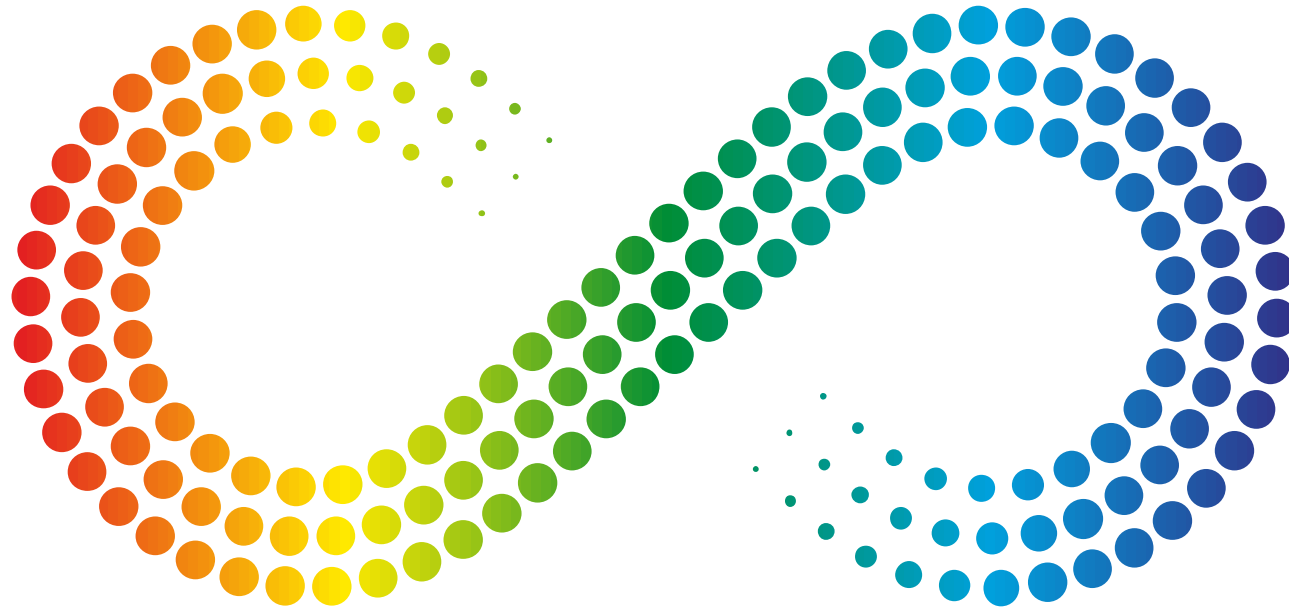


Interim results presentation

For the period ended 31 January 2023



possibilities

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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.

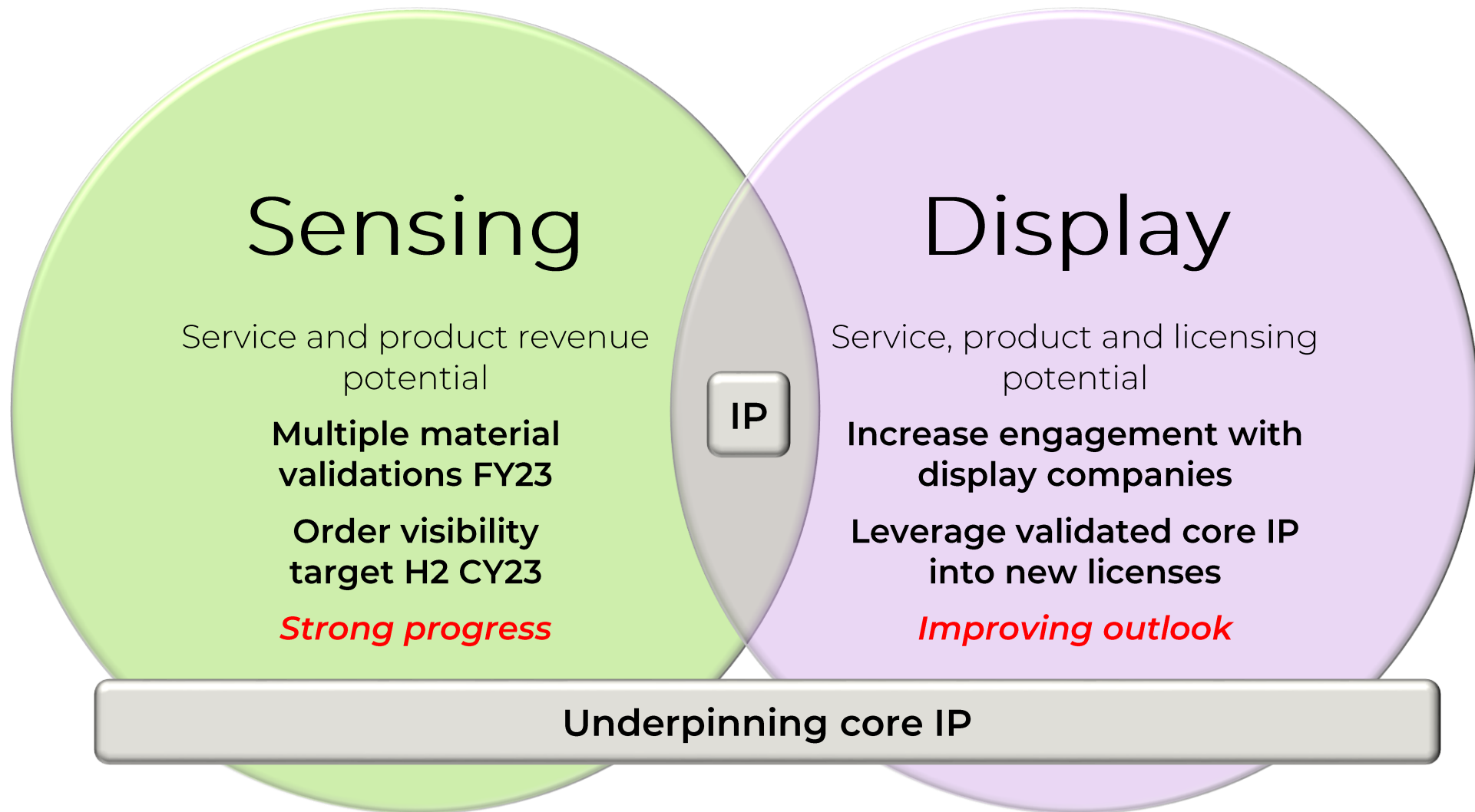
The financial information referenced in this presentation does not contain sufficient detail to allow a full understanding of Nanoco’s Interim Results. For more detailed information, the entire text of the Interim Results announcement for the six months ended 31 January 2023, can be found on the Investor Relations section of the Nanoco website (www.nanocogroup.com).

**Final validation underway
for commercial
production materials**

**Significant forecast
growth in core markets**

**Litigation validated the
Group's core IP**

**Litigation proceeds
underpin commercial
business**



BUSINESS REVIEW – SENSING

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



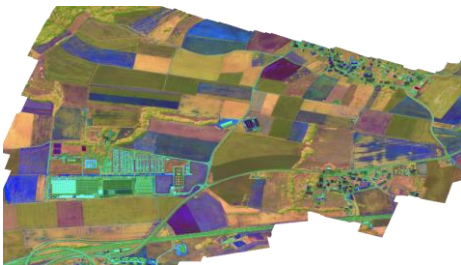
Digital healthcare



Iris recognition



Agriculture



Driver monitoring



Surveillance

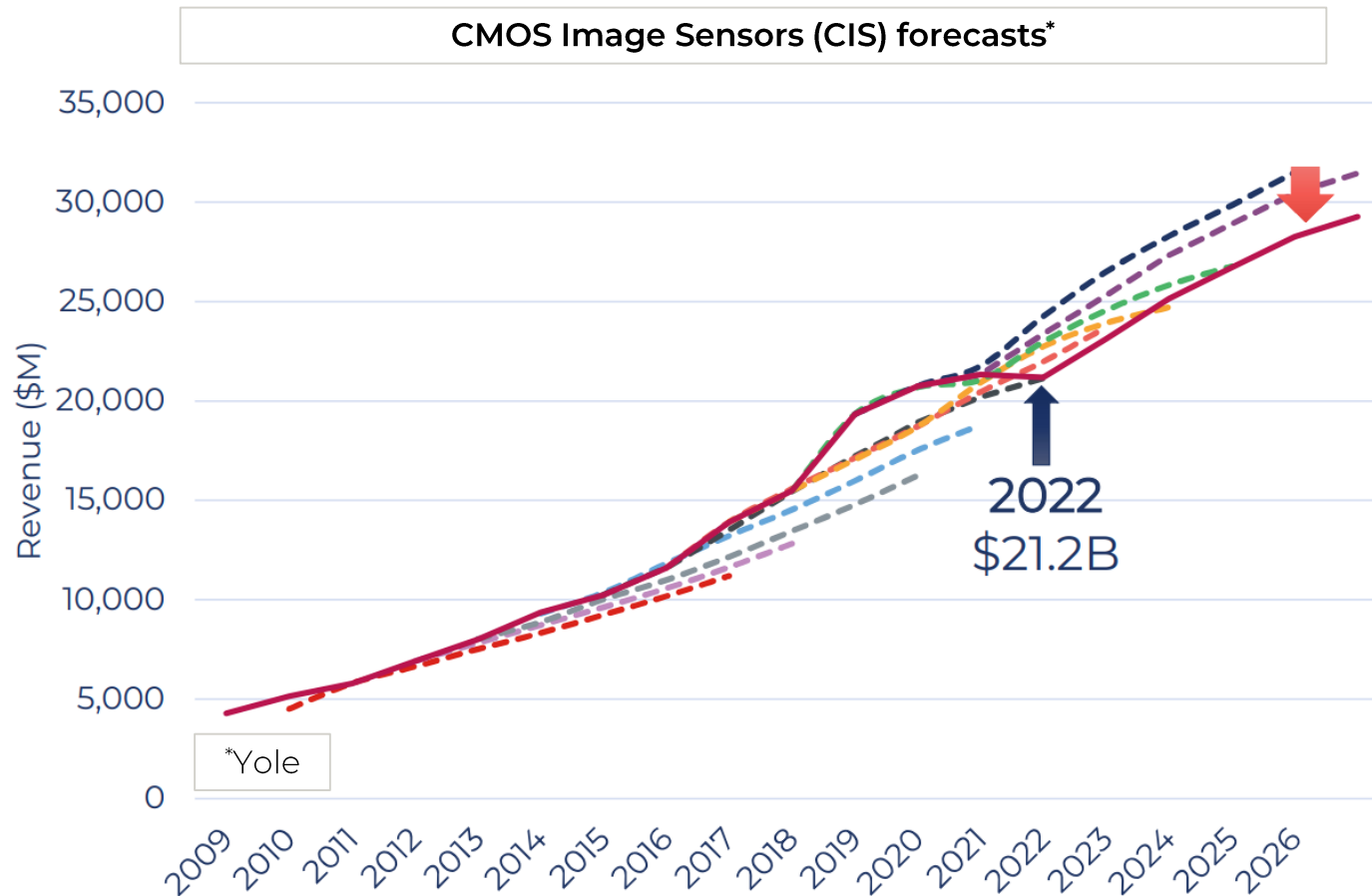


Security



Huge growing range of high value added applications for NIR / SWIR

Image sensor market expected to surpass \$30bn by 2030*



- Growth in sensors driven by mobile, industrial, automotive applications
- Technology supports drive for new materials to increase speed and sensitivity - QDs
- Cost a key driver for high volume applications - QDs

New materials key to performance gains for new applications

SENSING PRODUCT DEVELOPMENT

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

January 2023	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		1	2	1	1		1
Optimisation												
Scale Up												
Validation	1						1					
Production												

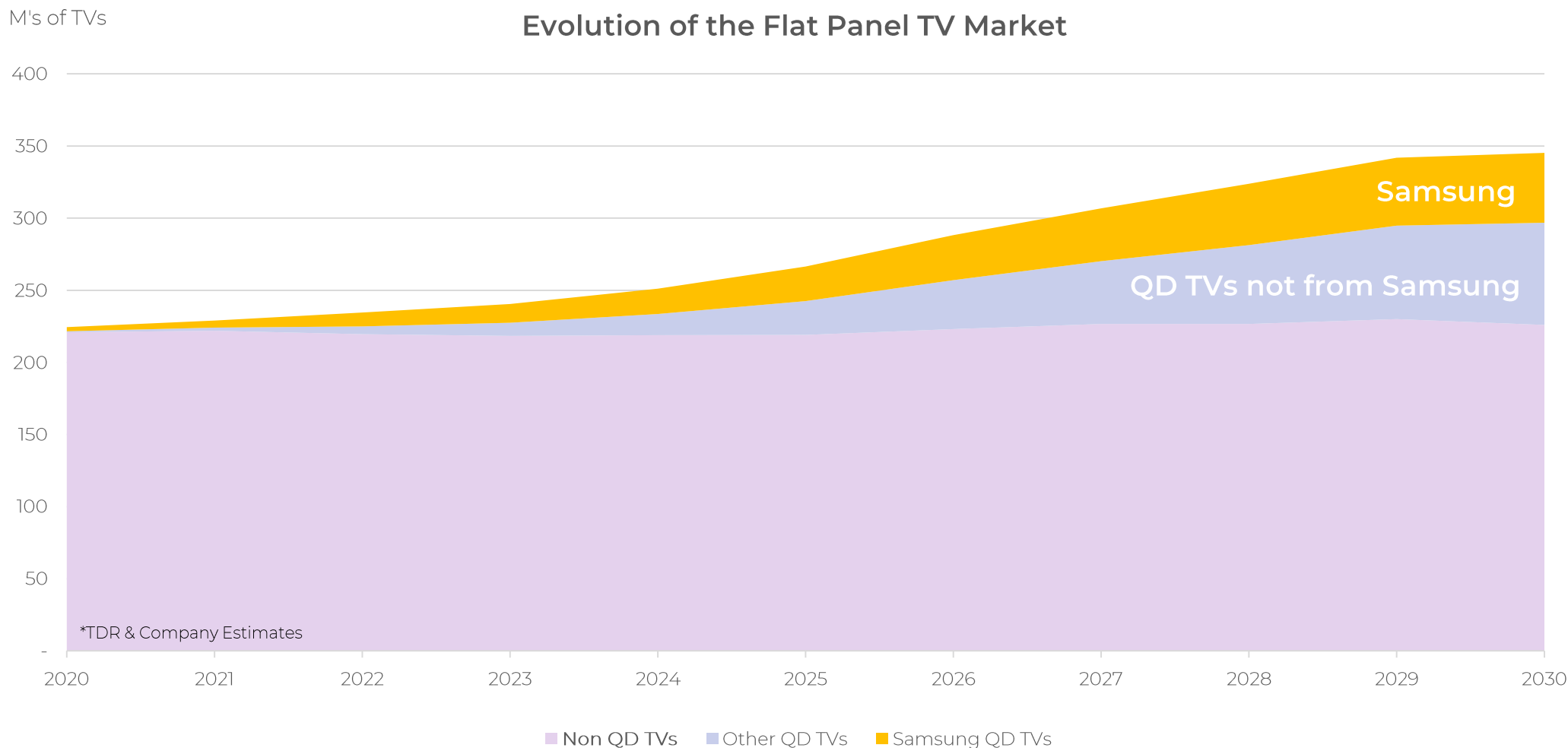
Legend (# = number of customers)

- # 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 / major progress in Period

Sensing goals : production orders and two validated materials 2023

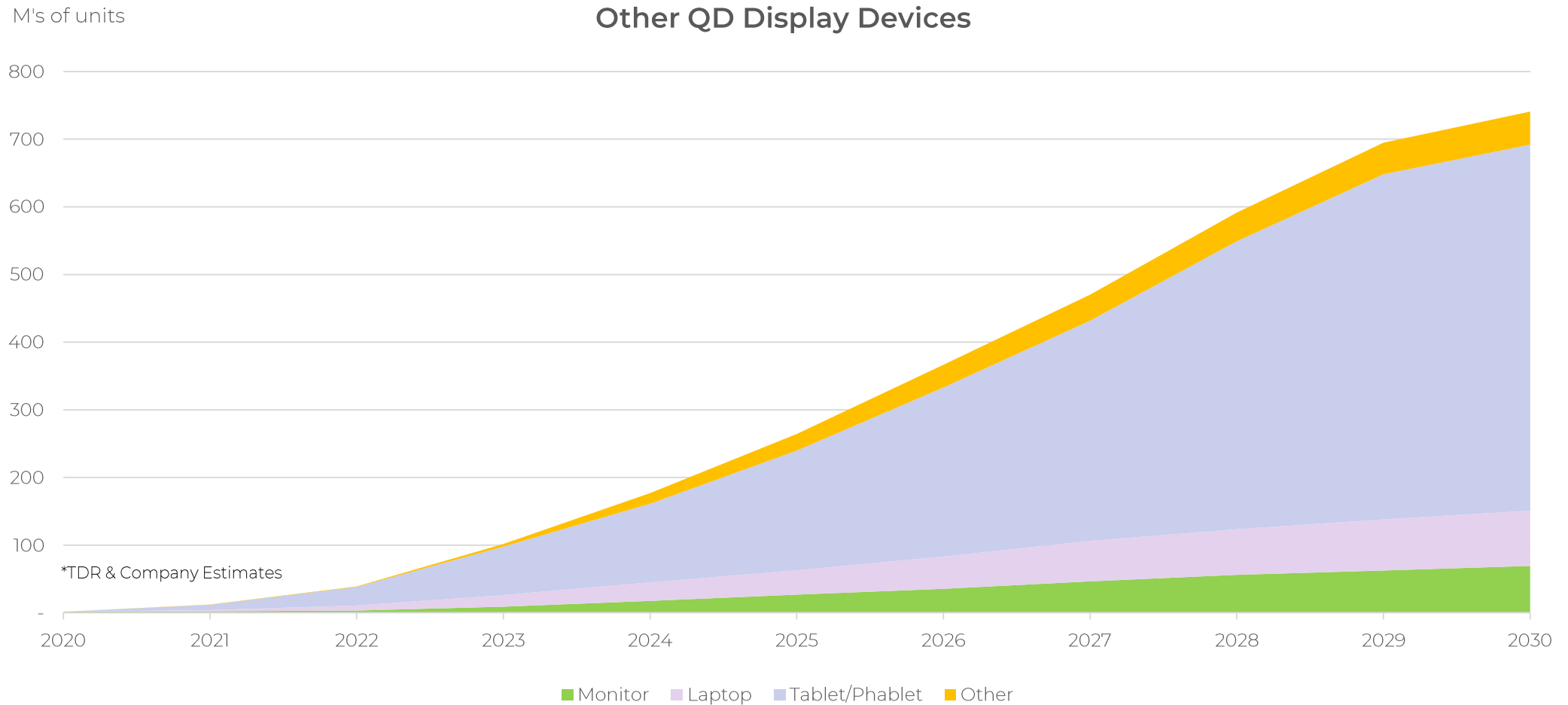
BUSINESS REVIEW – DISPLAY

QD share of flat panel TV market rises from ~6% to ~34%



Nanoco validated IP to access expanding purple wedge of 'Other QD TVs'

Significant growth forecast in other devices using QD technology



Smaller devices in high numbers equivalent to 30% of QD TV area by 2030

- Significant growth forecasts for QD TVs, 38% CAGR to 2030
- Validated IP creates a significant technical and financial barrier to entry
- Nanoco CFQD® cadmium free quantum dots on test with a major TV brand
- Runcorn production capacity enough for new entrant volumes (few million TVs)
- RoHS concerns still pushing ESG agenda towards cadmium free solutions
- Exploring distribution agreement with potential Chinese partner
- Low cost to scale production capacity if required

IP TRANSACTIONS

IP TRANSACTIONS – FINANCIALS

**Total
\$150m**

- Nanoco share \$90.0m (pre-tax)
- Funder + adviser costs \$60.0m

**Tranche 1
\$75m**

- Received March 23
- Funder + advisers \$60.0m
- Nanoco \$15.0m (pre-tax)

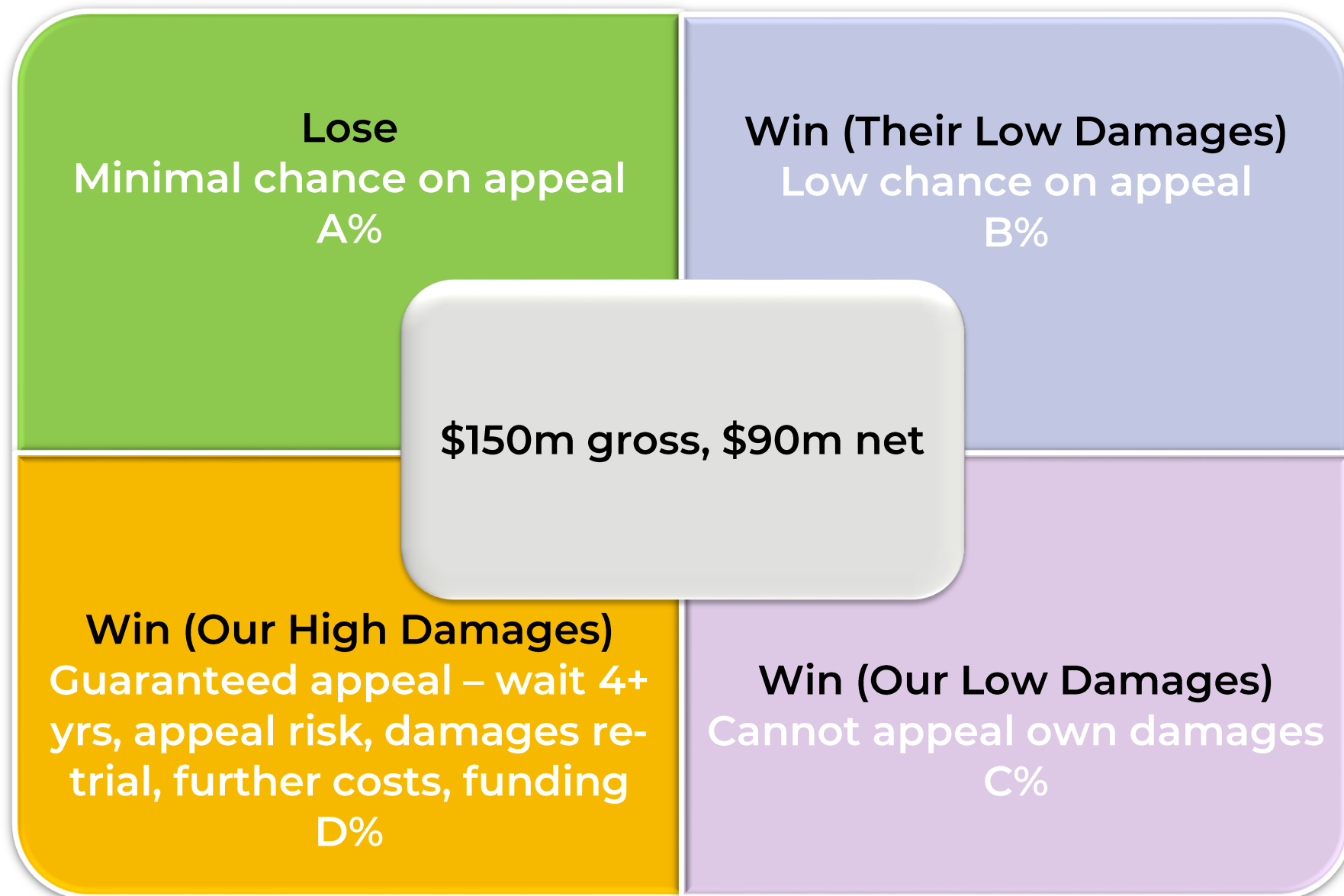
**Tranche 2
\$75m**

- Due by February 24
- Nanoco \$75.0m (pre-tax)
- Balance business needs and return of capital

- Structured as a Sale of IP and an IP Licence
- Retain full freedom to operate in all products, markets, and geographies
 - Retain all patents linked to current commercial activity
 - Licence back on disposed patents (industry standard)
 - Sale of 118 non-core, non-material patents (book value £0.4m)
- Disposal recognised in FY23 as a profit on disposal of intangible assets
- IP Licence granted over retained IP portfolio
- Income recognised over next ~nine years reflecting ongoing access to IP portfolio
- Global settlement of all litigation
- Proceeds can be offset against ~£43m UK losses. Final cash tax impact ~£5.0m*

*Subject to final tax calculations and interaction with UK R&D tax credit and Patent Box regime

BOARD LITIGATION RISK ASSESSMENT



Risk adjusted NPV assessments discount a 'perfect' outcome

- US PTAB validated Nanoco core patents
- Nanoco retain all high value core process and composition of matter patents
- Opportunity for proactive licensing approaches as QD display market grows
- IP licensing team established to identify and pursue opportunities
- Retained IP strategy expert, reviewing options for external licensing support
- Litigation proceeds create option to self-fund future licensing or litigation

Potential medium term IP income to supplement commercial business

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

Revenue 45% up on PY
driven by material sales

Cost base stable as
Manchester savings offset
inflation and additional
staff

Cash £6.0m: net monthly
cash burn c. £0.1m

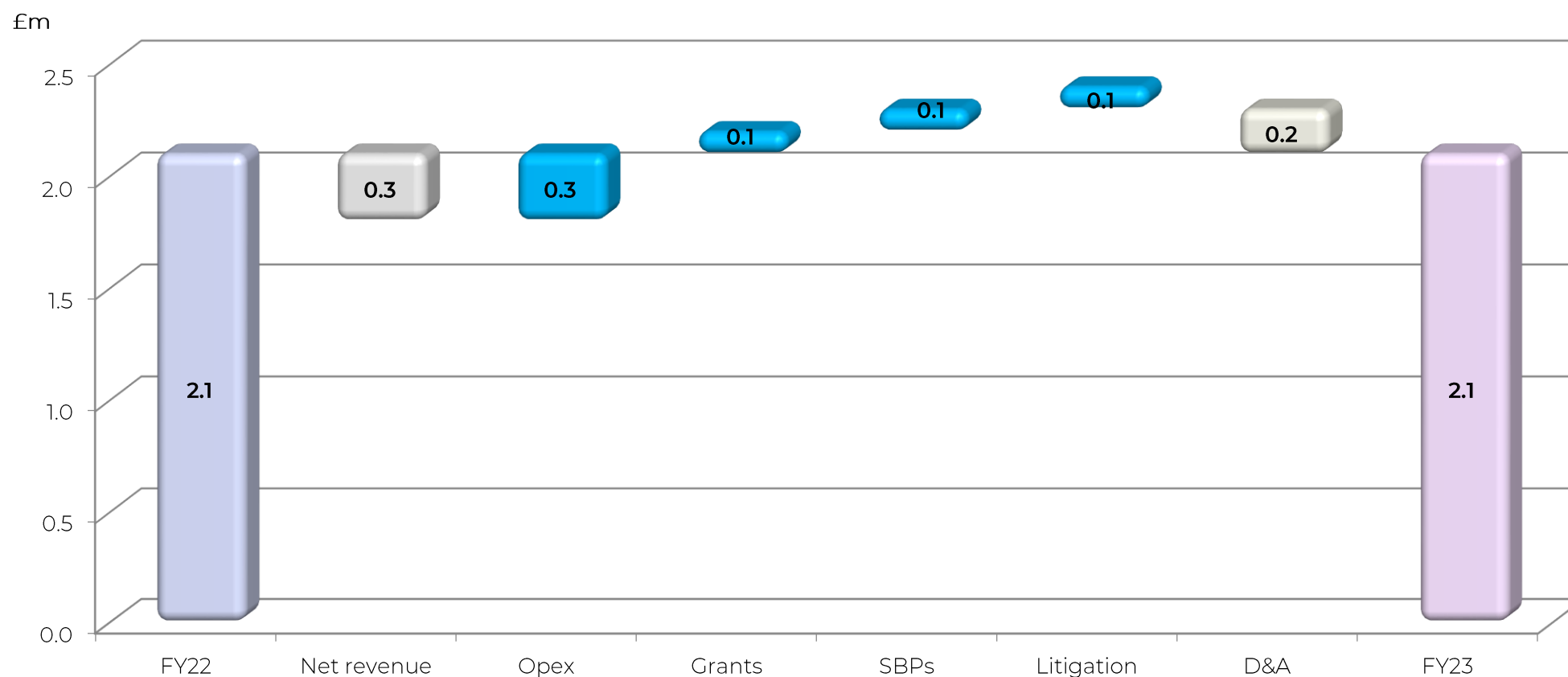
Tranche 1 litigation
proceeds received post
period end

INCOME STATEMENT

	H1 FY23 £m	H1 FY22 £m	Change £m
Revenue	1.6	1.1	+0.5
Cost of sales	(0.3)	(0.1)	(0.2)
Gross profit	1.3	1.0	+0.3
Other operating income (grants)	0.1	0.2	(0.1)
R&D investment	(1.0)	(1.0)	-
Other administrative expenses	(1.5)	(1.3)	(0.2)
Adjusted LBITDA	(1.1)	(1.1)	-
Share based payments and associated charges	(0.5)	(0.4)	(0.1)
Litigation costs	(0.1)	-	(0.1)
Depreciation & Amortisation	(0.4)	(0.6)	+0.2
Operating loss	(2.1)	(2.1)	-
Tax and financing costs	-	-	-
Loss after tax	(2.1)	(2.1)	-

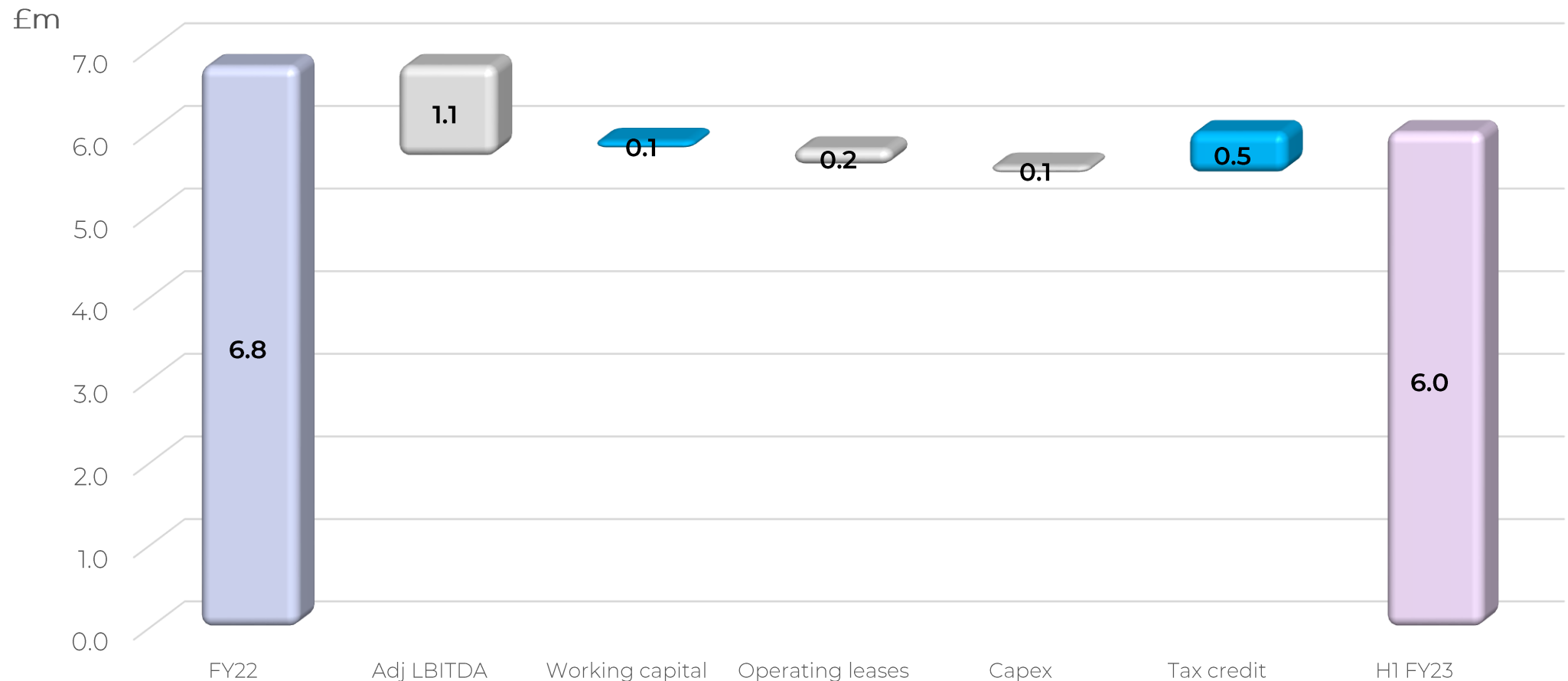
- Revenue growth partly offset by material costs for multiple production test runs
- Administrative cost increase reflects salary inflation and recent investment in new staff
- One off litigation costs (£0.1m) funded by Nanoco (multiple trial dates) and one off Runcorn move costs (£0.1m)

MOVEMENT IN NET LOSS



- Revenue £0.5m higher with strong operational leverage from service income
- Opex £0.3m higher – Manchester savings partly offset inflationary costs and new staff
- Expect monthly gross cash cost base to stabilise at ~£0.4m

MOVEMENT IN CASH



- Underlying cash consumption £0.8m in the Period
- R&D tax credit reduces as we reduce our cost base – future approach may change
- Underlying £0.1m net monthly cash burn, half the rate in H1 FY22

Guidance

- Underlying revenue 20% ahead of FY22 plus £3.0m IP license income
- Cash costs stable at ~£0.4m per month – savings offset cost increases
- Activity levels increasing amidst preparations for commercial production

Capability

- Retained core capabilities through three very challenging years
- Team grown to 44 FTE's - capacity for service and product revenue
- Investing in both Runcorn facilities

Treasury

- Commercial business average net monthly cash burn H1 FY23 ~£0.1m
- Cash runway no longer a concern
- Balance sheet to be restructured to enable potential return of capital

SUMMARY

SUMMARY – SIGNIFICANT VALUE POTENTIAL

Opportunity

- Nanoco active in high growth global markets
- Validated IP creates barrier to entry in display markets
- Novel high performing materials to exploit rapid growth in sensing

Platform

- Most robust position in 20 year history
- Core IP underpins BOTH display and sensing opportunities
- Strength in a fully funded “risk off” market

Value

- Litigation delivered transformational value for Nanoco, IP validated
- Two materials in final pre-production validation
- Management focus remains on commercial business

QUESTIONS

APPENDICES

BOARD MEMBERS

Dr Christopher Richards
Non-Executive Chairman

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

Brian Tenner
CEO

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

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

- Chartered accountant, having qualified with KPMG
- Previously worked for a variety of listed and private entities in a range of positions

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, Maven Income and Growth VCT plc and Thomas Swan and Co Ltd

Chris Batterham
Non-Executive
(Audit chair)

- 20 years of Non-Executive experience in high growth technology companies including:
- NED of NCC Group plc
- Previously CFO of Unipalm, first Internet IPO

SHAREHOLDER ANALYSIS (AS AT 31 January 2023)

Name	Shareholding	Percentage
Hargreaves Lansdown Asset Management	57,596,986	17.86
Lombard Odier Investment Managers	38,847,752	12.05
Interactive Investor	32,197,693	9.99
Directors	12,994,799	4.03
HSDL stockbrokers	12,177,330	3.78
Barclays Smart Investor	11,695,899	3.63
Tariq Hamoodi	10,866,006	3.37
Interactive Brokers	10,537,829	3.27
Total of shareholdings above	186,914,294	57.88

Note: The total number of voting rights in the Company is 322,433,522 (excludes 12,222 Treasury shares)

