

## Building for the future

**We place customers at the heart of our strategy. It is only when our customers are successful that Xaar is successful and our aim is to be the partner of choice, enabling our customers to respond quickly and efficiently to changing market needs with robust and reliable products that are powered by Xaar technology.**

Our strategy is to provide integrated solutions, allowing our customers to access not only Xaar's leading printhead technology but also the ink supply and electronic control systems required to ensure sustained and reliable performance from a wide range of fluids that deliver market leading print quality every time.

Our ImagineX printhead platform delivers unique capabilities: 720 dpi print resolution, Ultra High Viscosity and High Laydown Technology printing at speeds of up to 100 metres per minute.

We launched two new printheads from this platform during 2021 and have an ongoing roadmap of product developments to enable our customers to address a broader range of applications.

The acquisition of print systems and printbar specialist FFEI in 2021 widens our product range for our OEM and UDI (User Developer Integrators) customers with a broader product range including Xaar Versatex print engines for adding effects and embellishments digitally.

At the heart of our **new ink strategy** is a close collaboration with leading fluid companies to fully optimise the fluid for the best print performance, not just in the printhead testing lab, but also throughout the machine development programme, through to user integration and beyond. UDI customers can also buy their fluids direct from Xaar, giving them a single point of contact for both the printhead and the fluids, saving them time and simplifying the development process.

**Our new Ink Supply System roadmap** will ensure we can deliver products that help customers evaluate and adopt our technology whilst also reducing their time-to-market. We offer a number of inkjet supply systems under the Xaar brand, and have further added to our capability with the acquisition of Megnajet in March 2022. One of the market leaders, Megnajet designs and manufactures industrial ink management and supply systems for digital inkjet.

These easily integrated products are among the most compact ink management and supply systems on the market today, with options of fast and reliable routes to market when developing industrial inkjet printers.

The acquisition of Megnajet is part of Xaar's growth strategy which focuses on offering our customers, particularly UDIs, a more integrated inkjet solution, which will attract a broader range of opportunities for us.

In turn, UDI customers will be able to reduce their development timescales and shorten their time to market. This acquisition also enables Megnajet to focus on growth through new developments and shared expertise.

Whilst enabling a broader range of products under the Xaar brand, Megnajet will also continue to offer products to a wide customer base (sectors), under the Megnajet label.

In addition, our datapath roadmap has been developed to provide a rich portfolio of datapath products to enable our customers to build their own systems more easily which take advantage of the full potential of our ImagineX platform.

### EPS progress

In 2021 we achieved +9% growth in sales. In addition, we changed the leadership of EPS and strengthened our teams in Finance, Human Resources, and EH&S Management, as well as re-organising the sales team into two distinct groups.

 [Find out more on page 22](#)

### FFEI progress

Since acquisition in July, the alignment with Xaar has progressed well. In addition, FFEI has developed its roadmap of integrated inkjet systems for Xaar to sell to its UDI customers, with the first product launch in March 2022. On the life sciences side of the business FFEI has continued to develop its product portfolio and now has a pipeline of next generation scanning technologies. Some technologies are very close to market readiness, others require further development. FFEI is now looking for new partners to reap the rewards of these next generation scanning systems.

 [Find out more on page 23](#)



## New opportunities

### During the course of 2021 we have seen a broadening of the range of applications using Xaar technology.

- Chinese OEM, King Tau, a pioneer in the ceramics and graphics sectors, launched a new industrial-grade print engine, The 'Magic Cube', incorporating Xaar's advanced printhead technologies.
- Beijing National Innovation Institute of Lightweight Ltd. (BNI) and Xaar announced a Joint Laboratory to develop new applications in digital inkjet such as printing glass, electronics, 3D and automotive spray painting.
- The wide operating window and unique technologies within the Xaar 1003 printhead have enabled Meta Additive to use a variety of fluids that had previously been seen as too difficult to jet. With Xaar technology, Meta Additive was able to move beyond the conventional limits of inkjet printing with its binder jetting innovation.
- The Xaar 2002 printhead is successfully addressing the current ceramics trend for printing big slab applications such as dining tables, kitchenware and sanitary ware, where tile viewing distances are much closer. Customers are looking for higher quality tiles with higher resolution and definition, produced by our 720 dpi capability – no other printhead can deliver resolution this high and with this capability we have now set the image quality standard in ceramics.

- In the 3D printing market, dp polar launched its latest machine, the AMPolar® i1 which jets 3D parts at volume on a truly industrial scale. The combination of scalability, productivity and agility of this new machine achieves an output that traditionally would have required multiple conventional 3D machines, and significantly more capital investment.
- Xaar continues to see a growing number of new opportunities within the 3D printing markets. Our technology offers significant advantages and therefore value for managing high viscosity fluids and delivering industrial levels of reliability across a range of additive manufacturing applications and emerging technologies.

EPS ended its year by landing the largest single order in the Company's history which will be manufactured and delivered during 2022. The Company closed 2021 with a strong order book for bespoke systems and a plan for continued strong growth for 2022.

Xaar's recent acquisitions of FFEI and Megnajet enable us to offer our customers, particularly UDIs, a more integrated inkjet solution, which will attract a broader range of opportunities for us from here on in.

 [Read more on page 12](#)

## Business responsibility

### We operate as a socially, culturally and environmentally responsible business.

### Our three main areas of focus during 2021 have been: sustainability, employee engagement and charity support.

#### Sustainability

During 2021 we set up a Sustainability team with members from across the Company to work on a roadmap of projects with defined objectives. The Roadmap centres on four areas, each of which has a goal:

#### 1. Environment

Leading the way in environmental sustainability for the industrial inkjet technology sector.

#### 2. People

To be employer of choice by putting our people, their potential and well-being at the heart of all we do.

#### 3. Innovation

Encouraging more sustainable approaches to design, manufacture, technology and collaboration across the whole product lifecycle.

#### 4. Community

Actively engaging with our communities to provide practical, lasting support that benefits society.

 [The full sustainability strategy and roadmap can be found on pages 29 to 37](#)

#### Employee engagement

We hosted a number of COVID-19 safe lunches for our employees to encourage collaboration and team building, as well as to help new employees meet the wider team. In July we held an employee event to officially open our new Corporate HQ and bespoke R&D lab at the Cambridge Research Park.

We have also been working on embedding our values more into our culture. A cross functional project team developed an easy to remember logo for our values, launched a new values award which runs across the whole Group and developed a new video which we are using for employee engagement, recruitment and induction.

 <https://youtu.be/4rXmXMLEpgg>

 [Read more about our values on page 5](#)

In addition, we have introduced packs for key employee occasions: new starter packs, new baby packs and an anniversary card to mark certain milestones (first year, five, ten, 20, 30 years).

#### Supporting local charities

Our employees nominated two charities and each received a donation of £2,000, with the beneficiaries being the Special Care Baby Unit at Hinchingsbrooke Hospital in Q1 2021 and Wood Green, The Animals Charity in Q4 2020.

Later in the year we fund-raised for Break Charity ([www.break-charity.org/charity/](http://www.break-charity.org/charity/)). As well as sponsoring their Cows about Cambridge Farewell weekend, Xaar employees hosted a stand at the event and raised £150 by selling for a £1 donation colourful miniature cows that we had 3D printed.