

15 April 2025

NANOCO GROUP PLC
("Nanoco", the "Company" or the "Group")

Interim Results & Investor Presentation

Steady progress on commercial opportunities and assessing strategic options

Nanoco Group plc (LSE: NANO), a world leader in the development and manufacture of cadmium-free quantum dots and other specific nanomaterials emanating from its technology platform, announces its unaudited interim results for the half year ended 31 January 2025 ("the Period" or "H1 FY25").

Refocused on strategic growth

Continued commercial progress and revitalised engagement

- Appointed a new Chairperson in Dr Jalal Bagherli, recruited and appointed a new CEO in Dmitry Shashkov, and appointed a Global Head of Business Development to help drive commercial engagement.
- Entered the second year of the Joint Development Agreement ("JDA") with the Asian Chemical customer – all milestones successfully achieved to-date and discussions commenced regarding next steps.
- Advanced discussions with a potential second significant Asian chemical company, a major advanced materials and chemicals manufacturer, to work on next generation heavy metal-free quantum dot materials and device technology for Short Wave Infrared (SWIR) applications.
- Increased the size of commercial pipeline to greater than ten projects, with strong focus on Image Sensor and Flat Panel Display markets, and additional early-stage engagements in other segments such as Photovoltaic, Agriculture, and Coatings and Paints.

Significant forecast growth in key markets provides an opportunity

- We remain at the forefront of quantum dot development for sensing applications. The company is financially underpinned and supported by our validated and enforceable IP.
- Market sector forecasts¹ continue to indicate significant growth in our key markets of sensing and display - the adoption of quantum dot technology in mobile phones for sensors and small screen micro-LEDs for display should lead to a step change in addressable markets for Nanoco.
- Other markets are assessing the opportunity to work with quantum dots in their products, which could also offer significant opportunity over the long term.
- We continue to progress as a research-led production company, with the ambition of becoming cash breakeven in the medium term.

Right sized the business for growth

- Completed a reorganisation of the business to reduce overhead costs, which included a reduction in the Board's size and cost – cash cost base reduced to £0.5m per month (FY24 Q4 £0.7m).
- Lead Sulphide ("PbS") quantum dot production facility mothballed to save cash costs while retaining the capability to turn this on at short notice. We retain the ability to make sufficient levels of these quantum dots to meet current market demands.
- Retained our capabilities to research, develop and manufacture a variety of quantum dots at scale, whilst also allowing us to test the progress of our materials on devices.

Leveraging our intellectual property portfolio

- We continue to assess and pursue opportunities to leverage our strong and proven IP, particularly in relation to display applications.

Divestment of the Group's trading business (the "CDX process")

- Making progress on strategic options with CDX Advisors LLC ("CDX") – contact made with a broad range of potential investors across relevant industries globally, with several actively engaged
- Expect to receive initial proposals from potential bidders during the summer. The Board will provide an update as appropriate in due course.

Results overview

Financial summary

- Reported revenue decreased to £3.4m (H1 FY24: £4.0m) due to the previously announced cancellation of the contract with the European Customer.
- As a result of the fall in revenue, Adjusted EBITDA is also slightly behind prior year at £0.5m (H1 FY24: £0.7m).
- Period end reported cash of £15.5m. Cash at 4 April 2025 £15.2m.
- During the period we completed the on-market buyback, fulfilling our commitment to return £33 million to shareholders.

Full year outlook ahead of expectations

- Investment in business development is showing progress, with an increasing number of potential commercial opportunities.
- Additional £311k revenue to be recognised in H2 of FY25 following the completion of a settlement agreement with the European electronics customer.
- As a result of completion of the settlement agreement with the European electronics customer in addition to some other small commercial wins, revenue for the year ended 31 July 2025 is now expected to be ahead of current market expectations².

Dmitry Shashkov, Chief Executive Officer of Nanoco Group plc, said:

"Having been at Nanoco for almost six months, I am more confident than ever in the commercial potential of our technology platform. Commercial traction takes time and we have done the heavy lifting required to put in place the foundations to drive a new go-to-market strategy.

We continue to accelerate the pace of our commercial development, especially in the image sensors sector. As a result, we are in advanced negotiations to add another Asian chemical customer to help drive commercialisation of QD based SWIR sensors, and with other potential customers in the pipeline, I am confident we will see early product revenues by next calendar year.

On the Flat Panel Display side, we also have some small-scale engagements that cover both existing LCD architecture as well as newer technologies. And we will continue to explore our licencing options. It is our conviction that our extensive and validated IP portfolio will continue to deliver value to our shareholders as we expand our IP licensing efforts.

We have the right strategy, a reinvigorated team and a relentless focus on driving commercial engagement. In parallel, the CDX process is moving forward at a good pace, with several active engagements. I look forward to further updating shareholders on our progress on both initiatives in due course."

¹ Sources: Yole, IDTechEx

² The revenue forecast for FY25 is £6.6m, as prepared by Cavendish.

Investor Meet Company presentation for investors

There will be a further presentation for investors via the Investor Meet Company platform on 22 April 2025 at 11:00am. Questions can be submitted live or in advance via the Investor Meet Company Dashboard. Investors can sign up to the Investor Meet Company platform for free and register their interest in events hosted by Nanoco Group plc via:

<https://www.investormeetcompany.com/nanoco-group-plc/register-investor>

Investors who already follow Nanoco Group plc on the Investor Meet Company platform will automatically be invited.

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About Nanoco Group plc

Nanoco (LSE: NANO) is a nanomaterial production and licensing group, specialising in the production of its patented cadmium free quantum dots (CFQD®) and other patented nanomaterials for use in the electronics industries. Founded in 2001 and headquartered in Runcorn, UK, Nanoco continues to build out a world-class, patent-protected IP portfolio alongside its existing scaled up production facilities for commercial orders.

Nanomaterials are materials with dimensions typically in the range 1 - 100 nm. Nanomaterials have a range of useful properties, including optical and electronic. Quantum dots are a subclass of nanomaterial that have size-dependent optical and electronic properties. Within the sphere of quantum dots, the Group exploits different characteristics of the quantum dots to target different performance criteria that are attractive to specific markets or end-user applications such as the Sensor, Electronics and Display markets. Nanoco's CFQD® quantum dots are free of cadmium and other toxic heavy metals, and can be tuned to emit light at different wavelengths across the visible and infrared spectrum, rendering them useful for a wide range of display applications. Nanoco's HEATWAVE™ quantum dots can be tuned to absorb light at different wavelengths across the near-infrared spectra, rendering them useful for applications including cameras and image sensors.

Nanoco is listed on the Main Market of the London Stock Exchange, holds the LSE's Green Economy Mark, and trades under the ticker symbol NANO. For further information please visit: www.nanocotechnologies.com

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union

(Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement via a Regulatory Information Service, this inside information is considered to be in the public domain.

Business Review

Company back on track with commercial development: revamped strategy, new team, and exciting growth pipeline

During the Period, the Board outlined its new strategy to maximise value and deliver returns for shareholders, namely;

- A significant reduction in the Group's cost base to minimise cash burn and focus on commercial growth;
- The appointment of CDX Advisors LLC to pursue a sale of the Group's trading business, Nanoco Technologies Ltd (the "CDX process"); and
- A commitment to return surplus cash to shareholders.

In order to drive both commercial progress and the execution of the Group's strategy, Dmitry Shashkov was appointed CEO of the Group on 22 October 2024. Dmitry's appointment was then reinforced by the appointments of Jalal Bagherli as Non-Executive Chairman and the non-board appointment of Jai Subramanian as Global Business Director.

This new strategy at a Group level is supported by a rapid refocusing of the Company on commercial growth. With the appointment of the new CEO and Chairman, and the establishment of the Nanoco commercial team on three continents, we have developed a robust commercial pipeline with more than ten individual customers and projects spanning Image Sensor, Flat Panel Display and a few adjacent markets for quantum dots, such as Photovoltaic, Agriculture, and Advanced Coatings and Paints.

With another major Asian image sensor potential customer now in the advanced stages of negotiation, and a number of others in the pipeline, we are confident that Nanoco is well on track to deliver commercial product revenues in the 2026 calendar year.

Sensing

We have successfully completed Year 1 of the 2-year Joint Development Agreement (JDA) with the Asian Chemical customer and met all the performance requirements. As a result, the customer confirmed their commitment to the project and we are now developing the scope of Phase 2 of this JDA, scheduled to formally commence in the Autumn of 2025.

We are also in advanced negotiations with another major Asian chemical potential customer, to enter a similar JDA for the development of heavy-metal free quantum dot-based SWIR image sensor technology. This JDA will be another source of service revenues for Nanoco and, when completed, will contribute to further product revenue growth.

In addition, we have completed a comprehensive market screening for other QD-SWIR opportunities and down-selected approximately ten companies as business development targets for this technology. At this point in time, we are already engaged with half of this group and are in the process of establishing relationships with the rest.

Display

We are engaged with several Asian companies involved in existing Liquid Crystal Display ("LCD") technologies. Due to the growing trend of substituting cadmium ("Cd") based products with Cd-free, we see a near-term opportunity to introduce Nanoco cadmium-free QDs into these established supply chains. Our engagement is at different points of the supply chain, including both display manufacturers and component (QD film) makers.

We continue to work with a UK based Aerospace and Defence customer for a niche small volume display application.

Operations

Following the cancellation of our contract with the European Customer, we have mothballed the Group's PbS QD production facility. It was built to accommodate significant volumes of PbS quantum dots, and the demand for these at this scale does not currently exist. However, we have continued to produce these at a smaller scale, in addition to other species of quantum dots, for several different customers.

Our new device lab is fully functioning and we have produced a number of working devices using both Indium Arsenide ("InAs") and Indium Antimonide ("InSb") quantum dots. We continue to refine our process for device development to ensure we have a strong feedback loop on the quantum dots we are producing. Our new QC lab is also fully functional, allowing Nanoco to reduce our outsourced QC costs and get feedback on both raw materials and finished goods in a much more timely manner.

IP Licensing

Our primary goal for Nanoco is the development, scale up and commercial production of nanomaterials. Our IP portfolio is primarily used to support those objectives. However, we will also continue our efforts to agree appropriate licensing of our technology and IP where other commercial engagement may not be possible or appropriate.

We continue to explore options for further leveraging the value of our IP, and will rigorously defend our IP where we believe this has been infringed and a licensing agreement is not in place.

The CDX Process

We are making good progress with the ongoing CDX process to divest the Group's trading business, Nanoco Technologies Limited. Following the appointment of CDX Advisors, we focused on the preparation of due diligence materials and the data room. We then conducted initial outreach to potentially interested parties and are actively engaged with a number of potential acquirers. We expect to receive initial proposals from potential bidders during the summer. The Board will provide an update as appropriate in due course.

Board

During the period, in line with corporate governance best practice, Dr Christopher Richards stepped down as Chairman and was replaced by Dr Jalal Bagherli. The Non-Executive Directors on the Board continue to accrue pay in shares instead of cash, representing 50% of salary, and this will be re-assessed at the end of the financial year.

Outlook – strong foundations for organic growth

Market sector forecasts¹ for SWIR sensors and quantum dot-based display technologies show strong growth over the next five years. In combination with other QD market segments, the Company estimates an approximately \$1.0B market for quantum dots by 2029 across all applications.

In the Image Sensor market, we are seeing a strong trend towards heavy metal-free materials, while in the Flat Panel Display market, a similar trend favours cadmium-free technology. Both of these trends strongly benefit Nanoco, with our pioneering development of CFQD™ cadmium-free quantum dots for display markets and with a broad portfolio of HEATWAVE™ quantum dots for Image Sensor markets, including heavy-metal free materials such as InAs and InSb.

This creates a positive environment for us to leverage the strong performance characteristics of Nanoco's unique and novel nanomaterials into large mass-produced commercial applications.

In the Display market, we expect continued growth within the TV segment, complemented by rapidly growing new segments within this market including high-performance PC monitors and laptops. In the Image Sensor market, while initial developments of QD-SWIR technology were embraced by Industrial and Defence users, we expect that continuing cost/performance improvements will lead to the insertion of QD-SWIR devices into Consumer and subsequently Automotive markets.

In combination, these trends put Nanoco firmly on track of growing its product revenues by 2026, with further growth coming from other applications of quantum dots that require longer development.

Dmitry Shashkov

Chief Executive Officer

15 April 2025

¹ Sources: Yole, IDTechEx

Statement regarding Shareholder Consultation following the 2024 Annual General Meeting

At the Nanoco Group Plc Annual General Meeting ("AGM") held on 21 January 2025, all resolutions proposed were approved by shareholders. Three of those resolutions, being the re-appointment of Dr Alison Fielding as a Director of the Company, the authority to disapply pre-emption rights and the authority to disapply pre-emption rights in connection with an acquisition or specified capital investment were supported by 77.8%, 77.4% and 77.4% of shareholders respectively. While they passed with the necessary majority, these resolutions received less than 80.0% of votes.

Consequently, in accordance with the UK Corporate Governance Code, the Company engaged with a number of larger shareholders to solicit their feedback on voting at the AGM, in particular on the resolutions referenced above. The majority of shareholders we reached out to confirmed they had voted in favour of these resolutions. One large shareholder did not engage despite a number of attempts. The Board would like to thank all shareholders that took part in engagement.

Financial review

Revenue

Reported revenue in the Period decreased 13% to £3.4m (H1 FY24: £4.0m). The majority of revenue relates to recurring licence revenue, prepaid as part of the litigation settlement.

Sources of revenue	H1 FY25	H1 FY24	FY24
	£m	£m	£m
Services	0.3	0.6	1.4
Material sales	0.1	0.3	0.4
Licences	3.0	3.1	6.1
Total revenue	3.4	4.0	7.9

Excluding the licence revenue, services continues to be the major revenue driver, primarily from the on-going two-year JDA. The decrease on H1 FY24 was due to the cancellation of the JDA with the European customer. Material sales represents shipments of nanomaterials to supply chain partners in sensing and display markets.

Operating expenses

Operating expenses comprise R&D and administrative expenses. Gross investment in R&D to support the ongoing development of our nanomaterials was £0.7m in the Period (H1 FY24: £0.8m) and administrative expenses were £3.7m (H1 FY24: £3.0m). Following the loss of the European customer the Group undertook a reorganisation to reduced overhead costs whilst maintaining its core capabilities, which has reduced gross monthly cash burn to £0.5m per month. These savings will be largely reflected in H2 of FY25.

Operating profit and adjusted EBITDA

The lower revenue in the Period directly impacted adjusted operating profit in the Period, decreasing to a £0.2m loss. Adjusted EBITDA in the Period decreased to £0.5m.

	H1 FY25	H1 FY24	FY24
	£m	£m	£m
Operating profit/(loss)	(1.2)	2.4	1.7
Requisitioned general meeting	0.2	—	—
Strategic review fees	0.2	—	—
Restructuring costs	0.1	—	—
Fair value gain on derivative financial instrument	—	(2.5)	(1.8)
Foreign exchange	—	(0.2)	(0.9)
Share-based payment charge	0.5	0.5	1.0
Employers NI on SBP	0.0	0.0	0.0
Adjusted operating profit/(loss)	(0.2)	0.2	0.0
Depreciation	0.6	0.4	0.8
Amortisation	0.1	0.1	0.2
Impairment	0.0	0.0	0.2
Adjusted EBITDA	0.5	0.7	1.2

Management monitor Adjusted EBITDA as an Alternative Performance Measure. The non-cash charges for share-based payments (including the associated national insurance charges), depreciation and amortisation are added back to the operating result to arrive at Adjusted EBITDA. One-off cash costs, as well as the one-off non-cash profit on revaluing the foreign currency hedge are also excluded from Adjusted EBITDA. These items are excluded to provide users of the accounts with a clearer understanding of underlying business performance.

Taxation

A deferred tax asset for brought forward losses expected to be utilised in future years was recognised in FY24 and remains at the period end. The Korean withholding tax on the Samsung licence agreement creates a UK tax asset of £1.7m which can be offset against future tax liabilities (£0.1m of which has been charged against current period profits).

Net result

The loss after tax for H1 FY24 was £1.0m (H1 FY24: profit of £1.8m).

Earnings per share

The basic loss per share was 0.53 pence per share (H1 FY24: profit of 0.54 pence). As at 31 January 2025 there were 194,608,038 ordinary shares in issue (31 July 2024: 202,571,497) including treasury shares.

Cash position and liquidity

Following the completion of the return of capital to shareholders the Group had a cash balance at 31 January 2025 of £15.5m (2024: £59.3m).

Working capital

The Group has reduced its investment in working capital following the loss of the European customer. Our contracts with customers include mechanisms to give Nanoco advance notice of significant

changes in demand that should be adequate to ensure that Nanoco has appropriate raw materials on hand when production needs to be ramped up.

Principal risks

The Directors have considered the principal risks which may have a material impact on the Group's performance. The majority of applicable risks throughout the Period remained materially unchanged to those as disclosed on pages 33 to 35 of the 2024 Annual Report and Accounts.

Going concern

The interim condensed consolidated financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

For the purposes of assessing whether 'going concern' is an appropriate basis for preparing the interim condensed consolidated financial statements, the Directors have used their detailed forecasts for the period to 31 July 2028 (the "Forecast Period"). These reflect current and expected business activities as well as the matters set out in the section above on Principal risks.

A sensitivity analysis has been performed to reflect a possible downside scenario that only includes already contracted revenues for the Forecast Period.

On the basis of the information above and having made appropriate enquiries, at the time of approving the interim condensed consolidated financial statements, the Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future, at least 12 months from the date of the issue of these interim condensed consolidated financial statements.

Accordingly, they continue to adopt the going concern basis in preparing the interim condensed consolidated financial statements. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

Liam Gray

Chief Financial Officer
15 April 2025

Responsibility statement

The Directors of Nanoco Group plc, as listed on pages 50 and 51 of the 2024 Annual Report and Accounts, excluding Dr Christopher Richards who stood down at the AGM on 21 January 2025, confirm to the best of their knowledge:

- a) the interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as required by paragraph 4.2.4 of the Disclosure Guidance and Transparency Rules ("DTR");
- b) the interim condensed consolidated financial statements, which have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.10;

- c) the interim management report includes a fair review of the information required by DTR 4.2.7 – an indication of important events which have occurred during the first six months of the year and a description of the principal risks and uncertainties for the remaining six months of the year; and
- d) the interim management report includes a fair review of the information required by DTR 4.2.8 – the disclosure of related party transactions occurring during the first six months of the year and any changes in related party transactions disclosed in the 2024 Annual Report and Accounts.

By order of the Board

Liam Gray

Chief Financial Officer
15 April 2025

Condensed consolidated statement of comprehensive income
For the six months ended 31 January 2025

	Notes	H1 FY25 (Unaudited) £'000	H1 FY24 (Unaudited) £'000	FY24 (Audited) £'000
Revenue	3	3,448	3,956	7,874
Cost of sales		(259)	(429)	(1,211)
Gross profit		3,189	3,527	6,663
Other operating income				
Government grants		8	131	142
Fair value gain on derivative financial instrument		—	2,476	1,814
Operating expenses				
Research and development expenses		(741)	(755)	(853)
Administrative expenses		(3,705)	(3,009)	(6,059)
Operating (loss)/profit		(1,249)	2,370	1,707
- Before share-based payments and non-recurring items		(296)	368	850
- Share-based payments		(458)	(474)	(957)
- Strategic review fees		(210)	—	—
- EGM requisition costs		(211)	—	—
- Restructuring costs		(74)	—	—
- Fair value gain on derivative financial instrument		—	2,476	1,814
Finance income		339	45	835
Finance expense		(50)	(324)	(677)
(Loss)/profit before taxation		(960)	2,091	1,865
Taxation		(74)	(332)	(3,118)
(Loss)/profit after tax		(1,034)	1,759	(1,253)
Other comprehensive income				
Loss on exchange rate translations		(7)	—	—
Total comprehensive (loss)/profit for the year		(1,041)	1,759	(1,253)
(Loss)/profit per share:				
Basic (loss)/earnings	4	(0.53p)	0.54p	(0.43p)
Diluted (loss)/earnings	4	(0.53p)	0.51p	(0.43p)

The (Loss)/profit for the current and preceding year arise from the Group's continuing operations and is attributable to the equity holders of the Parent Company.

The basic and diluted loss per share reported in H1 FY25 and FY24 are the same, as the effect of share options is anti-dilutive.

Condensed consolidated statement of changes in equity
For the six months ended 31 January 2025

	Share capital £'000	Capital Redemption Reserve £'000	Reverse acquisition reserve £'000	Share-based payment reserve £'000	Merger reserve £'000	Shares held by EBT £'000	Accumulated loss £'000	Total £'000
At 31 July 2023 (audited)	32,443	—	(77,868)	5,610	(1,242)	(105)	57,575	16,413
Profit for the six months to 31 January 2024	—	—	—	—	—	—	1,759	1,759
Issue of shares on option exercise	—	—	—	—	—	105	—	105
Share-based payments	—	—	—	474	—	—	—	474
At 31 January 2024 (unaudited)	32,443	—	(77,868)	6,084	(1,242)	—	59,334	18,751
Loss for the six months to 31 July 2024	—	—	—	—	—	—	(3,012)	(3,012)
Share buy-back	(12,186)	12,186	—	—	—	(3,348)	(29,683)	(33,031)
Issue of capital to EBT on option exercise	—	—	—	(207)	—	—	5	(202)
Transfer of expired options	—	—	—	(4,788)	—	—	4,788	—
Share-based payments	—	—	—	483	—	—	—	483
At 31 July 2024 (audited)	20,257	12,186	(77,868)	1,572	(1,242)	(3,348)	31,432	(17,011)
Loss for the six months to 31 January 2025	—	—	—	—	—	—	(1,041)	(1,041)
Share buy-back	(796)	796	—	—	—	28	(1,045)	(1,017)
Exercise of share options	—	—	—	(233)	—	158	75	—
Share-based payments	—	—	—	458	—	—	—	458
At 31 January 2025 (unaudited)	19,461	12,982	(77,868)	1,797	(1,242)	(3,162)	29,421	(18,611)

Condensed consolidated statement of financial position
As at 31 January 2025

	Notes	31 January 2025 (Unaudited) £'000	31 January 2024 (Unaudited) £'000	31 July 2024 (Audited) £'000
Assets				
Non-current assets				
Tangible fixed assets		1,652	1,302	1,651
Right of use assets		1,827	2,442	2,188
Intangible assets		683	903	745
Deferred tax asset		2,350	2,573	2,350
Foreign withholding tax receivable		1,590	4,003	1,664
		8,102	11,223	8,598
Current assets				
Inventories		168	451	305
Trade and other receivables		1,010	3,660	1,083
Foreign withholding tax receivable		149	593	149
Income tax asset		235	—	235
Cash and cash equivalents		15,484	59,343	20,293
		17,046	64,047	22,065
Total assets		25,148	75,270	30,663
Liabilities				
Current liabilities				
Trade and other payables		(943)	(1,619)	(1,578)
Loans		—	(4,257)	—
Lease liabilities	6	(693)	(675)	(621)
Income tax liability		—	(800)	—
Deferred revenue	5	(5,944)	(5,934)	(5,934)
		(7,580)	(13,285)	(8,133)
Non-current liabilities				
Lease liabilities	6	(917)	(1,418)	(1,288)
Provisions		(659)	(659)	(659)
Deferred revenue	5	(34,603)	(40,582)	(37,594)
Loans		—	(575)	—
		(36,179)	(43,234)	(39,541)
Total liabilities		(43,759)	(56,519)	(47,674)
Net (liabilities)/assets		(18,611)	18,751	(17,011)
Capital and reserves				
Share capital		19,461	32,443	20,257
Capital redemption reserve		12,982	—	12,186
Reverse Acquisition Reserve		(77,868)	(77,868)	(77,868)
Share-based payment reserve		1,797	6,084	1,572
Merger reserve		(1,242)	(1,242)	(1,242)
Shares held by EBT		(3,162)	—	(3,348)
Accumulated profit/(loss)		29,421	59,334	31,432
Total equity		(18,611)	18,751	(17,011)

Approved by the Board and authorised for issue on 15 April 2025.

Dmitry Shashkov
Chief Executive Officer

Liam Gray
Chief Financial Officer

Condensed consolidated cash flow statement

For the six months ended 31 January 2025

	Six months to 31 January 2025 (Unaudited) £'000	Six months to 31 January 2024 (Unaudited) £'000	Year to 31 July 2024 Audited £'000
Profit/(loss) before tax	(960)	2,091	1,865
Adjustments for:			
Net finance (income)/expense	(289)	279	(158)
Fair value gain on derivative financial instrument	—	(2,476)	—
(Profit) / loss on exchange rate translations	5	(183)	(852)
Depreciation of tangible fixed assets	201	38	117
Depreciation of right of use asset	376	328	698
Amortisation of intangible assets	96	97	224
Impairment of intangible assets	2	20	132
Share-based payments	458	474	957
(Profit) / loss on disposal of tangible fixed assets	—	—	2
Increase/(decrease) in inventory provision	150	—	93
Changes in working capital:			
(Increase)/decrease in inventories	(13)	(143)	(90)
Decrease in trade and other receivables	73	32,802	33,459
(Decrease)/increase in trade and other payables	(635)	(1,060)	(1,209)
Increase/(Decrease) in deferred revenue	(2,981)	22,592	19,604
Cash inflow/(outflow) from operating activities	(3,517)	54,859	54,842
Foreign withholding tax paid	—	(2,550)	(2,566)
Tax paid	—	—	(797)
Net cash outflow from operating activities	(3,517)	52,309	51,479
Cash flows from investing activities			
Purchases of tangible fixed assets	(203)	(1,036)	(1,466)
Purchases of intangible fixed assets	(38)	(54)	(135)
Proceeds from sale of tangible fixed assets	—	—	—
Proceeds from sale of intangible fixed assets	—	—	—
Interest received	339	45	785
Net cash outflow from investing activities	98	(1,045)	(816)
Cash flows from financing activities			
Purchase of shares to satisfy options	—	—	(97)
Return of capital to shareholders	(1,010)	—	(32,000)
Fees on return of capital to shareholders	(7)	—	(1,027)
Repayment of loan - capital	—	—	(3,550)
Repayment of loan - interest	—	—	(1,528)
Payment of lease liabilities (capital)	(314)	(259)	(558)
Payment of lease liabilities (interest)	(48)	(51)	(103)
Interest paid	(3)	(2)	(57)
Net cash outflow from financing activities	(1,382)	(312)	(38,920)
Increase / (Decrease) in cash and cash equivalents	(4,801)	50,952	11,743
Cash and cash equivalents at the start of the period	20,293	8,207	8,207
Effects of exchange rate changes	(8)	184	343
Cash and cash equivalents at the end of the period	15,484	59,343	20,293

Notes to the interim condensed consolidated financial statements

For the six months ended 31 January 2025

1. Corporate information

Nanoco Group plc (the “Company”), a public company limited by shares, is on the equity shares (commercial companies) list of the London Stock Exchange and is incorporated and domiciled in the UK. The Group Interim Report and Accounts for the six months ended 31 January 2025 was authorised for issue in accordance with a resolution by the Directors on 15 April 2025.

These interim condensed consolidated financial statements include the financial statements of Nanoco Group plc and the entities it controls (its subsidiaries).

These interim condensed consolidated financial statements are unaudited and do not constitute statutory accounts of the Group as defined in section 434 of the Companies Act 2006.

2. Accounting policies

a. Basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, UK-adopted IAS 34 Interim Financial Reporting, using the recognition and measurement principles of UK-adopted IFRS and have been prepared under the historical cost convention. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority the accounting policies adopted in these condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s Annual Report and Accounts for the year to 31 July 2024.

These interim condensed consolidated financial statements include audited comparatives for the year to 31 July 2024. The 2024 Annual Report and Accounts, which was prepared in accordance with UK-adopted International Financial Reporting Standards (“IFRS”), received an unqualified audit opinion and have been filed with the Registrar of Companies. The financial statements of the Group for the year ended 31 July 2024 are available from the Company’s registered office, or from the website www.nanocotechnologies.com.

b. Presentation of figures

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in some cases, the sum or percentage change of the numbers contained in this announcement may not conform exactly to the total figure given.

c. Going concern

The interim condensed consolidated financial statements have been prepared on a going concern basis as set out in the Financial Review section.

d. Use of estimates and judgements

Preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions affecting the application of accounting policies and the reporting of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and key sources of estimated uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 July 2024. These are summarised below:

Estimates	Judgements
<i>Period over which to amortise Samsung licence</i>	<i>Revenue recognition</i>
<i>Equity-settled share-based payments</i>	<i>Samsung licence of IP</i>
<i>Deferred tax</i>	<i>Capitalisation (or not) of research and development expenditure</i>
	<i>Going concern</i>

3. Segmental information

Operating segments

At 31 January 2025 and 2024, the Group operated as one segment, being the research, development and manufacture of products and services based on high performance nanoparticles. This is the level at which operating results are reviewed by the chief operating decision maker (i.e. the Board) to make decisions about resources, and for which financial information is available. All revenues have been generated from continuing operations and are from external customers.

	Six months to 31 January 2025 (Unaudited) £'000	Six months to 31 January 2024 (Unaudited) £'000	Year to 31 July 2024 (Audited) £'000
<i>Analysis of revenue – by type</i>			
Products sold	60	341	408
Rendering of services	416	544	1,410
Licences	2,972	3,071	6,056
	3,448	3,956	7,874

There were two material customers who generated product and service revenue of £442,000 (2024: one material customer amounting to £575,000). £2,972,000 of the licence revenue related to the Samsung licence (2024: £3,028,000)

The Group operates in a number of countries across the world, although all are managed in the UK. The Group's revenue per country based on the customer's location is as follows:

	Six months to 31 January 2025 (Unaudited) £'000	Six months to 31 January 2024 (Unaudited) £'000	Year to 31 July 2024 (Audited) £'000
<i>Analysis of revenue – by geography</i>			
South Korea	2,972	3,028	6,013
Netherlands	174	307	926
Japan	268	292	573
France	—	267	268
Taiwan	—	43	42
USA	—	17	46
Belgium	—	2	2
Canada	—	—	3
UK	34	—	1
	3,448	3,956	7,874

All the Group's assets are held in the UK and all of its capital expenditure arises in the UK. The loss before taxation and attributable to the single segment was £960,000 (2024: £2,091,000 profit).

4. Earnings per share

	Six months to 31 January 2025 (Unaudited) £'000	Six months to 31 January 2024 (Unaudited) £'000	Year to 31 July 2024 (Audited) £'000
Profit/(loss) for the period attributable to equity shareholders	(1,041)	1,759	(1,253)
Share-based payments	458	474	957
Profit/(loss) for the period before share-based payments	(583)	2,233	(296)
Weighted average number of shares	No.	No.	No.
Ordinary shares in issue	196,522,718	324,430,950	288,791,171
Options exercisable at the reporting date	990,407	1,134,244	160,664
Options not yet exercisable at the reporting date	15,649,778	19,727,115	12,717,665
Diluted weighted average number of shares	213,162,903	345,292,309	301,669,500
Adjusted profit/(loss) per share before share-based payments (pence)	(0.30)	0.69	(0.10)
Basic profit/(loss) per share (pence)	(0.53)	0.54	(0.43)
Diluted adjusted profit/(loss) per share before share-based payments (pence)	(0.30)	0.65	(0.10)
Diluted profit/(loss) per share (pence)	(0.53)	0.51	(0.43)

Diluted loss per share is not presented for the 6 months to January 2025 and the year to July 2024 as the effect of share options issued is anti-dilutive. The adjusted loss is presented as the Board measures underlying business performance which excludes non-cash IFRS2 charges.

5. Deferred revenue

	31 January 2025 (Unaudited) £'000	31 January 2024 (Unaudited) £'000	31 July 2024 (Audited) £'000
Current			
Upfront licence fees	5,944	5,931	5,934
Milestone Payments	—	3	—
Total current	5,944	5,934	5,934
Non-current			
Upfront licence fees	34,603	40,582	37,594
Total non-current	34,603	40,582	37,594
Total deferred revenue	40,547	46,516	43,528

Deferred revenue arises under IFRS where upfront licence fees are accounted for on a straight-line basis over the initial term of the contract or where performance criteria have not been satisfied in the accounting period.

6. Lease liabilities

	Six months to 31 January 2025 (Unaudited) £'000	Six months to 31 January 2024 (Unaudited) £'000	Year to 31 July 2024 (Audited) £'000
Current			
Property Leases	691	662	612
Equipment leases	2	13	9
Non-current			
Property Leases	917	1,407	1,284
Equipment leases	—	11	4
Total lease liabilities	1,610	2,093	1,909

7. Post Balance Sheet Event

On 27th February 2025, the Group signed a final termination agreement with its European customer following the cessation of work announced on 30 August 2024. Under the agreement Nanoco will receive £588,000 as a final settlement of all outstanding accounts. £277,000 of revenue has already been recognised for work performed up to the end of the contract and the additional £311,000 will be recognised as revenue in H2 FY25.

- Ends -