



NANOFILM TECHNOLOGIES INTERNATIONAL

9M2022 Business Update

November 2022



IMPORTANT NOTICE

This presentation is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Nanofilm Technologies International Limited (the "Company") in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The information and opinions in this presentation are provided as at the date of this document (unless stated otherwise) and are subject to change without notice, its accuracy is not guaranteed and it may not contain all material or relevant information concerning the Company or its subsidiaries (the "Group"). None of the Company, its subsidiaries nor its affiliates, advisors and representatives make any representation regarding, and assumes no responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained herein nor for any loss howsoever arising from any use of this presentation. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice.

The information contained in this presentation includes historical information about and relevant to the assets of the Group that should not be regarded as an indication of the future performance or results of such assets. **Certain statements in this presentation constitute "forward-looking statements". These forward-looking statements are based on the current views of the Company concerning future events, and necessarily involve risks, uncertainties and assumptions. These statements can be recognised by the use of words such as "expects", "plans", "will", "estimates", "projects", "intends", "targets" or words of similar meaning. These forward-looking statements speak only as at the date of this presentation. No assurance can be given that future events will occur, that projections or targets will be achieved, or that assumptions are correct. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements and you are cautioned not to place any undue reliance on these forward-looking statements. The Company does not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise, subject to compliance with all applicable laws and regulations and/or the rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and/or any other regulatory or supervisory body or agency.**

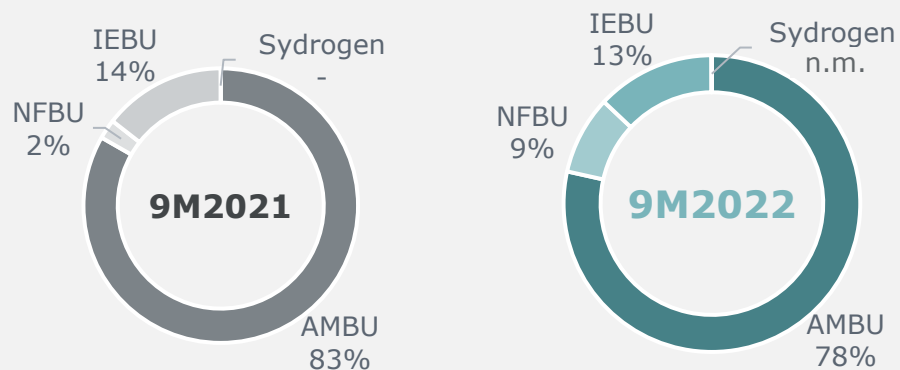
1 | 9M2022 OVERVIEW



9M2022 Performance Summary

GROUP REVENUE

+10% YoY



Illustrative purposes, not drawn to scale

GROUP

- 9M2022 Group revenue grew 10% YoY
- Growth led by AMBU and NFBU offsetting negative growth from IEBU

COVID-19 Impact

- Lingering effects from 2Q Shanghai COVID-19 restrictions impacted 3Q business momentum and growth pace
- Rolling lock down restrictions in China hampered supply chain flow and customers' capital expenditures

AMBU

- Headwinds experienced by some customers due to supply chain disruptions caused by COVID-19 restrictions in China

NFBU

- Continued growth momentum from mass production of products

IEBU

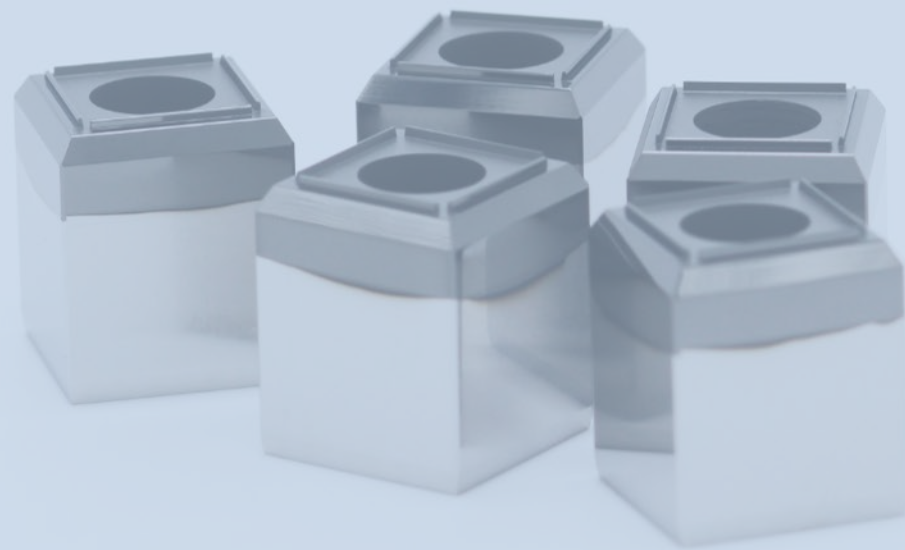
- Delays and cuts in customers' capex amid increasing macro uncertainties

Sydrogen

- Commencement of small-scale BPP coating production

Source: Company information. Figures may not add up due to rounding

2 | **BUSINESS** OUTLOOK



Near-Term Business Outlook: Challenging operating environment

CHALLENGES

1

MACRO HEADWINDS

- Geopolitical tensions
- Inflationary pressures
- Rising interest rates
- Recession risk

2

SUPPLY CHAIN CHALLENGES

- Disruptions due to COVID-19 restrictions & measures resulting in FATP¹ closures

3

CAPITAL INVESTMENT SLOWDOWN

- Against the macro uncertainty backdrop, companies are opting for capital conservation

IMPACT

ON GROUP

- Softer consumer demand
- Shut down of operations in certain FATP & component suppliers in the 3C supply chain affecting demand pull
- Tightening of customers capital expenditures, exacerbated by macro uncertainties and weak currencies

MEASURES

- **Driving revenues** through differentiated quality solutions and products
- **Cost optimisation** through continuous cost improvement in operational excellence
- **Continue investments** into R&D and Engineering for sustainable innovation

Maintaining **strong operating cash flows** with **resilient strong fundamentals**, rooted by our deep-tech and operational excellence

Source: Company information

(1) Refers to Final Assembly, Test, and Packaging ("FATP") companies


Our Growth Strategy: Focused key strategic areas

GEOGRAPHICAL DIVERSIFICATION & COVERAGE

Near-term objectives:

Set up coating services facility 

LOI signed for approx. 40,000 sqm land in Vietnam 

Expand production (current premises), **Corporate HQ move to Tai Seng slated for 4Q2022** 

NEW SEGMENTS WITH CAPABILITY & PRODUCT EXPANSION

Near-term objectives:

Greener solutions to replace electroplating **1**

New optical component applications **2**

MoU signed with City Energy for off-grid fuel cell solutions **3**



JOINT VENTURES / M&A

Near-term objectives:

- 1** Formation of ApexTech, JV with Everwin, announced
- 2** Explore M&A opportunities to gain market access to customers in different geographies

R&D AND ENGINEERING PRODUCT DEVELOPMENT

Near-term objectives:

- 1** Strengthen in-house R&D and extend deep-tech platform
- 2** As a home-grown deep-tech company, Nanofilm embraces RIE policy and support, to substantially increase R&D efforts to drive innovation and contribute to the economic development locally

Note: Updates will be provided on a periodic basis

3 | 2025 TARGETS



Group Focus: Medium term outlook

1

- **Strong fundamentals and differentiated solutions enabled by our deep tech platform**

2

- **Positive commercial outcome expected from our product offerings**

3

- **Focus on 3 key end-markets to drive growth:**
 - Consumer, Industrial and New Energy

4

- **Execute growth strategy with multiple business models**
 - Equipment, Coating as a Service, Component, Value Chain Integration

5

- **Targeted Outcome by 2025: Revenue of S\$500m & Profit¹ of S\$100m**

Source: Company information

(1) Refers to profit after tax and minority interest

End-Markets Grouping – Additional Reporting Dimension

BUSINESS UNITS		END-MARKETS GROUPINGS		
		CONSUMER	INDUSTRIAL	NEW ENERGY
AMBU	3C	✓		
	Automotive		✓	
	Precision Engineering		✓	
	Printing & Imaging		✓	
NFBU	Optical Components	✓		
IEBU	Industrial Equipment ¹		✓	✓
SYDROGEN	Hydrogen Fuel Cell Products			✓
APEXTECH	Green Plating (for Advanced Batteries)			✓
FY2021 Revenue²		167	79	n.m.

Source: Company information

(1) Includes equipment for third-party sales only

(2) Figures may not add up due to rounding

Financial Targets by 2025



Group Revenue



Group Profit¹

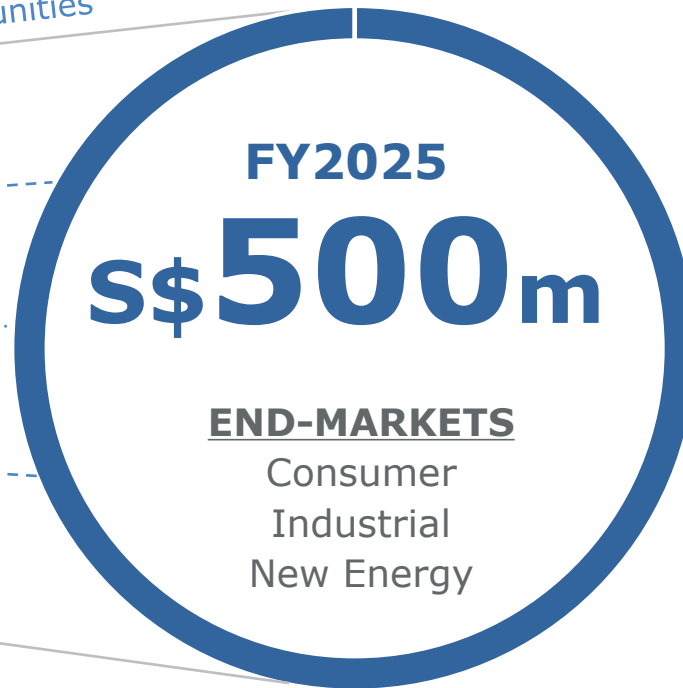
Mainly **organic growth** expected,
with selective inorganic opportunities

VC Integration²

Components

Coating as a Service

Equipment



Source: Company information

(1) Refers to profit after tax and minority interest

(2) Refers to Value Chain ("VC") Integration

THANK YOU

