

XTPL records all-time high revenues, Strategy execution remains on track

In 2023, XTPL generated PLN 15.5 million in total revenues and PLN 13.4 million in revenues from the sale of products and services. These are the highest levels ever reported by the Company, demonstrating a year-on-year increase of 21% and 34%, respectively. The record-breaking fourth quarter strongly contributed to that performance with PLN 4.6 million in total revenues, including PLN 4.2 million in commercial sales, up 8% and 25% year-on-year, respectively. The strong sales result from the development of all three business lines of the Company, including a high number of orders for Delta Printing System devices and further significant progress in the processes of implementing the XTPL technology onto industrial production lines of global electronics manufacturers. As XTPL pursues its 2023–2026 Strategy adopted in 2023, it is increasing investments in scaling up its business, which includes 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.

“This was a record-breaking year and quarter in terms of commercial sales achieved on the back of development of all three business lines. The increased demand for our solutions, combined with the high progress of projects aimed at the industrial implementation of the XTPL technology, marks a milestone on our growth journey. We've decided that we want to strongly accelerate further growth and use the favorable moment to scale up our business – both in terms of organization and sales. In July last year, we successfully carried out a public offer, raising over PLN 34 million net. These proceeds secure the first stage of our investment plans, a key element of our 2023–2026 Strategy. We aim high and wish to increase our commercial revenues 10 times from PLN 10 million in 2022 to PLN 100 million by the end of 2026” says **Filip Granek, CEO of XTPL S.A.**

“With this horizon in mind, we have already started key investments, which include increasing production capacity, expanding the team and undertaking sales-oriented activities, such as hiring Managing Director for North America and prospective opening of a Demo Center in Boston in the second half of 2024. We are poised to gain a stronger foothold in this key market for the additive technologies industry. Only a few years ago, XTPL was a small startup with an R&D profile, and now we have matured into an organization that effectively and globally commercializes its technology with a vision of a significant scale-up of the business by the end of 2026. Over the last 12 months, we have doubled our employment and currently have over 90 high-class experts working for the future success of XTPL, in a well-organized structure tailored to our strategic plans. I trust this will translate into final success, including the first implementation of the XTPL technology for an international maker of advanced electronics” **Filip Granek adds.**

In 2024, XTPL generated PLN 15.5 million in total revenues, including PLN 13.4 million in revenues from the sale of products and services, up 21% and 34% year-on-year, respectively. Commercial revenues contribute a record-breaking 87% to total revenues, with the remainder being grant income. In 2023, EBITDA was PLN -3.0 million, which is consistent with the assumptions of the Strategy and ongoing investment plan focused on scaling up XTPL business. Cash position was PLN 27.3 million at the end of December, which comfortably secures the first stage of those investments. In 2023, net cash flow was PLN 21.2 million, mainly due to the recognition of proceeds of PLN 34.6 million net from the public offer completed in July last year.

“We've had another strong 12-month period in a row. We fully leveraged last year's production capacity for the Delta Printing System, and delivered 13 of those XTPL technology demonstrators to clients from industrial and scientific communities. We've also made significant progress in the projects aimed at industrial implementations. In mid-2023, we moved to the key, fourth stage of that process: building a prototype of an

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industrial device containing our module. We did that with two clients: a Nasdaq 100-listed, one of the world's largest makers of industrial machines for new generation electronics manufacturers, and HB Technology from South Korea, a manufacturer of devices for testing and repairing devices for such names as Samsung Display Corporation and Beijing BOE Display Technology. In recent weeks, our Korean partner has ordered another module for industrial implementation, so the industrial device prototype will soon be tested both at the end client and at HB Technology. In turn, in recent days, we have expanded the group of industrial partners to include a leading manufacturer of machines for the modern display industry from China, to whom we will deliver a module for industrial implementation in the months to come” **says Jacek Olszański, CFO of XTPL.**

“The decision to scale up our business weighs on our cash flow during the period of increased capital expenditure, but we look at our goal in the context of our Strategy horizon, and focus on building significantly greater potential to generate results in the coming years, also beyond 2026. Expanding the team, deploying new project management systems, increasing presence at global industry events, partnering with new distributors and increasing production capacity within all business lines are all measures necessary to achieve this plan. It’s worth emphasizing that we do our investments in accordance with the budget and the Strategy, and as these activities yield new orders, this will support our cash position. A large part of the significant investments has already been taken place over last three quarters, so we expect to see a lower level of expenditure in the remaining periods of 2024” **adds Jacek Olszański.**

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 nine projects aimed at industrial implementation of its technology, which are at least in the second stage of that process. Most advanced are four projects covering areas the Company considers strategic: semiconductors and displays. The total potential of those nine industrial projects, assuming they are positively validated, is estimated by the Company at around PLN 400 million in average yearly revenues. The Company's end customers are global entities responsible for the production of next generation electronics, including a Chinese manufacturer of machines for the sector of modern displays, 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 sales centers 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 microelectronics market. The company develops and commercializes products and solutions relying on its globally innovative Ultra-Precise Dispensing (UPD) platform technology protected by international patent applications. The technology enables ultra-precise deposition of conductive features with a resolution from 1 µm to over 50 µm. In the XTPL solution, the ultra-high resolution features are coupled with conductive materials characterized by a very high concentration of metallic nanoparticles and high viscosity. This combination makes the solution unique on a global scale. The innovative additive method designed by the company can be used in the fast-growing industry of printed electronics, particularly in such areas as semiconductors, displays, biosensors, advanced integrated circuits and security printing. Application areas of the XTPL printing technology can include electronic connections in advanced integrated circuits, 3D printed electronics, hybrid flexible electronics and the IoT.

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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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