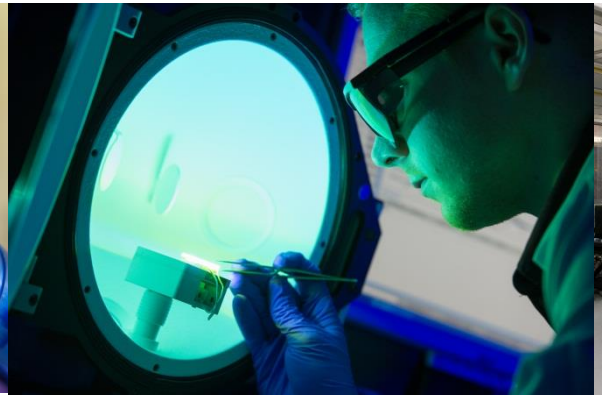
NANOCO GROUP PLC

INVESTOR PRESENTATION

August 2016

LSE: NANO.L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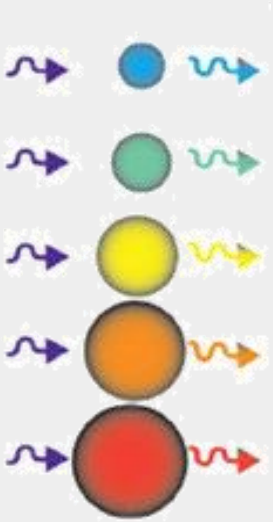
The financial information referenced in this presentation does not contain sufficient detail to allow a full understanding of Nanoco's results. More detailed information can be found on the Investor Relations section of the Nanoco website (www.nanocogroup.com).

INVESTMENT HIGHLIGHTS

- A pioneer in the development and production of cadmium-free quantum dots (CFQDs)
- Scalable "platform technology" with multiple markets and product applications
- Cost and performance competitive versus OLED technology in displays
- Supply and licensing agreements in place with Dow, Merck and Wah Hong, position Nanoco to dominate the market and drive revenue growth
- LCD TV market starting to ramp usage of CFQDs with market leader Samsung leading the way with its SUHD TV range
- Extensive and growing patent portfolio
- Well funded for product ramp to profitability with c. $20 million in cash and equivalents as of 7/31/2016

NANOCO TECHNOLOGY

What is a quantum dot (QD)

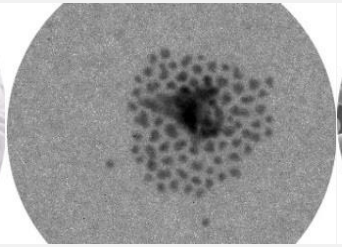


- Tiny particles of a fluorescent semiconductor material
  - Typically 10 to 100 atoms in diameter
- Size of the quantum dot determines the spectrum of light perceived to be emitted from the material
  - Smaller = blue; Larger = red
- Quantum dots can also be tuned to light beyond visible light
  - Infra-red or ultra-violet parts of the spectrum
- CIGS nano-particles are printable semiconductors used to produce thin film solar cells

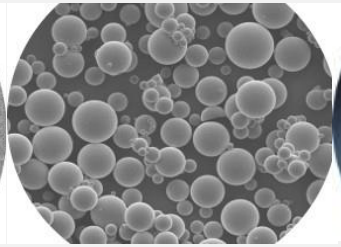
NANOCO ADVANTAGES

- CFQD® provide environmental and health benefits (RoHS compliant)
- Decreased energy consumption when used in display applications
- Bright, high quality and energy efficient
- Materials highly tuneable to a specific color on the spectrum
- Unique “seeding process” enables mass production
- Chemical tuning of the surface materials allows for additional applications, creating a “platform technology”
- Extensive & growing patent portfolio (*ca.* 460 patents and patent applications) with patents covering five key areas:

Process



Materials

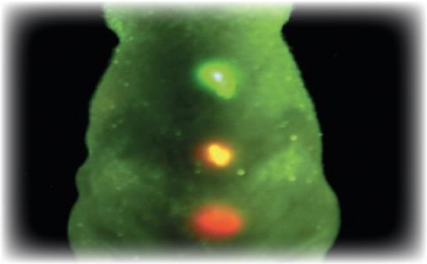


Surface chemistry

Devices

Solar

KEY MARKETS ARE LARGE

	Display	Lighting	Solar	Biomedical
				
Application	LCD backlighting	High CRI LED lighting	Thin film solar	Biological imaging In-vivo & in-vitro diagnostic
Technology	CFQD® quantum dots CFQD® quantum dots resin	CFQD® quantum dots film	CIGS nanomaterials	Water soluble CFQD® quantum dots Functionalized CFQD® quantum dots
Business Model / Timing	License & materials sales	Film sales / Near term niche potential with ability to expand usage	Partner license & Material sales (toll)	Partner license with upfront fees / Longer term
Anticipated addressable market size	$7.5B in 2022[2]	c.$150M near term c.$700M with further R&D	Expected to enhance the rapidly growing thin film solar market	QD's in healthcare = c.$1B in 2022[2]

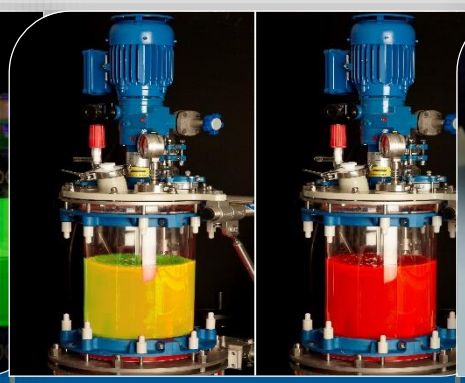
1) Market&Markets - Quantum Dots Market by Product, Application, Material & Geography - Forecast & Analysis (2013 – 2022)
(2) MarketsandMarkets report, 2012

NANOCO VALUE CREATION

1) CFQD® quantum dots

CORE BUSINESS

Developing & manufacturing heavy-metal free quantum dots fit for purpose



2) CFQD® quantum dots + Resin

CORE BUSINESS

Ensuring Nanoco's CFQD® quantum dots work in customers' resin systems

3) CFQD® quantum dots/Resin in device

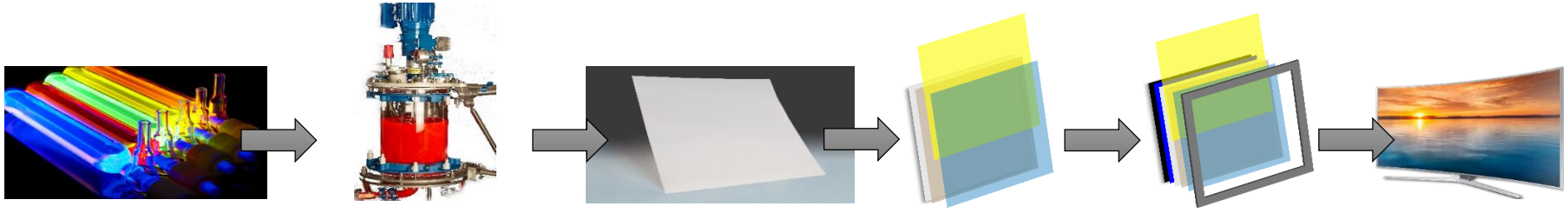
CFQD® quantum dots are incorporated into film, lens, capillary, LED, etc. Nanoco partners with end user customer or device producer such as a film manufacturer

4) CFQD ® quantum dots product

Nanoco's near term focus for CFQD® quantum dots is on backlighting for LCD display and LED lighting.

Nanoco partners with end user customer

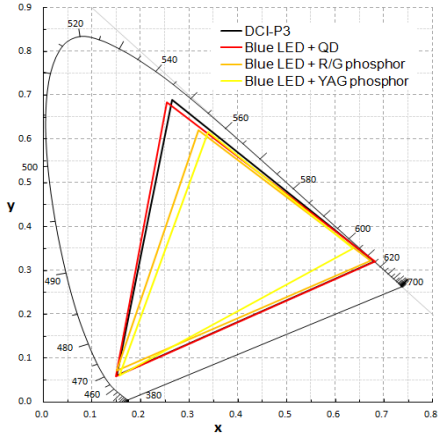
DISPLAY: BENEFITS OF CFQD® FILM FOR LCDs



QD manufacture | Resin | Film | Film stack | Panel | Display

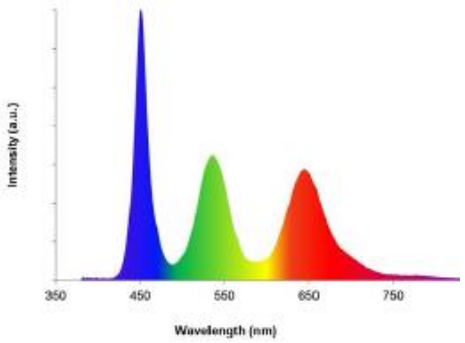
Better Color Gamut

- Much improved color saturation
- Improved color enhancement over LCD → similar to OLED



Energy Efficient

- Narrow bandwidth = more light extraction through color filters
- Enables use of blue LED instead of less efficient white LED



Minimal Process Change

- Uses existing LCD manufacturing infrastructure
- Uses existing LCD supply chain

DISPLAY - GLOBAL QD FORECAST

(Millions of units)						
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Quantum dot market forecast	1.9	5.6	12.7	20.0	29.0	40.7
Growth rate		201.70%	124.80%	57.40%	45.00%	40.50%

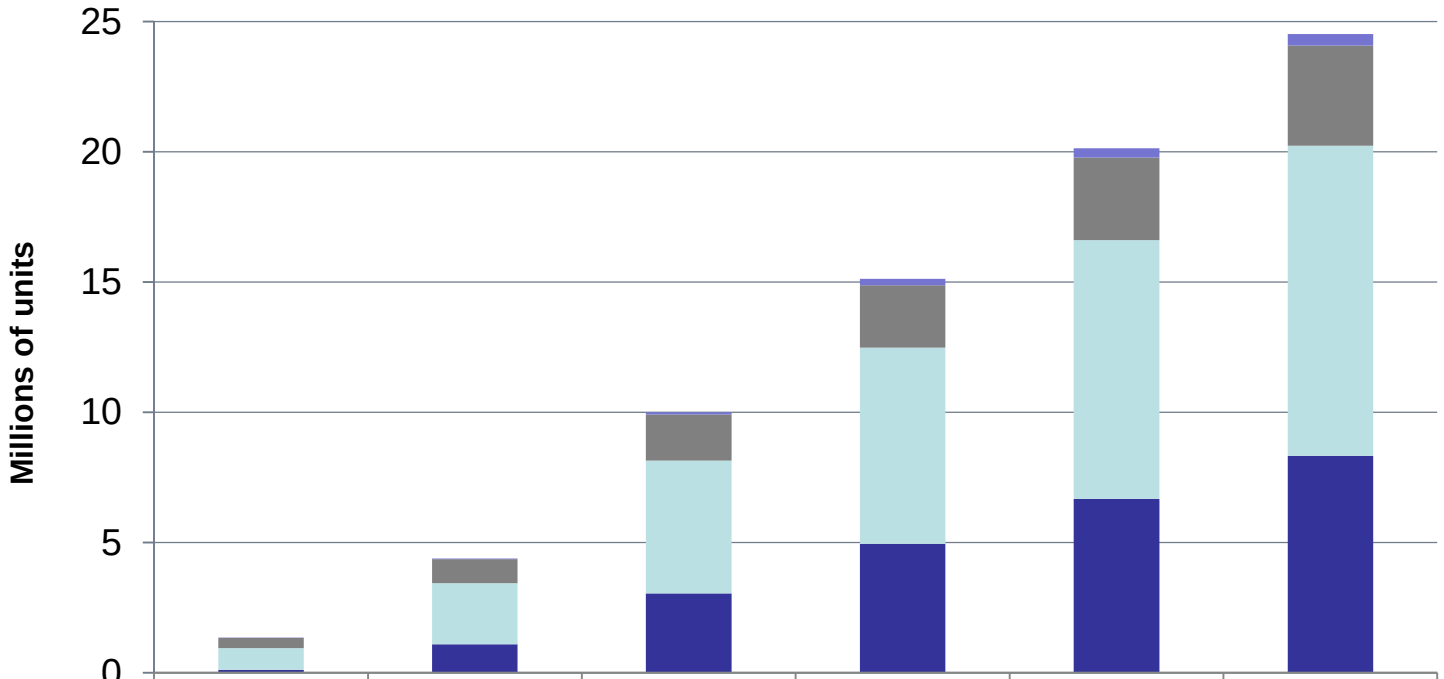
By application (Volume)

(Millions of units)						
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
TV	1.4	4.4	10.0	15.1	20.1	24.5
Monitor	0.4	0.8	1.4	1.9	2.5	3.2
Notebook	–	0.1	0.2	0.3	0.5	0.8
Tablet	0.1	0.4	1.2	2.2	3.4	4.7
Smartphone	–	–	–	0.5	2.4	7.4
Grand Total	**1.9**	**5.7**	**12.7**	**20.0**	**29.0**	**40.7**

Source: IHS Quantum Dot Display Technology & Market Report – H2 2015

DISPLAY - GLOBAL QD TV FORECAST

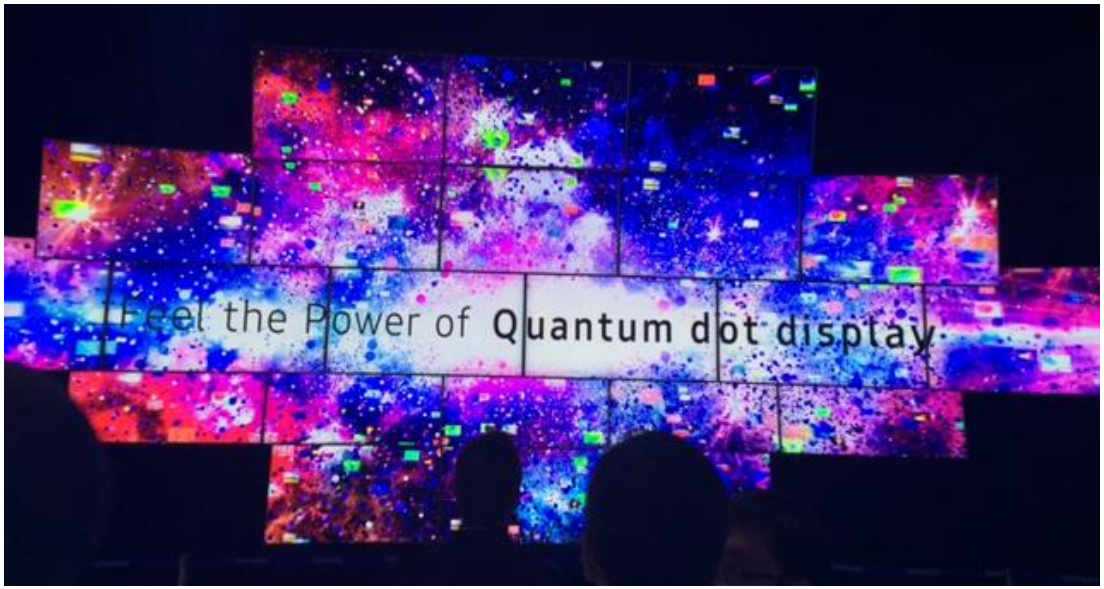
QD TV display market forecast by size (Volume)



	2015	2016	2017	2018	2019	2020
>70 inch	0.0	0.0	0.1	0.3	0.4	0.4
60~69 inch	0.4	0.9	1.8	2.4	3.2	3.9
50~59 inch	0.8	2.3	5.1	7.5	9.9	11.9
40~49 inch	0.1	1.1	3.0	5.0	6.7	8.3

Source: IHS Quantum Dot Display Technology & Market Report – H2 2015

DISPLAY: QDs EXPLODE ONTO THE SCENE



- Samsung begins to aggressively promote QD TVs from launch at CES 2015 with further promotion at CES 2016. Samsung QD TVs all contain cadmium free quantum dots
- 2015 sales of cadmium free quantum dot TVs c. 1.25m units
- Environmental legislation in Europe and China moving in favour of cadmium free quantum dots
- QD TVs are gaining ground in the rapidly growing high end 4K TV sector
- OLED TVs are still costly due to poor manufacturing yields

DISPLAY – KEY PARTNERSHIPS

DOW CHEMICAL

- Announced January, 2013; Modified March, 2016
- Changed from exclusive to non-exclusive in March 2016
- Non-exclusive worldwide technology licensing agreement with royalty payments

WAH HONG

- Announced July, 2016
- Non-exclusive material supply and license agreement with upfront license fee, payment for delivery of QD resin and royalties on sales

MERCK KGaA

- Announced August, 2016
- Non-exclusive material supply and license agreement with upfront license fee, on-going royalties on sales and royalty payments on manufacturer products

DISPLAY – DOW

Dow's new CFQD® quantum dot facility in Cheonan, South Korea

- The new Dow CFQD® quantum dot facility will enable mass production of cadmium free quantum dots to meet customers' requirements and product launch
- Capacity to support millions of large TVs
- Facility is operational and customers are currently sampling CFQD® products (resin & film) produced in Cheonan
- Partnership terms:
  - Non exclusive material supply and license agreement with upfront license fee
  - Royalty on sales
  - Payments on transfer of new generation technology from Nanoco

DISPLAY – WAH HONG

- Taiwanese manufacturer and supplier of optical film to the LCD industry
- Large operational footprint across SE Asia with 10 existing facilities
- Well established sales and distribution channels into the Display and Panel OEMs

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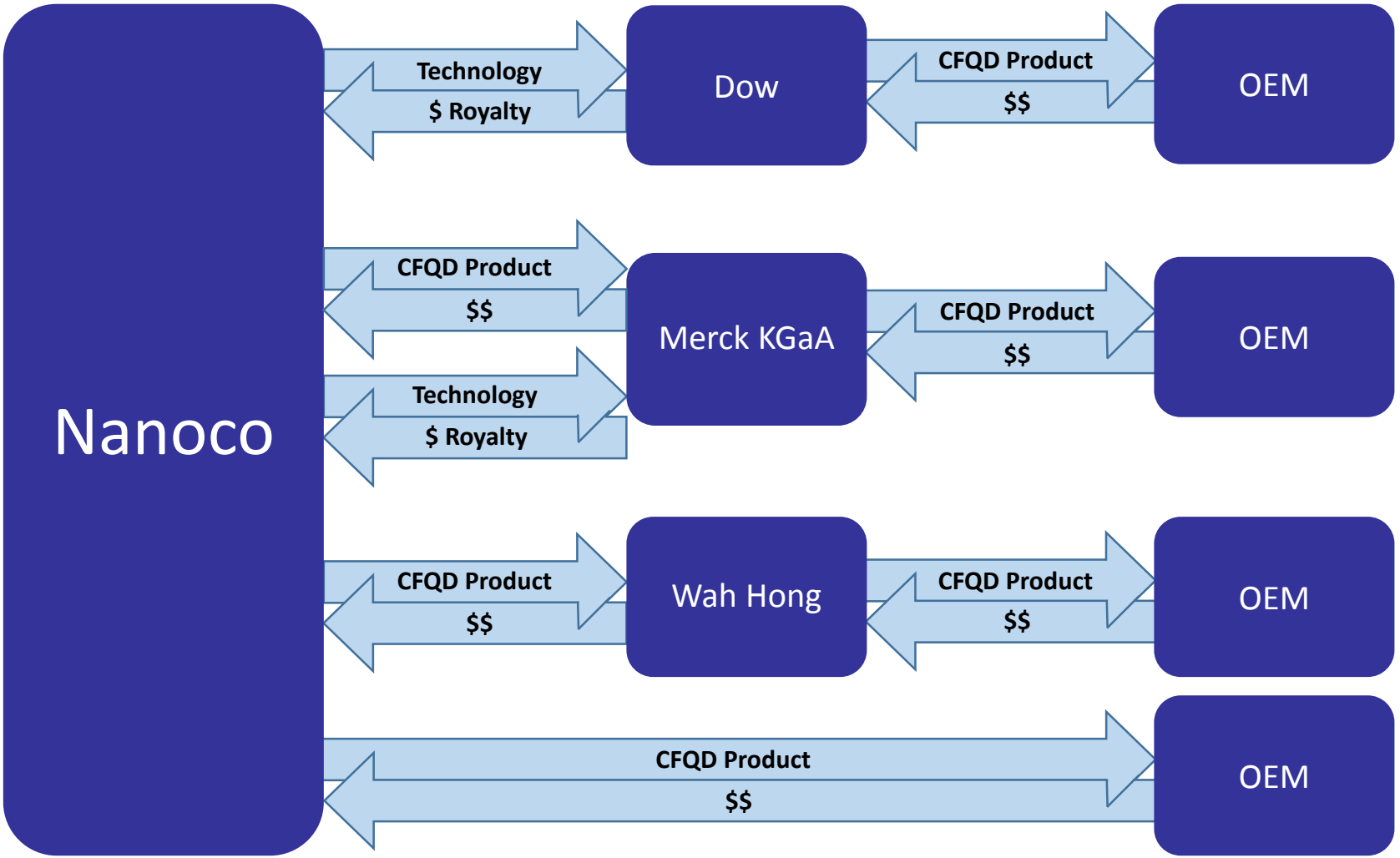
- Partnership terms:
  - Non exclusive material supply and license agreement with upfront license fee
  - Payment for delivery of QD resin
  - Royalty on sales
  - Wah Hong will source CFQDs in resin from Nanoco's manufacturing plant in Runcorn, UK

DISPLAY – MERCK

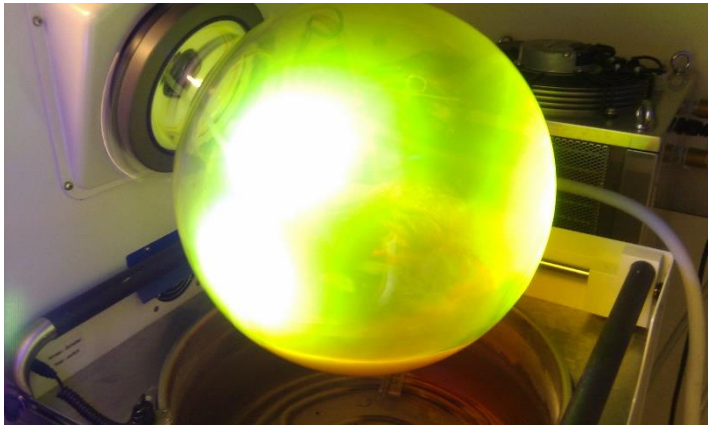
- Merck is a player in the LCD industry with c.70% share of the liquid crystal polymer market
- Existing QD manufacturing capability and distribution channels

- Partnership terms:
  - Non-exclusive worldwide material supply and licensing agreement with upfront license fee
  - On-going royalty on sales
  - Initial product will be sourced from Nanoco's manufacturing plant in Runcorn, UK
  - Merck will establish its own production facility

DISPLAY – GO TO MARKET STRATEGY



DISPLAY – RUNCORN FACILITY



- Nanoco's existing production facility is being scaled to meet expected demand from Wah Hong and Merck
  - Introduction of 24 hour shift work mid August
- Scaling will require little additional capital expenditures due to recent manufacturing process improvements
- Additional capacity will be brought on as demand dictates

LIGHTING: BROAD APPLICATIONS

Agriculture
- Specific wavelengths for specific crops, even light distribution to ensure even growth
- Market Size: $1.9 billion by 2020*

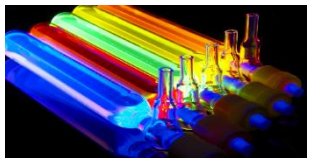
Buildings
- High CRI, cool white panel light. High quality light for office & retail purposes
- Market Size: $700 million near term**

Signage
- Green color emission according to British Standards. Red LED shining through green film indicating that escape route is dangerous.
- Market Size: $500 million***

Dermatology
- Specific wavelengths to suit skin types and treatment schedules. Even light distribution for effective, even treatment
- Market Size: $800 million****

* MarketsandMarkets 07/2015; **McKinsey & Company - Lighting the way: Perspectives on the global lighting market 08/2012; *** Strategies in Light (SIL) 02/2014; **** La Luminiere 2014

LIGHTING: ROUTES TO MARKET



QD manufacture

Resin

Film

End Products

Commercial Partnerships

MARL

USA Photo-therapy Company

Develop Products With Partners → Partner Sells Products to End Customers

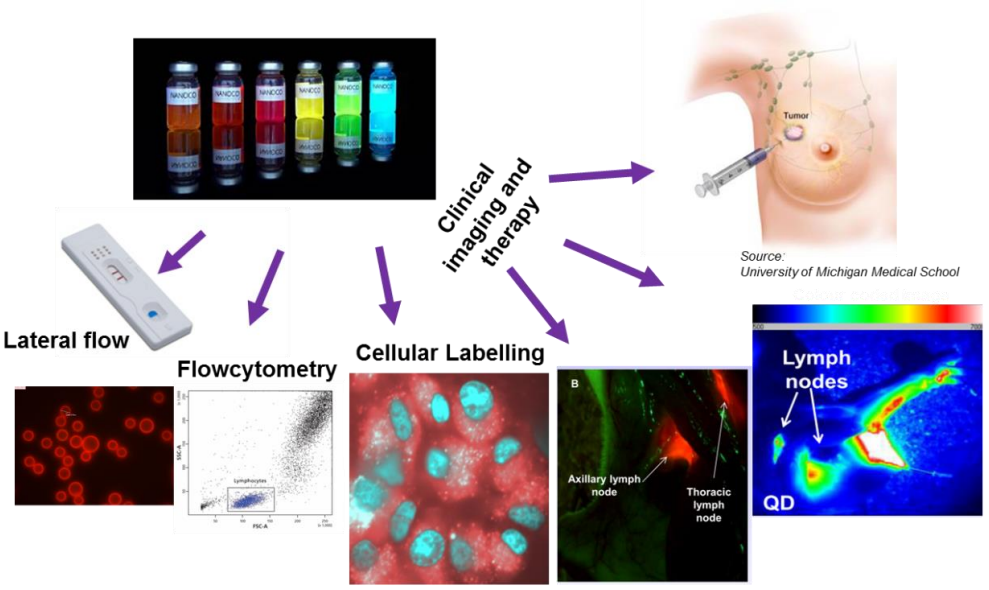
R&D Partnership

OSRAM

Jointly Develop Superior LED Performance → Bring LED Products Using CFQD To Market

BIOMEDICAL: DIAGNOSTIC IMAGING

- Cancer imaging represents a significant opportunity for Nanoco
- World leading team in the use of QDs in life science applications
- Nanoco technology strengths are: bio-compatibility of the formulated CFQD®s, non toxic, highly fluorescent for a longer period of time, single excitation source, photo-stable
- Proof of principle studies in conjunction with University College London have been successful and the work is ongoing

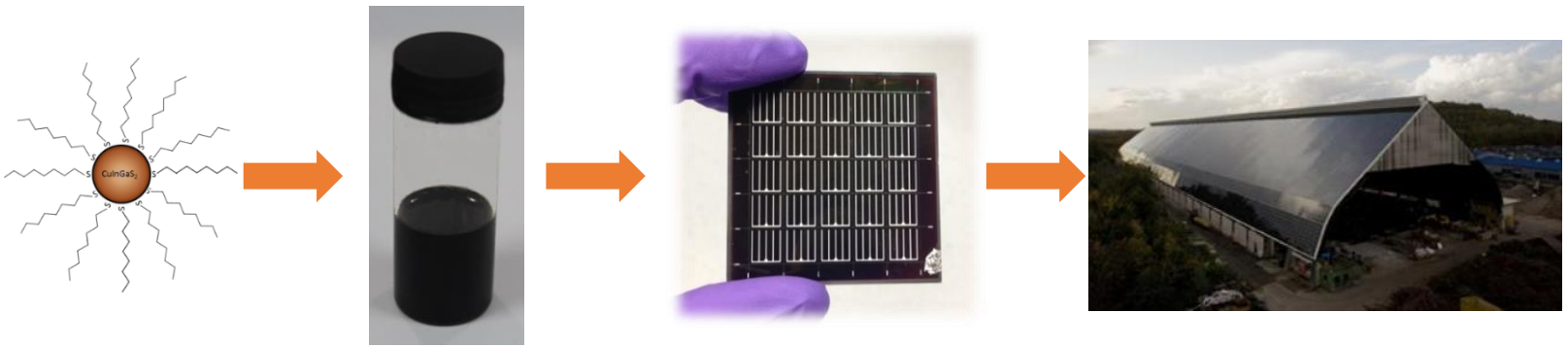


QDs = brightness + photo stability + narrow emission + single light excitation

- Following proof of principle we will seek suitable partners
- Initial target markets for clinical imaging are:
  - Sentinel lymph node (breast)
  - Intra operative tumour demarcation (breast, colorectal)
- Longer-term diagnostic opportunities exist in early cancer detection for pancreatic, bladder and lung cancers

SOLAR: CIGS THIN FILMS

- High performance printable nanoparticle ink technology for CIGS (copper indium gallium selenide) thin film photovoltaic cells
- Low cost production technology enabling market penetration - less than $0.33/watt for 16% active area efficiency CIGS module
- Current performance: 17% active area efficiency achieved in R&D
- Applications in the expanding building integrated PV market (BIPV)
- Compatible with construction materials such as glass, steel, flexible substrates



CIGS Nano particle **CIGS Solar Ink** **5x5 cm R&D substrate**

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APPENDICES

Leadership

Dr Christopher Richards Non Executive Chairman	• CEO, Non-Executive chairman, Arysta LifeSciences • 20 years of increasing management roles at Syngenta • Executive chairman of Plant Health Care • Non-executive director of Dechra Pharmaceuticals plc and of Origin Enterprises plc
Dr Michael Edelman CEO	• Led spin-out of Nanoco from University of Manchester • GE/Bayer JV, founded www.yet2.com Europe, commercial director Colloids ltd, Brunner Mond, ICI
Dr. Nigel Picket Co-founder & CTO	• Inventor of Nanoco's key patented scale-up technology • Leading expert on semi-conducting nano-crystals • Japanese Government, US Office of Naval Research, Saint Andrews University
David Blain CFO	• Experienced Quoted Company CFO, Renovo, Drew Scientific, Price Waterhouse
Keith Wiggins COO	• 30 years senior executive experience, 23 years with The Dow Chemical Company
Robin Williams Non Executive	• Experienced NED and Executive, Investment banking, Xaar, Manufacturing background
Gordon Hall Non Executive	• Led IPO of Axis-Shield, subsequently acquired by Alere Inc. for £235m
Brendan Cummins Non Executive	• 40 years of industry experience mostly with Ciba Geigy, last role was CEO of Ciba and was responsible for selling Ciba to BASF • NED of US Headquartered, Ashland Inc.

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