



XEROS
TECHNOLOGIES

Helping the World
WEAR BETTER

Interim Results | **2021**

Mark Nichols, CEO

Paul Denney, CFO

Apparel Industry | Impacts



~ 100 billion garments manufactured each year



~ 0.5 grams of microfibres produced every domestic wash over **100 million machines sold every year**



93 billion m³ of water consumed in textile value chain per annum



\$1.4 trillion garment industry per annum



Xeros | Technology Platforms



XTend[™] Xeros Process Technology

Transforming the environmental impact of the clothes we wear and the fabrics we use

...at greatly reduced cost



XFiltra[™] Xeros Filtration Technology

Radically reducing the largest source of microfibre pollution - washing machines



Summary | Key milestones reached

XTend

- All commercial laundry licensees' have now entered their markets. Geographic expansion can now follow.
- IFB determining most appropriate timing in 2022 to enter their domestic market – our latest view is Q2.
- Denim finishing progressing – sizeable market opportunity which opens up wider garment finishing market.

XFiltra

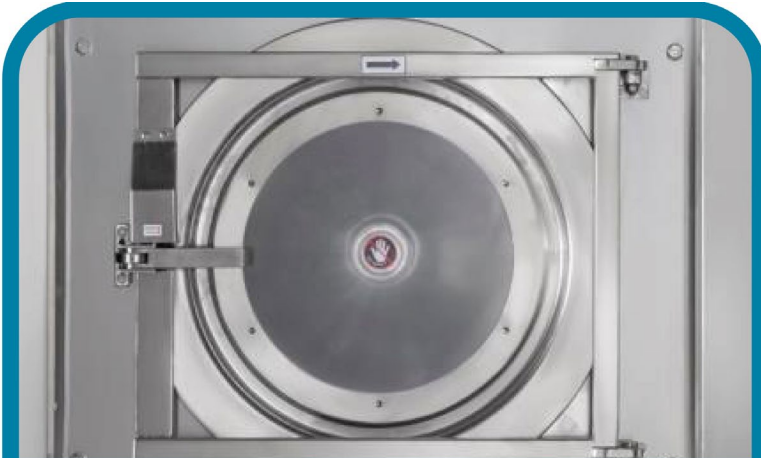
- Significant development agreements involving major domestic machine manufacturers and a leading supplier to the industry.
- Licensing contract signed with world leader for commercial device.
- Legislation increasing – major UK announcement on 21st September.

Financial

- Strong balance sheet - £9.1m cash at end August 2021.
- Monthly net cash burn £0.5m in line with expectations – investments into XFiltra and marketing.
- Multiple factors will influence time to breakeven – best estimate is Q1 2023 .

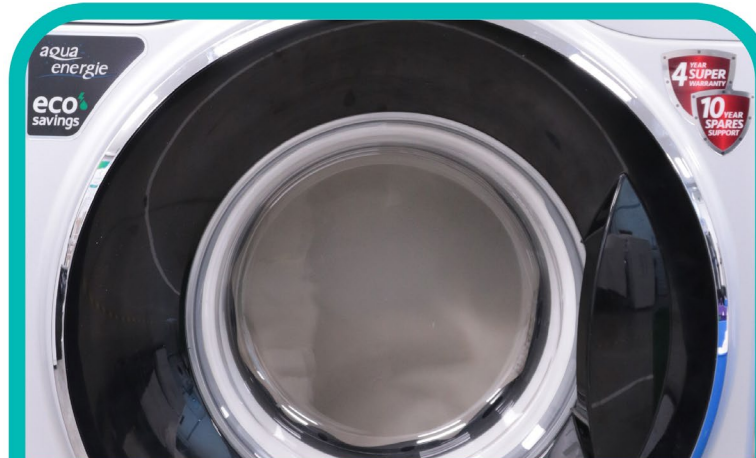


XTend | Progress



Commercial Laundry

Chinese and Indian licensees
now in market
Excellent process results
Geographic expansion now
appropriate



Domestic Laundry

Machine design complete
Cycles delivering targeted
results
IFB determining 2022
timing for market entry



Denim Finishing

Excellent performance
Very strong benefits
case
Pipeline building
Brands engaged

XTend | Licensee timescales

XTend Applications		Licensee	SKUs	Licensee Launch Timing Original vs Latest Plan							
				2020	2021				2022		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Denim Finishing		Ramsons	110 and 10kg <i>40kg in development</i>								
Laundry	Commercial	IFB	40kg and 20kg <i>11kg in development</i>								
		Sea Lion	30kg and 17kg <i>100kg to be added</i>								
	Domestic	IFB	9kg								

- Pre Covid
- Post-Covid
- Timing being determined

Hydrology from SEA-LION launch

Ecological Garment Washing from SeaLion
江苏海狮机械股份有限公司



Denim Finishing | Progress/Plans

- Denim jean market is >4bn pairs per annum
- Key geographies beyond South Asia - China, Turkey, Mexico and Brazil
- Denim provides an entry for Xeros into garment finishing market - higher volumes/lower values
- Very positive value and environmental propositions - currently proving out with manufacturers and brands

Area	Benefit
Input reduction	No pumice
	Water
	Chemistry
	Energy
Output reduction	Aqueous effluent
	Volume of freight in effluent
	Pumice waste
Operational/ Capex	Pumice handling
	Higher throughput
	Machine drum life extension



40%
water saving

20%
time saving

Matched
loading levels

Pumice
= zero

Denim Finishing | Product outcomes

REDUCED BACK-STAINING



REDUCED CREASING



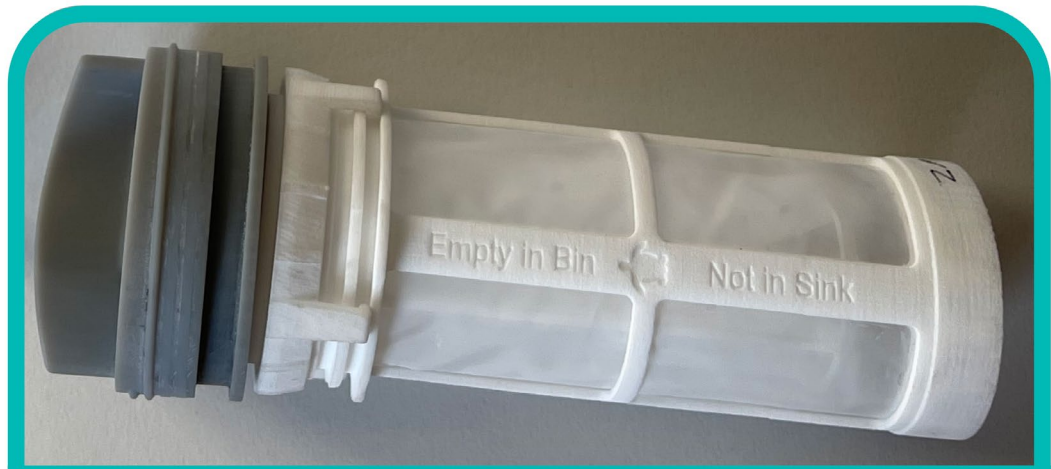
SUPERIOR APPEARANCE



REPLICABLE RESULTS



XFiltra | Platform progress



Domestic Filtration

Product design complete

Testing and trials with major OEMs
and global industry supplier

UK legislation proposed
1st January 2025



Commercial Filtration

Girbau launch expected
late 2021

British Antarctic Survey
to use Xeros XFiltra

UK proposed legislation
includes commercial machines

XFiltra | Timescales

Domestic OEMs/ Parts Supplier	2021			2022	
	Q2	Q3	Q4	Q1	Q2
Small European	Development agreement signed	Testing and Field Trials	Commercial discussions		
European Top 10			Development agreement anticipated	Testing and Field Trials	Commercial discussions
European Top 10			Development agreement anticipated	Testing and Field Trials	Commercial discussions
Asian Top 10		Development agreement signed	Testing and Field Trials	Commercial discussions	
Hanning Top 3 parts supplier		Development agreement signed		Commercial discussions	

- Development agreement signed
- Development agreement anticipated
- Testing and Field Trials
- Production/Marketing planning commences
- Commercial discussions

Xeros quote in the Press Release by the All-Party Parliamentary Group on Microplastics - September 2021

"A significant amount of microplastic waste comes from the simple act of us washing our clothes.

A washing machine filtration system, like ours, can stop this at source which is why we've been working with NGOs, governments and politicians to make this simple but effective solution a legal requirement."

Fit washing machines with filters to reduce microplastic pollution, MPs say

21/09/2021

Women's Institute supports initiative, urging manufacturers to take action on plastic microfibres



BAS base camp in Antarctica

Financial | Update/Status

- Revenue growth of 58.6% to £0.3m (2020: £0.2m)
- Gross profit margin increased to 65.7% (2020: 55.3%)
- Adjusted EBITDA* loss reduced by 5.4% to £2.8m (2020: loss £3.0m)
- Net cash outflow from operations reduced by 17.5% to £3.4m (2020: £4.1m)

- Business is funded through to at least Q2 2023 assuming a “no-growth” scenario
- Month-on-month cash breakeven best estimate is now Q1 2023

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

Summary | Key milestones reached

- Strong progress by licensees despite Covid
- Minimal medium/long term impacts on our end markets
- Timing of market entry into Domestic Laundry during 2022 being determined
- Multiple majors working with us on XFiltra - regulation increasing
- Strong balance sheet
- Multiple factors influencing time to cash breakeven - latest view is Q1 2023



The background features a dynamic water splash in shades of teal and light blue, with numerous droplets and intricate patterns of water movement, creating a sense of energy and freshness.

Financial Statements

Financial Statements | Profit & Loss

	Unaudited Six months ended 30 June 2021 £'000	Unaudited Six months ended 30 June 2020 £'000
REVENUE	341	215
Cost of sales	(117)	(96)
GROSS PROFIT	224	119
Administrative expenses	(3,577)	(3,587)
Adjusted EBITDA*	(2,849)	(3,013)
Share based payment expense	(403)	(342)
Depreciation of tangible fixed assets	(101)	(113)
OPERATING LOSS	(3,353)	(3,468)
Net finance income	1	2
LOSS BEFORE TAXATION	(3,352)	(3,466)
Taxation	-	-
LOSS AFTER TAX	(3,352)	(3,466)
Loss from discontinued operations		(344)
Foreign currency translation differences	(16)	(10)
TOTAL LOSS AFTER TAX	(3,368)	(3,820)
LOSS PER ORDINARY SHARE		
Basic and diluted on loss from continuing operations	(15.24)p	(31.64)p

* Adjusted EBITDA comprises loss on ordinary activities before interest, tax, share-based payment expense, other exceptional charges & credits, depreciation and amortisation. 14

Financial Statements | Cash Flow & Financing

	Unaudited 6 months to 30 June 2021 £'000	Unaudited 6 months to 30 June 2020 £'000
Operating activities		
Loss before tax	(3,352)	(3,466)
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	101	113
Share based payment	403	342
Decrease in inventories	11	25
(Increase)/decrease in trade and other receivables	(281)	(123)
Decrease in trade and other payables	(270)	(879)
Finance income	(3)	(5)
Finance expense	2	3
Cash used in operations	(3,389)	(3,990)
Tax receipts	-	-
Cashflow from discontinued operations	-	(119)
Net cash outflow from operations	(3,389)	(4,109)
INVESTING ACTIVITIES		
Finance income	3	5
Finance expense	(2)	(3)
Cash placed on deposit	(8,093)	-
Purchases of property, plant and equipment	(10)	-
Net cash inflow/(outflow) from investing activities	(8,102)	2
FINANCING ACTIVITIES		
Proceeds from issue of share capital, net of costs	8,504	5,573
Payment of lease liabilities	(36)	(34)
Net cash inflow from financing activities	8,468	5,539
(Decrease) in cash and cash equivalents	(3,023)	1,432
Cash and cash equivalents at start of year	5,157	5,625
Effect of exchange rate fluctuations on cash held	-	(12)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,134	7,045