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Intention to raise financing and initiate a share issue process

XTPL S.A., a joint stock company with its registered office in Wrocław

Legal basis:
Article 17(1) MAR
- confidential information

The Management Board of XTPL S.A. (the "Company") hereby reports that it has made a decision today, i.e. on 17 October 2024, to commence steps aimed at raising financing for the Company through an issue of new shares.

The intention of the Company's Management Board is to call an Extraordinary General Meeting ("EGM") in the second half of November 2024 to decide on the issue of up to 300,000 ordinary bearer shares addressed to investors who meet the requirements specified in the issue resolution.

The share issue proceeds are to be used to finance the second part of capital expenditures as part of the Company's Development Strategy adopted in 2023 geared towards achieving PLN 100 million in revenues from sales of products and services by the end of 2026. In accordance with this Strategy, the Company has planned investments totaling approx. PLN 60 million in 2023–2026 in three key business areas: sales, production and R&D.

In mid-2023, the Company obtained the first part of the funds needed to implement the strategy – approx. PLN 34 million (after deducting the issue costs) and allocated them to development in the areas of: (i) sales, (ii) production and (iii) R&D.

In the sales area, the Company made significant progress: (i) strengthened its industrial projects, significantly increasing the number of sales leads in the pipeline and the degree of project advancement; (ii) intensified sales and marketing activities; (iii) built an international business development team; (iv) incurred expenditures to open a Demo Center in the USA (Boston) in Q4 2024; (v) expanded the network of international distributors; (vi) increased its presence at international conferences and industry fairs.

In the production area, the Company: (i) increased production capacity to handle the volume of orders as provided for under its Strategy; (ii) doubled the speed of production of DPS devices and shortened the delivery time to customers from several months to several weeks, (iii) secured a stock of key components for production.

In the R&D area, the Company: (i) intensified efforts related to the development of existing products; (ii) stepped up work on new products supported by the established team responsible for managing current projects and NPD (New Product Development).

In addition, the Company strengthened its organization by: (i) almost doubling the employment of high-class experts, thus achieving the target organizational structure, aligned with its strategic plans; (ii) implementing new management processes and working on the implementation of new systems, including ERP.

As part of the implementation of the second stage of the Strategy, the Company's Management Board intends to secure further funds of PLN 28–31 million (PLN 26–29 million after deducting issue costs) in order to further strengthen the above key areas for continued business development.

The Company's Management Board sustains its strategic goal to achieve PLN 100 million in annual revenues from sales of products and services by the end of 2026. According to the adopted strategy, these revenues are to be achieved through sales in three business lines: (i) modules for industrial implementations (industrial printing heads); (ii) prototyping devices (Delta Printing Systems) and (iii) HPM (High Performance Materials, nanoinks) and consumables.

Moreover, as part of cooperation with existing clients, the Company's Management Board decided to expand the product portfolio within the DPS prototyping devices. The Company intends to implement a product for HMLV (High Mix Low Volume) production based on the unique XTPL technology, as a response to the interest expressed by clients. In the opinion of the Management Board, the implementation of another business line will further increase the probability of achieving the strategic goal. Devices of the new type are to be first delivered in 2025.

For the purpose of the issue, preemptive rights of the Company's shareholders are to disapplied in their entirety, and at the same time it is the Management Board's intention to carry out the issue in such a way as to ensure that investors who are shareholders of the Company with at least 0.5% of the Company's shares as at the end of the day of registration for the EGM ("Eligible Investors") are given priority in acquiring shares of the new issue in a number enabling the Eligible Investor to maintain a share in the total number of votes at the Company's General Meeting at a level not lower than the Eligible Investor's share held as at the end of the day of registration for the EGM. The above will apply provided that the Eligible Investors are invited by the Management Board to participate in the book-building process and will submit declarations of interest in acquiring shares of the new issue and then accept offers to acquire the shares. The invitation to participate in the book-building process, as well as the potential submission of an offer to acquire the shares will be at the sole discretion of the Company's Management Board, provided that the Management Board will use due care to offer the shares of the new issue to those Eligible Investors who meet the conditions specified above, if the subscription for the shares of the new issue for the Eligible Investor can be technically accounted for within the time frame specified by the Management Board.

The Company will issue a separate current report to advise of calling the EGM, whose agenda will include items related to the share issue, among other matters.

The Company's Management Board considered the above fact to be inside information due to the potential material value of the planned issue and the importance of the funds intended to be raised for the possibility of financing the Company's planned investments and its further development.

Accordingly, in the opinion of the Issuer's Management Board, the above information on the intention to raise financing meets the criteria of inside information within the meaning of Article 7(1) MAR.

Jacek Olszański
Management Board Member