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Nanoco Group PLC
25 November 2026

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NANOCO GROUP PLC

("Nanoco", the "Company" or the "Group")

Final Results

Encouraging commercial progress; streamlined cost base

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 audited final results for the year ended 31 July 2026 ("the Year" or "FY26").

Strategy review concluded, encouraging progress with existing and new customers

- Strategy review of options completed - Group will continue to pursue organic commercial opportunities in its core competencies as a listed entity, with a particular focus on immediate prospects in Short Wave Infrared ("SWIR") sensing
- Three-year extension to Joint Development Agreement ("JDA") signed with the first Asian chemical customer after completion of previous contract – moved into the scale up phase of the project following good feedback on the Company's in-device product performance
- Completed JDA with the second Asian chemical customer having achieved positive results, subsequent discussions continue on further collaboration, including but not limited to further JDAs or material supply
- Made use of Innovate UK grant to develop a one-step ink for Company's first generation Lead Sulphide ("PbS") sensing materials, providing an easier to use product for customers
- Following exploratory work, Group has developed a material targeting Medium Wave Infrared ("MWIR"), offering improved long-range imaging and better in-device thermal sensitivity

Streamlined cost base

- Significantly reduced the Company's operating costs through broader restructure, primarily by reduction in size of Board, allowing for competent Board oversight whilst maintaining corporate governance standards where practical
- Finalised consolidation of premises - including the manufacturing facility in Runcorn – resulting in a smaller footprint to reduce premises costs
- Gross monthly cash cost base steady at £0.3m - £0.4m per month (FY25: £0.5m)
- Following reassuring progress in cost reduction in FY26, Board continues to monitor cost base going into FY27 to assess where further reductions can be made

Delivered IP portfolio value

- Patent infringement resolution agreed with LG Electronics in January 2026, achieving a $5m no-fault settlement with minimal costs incurred
- Settled litigation with Shoei Chemical Inc. and Shoei Electronic Materials, Inc. (collectively, "Shoei"), following initial filing against Nanoco and Group's counterclaims, settlement allows Nanoco to use Shoei IP for sensing and Shoei to use Nanoco IP for display
- Given licensing agreements already signed, opportunities for further licensing are limited, particularly in display, however Company will continue to assess the market and defend its IP for potential infringements

Post period end

- Following the conclusion of FY26 and a successful period as interim CEO, Liam Gray has been appointed CEO on a permanent basis effective today, ensuring a seamless transition as Nanoco focuses on the most material, immediate opportunities
- Ongoing engagement with customers across Europe and Asia primarily in sensing and, though orders are relatively small, it is encouraging that more companies are investing in quantum dot applications
- Revenue from products sold is expected to at least double compared to FY26, as a result of the scale up in demand from the Asian chemical customer and investment in business development.

Financial summary

- Following a change in accounting estimate, Nanoco has extended the useful economic life over which the Samsung revenue will be recognised. As a consequence, revenue recognised from the Samsung licence in FY26 is £5.1m, with a reduction in prior year revenue from Samsung licence to £5.6m. There is no impact on cash from this adjustment.
- Reported revenue increased to £10.4m (FY25 restated: £7.0m), up 49 per cent, largely attributable to the LG Electronics litigation proceeds of £3.8m
- As a result of increased revenue during the year, Adjusted EBITDA improved to £5.3m (FY25 restated: £0.8m)
- Reported revenue and Adjusted EBITDA is in line with the Company's Full Year Trading Update announcement of 19 August 2026, save for adjustment in relation to Samsung revenue and profit recognition as described above
- Period end reported cash of £9.3m (FY25: £14.0m). Cash at 31 October 2026 was £8.1m

Outlook

- The Board strongly believes that Nanoco has significant organic growth opportunities, particularly in image sensing
- Based on commercial discussions, the advancements in technology and continued interest in quantum dots, the Board continues to believe Nanoco is on track to achieve break-even and financial viability in approximately two years

Liam Gray, Chief Executive Officer of Nanoco Group plc, said:

"FY26 was an important year for Nanoco, having completed our strategy review to conclude that the best outcome for all stakeholders is to continue pursuing organic commercial opportunities in the areas in which we hold core competencies. From a commercial standpoint, we have seen encouraging progress with a growing catalogue of fulfilled contracts offering a basis for further agreements with both existing and new customers.

From a licensing perspective, we are pleased to have again delivered the value of our IP, with the settlement reached with LG Electronics, which has helped to facilitate topline revenue growth. We have also been laser focused on our cost base - reducing the size of our Board, consolidating our premises, and concentrating on commercially viable sensing applications – which has been effective in tackling our monthly cash costs.

The Board is grateful to those Company shareholders who took the time to take part in the recent shareholder consultation. With a clear understanding of the perspectives of our shareholders, a refined commercial focus and a streamlined cost base, the prospects for Nanoco remain promising and we maintain that the Group is on track to be break-even in approximately two years."

MAR

The information contained within this announcement is considered by the Company to contain inside information for the purposes of UK MAR. Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain.

The person responsible for arranging for the release of this announcement on behalf of Nanoco is Liam Gray, CEO, CFO & Company Secretary.

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Notes for editors:

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 NIR, SWIR and MWIR 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

Chairman’s statement

Summary

- Completed the review of the group’s strategy, with the business focusing on the sensing opportunity.
- Signed a three-year extension with our major Asian chemical customer – milestones continue to be achieved and we are now moving into scale up.
- Completed a JDA with a second Asian Chemical Customer. Talks are ongoing regarding an extension.
- Agreed to a $5 million no-fault settlement with LG Electronics following Nanoco filing for patent infringement.
- Completed our grant from Innovate UK for the development of a single step ink for PbS material.
- Reduced the size and cost of the Board of Directors, reducing the headcount from seven to three.
- Reduced the company headcount to optimise our cost base and extend our cash runway.
- Undertook a shareholder engagement survey, the results of which are disclosed in the annual report.

Overview
2026 was a year of progress for Nanoco. Following the completion of the review of our strategic options, we decided that the best option for all stakeholders was for the business to continue to pursue organic commercial opportunities.

The JDA with the first Asian Chemical Customer continues to be the most promising in regard to adoption of the technology and large scale material orders. The results the customer is achieving with this material are promising and we anticipate an increase in material demand over the next 24 months as we move into scale up and then production, dependent on future contract negotiations.

We have made some progress with other customers in sensing applications, whilst being open to working on other applications.

Following the completion of the review of our strategic options, we also made the decision to reduce the operating costs of the company, starting with the Board. The reduction in heads from seven to three allows a good level of oversight whilst largely complying with good corporate governance requirements, the two exceptions to which are highlighted in the annual report.

Aside from the Board, we further reduced our headcount to concentrate our resources on sensing and device, with a number of our colleagues either leaving and not being replaced or being made redundant.

In addition, we have also completed the consolidation of our premises to reduce our premises licence costs.

Our reduced cost base still has the capacity to respond to inbound commercial enquiries, which enables the business to take advantage of the many markets in which quantum dots can still be applied.

We continue to monitor our cost base with the intention to keep costs at a minimum – this in turn extends Nanoco's cash runway.

Commercial strategy
The Board has a clear ambition for Nanoco's trading business. Underpinned by a significant competitive moat provided by our unique and validated IP, we aspire to be the pioneering and go-to manufacturer of cutting-edge QDs for the nanotechnology era. By focusing on our core competencies, we play to our key strengths while ensuring that we understand enough about the full device performance to be a credible and trusted supply chain partner to some of the world's largest companies.

In prior years we have talked about the many different applications in which quantum dots can be used. Whilst we continue to explore these, we believe the most material, immediate opportunity is in SWIR sensing, and this is where we are focusing our technical and commercial efforts.

Our sensing materials provide significant improvements over existing technologies at a competitive price point. As with all new technologies, there remains technological hurdles to overcome, which could significantly delay the widespread commercial adoption. But we are confident that we have the expertise and resources to see this technology become commercialised.

Whilst our materials for display applications have environmental benefits over cadmium, the licensing agreements with LG Electronics and Shoei Chemical during the year largely remove any further licensing or large scale display manufacturing opportunities for Nanoco.

We continue to add to our IP assets – the value of which has been proven through our licensing arrangements – and in future these IP assets will provide protection for our sensing materials.

Our people
Nanoco has built an outstanding team which boasts a wealth of international talent based out of its headquarters in Runcorn. Our people are highly committed to executing Nanoco's strategy and focused on delivering against specific objectives we set for them. We are repaying that commitment through further investments in learning and development opportunities.

During the year, we launched a revised company handbook to ensure we are operating best practice for our employees.

Sustainability and ESG strategy
The Board is committed to the promotion and achievement of environmental, social and governance objectives within the context of a small, listed group. During the year, we have strengthened the Nanoco Environmental, Health and Safety ("EHS") approach and maintained ongoing ISO 9001 and ISO 14001 accreditations, passing all certifications with minimal findings.

Governance
In spite of our size, we remain committed to the highest standards of corporate governance and we comply with all but two of the provisions of the UK Corporate Governance Code as outlined further in the annual report.

Board and Annual General Meeting
Ahead of the Annual General Meeting ("AGM") to be held in January 2027, we continue to manage the size and cost of the Board.

The Board has been significantly reduced over the past twelve months, reducing from seven members to three, whilst working to ensure compliance with the majority of corporate governance requirements.

Liam Gray will continue to act as CEO, CFO and Company Secretary.

Delisting general meeting and shareholder consultation
In May 2026, the company launched a general meeting process with the intention of delisting the company from the London Stock Exchange.

As the general meeting approached, it became apparent that this vote would not reach the 75% threshold required, and so we have indefinitely postponed this action. We then launched a shareholder consultation, the detailed results of which are presented in the annual report. There was a clear remit to continue with the commercial organisation whilst remaining a listed company, which is how we intend to move forward.

Dividends
No dividend is proposed for the year (2025: none).

Outlook
The Board continues to be confident in the inherent value of the Nanoco technology, IP and trading business, while acknowledging that technological challenges and changing markets can impact the commercialisation and adoption of quantum dot enabled technology. In efforts to realise the inherent value, we have focused on what we believe is the nearest and most valuable opportunity in SWIR sensing.

However, we continue to engage with all customers and respond to enquiries where we have the capacity and the expertise.

As a Board, we are confident that shareholders will be better off in the medium term with the business operating as a commercial entity, rather than distributing surplus cash in the near term.

The group are working hard to generate revenues beyond those already contracted to ensure sustainable operations beyond our current downside cash runway.

We look forward to reporting our successes to our shareholders and delivering shareholder value.

Dr Jalal Bagherli
Chairman
25 November 2026

CEO's statement

Following the development of our strategy in the prior year, the Nanoco team has continued to focus on the implementation. We continue to be led by market research, which suggests that the largest near-term opportunity is in sensing. However, we also continue to pursue opportunities across the other previously identified markets.

1. **Image Sensor** technology that can enhance the capability of the conventional silicon-based CMOS image sensor by extending its sensitivity into the infrared region. QDs in such sensors can be "tuned" to respond to a particular wavelength of light, spanning the region from:
   - Near-Infrared ("NIR"): 700nm - 1,000nm; to
   - Short Wave Infrared ("SWIR"): 1,000nm - 3,000nm; and eventually, to
   - Medium Wave Infrared ("MWIR"): 3,000nm - 5,000nm.

   Current technology is expensive and cumbersome, with some camera units requiring cooling systems. If the QD sensing technology can achieve similar performance to the current market options, there are clear financial and form benefits which would enable mass adoption.
2. **Flat Panel Displays** ("FPD") including existing liquid crystal display ("LCD") and organic light-emitting diode ("OLED") products as well as two emerging display technologies, microLED and electroluminescent ("EL") displays. The current market demand is largely fulfilled by Samsung, LG Electronics and Shoei Chemical, which all have access to our technology, and so our interest in this area will be limited to niche applications. We also do not see further licensing opportunities in this market.
3. The **Photovoltaic** ("PV") market for quantum dots continues to grow and includes several different applications of QDs. One application which is gaining traction is down-converting coatings, where QDs absorb visible light between 400nm and 800nm and converts it to longer wavelengths (800nm - 1,000nm). The underlying solar cell has the highest photoconversion efficiency at these wavelengths, thus boosting the total energy yield of the panel.
4. The **Agriculture** market for QDs is at the early adoption stage, with some products on the market. For this product, QDs are incorporated onto a polymer laminate film used to convert incoming solar light into the orange-red part of the spectrum. An increasing body of research has confirmed that light in this part of the spectrum speeds up fruiting of various types of produce, resulting in crop yields increasing by up to 30% without any major investment by the end user.

5. **LED Lighting** is a maturing segment of the larger lighting market. Within this segment, there is a continuous search for enhancing LED energy efficiency and enabling speciality lighting applications. QDs can enable novel applications such as agricultural lighting and therapeutic lighting. In both applications, QDs enable precise tuning of the light wavelength to maximise agricultural productivity or therapeutic effect.
6. **Authentication** is another emerging market for QDs where their unique spectral response enables both document security and product authentication. In this field, novel solutions continue to emerge, to stay one step ahead of the forgers and counterfeiters.
7. **Biomedical** applications of QDs span multiple applications including drug delivery, diagnostic tools, and even surgical aids. All of these applications, however, are at a nascent stage of development and are not expected to generate significant market opportunities in the near term.
8. **Quantum Computing** applications are being explored, with singly doped QDs capable of building quantum memory that enables quantum computers to be networked and collectively process complex calculations, with potential applications including drug discovery and accurate weather forecasting. In telecommunications, quantum memories could also enable quantum repeaters, allowing encrypted information to be securely transmitted over long distances. Their tunable emission could enable singly doped QDs to operate with existing fibre-optic communications infrastructure.

We continue to actively review these markets to ensure our focus is on opportunities which can deliver significant revenues in the near to medium term, whilst continuing to place small investments in other opportunities. Therefore our focus over the past twelve months has been on our sensing technology and working with our two Asian chemical customers to try and achieve the metrics required to move this to the next level. We have worked in this field for a number of years and have extensive IP and know-how.

The other markets highlighted above remain of interest to Nanoco but our investment in research in these is much more selective.

Business performance

Image sensors – continued progress in image sensing

This technology continues to be our core focus. During the year, we worked with our first Asian Chemical Customer to develop a quantum dot which, when combined with our customers ink solutions and stack, achieves market leading performance in External Quantum Efficiency ("EQE") and dark current. This performance is also at room temperature and at a low voltage, which would enable the widespread adoption of the technology. We have begun to scale the batch size of the developed material and will continue this scaling process to ensure we can deliver the quantities our customer requires in the build up to commercial production.

We also completed the one-year JDA with the second Asian Chemical Customer. The developed material was provided to its customer for testing, and we continue to be in discussion with this customer around next steps.

We continue to make some investments in other materials. In the prior year, we developed Indium Arsenide ("InAs") QD materials at alternative wavelengths which continue to exhibit good performance.

This year, we have invested in our MWIR technology. We received support from the Environmental Agency to buy Mercury, which has enabled us to synthesise Mercury Telluride ("HgTe") quantum dots operating between 2,000nm and 4,000nm. We have begun sampling these materials to some select customers and it is our intention to test these materials in device. Whilst the widespread adoption of this technology will be a number of years away, it's an exciting development which reinforces our technology roadmap.

The number of customers we are working with in sensing is higher than at any point in our past, and whilst some of these orders are relatively small, it is encouraging that more companies are investing in this area.

Given the focus on Pb-free materials from the market, we have closed our previously mothballed PbS production facility and re-purposed some of the equipment to enable us to scale our Pb-free materials, whilst retaining some mass production capability for PbS materials.

Display – represents a developed, low margin market

The display market, particularly cadmium free, is largely dominated by Samsung, LG Electronics and Shoei Chemical. During the year, we came to agreements with both LG Electronics and Shoei Chemical which allow them to use our IP for production of cadmium-free quantum dots. This is in addition to the existing ongoing licence which Samsung has.

The display market at scale is very developed, and margins are very small. Given Nanoco has been concentrating on sensing, our display materials are not at a level to be competitive in the market. Therefore we will remain interested in niche applications and technologies but do not see Nanoco being a mass market manufacturer of cadmium-free QD materials for display applications.

Given the licensing agreements already signed, we do not see a lot of further opportunity for licensing, particularly in display, but will continue to assess the market and defend our IP if we believe it has been infringed.

Operations
During the year, we continued our focus on Environmental, Health and Safety ("EHS") capabilities. Behaviour-Based Safety Observations ("BBSOs") continue to be used to reinforce safe working practices and identify opportunities for improvement. As in prior years, all Nanoco employees are encouraged and incentivised to participate in the programme. We systematically reviewed BBSO results in regular meetings, to ensure corrective actions are taken and the learnings and best practices are institutionalised.

Nanoco has also maintained ongoing ISO 9001 (Quality Management System) and ISO 14001 (Environmental Management System) accreditations. We passed both annual certifications with minimal findings. Going forward, we intend to maintain and further strengthen both systems as the backbone of our management systems. This approach positions Nanoco as a robust supply chain partner for electronic materials. Such certifications are often fundamental requirements of our electronics customers before they will even consider high volume supply relationships.

Given the focus on cost, we have limited any further capital investments unless business critical. However, our device facility continues to perform well, and we are working with industry specialists to further improve these capabilities, with the intention to allow us to demonstrate the performance of our materials as and when we develop them.

Our device capabilities set us apart from our competitors, and the equipment we have is attractive to potential customers who are willing to pay for access.

Leveraging intellectual property
We continue to proactively manage our IP portfolio to maximise value and protect our core competencies while carefully managing our IP maintenance spend. We finished the year with 271 patents and patents pending (2025: 341). The reduction compared to the prior year is a decision to allow certain patents to lapse which do not have significant near or medium-term commercial opportunities. We can also review a patent and decide it isn't novel or different enough from existing technologies. This has reduced our IP maintenance spend from approximately £0.4 million in 2020 to £0.2 million in 2026.

We have filed a number of new patents during FY26, with the majority of these focused on our developments in sensing materials.

People and community
Our people are the driving force behind our technological developments. They make Nanoco great and provide excellent service to our customers by delivering high quality materials on time and achieving challenging milestones and deliverables in our development work.

Following the development of our mission, vision and values in the prior year, we have now implemented these into our everyday actions, and the values form a key part of the annual appraisal process.

During the financial year, we did undergo a restructuring to reduce our cost base and extend our cash runway. Whist this is always difficult on all staff, the team continued to operate professionally with minimal disruption.

Our Employee Voice Committee ("EVC") remains active to support the group and all staff on matters of physical and mental wellbeing, relaying concerns to the Board and helping with our CSR activities.

We have awarded a general cost of living increase for all staff for FY26 of 3.0% of salary. In FY24, we implemented a workplace health programme for all staff that has an equivalent cost of 1% of salary. We also completed a further benchmarking exercise post year end, and we believe that all employees are now fairly compensated. All staff are also eligible to participate in the group's Long Term Incentive Plan.

We will review other benefits options and further potential improvements to pension contributions as our financial situation improves and when the group becomes self-financing in its organic operations.

Outlook
The Board strongly believes that Nanoco has significant organic growth opportunities, particularly in the image sensing market. Whilst we are disappointed with the current share price which attributes a negative value to the business, we believe that with some commercial momentum, tangible revenues being generated, and with further evidence of the commercial adoption of the technology in sensing, the market will begin to reflect the value of the business.

Based on our conversations with customers, the advancements in the technology and the continued interest in quantum dots, we continue to believe Nanoco is on track to achieve break-even and financial viability in the course of approximately two years, as long as it can successfully commercialise the technology and continue to win new commercial contracts.

Liam Gray
Chief Executive Officer
25 November 2026

Financial review

Summary

- Revenue increased by 49% to £10.4 million (2025: £7.0 million), driven by LG licensing agreement. Excluding licence income, revenue increased by 7%.
- Adjusted EBITDA has increased to £5.3 million (2025 restated: £0.8 million), reflecting the LG licence income and cost savings implemented.
- Following the completion of the review of strategic options, further cost savings were implemented and our cash cost base is now c.£4.2 million.

Highlights	**2026 £ million**	2025 (restated) £ million	% change
Revenue	**10.4**	7.0	49%
Adjusted EBITDA	**5.3**	0.8	548%
Loss before tax	**0.7**	1.6	(55%)
Billings	**5.7**	1.4	310%
Cash and cash equivalents	**9.3**	14.0	(34%)

Revenue increased by £3.4 million to £10.4 million (2025: £7.0 million). The increase is partly due to the licensing agreement signed with LG during the year. The sale of products and services rendered accounted for 13% (2025: 18%) of revenue, with the balance being licence income. Revenue from services has increased from £1.2 million to £1.4 million due to the time gap between the loss of the previous development agreement and the new agreement being started. Revenue from the sale of products, including development products, was £0.1 million (2025: £0.1 million).

Adjusted EBITDA increased by 548%, from £0.8m (restated) in 2025 to £5.3m in 2026. This was primarily driven by the one-off income from the LG settlement of £3.8 million.

Billings increased to £5.7 million (2025: £1.4 million). Excluding the impact of LG related billings in FY26, billings increased by £0.6 million.

Other operating income generated £68k (2025: £8k) related to grant income for one project which was successfully completed during the year.

Finance income and expense

During the year, the group generated finance income of £0.4 million on the group's cash deposits (2025: £0.7 million). The finance expense in the year of £0.1 million (2025: £0.1 million) is predominantly the inherent interest charge on finance leases under IFRS 16.

The loss before tax was £0.7 million (2025 restated: £1.6 million).

Non-GAAP measures

The non-GAAP measure of adjusted earnings/(loss) before interest, tax, depreciation, amortisation, share-based payment charges and exceptional items ("EBITDA") is provided in order to give a clearer understanding of the underlying profit for the year that ordinarily more closely reflects the recurring operational earnings of the business. In current year, the operating loss includes a one-off licence revenue amount of £3.8 million. The calculation of these non-GAAP measures is shown in the table below:

	2026 £ million	2025 (restated) £ million
Operating loss[3]	**(1.1)**	(2.2)
Litigation costs – LG Electronics	**0.1**	0.2
Litigation costs – Shoei Chemical	**3.6**	—
Strategic review fees	**0.4**	0.3
Gain on derivative financial instrument	**—**	—
General meeting	**0.1**	0.2
Restructuring costs	**0.1**	0.1
Foreign exchange	**0.1**	—
Share-based payment charge	**—**	0.7
Employer's NI on SBP	**(0.1)**	0.1
Depreciation[1]	**1.8**	1.2
Amortisation[2]	**0.3**	0.2
Adjusted EBITDA	**5.3**	0.8

1 Includes impairment charges (2026: £0.6 million; 2025: £nil).
2 Includes impairment charges (2026: £0.1 million; 2025: £0.1 million).
3 Includes £3.8 million revenue from one-off LG Electronics settlement.

Taxation

The tax charge for the year was £1.3 million (2025: £1.2 million charge). This comprises a UK corporation tax charge of £nil (2025: £nil), offset by an R&D tax credit of £0.3 million (2025: £0.3 million). There is a £1.3 million charge for unrecoverable foreign tax incurred (2025: £0.3 million) and the derecognition of deferred tax assets of £0.2 million (2025: £0.8 million).

The group has £30.0 million of accumulated losses to offset against future profits (2025: £29.1 million), on which it has a deferred tax asset of £1.4 million (2025: £1.6 million). In prior year, the group had a foreign withholding tax asset, of which £nil has been recognised (2025: £0.9 million) in current year due to uncertainty of it being recoverable, however this position can be reversed in future once there is further certainty on the group's profits.

Foreign exchange management
The group invoices most of its revenues in US Dollars. The group is therefore exposed to movements relative to Sterling. The group will use forward currency contracts to fix the exchange rate on invoiced or confirmed foreign currency receipts should the amount become significant and timing predictable.

There were no open forward contracts as at 31 July 2026 (2025: none). The indicative impact of movements in the Sterling exchange rate on the group's net profits and equity based on the retranslation of the closing balance sheet is summarised in note 26 to the financial statements.

Cash flow and balance sheet
During the year, cash, cash equivalents, deposits and short-term investments decreased to £9.3 million (2025: £14.0 million) caused by a net cash outflow of £4.7 million (2025: £6.3 million inflow). Interest on cash deposits of £0.4 million was received in the year. Tax receipts from research and development credits of £0.3 million (2025: £0.3 million payment) were received during the year.

Litigation costs in the year were significant. The first of these (£0.1 million, 2025: £0.2 million) related to the settlement with LG Electronics. The remainder of these costs (£3.6 million) arose in the defence of our patent portfolio after Shoei Chemical filed for a declaratory judgement in the US.

Expenditure incurred in registering patents totalled £0.1 million (2025: £0.1 million). Capitalised patent spend is amortised over ten years in line with the established group accounting policy.

Given the negative enterprise value of the group (defined as market capitalisation less cash) at year end, a number of impairments of assets have been recognised at year end where it could not be virtually certain that the assets could generate future net positive cash flows. These include an impairment charge against right of use assets of £0.4 million and tangible fixed assets of £0.2 million.

IP impairment charges during the year were £0.2 million (2025: £0.1 million). This reflects the ongoing rationalisation of the patent portfolio to ensure the remaining patents are commercially and technologically viable in the short to medium term.

Expenditure on tangible fixed assets decreased to £0.1 million (2025: £0.3 million) reflecting the prior year investment in the new device facility.

Credit risk
The group only trades with recognised, creditworthy third parties. Credit risk is increased by the concentration of receivables to a small number of customers. Receivable balances are monitored on an ongoing basis and any late payments are promptly investigated to ensure that the group's exposure to bad debts is not significant.

Treasury activities and policies
The group manages its cash deposits prudently. Cash balances are regularly reviewed by the Board and cash forecasts are updated monthly to ensure that there is sufficient cash available for foreseeable requirements.

More details on the group's treasury policies are provided in note 26 to the financial statements.

Going concern
The group retains a cash balance of £9.3 million at 31 July 2026. Given the remaining cash balance, our low cost base and the identified commercial opportunities, the Directors have a reasonable expectation that the group has access to adequate resources to continue in operational existence through to 30 November 2027.

Accordingly, the Board concluded that it remains appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements. Further detail is included in the going concern statement in the annual report.

Macroeconomic factors
We continue to see inflationary pressures on raw materials. We attempt to mitigate these by regularly reviewing suppliers where possible, negotiating with new suppliers and trying to achieve volume breaks. We will continue to review market conditions and assess the impact on all stakeholders.

Summary
Nanoco remains underpinned by cash, and we are progressing with the commercialisation of our technology. We look forward to updating shareholders on progress against our strategic objectives in due course.

Liam Gray
Chief Financial Officer
25 November 2026

Principal risks and uncertainties

In common with all businesses at Nanoco's stage of development, the group is exposed to a range of risks, some of which are not wholly within our control or capable of complete mitigation or protection through insurance or risk management.

Specifically, a number of the group's products and potential applications are at an early stage in their development, or still being validated by customers, and hence it is not possible to be certain that a particular project or product will lead to a commercial application. Other products require further development work to confirm a commercially viable application. The technology, particularly in the sensing division, is still in its infancy and has yet to see end market adoption in higher volume applications.

Equally, a number of products are considered commercially viable but have yet to see demand for full scale production. It is also the case that the group is often only one part of a long and complex supply chain for new product applications.

The group therefore has little visibility of demand other than from contracts already in place. There are therefore a range of risks that are associated with the different stages of product development as well as for the group as a whole.

Risk management process
The group has established a process for carrying out a robust risk assessment that evaluates and manages the principal risks faced by the group. A detailed review of individual risks was undertaken initially by the leadership team and then reviewed by the Board during the financial year ended 31 July 2026. That review also incorporated climate-related risks, as required by TCFD reporting. The Board has also established an acceptable level of risk (risk appetite) that informs the scale and urgency of actions required. Where risks are deemed to be outside of management control, efforts are focused on mitigating any potential impact. Where all practical measures to prevent or mitigate risks have been taken and a residual element of risk still remains, these risks are accepted by the group.

Risks are evaluated with respect to the probability of occurrence and the potential impact if a risk crystallised. Where the group has identified risks, these are monitored with controls and action plans to reduce the probability of a risk crystallising and the impact of each potential event if it did occur. The residual risk score, after mitigating controls, is then plotted on a "risk heat map". The group's principal risks are shown in the annual report.

Principal overarching risk
The historical principal overarching strategic risk faced by the business was that the group exhausted its available funding before achieving a self-financing level of commercial revenue. This risk has been mitigated in the short to medium term due to the cash balance which remains in the business. The underlying risk relating to market adoption of Nanoco's sensor technology remains given the customer concentration risk, especially as there is only one significant ongoing JDA. The company continues to push its commercial operations in an effort to reduce all three of these risks in the medium term.

Other principal risks
Risks are broadly categorised as strategic, operational, financial or compliance. The table in the annual report focuses on those risks that the Directors believe are the most important currently faced by the business. Other risks may be unknown at present and some that are currently rated as low risk could become more material risks in the future. The group's risk management process tracks risks as they evolve and change.

Consolidated statement of comprehensive income
for the year ended 31 July 2026

	Notes	**2026 £'000**	2025 (Restated)[1] £'000
Revenue	4	**10,390**	6,994
Cost of sales		**(968)**	(622)
Gross profit		**9,422**	6,372
Other operating income			
Government grants		**68**	8
Operating expenses			
Research and development expenses		**(603)**	(1,349)
Administrative expenses		**(9,949)**	(7,267)
Operating loss		**(1,062)**	(2,236)
– Before share-based payments and non-recurring items		**3,197**	597
– Share-based payments		**(5)**	(731)
– Strategic review fees		**(459)**	(313)
– Litigation costs		**(3,749)**	(255)
– EGM requisition		**—**	(230)
– Capital reduction fees		**—**	(37)
– Restructuring costs		**(46)**	(73)
Finance income		**416**	731
Finance expense		**(72)**	(92)
Loss before taxation		**(718)**	(1,597)
Taxation		**(1,303)**	(1,162)
Loss after taxation		**(2,021)**	(2,759)
Other comprehensive expense - Items that may be reclassified to profit or loss			
Loss on translation of foreign subsidiary		**(3)**	(6)
Total comprehensive loss for the year		**(2,024)**	(2,765)
Loss per share			
Basic loss per share for the year	5	**(1.04p)**	(1.41p)
Diluted loss per share for the year	5	**(1.04p)**	(1.41p)

1 The revenue and deferred revenue in the financial year 31 July 2025 has been restated in relation to revenue pertaining to the Samsung licence. This error was both from a mechanical error in the calculation of revenue recognised under the Samsung licence arrangement and the retrospective application of a revised accounting assessment that should be applied prospectively. See note 4 for further details.

The losses for the current and prior years arise from the group's continuing operations and are attributable to the equity holders of the parent.

Consolidated statement of changes in equity

for the year ended 31 July 2026

Group	Notes	Share capital £'000	Share premium £'000's	Capital redemption reserve £'000	Reverse acquisition reserve £'000	Share-based payment reserve £'000	Merger reserve £'000	Shares held by EBT £'000	Retained Earnings (Restated)[1] £'000	Total (Restated)[1] £'000
At 1 August 2024		20,257	—	12,186	(77,868)	1,572	(1,242)	(3,348)	31,432	(17,011)
Loss for the year		—	—	—	—	—	—	—	(2,759)	(2,759)
Other comprehensive expense		—	—	—	—	—	—	—	(6)	(6)
Total comprehensive loss		—	—	—	—	—	—	—	(2,765)	(2,765)
Share buy-back		(796)	—	796	—	—	—	28	(1,051)	(1,023)
Capital reduction		—	—	(12,982)	—	—	—	—	12,982	—
Share option exercise		—	—	—	—	(233)	—	158	75	—
Transfer of expired options		—	—	—	—	(380)	—	—	380	—
Share-based payments		—	—	—	—	731	—	—	—	731
At 31 July 2025 (restated)		19,461	—	—	(77,868)	1,690	(1,242)	(3,162)	41,053	(20,068)
Loss for the year		—	—	—	—	—	—	—	(2,021)	(2,021)
Other comprehensive expense		—	—	—	—	—	—	—	(3)	(3)
Total comprehensive loss		—	—	—	—	—	—	—	(2,024)	(2,024)
Issue of equity – deferred salaries		93	7	—	—	(100)	—	—	—	—
Share option exercise		—	—	—	—	(535)	—	493	42	—
Transfer of expired options		—	—	—	—	(358)	—	—	358	—
Share-based payments		—	—	—	—	5	—	—	—	5
At 31 July 2026		**19,554**	**7**	**—**	**(77,868)**	**702**	**(1,242)**	**(2,669)**	**39,429**	**(22,087)**

1 The revenue and deferred revenue in the financial year 31 July 2025 has been restated in relation to revenue pertaining to the Samsung licence. This error was both from a mechanical error in the calculation of revenue recognised under the Samsung licence arrangement and the retrospective application of a revised accounting assessment that should be applied prospectively. See note 4 for further details.

Company statement of changes in equity

for the year ended 31 July 2026

Company	Notes	Share capital £'000	Share-based payment reserve £'000	Capital redemption reserve £'000	Share Premium £'000	Treasury shares £'000	Accumulated loss £'000	Total £'000
At 1 August 2024		20,257	1,572	12,186	—	(28)	35,390	69,377
Loss for the year and total comprehensive income for the year		—	—	—	—	—	(40,367)	(40,367)
Share buy-back		(796)	—	796	—	28	(1,051)	(1,023)
Capital reduction		—	—	(12,982)	—	—	12,982	—
Share option exercise		—	(233)	—	—	—	75	(158)
Transfer of expired options		—	(380)	—	—	—	380	—
Share-based payments		—	731	—	—	—	—	731
At 31 July 2025		19,461	1,690	—	—	—	7,409	28,560
Loss for the year and total comprehensive loss for the year		—	—	—	—	—	(16,844)	(16,844)
Issue of equity – deferred salaries		93	(100)	—	7	—	—	—
Share option exercise		—	(535)	—	—	—	43	(492)
Transfer of expired options		—	(358)	—	—	—	358	—
Share-based payments		—	5	—	—	—	—	5
At 31 July 2026		**19,554**	**702**	**—**	**7**	**—**	**(9,034)**	**11,229**

Group and Company statements of financial position

at 31 July 2026

	Notes	**31 July 2026 Group £'000**	**31 July 2026 Company £'000**	31 July 2025 Group (Restated)[1] £'000	31 July 2025 Company £'000
Assets					
Non-current assets					
Tangible fixed assets		**848**	**—**	1,492	—
Right of use assets		**—**	**—**	1,452	—

Intangible assets	**370**	**—**	600	—
Deferred tax assets	**1,431**	**—**	1,599	—
Foreign withholding tax receivable	**—**	**—**	842	—
Investment in subsidiaries	**—**	**—**	—	12,078
	2,649	**—**	5,985	12,078
Current assets				
Inventories	**121**	**—**	165	—
Trade and other receivables	**579**	**2,859**	670	3,396
Foreign withholding tax receivable	**—**	**—**	152	—
Income tax receivable	**252**	**—**	319	—
Cash and cash equivalents	**9,346**	**9,217**	13,998	13,861
	10,298	**12,076**	15,304	17,257
Total assets	**12,947**	**12,076**	21,289	29,335
Liabilities				
Current liabilities				
Trade and other payables	**(1,321)**	**(847)**	(1,495)	(775)
Lease liabilities	**(401)**	**—**	(643)	—
Deferred revenue	**(5,621)**	**—**	(5,117)	—
	(7,343)	**(847)**	(7,255)	(775)
Non-current liabilities				
Lease liabilities	**—**	**—**	(655)	—
Provisions	**(534)**	**—**	(669)	—
Deferred revenue	**(27,157)**	**—**	(32,778)	—
	(27,691)	**—**	(34,102)	—
Total liabilities	**(35,034)**	**(847)**	(41,357)	(775)
Net (liabilities)/assets	**(22,087)**	**11,229**	(20,068)	28,560
Capital and reserves				
Share capital	**19,554**	**19,554**	19,461	19,461
Share premium	**7**	**7**	—	—
Reverse acquisition reserve	**(77,868)**	**—**	(77,868)	—
Share-based payment reserve	**702**	**702**	1,690	1,690
Merger reserve	**(1,242)**	**—**	(1,242)	—
Shares held by EBT	**(2,669)**	**—**	(3,162)	—
Retained earnings	**39,429**	**(9,034)**	41,053	7,409
Total equity	**(22,087)**	**11,229**	(20,068)	28,560

1 The revenue and deferred revenue in the financial year 31 July 2025 has been restated in relation to revenue pertaining to the Samsung licence. This error was both from a mechanical error in the calculation of revenue recognised under the Samsung licence arrangement and the retrospective application of a revised accounting assessment that should be applied prospectively. See note 4 for further details.

Group and Company cash flow statements

for the year ended 31 July 2026

	Notes	**31 July 2026 Group £'000**	**31 July 2026 Company £'000**	31 July 2025 Group (Restated) £'000	31 July 2025 Company £'000
Loss before tax		**(718)**	**(16,844)**	(1,597)	(40,367)
Adjustments for:					
Net finance income		**(344)**	**(411)**	(639)	(723)
Loss on exchange rate translations		**—**	**—**	37	—
Depreciation of tangible fixed assets		**421**	**—**	412	—
Depreciation of right of use assets		**709**	**—**	763	—
Amortisation of intangible assets		**147**	**—**	189	—
Impairment of intangible assets		**137**	**—**	51	—
Impairment of right of use assets		**446**	**—**	**—**	**—**
Impairment of tangible assets		**196**			
Impairment of investment		**—**	**12,083**	—	35,026
Share-based payments		**5**	**—**	731	101
Options exercised		**—**	**(492)**	—	—
Loss on disposal of tangible fixed assets		**16**	**—**	25	—
Loss on disposal of right of use assets		**37**	**—**	—	—
Increase in inventory provision		**21**	**—**	78	—
Increase in receivables provision		**—**	**—**	—	4,906
Changes in working capital:					
Decrease in inventories		**23**	**—**	62	—
Decrease in provisions		**(135)**	**—**	—	—
Decrease/(Increase) in trade and other receivables		**91**	**537**	413	(4,941)
Decrease in trade and other payables		**(173)**	**72**	(83)	(5)
Decrease in deferred revenue		**(5,117)**	**—**	(5,633)	—
Cash outflow from operating activities		**(4,238)**	**(5,055)**	**(5,191)**	**(6,003)**
Foreign withholding tax paid		**(371)**	**—**	—	—
Tax paid		**(25)**	**—**	—	—
Research and development tax credit received		**324**	**—**	325	—
Net cash outflow from operating activities		**(4,310)**	**(5,055)**	**(4,866)**	**(6,003)**
Cash flow from investing activities					
Purchases of tangible fixed assets		**(8)**	**—**	(282)	—
Purchases of intangible fixed assets		**(76)**	**—**	(95)	—
Proceeds from sale of tangible fixed assets		**32**	**—**	4	—
Increase in investment in subsidiaries		**—**	**—**	—	—
Interest received		**416**	**412**	731	724

Net cash inflow from investing activities	**364**	**412**	**358**	**724**
Cash flow from financing activities				
Return of capital to shareholders	**—**	**—**	(1,009)	(1,009)
Fees on return of capital to shareholders	**—**	**—**	(14)	(14)
Payment of lease liabilities (capital)	**(703)**	**—**	(627)	—
Payment of lease liabilities (interest)	**—**	**—**	(87)	—
Interest paid	**(6)**	**(1)**	(6)	(1)
Net cash outflow from financing activities	**(709)**	**(1)**	**(1,743)**	**(1,024)**
Decrease in cash and cash equivalents	**(4,655)**	**(4,644)**	(6,251)	(6,303)
Cash and cash equivalents at the start of the year	**13,998**	**13,861**	20,293	20,164
Effects of exchange rate changes	**(3)**	**—**	(44)	—
Cash and cash equivalents at the end of the year	**9,346**	**9,217**	**13,998**	**13,861**

Notes to the financial statements

1. Reporting entity

Nanoco Group plc (the "company"), a public company limited by shares, is on the equity shares (commercial companies) list of the London Stock Exchange. The company is incorporated and domiciled in England, UK. The registered number is 05067291 and the address of its registered office is Science Centre, The Heath Business and Technical Park, Runcorn WA7 4QX. The company is registered in England.

These group financial statements consolidate those of the company and its subsidiaries (together referred to as the "group" and individually as "group entities") for the year ended 31 July 2026.

The financial statements of the group for the year ended 31 July 2026 were authorised for issue by the Board of Directors on 24 November 2026 and the statements of financial position were signed on the Board's behalf by Liam Gray.

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company's income statement.

The significant accounting policies adopted by the group are set out in note 3.

2. Basis of preparation

(a) Statement of compliance

The group's and parent company's financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and UK adopted IFRSs as issued by the International Accounting Standards Board for the year ended 31 July 2026.

(b) Basis of measurement

The parent company and group financial statements have been prepared on the historical cost basis, except for the revaluation of financial assets classified as "fair value through other comprehensive income" or "fair value through profit or loss", which are reported in accordance with the accounting policies below.

(c) Going concern

All of the following matters are taken into account by the Directors in forming their assessment of going concern: the group's business activities and market conditions; the principal risks and uncertainties and the group's financial position as described in the Financial review.

The key factor in the group's going concern assessment is the strength of the balance sheet at 31 July 2026 with £9.3 million of cash reserves and no external loans. There are sufficient cash reserves to support the group's cost base under each of the forecast scenarios considered and to satisfy working capital requirements throughout the going concern assessment period to 30 November 2027. Any future distribution of surplus cash will take into consideration the viability of the group and the need to retain sufficient cash to support its ongoing operations.

For the purposes of the going concern assessment and the basis of preparation of the 2026 Annual Report, the Directors have reviewed the same trading and cash flow forecasts and sensitivity analyses used in the viability assessment described in the annual report. The Directors' going concern assessment covers the period to 30 November 2027.

The base case represents the Board's current expectations. Assumptions in the base case are:

- existing services revenue contracts will be renewed for future years;
- a second JDA is signed in FY27 at an equivalent rate to the current JDA;
- ramp up of product sales from FY27, following discussions with prospective customers;
- costs associated with being a listed entity and other costs reflect the current inflationary environment; and
- the current cost base is capable of supporting significant increases in revenue above those assumed in the base case such that there is no immediate requirement for short-term increases or new capital expenditure.

There is a level of uncertainty in the base case scenarios. It is dependent on technological progress, adoption of the technology and revenues which are as yet uncontracted. If the assumptions in the base case did not come to fruition, the Board would carefully consider next steps, including, but not limited to, further cost reductions.

The downside case flexes those assumptions as follows:

- a twelve-month delay in the ramp up of commercial production revenues;
- no further JDA revenues outside of the existing contract; and
- a reduction in costs due to lower activity levels in the delay period.

As described further in the Viability Statement in the annual report, the Directors have also considered the group's longer-term prospects and cash requirements. The Directors considered a scenario in which the group generates no further revenue and takes no action to rationalise its cost base. Under this scenario, the group's existing cash reserves would support approximately two years of trading before being fully depleted. In such circumstances, the Directors would take appropriate action in advance of the depletion of cash resources to manage the group's cost base and ensure that its liabilities could be settled in an orderly manner.

Having considered the group's available cash resources, forecast cash flows and downside scenarios over the going concern assessment period, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence to 30 November 2027. Accordingly, the financial statements have been prepared on a going concern basis.

(d) Functional and presentational currency

These financial statements are presented in Pounds Sterling, which is the presentational currency of the group and the functional currency of the company. All financial information presented has been rounded to the nearest thousand.

(e) Use of estimates and judgements

The preparation of financial statements requires management to make estimates and judgements that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual amounts could differ from those estimates. Estimates and judgements used in the preparation of the financial statements are continually reviewed and revised as necessary. While every effort is made to ensure that such estimates and judgements are reasonable, by their nature they are uncertain and, as such, changes in estimates and judgements may have a material impact on the financial statements.

In the process of applying the group's accounting policies, management has made the following estimates and judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Significant estimates

Samsung licence of IP

Following the judgement over the method of revenue recognition of the Samsung contract described below, it was determined that the appropriate period for revenue recognition was the average remaining life of the relevant IP at the start of the licence of 8.8 years (2025: 7.4 years). The average remaining life of the IP is a significant estimate and is reviewed each year. The estimation uncertainty is centred around whether patents will be maintained through to their expiry date or whether they will become obsolete before expiry dates. The uncertainty reduces year on year as some patents reach expiry and others are abandoned. A sensitivity analysis is included in note 6.

Deferred tax

The group recognises deferred tax assets only to the extent that it is probable that future taxable profits, feasible tax planning strategies and deferred tax liabilities will be available against which the tax losses can be utilised. Estimation of the level of future taxable profits is therefore required in order to determine the appropriate carrying value of the deferred tax asset. Future profits are based on management forecasts for the following three years which is the period over which the profits are considered to be probable. The period over which forecast profits are considered to be probable is a key assumption and as such a sensitivity analysis has been performed in the annual report. The group has recognised £1.4 million of deferred tax assets in the year (2025: £1.6 million) which represents the proportion of accumulated losses that are expected to be utilised in the medium term.

Recoverability of investment

Management has assessed the sensitivity of the impairment assessment to reasonably possible changes in key assumptions. The Value In Use calculation would require a significant increase in forecast revenues above those included in management's downside forecast before any value could be attributed to the investment. Management does not consider that a reasonably possible change in assumptions would result in a material reversal of the impairment recognised at the reporting date.

Significant Judgements

Samsung licence of IP

Judgement is required in reviewing the terms of the licence agreement with Samsung as to whether the associated revenue should be recognised at a point in time or over time, and if over time, over what period. The Directors reviewed the contract in detail and analysed the terms against the specific requirements of IFRS 15 in relation to licences. They concluded that the group had an ongoing performance obligation in regard to the licence and therefore the revenue should be recognised over time.

Recoverability of investment

The company assesses investments in subsidiaries for indicators of impairment at each reporting date. Where impairment indicators are identified, the recoverable amount of the investment is determined using a VIU model.

Significant judgement was required in determining the appropriate basis for forecasting future cash flows. In particular, management considered whether potential future revenues arising from the commercialisation of the group's technology and other strategic initiatives should be included within the impairment assessment. Management concluded that only contracted and otherwise supportable revenues should be included in the VIU as future commercialisation opportunities were not considered sufficiently supported by objective evidence available at the reporting date.

This judgement resulted in a VIU assessment that supported the recognition of a full impairment charge against the investment during the year.

Recoverability of tangible assets and right of use assets

The company assesses asset values for indicators of impairment at each reporting date. Where impairment indicators are identified, the recoverable amount of the assets are determined using a VIU model. Significant judgement was required in determining the value in use of the CGU, which was assessed as nil. Accordingly, the recoverable amount was determined by reference to the asset's fair value less costs of disposal. This judgement resulted in an impairment charge of £196,000 against property, plant and equipment, reducing its carrying amount to £848,000, and an impairment charge of £446,000 against right-of-use assets, reducing their carrying amount to nil.

Other Judgements

Revenue recognition

Judgement is required in reviewing the terms of development agreements to identify separate components of revenue, if any, that are distinct and in turn the period over which development revenue should be recognised. Management judgements are similarly required to determine whether services or rights under licence agreements have been delivered so as to enable licence revenue to be recognised. This matter is further

complicated where a contract may have different elements which may result in separate recognition treatments under IFRS 15. Further information is included in note 3(d).

LG licence of IP

Judgement is required in reviewing the terms of the licence agreement with LG as to whether the associated revenue should be recognised at a point in time or over time, and if over time, over what period. The Directors reviewed the contract in detail and analysed the terms against the specific requirements of IFRS 15 in relation to licences. They concluded that given LG were no longer using this technology, the group had no ongoing performance obligation in regard to the licence and therefore the revenue should be recognised in full at a point in time.

Research and development

Careful judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain until such time as technical viability has been proven and commercial supply agreements are likely to be achieved. Judgements are based on the information available at each reporting date, which includes the progress with testing and certification and progress on, for example, establishment of commercial arrangements with third parties. In addition, all internal activities related to research and development of new products are continuously monitored by the Directors. Further information is included in note 3(h).

3. Significant accounting policies

The accounting policies set out below are consistent with those of the previous financial year and are applied consistently by group entities.

(a) Basis of consolidation

The group financial statements consolidate the financial statements of Nanoco Group plc and the entities it controls (its subsidiaries) drawn up to 31 July each year.

Subsidiaries are all entities over which the group has the power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee), exposure, or rights, to variable returns from its involvement with the investee and ability to use its power over the investee to affect its returns. All of Nanoco Group plc's subsidiaries are 100% owned. Subsidiaries are fully consolidated from the date control passes. The group includes an Employee Benefit Trust ("EBT") for the purpose of awarding shares to employees on exercise of options under the share-based compensation schemes. Although the EBT is an independent legal entity and not owned by the group, it is reliant on funding from the group and acts at its request; as such, it is deemed to be controlled by the group and is consolidated into the group accounts.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the group. The costs of an acquisition are measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date irrespective of the extent of any minority interest.

The difference between the cost of acquisition of shares in subsidiaries and the fair value of the identifiable net assets acquired is capitalised as goodwill and reviewed annually for impairment. Any deficiency in the cost of acquisition below the fair value of identifiable net assets acquired (i.e. discount on acquisition) is recognised directly in the consolidated statement of comprehensive income.

In the consolidated financial statements, the assets and liabilities of the foreign operations are translated into Sterling at the exchange rate prevailing at the reporting date. Income and cash flow statement items for group entities with a functional currency other than Sterling are translated into Sterling at monthly average exchange rates, which approximate to the actual rates, for the relevant accounting periods. The exchange differences arising on translation are recognised in other comprehensive income. See note 3(b).

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Subsidiaries' accounting policies are amended where necessary to ensure consistency with the policies adopted by the group.

(b) New accounting standards and interpretations

New standards impacting the group that have been adopted in the financial year ending 31 July 2026 are as follows:

- IAS 21 Lack of exchangeability

Following an assessment, the group have determined that these standards do not have a material impact upon the group's Financial Statements.

The following standards have been issued but have not been applied by the group in these financial statements.

IFRS standards effective from 1 January 2026 (UK adopted):

- Annual Improvements to IFRS Accounting Standards Volume – 11
- IFRS 1 – First-time Adoption of International Financial Reporting Standards
- IFRS 7 – Financial Instruments: Disclosures
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IAS 7 – Statement of Cash Flows
- IFRS 18 Presentation and Disclosure in Financial Statements

The group anticipates that IFRS 18 is expected to introduce significant changes to the presentation and disclosure of its Financial Statements and is currently assessing the impact on future reporting periods. The group do not expect the other standards to have a material impact on its Consolidated Financial Statements in future reporting periods. .

4. Segmental information

Operating segments

During the years ended 31 July 2026 and 2025, 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.

	31 July 2026 £'000	31 July 2025 (Restated) £'000
Analysis of revenue		
Products sold	**101**	131
Rendering of services	**1,383**	1,215
Licences	**8,906**	5,648
	10,390	6,994

There were 2 material customers which generated product and service revenue greater than 10% of total product and services revenue (2025: 3 material customer). £5,101,000 of the licence income related to the Samsung licence (2025 restated: £5,648,000).

Revenue from the provision of services and licences delivered over time totalled £6,484,000 (2025: £6,863,000). Revenue from the sale of goods transferred at a point in time amounted to £101,000 (2025: £131,000).

Revenue from the sales of licences recorded at a point in time was £3,805,000 (2025: £Nil)

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:

	31 July 2026 £'000	31 July 2025 (Restated) £'000
Revenue		
South Korea	**8,906**	5,648
Japan	**1,465**	810
Netherlands	**—**	492
UK	**9**	34
France	**2**	9
Belgium	**4**	1
Taiwan	**3**	—
Canada	**1**	—
	10,390	6,994

All of 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 £718,000 (2025 restated: loss of £1,597,000).

Prior period restatement

During the current year, management identified an error in the accounting treatment of revenue pertaining to the Samsung licence, the cause of which has come from both a mechanical change in the calculation of revenue recognised under the Samsung licence arrangement and the retrospective application of a revised accounting assessment that should have been applied prospectively. Upon further review, it was identified that revenue had been inappropriately recorded in prior accounting periods. In the year to 31 July 2025, revenue was overstated by £624,000. The directors of the company have therefore made a prior year adjustment to correct the material error.

In accordance with IAS 8 Accounting Policies, *Changes in Accounting Estimates and Errors*, the comparative information has been restated to correct the error. The correction impacts revenue, profit before tax, current and deferred taxation balances, current and non-current liabilities, tax receivable and retained earnings.

We also note that as the identified misstatement only arose during the period ending 31 July 2025 there was no impact on the opening retained earnings as at the beginning of the prior period presented.

The effect of the correction on the comparative financial statements is set out below.

Impact on the Statement of Profit or Loss

Year ended 31 July 2025

	31 July 2025 £'000	**Restatement**	31 July 2025 (Restated) £'000
Total revenue	7,618	(624)	6,994
Operating Loss	(1,612)	(624)	(2,236)
Loss before tax	(973)	(624)	(1,597)
Income tax expense	(1,224)	62	(1,162)
Total comprehensive loss	(2,203)	(562)	(2,765)

Impact on the Statement of Financial Position

As at 31 July 2025

	31 July 2025 £'000	**Restatement**	31 July 2025 (Restated) £'000
Foreign withholding tax receivable > 1 year	870	62	842
Total assets	21,227	62	21,289
Deferred revenue < 1 year[1]	(6,090)	973	(5,117)
Current liabilities	(8,228)	973	(7,255)
Deferred revenue > 1 year	(31,181)	(1,597)	(32,778)
Non-current liabilities	(32,505)	(1,597)	(34,102)
Total liabilities	(40,733)	(624)	(41,357)
Net (liabilities)/assets	(19,506)	(562)	(20,068)
Retained earnings	(41,615)	562	(41,053)
Total equity	(19,506)	(562)	(20,068)

Impact on Statement on Changes in Equity

Year ended 31 July 2025

	31 July 2025 £'000	**Restatement**	31 July 2025 (Restated) £'000
Loss for the year	(2,197)	(562)	(2,759)
Total comprehensive loss	(2,203)	(562)	(2,765)
Retained earnings	(41,615)	562	(41,053)
Total equity	(19,506)	(562)	(20,068)

5. Earnings per share

Group	**31 July 2026 £'000**	31 July 2025 (Restated) £'000
Loss for the financial year attributable to equity shareholders	(2,021)	(2,759)
Share-based payments	5	731
Loss for the financial year before share-based payments	(2,026)	(2,028)
Weighted average number of shares		
Ordinary shares in issue	195,543,816	195,615,212
Options exercisable at the reporting date	280,729	2,482,608
Options not yet exercisable at the reporting date	4,258,115	12,271,489
Diluted weighted average number of shares	200,082,660	210,369,309
Adjusted loss per share before share-based payments (pence)	(1.03)	(1.04)
Basic loss per share (pence)	(1.04)	(1.41)
Diluted adjusted loss per share before share-based payments (pence)	(1.03)	(1.04)
Diluted loss per share (pence)	(1.04)	(1.41)

The convertible potential ordinary shares were anti-dilutive in nature; therefore, their effect was not included in the calculation of diluted EPS. Adjusted loss per share and diluted adjusted loss per share are non-GAAP measures included for reference.

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