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If you have transferred all of your Warrants, please immediately forward this document, together with the accompanying Form of Proxy along with the accompanying reply-paid envelope (for use within the UK only), to the transferee or to the persons through whom the sale or transfer was effected.

The Directors, whose names appear on page 1 of this document, accept responsibility, collectively and individually, for the information contained in this circular (including any expressions of opinion). To the best of the knowledge of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. The London Stock Exchange has not itself examined or approved the contents of this document.

XEROS TECHNOLOGY GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with number 08684474)

Amendment of Warrant Instrument and Notice of Warrant Holder Meeting

This document should be read as a whole. However, your attention is drawn to the letter from the Chairman of the Company which is set out in this document, and which contains, amongst other things, the Directors' unanimous recommendation that you vote in favour of the Resolution to be proposed at the Warrant Holder Meeting referred to below.

Notice of a Warrant Holder Meeting of the Company to be held at the offices of Squire Patton Boggs (UK) LLP at 60 London Wall, London EC2M 5TQ at 11.00 a.m. on 21 December 2023 is set out at the end of this document. Warrant Holders will find the Form of Proxy for use at the Warrant Holder Meeting accompanying this document. The Form of Proxy should be completed and returned to the Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 11.00 a.m. on 19 December 2023 (or, in the case of an adjournment of the Warrant Holder Meeting, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting). Completion and return of a Form of Proxy will not preclude Warrant Holders from attending and voting in person at the Warrant Holder Meeting should they so wish.

A copy of this document will be made available at the Company's website, www.xerostech.com. The contents of the Company's website or any website directly or indirectly linked to the Company's website do not form part of this document.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the Warrants and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, Cavendish or their respective directors, partners, officers or employees. This document does not constitute or form part of any offer or invitation to sell or issue or a solicitation of any offer to acquire, purchase or subscribe for ordinary shares in the capital of the Company or Warrants in any jurisdiction. This document must not be distributed to a US person (as such term is defined in the US Securities Act of 1933), as amended or within or into the United States, Canada, Japan, South Africa, Australia or the Republic of Ireland.

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "plans", "prepares", "targets", "anticipates", "projects", "expects", "intends", "may", "will", "seeks", or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts and include statements regarding the Company's and the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's prospects, growth and strategy. No statement in this document is intended to be a profit forecast and no statement in this document should be interpreted to mean that the performance of the Company for the current or future years would necessarily match or exceed the historical performance of the Company.

By their nature, forward-looking statements involve risks and uncertainties because they relate to future events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, achievements and financial condition may differ materially from those expressed or implied by the forward-looking statements in this document. In addition, even if the Company's results of operations, performance, achievements and financial condition are consistent with the forward-looking statements in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements that the Company makes in this document speak only as of the date of such statement, and none of the Company or the Directors undertake any obligation to update such statements unless required to do so by applicable law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors: Klaas de Boer (*Chairman*)
David Christopher Armfield (*Senior Independent Director*)
Neil Alexandre Austin (*Chief Executive Officer*)
Rachel Nooney (*Non-Executive Director*)

Company Secretary: Alexander Tristram

Registered Office: Xeros Technology Group plc
Unit 2, Evolution
Advanced Manufacturing Park
Whittle Way
Catcliffe
Rotherham
South Yorkshire
S60 5BL

Nominated Adviser: Cavendish Capital Markets Limited
1 Bartholomew Close
London
EC1A 7BL

Solicitors to the Company: Squire Patton Boggs (UK) LLP
60 London Wall
London
EC2M 5TQ

Auditors: Crowe UK LLP
3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

Registrars: Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD

EXPECTED TIMETABLE OF KEY EVENTS

| Event | Date and time |
|---|-----------------------------------|
| | 2023 |
| Posting of this document and Form of Proxy | 4 December 2023 |
| Latest time and date for receipt of Form of Proxy | 11.00 a.m. on 19 December 2023 |
| Voting record date for the Warrant Holder Meeting | 6.00 p.m. on 19 December 2023 |
| Warrant Holder Meeting | 11.00 a.m. on 21 December 2023 |
| Announcement of the result of the Warrant Holder Meeting | 21 December 2023 |
| Expected final exercise date of Warrants if the Resolution is passed at Warrant Holder Meeting | 5:00 p.m. on 31 January 2024 |

Notes

1. All references to times in the above timetable are to London times.
2. Each of the times and dates in the above timetable is subject to change without further notice. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Warrant Holders by an announcement through a Regulatory Information Service provider.

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

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| "Adjusted EBITDA" | ordinary activities before interest, tax, share-based payment expense, warrant expense, depreciation and amortisation. |
| "Adjusted EBITDA Loss" | the loss on ordinary activities before interest, tax, share-based payment expense, warrant expense, depreciation and amortisation. |
| "AIM" | a market operated by the London Stock Exchange |
| "AIM Rules" | the rules for AIM companies and their nominated advisers issued by the London Stock Exchange. |
| "Cavendish" | Cavendish Capital Markets Limited, nominated advisor to the Company. |
| "Company" | Xeros Technology Group plc (company number: 08684474). |
| "CREST" | the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations). |
| "CREST Regulations" | means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018), as amended from time to time. |
| "Directors" or "Board" | the board of directors of the Company. |
| "Euroclear" | means Euroclear UK & International Limited, a private limited company incorporated in England and Wales with registered number 02878738 and whose registered office is at 33 Cannon Street, London, EC4M 5SB. |
| "Form of Proxy" | the form of proxy for use in connection with the Warrant Holder Meeting accompanying this document. |
| "FSMA" | the Financial Services and Markets Act 2000 (as amended). |
| "Group" | the Company and its subsidiaries Xeros Limited, Xeros Inc., and Xeros Environmental Protection Technology (Shanghai) Co., Limited |
| "London Stock Exchange" | London Stock Exchange plc. |
| "Ordinary Shares" | ordinary shares of £0.001 each in the capital of the Company. |
| "Period" | 1 January 2023 to 31 December 2023 |

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| "Notice of Warrant Holder Meeting" | the notice of the Warrant Holder Meeting set out at the end of this document. |
| "Registrar" | Neville Registrars Limited. |
| "Resolution" | the extraordinary resolution to be proposed at the Warrant Holder Meeting, as set out in the Notice of Warrant Holder Meeting at the end of this document. |
| "UK" | United Kingdom. |
| "US" | United States of America. |
| "Warrants" | the unlisted warrants issued pursuant to and governed by the terms of the Warrant Instrument. |
| "Warrant Holders" | holders of Warrants and "Warrant Holder" means any one of them. |
| "Warrant Holder Meeting" | the warrant holder meeting of the Company convened for 11.00 a.m. on 21 December 2023 to approve the Resolution, or any adjournment thereof, notice of which is set out at the end of this document. |
| "Warrant Instrument" | the instrument dated 20 October 2022 constituting the Warrants. |

All references in this document to "£", "pence", "p" or "pounds sterling" are to the lawful currency of the UK.

LETTER FROM THE CHAIRMAN OF XEROS TECHNOLOGY GROUP PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006
with number 08684474)*

Directors:

Klaas de Boer
David Armfield
Neil Austin
Rachel Nooney

Registered Office:

Xeros Technology Group plc
Unit 2, Evolution Advanced Manufacturing
Park
Whittle Way
Catcliffe
Rotherham
South Yorkshire
S60 5BL

4 December 2023

Dear Warrant Holder,

PROPOSED AMENDMENT OF WARRANT INSTRUMENT AND TERMS OF EXERCISE OF THE WARRANTS

1 INTRODUCTION

- 1.1 I am writing further to the fundraise carried out by the Company on 30 September 2022 and the Warrants issued pursuant to the Warrant Instrument on 20 October 2022. There are currently in issue 126,992,846 Warrants to subscribe for Ordinary Shares, which can be exercised at a price of 5p per share and are due to lapse on 21 April 2024.
- 1.2 Following requests from certain Warrant Holders, the Board has decided to propose the following variations to the Warrant Instrument, to vary the subscription price payable by each Warrant Holder from 5p per share to 2.85p per share (which is a discount of approximately 25 per cent to the Company's twelve month volume weighted average share price), and to reduce the subscription period during which the Warrant Holders may exercise their subscription rights such that the subscription period will end on 31 January 2024.
- 1.3 The proposal to vary the terms of the Warrant Instrument is intended to provide Warrant Holders with the opportunity to exercise the Warrants and subscribe for Ordinary Shares at a reduced exercise price with a view to bringing additional capital into the business in the near-term in a cost-effective manner.
- 1.4 In addition, the Company released a trading update on 29 November 2023 which confirmed that Adjusted EBITDA for FY23 is expected to be in line with market expectations as a result of continued focus on cost control. The Board believes market expectations for FY23 to be Revenue of £0.8 million, Adjusted EBITDA Loss of £4.7 million and a year-end cash balance of £1.6 million. The revenue for the Period is dependent on the timing of a specific XOrb shipment delivery date to one of the Group's licence partners. The final timing of this delivery, either during FY23 or post Period-end will determine whether or not FY23 revenue will be in line with market expectations. Delivery of this order during FY23 would see the Group's performance ahead of expectations at the Adjusted EBITDA level. The Group anticipates that the year-end cash balance will be in line with market expectations, subject to the timely

receipt of an R&D tax credit payment of approximately £0.5 million from HMRC, which is anticipated to be received before the year end.

2 WARRANT HOLDER MEETING

2.1 A notice convening a Warrant Holder Meeting, to be held at the offices of Squire Patton Boggs (UK) LLP at 60 London Wall, London EC2M 5TQ at 11.00 a.m. on 21 December 2023, is set out at the end of this document.

2.2 At this meeting as set out in the Notice of Warrant Holder Meeting the following extraordinary resolution will be proposed to amend the Warrant Instrument such that:

(a) the definition of "Subscription Price means £0.05 per Ordinary Share (subject to adjustment in accordance with the Conditions)" be deleted and replaced to state "**Subscription Price**" means £0.0285 per Ordinary Share (subject to adjustment in accordance with the Conditions); and

(b) the definition of "Final Exercise Date means the period from 21 October 2022 (up to and including) 5:00pm on the date failing 18 months thereafter" be deleted and replaced to state "**Final Exercise Date**" means the period from 21 October 2022 (up to and including) 5:00pm on 31 January 2024 (unless terminated earlier in accordance with this Instrument).

2.3 For an extraordinary resolution to be passed under the terms of the Warrant Instrument, not less than two-thirds of votes cast at the Warrant Holder Meeting must be in favour of the resolution.

3 ACTIONS TO BE TAKEN IN RESPECT OF THE WARRANT HOLDER MEETING

3.1 Warrant Holders will find enclosed a Form of Proxy for use at the Warrant Holder Meeting. Whether you are going to attend the meeting or not, please complete the Form of Proxy, following the instructions, and return it to the Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD as soon as possible, to arrive by 11.00 a.m. on 19 December 2023 or, in the case of an adjournment of the Warrant Holder Meeting, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting at the latest. Returning the form will not stop you from attending the meeting and voting if you wish to do so.

3.2 Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the Warrant Holder Meeting in your absence. The quorum for a valid meeting of the Warrant Holders is such number of Warrant Holders (present in person or by proxy) entitled to subscribe for one-third in nominal amount of Ordinary Shares subject to outstanding Warrants. It is therefore important that as many votes as possible are cast at the Warrant Holder Meeting.

3.3 If the Resolution is approved all existing warrant certificates will remain valid.

3.4 If the Resolution is not approved at the Warrant Holder Meeting the terms under which the Warrants can be exercised under the Warrant Instrument will not be amended.

4 RECOMMENDATION

The Directors consider the Resolution to be proposed at the Warrant Holder Meeting to be in the best interests of the Company and the Warrant Holders as a whole. Consequently, the Directors recommend that you vote in favour of the Resolution to be proposed at the Warrant Holder Meeting, as they intend to do in respect of the 2,800,000 Warrants held, directly or

indirectly, by them representing approximately 2.2 per cent. of the total Warrants issued by the Company.

Yours sincerely,

Klaas de Boer

Chairman

Xeros Technology Group plc

XEROS TECHNOLOGY GROUP PLC
NOTICE OF WARRANT HOLDER MEETING

NOTICE IS GIVEN that a Warrant Holder meeting of Xeros Technology Group plc ("**Company**") will be held at the offices of Squire Patton Boggs (UK) LLP at 60 London Wall, London EC2M 5TQ at 11.00 a.m. on 21 December 2023 for the purposes of considering and, if thought fit, passing the following resolution which will be proposed as an extraordinary resolution. Unless the context otherwise requires, words and expressions used in this notice, including in the notes herein, ("**Notice**") have the meanings given to them in the circular to Warrant Holders dated 4 December 2023, of which this Notice forms part.

EXTRAORDINARY RESOLUTION

THAT, the Warrant Instrument be amended such that;

- (a) the definition of "Subscription Price means £0.05 per Ordinary Share (subject to adjustment in accordance with the Conditions)" be deleted and replaced to state:

"Subscription Price" means £0.0285 per Ordinary Share (subject to adjustment in accordance with the Conditions); and

- (b) the definition of "Final Exercise Date means the period from 21 October 2022 (up to and including) 5:00pm on the date falling 18 months thereafter" be deleted and replaced to state:

"Final Exercise Date" means the period from 21 October 2022 (up to and including) 5:00pm on 31 January 2024 (unless terminated earlier in accordance with this Instrument).

Klaas de Boer

4 December 2023

Registered office: Unit 2, Evolution Advanced Manufacturing Park, Whittle Way, Catcliffe, Rotherham, South Yorkshire S60 5BL

Registered in England and Wales No. 08684474

1 Entitlement to attend and vote

- 1.1 The right to vote at the meeting is determined by reference to the register of Warrant Holders. Only those Warrant Holders registered in the register of Warrant Holders of the Company as at 6.00 p.m. on 19 December 2023 (or, if the meeting is adjourned, 6.00 p.m. on the date which is 48 hours before the time and date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of Warrants registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.
- 1.2 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution.
- 1.3 Voting on the Resolution will be taken by way of a poll.

2 Proxies

- 2.1 A Warrant Holder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a Warrant Holder of the Company.
- 2.2 A Warrant Holder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or Warrants held by that Warrant Holder. Failure to specify the number of Warrants each proxy appointment relates to or specifying a number which when taken together with the numbers of Warrants set out in the other proxy appointments is in excess of the number of Warrants held by the Warrant Holder may result in the proxy appointment being invalid.
- 2.3 A proxy may only be appointed in accordance with the procedures set out in notes 2.8 and 2.9 below and the notes to the proxy form. The appointment of a proxy will not preclude a Warrant Holder from attending and voting in person at the meeting. If a Warrant Holder has appointed a proxy and attends the meeting in person, such proxy appointment will automatically be terminated.
- 2.4 If no voting indication is given, your proxy will vote or abstain from voting at his or her decision. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- 2.5 In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD and in the case of a member which is a corporation, the revocation notice must be executed in accordance with note 3 below. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice and must be received by the Registrars not less than 48 hours before the time fixed for the holding of the meeting or any adjourned meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote provided that in calculating such periods no account shall be taken of any part of a day that is not a working day. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
- 2.6 Completion of the Form of Proxy or appointment will not prevent a member from attending and voting in person. Any member or his proxy attending the Warrant Holder Meeting has the right to ask any question at the Warrant Holder Meeting relating to the business of the Warrant Holder Meeting.
- 2.7 A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Registrar on 0121 585 1131 or the proxy form may be photocopied. State clearly on each proxy form the number of Warrants in relation to which the proxy is appointed.
- 2.8 To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD no later than 11.00 a.m. on 19 December 2023 (or, if the meeting is adjourned, no later than 48 hours (excluding non-working days) before the time of any adjourned meeting).
- 2.9 As an alternative to submitting a hard copy proxy form, you may submit your proxy electronically at www.sharegateway.co.uk by using the Personal Proxy Registration Code as shown on the Form of Proxy. Warrant Holders can use this service to vote or appoint a proxy online. The same voting deadline of 11.00 a.m. on 19 December 2023 (or, if the meeting is adjourned, no later than 48 hours (excluding non-working days) applies. If you need help with voting online, please contact our Registrars, Neville Registrars Limited (0)121 585 1131 or via email at info@nevilleregistrars.co.uk.
- 2.10 Any power of attorney or any other authority under which the form of proxy is signed (or duly certified copy of such power or authority) must be included with the form of proxy.

3 Corporate representatives

- 3.1 A Warrant Holder, which is a corporation, may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual Warrant Holder provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same Warrants
- 3.2 A corporation's form of proxy must be executed pursuant to the terms of section 44 of the Companies Act 2006 or under the hand of a duly authorised officer or attorney.