

X
E
R
O
S
X
E
R
O
S



ANNUAL RESULTS 2021

PAUL DENNEY; CFO
KLAAS DE BOER; CHAIR

STRONG LICENSING PROGRESS

01.

XFILTER LICENSED IN 2022

License agreement signed with Hanning, a leading domestic washing machine component supplier. Products expected to be in market in late 2023.

02.

DOMESTIC LAUNDRY LAUNCHING IN 2022

IFB India to launch Xeros domestic washing machine later this year.

03.

DENIM MAJOR BRAND TRIALS

Trials with major brands were completed with the first denim jeans sold to consumers.

MOMENTUM

04.

FINANCIAL

Cash at 31st May £4.3m
Average monthly cash burn of
£0.5m in line with plans.

05.

NEW BRANDING

Strong visual identity to amplify
message to multiple stakeholders
and increase demand for our
technologies.

06.

LEADERSHIP

Recruitment process underway for
new CEO to lead Xeros through its
next phase.

TECHNOLOGIES

FILTRATION, CARE, FINISH

Xeros is revolutionising the way we make and care for our clothes.

Our textile technologies have been developed as part of our ongoing mission to innovate new solutions to reduce waste wherever possible.

XF

XEROS FILTRATION

Even on an eco-setting, washing our clothes releases 700,000 microfibres with every wash. Those tiny fibres can have a lasting impact. They end up in our oceans, in our food chain and in our water supply.

Our filtration technology, XFilter, can be integrated into a washing machine for the home, or built at a large scale for industry. It stops over 90% of all microfibres ever entering our oceans.





XFN

XEROS FINISH

Making one pair of jeans can use up to 10 years' worth of drinking water for one person. Chemicals used in the process escape with wastewater polluting our planet. Today, jeans are still made using pumice stones, which constantly need replacing and create chemically contaminated sludge.

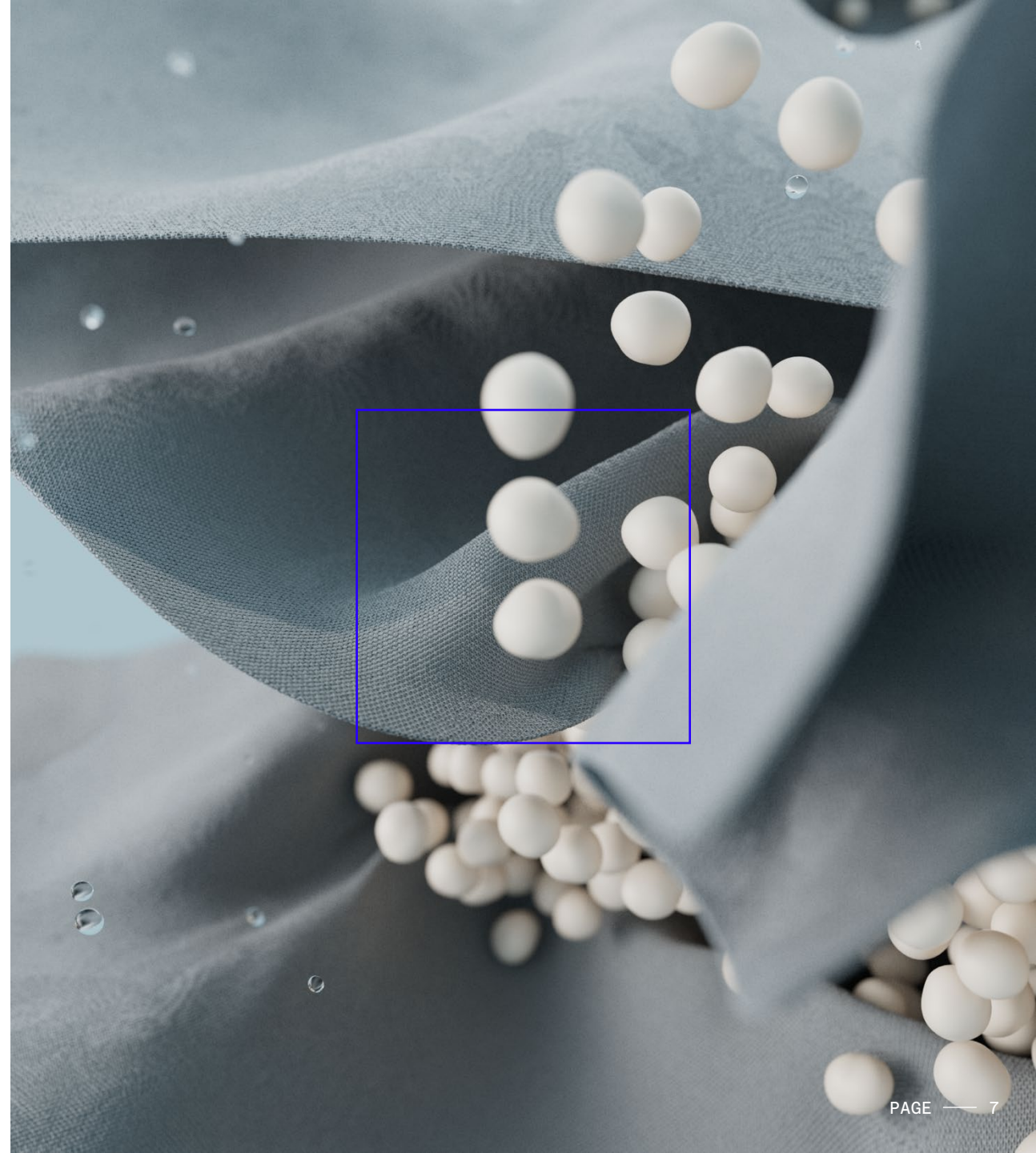
Our XFN¹ technology uses patented reusable XOrbs to replace pumice, and reduces water and chemistry use by up to 50%.

XC

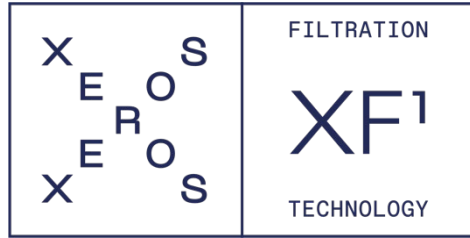
XEROS CARE

What if we told you that you can do your laundry using less water? Using only half the energy and half the chemicals? And that the fabric would look newer, lasting half its lifetime again in your wardrobe.

Our care technology uses XOrbs, reusable polymer spheres, to wash and care for clothes. It's scalable from domestic washes to heavy industrial use, and it's designed to save 10s of millions of litres of water every year.



FILTRATION



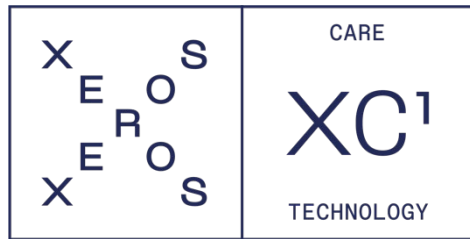
Previously known as XFiltra

FINISH



Previously known as XTend

CARE



Previously known as XTend

SEE [XEROSTECH.COM](https://www.xerotech.com) FOR MORE

XC XF XFN

A Journey To Better



WE ARE CONSTANTLY DEVELOPING OUR TECHNOLOGY. SO FAR THESE ARE THE RESULTS FROM FILTRATION FINISH AND CARE TECHNOLOGIES.

ALL PERCENTAGES ARE "UP TO" FIGURES

FILTRATION

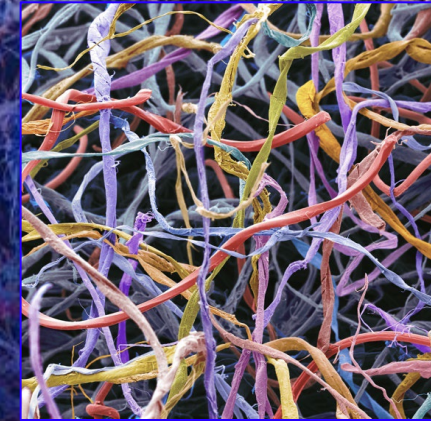
XFILTER LICENSED TO HANNING

Partnering with a leading European component supplier

XFilter will be available as a licensed product, ready for incorporation by washing machine manufacturers, from our partner, Hanning Elektro-Werke, a leading component manufacturer in the industry.

- 8.5m washing machines sold globally containing Hanning components¹
- 24.2m washing machines sold in Europe (2020), 95.7m sold worldwide²
- Royalties of single-digit € per device – the exact amount is commercially confidential
- Revenues are expected from late 2023
- Potentially transformational for Xeros

1. XEROS ESTIMATE
2. EUROMONITOR



XEROS
TECHNOLOGY

SUBJECT :
POLYCOTTON

OBSERVATION : MIXED
POLYMER FIBRES

MAGNIFICATION :
@15.8MM
400X / 300MMµM

FILTRATION

XFILTER PERFORMANCE ACCREDITATION

Captures over 99% of microplastics

Independent validation from a leading German testing agency shows a more than 99% capture rate for microplastics. Agreement with leading Asian domestic washing machine OEM proceeding to plan. Expect to move to licensing discussions in Q3 2022.

France legislation for microfibre filters on washing machines is in place for 1st January 2025. UK draft legislation for 1st January 2025 proceeding through Parliament. Legislation is in process in the EU, California & Australia.

Commercial XFilter is licensed to Girbau, a leading European commercial washing machine manufacturer, with an expected market launch in mid-2023.



FINISH

DENIM MANUFACTURE

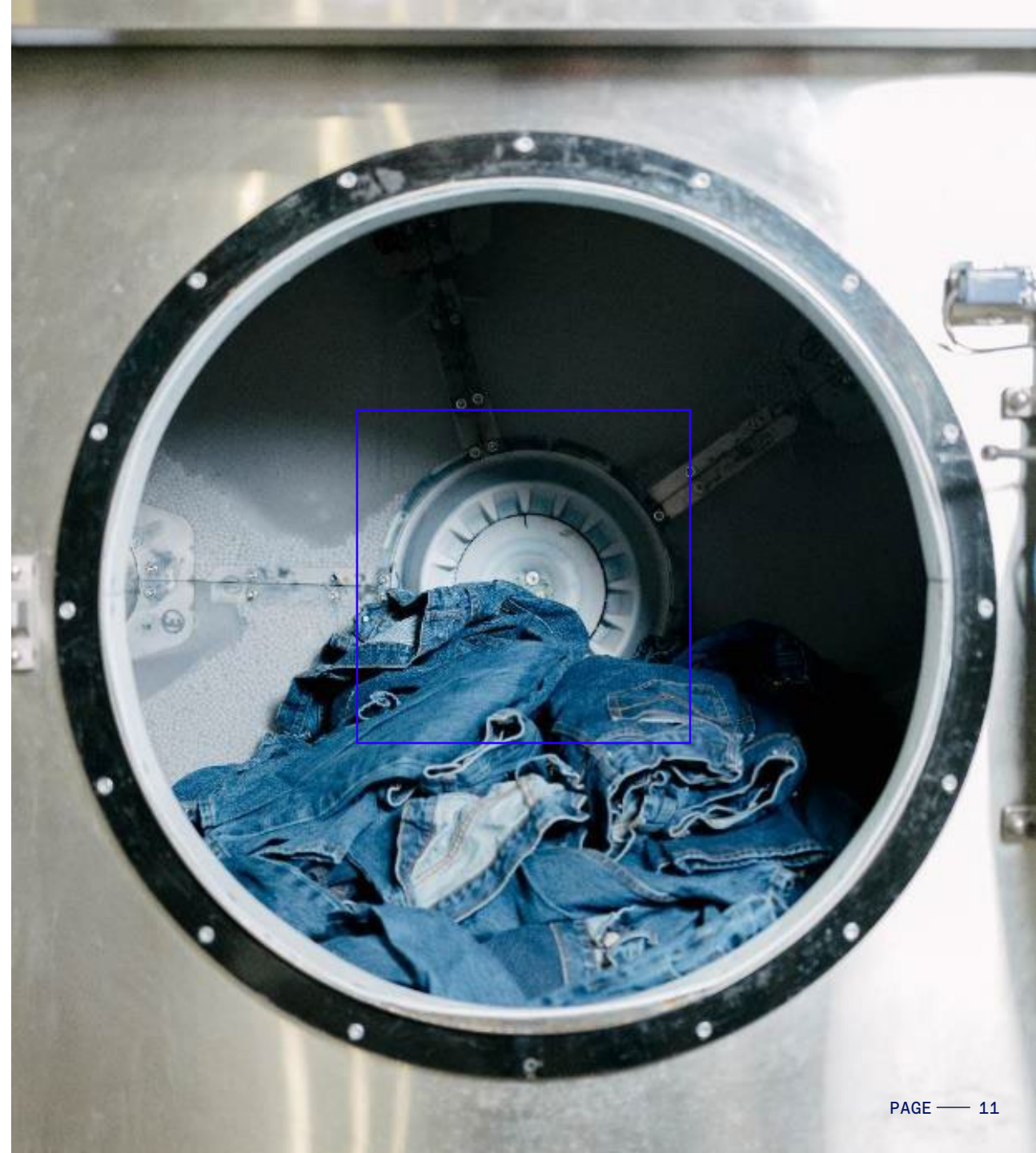
Jeans manufactured for leading retail brands using Xeros technology

Xeros is working on trials with denim manufacturers in Bangladesh for 3 leading global retailers (2 European & 1 UK brand).

Denim produced to a sufficiently high quality that jeans have been sold to consumers made with Xeros technology.

Validation of environmental and financial benefits. Recent trial data shows:

- 54% water saving
- 33% chemistry (enzyme) saving
- Cycle time and energy reduction – CO2e reduction
- Zero pumice cycles are also possible
- Value of savings between £30k - £60k p.a. per machine



FINISH

DENIM CASE STUDY

“At Sparrow Apparels Ltd and Crown Wears Ltd, we have a strong focus on sustainability and looking after the environment with every garment we produce. We have looked for a sustainable solution to denim production for a long time now to reduce water usage and effluent as well as the removal of pumice stone from our process, whilst achieving a comparable finish to traditional stone wash effects. With these goals in mind, we decided to trial the Xeros XOrb solution at our bulk production site in Dhaka.

The team chose to undertake a direct performance comparison on a leading high street brand’s jean style which uses a pumice stone process using stone in both the de-size and abrasion steps, so a true torture test of the technology’s capabilities.

The results from the Xeros XOrb solution were impressive with a match to the standard process on abrasion levels along with improved back staining all supported by no pumice stone used in the process. On top of this, there were further beneficial savings through reduced water with a saving of 900 Litres in the cycle, along with a chemistry reduction of 200gs which directly contributes to less effluent discharge and zero pumice stone sludge.”

Vice President (Wash & Technical)
Sparrow Group, Bangladesh, April 2022
sparrow-group.com

“This technology will certainly contribute to our company’s drive on sustainability to deliver on our plans for the future. We have already engaged with our brands to discuss this becoming the lead solution for denim production from our site.”

FINISH

ADOPTION AND ACCELERATION

Denim strategy and leather business evidence

The key to success for Xeros' Finishing business is widespread retail brand adoption.

- Drive use of technology in the manufacturing supply chain
- Provide finance for machine purchase
- Market the environmental benefits to consumers

Our strategy in this market is evolving. 2021 was all about proving the technology works in live production. 2022 is about working with retail brands to adopt the technology with the goal of being the technology of choice in the manufacture of 1.2bn pair of jeans p.a.

In 2019 Xeros licensed its leather finishing technology to Qualus, together with the first contract at a tannery in Mexico. After 2 years of market building, Qualus are processing leather in Mexico, Brazil, India and Vietnam. First royalties from Qualus will flow to Xeros in 2022.



XEROS
TECHNOLOGY

SUBJECT:
DENIM

OBSERVATION:
DYED DENIM FIBRES

MAGNIFICATION:
@69.8MM 34X/3MM

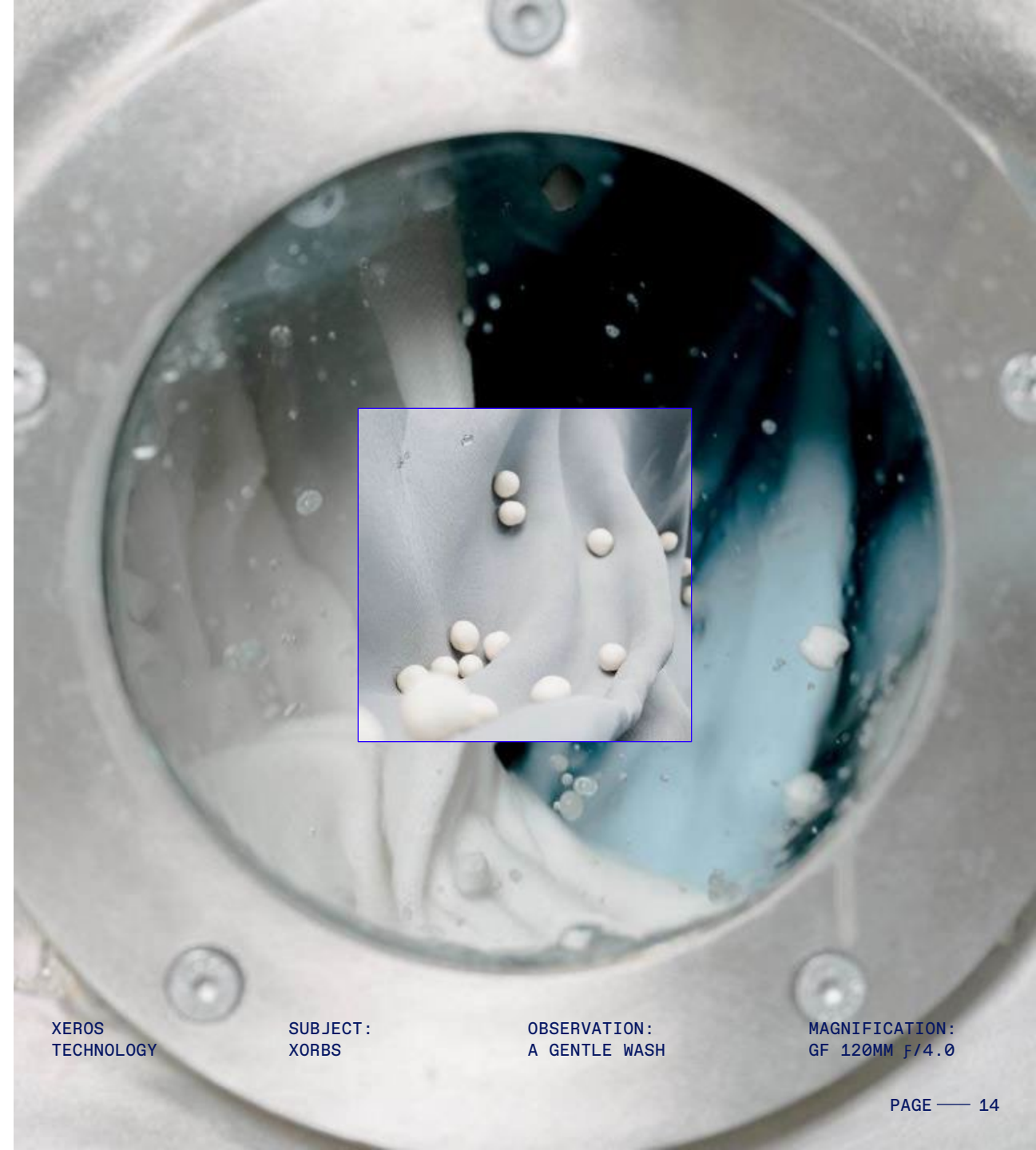
CARE

IFB DOMESTIC LAUNCH

Domestic washing machine to launch in India in 2022

Xeros is working closely with IFB to continue to prepare the XCI care technology for launch in India later this year.

- First XOrb order to Xeros to be placed by IFB ahead of launch
- Machine design and cycle programming complete
- Consumer trials to start
- First machine royalties, targeted at 4.0% of the retail price, will flow from early 2023
- IFB sell approximately 600,000 front-loading machines p.a.



XEROS
TECHNOLOGY

SUBJECT:
XORBS

OBSERVATION:
A GENTLE WASH

MAGNIFICATION:
GF 120MM F/4.0

CARE

COMMERCIAL LAUNDRY

Xeros commercial laundry machines in India & China

IFB and SeaLion are now both in the market with a range of commercial washing machines

IFB machines sold in India and Europe

SeaLion continues to be negatively impacted by regional Covid lockdowns in China. Travel restrictions, factory shutdowns and the knock-on impact on the hospitality industry have led to reduced expectations for growth from China in the short/medium term



XEROS
TECHNOLOGY

SUBJECT:
XORBS

OBSERVATION:
INTENTIONAL
TEXTURED SURFACE

MAGNIFICATION:
@59.6MM 30X/4MM

FINANCIAL SUMMARY

Revenue growth of 23.1% to £0.5m (2020: £0.4m)

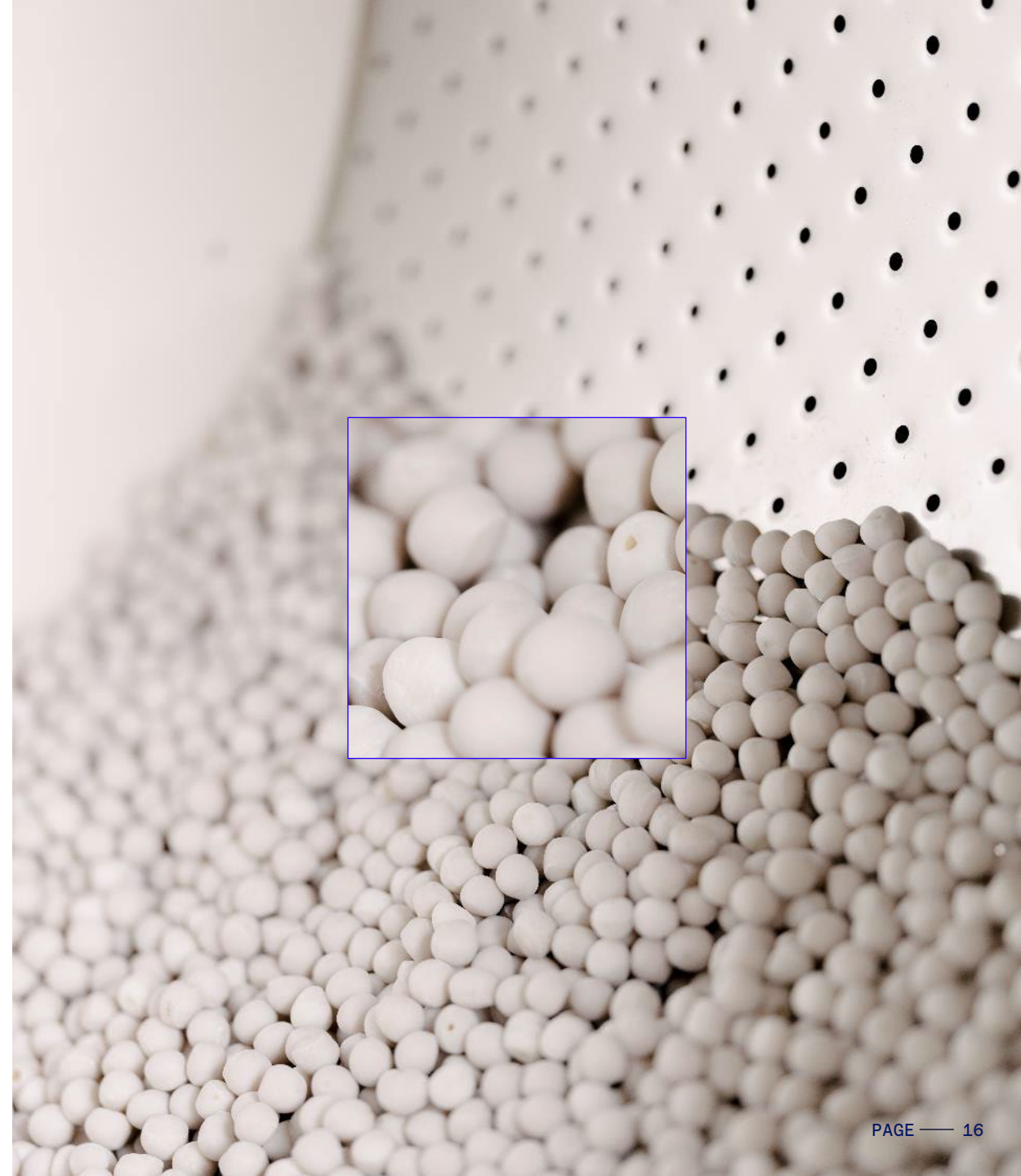
Adjusted EBITDA* loss reduced by 7.1% to £6.3m (2020: loss £6.8m)

Net cash outflow from operations reduced by 8.3% to £5.8m (2020: £6.3m)

Cash at 31st May: £4.3m with £0.5m per month burn rate

EBITDA profitability and cash breakeven expected in 2024

* Adjusted EBITDA comprises loss on ordinary activities before interest, tax, share-based payment expense, other exceptional charges & credits, depreciation and amortisation.



CONCLUSIONS AND NEXT STEPS

In the remainder of 2022, we need to build on the progress to date.

- Secure new leadership and funding
- Sign additional XFilter licensing agreements
- Achieve successful IFB domestic launch
- Agree on a denim finishing commercial model with retail brands

SUMMARY STRONG MARKET PROGRESS

With the increasing adoption of our licensing model, Xeros is well placed to drive growth in future years.

We now have the evidence and the voice to market our technology to brands, manufacturers, consumers and governments around the world.

This evidence and the significant market potential mean that we are confident of raising funds to bridge the gap to profitability in 2024.



FINANCIAL STATEMENTS

PROFIT AND LOSS

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
REVENUE	474	385
Cost of Sales	(193)	(434)
GROSS PROFIT	281	(49)
Administrative expenses	(7,225)	(7,586)
Adjusted EBITDA*	(6,281)	(6,761)
Share-based payment expense	(463)	(653)
Depreciation of tangible fixed assets	(200)	(221)
OPERATING LOSS	(6,944)	(7,635)
Net finance income	14	3
LOSS BEFORE TAXATION	(6,930)	(7,632)
Taxation	492	698
LOSS AFTER TAX	(6,438)	(6,934)
Loss from discontinued operations	-	(37)
Other comprehensive expense	(1)	44
TOTAL LOSS AFTER TAX	(6,439)	(6,927)
LOSS PER ORDINARY SHARE		
Basic and diluted on loss from continuing operations	(28.11)p	(44.88)p

* Adjusted EBITDA comprises loss on ordinary activities before interest, tax, share-based payment expense, other exceptional charges & credits, depreciation and amortisation.

CASH FLOW & FINANCING – OPERATING ACTIVITIES

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
OPERATING ACTIVITIES		
Loss before tax	(6,930)	(7,632)
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	200	221
Share-based payment	463	653
(Increase)/decrease in inventories	(12)	246
Decrease in trade and other receivables	161	3
Decrease in trade and other payables	(184)	(342)
Finance income	(17)	(9)
Finance expense	3	6
CASH USED IN OPERATIONS	(6,316)	(6,854)
Tax receipts	492	698
Cash flow from discontinued operations	-	(195)
NET CASH OUTFLOW FROM OPERATIONS	(5,824)	(6,351)

CASH FLOW & FINANCING – INVESTING ACTIVITIES

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
INVESTING ACTIVITIES		
Finance income	17	9
Finance expense	(3)	(6)
Cash placed on deposit	(5,323)	-
Purchases of property, plant and equipment	(56)	(13)
Cashflow from discontinued operations	-	193
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(5,365)	183
FINANCING ACTIVITIES		
Proceeds from issue of share capital, net of costs	8,515	5,5667
NET CASH INFLOW FROM FINANCING ACTIVITIES	8,515	5,667
(Decrease) in cash and cash equivalents	(2,674)	(501)
Cash and cash equivalents at start of year	5,158	5,625
Effect of exchange rate fluctuations on cash held	(1)	34
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,483	5,158

THANK YOU