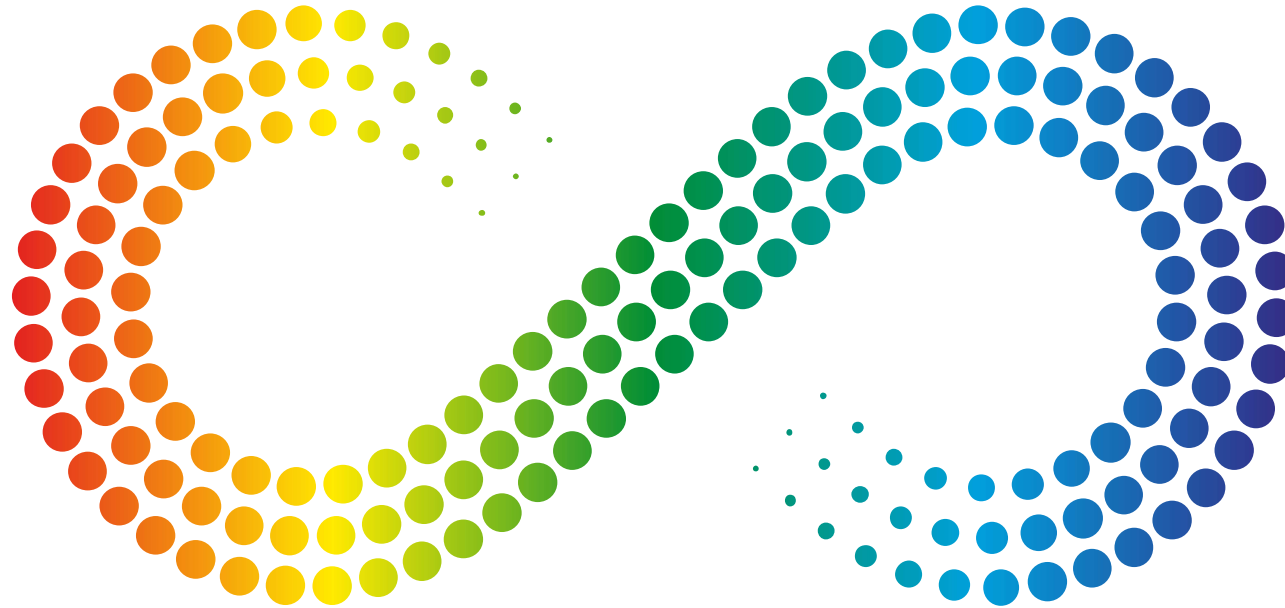


Preliminary results presentation

For the year ended 31 July 2020



possibilities

The following presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated (“relevant persons”). Any person who is not a relevant person should not act or rely on this presentation or any of its contents. This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Nanoco Group PLC or any of its subsidiaries (“Nanoco”).

It should be noted that past performance cannot be relied on as a guide to future performance. This presentation contains forward-looking statements with respect to Nanoco’s plans and objectives regarding its financial conditions, results of operations and businesses.

The financial information referenced in this presentation does not contain sufficient detail to allow a full understanding of Nanoco’s results. For more detailed information, the entire text of the Preliminary Results announcement for the full year ended 31 July 2019, can be found on the Investor Relations section of the Nanoco website (www.nanocogroup.com).

Operational highlights

New business wins
ST Micro 5 year
framework agreement

Restructuring
preserves core
capabilities

Litigation initiated
against Samsung for
IP infringement

Secured third party
funding for Samsung
litigation

Financial highlights

Revenue decline due
to completion of US
Customer contract
more than offset by
cost reductions

Adj. operating loss
reduced by c.5%

Equity fund raise
net £3.2m

Cash runway
extended to
December 2022
(from July 2020)

Board

- Smaller, more tightly focused Board still providing strategic leadership
- When complete, revised Board and Plc cost structure saves £0.7m p.a.
- Board balance maintains good governance

Leadership

- Leadership team structure mitigates the risk of CEO overload
- Leadership team covers a broad range of skills and functions
- Excellent support for executive management

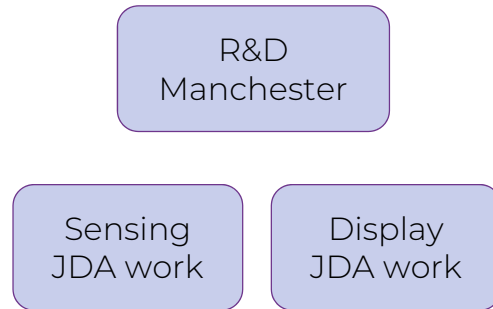
Management

- Management team reduced in size and cost
- Remains a strong functional management team
- Retained all key R&D team leaders (and most senior scientists) in the restructuring

Capability

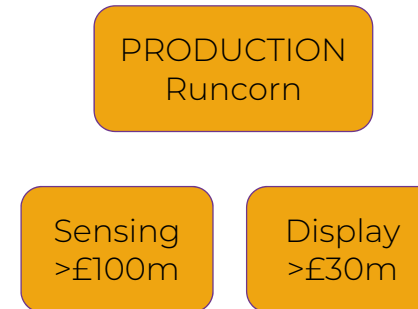
- Active R&D capability in Sensing and Display
- Successful R&D projects can still be scaled up to production
- Production capacity remains significant in both markets

R&D capabilities



- Paid for work underway in both areas
- Each with breakeven potential

Revenue capacity



- Process gains in both plants in FY20
- Significant revenue potential

Overhead cost base



- Retained core R&D capabilities – delivering multiple JDA's in both key markets
- Significant process driven capacity gains
- Display revenue capacity c.£30m p.a.
- Sensing revenue capacity c.£100m p.a.
- Underlying cost base more than halved
- Breakeven revenue now c.£6m p.a.
- Medium term goal to achieve recurring breakeven revenue

Sensing

(organic services and
products)

Display

(organic services and
products)

Litigation

The Problem

- Silicon sensors have poor efficiency in the infrared region
- Current technologies subject to interference from natural light
- Sensors require higher laser power
- Increased power drain in mobile power source

Why Quantum Dots

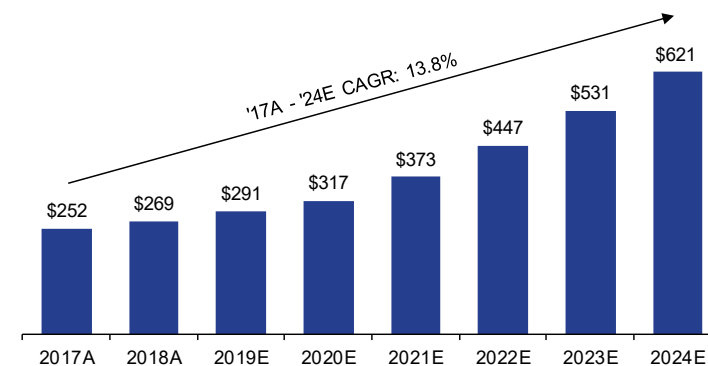
- Expand detection range into infrared
- Longer wavelength overcomes interference from sunlight
- Expand the working range of silicon based devices
- Increased efficiency reduces power needs

Nanoco's Differentiation

- ✓ Proven increased data capture efficiency (~10x)
- ✓ Much cheaper alternative to prohibitively expensive InGaAs
- ✓ Increase battery life in mobile applications
- ✓ Current JDA potential to move to scale up and then production



IR Detector Market Forecast (\$m)¹



1. Yole – Uncooled Infrared Imagers and Detectors 2019

The Opportunity

- Film based systems seeing broader adoption
- Momentum building in Gen 2 supply chains (QD-OLED)
- QD-OLED utilises 5x – 10x more quantum dots than QD film
- Current opportunities include potential for meaningful revenue

Why Quantum Dots

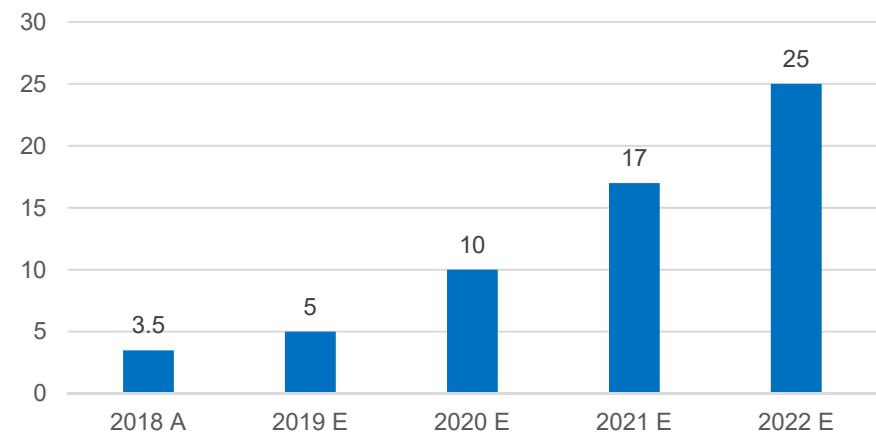
- Wider colour gamut
- Improved colour saturation
- Narrow bandwidth enhances light extraction via colour filters
- Minimal process disruption: utilises existing LCD supply chain

Nanoco's QD Differentiation

- ✓ Nanoco's CFQD® quantum dots are cadmium free
- ✓ Enhanced colour and energy efficiency vs LCDs
- ✓ Nanoco materials applicable in all generations of display
- ✓ Major players investing in Gen2 QD-OLED using QD inks



Volume QD-TV (million units)



QD platform technology has adjacent applications with low cost to transfer

Nanoco Life Sciences

- Versatile platform technology
- Non-toxic and strong safety profile
- Exceptional spectral properties enable:
 - Pinpoint detection (tumour demarcation)
 - High precision (image-guided surgery)
 - Simultaneous multi-target detection
- Potential to conjugate various antibodies to Vivodots™
- Technology builds on and compliments CFQD® Quantum Dot platform

Lighting (including horticultural)



- Optimises spectra for enhanced plant growth
- Tuning light to better suit specific plants and other application requirements
- Opportunities include vertical farming
- Works with most blue emitting LEDs
- Creates even light distribution without hotspots

Successful outcome is potentially transformative for shareholder value

- Retained IP litigation specialists 'Mintz, Levin' and strategic IP advisor, 'Epicenter'
- Suit filed in the Eastern District of Texas on 14 February 2020 and served 12 May 2020
- Complaint alleges Samsung wilfully infringed Nanoco's core intellectual property
- Five patents cited – relating to Nanoco's unique QD synthesis and resin capabilities
- Infringing products are Samsung's range of quantum dot enabled TVs
- Samsung estimated to have sold 14 million TVs using Nanoco technology
- Case currently focuses on US (largest market), but can extend to other major markets
- Substantial third party litigation funding in place in return for share of any winnings (no cost risk to Nanoco if the case is unsuccessful)
- Nanoco believe damages should reflect a share of the value created by our technology
- Any damages should consider past and future value creation
- In most successful outcome scenarios, Nanoco retains over half of any monetary damages after Counsel and Funder fees – increases to three quarters at higher values

FINANCIAL REVIEW

Operating loss

- Adjusted operating loss reduced by c.5%
- Fall in revenue and other operating income of £3.3m more than offset by cost reductions
- Continued investment in R&D activities

Costs

- Created highly flexible mix of staff skills – supporting both Sensing and Display
- Restructuring completed shortly after year end - reflecting lower activity levels
- Monthly overhead run rate now less than half that of FY19

Cash

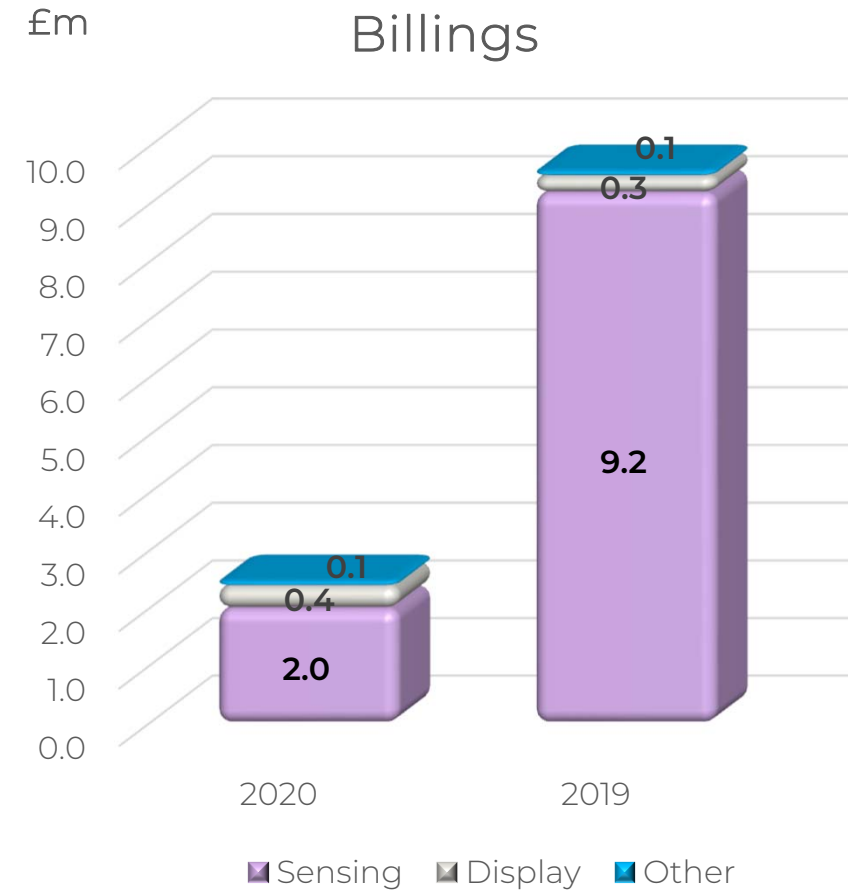
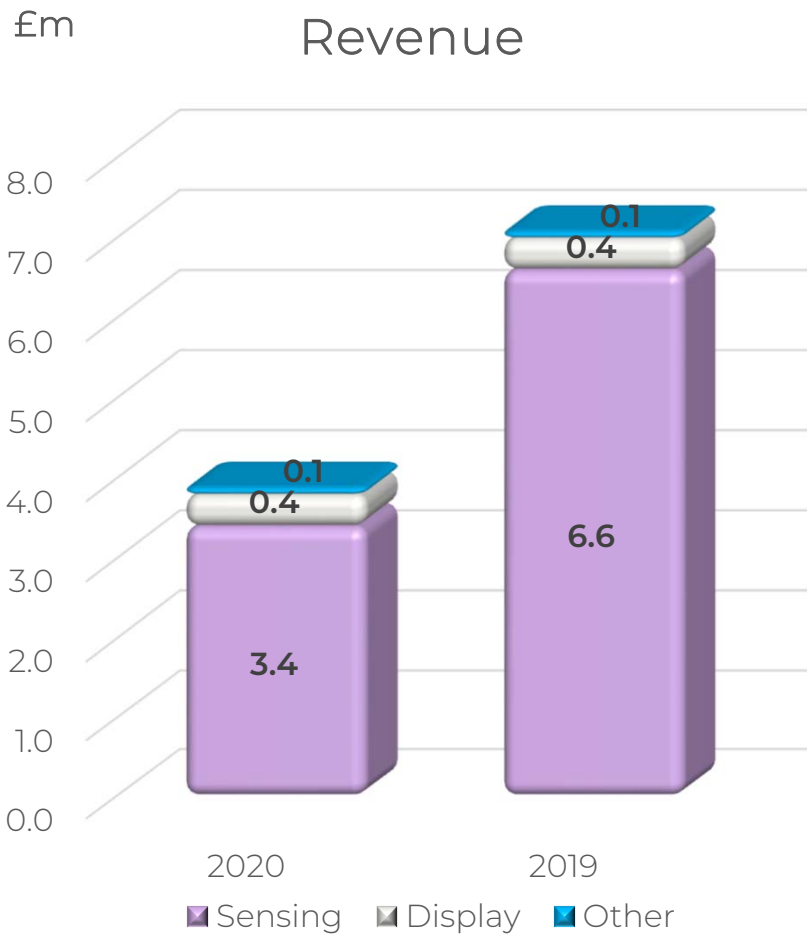
- Cash continues to be a key management focus
- Monthly gross cash costs halved to £0.4m (includes discretionary capex)
- Any new business wins provide further upside to cash and cash runway

INCOME STATEMENT

	FY 20 £m	FY 19 £m	Change £m
Revenue and other operating income	4.0	7.3	(3.3)
Cost of sales	(0.3)	(0.7)	+0.4
Gross profit	3.7	6.6	(2.9)
R&D investment	(3.1)	(4.4)	+1.3
Other administrative expenses	(3.5)	(6.0)	+3.5
Adjusted LBITDA	(2.9)	(3.8)	+0.9
Exceptional items and share based payments	(1.2)	(0.5)	(0.7)
Depreciation & Amortisation (*IFRS16 impact)	(1.9)*	(1.2)	(0.7)
Operating loss	(6.0)	(5.5)	(0.5)
Tax and financing costs	0.9	1.1	(0.2)
Loss after tax	(5.1)	(4.4)	(0.7)

- Fall in revenue reflects completion of contract with US Customer December 2019
- Significant £3.1m reduction in underlying operating costs (excluding the impact of IFRS 16)
- Exceptional items relate to corporate activity (FSP, equity raise, Samsung litigation) and the restructuring

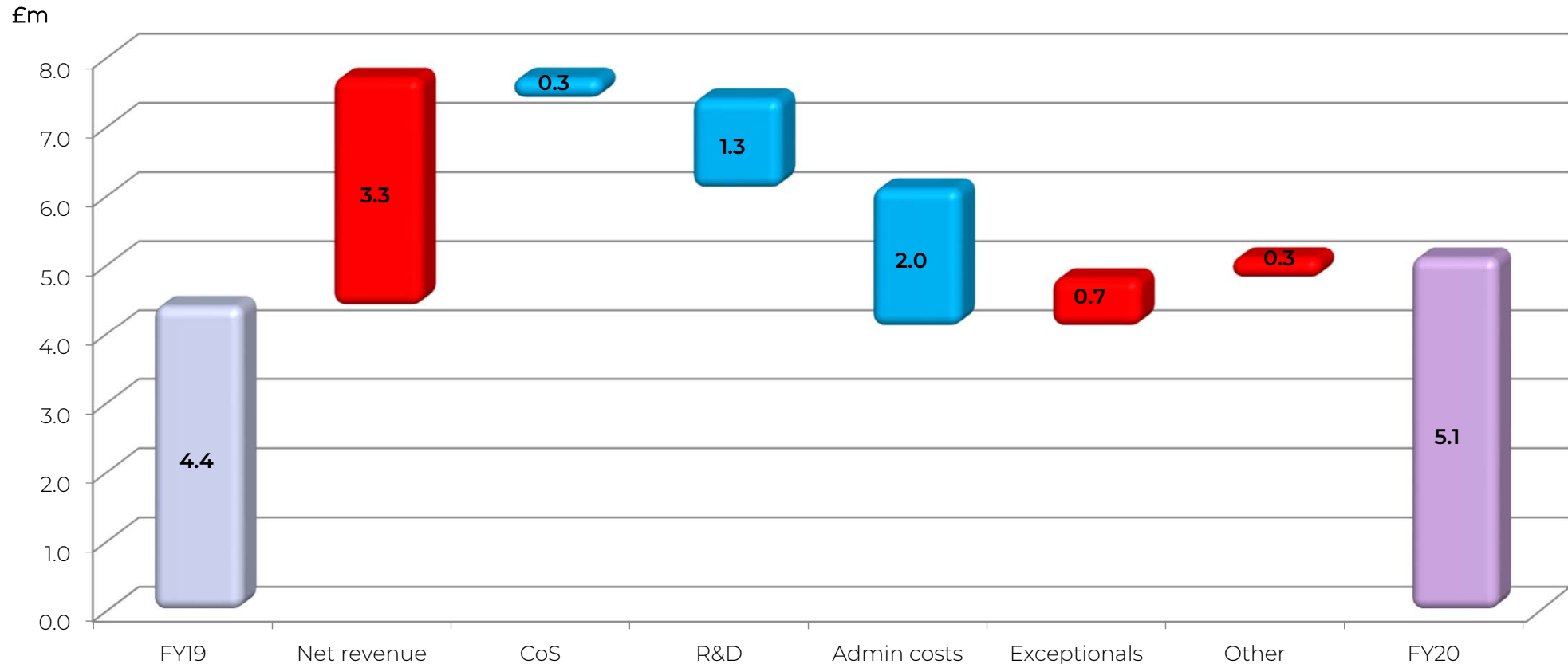
REVENUE AND BILLINGS



- ST Micro win in H2 partly offsets fall in US Customer
- Display revenues derived from Merck license and JDA's (new and existing customers)

- Lower billings driven by US Customer
- Also some FY20 revenue billed in FY19

MOVEMENT IN NET LOSS



- Net impact of lower revenue £3.0m
- Cost reductions, temporary salary cuts and government support reduced R&D and admin costs by £3.3m
- Monthly gross cost run rate now at c.£0.4m before revenue and tax credits

MOVEMENT IN CASH



- The business consumed £5.0m of cash during the year before the fundraise
- Adverse working capital movements related to the contract with the US Customer
- FY20 tax credit of £0.9m expected to be received before January 2021

Guidance

- Billings in FY21 expected to align with revenue (FY20 had revenue billed in FY19)
- Contracted orders and royalties for FY21 of £1.0m
- A number of new opportunities in Sensing and Display but not yet under contract

Capability

- The remaining team are highly flexible
- Retained our core capabilities – R&D, IP and Production
- Display facility currently mothballed – capable of restart in less than one month

Cash

- Average net cash burn in FY21 £0.3m including contracted revenue and FY20 tax credit
- Contingency plans if no new business wins - preserve December 2022 cash runway
- Any new business wins will improve this position

SUMMARY



Cash runway

- Cost base significantly reduced and closely managed
- Cashway runway, even with no new business, extends to December 2022
- New business wins can extend this further



Opportunity

- Critical R&D, scale up and significant production capacity retained
- Promising R&D activity in Sensing and Display – platform to re-build
- Success in either sector can deliver self-financing goal in the medium term



Value

- Transformative potential in Samsung litigation, cost protection in third party funding
- Management focus to generate value from organic business

QUESTIONS

APPENDICES

Dr Christopher Richards
Non-Executive Chairman

- CEO, Non-Executive chairman, Arysta LifeSciences
- 20 years of increasing management roles at Syngenta
- CEO of Plant Health Care plc (AIM: PHC) and NED of Origin Enterprises plc (AIM: OGN)

Brian Tenner
CEO

- Experienced Quoted Company CFO with strong operational and transformation experience
- Previously Board Member and CFO of British Nuclear Group Ltd, Scapa Group plc, Renold Plc, NCC Group PLC

Dr Nigel Pickett
Co-founder & CTO

- Inventor of Nanoco's key patented scale-up technology
- Leading expert on semi-conducting nano-crystals
- Japanese Government, St. Andrews University, Georgia Tech

Dr Alison Fielding
Non-Executive
(Remuneration chair)

- Astra Zeneca, followed by McKinsey & Co, then co-founded Techtran Group Limited which was acquired by IP Group in 2005 and subsequently held the role of director and COO at IP Group
- Board member / advisor of several early stage and quoted IP Group backed tech companies
- NED of Getech Group plc, Zotefoams plc and Maven Income and Growth VCT plc

Chris Batterham
Non-Executive
(Audit chair)

- 20 years of Non-Executive experience in high growth technology companies including:
 - Blue Prism (Deputy Chairman), SDL, Betfair and Iomart
- Previously CFO of Unipalm, first Internet IPO

SHAREHOLDER ANALYSIS (AS AT 31 July 2020)

Name	Shareholding	Percentage
Lombard Odier	69,840,776	22.85%
Hargreaves Lansdown Asset Management	42,326,574	13.85%
Mr Richard I Griffiths	32,931,890	10.77%
Interactive Investor	17,592,296	5.75%
Dr Nigel Pickett (CTO)	11,245,548	3.68%
HSDL	10,568,457	3.46%
Barclays Smart Investor	9,595,019	3.14%
Total of shareholdings above	194,100,560	63.50%

Note: The total number of voting rights in the Company is 305,686,880 (excludes 12,222 Treasury shares)

