

ESPI Current report

Number: 8/2018
Date of preparation: 18 June 2018
Company: XTPL S.A. with its registered office in Wrocław

Title: Receipt of an invitation to start negotiations with an industrial partner

Legal basis: Article 17(1) MAR – inside information

Content of the report: The Management Board of XTPL S.A. (“XTPL” or the “Issuer”) hereby advises that on 18 June 2018 it was informed about the start of negotiations on a cooperation agreement with a global manufacturer of display devices established in China. The agreement relates to the use of XTPL technology in the area of repairing broken metallic connectors (“open-defect repair”) in thin-film electronic circuits. The potential client is a company listed on China stock exchange, and its capitalisation is more than USD 9 billion.

In March this year, the Chinese partner submitted a technical specification which defined exact requirements for the technology it was looking for (the Issuer reported this in its monthly report for March – EBI Current Report 9/2018). The XTPL Application Laboratory team has achieved all the specification conditions and returned the deliverables to the partner's head office, fulfilling the Client's criteria. The high assessment of the tests resulted in the Company being invited, for the first time in its history, to negotiate a commercial agreement.

The size of the open-defect repair market is estimated at approximately USD 4.5 billion with approx. 7.5% CAGR. The end customers for this type of solutions primarily include: manufacturers of TFT/LCD displays, silicon solar cells, integrated circuits and PCBs. The technological solution developed by the Issuer would be used for removing defects occurring already at the production stage.

The Management Board believes that the XTPL solution might replace the existing technologies in the area of open-defect repair given its technical and operational parameters (low cost, no toxic chemicals, speed of application).

The Issuer's potential revenue that might ensue from the invitation to negotiations is currently hard to estimate and will be a function of the final cooperation model negotiated by the parties.

In addition, the Issuer's Management Board indicates that the application of XTPL technology described above is one of many possible applications and is not the sole area of business exploration.

Signatures of the Company's representatives:
Maciej Adamczyk – Management Board Member