Nanoco Group plc
Science Centre
The Heath Business & Technical Park
Runcorn
WA7 4QX
United Kingdom

Dear Shareholder,

It is a point of deep frustration that we find ourselves once again having to defend Shareholders' cash against an activist acting in their own interests.

Please find enclosed a Circular setting out details of the Requisition, pursuant to which Milkwood is nominating two Non-Executive Directors to the Board of Nanoco. The Circular sets out why the Board believes Shareholders should **VOTE AGAINST BOTH RESOLUTIONS**.

The meeting will be held at 11.30 am on 13 December 2024. We urge you to vote your shares in the manner described in the Circular and in good time, so that your voice is heard.

We firmly believe that these Directors would distract Nanoco from implementing our recently announced strategy.

The Requisition seeks the appointment to the Board of Mr Rhys Summerton and Mr Andre Tonkin. Mr Summerton, on behalf of Milkwood, has previously in dialogue indicated to the Board his belief that there is little inherent value in the Company. In contrast, the Board believes that there is significant value - confirmed by recent independent advice - which we can unlock by selling the operating company.

Mr Summerton has further indicated that he intends to convert the Company into an investment vehicle. He would seek to acquire a significant stake in the Company, reduce costs drastically, then sell the Company's operating business for a minimal value. He would not return cash to Shareholders but retain it for his investment fund.

Milkwood has attempted to implement the same strategy with other listed companies, whose shareholders have rejected his approach.

The Board urges Shareholders to **VOTE AGAINST BOTH RESOLUTIONS**, as the Directors of Nanoco intend to do in respect of their own shareholdings, for the following reasons:

1. **The Board does not believe that Milkwood is acting in the best interests of all Shareholders.**
2. **The Board of Nanoco is clear in its conviction to return surplus cash to Shareholders, having returned £33m of capital so far in 2024.**
3. **The Board of Nanoco has a clear strategy to develop its operating business while seeking to execute a transaction, and has already taken extensive action with more to come.**
4. **The Board already has the appropriate mix of experience and industry knowledge to oversee this process.**
5. **The appointment of the Milkwood nominees would be highly disruptive to the Board's ability to return surplus cash to Shareholders.**

Also contained within the Circular is the news that now that Dmitry Shashkov has been appointed as the new CEO of the Company, I will proceed with my previously announced plan to retire as Non-Executive Chairman of Nanoco at the Annual General Meeting in January 2025. I am to be succeeded by Jalal Bagherli, bringing his commercial expertise and track record to the leadership of the Board.

I am delighted with the appointments of both Dmitry and Jalal. Under their leadership of the Company and the Board, I am confident that we will both realise and return value to Shareholders. As a Board and a management team, free of disruption, our focus is on returning this cash to you.

Kind regards,

Christopher Richards

Christopher Richards,
Non-Executive Chairman, Nanoco Group plc

YOUR VOTE IS IMPORTANT – ACT NOW

Although the Requisitionist only represents c.8.2% of the current shares eligible for voting, your vote on this matter is crucial in order to safeguard the future success of the Company. The Board urges all Shareholders to act now by voting AGAINST BOTH of the Resolutions being proposed at the General Meeting in order to enable the Company to deliver value and return surplus cash for all its Shareholders and stakeholders. Voting instructions can be found in the Circular.