

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the Resolutions to be voted on at the General Meeting to be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS on Tuesday 14 November 2017 at 11.00 a.m. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all your shares in the Company, please forward this document, together with the accompanying documents, to the purchaser or transferee, or to the stockbroker or other agent who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

The Directors, whose names appear on page 3 of this Circular, accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The existing Ordinary Shares are admitted to listing on the premium segment of the Official List and to trading on the Main Market. Subject to Resolutions 1, 3 and 4 being passed, applications will be made to the Financial Conduct Authority for the Fundraising Shares to be admitted to listing on the premium segment of the Official List and to the London Stock Exchange for the Fundraising Shares to be admitted to trading on the Main Market. It is expected that admission of the Fundraising Shares to the Official List and to trading on the Main Market will commence on Wednesday 15 November 2017.

Nanoco Group Plc

(incorporated and registered in England and Wales under number 05067291)

Issue of 47,655,821 new Ordinary Shares at a price of 18 pence per share

Notice of General Meeting

Peel Hunt LLP

Sponsor, bookrunner and broker

Notice of the General Meeting of the Company to be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS on Tuesday 14 November 2017 at 11.00 a.m. is set out at the end of this Circular. Whether or not you propose to attend the General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed thereon. The Form of Proxy must be received by 11.00 a.m. on Friday 10 November 2017. Alternatively, if you would prefer to register your proxy appointment and instructions electronically, full details of how to do so are shown in the notes to the Notice of General Meeting and printed on the Form of Proxy. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

This Circular, including the Notice of General Meeting, should be read in its entirety and in conjunction with the Form of Proxy. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 8 to 17 of this Circular and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

Peel Hunt LLP which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as sponsor, bookrunner and broker exclusively for the Company in connection with the Fundraising described in this Circular and will not be acting for any other person or be responsible to any other person for providing the protections afforded to Peel Hunt LLP's customers or for advising any other person on the Placing, the contents of this Circular or any matter, transaction or arrangement referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt LLP by FSMA or the regulatory regime established thereunder, neither Peel Hunt LLP nor its affiliates make any representation or warranty, expressed or implied, as to the contents of this Circular and accept no responsibility or liability whatsoever for the accuracy, completeness or verification of, or

opinions contained in, this Circular (or for the omission of any material information) and shall not be responsible for the contents of this Circular or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Placing. Peel Hunt LLP and its affiliates accordingly disclaim all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this Circular or any such statement.

The Placing Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, subject to certain limited exceptions, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws. Any securities referred to herein may be offered and sold only in “offshore transactions” as defined in and pursuant to Regulation S or to a limited number of QIBs that are both Accredited Investors and Qualified Purchasers or otherwise in private placement transactions that are exempt from the registration requirements under the Securities Act. No public offering of the Placing Shares, or any other securities of the Company, is being made in the United States and this Circular, and the information contained herein, does not constitute an offer to sell or a solicitation of an offer to buy any Placing Shares or any other securities of the Company in the United States.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Shareholders who are residents or citizens of any country other than the United Kingdom and any persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

Certain statements contained in this document are or may constitute “forward looking statements”. Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include, among others, changes in the credit markets, changes in interest rates, legislative and regulatory changes, changes in taxation regimes, and general economic and business conditions, particularly in the United Kingdom. No assurance can be given that this information will prove to be correct and such forward looking information included in this document should not be relied upon. The forward looking information included in this document is expressly qualified by this cautionary statement and is made as of the date of this document. The Company does not undertake any obligation to publicly update or revise any forward looking information except as required by applicable securities laws. The market price of the Ordinary Shares may go up or down depending on market and economic conditions.

DIRECTORS AND ADVISERS

Directors	Dr Christopher Richards, <i>Non-Executive Chairman</i> Dr Michael Edelman, <i>Chief Executive Officer</i> Keith Wiggins, <i>Chief Operating Officer</i> David Blain, <i>Chief Financial Officer</i> Dr Nigel Pickett, <i>Chief Technology Officer</i> Brendan Cummins, <i>Non-Executive Senior Independent Director</i> Dr Alison Fielding, <i>Non-Executive Director</i>
Company Secretary	David Blain
Registered Office	46 Grafton Street Manchester Greater Manchester M13 9NT
Sponsor, Bookrunner and Broker	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
Solicitors to the Company	Reed Smith LLP The Broadgate Tower 20 Primrose Street London EC2A 2RS
Solicitors to the Sponsor, Bookrunner and Broker	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
Auditors	Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

PLACING STATISTICS

Issue Price	18 pence
Number of Ordinary Shares in issue prior to the Fundraising	238,279,106*
Number of Fundraising Shares being issued by the Company	47,655,821
Gross proceeds of the Fundraising	£8.6 million
Estimated proceeds receivable by the Company, after expenses	£8.0 million
Number of Ordinary Shares in issue following the Fundraising	285,934,927*
Number of Fundraising Shares as a percentage of the Enlarged Share Capital	16.7%

*Excluding 12,222 treasury shares held by the Company as at the date of this Circular. The 12,222 treasury shares represent 0.005 per cent of the issued Ordinary Share capital of the Company (excluding treasury shares) as at Wednesday 25 October 2017 (being the last practicable date prior to the date of this Circular).

EXPECTED TIMETABLE OF PRINCIPAL EVENTS*

Dispatch of this Circular to Shareholders	Thursday 26 October 2017
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on Friday 10 November 2017
Time and date of General Meeting	11.00 a.m. on Tuesday 14 November 2017
Admission and dealings in the Fundraising Shares expected to commence on the London Stock Exchange	8.00 a.m. on Wednesday 15 November 2017
Expected date for CREST stock accounts to be credited for the Fundraising Shares in uncertificated form	Wednesday 15 November 2017
Expected date for despatch of definitive share certificates for the Fundraising Shares in certificated form	week commencing Monday 20 November 2017

*All of the dates and times referred to in this Circular refer to London time and are indicative only and may be subject to change. If any of the details contained in the above expected timetable should change the revised times and dates will be notified to Shareholders by means of an announcement through the Regulatory Information Service. All events listed in the above timetable scheduled to take place following the General Meeting are conditional on the passing of Resolutions 1, 3 and 4 at the General Meeting.

DEFINITIONS AND GLOSSARY OF TERMS

The following definitions apply throughout this Circular unless the context otherwise requires:

ABB	accelerated bookbuild
Accredited Investor	has the meaning given to it in Rule 501 of Regulation D
Act	the Companies Act 2006 (as amended)
Admission	admission of the Fundraising Shares to listing on the premium listing segment of the Official List and to trading on the Main Market becoming effective in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards
Admission and Disclosure Standards	the requirements contained in the London Stock Exchange's publication "Admission and Disclosure Standards" containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the Main Market
Agreed Subscription	the maximum subscription by LOAM for Fundraising Shares at the Issue Price in accordance with the terms of the LOAM Subscription Agreement
Articles	the Company's articles of association from time to time
Board	the board of directors of the Company from time to time
Business Day	any week day (Saturdays, Sundays and public holidays excepted) when banks in the City of London are open for normal banking business
certificated form or in certificated form	an ordinary share recorded on a company's share register as being held in certificated form (namely, not in CREST)
CES	the Consumer Electronics Show in Las Vegas
CFQDs	cadmium-free quantum dots
Company or Nanoco	Nanoco Group plc, a company registered in England and Wales with registered number 05067291
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001, as amended) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations)
Director and Senior Management Subscription	the direct subscription by certain Directors and members of senior management of the Company for 1,281,505 new Ordinary Shares at the Issue Price
Directors	the directors of the Company as at the date hereof, being those directors whose names are set out on page 3 of this Circular
Dow	The Dow Chemical Company
DSM Subscription Letters	the conditional letters of subscription received by the Company from each subscriber under and in connection with the Director and Senior Management Subscription
DSM Subscription Shares	the 1,281,505 new Ordinary Shares to be issued by the Company pursuant to the Director and Senior Management Subscription
Enlarged Share Capital	the Ordinary Share capital of the Company immediately following the Fundraising (excluding the 12,222 Ordinary Shares held by the Company in treasury as at Wednesday 25 October 2017, being the latest practicable date prior to the date of this Circular)
Form of Proxy	the form of proxy which accompanies this Circular for use in connection with the General Meeting
FSMA	the UK Financial Services and Markets Act 2000, as amended
Fundraising	the proposal to raise approximately £8.6 million before expenses through the LOAM Subscription, the Director and Senior Management Subscription and the Placing

Fundraising Announcement	the announcement of the Fundraising released on 4 October 2017
Fundraising Shares	the 47,655,821 new Ordinary Shares to be issued by the Company pursuant to the Fundraising
General Meeting	the general meeting of the Company to be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS on Tuesday 14 November 2017 at 11.00 a.m. (or any adjournment thereof)
GMP	good manufacturing practices, a system for ensuring that products are consistently produced and controlled according to quality standard
Group	the Company and its subsidiary undertakings and “Group Company” shall be construed accordingly
Issue Price	18 pence, being the price at which the Fundraising Shares are to be issued
Listing Rules	the rules relating to admission to the Official List made in accordance with Section 73A(2) of FSMA
LOAM	Lombard Odier Asset Management (USA) Corp, acting in its capacity as discretionary investment manager and agent of certain funds managed by it
LOAM Subscription	the subscription by LOAM pursuant to the LOAM Subscription Agreement for 23,827,911 Fundraising Shares at the Issue Price
LOAM Subscription Agreement	the conditional agreement dated 4 October 2017 and made between the Company and LOAM in relation to the subscription by LOAM for the Fundraising Shares subject to scale back in respect of the Placing Shares and the DSM Subscription Shares
LO Funds	certain funds managed by Lombard Odier Asset Management (USA) Corp
London Stock Exchange	London Stock Exchange plc
Main Market	the main market for listed securities of the London Stock Exchange
Member States	the member states of the European Economic Area
Merck	Merck KGaA
Notice of General Meeting	the notice convening the General Meeting set out at the end of this Circular
OEM	original equipment manufacturer
Official List	the Official List of the Financial Conduct Authority
Ordinary Shares	ordinary shares of 10 pence each in the capital of the Company
Peel Hunt	Peel Hunt LLP
Placing	the placing by way of ABB to certain institutional and other investors of the Placing Shares at the Issue Price pursuant to the Placing Agreement
Placing Agreement	the conditional agreement dated 4 October 2017 and made between the Company and Peel Hunt in relation to the Placing
Placing Shares	the 22,546,405 new Ordinary Shares to be issued by the Company pursuant to the Placing
Prospectus Directive	EU Directive (2003/71/EC), including any relevant implementing measure in each Relevant Member State
QDs	quantum dots
QIB	a “qualified institutional buyer” as defined in Rule 144A of the Securities Act

Qualified Purchaser	a “qualified purchaser” as defined in Section 2(a)(51) of The Investment Company Act of 1940, as amended
R&D	research and development
Regulation D	means Regulation D under the Securities Act
Regulation S	means Regulation S under the Securities Act
Relevant Member State(s)	each Member State which has implemented the Prospectus Directive
Resolutions	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
Samsung	Samsung Group
Securities Act	the U.S. Securities Act of 1933, as amended
Shareholders	holders of Ordinary Shares
subsidiary undertaking	shall be construed in accordance with section 1162 and Schedule 7 of the Act, save that an undertaking shall also be treated, for the purposes only of the membership requirement contained in subsections 1162(2)(b) and (d), as a member of another undertaking if any shares in that other undertaking are held by a person (or its nominee) by way of security or in connection with the taking of security granted by the undertaking or any of its subsidiary undertakings
UHD	ultra high definition
uncertificated form or in uncertificated form	an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, as amended, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or USA or US	the United States of America, its territories, possessions, any state of the United States of America and the District of Columbia
Wah Hong	Wah Hong Industrial Corporation

Nanoco Group Plc

(Incorporated and registered in England and Wales under number 05067291)

Registered Office:

46 Grafton Street
Manchester
Greater Manchester
M13 9NT

Directors:

Dr Christopher Richards, *Non-Executive Chairman*
Dr Michael Edelman, *Chief Executive Officer*
Keith Wiggins, *Chief Operating Officer*
David Blain, *Chief Financial Officer*
Dr Nigel Pickett, *Chief Technology Officer*
Brendan Cummins, *Non-Executive Senior Independent Director*
Dr Alison Fielding, *Non-Executive Director*

Thursday 26 October 2017

To the Shareholders and, for information only, to the holders of options over Ordinary Shares

Dear Shareholder,

Issue of 47,655,821 new Ordinary Shares at a price of 18 pence per share and Notice of General Meeting

1. Introduction

Your Board announced on 5 October 2017 that it has raised approximately £8.6 million before expenses, by way of a subscription by LOAM for 23,827,911 new Ordinary Shares, a Placing undertaken by way of ABB for 22,546,405 new Ordinary Shares and a subscription by certain Directors and other senior management of the Company for 1,281,505 new Ordinary Shares, all at a price of 18 pence per share (the "Fundraising") which represents a discount of approximately 35.7 per cent to the closing mid-market price of 28 pence per Ordinary Share at close of business on 3 October 2017 (being the latest practicable date prior to publication of the Fundraising Announcement). As described in more detail below, the net proceeds of the Fundraising (expected to be approximately £8.0 million) will allow the Group to retain its existing manufacturing facility at Runcorn, improve the efficiency of its operations and enable the Group to continue to innovate as well as develop its existing technology.

The Fundraising is conditional, amongst other things, upon Shareholders passing Resolutions 1, 3 and 4 at the General Meeting.

Approvals for all of the Resolutions will be sought at a general meeting of the Company to be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS on Tuesday 14 November 2017 at 11.00 a.m..

The purpose of this Circular is to provide you with information regarding the Fundraising, to explain why your Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole and why it unanimously recommends that you should vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this Circular.

2. Background to and reasons for the Fundraising

2.1 Introduction

The Company is a leading developer and manufacturer of CFQDs and other nanomaterials.

The financial year ended 31 July 2017 has been a significant year for the Group with solid advances towards the commercialisation of its technology. Unaudited revenues in the year and net cash at the year-end were in line with the Board's expectations.

Highlights in the year have included:

- The Group's first commercial orders – to supply CFQD resin to global manufacturer Wah Hong;

- New routes to market established for CFQDs in display;
- TVs using Nanoco CFQD[®] Fine Color Film[™] exhibited at CES in January 2017;
- Nanoco's Runcorn manufacturing facility became commercially viable;
- A growing pipeline of potential display business; and
- Progress in life sciences and lighting markets.

2.2 The display market

The market in display for CFQDs continues to grow, driven by the increasing appetite for enhanced colour and brightness and the penetration of UHD TVs. According to IHS Markit forecasts, 26 million displays will be QD equipped by 2021, with more than 90 per cent of the market being cadmium-free. Samsung, with its recently launched QLED brand, is leading the field and sold more than three million QD displays in 2016.

While other display OEMs are embracing CFQD technology, adoption continues to be slow and protracted regulatory change to restrict the use of cadmium has been unhelpful. However, the recently announced legislation in Europe, banning the use of cadmium in displays from October 2019, may be expected to accelerate the move to CFQDs. Several major Taiwanese and Chinese display and TV manufacturers are now actively seeking CFQD solutions, where Nanoco continues to have a competitive lead.

2.3 Commercialisation

Nanoco's Runcorn manufacturing facility has been extensively enhanced – with costs substantially reduced – to enable the Group to supply commercial quantities of its product to fulfil the anticipated volume of future orders. It now has capacity to produce enough CFQDs to supply approximately one million large TVs, operating on a 24/7 shift pattern. Further capacity can be achieved with limited capital expenditure and will be brought online as demand increases.

The Group's relationship with Wah Hong, its optical film partner, has progressed well. Product from Nanoco / Wah Hong was used by three manufacturers, Hisense, TCL and TPV Philips at CES in January 2017, to demonstrate prototype large screen, UHD, wide colour gamut LCD TVs. Feedback and lead generation from CES was encouraging and further validated the market opportunity. As a result, Wah Hong brought forward its investment in a new coating line which is now commissioned and capable of producing films to fit up to 100 inch TVs. These developments resulted in Wah Hong placing the first commercial order for CFQDs from Nanoco in June 2017.

Nanoco's sales pipeline remains full with the same number of OEMs and programmes as stated on 30 June 2017. The Group's key short-term focus is on 10 TV and monitor projects with five companies, however, Nanoco will continue to develop further opportunities in the future.

Nanoco's other channels to market are via its two licensees, Dow and Merck. Dow sells product under the Trevista[™] brand, manufactured in its facility in South Korea. Dow commented that it sees growing interest in CFQDs and has been engaged with several display customers considering adopting QD technology.

Nanoco has completed the transfer of its technology to Merck who have successfully produced pilot plant scale quantities of CFQD's at their Darmstadt Germany facility. Merck is carefully watching the development of the CFQD market and will continue to purchase CFQD products from Nanoco until they decide to build their own manufacturing facility. Merck is actively engaged with their potential customers on various CFQD application projects and sells under the Livlux^R brand.

In May 2017 Nanoco signed a collaboration and joint development agreement with Kyulux Inc to future proof the Group and ensure it remains at the forefront of next generation products. Under the agreement, Nanoco's CFQDs will be combined with Kyulux's technology to create future generation hybrid OLED / QLED display technology with superior qualities to existing products in the display market.

Nanoco has also strengthened its patent portfolio in Electroluminescence with the acquisition of a patent portfolio from Kodak Eastman. Today the Group benefits from c.600 patents and patent applications.

2.4 Other markets

While display was the Group's primary focus during the year, Nanoco continued to develop its other target markets of life sciences and lighting. Nanoco's life sciences division made further

progress in in-vivo optical imaging, diagnosis and targeted therapy of cancer, being awarded an Innovate UK Grant for a VIVODOTS™ programme in conjunction with University College London targeting pancreatic cancer. On 8 September 2017, the Company announced that it had entered into a supply and licensing agreement with a US corporation in the medical devices sector.

Lighting continues to make headway, in line with management's expectations, within specialty niche markets including horticulture and photodynamic therapy products.

The Board has decided that the solar business is non-core and has commenced the process to divest that business.

2.5 People

Due to the changes in commercialisation strategy and continued prudent cash management, staff numbers have been reduced from an average of 129 employees during the financial year ended 31 July 2016 to a current workforce of c.80 employees. However, there were also important new hires during the period, including the appointment of David Yao as Senior Vice President of Global Sales, based in Asia.

2.6 Financial

As announced on 25 August 2017, unaudited revenues and other operating income in the year were in line with the Board's expectations. The balance sheet had unaudited net cash of £5.7 million at 31 July 2017 compared with £8.3 million at 31 January 2017 (31 July 2016: £14.5 million) and was in line with the Board's expectations.

The Company has continued to trade in line with expectations since 25 August 2017. Costs continue to be tightly controlled to maximise the cash runway.

2.7 Outlook

The Group continues to make solid progress in commercialisation of CFQDs and expects to announce further orders from its healthy pipeline of projects. With the market continuing to develop more slowly than originally anticipated, the Board remains focused on careful management of costs ahead of the anticipated sales ramp-up. The Board remains confident that the opportunity for CFQDs, both in display and in other sectors, remains exciting and, moreover, that the Company has a competitive lead in this technology.

Nanoco expects to announce its preliminary results for the year ended 31 July 2017 shortly after completion of the Fundraising in November 2017.

3. Use of proceeds

In order to fulfil sales generated through the commercial agreements anticipated in the first half of the Company's 2018 financial year (ending 31 July 2018) and beyond, the Company needs to maintain and potentially expand (as demand dictates) its Runcorn manufacturing facility.

Furthermore, R&D resource needs to be reinstated as innovation is critical to success in the display industry. The Company needs to continue to improve, expand and protect its substantial patent portfolio in order to stay ahead of the competition. In particular, the Company has a strong R&D pipeline including CFQD film (a current product), CFQD colour filter (3 – 5 years to develop) and CFQLED (5+ years to develop). Beyond display products, the Company has opportunities in industries including lighting and life sciences.

As such, the Company intends to use the net proceeds it receives from the Fundraising to eliminate any going concern issues and provide sufficient working capital for its needs including:

- To retain and enhance the Runcorn production facility in order to exploit significant sales opportunities;
- To improve the negotiating position opposite customers from a strong balance sheet position;
- To reinstate diminished R&D resources in order to stay ahead of competition by way of the following:
 - Exploiting current film technology by maintaining a competitive edge; and
 - Investing in next generation CFQD based display technology focusing on colour filters and electroluminescent displays;
- To continue to strengthen and protect the Company's substantial intellectual property portfolio; and

- To eliminate going concern issues and to provide working capital to help exploit the future opportunity of the CFQD platform in other markets including;
 - Life sciences (GMP toxicology testing);
 - Lighting; and
 - 2 dimensional materials.

The Company is of the opinion that, taking into account the net proceeds of the Fundraising, the working capital available to the Group is sufficient for its present requirements, which is for at least the next 12 months from the date of this Circular.

4. Principal terms and conditions of the Fundraising

4.1 The LOAM Subscription and the LOAM Subscription Agreement

LOAM agreed pursuant to the LOAM Subscription Agreement dated 4 October 2017 to subscribe in full for the Fundraising Shares at the Issue Price equivalent to a cash subscription of approximately £8.6 million. Notwithstanding this agreement to subscribe in full for the Fundraising Shares, LOAM also agreed in the LOAM Subscription Agreement that their subscription for the Fundraising Shares could be scaled back at the determination of the Company by up to an aggregate 23,827,910 new Ordinary Shares to allow participation in the Fundraising from: (i) the Directors and other senior management of the Company pursuant to the Director and Senior Management Subscription; and (ii) other investors pursuant to the Placing.

The Company has received commitments for, in aggregate, 22,546,405 new Ordinary Shares pursuant to the Placing and 1,281,505 new Ordinary Shares pursuant to the Director and Senior Management Subscription such that LOAM's subscription under the Fundraising has, in accordance with the terms of the LOAM Subscription Agreement, been scaled back and LOAM will be issued with an aggregate 23,827,911 new Ordinary Shares.

The LOAM Subscription Agreement contains provisions entitling LOAM (acting reasonably) to terminate the LOAM Subscription Agreement at any time prior to Admission in certain circumstances, including (amongst others) a breach of the warranties given to LOAM, the occurrence of any material adverse change in the condition, financial or otherwise, or in the earnings, assets, liabilities, cash flows, business, operations or prospects of the Company or the Group taken as a whole, the occurrence of a force majeure event or the Company not having complied with its obligations under the LOAM Subscription Agreement. The Placing Agreement will terminate on termination of the Subscription Agreement. If LOAM exercises its right to terminate the LOAM Subscription Agreement then the Fundraising will not proceed.

The LOAM Subscription Agreement is conditional, amongst other things, upon:

- the approval of Resolutions 1, 3 and 4 at the General Meeting;
- the LOAM Subscription Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- Admission,

in each case by no later than 30 November 2017.

In the event that the LOAM Subscription Agreement becomes unconditional in accordance with its terms, LOAM will hold 20.9 per cent of the Enlarged Share Capital.

The Company has agreed, with effect from Admission and for such time as funds managed by LOAM continue to be interested in not less than 20 per cent of the Ordinary Share capital of the Company, for LOAM to have the right to nominate a non-executive director to the Board.

In consideration for entering into the LOAM Subscription Agreement and agreeing to subscribe in full for the Fundraising Shares, LOAM is receiving reimbursement of certain transaction costs and, conditional upon Admission, a subscription commission of £150,000, equivalent to approximately 1.75 per cent of the Agreed Subscription. In the event that Admission does not occur, LOAM will not receive any commission payment.

4.2 The Placing and the Placing Agreement

The Company and Peel Hunt have entered into the Placing Agreement dated 4 October 2017, pursuant to which Peel Hunt agreed, subject to certain conditions, to use reasonable endeavours to procure placees to subscribe for the Placing Shares. The Placing is not underwritten.

The Placing Agreement contains provisions entitling Peel Hunt to terminate the Placing Agreement at any time prior to Admission in certain circumstances, including (among others) a breach of the warranties given to Peel Hunt, the occurrence, in the opinion of Peel Hunt (acting in good faith), of any material adverse change in, or any development reasonably likely to give rise to or involve a prospective material adverse change in the condition (financial, operational, legal or otherwise), earnings, management, business affairs, business prospects or solvency of the Group taken as a whole, whether or not foreseeable and whether or not arising in the ordinary course of business, the occurrence of a force majeure event or any party not having complied with its obligations under the LOAM Subscription Agreement (to the extent such obligations fall to be performed prior to Admission). The Placing Agreement will terminate in the event that LOAM exercises its discretion to terminate the LOAM Subscription Agreement.

The Placing (which is not underwritten) is conditional, amongst other things, upon:

- the approval of Resolutions 1, 3 and 4 at the General Meeting by no later than 30 November 2017;
- the LOAM Subscription Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms;
- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- Admission taking place by no later than 8.00 a.m. on 17 November 2017 (or such time and date as the Company and Peel Hunt may agree, being not later than 8.00 a.m. on 30 November 2017).

Under the Placing Agreement the Company has given certain warranties and indemnities to Peel Hunt. The warranties and indemnities are customary for an agreement of this nature.

The Placing Agreement provides for Peel Hunt to be paid a commission, conditional on Admission, and a corporate finance fee and to be reimbursed for certain fees and expenses incurred in connection with the Placing.

Peel Hunt have conditionally placed 22,546,405 Ordinary Shares at the Issue Price pursuant to the Placing and in accordance with the terms of the Placing Agreement.

The Placing Shares represent 8.3 per cent of the Enlarged Share Capital.

4.3 The Director and Senior Management Subscription

Certain of the Directors and other senior management of the Company have agreed to subscribe at the Issue Price for, in aggregate, 1,281,505 new Ordinary Shares pursuant to the DSM Subscription Letters.

The DSM Subscription Shares represent 0.4 per cent of the Enlarged Share Capital.

4.4 The Fundraising Shares

The Fundraising Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing issued Ordinary Shares. This includes the right to receive all dividends and other distributions declared or paid in respect of such Ordinary Shares after the date of issue of the Fundraising Shares.

The Fundraising Shares will be issued, whether pursuant to the LOAM Subscription, the Placing or the Director and Senior Management Subscription, at the Issue Price which represents a discount of approximately 35.7 per cent to the closing mid-market price of 28 pence per Ordinary Share on 3 October 2017, being the latest practicable date prior to the publication of the Fundraising Announcement.

Given the level of the discount at which it is proposed the Fundraising Shares are issued, in accordance with Listing Rule 9.5.10R(3), Shareholders are being asked to approve the issue of the Fundraising Shares at the Issue Price pursuant to Resolution 3.

The Fundraising Shares represent 16.7 per cent of the Enlarged Share Capital.

5. Conditions to the Fundraising

5.1 The LOAM Subscription

The LOAM Subscription is conditional, amongst other things, upon:

- the approval of Resolutions 1, 3 and 4 at the General Meeting;

- the LOAM Subscription Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- Admission,

in each case by no later than 30 November 2017.

5.2 The Placing

The Placing (which is not underwritten) is conditional, amongst other things, upon:

- the approval of Resolutions 1, 3 and 4 at the General Meeting;
- the LOAM Subscription Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms;
- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- Admission,

in each case by no later than 8.00 a.m. on 17 November 2017 (or such time and date as the Company and Peel Hunt may agree, being not later than 8.00 a.m. on 30 November 2017).

5.3 The Director and Senior Management Subscription

The Director and Senior Management Subscription is conditional upon:

- the approval of Resolutions 1, 3, and 4 at the General Meeting; and
- Admission,

in each case by no later than 30 November 2017.

6. Risks relating to the Fundraising

The proportionate ownership and voting interests in the Company of a Shareholder not participating in the Fundraising will be reduced and the percentage that their Ordinary Shares will represent of the total share capital of the Company will be reduced accordingly.

The costs and expenses of the Fundraising include certain fees and commissions amounting to approximately £0.6 million, which will be met by the Company.

In the event that the LOAM Subscription becomes unconditional in accordance with the terms of the LOAM Subscription Agreement, funds managed by LOAM (and its affiliates) will have an increased shareholding in the Company and will be interested in 20.9 per cent of the Enlarged Share Capital. Accordingly, such LOAM funds will, through the votes they will be able to exercise at general meetings of the Company, be able to exercise a significant degree of influence over the outcome of certain matters to be considered by Shareholders if only a relatively small percentage of the other Shareholders vote in a like manner (or in some cases without any other Shareholders voting in a like manner) including the election of directors, substantial mergers, acquisitions or disposals, the issuance of equity securities pre-emptively or free of pre-emption and the payment of dividends. There can be no assurance that the interests of those LOAM funds will be aligned with those of the Company or other Shareholders. This concentration of shareholding may also have the effect of delaying, deferring or preventing a change of control, merger or takeover or discouraging a potential acquirer from attempting to take control of the Company.

In addition, from Admission and for so long as funds managed by LOAM (and its affiliates) are interested in not less than 20 per cent of the Enlarged Share Capital of the Company, LOAM will also have the right to appoint a non-executive director to the Board.

7. Admission

It is expected that Admission will occur at 8.00 a.m. on Wednesday 15 November 2017, being the Business Day immediately following the day on which the General Meeting is scheduled to be held, or if later, 8.00 a.m. on the Business Day immediately following the day on which any adjourned General Meeting is held, provided that Admission shall occur no later than 30 November 2017.

8. Right to nominate a non-executive director

Conditionally upon Admission and for so long as funds managed by LOAM (and its affiliates) are interested in not less than 20 per cent of the Ordinary Share capital of the Company, LOAM shall have the right to nominate a non-executive director to the Board. Any such nomination shall be

subject to approval by the nominations committee of the Board whilst the appointment of such nominee will, following appointment to the Board, be subject to approval by Shareholders at the next following annual general meeting of the Company and thereafter such nominee will be subject to retirement by rotation in accordance with the Articles.

9. Working Capital

The Company is of the opinion that, taking into account the net proceeds of the Fundraising, the working capital available to the Group is sufficient for its present requirements, which is for at least the next 12 months from the date of this Circular.

10. Consent

Peel Hunt has given and has not withdrawn its consent to the inclusion of the references in this Circular to its name in the form and context in which it is included.

11. Participation in the Fundraising by the Directors and other senior managers of the Company

Certain of the Directors and certain members of the Company's senior management team have agreed to subscribe for, in aggregate, 1,281,505 new Ordinary Shares through direct subscriptions to the Company pursuant to the DSM Subscription Letters. In the event that the Placing does not become unconditional in accordance with its terms, no Director and no member of the Company's senior management team will subscribe for any Fundraising Shares.

The commitment by one of the Directors, Brendan Cummins, to subscribe for Ordinary Shares pursuant to the Director and Senior Management Subscription amounts to a smaller related party transaction falling within Listing Rule 11.1.10R.

12. Admission and dealings

It is expected that the Fundraising Shares will be issued, Admission will become effective and that dealings in the Fundraising Shares on the London Stock Exchange will commence on Wednesday 15 November 2017. Admission is subject to, *inter alia*, the passing of Resolutions 1, 3 and 4 at the General Meeting. The Fundraising Shares will, when issued, be credited as fully paid and rank *pari passu* with the existing Ordinary Shares including the right to receive all future dividends and distributions declared, made or paid with a record date on or after the date of Admission.

13. General Meeting

A notice convening the General Meeting to be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS on Tuesday 14 November 2017 at 11.00 a.m. is set out at the end of this Circular. In accordance with resolution 12 passed at the Company's annual general meeting in 2016, the General Meeting is to be convened on 14 clear days' notice, which is contrary to the requirement for 14 working days' notice under paragraph E.2.4 of the UK Corporate Governance Code. The Directors strongly believe that, in view of the need to secure funding for the Company, it is in the best interests of the Company to convene the General Meeting as quickly as possible. Moreover, completion of the Fundraising has a direct impact on the publication of the Company's preliminary results announcement and its report and accounts for the year ended 31 July 2017 as the proceeds of the Fundraising are relevant in assessing the going concern status of the Company. The Directors strongly believe that it is in the best interests of the Company for the going concern status of the Company to be secured prior to the publication of the Company's preliminary results announcement and its report and accounts for the year ended 31 July 2017, which are required to be published by 30 November 2017.

At the General Meeting, resolutions will be proposed to grant the Directors the authority to allot the Fundraising Shares without first offering them to existing Shareholders on a pre-emptive basis. The Fundraising Shares have not been made available to the public and have not been offered or sold in any jurisdiction where it would be unlawful to do so. The Board strongly believes that raising equity finance using the flexibility provided by a non-pre-emptive subscription and placing is the most appropriate fundraising structure for the Company at this time.

A resolution will also be proposed to approve the Issue Price of the Fundraising Shares, which represents a discount of approximately 35.7 per cent to the closing mid-market price of 28 pence per the Ordinary Share at close of business on 3 October 2017 (being the latest practicable date

prior to the publication of the Fundraising Announcement). Given the current financial position of the Company and its inability to secure other forms of funding, the Directors believe that the Issue Price is justified.

Resolutions 1, 3 and 4 are specific to the Fundraising whilst Resolutions 2 and 5 are general approvals that are typically sought each year at the Company's annual general meeting.

Resolution 1 seeks a specific authority to allot shares pursuant to section 551 of the Act in connection with the Fundraising and Resolution 5 seeks to disapply the statutory pre-emption rights contained in section 561 of the Act in respect of the equity securities to be allotted in connection with the Fundraising. Resolution 3 seeks Shareholder approval for the issue of the Fundraising Shares at the Issue Price.

Resolutions 2 and 5 seek, respectively, a general authority to allot shares pursuant to section 551 of the Act and a general authority to disapply the statutory pre-emption rights contained in section 561 of the Act in respect of the equity securities to be allotted pursuant to Resolution 2, each such authority to expire at the conclusion of the 2017 annual general meeting of the Company or, if earlier, the date falling 15 months after such Resolutions are passed. In view of the increased share capital which will result from the Fundraising, the Directors think it is appropriate to renew and replace the existing equivalent authorities which were approved and adopted by Shareholders pursuant to resolutions 9 and 10 respectively at the Company's 2016 annual general meeting.

14. Resolutions

Resolution 1 in the Notice of General Meeting is an ordinary resolution and seeks to give the Directors a specific authority to allot shares in the Company up to a maximum nominal amount of £4,765,582.10 in connection with the Fundraising, which represents just under 20 per cent of the current issued share capital of the Company.

Resolution 2 in the Notice of General Meeting is an ordinary resolution and seeks to give the Directors a general authority to:

- a) allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £9,531,164.23, which represents one third of the issued share capital of the Company immediately following the Fundraising; and
- b) allot equity securities in connection with a rights issue in favour of: (i) holders of ordinary shares in proportion to their respective holdings of ordinary shares; and (ii) to holders of other equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary up to a maximum nominal amount of £9,531,164.23, which represents one third of the issued share capital of the Company immediately following the Fundraising.

If passed, this Resolution gives the Directors authority to allot up to a maximum of 190,623,284 Ordinary Shares, which represents 66.6 per cent of the Enlarged Share Capital. The Company is currently holding 12,222 Ordinary Shares in treasury, which represents 0.005 per cent of the Company's total Ordinary Share capital as at Wednesday 25 October 2017 (being the latest practicable date before the date of this Circular). The Directors have no present intention of exercising the authority granted by Resolution 2.

Resolution 3 in the Notice of General Meeting is an ordinary resolution and seeks shareholder approval to the issue and allotment of the Fundraising Shares at the Issue Price.

Resolution 4 in the Notice of General Meeting is a special resolution and, subject to Resolution 1, seeks to empower the Directors to allot and issue equity securities for cash in the Company in connection with the Fundraising without first offering such securities to existing Shareholders.

Resolution 5 in the Notice of General Meeting is a special resolution and seeks to empower the Directors generally to allot and issue equity securities in the Company for cash up to a maximum nominal amount of £1,429,674.63, which represents 5 per cent of the Enlarged Share Capital, free of pre-emption rights.

The authorities conferred by the Resolutions will lapse at the conclusion of the 2017 annual general meeting of the Company or, if earlier, 15 months after the date on which the Resolutions are passed.

The Directors and senior management of the Company who have committed to subscribe for new Ordinary Shares pursuant to the Director and Senior Management Subscription and who (directly or indirectly) hold Ordinary Shares have given irrevocable commitments to the Company in respect of their entire legal and beneficial holdings of Ordinary Shares to vote in favour of the Resolutions amounting, in aggregate, to 16,088,941 Ordinary Shares representing approximately 6.8 per cent of the Company's issued Ordinary Share capital (excluding treasury shares) as at Wednesday 25 October 2017 being the latest practicable date prior to the date of this Circular.

LOAM has undertaken to the Company to use its best endeavours to procure that each of the LO Funds that holds Ordinary Shares, which as at Wednesday 25 October 2017 (being the latest practicable date prior to the date of this Circular) hold an aggregate of 726,652 Ordinary Shares representing approximately 0.3 per cent of the Company's issued Ordinary Share capital (excluding treasury shares) as at that date, votes in favour of the Resolutions in respect of any Ordinary Shares held by them as at the date of the General Meeting. In addition, Lombard Odier Asset Management (Europe) Limited has undertaken to the Company to use its best endeavours to procure that each of the funds managed by it, which as at Wednesday 25 October 2017 (being the latest practicable date prior to the date of this Circular) hold an aggregate of 32,636,495 Ordinary Shares representing approximately 13.7 per cent of the Company's issued Ordinary Share capital (excluding treasury shares) as at that date, votes in favour of the Resolutions in respect of any Ordinary Shares held by them as at the date of the General Meeting. As at Wednesday 25 October 2017 (being the latest practicable date prior to the date of this Circular), the LO Funds are interested in an additional 2,479,231 Ordinary Shares, representing approximately 1.0 per cent of the Company's issued Ordinary Share capital (excluding treasury shares) as at that date, under financial instruments which do not confer voting rights.

15. Action to be taken by Shareholders

Whether or not you are able to attend the General Meeting, you are asked to complete and return the Form of Proxy to the Company's Registrars or by delivering it in person to: Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA not less than 48 hours (excluding any UK non-working days) before the General Meeting. Should you require further assistance please call Neville Registrars Limited on 0121 585 1131. Alternatively you may submit your Form of Proxy electronically. Full details are shown in the notes to Notice of General Meeting and printed on the Form of Proxy accordingly.

Any Form of Proxy received after this time shall be treated as invalid. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the General Meeting (in substitution for your proxy vote) should you subsequently decide to do so.

16. Risks if the Fundraising does not proceed

If the Fundraising does not proceed, the Company will be forced to seek alternative sources of funding, the terms of which the Board believes will be more onerous than that of the Fundraising. However, if alternative sources of funding are not available, then the Directors would most likely explore selling the assets of the Company, but believe that, given that the Company will be in an extremely weak financial position, the offers received would significantly undervalue such assets. If it became clear that no such buyers could be found and there are no other sources of funding available, then the Company would be forced to take immediate action to significantly reduce the costs of the Company as it would not be able to sustain its expected cost base of approximately £670k per month. The significant cost reductions (including closing the majority of the Company's manufacturing capabilities) that would be required throughout the business would take at least three months to implement and would likely destroy the inherent value in the business and have a material adverse impact on the Company's strategy going forward.

17. Recommendation

Your Board considers that the Fundraising and the authorities granted by the Resolutions are in the best interests of the Company and its Shareholders as a whole.

Whilst the Board believes that alternative sources of funding may be available to the Group, the Board is of the view that, if available, the terms associated with any such alternative funding would be significantly more onerous than the terms of the Fundraising. In addition, there can be no guarantee that such alternative financing will be available to the Group. It is therefore of the utmost importance that Shareholders vote in favour of the Resolutions. If the Resolutions are not passed

by Shareholders at the General Meeting and the Fundraising does not proceed, the Company will need to seek alternative sources of funding but, given the current stage of the Company's development, this outcome is unlikely to be favourable to Shareholders.

Accordingly your Board unanimously recommends that you vote in favour of the Resolutions as they have undertaken to do in respect of their own shareholdings of 16,010,826 Ordinary Shares, representing approximately 6.7 per cent of the Company's current issued Ordinary Share capital.

Yours sincerely,

Dr Christopher Richards,
Non-Executive Chairman

Nanoco Group Plc

(Incorporated and registered in England and Wales under number 05067291)

(the “Company”)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the Company will be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS on Tuesday 14 November 2017 at 11.00 a.m., where you will be asked to consider and, if thought fit, pass the resolutions below. Where not otherwise defined, terms included within this notice of General Meeting are as defined in the circular published by the Company and dated Thursday 26 October 2017 (the “Circular”).

RESOLUTIONS

Ordinary Resolutions

1. THAT the Directors be generally and unconditionally authorised in addition to all previous and other authorities pursuant to section 551 of the Companies Act 2006 to allot shares in the Company up to a maximum nominal amount of £4,765,582.10, in connection with the Fundraising described in the Circular, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the 2017 annual general meeting of the Company or, if earlier, 15 months after the date on which this resolution is passed, save that the Company may before expiry of this authority make offers or enter into agreements which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of such offers or agreements as if this authority had not expired;
2. THAT, conditional on Admission and in place of the authorities given by Resolution 9 at the 2016 annual general meeting of the Company, the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “Act”):
 - a. in addition to the authority granted pursuant Resolution 1 above, to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £9,531,164.23 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the 2017 annual general meeting of the Company, save that the Company may before expiry of this authority make offers or enter into agreements which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of such offers or agreements as if this authority had not expired; and
 - b. in addition to the authority granted by Resolution 1 and in sub-paragraph (a) of this Resolution, to allot equity securities (within the meaning of section 560 of the Act) in connection with a rights issue in favour of: (i) holders of ordinary shares in proportion (as nearly as may be) to their respective holdings of ordinary shares; and (ii) to holders of other equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary (but subject to such exclusions or other arrangements as the directors consider necessary or expedient in connection with treasury shares, fractional entitlements or any legal or practical problems arising under the laws or regulations of, or the requirements of any regulatory body or stock exchange in, any territory) up to a maximum nominal amount of £9,531,164.23, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the 2017 annual general meeting of the Company or, if earlier, 15 months after the date on which this resolution is passed, save that the Company may before expiry of this authority make offers or enter into agreements which would or might require equity securities to be allotted after expiry of this authority and the Directors may allot equity securities in pursuance of such offers or agreements as if this authority had not expired.

3. THAT subject to the passing of Resolution 1 above, approval be given to the issue and allotment of equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by Resolution 1 above at a price of 18 pence per Ordinary Share, representing a discount of approximately 35.7 per cent to the mid-market price of 28 pence per Ordinary Share as at close of business on 3 October 2017.

Special Resolutions

4. THAT subject to the passing of Resolution 1 above and in addition to all previous and other authorities the Directors be empowered pursuant to sections 571 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by Resolution 1 above as if section 561 of the Act did not apply to any such allotment. This power shall be limited to the allotment of shares in the Company up to a maximum nominal amount of £4,765,582.10 in connection with the Fundraising described in the Circular. This authority shall expire at the conclusion of the 2017 annual general meeting of the Company or, if earlier, 15 months after the date on which this resolution is passed, but the Company may before the expiry of this power make offers or enter into agreements which would or might require equity securities to be allotted after expiry of this authority and the directors may allot equity securities in pursuance of such offers or agreements as if this authority had not expired.
5. THAT, subject to Resolution 2 and in place of the authorities granted pursuant to Resolution 10 at the 2016 annual general meeting of the Company, the Directors be empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by Resolution 2 above as if section 561 of the Act did not apply to any such allotment. This authority shall be limited:
 - a. to the allotment of equity securities in connection with an offer of such securities or an invitation to apply to subscribe for such securities (whether by way of rights issue, open offer or otherwise) in favour of: (i) holders of ordinary shares in proportion (as nearly as may be) to their respective holdings of ordinary shares; and (ii) to holders of other equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary but subject to such exclusions or other arrangements as the directors consider necessary or expedient in connection with treasury shares, fractional entitlements or any legal or practical problems arising under the laws or regulations of, or the requirements of any regulatory body or stock exchange in, any territory; and
 - b. to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £1,429,674.63.

This power shall expire at the conclusion of the 2017 annual general meeting of the Company or, if earlier, 15 months after the date on which this resolution is passed, save that the Company may before expiry of this authority make offers or enter into agreements which would or might require equity securities to be allotted after expiry of this authority and the Directors may allot equity securities in pursuance of such offers or agreements as if this authority had not expired.

Thursday 26 October 2017

By order of the Board

David Blain

Company Secretary

Registered Office:

46 Grafton Street
Manchester
Greater Manchester
M13 9NT

Registered in England and Wales No. 05067291

Notes

1. A member entitled to attend and vote at this meeting is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend, to speak and, both on a show of hands and on a poll, to vote in his or her stead at the meeting. A proxy need not be a member of the Company. The appointment of a proxy does not preclude a member from attending and voting in person at the meeting should he or she subsequently decide to do so. A Form of Proxy which may be used is enclosed.
2. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her.
3. To be valid, a Form of Proxy together with, if applicable, the power of attorney or other authority under which it is signed, or a certified copy thereof, must be received by Neville Registrars, Neville House, 18 Laurel Lane, Halesowen B63 3DA by not later than 11.00 a.m. on Friday 10 November 2017. Alternatively, you may vote online at www.sharegateway.co.uk, completing the authentication requirements as set out on the Form of Proxy.
4. The Company, pursuant to Regulation 22 of the Uncertificated Securities Regulations 2001, as amended, specifies that only those shareholders registered in the register of members of the company as at 6.00 p.m. on Friday 10 November 2017 (or as at 6.00 p.m. on the day which is two days (excluding any UK non-working days) before any adjourned meeting) shall be entitled to attend or vote (whether on a show of hands or on a poll) at the meeting in respect of the number of shares registered in their name at the time. Changes to entries on the register after 6.00 p.m. on Friday 10 November 2017 (or after 6.00 p.m. on the day which is two days (excluding any UK non-working days) before any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. As at Wednesday 25 October 2017 (being the last Business Day prior to the date of this notice) the Company's issued share capital consisted of 238,291,328 Ordinary Shares each carrying one vote per share, of which 12,222 Ordinary Shares were held in treasury. Accordingly the total number of voting rights in the Company as at Wednesday 25 October 2017 were 238,279,106.
6. CREST members who wish to appoint a proxy or proxies for the meeting or any adjournment thereof by utilising the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual (www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by the latest time(s) for receipt of proxy appointments specified in this notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members

and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
10. A copy of this notice, and the other information required by section 311A of the Companies Act 2006, can be found at <http://www.nanocotechnologies.com/investor-relations/investor-information>.
11. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting. However, members should note that no answer need be given if: (a) to do so would interfere with the preparation of the meeting or would involve a disclosure of confidential information; (b) the answer has already been given on a website in the form of any answer to a question; or (c) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
12. If the total number of voting rights that the Chairman will be able to vote (taking into account any proxy appointments from Shareholders over which he is given discretion and any voting rights in respect of his own Shares) is such that he will have a notifiable obligation under the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority (the "DTRs"), the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. Therefore, any member holding 3 per cent or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the DTRs, need not make a separate notification to the Company and to the Financial Conduct Authority. However, any member holding 3 per cent or more of the voting rights in the Company who appoints a person other than the Chairman as proxy will need to ensure that both the member and the proxy comply with the respective disclosure obligations under the DTRs.
13. The statements at paragraphs 6 to 8 above do not apply to any person who receives this notice of meeting as a person nominated to enjoy "information rights" under Section 146 of the Companies Act 2006. If you have been sent this notice of meeting because you are such a nominated person, the following statements apply: (a) you may have a right under an agreement between you and the member of the Company by whom you were nominated to be appointed or to have someone else appointed as a proxy for this general meeting; and (b) if you have no such right or do not wish to exercise it, you may have a right under such an agreement to give instructions to that member as to the exercise of voting rights.
14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares.

