

Strategy update

With reference to Current Report 54/2023 of November 22, 2023, the Management Board of XTPL S.A. (“**Issuer**”, “**Company**”, “**XTPL**”) hereby reports that it has updated the Company’s strategy (“**Strategy**”).

The Strategy for 2023–2026 focused on the development and scaling phase of the XTPL business. The main target was to reach PLN 100 million in commercial sales by 2026. The Strategy provides for an investment program across the Company’s key areas – sales, production, and R&D – designed to transform XTPL into an organization able to generate and support the anticipated sales volumes, mainly to industrial customers.

To date, the Company has delivered on the main objectives of its investment plan:

- expanded or built competencies in product, project, and production management;
- established production departments for all product groups, along with dedicated quality management and customer support departments;
- significantly increased production capacity for devices and conductive inks;
- strengthened the sales department and opened a Demo Center in Boston, USA;
- expanded its network of local distributors worldwide;
- broadened its product portfolio with three types of printing modules for industrial use and a gold nanoparticle ink designed for biosensor applications;
- significantly increased its presence at international industry events;
- secured a stock of key components and increased its supplier base.
- secured production, laboratory, and office facilities to accommodate the Company’s growth;

As a result of these activities, at the beginning of the first quarter of 2025 the Company launched the first industrial implementation of its technology and confirmed an order for the initial batch of six Ultra-Precise Dispensing (UPD) modules from its direct partner – a leading Chinese manufacturer of machines for the mass production of FPDs. The end customer for the XTPL-enabled solution is one of China’s largest display manufacturers, with annual revenues of several tens of billions of USD.

At the same time, the Company is continuing R&D on both existing and new products to maintain its long-term competitive edge and to expand its addressable market to include new applications (high-frequency communication, hybrid bonding, micro-bumps for advanced packaging) and new industries (biosensors, automotive, defense). The Company is in an advanced stage of development preparing to launch a new business line under the working name DPS+, intended for production in the HMLV (High-Mix Low-Volume) model. R&D is also underway on a new generation of printing modules, including designs based on a multi-nozzle system and conductive inks.

Furthermore, the Company manages and protects its intellectual property on an ongoing basis. During the implementation phase of the investment program alone, the Company was granted 20 patents and filed 4 new patent applications.

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

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

Activities are also continued to expand the Company's production capabilities through cooperation with external partners. This project is currently at an advanced stage of acquiring a key partner to scale up device production.

The Company is making steady progress on its most advanced industrial projects and has a growing pipeline of early-stage industrial projects across key industries (semiconductors, advanced displays, PCBs) and key geographic markets (Asia, North America, Europe). The growing interest in UPD technology among industrial partners reflects XTPL's gradual recognition as a supplier of industrial solutions, confirmed by the first implementation in the Chinese market and the increasing awareness among potential partners. Currently, there are more than 40 DPS devices and 9 industrial modules in the market.

At the same time, the pace of the first industrial implementation is slower than envisaged in the 2023–2026 Strategy. The Company's customers report a shift in timing, compared with the assumptions originally communicated to the Company, in the expected timeline for market demand linked to successive product generations that require high-resolution printing. This means that the conversion process for the remaining active industrial projects into sales may take longer than originally anticipated. For this reason, the Company's Management Board has decided to update the assumptions and adopt the Strategy for 2026–2028. The new Strategy extends the timeline for XTPL to achieve its target of PLN 100 million in commercial sales to 2028. The potential volume of UPD devices within the projects under evaluation remains unchanged, but more conservative assumptions have been adopted regarding their timelines, taking into account the pace of the first-ever industrial implementation of XTPL technology and the timing of market demand for end-customer solutions, which is beyond the Company's control.

The 2026–2028 Strategy identifies a capital gap of PLN 15–20 million in the first half of 2026. For this reason, four parallel processes are being pursued aimed at securing financing for 2026, when the Company expects the commercialization of the new DPS+ business line and further industrial implementations, which will enable XTPL to continue financing its growth independently. These processes include:

- debt financing;
- co-financing R&D projects through grant funding;
- acquiring a strategic investor who would take a minority stake in the Company;
- a capital increase and a share issue directed to the market.

The Issuer's Management Board has classified the update of the Company's Strategy as inside information, as its implementation may have a material impact on the Issuer's future revenue position, the increased adoption of the Company's technological solutions, as well as on how the Issuer is perceived by investors.

For this reason, in the opinion of the Management Board, the information about the Strategy update meets the criteria set out in Article 7(1) of the MAR.

Jacek Olszański

Management Board Member