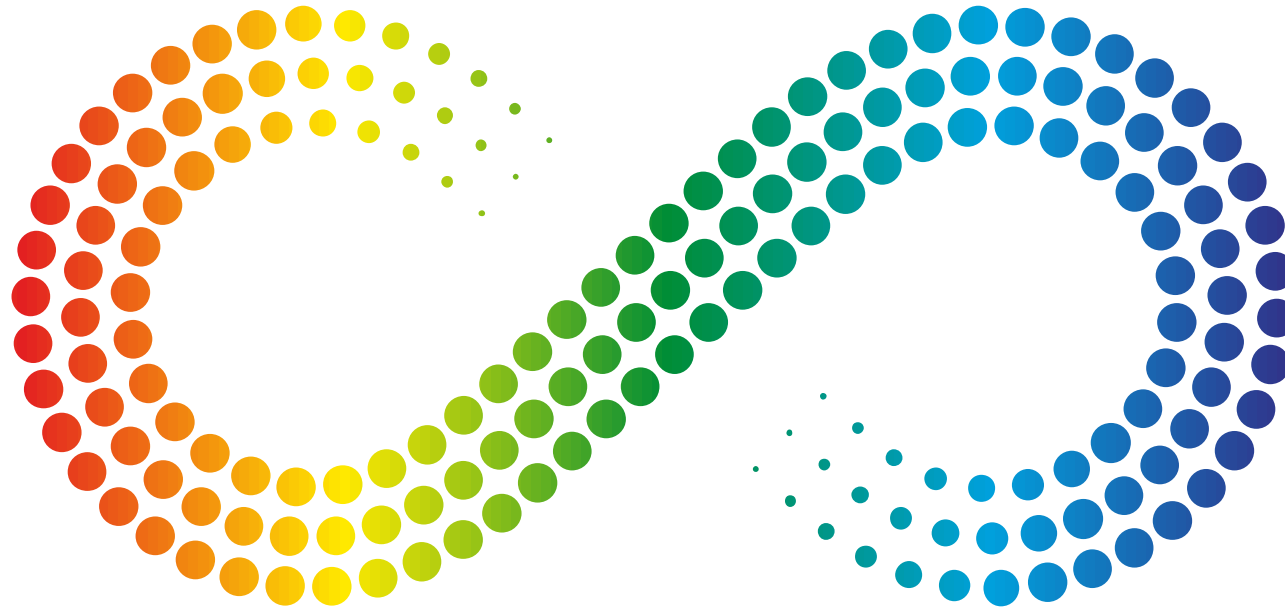


# Preliminary results presentation

For the year ended 31 July 2021



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 2021, can be found on the Investor Relations section of the Nanoco website ([www.nanocogroup.com](http://www.nanocogroup.com)).*

## Operational highlights

Major customer  
nearing potential  
production in short to  
medium term

Significant  
expansion of sensing  
material and  
customer portfolios

Restructuring  
completed, retaining  
core capabilities

Litigation proceeding  
well with strong  
Markman outcome

## Financial highlights

Revenue in line with  
expectations - all  
milestones delivered

Further sustainable  
savings delivered,  
cash costs stable at  
£0.4m per month

Non-dilutive debt  
facility raised net  
£3.0m

Organic business  
cash runway extends  
to H2 2022

## Sensing

(organic services and products)

Potential production order visibility H2 2022

## Display

(organic services and products)

Small scale development projects in progress

## Litigation

Transformative value potential

Key milestones H1 (IPR) and H2 (Trial) 2022

# IR SENSING OPPORTUNITIES

## The Problem

- Silicon sensors poor IR efficiency
- Interference from natural light
- Impacted by atmospheric conditions
- Uses more power in mobile devices
- InGaAs alternatives very expensive

## Why Quantum Dots

- Expand sensor range into infra red
- Overcomes sunlight issues
- Penetrates atmospheric conditions
- Reduces mobile device power needs
- CMOS+QD can be over 100x cheaper

## Nanoco's Differentiation

- ✓ Proven data capture efficiency (~10x)
- ✓ Large production capability in place
- ✓ Wide range materials
- ✓ Multiple tunable wavelengths
- ✓ IP protected platform technology

### Quality control



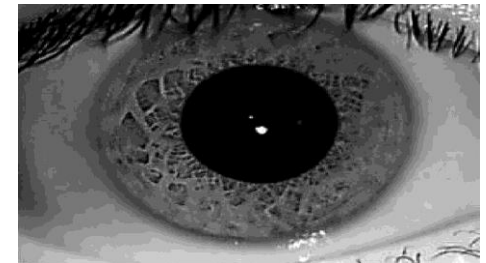
### Atmospheric conditions



### Digital healthcare



### Face / Iris recognition



Growing range of high value added applications for NIR / SWIR technology

# SENSING PORTFOLIO DEVELOPMENT

Early 2018	NIR			SWIR								
Wavelength	(<1.0 $\mu\text{m}$ )			(1.0 – 1.3 $\mu\text{m}$ )			(1.3 -1.5 $\mu\text{m}$ )			(>1.5 $\mu\text{m}$ )		
Material	A	B	C	A	B	C	A	B	C	A	B	C
Customer	D											

2018: 1 customer, 1 product  
2021: 5 customers, 8 products

July 2021	NIR			SWIR								
Wavelength	(<1.0 $\mu\text{m}$ )			(1.0 – 1.3 $\mu\text{m}$ )			(1.3 -1.5 $\mu\text{m}$ )			(>1.5 $\mu\text{m}$ )		
Material	A	B	C	A	B	C	A	B	C	A	B	C
Customer 1	V						O					
Customer 2		D						D				
Customer 3					D							
Customer 4		D						D				
Customer 5							D			D		

- Significant growth in customer engagement
- Added major Asian chemical company to pipeline
- Two customers with 'strategic' scale potential
- Delivering multiple materials at various wavelengths
- Customer published roadmaps imply 2023 production
- Debt issue funds more development and protective IP
- Three to four years from development to production

## Legend



Development – material being created at R&D scale



Optimisation – material optimisation for specific customer application



Scale Up – material being scaled up for Runcorn production



Validation – Runcorn material ready for customer plant validation



Production – material validated and ready for production: **ultimate goal**

**Sensing goals: one material in production 2023, a second validated**

## The Opportunity

- Samsung share QD TV's now below 90%
- Broader adoption of film-based systems
- RoHS in EU and globally
- QDs relevant to all generations of display

## Why Quantum Dots

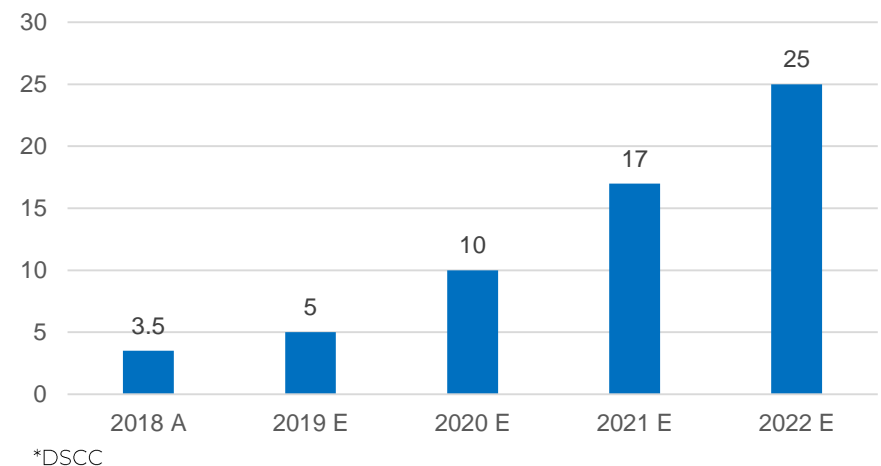
- Wider colour gamut
- Improved colour saturation
- Narrow bandwidth enhances light extraction
- QDs integrate with existing LCD supply chain

## Nanoco's QD Differentiation

- ✓ Cadmium free
- ✓ Enhanced colour and energy efficiency vs LCDs
- ✓ Nanoco materials apply to all TV generations
- ✓ Major investments in Gen2 QD-OLED (QD inks)



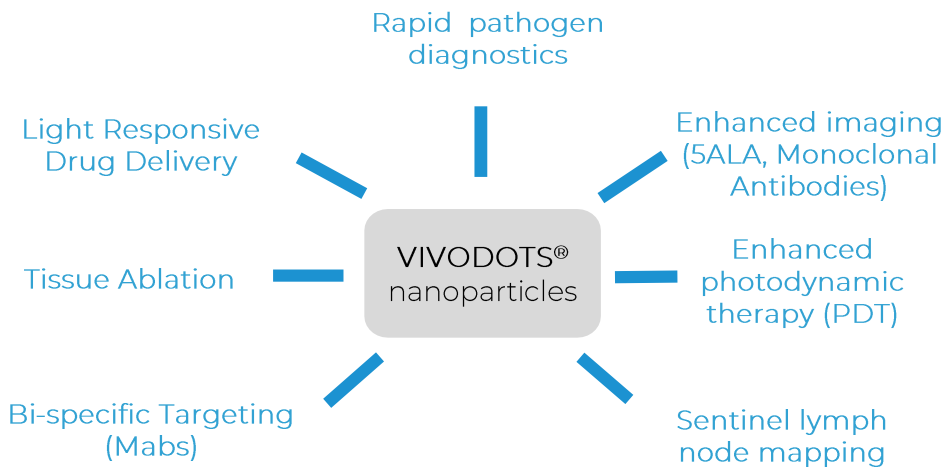
Volume QD-TV (million units)\*





## QD platform technology has adjacent applications with low cost to transfer

### Nanoco Life Sciences



- Versatile platform technology (VIVODOTS®)
- Grant work on rapid detection of pathogens
  - Proof of concept completed
  - Now partnering on device mechanics
- Non-toxic and strong safety profile
  - Pinpoint detection (tumour demarcation)
  - High precision (image-guided surgery)
  - Simultaneous multi-target detection

### Lighting (including horticultural)



- Optimise spectra for enhanced plant growth
- Tune light for specific plants
- Opportunities include vertical farming
- Works with most blue emitting LEDs
- Creates even light distribution without hotspots

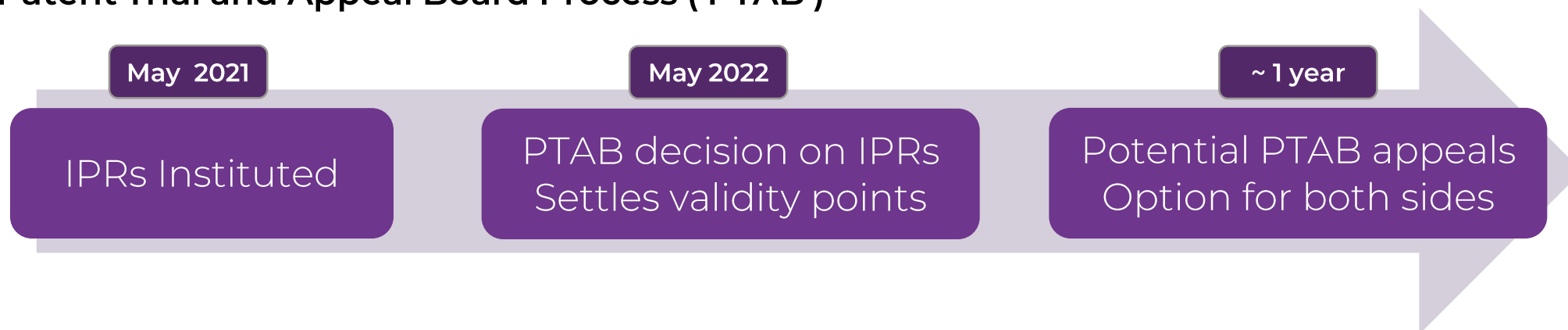


- Good progress to date, Markman hearing outcome very positive for Nanoco
- Five patents (47 claims) relating to Nanoco's unique QD capabilities
- To 'win' – at least one claim must survive both parallel patent review and court processes
- Damages outcomes in the US litigation:
  - US sales only – an estimated ~33% of Samsung global QD TV sales
  - Historical sales – future sales likely larger (growing market, possible Gen2 QD TVs)
  - Wilfulness – damages can be increased by up to three times if wilfulness finding
- Nanoco believes damages should reflect the total value enabled by our IP – other damages theories exist, for example, focusing on individual components (e.g. QD film)
- Nanoco retains ~50% of a modest award in US trial, rising towards 80% of larger awards
- Any award is subject to UK corporation tax with ~£36m of UK losses available for offset

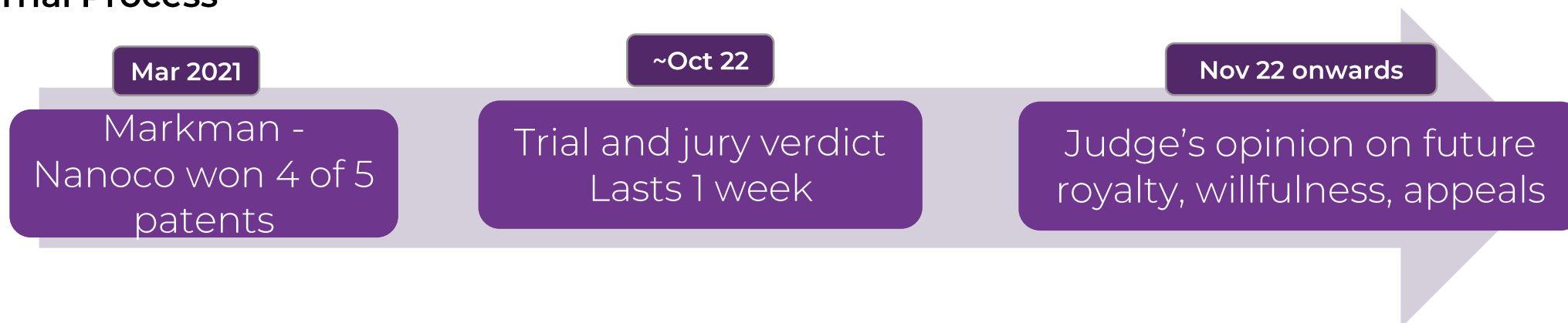
**Transformative for Nanoco's future prospects and shareholder value**

# SAMSUNG LITIGATION TIMELINE

## Patent Trial and Appeal Board Process ('PTAB')



## Trial Process



Litigation, IPR and appeal processes underwritten by third party funder

# FINANCIAL REVIEW



## Operating loss

- Adjusted operating loss unchanged year on year
- Fall in revenue and other operating income of £1.7m fully offset by cost reductions
- Continued investment in tightly focused R&D activities



## Costs

- Restructuring completed shortly after year end - reflecting lower activity levels
- Created highly flexible mix of staff skills – supporting both Sensing and Display
- Overhead run rate less than half FY19 – further property savings Q3 FY22 of £0.5m p.a.



## Cash

- Cash continues to be a key management focus
- Monthly gross cash costs halved to £0.4m (includes discretionary capex)
- Any new business wins help to maintain organic cash runway

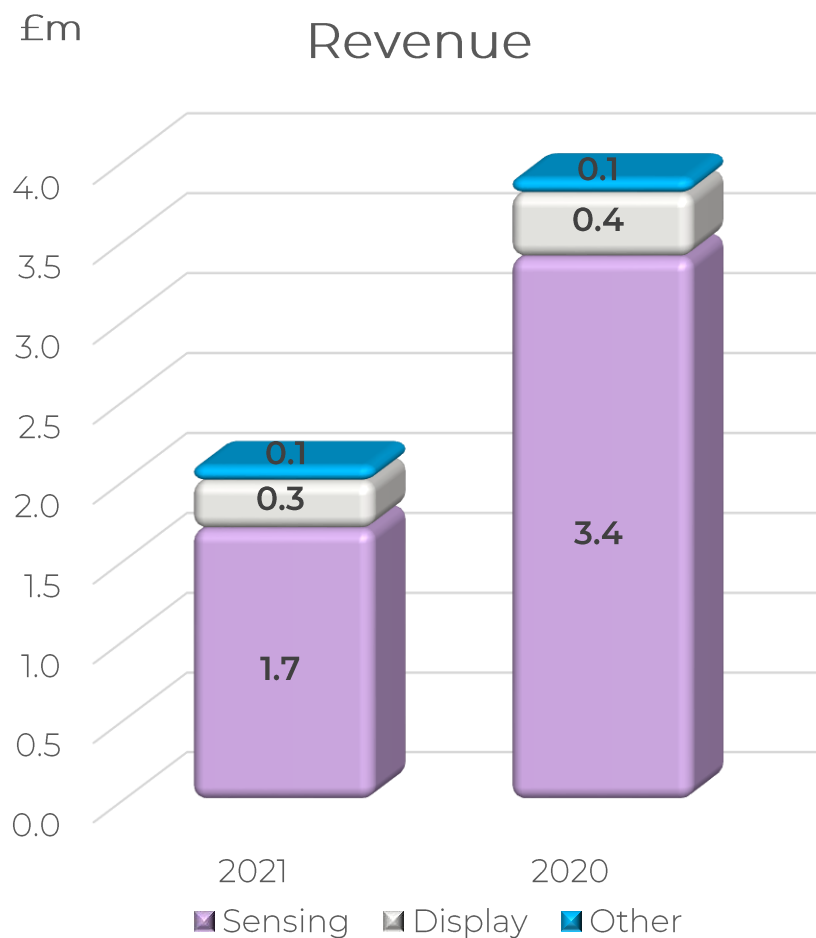
# INCOME STATEMENT

	<b>FY 21 £m</b>	<b>FY 20 Restated* £m</b>	<b>Change £m</b>
Revenue and other operating income	2.3	4.0	(1.7)
Cost of sales	(0.2)	(0.3)	+0.1
Gross profit	2.1	3.7	(1.6)
R&D investment	(2.2)	(3.1)	+0.9
Other administrative expenses	(2.8)	(3.5)	+0.7
Adjusted LBITDA	(2.9)	(2.9)	-
Exceptional items and share based payments	(0.4)	(1.2)	+0.8
Depreciation & Amortisation	(1.8)	(1.9)	+0.1
Operating loss	(5.1)	(6.0)	+0.9
Tax and financing costs	0.7	0.9	(0.2)
Loss after tax	(4.4)	(5.1)	+0.7

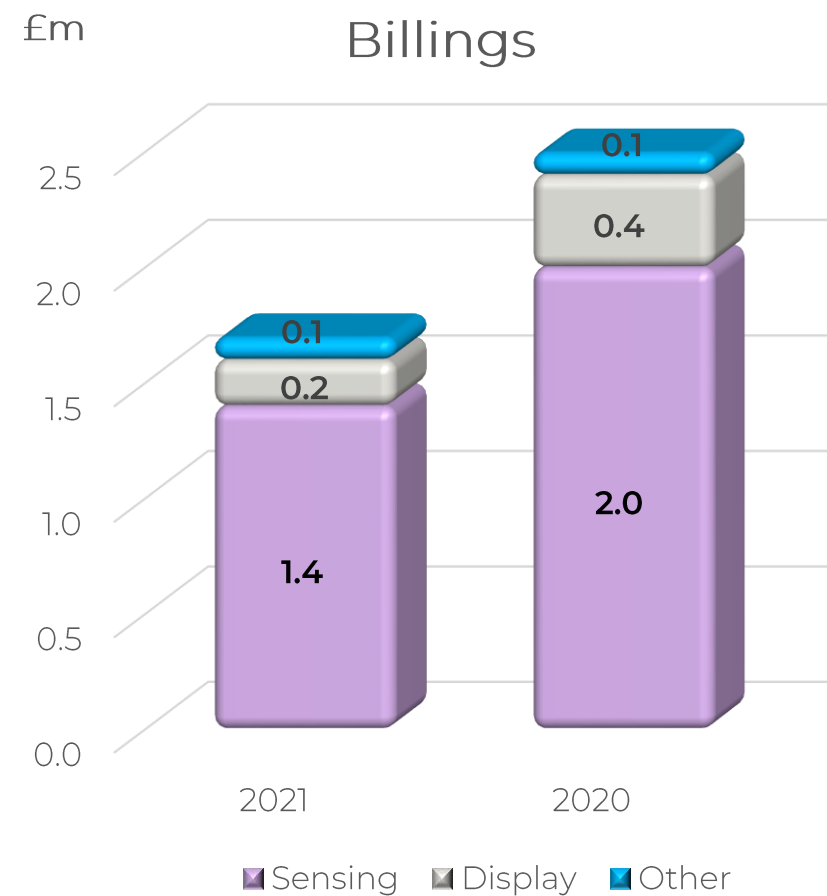
- **Completion of contract with US Customer H1 FY20 partially offset by new customer contracts**
- **Fall in revenue fully offset by significant £1.6m reduction in cash based operating costs**
- **Depreciation and amortisation expected to fall to just over £1.0m in FY22**

\* Restatement in 2020 increased other administrative expenses by £12k

# REVENUE AND BILLINGS



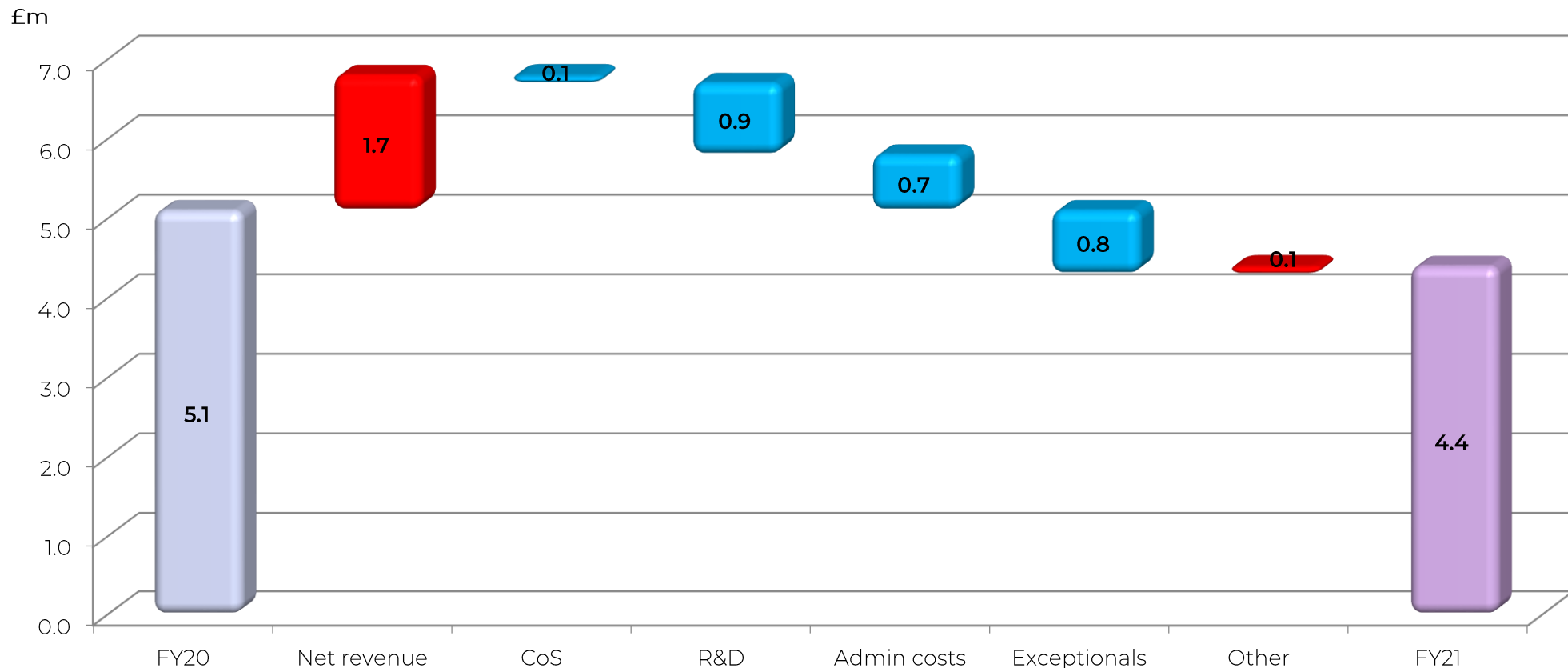
- New sensing wins partly offset end of US project
- Display revenues from new customer in FY20, continuing in FY21



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



# MOVEMENT IN NET LOSS



- Revenue £1.7m lower with small reduction in material based cost of sales
- Cost reductions, temporary salary cuts and government support reduced R&D and admin costs by £1.6m
- Monthly gross cost run rate now stable at c.£0.4m before revenue and tax credits
- Additional £0.5m p.a. property savings from April 2022

# MOVEMENT IN CASH



- The business consumed £4.4m of cash during the year before the issue of non-dilutive debt
- Adverse working capital related to the contract with the US Customer in FY20 - now fully unwound
- FY21 tax credit of £0.7m expected to be received before January 2022

## Guidance

- Pipeline of active opportunities underpins FY22 revenue in line with FY21
- Contracted orders for FY22 of £1.0m
- Cash costs stable at £0.4m per month – further property savings in April 2022

## Capability

- Our team of 37 FTE's are highly flexible - capacity for services and product revenue
- Retained core capabilities through restructuring – R&D, Scale Up and Production
- Display facility remains mothballed – can also support new sensing materials if needed

## Cash

- Organic business average net monthly cash burn in FY22 estimated at £0.2m
- IP Shell could cut this to £0.1m per month with significant upfront restructuring cost
- Both possible paths deliver cash runway beyond key litigation milestones and expected visibility of potential production orders in H2 calendar 2022

# SUMMARY



## Value

- Transformative potential in Samsung litigation – expect value signals in 2022
- Visibility in late 2022 on potential sensing production revenue in 2023
- Management focus on generating value from organic business



## Opportunity

- Critical R&D, scale up and significant production capacity retained
- Promising developments in sensing with smaller CFQD opportunities
- Success in either sector can deliver self-financing goal in the medium term



## Cash runway

- Cost base significantly reduced, closely managed with savings to come
- Organic cash runway extends beyond value milestones noted above
- New business wins can extend this - contingency plans to protect IP value

# 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

**Henry Turcan**  
Non-Executive

- Over 25 years experience in financial services, investment banking and capital markets
- Representative of major shareholder, Lombard Odier
- NED of Arena Events Plc, Woodbois Limited, and Minds and Machines Group Limited

# SHAREHOLDER ANALYSIS (AS AT 31 July 2021)

Name	Shareholding	Percentage
Lombard Odier	82,661,386	27.04%
Hargreaves Lansdown Asset Management	40,623,811	13.29%
Mr Richard I Griffiths	34,993,445	11.45%
Interactive Investor	25,098,736	8.21%
Dr Nigel Pickett (CTO)	11,245,548	3.68%
Barclays Smart Investor	9,582,975	3.13%
Total of shareholdings above	204,205,901	66.80%

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

