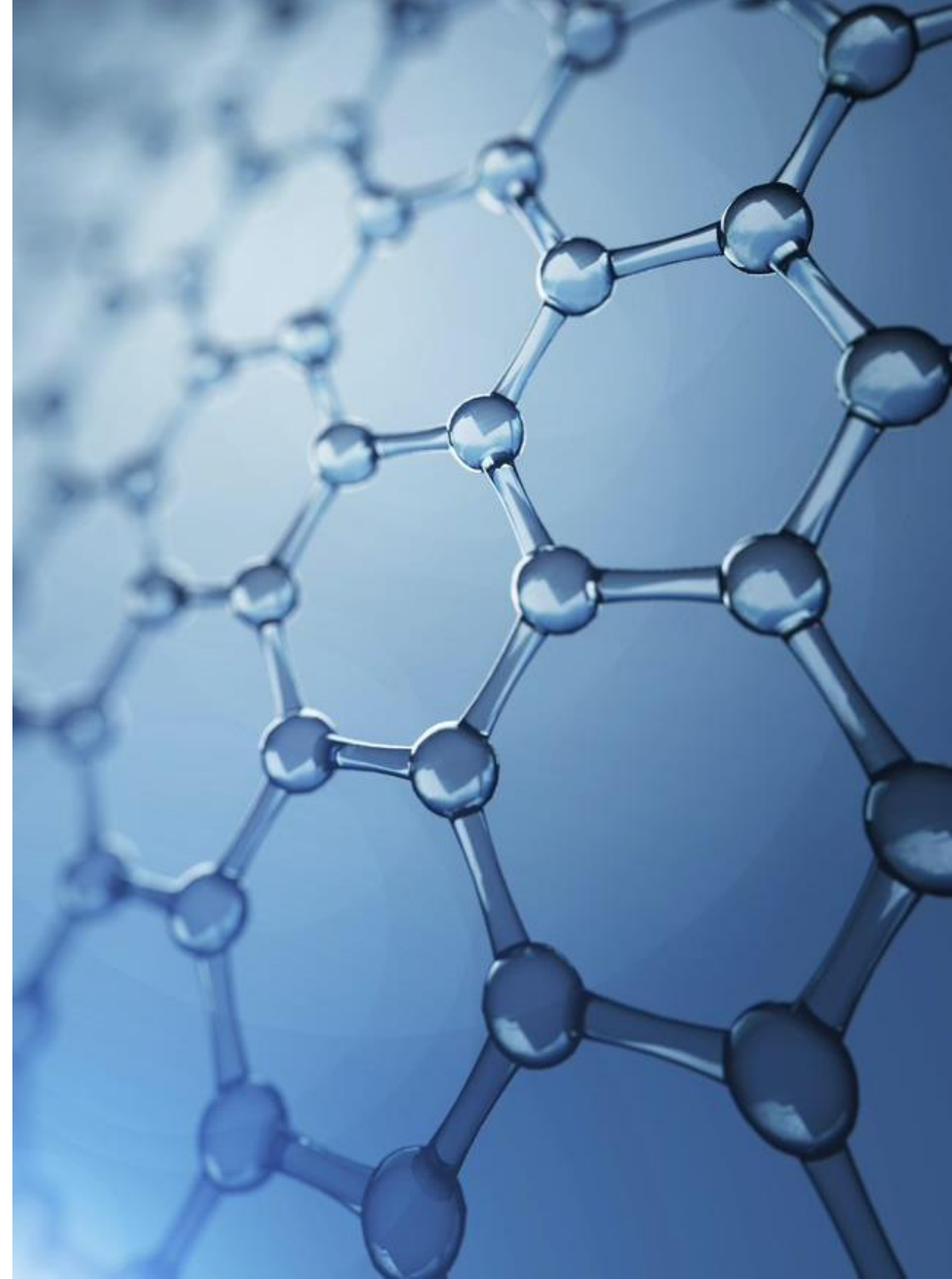




NANOFILM TECHNOLOGIES INTERNATIONAL

FY2024 Results Announcement

February 2025



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Management Panel



Dr Shi Xu

Executive Chairman and
Group Chief Executive Officer



Mr Kay Lim

Group Chief Financial Officer



Mr Gian Yi-Hsen

Group Chief Strategy Officer and
Chief Executive Officer, Sydrogen



Mr Ian Howe

Group Chief Commercial Officer

Agenda

- **Overview**
- **Financial Highlights**
- **Sustainability**
- **EuropCoating**
- **Outlook**
- **Q&A**



1 | Overview

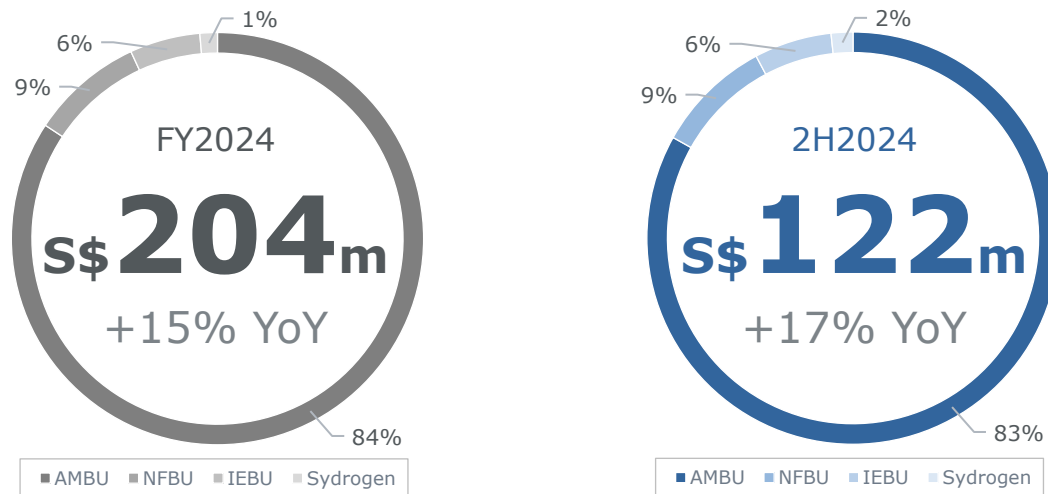
Dr Shi Xu

Executive Chairman and
Group CEO



FY2024 At a Glance: 2H2024 driven by typical peak production period

Positive progress across key areas



REVENUE

FY2024

S\$52m

+31% YoY

ADJUSTED EBITDA

2H2024

S\$35m

+21% YoY

FY2024

S\$8m

+147% YoY

PATMI

2H2024

S\$11m

+6% YoY

S\$430m

as at 31 Dec 2024

BOOK VALUE

S\$110m

as at 31 Dec 2024

TOTAL CASH BALANCE

0.33c

per ordinary share

FINAL DIVIDEND

Source: Company information

FY2024 Key Developments



Global Expansion

- **China Expansion:** Established new production bases in Southern and North Central China to support consumer business growth and strengthen regional presence
- **India & Vietnam:** Operationalised production facilities to enhance global supply chain resilience
- **European Strategy:** Expanded footprint with AxynTeC acquisition to enable localised production and better serve regional customers



Commercial Developments

- **Diversified Customer Base:** Mitigated concentration risk from key accounts by successfully onboarding leading Asian and China players
- **New Market:** Entered mid-frame product segments, unlocking additional growth opportunities
- **Solar CSS⁽¹⁾ Line:** Launched a new line, reinforcing Nanofilm's position in the renewable energy sector



Technology Development

- **Hydrogen Energy Innovations:** Advanced electrolyser coating and new BPP⁽²⁾ coating advancing hydrogen solutions
- **Fuel Cell Advancements:** Developed next-gen coating solutions for air-cooled fuel cells and liquid-cooled fuel cells
- **Enhanced Capabilities:** Integrating multiple coating technologies, along with the strengths of each technology, into single system. Developed new generation mass production in-line equipment

Source: Company information

(1) CSS refers to closed space sublimation

(2) BPP refers to bi-polar plate



2 | **Financial** Highlights

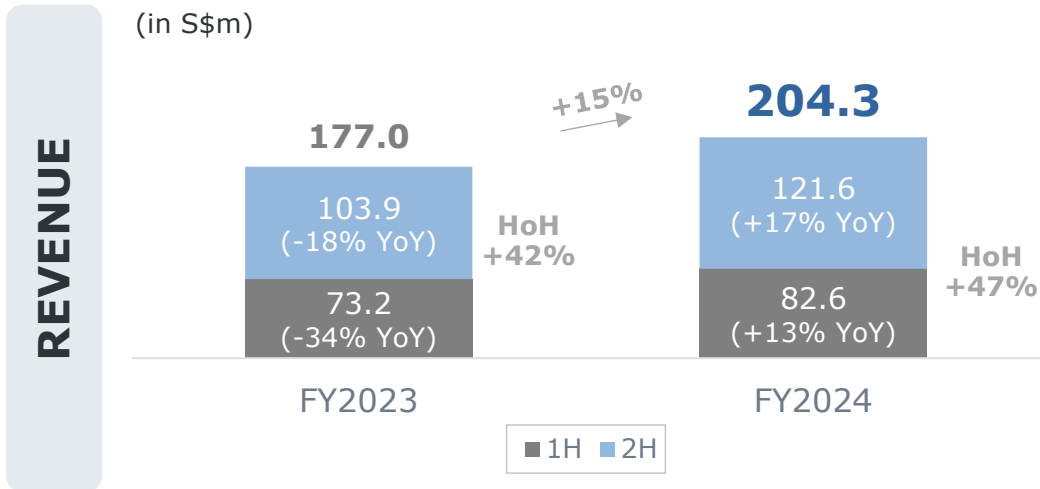
Mr Kay Lim

Group CFO

FY2024 Revenue Performance

Recovery trend continued in 2H2024, with higher growth momentum

- Group 2H2024 revenue grew 17% YoY, bringing full year growth to 15%, largely attributed to the coating services and nanofabrication contributions from the Consumer end-market
 - Advanced Materials – Consumer ⁽¹⁾, excluding NFBU, grew 24% YoY, driven by contributions from new 3C customers and existing customer
 - Advanced Materials – Industrial ⁽²⁾ grew 30% YoY, mainly attributed to inaugural contributions from AxynTeC
 - Automotive posted 7% YoY growth, with lower coating solution sales from passenger cars partially offset by higher growth from commercial vehicles
 - NFBU grew 12% YoY driven by increased allocation of its MLA project
 - IEBU remained soft during the period
 - Sydrogen grew 166% YoY enjoying continued traction with its solutions, especially in the Chinese market



Business Units

S\$m	FY2023	FY2024	YoY
AMBU	141.5	172.1	21.6%
IEBU	18.4	11.3	-38.5%
NFBU	16.0	18.0	12.4%
Sydrogen	1.1	2.8	165.6%
TOTAL	177.0	204.3	15.4%

End-Markets

S\$m	FY2023	FY2024	YoY
Consumer ⁽³⁾	115.3	141.4	22.6%
Industrial ⁽⁴⁾	60.6	60.1	-0.9%
New Energy ⁽⁵⁾	1.1	2.8	165.6%
TOTAL	177.0	204.3	15.4%

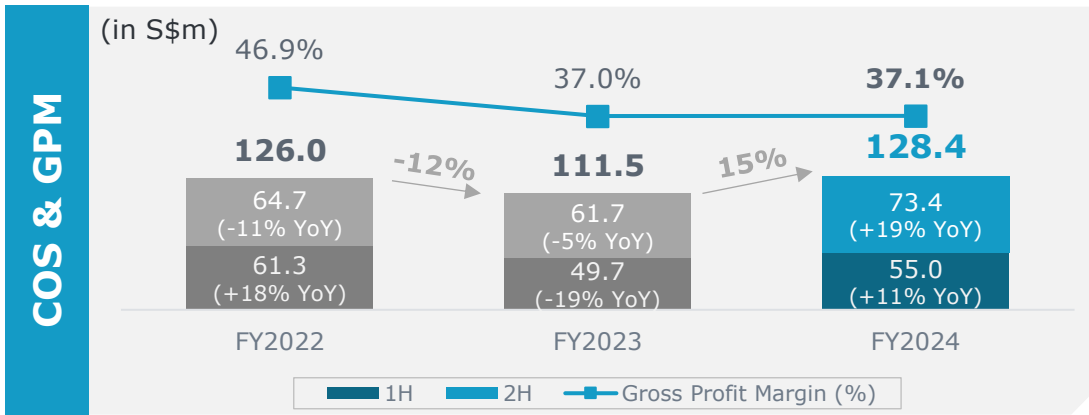
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Source: Company information, numbers may not tie due to rounding (refer to results announcement)

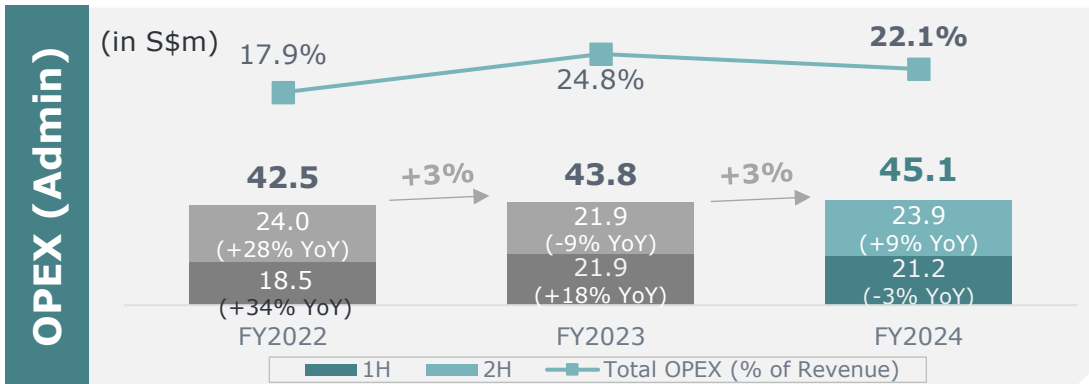
- Advanced Materials – Consumer comprises revenue contributions from 3C
- Advanced Materials – Industrial comprises revenue contributions from Precision Engineering, Printing & Imaging, and AxynTeC
- Consumer comprises revenue contributions from 3C and NFBU
- Industrial comprises revenue contributions from Automotive, Precision Engineering, Printing & Imaging, and IEBU
- New Energy comprises revenue contribution from Sydrogen

Core Expenses Review

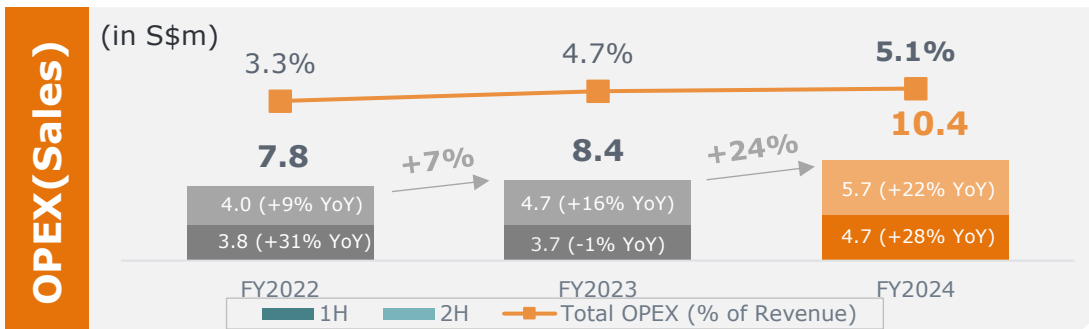
Priority on business expansion expenses while enhancing operational efficiency



- Improved operational performance in 2H2024, compared to 1H2024, driven by typical peak production period
- FY2024 GPM increased marginally to 37.1%, 0.1 p.p.⁽¹⁾ higher than 2023's 37.0%, as the increase in revenue was offset by higher fixed depreciation and amortisation ("D&A") expenses
 - Higher 1.3 p.p. of sales from an increase in direct D&A costs amounting to S\$2.8m



- 2H Admin Opex increased 9% YoY due to site expansion costs and higher business activities associated with sales, but at slower pace compared to sales growth of 17% in the same period
- Full year Admin Opex rose marginally by 3.0% or S\$1.3m YoY, mainly resulted from:
 - Higher D&A fixed cost of S\$2.3m (or 1.1 p.p. of sales); and,
 - S\$1.1m in professional fees related to M&A activities which were one-off in nature



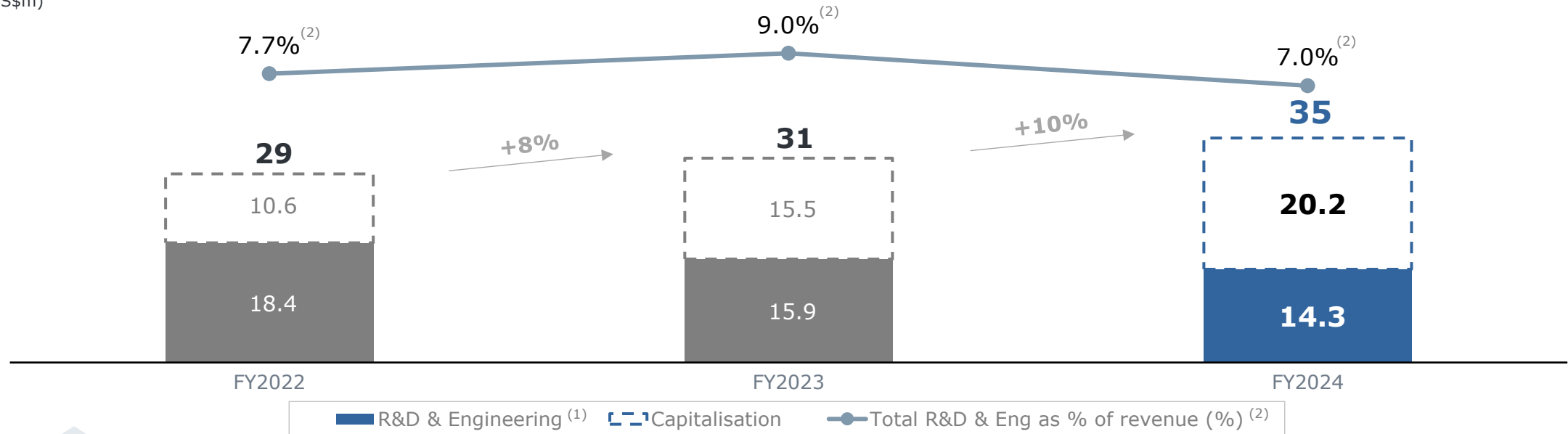
- FY2024 sales expenses increased 24% YoY while 2H2024 was up 22% YoY
- Continued strengthening sales efforts and expanding market presence, including Europe and New Energy, while also deepening engagement with existing customers. This involved expansion of business development, sales, and marketing personnel to drive future growth

Investment in Technology & Innovation

Shift towards commercialisation

R&D and Engineering Expenses (1)

(in S\$m)



- In FY2024, higher capitalisation of R&D reflects a shift toward commercialisation, reducing R&D expenses as a percentage of revenue (9.0% to 7.0%)
- Investments focused on new product platforms, hydrogen fuel cells, and nanofabrication
- The Company will continue optimising R&D spend while leveraging partnerships like the NTI-NTU Corporate Laboratory to drive innovation

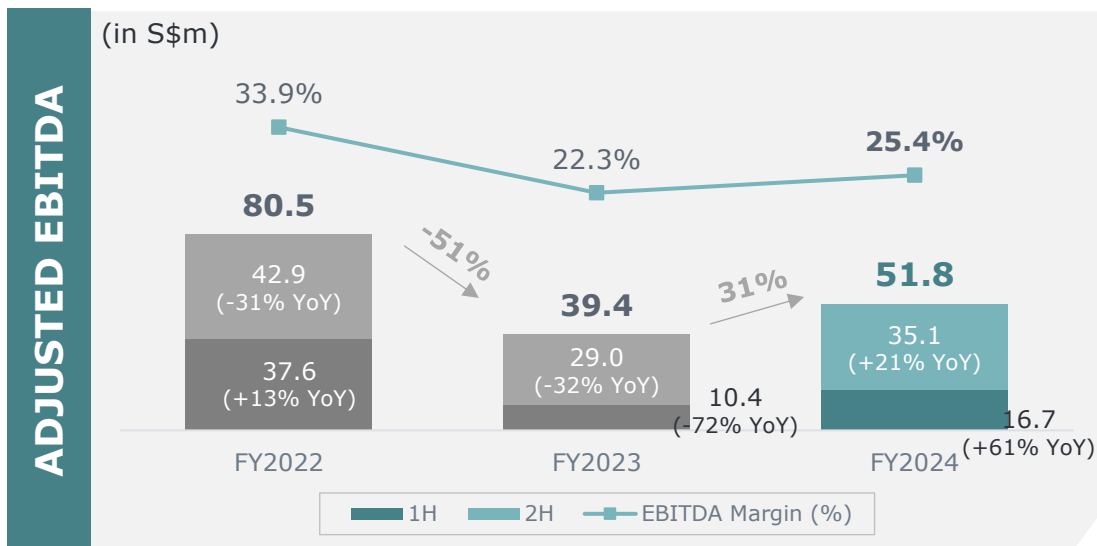
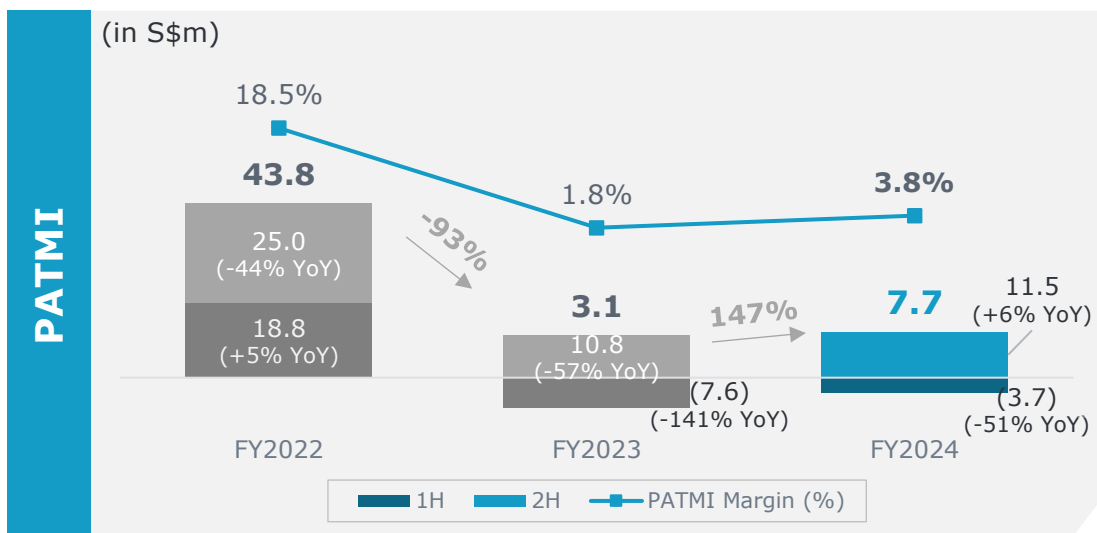
Source: Company information, numbers may not tie due to rounding (refer to results announcement)

(1) R&D & Engineering expense excludes Quality Assurance expense

(2) Excludes capitalised R&D & Engineering expenses

PATMI & EBITDA Review

Improved profitability, partially offset by higher D&A and expansion-related costs



- The Group recognised an improvement in its net margins to 3.8% in FY2024, up from 1.8% in FY2023
- Net profit has taken into account:
 - Increased in depreciation & amortisation expenses to S\$39.7m in FY2024, up from S\$34.5m in FY2023, including a full depreciation of S\$1.6m for an end-of-life project in NFBU
 - Profit Before Tax ("PBT") loss amounting to S\$4.3m, associated with BU expansion in AMI China (Zigong, Huizhou), AMI Germany, AMI Japan, and AMC (India, Vietnam)
 - PBT loss under Sydrogen amounting to S\$4.5m
- Adjusted EBITDA grew 31% YoY to S\$51.8m and margin improved to 25.4% in FY2024, up from 22.3% in FY2023, from improved revenues and operational performance

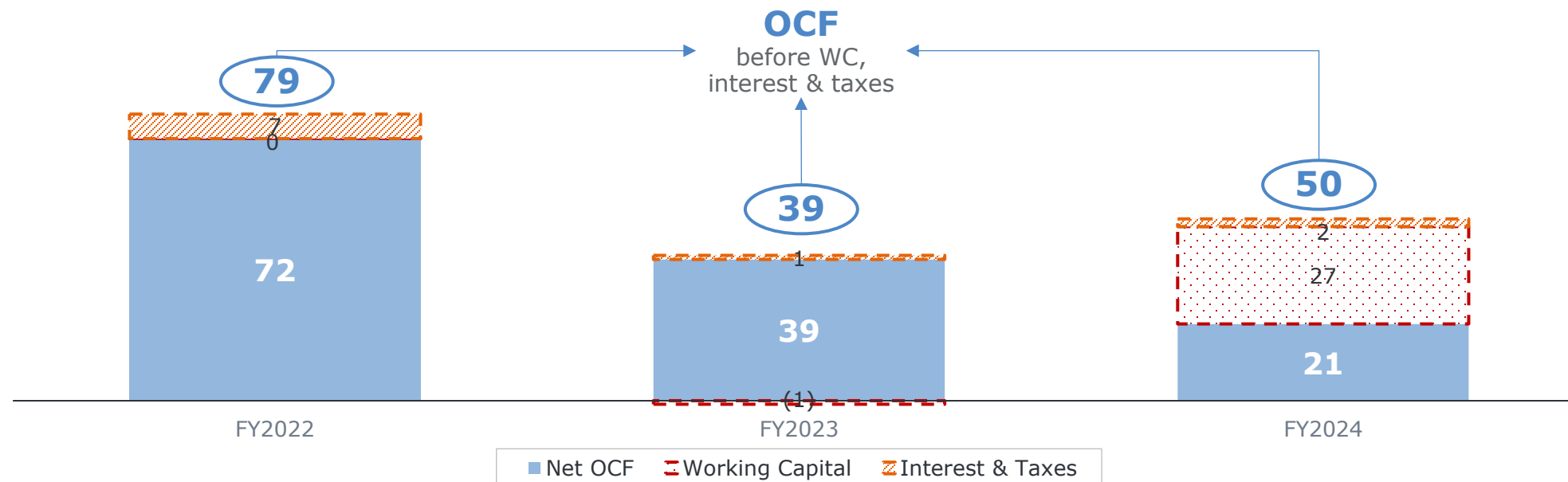
Source: Company information, numbers may not tie due to rounding (refer to results announcement)

Positive Sustainable Operating Cash Flow

Continuing positive operating cash flow

Net Cash Generated from Operating Activities as at 31 Dec 2024

(in S\$m)



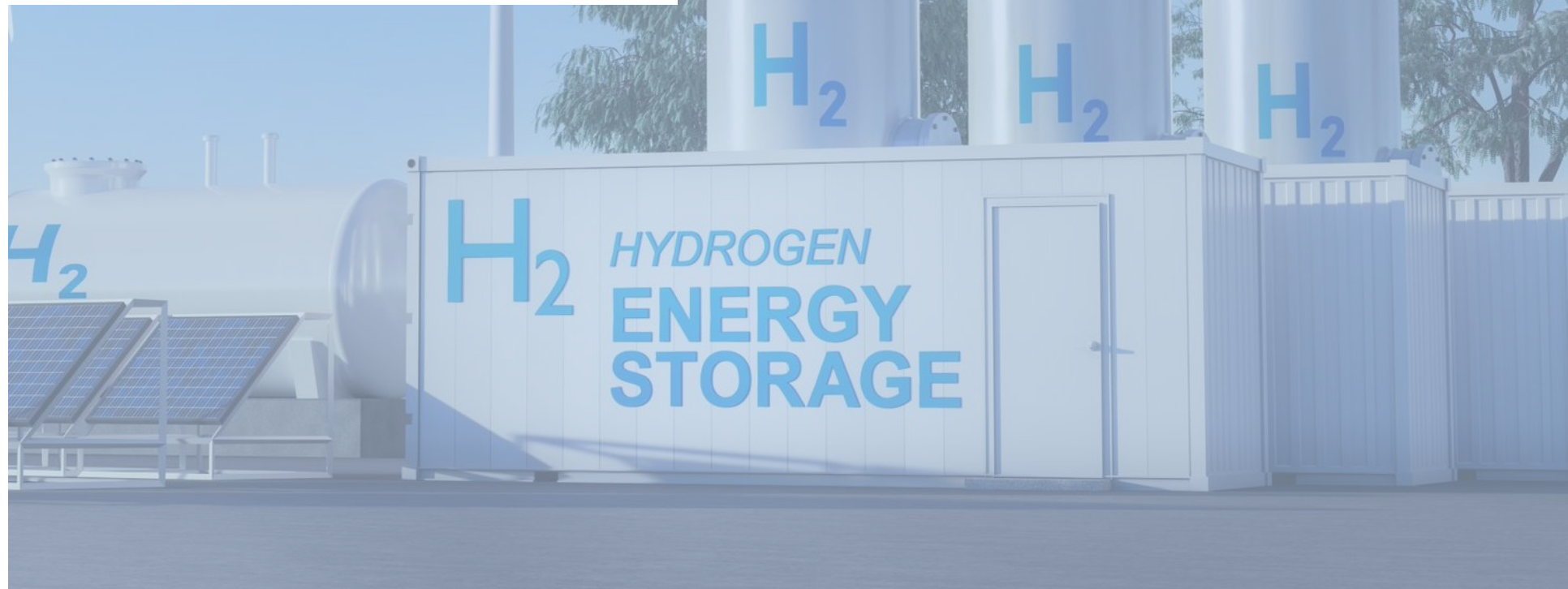
- Generated positive operating cash flow (“OCF”) in FY2024, but higher working capital offset the gains due to increased sales during the peak period in Q3, resulting in a higher balance of not yet due receivables at year-end 2024

Source: Company information, numbers may not tie due to rounding (refer to results announcement)

3 | Sustainability

Mr Gian Yi-Hsen

Group CSO and
CEO, Sydron



FY2024: Sustainability Highlights

Scaling sustainability, optimising energy, and driving inclusive growth



Empowering Renewable Energy and Circular Economy



Fostering Inclusive Employment Growth

Achieved above **60%** recovery rate of pure water used in productions through implementation of **water recycling system** and the installation of **reverse osmosis wastewater recycling system**

Generated **2656 MWh** from **solar power** and purchased of electricity from **green certificates** in Shanghai, achieved **100% electricity** sourced from **renewable energy**

Energy from hydrogen lab experiments is repurposed and used to supply power to our operations during **peak periods**, ensuring industry-standard products while **reducing grid reliance** and **lowering operational costs**

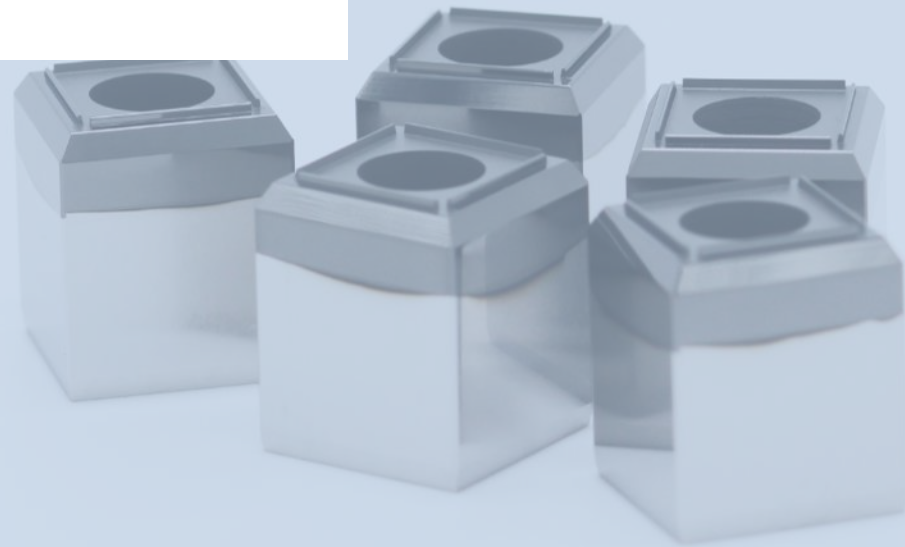
Employment of **20 individuals** (**40%** increased from FY2023) with disabilities across various teams in Shanghai and promoting **Diversity, Equity and Inclusion (DEI)**

Promote the circular utilisation of waste materials through **recycling effort with recycling rate of 32%**

4 | EuropCoating

Mr Ian Howe

Group CCO



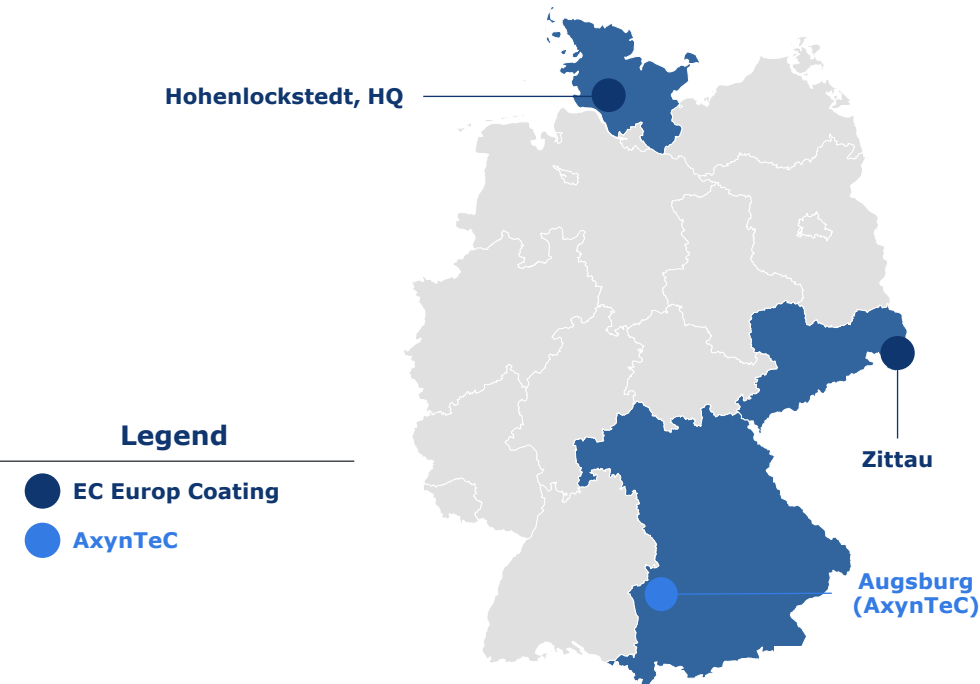
Acquisition Overview: EuropCoating Group

Strategic acquisition of a German thin-film coating supplier with 200+ customers

COMPANY HIGHLIGHTS

- **History:** Premium thin-film job coating supplier since 1986, operates in the luxury, high-end decorative, and medical market
- **Capabilities:** Utilises arc, sputter, and DLC machines with precious metals (gold) deposition capability
- **Segments:** Serves more than 200 active customers in applications including watches, medical instruments, eyewear, luxury consumer products, and shower casings

Operating Assets Map, Germany



SYNERGIES

Group Strategy

Accelerated Market Entry: Provides immediate market access, de-risking Nanofilm's decorative coatings expansion versus a greenfield strategy

Ready Infrastructure: Enables early customer engagement, sampling, and cross-selling opportunities

Revenue & Costs

Segment & Product Expansion: Expands penetration in high-growth verticals while enhancing coating capabilities in new and complementary areas

Margin Expansion & Operating Leverage: Site consolidation optimises asset utilisation, rationalises cost structure, and unlocks scale efficiencies

INTEGRATION INITIATIVES

Operational Integration

- Consolidating key operational functions to streamline processes
- Aligning backend and reporting structures

Cultural Integration

- Conducting town halls and employee initiatives to foster collaboration
- Establishing a unified vision and culture

Synergy Realisation

- Sales team actively executing on pre-identified revenue leads and cross-selling opportunities
- Exploring expansion of suite of coating solutions

5 | Outlook

Dr Shi Xu

Executive Chairman
and Group CEO

Mr Ian Howe

Group CCO

Mr Gian Yi-Hsen

Group CSO and
CEO, Sydgen



Business Outlook: **AMBU**

Strategic expansion initiatives in consumer and industrial sectors

ADVANCED MATERIALS – CONSUMER (“AMC”):

- Overall, cautiously optimistic for continued recovery of AMC business
- Balanced Customer Z orders within segments with slight increase in accessories and wearables
- Good growth with Asian and Chinese customers from lower base
- Continued diversification including Southern China, Vietnam & India
- More strategic partnerships through factory-in-factory with metal vendors giving stable demand

ADVANCED MATERIALS – INDUSTRIAL (“AMI”):

- Overall expecting growth in 2025
- **Asia:** Strong growth in Semiconductor, e-Mobility and General industrial market segments, offset partially by challenging business environment in China automotive, which is flat this year
- **Europe:** Growth expected for current year compared to previous year, driven by deployment of TAC¹ technologies into Augsburg facility. First customer projects coming on line 2Q2025. 3Q2025 decorative solutions will be deployed driving further growth in consumer products segment, automotive, and luxury
- Invested significantly into Business Development & Sales Teams and also into sales agent network in Southeast Asia

Note:
(1) TAC refers to tetrahedral amorphous carbon

Business Outlook: IEBU

Positioning for 2025 recovery with increased commercial traction across regions

- Cautiously optimistic that customer orders for equipment is turning around for 2025 after slow 2024
- **Asia:** New orders for mold coater applications within Photonics segment both in China and Japan. Potential orders for Automotive piston ring business in Southeast Asia. Developing solutions for the renewable energy space with solar applications
- **Europe:** First equipment will be delivered to a leading European photonics customer. Business development activities have commenced for developing the European photonics segment

Business Outlook: **NFBU**

Broadening solutions in new applications and sectors

- Continued gains of wallet share on the existing mass production projects
- Good progress in engagement of new optical health sensing applications in the consumer electronics wearables space
- Developing new in-roads into automotive applications

Business Outlook: Sydrogen

BPP production continues to gain momentum, progress in ACFC and maritime power module

- China market continues to mature, and we expect to continue growing with the market and acquire new customers for fuel cell coatings. Government support for heavy trucking application continuing at provincial level. Aim to double output of plates supplied
- ACFC¹ is expected to start commercial shipment in later part of the year after evaluation of prototypes by our customers. Sydrogen's ACFC incorporates SydroDIAMOND[®] coating and has all major components developed internally
- Continuing to develop our Maritime power module with local partner for type approval and will implement Town Gas based demonstration later this year

Note:
(1) ACFC refers to air-cooled fuel cell

FY2025 Overall Outlook & Focus

Focusing on fundamentals to position for future sustainable growth

INVESTMENTS MADE



Global Site Expansion

- Strategically expanded into Vietnam, India, and Southern China sites, which are production ready
- Established presence in Europe



Technological Solutions

- Expanded application coverage
- Developed new generation coaters, including mass production in-line equipment



Renewable Energy

- Developed solutions for the hydrogen (Sydrogen) and solar sectors

RESULTS

- Better positioned in today's uncertain trade environment
- Expanding our geographical presence has allowed us to be closer to our customers' supply chains, broadening our customer base
- Penetrated the European market through the acquisition of AxynTeC and most recently, EuropCoating Group, strengthening our capabilities and market reach
- Expanded solution coverage into larger surface areas (e.g., mid-frame product segment)
- New generation coating equipment for improved BU production efficiency and for third-party equipment sales
- Cost effective, high throughput production from in-line technology (e.g., new BPP coating equipment, solar CSS line)
- Hydrogen: Increase market share in coating services; expanded use case applications beyond automotive; and, expanded capabilities into Tier 1 and Tier 2 products and solutions
- Solar: Launched a new CSS line, reinforcing Nanofilm's position in the renewable energy sector

6 | Q&A



THANK YOU