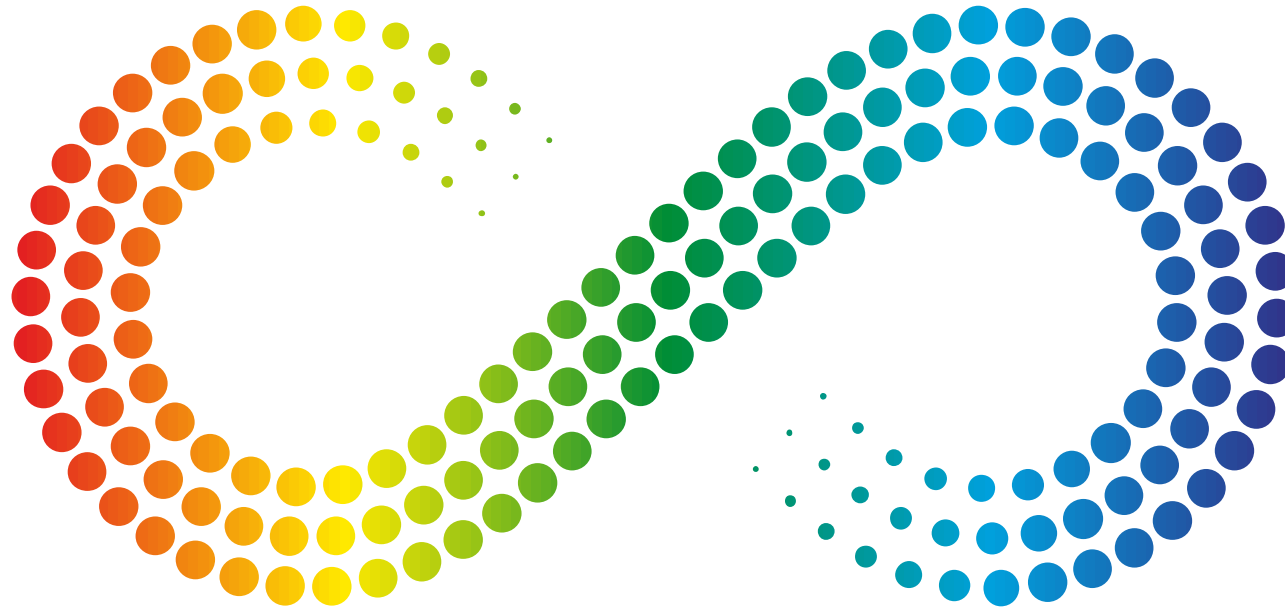


Preliminary results presentation

For the year ended 31 July 2022



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 2022, can be found on the Investor Relations section of the Nanoco website (www.nanocotechnologies.com).

Operational highlights – generating longer term commercial visibility

Major contract with European customer for product validation and a new material

Further growth in sensing material portfolio and customers

IP validated at PTAB, all litigation hurdles successfully cleared – trial expected soon

Consolidating all operations into Runcorn to save £0.7m p.a. (net)

Financial highlights – traded ahead of expectations and extended cash runway

Revenue outlook twice revised upwards and all milestones delivered

Further savings delivered, cash costs trending below £0.4m per month

Significantly over-subscribed equity issue raised £5.4m

Organic business cash runway extends to CY25 – beyond expected break even

MULTIPLE SOURCES OF VALUE EMERGING

Sensing

(organic services and products)

Potential production order visibility H2 2022

Growing confidence, nearing production

Display

(organic services and products)

Increasing number of customer enquiries

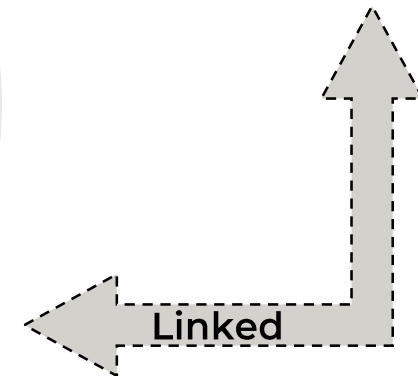
Opportunity pipeline growing again

Litigation

Transformative value potential

**IPR's validate Nanoco IP
Texas trial expected soon**

Strong position to resist IPR appeals



BUSINESS REVIEW

IR SENSING OPPORTUNITIES

The Problem

- Poor IR efficiency of silicon sensors
- 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



Fog / smog



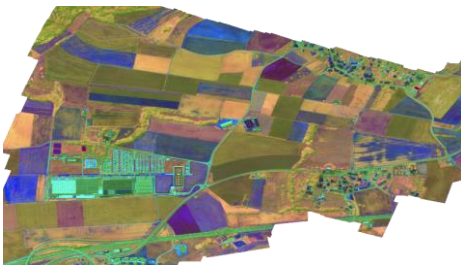
Digital healthcare



Iris recognition



Agriculture



Driver monitoring



Surveillance



Security



Growing range of high value added applications for NIR / SWIR

EXPANDING SENSING PRODUCT PORTFOLIO

Early 2018	NIR			SWIR								
Wavelength	(<1.0 µm)			(1.0 – 1.3 µm)			(1.3 -1.5 µm)			(>1.5 µm)		
Material	A	B	C	A	B	C	A	B	C	A	B	C
Development	1											

**Strong progress
expanding wavelengths
and base materials**

July 2022	NIR			SWIR								
Wavelength	(<1.0 µm)			(1.0 – 1.3 µm)			(1.3 -1.5 µm)			(>1.5 µm)		
Material	A	B	C	A	B	C	A	B	C	A	B	C
Development	1	2			2		2	5	1	2		1
Optimisation												
Scale Up							1					
Validation	1											
Production												

Legend (# = number of customers)

- # Development – material at R&D scale
- # Optimisation – application optimisation
- # Scale Up – scaling up at Runcorn
- # Validation – material ready for validation
- # Production – ready for production: **goal**
- Change / progress in Period

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
- QD share of TV market growing strongly
- QD expanding to other display devices

Why Quantum Dots

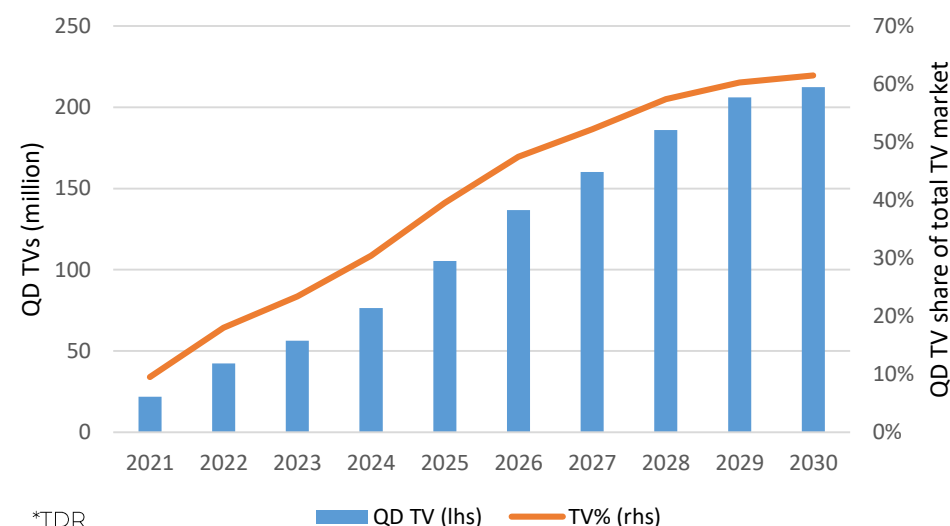
- Wider colour gamut
- Improved colour saturation
- Narrow bandwidth enhances light extraction
- QDs integrate with existing LCD supply chain

Nanoco's QD Differentiation

- ✓ Cadmium free
- ✓ Enhanced colour and energy efficiency vs LCDs
- ✓ Nanoco materials apply to all TV generations
- ✓ **Validated IP for mass production**



QD TV Market



- Factors driving increase in enquiries about Nanoco's CFQD® quantum dots for use in Displays:
 - International adoption of RoHS type regulation in multiple territories
 - Increasing ESG awareness pushing OEM's to get ahead of the curve
 - Nanoco core IP validated by US PTAB – raises risks for a number of market players
 - Wider range of devices to move to QD based displays
 - Performance and popularity of QD displays (other OEM's taking panels from Samsung)
- Restarted small scale sampling activity for potential customers
- A number of active customer engagements on technical and commercial propositions
- Further review of new device launches in the market for potentially infringing Nanoco IP

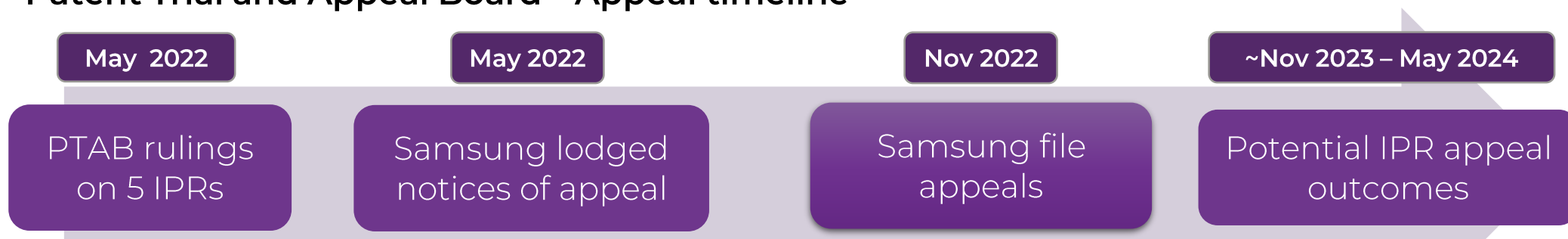
Growing number of enquiries regarding Nanoco CFQD® quantum dots

LITIGATION UPDATE

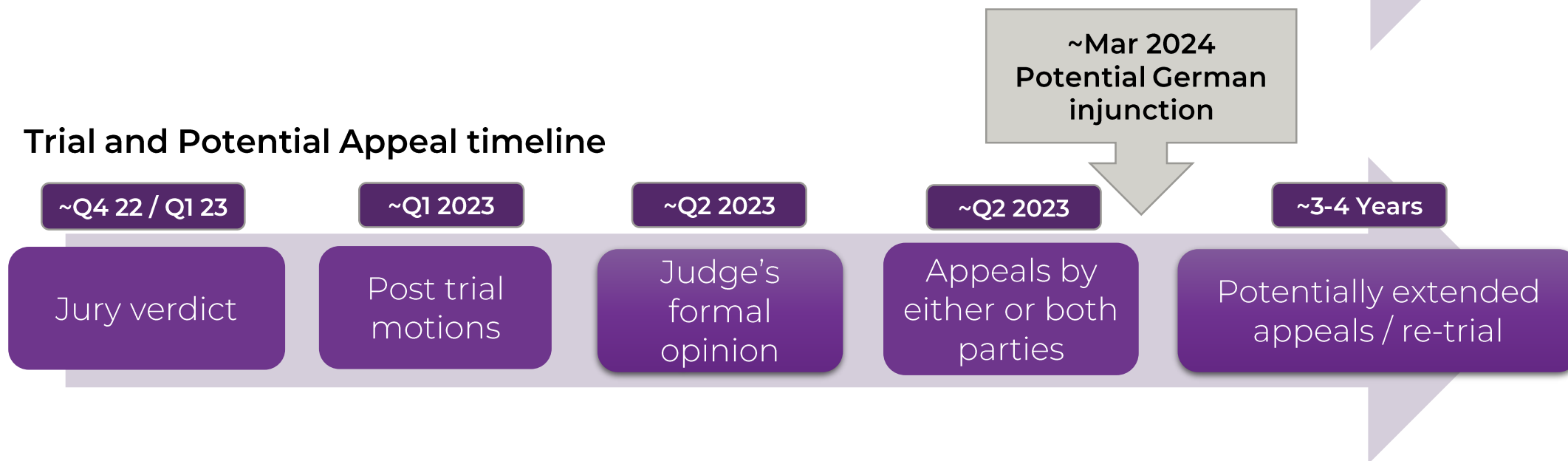
- May 2022: PTAB validated Nanoco IP – all 47 claims in all five patents
 - Samsung have lodged notices to appeal all of the PTAB decision
 - Appeal outcomes expected around the end of 2023
 - Nanoco position is robust: >70% PTAB appeals are rejected in full, <10% accepted in full
- Pre-trial conference
 - All three of Nanoco's damages models survived motions to dismiss
 - All of Nanoco's experts survived motions to dismiss
 - Motion for summary judgement on whole case dismissed – hence “we are going to trial”
- Nanoco focusing trial onto narrower range of patents, claims and damages models
- Nanoco team maintaining a state of readiness for trial
- Suit filed in Germany, reviewing options in other territories

SAMSUNG LITIGATION TIMELINE

Patent Trial and Appeal Board – Appeal timeline




Trial and Potential Appeal timeline



Achievements in FY22 strengthen confidence in potential for transformational value if successful at trial

FINANCIAL REVIEW



Operating loss

- Revenue and Other Operating Income increased by 24% on prior year
- Adjusted LBITDA improved by 26% to £2.1m
- Expect 20% revenue growth in FY23 with similar cost base



Costs

- Consolidated operations - annualised net saving £0.7m from December 22
- Annual cash cost base reduces further post Manchester exit Q2 FY23
- Investing in our staff – improving pay and infrastructure of workplace



Cash

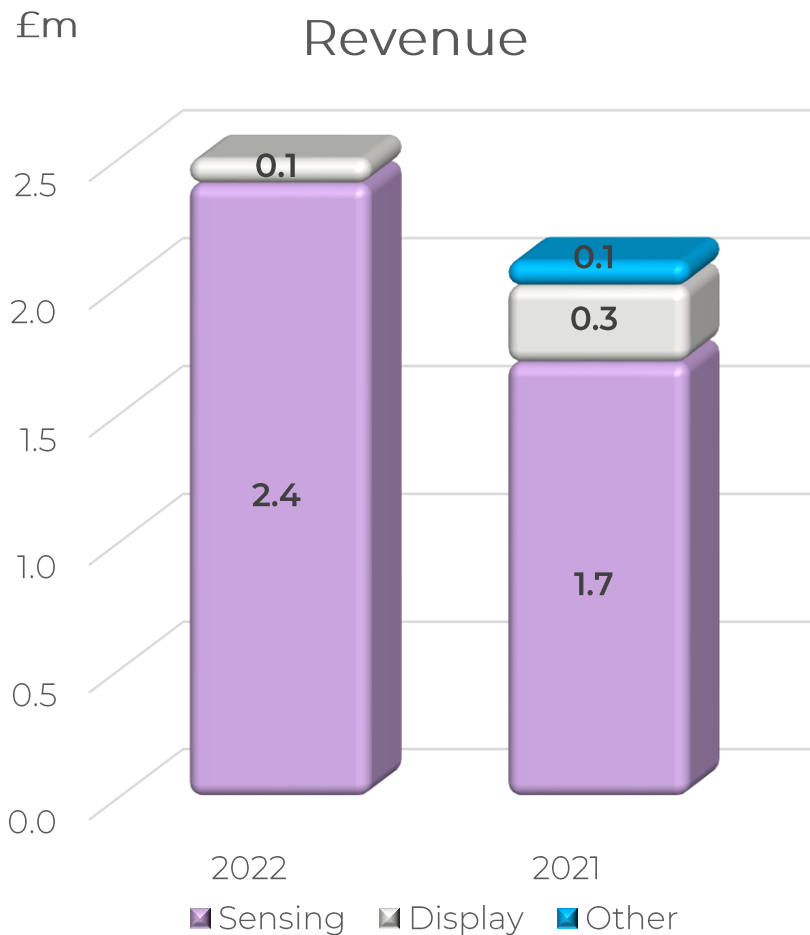
- Fundraise completed in June 22 delivered £5.4m net
- Cash runway through to CY25 – past expected break even point
- Any new business wins help to extend organic cash runway further

INCOME STATEMENT

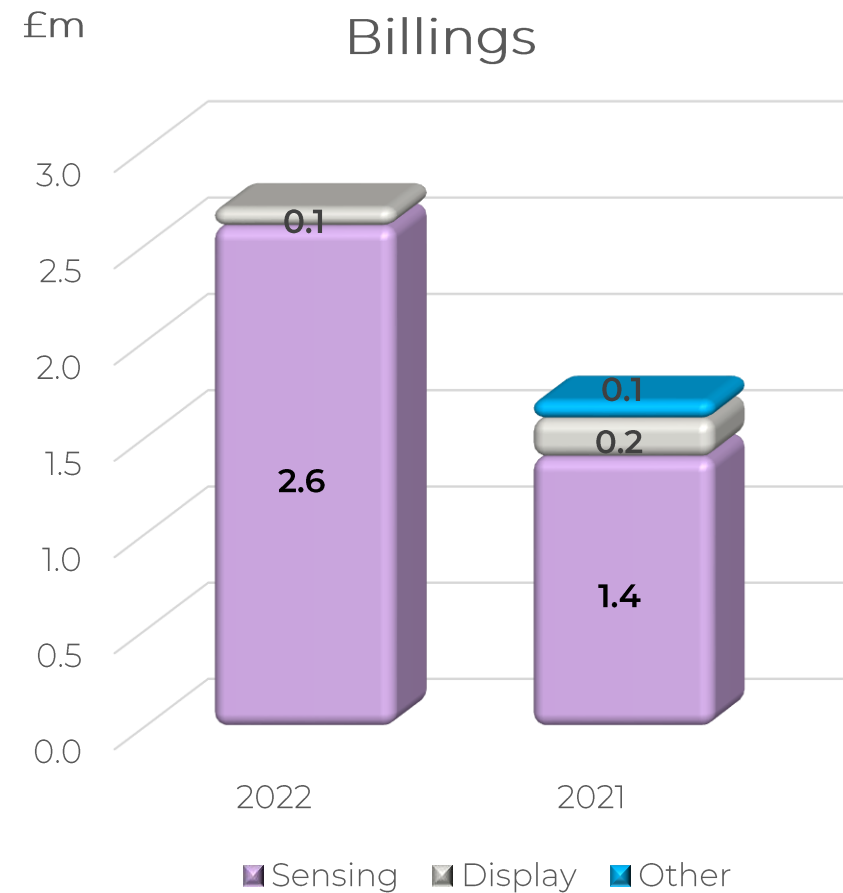
	FY 22 £m	FY 21 £m	Change £m
Revenue	2.5	2.1	+0.4
Cost of sales	(0.5)	(0.3)	(0.2)
Gross profit	2.0	1.8	+0.2
Other operating income (grants)	0.4	0.2	+0.2
R&D investment	(1.8)	(2.2)	+0.4
Other administrative expenses	(2.7)	(2.6)	(0.1)
Adjusted LBITDA	(2.1)	(2.8)	+0.7
Share based payments and associated charges	(0.9)	(0.5)	(0.4)
Depreciation & Amortisation	(1.8)	(1.7)	(0.1)
Operating loss	(4.8)	(5.0)	+0.2
Tax and financing costs	0.1	0.6	(0.5)
Loss after tax	(4.7)	(4.4)	(0.3)

- **Steady growth in demand for additional services and development materials**
- **Revenue growth enhanced by further savings in cash costs**
- **Increase in fair value charge for SBP's reflects growth in share price**

REVENUE AND BILLINGS

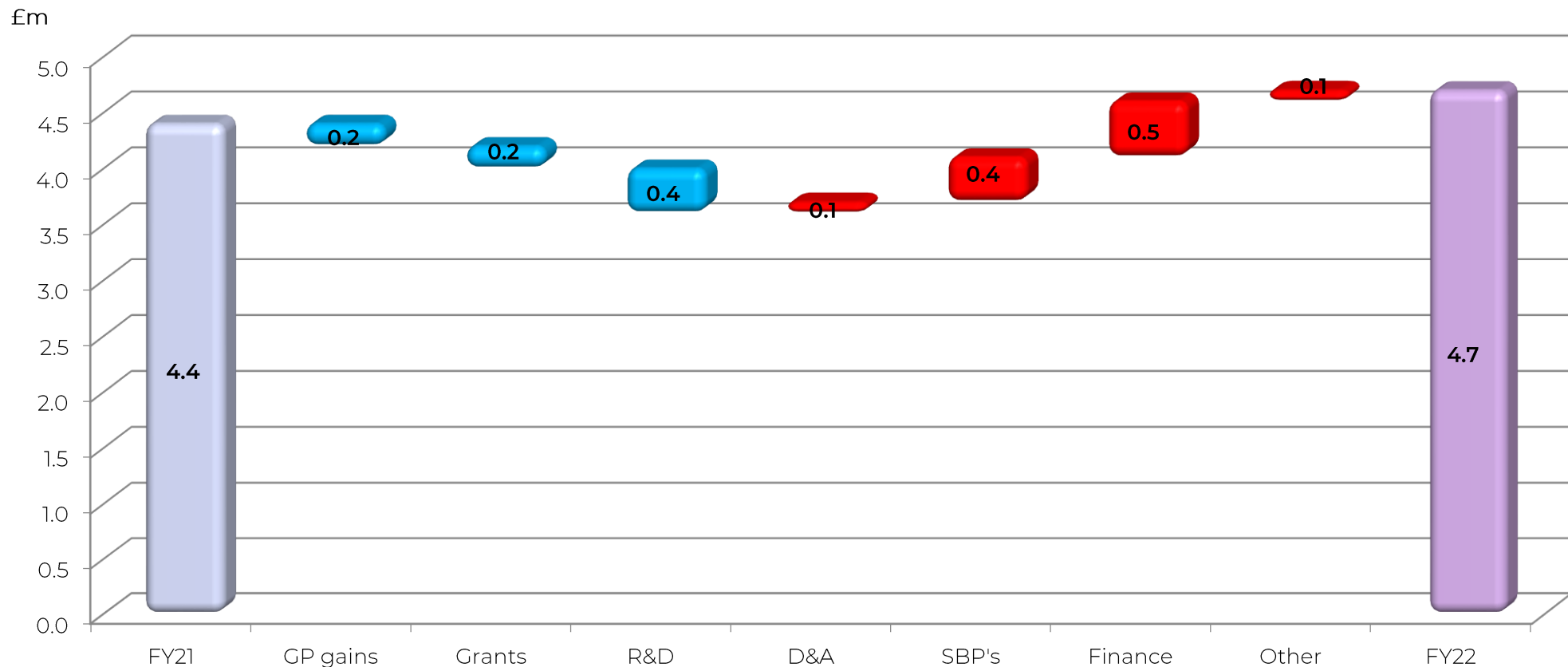


- Strong sensing performance primarily driven by European Electronics customer
- Some small projects continue in display



- Billings in line with revenues
- Some deferred revenue at year end

MOVEMENT IN NET LOSS



- Revenue grew 18% to £2.5m, accompanied by growth in grant income of £0.2m (96%)
- Continued cost control with modest reductions in cash costs – Manchester savings from December 2022
- Monthly gross cost run rate now trending below c.£0.4m before revenue and tax credits
- Increase in net loss driven by increase in non-cash costs (SBPs and rolled up interest on loan notes)

MOVEMENT IN CASH



- Underlying FY22 cash consumption of £2.4m vs FY21 of £4.4m – both pre-equity / pre-debt raises
- Adjusted LBITDA £2.1m, partially offset by R&D tax credit
- Net fundraise £5.4m after fees

Guidance

- Contracted order book for FY23 c. £2.1m, more than double FY22
- Revenue increase c. 20% on FY22 based on firm pipeline
- Cash costs will reduce compared to FY22, breakeven revenue now c. £5m

Capability

- Staff, consolidated on one site, capable of R&D, scale up and production
- Facility de-mothballed with all staff supporting income generating work
- Facility can deliver c. £130m of revenues based on current market prices

Cash

- Average net monthly cash burn in FY23 estimated under £0.2m
- Strong operational leverage in any new commercial wins
- Cash runway past expected break even point

SUMMARY



Opportunity

- Growth on a global scale in sensing markets with display re-energising
- Capacity retained for large scale volume production in both markets
- Success in either delivers self-financing goal in the medium term



Outlook

- Steady incremental revenue growth moving into production
- Organic cash runway extends to CY25
- Clear path to breakeven in short to medium term



Value

- Transformative potential in Samsung litigation – trial expected soon
- Visibility in late 2022 on potential sensing production revenue in 2023
- Twin tracks to significant shareholder value growth in short to medium term

QUESTIONS

APPENDICES

BALANCE SHEET

	FY 22 £m	FY 21 £m	Change £m
Intangible assets	1.6	2.9	(1.3)
Tangible and right of use assets	0.2	0.5	(0.3)
Non-current assets	1.8	3.4	(1.6)
Stock	0.2	0.1	+0.1
Debtors	1.5	1.2	+0.3
Tax receivable	0.5	0.7	(0.2)
Cash	6.8	3.8	+3.0
Current assets	8.9	5.8	+3.1
Total assets	10.7	9.2	+1.5
Trade and other payables	(1.7)	(1.6)	(0.1)
Leases	(0.1)	(0.5)	+0.4
Deferred revenue	(0.6)	(0.3)	(0.3)
Current liabilities	(2.4)	(2.4)	-
Financial liabilities	(3.9)	(3.5)	(0.4)
Leases	(0.1)	(0.1)	-
Deferred revenue	-	(0.2)	+0.2
Total liabilities	(6.4)	(6.2)	(0.2)
Net assets	4.3	3.0	+1.3

CASH FLOW

	FY 22 £m	FY 21 £m	Change £m
Operating loss	(4.8)	(4.9)	+0.2
Share Based Payments (including employers NICs)	1.0	0.4	(0.3)
Depreciation and amortisation	1.7	1.7	+0.1
Adjusted LBITDA	(2.1)	(2.8)	+0.7
Changes in working capital	(0.3)	(0.9)	+0.6
Changes in provisions and deferred revenue	0.4	(0.5)	+0.9
Other			
Cash outflow from operations	(2.5)	(4.3)	+1.8
Tax credit received	0.7	0.9	(0.2)
Net cash outflow from operating activities	(1.8)	(3.4)	+1.6
Net purchase of intangible and tangible assets	(0.1)	(0.3)	+0.2
Placing of shares (FY21 - issue of Loan notes)	5.7	3.2	+2.5
Cost of placing	(0.3)	(0.2)	(0.1)
Payment of lease liabilities (capital and interest)	(0.6)	(0.7)	+0.1
Net cash flow from financing activities	4.8	2.3	+2.5
Increase / (Decrease) in cash	3.0	(1.4)	+4.4
FX	-	-	-
Opening cash	3.8	5.2	(1.4)
Closing cash	6.8	3.8	+3.0

- Suit filed in the Eastern District of Texas on 14 February 2020 and served 12 May 2020
- Complaint alleges Samsung wilfully infringed five of Nanoco's core patents (47 claims)
- Patents relate 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 26 million allegedly infringing QD TVs globally
- Case currently focuses on US (largest market), but can extend to other major markets
- Third party litigation funding in place (no cost risk to Nanoco if the case is unsuccessful)
- Nanoco believe damages should reflect a share of the value created by our technology
- Nanoco believe 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
- Markman hearing result [DATE] favoured Nanoco, winning on four patents, tying on fifth
- PTAB granted Samsung requests for IPR to review patent validity in May 2021
- Texas trial then stayed (delayed) pending outcome of PTAB IPR process

BOARD MEMBERS

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 Plc Executive with strong operational and transformation experience
- Previously Board Member and CFO of British Nuclear Group Ltd, Scapa Group plc, Renold Plc, Interim CEO and CFO 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

Liam Gray
CFO and Company Secretary

- Finance and commercial finance experience in a number of previous roles
- Experience of operating in public company environment
- Chartered Accountant, qualifying with KPMG

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 Zotefoams plc and Maven Income and Growth VCT plc

Chris Batterham
Non-Executive
(Audit chair)

- 20 years of NED 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 2022)

Name of Holder (>3%)	Shareholding	Percentage
Lombard Odier	77,014,050	23.89%
Hargreaves Lansdown Asset Management	49,256,899	15.28%
Interactive Investor	28,006,786	8.69%
Dr Nigel Pickett (CTO)	11,272,575	3.50%
Tariq Hamoodi	10,866,006	3.37%
Barclays Smart Investor	10,220,589	3.17%
HSDL, stockbrokers	9,912,359	3.07%
Total of shareholdings above	196,549,264	60.97%

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

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