking into account the fact that the second half of the year is statistically better for the DPS business line, we have decided to secure key production inputs in anticipation of future orders. We have already carried out a number of investments aimed at increasing

sales in subsequent periods. Those initiatives were critical to the execution of our 2023-2026 Strategy and were enabled by the public offer we completed last year. At present, we have a comfortable employment level and structure, stronger production capacity across business lines, and a number of new, international distributors for our solutions. These investments will steadily drive sales growth, providing gradual support to our cash flow” says Jacek Olszański, CFO of XTPL.

XTPL's business model is based on three complementary business lines. These are printing modules for industrial implementation on the production lines of global manufacturers of electronics, the Delta Printing System (DPS) prototyping devices, and High Performance Materials (HPM, nanoinks). The Company has a total of nine projects aimed at industrial implementation of its technology, four of which are at an advanced stage of development. They cover three areas the Company considers strategic: semiconductors, displays and advanced PCBs. The potential average annual revenues from all nine industrial projects being developed at present totals an estimated PLN 400 million. 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.

XTPL's strategy for 2023–2026 zooms in on two main areas of operations. The first area is developing business and sales in order to achieve commercial revenues of PLN 100 million by the end of 2026 and achieving the first implementations of the XTPL technology on an industrial scale. In addition, the Company's plan is to expand its projects to include new industries – telecommunications and biosensors, continue to expand the international distributor network, and establish physical demo centres in technologically key destinations: the United States, Taiwan and South Korea. The second area is operational development and the development of the entire organization in order to significantly increase production capacity in all three business lines, as well as continuation of R&D on the existing portfolio and future products of the Company. As a consequence, XTPL is building its strong and recognizable brand on the global market of entities specializing in ultra-precise printing technology for electronics.

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.

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. 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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