

A global U.S. company listed on Nasdaq 100 becomes a new client and buyer of XTPL's printing module

XTPL has successfully completed another complex process of evaluation of its technology and is now simultaneously working on 4 advanced projects geared towards industrial implementation. Successful technology validation at the Client's site means moving on to the fourth stage – delivery of the printing module to the Partner to build an industrial prototype of the device for further thorough tests. XTPL's client is a global U.S. company listed on the Nasdaq 100 index, with annual revenues ranging from several billion to more than ten billion USD, one of the largest manufacturers of industrial machinery for next generation electronics manufacturers in the United States and elsewhere in the world. The Partner is active in the semiconductor sector and Flat Panel Display sector, among others. The positive evaluation of XTPL's technology over the last 12 months and the potential for commercial development of the partnership fit in with the plan announced by XTPL to increase revenues 10 times to PLN 100 million by 2026. To achieve this ambition, XTPL intends to make investments of approx. PLN 60 million aimed at strengthening and accelerating the Company's development.

"It's with great pleasure that I can share the news that XTPL has successfully completed an intensive, about 12-month long process of technology evaluation with a major global player from the United States, listed on Nasdaq 100. The forged relationship and the Partner's positive reception of our technology have led to its decision to go straight to the fourth stage of evaluation and to accelerate further tests. The most important thing for us is the client's intention to use our technology on a wide scale in its key application areas, including semiconductors and FPDs. All these verticals are being intensively evaluated, and the delivery of the module to build an industrial prototype will start the next stage of advanced testing. I note high engagement on both sides as the use of our technology can help the client achieve a real boost in its competitive advantages, while for us this will be a contribution to our business goal of a 10-fold increase in revenues from the sale of products and services by 2026. We expect the commercial cooperation with the partner to have a significant financial impact on XTPL in the following years, including in 2026. The current transition with the client to the fourth stage can contribute even more than ten percent to the revenues planned for the whole of 2023, which we will be accounted for upon delivery of the printing module. Importantly, this is the first sale of the module to the United States, and the client is one of the four largest manufacturers in the world in terms of supply of large industrial equipment for next generation electronics manufacturers. The transition to the fourth stage with this client as part of a total of four advanced industrial projects we are developing now confirms the case for accelerating the Company's growth and making the PLN 60 million worth of investments in 2023–2026, as announced two weeks ago. Further progress in industrial projects will be communicated in due course" said Filip Granek, CEO of XTPL.

The XTPL industrial module is to be delivered to the U.S. client later this year. Once settled, the order will have a positive impact on the 2023 financial results, and the Company's intention is to continue building the relationship and commercial partnership with the client in subsequent periods as well.

XTPL is planning to increase its revenues 10x by 2026 and reach PLN 100 million in revenues from the sale of products and services. The goal is to be reached on the back of investments of approx. PLN 60 million in 2023–2026 in three key areas: sales, production and R&D. The financing of those investments requires that the Company raise funds from a new issue of shares, which is to ensure more than half of the necessary monies. The remaining portion, which the Company intends to secure over the next 12 months, will be covered by debt capital, grants and equity. The investments are primarily designed to increase XTPL's production

capacity for the modules intended for industrial implementation from a small number of units per year to approx. 100 annually. The Company also intends to increase the maximum number of orders processed and deliveries of the Delta Printing System (DPS) devices from several units per annum today to several tens of units per year going forward. The production capacity of the business line of conductive nanoinks, consumables for printing modules and DPS devices, will increase fourfold.

“The projects we are developing, aimed at industrial implementation, are a business line with the greatest commercial potential to trigger a surge in revenues, not only in the context of the announced goal for 2026 but also beyond. The transition to the final stage of industrial implementation, which we expect to see at some point, with the client whose equipment sales run in billions of dollars, will mean including XTPL’s technology in the global value chain on a massive scale. We already have four industrial projects at an advanced stage of development. In each case, we managed to prove the high potential of our technology, which resulted in further tightening of the cooperation and testing of the XTPL solution. The analysis of those projects and feedback from partners make us want to intensify and speed our growth now. We must be ready to respond to an increase in orders for our industrial modules” adds **Jacek Olszański, CFO of XTPL**.

In 2021, the value of the rapidly growing printed electronics market was USD 47.1 billion (+14.5% YoY), while in 2025 it is forecast to grow to USD 63.3 billion (source: *IDTechEx*). This means an increase in the market value at a CAGR of 9.0% in 2020–2025. According to market analyzes, the market of electronic prototyping devices (the category that includes the Company’s DPS prototyping devices) is to see a CAGR of 31% in the years 2021–2031 (source: *Transparency Market Research*). Global annual sales of systems for R&D, rapid prototyping and small-lot production in the area of printed electronics sector amount to approx. 250–500 devices per annum, at a price of approx. EUR 50–500 thousand per device.

XTPL's business model is based on three complementary business lines with a high potential to generate revenue streams, supported by R&D, and IP protection to maintain a long-term competitive edge. These are printing modules for industrial implementation on the production lines of global manufacturers of electronics, the Delta Printing System prototyping devices, and conductive nanoinks. The Company currently has 4 advanced projects geared towards industrial implementation of its technology. They cover all three sectors strategic for the Company: advanced PCBs, semiconductors and displays. The Company’s end customers are leading and global entities responsible for the production of next generation electronics, including one of the world's largest producers of FPDs (Flat Panel Displays).

Since its inception, XTPL has been operating a carefully developed industrial and intellectual property protection policy, having 7 patents granted and a total of 26 patent applications filed from September 2019 to May 2023.

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 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 such areas as biosensors, security printing, microelectronics and displays. This technology enables ultra-precise deposition of ultra-thin features (up to 1 µm wide) – transparent and highly flexible lines that can conduct electricity. The XTPL technology can be applied in the printed electronics market, which is one of the most rapidly developing markets of manufacturing methods. 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.

XTPLs 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. At present, XTPL is commercializing its products: inks based on silver nanoparticles for printing new generation electronics components as well as the Delta Printing System, i.e. a precise solution for rapid prototyping with the ability to deposit very fine features up to 1 µm for microelectronics. 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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