

Nanoco Group

Sale process ends, focus on organic business

Nanoco Group's announcement that the CDX process has ended without an acceptable offer for its business operations is clearly a setback. Focus now turns solely to pursuing commercial opportunities in sensors and monetising the company's display intellectual property (IP). While execution risk remains significant, we believe that Nanoco's IP, balance sheet, commercial and litigation activities continue to provide a platform to deliver shareholder upside. The delivery of further joint development agreement (JDA) milestones and a positive litigation outcome with Shoei Chemical are the key proof points to understand valuation potential.

While the CDX process generated interest and the JDAs continue to progress, we understand that the level of commercialisation risk proved a key obstacle to securing an offer for the operations at an acceptable price.

With the company's focus now primarily on executing on its existing commercial and litigation processes, a rationalisation programme is being instigated. CEO Dmitry Shashkov will depart in February 2026, meaning CFO Liam Gray will step in as interim CEO and chairman Dr Jalal Bagherli will become executive chairman. Monthly cash costs are being reduced to £300–400k, while substantially retaining technology development capability to execute on the company's two JDAs and to support new potential opportunities.

The course of litigation with Shoei Chemical is also unlikely to change. Neither the potential costs nor the potential damages to Nanoco are clear at this stage but, with trial expected in FY26, visibility on these fronts should improve this year.

With net cash of £14m as of 30 June, \$4.5m net (from \$5m gross) proceeds were recently received from the LG Electronics settlement and monthly cash costs being reduced to £300–400k, Nanoco should be well funded to pursue its commercial and litigation activities to conclusion.

Historical financials

Year end	Revenue (£m)	EBITDA (£m)	Net cash (£m)	EPS (p)	P/E (x)
7/23	5.6	(0.4)	3.6	(1.80)	N/A
7/24	7.9	1.2	20.3	0.02	N/A
7/25	7.6	1.5	14.0	0.25	27.0

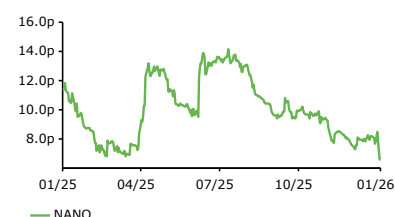
Source: Company data. Note: EPS is adjusted.

Tech hardware and equipment

27 January 2026

Price 6.76p
Market cap £17m

Share price performance



Share details

Code	NANO
Listing	LSE
Shares in issue	195.5m
Net cash/(debt) at 30 June 2025	£14.0m

Business description

Nanoco Group is a global leader in the development and manufacture of cadmium-free quantum dots and other nanomaterials. Focus applications are advanced sensing and displays, with the potential to expand the latter through development work with new partners.

Bull points

- Two joint development agreements for developing materials for the infrared sensor market have the potential to deliver significant high-margin revenues.
- Proven intellectual property and successful litigation track record.
- Strong balance sheet, low cash burn and low enterprise value.

Bear points

- Uncertainty of pioneering new markets.
- Technology and commercial risk is significant.
- Previous initiatives have not progressed to volume production.

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