

## XTPL starts bookbuilding as part of the offer of series V shares

XTPL, a global supplier of breakthrough nanoprinting solutions for the next generation electronics market, is starting bookbuilding as part of the offer of series V shares. The Company will offer up to a total of 275,000 series V ordinary bearer shares in a private placement to investors selected by the Company's Management Board on the terms set out in the issue resolution. The issue price of a series V share will be determined after the completion of the bookbuilding process, which is scheduled to continue until June 22, 2023. In accordance with the rules laid down in the issue resolution, shareholders holding at least 0.5% of shares in the Company's share capital at the end of the day of registration for the Extraordinary General Meeting held on June 12 will be able to take up series V shares in a number that will allow them to maintain their existing ownership percentage. Throughout the process, the Company is supported by cc group – IR Advisor and Financial Advisor, while Trigon Dom Maklerski S.A. acts as the Investment Company and Book Manager.

In May this year, XTPL announced its plan to increase revenues 10 times to PLN 100 million by 2026. The potential average annual revenues from all 9 industrial projects being developed at present is estimated at approx. PLN 400 million. To achieve this ambition, XTPL intends to make investments of approx. PLN 60 million in 2023-2026 aimed at strengthening and accelerating the Company's development, e.g. by increasing its production capacity, supporting sales activities and stepping up its R&D efforts. To fund the investments, XTPL intends to use the proceeds from the issue of shares, and the remaining part of the financing is to come mainly from equity generated in the course of operating activities, from grants and debt financing.

*"We are starting a public offering of series V shares addressed to investors selected by the Management Board. If successful, it should significantly speed up the stage of scaling up our business after the positive, several-year evaluation period of the XTPL technology, and the market confirmation of its high potential to generate added value for end customers – global manufacturers of new generation electronics. We intend to carry out the first implementation on an industrial scale by the end of 2024. A successful completion of all test stages with a partner and the start of production of devices incorporating the XTPL technology will take us to a completely different place on our growth journey. In addition to the financial aspect, this will boost our position on the international arena and I believe that we will be able to turn this into even more industrial implementations – at the moment, we are developing a total of 9 promising projects, 4 of which are at an advanced stage, and 3 are already building or will soon start building a prototype industrial device containing our printing module, the most important component of the machine for its final tests. We intend to increase sales to PLN 100 million by 2026, but in our industry it's hard to set a potential cap on revenues when the XTPL solution becomes one of the standards for the production of new generation electronics on an industrial scale, something that we are striving for. According to our estimates, the potential industrial implementation in all the 9 projects we are working on would allow us to generate PLN 400 million in average annual revenues"* said Filip Granek, CEO of XTPL.

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 3 sectors strategic for the Company: advanced PCBs, semiconductors and displays. The Company's end customers are

global entities responsible for the production of next generation electronics, including 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.

*“Confirmations of the high potential of the XTPL technology that we have received so far from leading global manufacturers of next generation electronics were an important factor underlying our decision to accelerate the Company’s development and prepare an approx. PLN 60 million worth of investment program for the years 2023-2026. In order to accommodate the expected revenue streams in the coming years, which will be generated by all the three business lines developed by us – with industrial implementations being the expected key contributor to our results – we are planning investments in three strategic areas: sales, production and R&D. Among other things, we plan to set up 3 sales centers in locations that are key for the printed electronics market, and to strengthen our marketing activities. We will increase the production capacity for industrial modules to about 100 items per year and will significantly raise our capability to process orders for our DPS devices – to the level of several tens of orders per year. We also intend to continue work on the development of current and future products that will give us a competitive edge in the long term, beyond 2026. Most of the investments will be financed with proceeds from the public offering of shares, and the remaining part will be mainly covered by operating cash flows, grants and debt financing. We seek to maintain the high growth rate of our revenues from the sale of products and services, which will be visible when comparing our year-on-year performance for the entire 12 months” says Jacek Olszański, CFO of XTPL.*

In 2022, XTPL achieved revenues of PLN 12.8 million, nearly three times more year on year, with revenues from the sale of products and services surging to more than PLN 10.0 million from PLN 2.1 million achieved in 2021, which is a nearly fivefold growth. This means an almost 80% share in the total commercial sales revenues, with the rest being represented by grants. In the whole of 2022, EBITDA, adjusted for the cost of the incentive scheme, was positive at PLN 0.4 million, growing by PLN 4.9 million year on year. With those results, net loss for 2022 was reduced significantly by nearly PLN 4.5 million to PLN -2.1 million compared to PLN -5.7 million in 2021. Net cash flows were positive at PLN 1.5 million, up PLN 7.3 million YoY. Operating cash flows were PLN 4.7 million, up PLN 8.5 million YoY. The Company’s cash position as at December 31, 2022 increased to PLN 6.0 million.

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 June 2023.

In 2022, the value of the rapidly growing printed electronics market was USD 51 billion (+8% YoY), while in 2026 it is forecast to grow to USD 66 billion (source: IDTechEx). This means an increase in the market value at a CAGR of 7% in 2022–2026.

The public offering includes up to 275,000 series V ordinary bearer shares issued by the Company and will be carried out in the form of a private placement. The series V shares will be offered to the investors selected by the Company’s Management Board. The Bookbuilding Process will start on June 13 and is expected to be completed by June 22, 2023.

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**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 its such areas as microelectronics, displays, biosensors or security printing. This technology enables ultra-precise deposition of ultra-

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thin features (up to 1  $\mu\text{m}$  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  $\mu\text{m}$  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](http://www.xtpl.com)

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### **Additional information is available from:**

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