

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025 (“FY2025”)**

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**A. Unaudited condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	2H2025 S\$'000	2H2024 S\$'000	Change %	Group FY2025 S\$'000	FY2024 S\$'000	Change %
<b>Revenue</b>	5	137,417	121,623	13.0	244,567	204,269	19.7
Cost of sales		(83,933)	(73,414)	14.3	(156,137)	(128,403)	21.6
Gross profit		53,484	48,209	10.9	88,430	75,866	16.6
Other operating income		2,470	2,841	(13.1)	4,414	5,056	(12.7)
Finance income		448	1,488	(69.9)	1,404	3,189	(56.0)
Expenses:							
Research & development and engineering <sup>(1)</sup>		(11,358)	(7,977)	42.4	(18,278)	(14,980)	22.0
Selling and distribution		(5,318)	(5,666)	(6.1)	(10,095)	(10,410)	(3.0)
Administrative		(24,097)	(23,905)	0.8	(46,594)	(45,053)	3.4
Finance		(1,221)	(1,762)	(30.7)	(2,662)	(3,619)	(26.4)
Net impairment losses on trade receivables and contract assets		(160)	(225)	(28.9)	(167)	(225)	(25.8)
Share of loss of associate		(57)	(44)	29.5	(75)	(103)	(27.2)
Write off and loss on disposal of property, plant and equipment		(2,985)	(43)	n.m.	(3,137)	(76)	n.m.
<b>Profit before income tax</b>	6	11,206	12,916	(13.2)	13,240	9,645	37.3
Income tax expenses	7	(665)	(1,707)	(61.0)	(1,320)	(2,110)	(37.4)
<b>Profit after income tax</b>		10,541	11,209	(6.0)	11,920	7,535	58.2
<b>Other comprehensive income, net of tax</b>							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange difference arising from translation of foreign operations		10,521	1,196	779.7	(6,819)	1,602	n.m.
<b>Total comprehensive income for the period</b>		21,062	12,405	69.8	5,101	9,137	(44.2)
<b>Profit attributable to:</b>							
Equity holders of the Company		10,189	11,482	11.3	11,803	7,744	52.4
Non-controlling interests		352	(273)	n.m.	117	(209)	n.m.
		10,541	11,209	(6.0)	11,920	7,535	58.2
<b>Total comprehensive income attributable to:</b>							
Equity holders of the Company		20,337	12,671	60.5	5,143	9,284	(44.6)
Non-controlling interests		725	(266)	n.m.	(42)	(147)	71.4
		21,062	12,405	69.8	5,101	9,137	(44.2)
<b>Adjusted EBITDA</b>	4	38,386	35,089	9.4	62,829	51,806	21.3

n.m. - Not meaningful

(1) "Research & development and Engineering" includes Research & development, Engineering and Quality assurance expenses.

**A. Unaudited condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)**

	Note	2H2025 S\$'000	2H2024 S\$'000	Change %	Group FY2025 S\$'000	FY2024 S\$'000	Change %
<b>Earnings per share attributable to the equity holders of the Company (cents)</b>							
Basic earnings per share	8	1.56	1.75	(10.9)	1.80	1.18	52.5
Diluted earnings per share	8	<u>1.56</u>	<u>1.75</u>	(10.9)	<u>1.80</u>	<u>1.18</u>	52.5

**B. Unaudited condensed interim statements of financial position**

	Note	Group		Company	
		31/12/2025 S\$'000	31/12/2024 S\$'000	31/12/2025 S\$'000	31/12/2024 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	306,300	304,515	54,091	59,880
Land use rights		10,609	11,051	-	-
Intangible assets	10	65,301	53,013	7,428	9,058
Investment in subsidiaries	11	-	-	164,485	148,169
Investment in associate	12	3,714	3,789	-	-
Trade and other receivables and other non-current assets	13	-	-	11,847	3,595
Other financial assets	21	1,367	1,367	-	-
Deferred tax assets		5,099	4,278	-	-
		<u>392,390</u>	<u>378,013</u>	<u>237,851</u>	<u>220,702</u>
<b>Current assets</b>					
Inventories		20,346	17,104	6,142	5,011
Trade and other receivables, and other current assets	13	122,469	111,757	29,604	20,646
Contract assets		20,967	18,012	-	-
Cash and bank balances		84,550	110,207	29,539	57,051
		<u>248,332</u>	<u>257,080</u>	<u>65,285</u>	<u>82,708</u>
<b>Total assets</b>		<u>640,722</u>	<u>635,093</u>	<u>303,136</u>	<u>303,410</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	14	266,927	266,927	266,927	266,927
Treasury shares	14	(22,336)	(23,498)	(22,336)	(23,498)
Reserves		193,113	144,431	8,545	11,920
		<u>437,704</u>	<u>387,860</u>	<u>253,136</u>	<u>255,349</u>
Non-controlling interests		32,106	42,090	-	-
<b>Total equity</b>		<u>469,810</u>	<u>429,950</u>	<u>253,136</u>	<u>255,349</u>
<b>Non-current liabilities</b>					
Bank loans	16	81,776	76,728	18,796	20,668
Lease liabilities	16	13,788	17,375	8,005	9,241
Other payables	17	-	53,100	-	-
Provisions		269	-	-	-
Deferred tax liabilities		1,685	1,526	1,331	1,331
		<u>97,518</u>	<u>148,729</u>	<u>28,132</u>	<u>31,240</u>
<b>Current liabilities</b>					
Trade and other payables	17	58,798	42,605	18,938	12,669
Contract liabilities		854	602	485	221
Bank loans	16	10,650	8,229	1,872	1,872
Lease liabilities	16	1,883	3,344	387	1,757
Provisions		133	297	84	200
Provision for taxation		1,076	1,337	102	102
		<u>73,394</u>	<u>56,414</u>	<u>21,868</u>	<u>16,821</u>
<b>Total liabilities</b>		<u>170,912</u>	<u>205,143</u>	<u>50,000</u>	<u>48,061</u>
<b>Total equity and liabilities</b>		<u>640,722</u>	<u>635,093</u>	<u>303,136</u>	<u>303,410</u>

### C. Unaudited condensed interim statements of changes in equity

	Attributable to equity holders of the Company						Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury Shares S\$'000	Translation reserve S\$'000	Statutory reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000			
<b>Group</b>									
<b>At 1 January 2025</b>	266,927	(23,498)	(34,985)	7,351	(70,697)	242,762	387,860	42,090	429,950
Profit for the period	-	-	-	-	-	11,803	11,803	117	11,920
Other comprehensive income	-	-	(6,660)	-	-	-	(6,660)	(159)	(6,819)
Total comprehensive income for the period	-	-	(6,660)	-	-	11,803	5,143	(42)	5,101
Transfer of statutory reserve	-	-	-	277	-	(277)	-	-	-
Transactions with equity holders, recognised directly in equity									
- Dividends (Note 18)	-	-	-	-	-	(4,301)	(4,301)	-	(4,301)
- Acquisition of non-controlling interest	-	-	-	-	5,483	(541)	4,942	(9,942)	(5,000)
- Reversal of put option relating to interest in non-controlling interest	-	-	-	-	53,100	-	53,100	-	53,100
- Deferred consideration for acquisition of non-controlling interest	-	-	-	-	(10,000)	-	(10,000)	-	(10,000)
- Merger of entities under common control	-	-	-	-	172	-	172	-	172
- Treasury shares re-issued under ESOS Scheme 2017 and RSP 2021	-	1,162	-	-	(1,175)	-	(13)	-	(13)
- Adjustment on employee share options	-	-	-	-	11	-	11	-	11
- Adjustment on restricted share plan	-	-	-	-	790	-	790	-	790
Total transactions with equity holders	-	1,162	-	-	48,381	(4,842)	44,701	(9,942)	34,759
<b>At 31 December 2025</b>	<b>266,927</b>	<b>(22,336)</b>	<b>(41,645)</b>	<b>7,628</b>	<b>(22,316)</b>	<b>249,446</b>	<b>437,704</b>	<b>32,106</b>	<b>469,810</b>

Note:

Other reserves consist of share option reserve, fair value reserve and put option relating to interest in non-controlling interest.

**C. Unaudited condensed interim statements of changes in equity (cont'd)**

	Attributable to equity holders of the Company						Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury Shares S\$'000	Translation reserve S\$'000	Statutory reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000			
<b>Group</b>									
<b>At 1 January 2024</b>	266,927	(32,653)	(36,525)	7,142	(64,543)	239,524	379,872	44,132	424,004
Profit for the period	-	-	-	-	-	7,744	7,744	(209)	7,535
Other comprehensive income	-	-	1,540	-	-	-	1,540	62	1,602
Total comprehensive income for the period	-	-	1,540	-	-	7,744	9,284	(147)	9,137
Transfer of statutory reserve	-	-	-	209	-	(209)	-	-	-
Transactions with equity holders, recognised directly in equity									
- Dividends (Note 18)	-	-	-	-	-	(4,297)	(4,297)	-	(4,297)
- Treasury shares re-issued for settlement of NTI Swap Shares to acquire interest in non-controlling interest (Note 11)	-	7,704	-	-	(5,809)	-	1,895	(1,895)	-
- Treasury shares re-issued under ESOS Scheme 2017 and RSP 2021	-	1,451	-	-	(1,427)	-	24	-	24
- Adjustment on employee share options	-	-	-	-	87	-	87	-	87
- Adjustment on restricted share plan	-	-	-	-	995	-	995	-	995
Total transactions with equity holders	-	9,155	-	-	(6,154)	(4,297)	(1,296)	(1,895)	(3,191)
<b>At 31 December 2024</b>	<b>266,927</b>	<b>(23,498)</b>	<b>(34,985)</b>	<b>7,351</b>	<b>(70,697)</b>	<b>242,762</b>	<b>387,860</b>	<b>42,090</b>	<b>429,950</b>

**C. Unaudited condensed interim statements of changes in equity (cont'd)**

	Share capital S\$'000	Treasury Shares S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>Company</b>					
<b>At 1 January 2025</b>	266,927	(23,498)	(12,198)	24,118	255,349
Profit for the period	-	-	-	1,303	1,303
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,303	1,303
Transactions with equity holders, recognised directly in equity					
- Dividends (Note 18)	-	-	-	(4,301)	(4,301)
- Treasury shares re-issued under ESOS Scheme 2017 and RSP 2021	-	1,162	(1,175)	-	(13)
- Adjustment on employee share options	-	-	11	-	11
- Adjustment on restricted share plan	-	-	787	-	787
Total transactions with equity holders	-	1,162	(377)	(4,301)	(3,516)
<b>At 31 December 2025</b>	266,927	(22,336)	(12,575)	21,120	253,136
<b>At 1 January 2024</b>	266,927	(32,653)	(11,836)	33,463	255,901
Loss for the period	-	-	-	(5,048)	(5,048)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(5,048)	(5,048)
Transactions with equity holders, recognised directly in equity					
- Dividends (Note 18)	-	-	-	(4,297)	(4,297)
- Treasury shares re-issued for settlement of NTI Swap Shares to acquire interest in non-controlling interest	-	7,704	-	-	7,704
- Treasury shares re-issued under ESOS Scheme 2017 and RSP 2021	-	1,451	(1,427)	-	24
- Adjustment on employee share options	-	-	87	-	87
- Adjustment on restricted share plan	-	-	978	-	978
Total transactions with equity holders	-	9,155	(362)	(4,297)	4,496
<b>At 31 December 2024</b>	266,927	(23,498)	(12,198)	24,118	255,349

Note:

Other reserves consist of share option reserve and other reserve.

**D. Unaudited condensed interim consolidated statement of cash flows**

	Group	
Note	FY2025 S\$'000	FY2024 S\$'000
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	13,240	9,645
Adjustments for:		
Depreciation of property, plant and equipment	31,851	30,011
Amortisation of land use rights	254	260
Amortisation of intangible assets	11,877	9,462
Finance expenses	2,662	3,619
Finance income	(1,404)	(3,189)
Provision for warranties and restoration of property, plant and equipment	182	185
Reversal of provision for warranties & restoration cost	(324)	(219)
Write off/loss/(Gain) on disposal of property, plant and equipment	2,877	(69)
Expense recognised in respect of share options granted	11	87
Expense recognised in respect of award share expenses under RSP 2021	790	995
Exchange differences – unrealised	(1,418)	(751)
Share of loss of associate	75	103
<b>Operating cash flows before working capital changes</b>	<u>60,673</u>	<u>50,139</u>
Inventories	(2,035)	1,974
Trade, other receivables and other current assets (include contract assets)	(13,456)	(34,611)
Trade, other payables and provisions (include contract liabilities)	6,802	5,752
<b>Cash generated from operations</b>	<u>51,984</u>	<u>23,254</u>
Interest paid	(2,181)	(2,888)
Interest received	1,404	3,189
Income tax paid	(2,571)	(2,331)
<b>Net cash generated from operating activities</b>	<u>48,636</u>	<u>21,224</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of subsidiaries	(5,252)	(9,210)
Purchase of property, plant and equipment	(46,877)	(34,879)
Proceeds from disposal of property, plant and equipment	575	226
Additions to intangible assets	(16,242)	(15,228)
<b>Net cash used in investing activities</b>	<u>(67,796)</u>	<u>(59,091)</u>
<b>Cash Flows from Financing Activities</b>		
Acquisition of a non-controlling interest	(5,000)	-
Proceeds from bank loans	18,435	9,435
Repayment of bank loans	(11,841)	(8,208)
Payment of lease liabilities	(3,457)	(4,385)
Dividends paid	(4,301)	(4,297)
<b>Net cash used in financing activities</b>	<u>(6,164)</u>	<u>(7,455)</u>
<b>Net decrease in cash and cash equivalents</b>	(25,324)	(45,322)
<b>Cash and cash equivalents at the beginning of the period</b>	110,207	155,209
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	(333)	320
<b>Cash and cash equivalents at the end of the period</b>	<u>84,550</u>	<u>110,207</u>
<b>Note:</b>		
For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:		
Cash and bank balances and fixed deposits	<u>84,550</u>	<u>110,207</u>

## E. Notes to the unaudited condensed interim consolidated financial statements

These notes form an integral part of and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements.

### 1 General Information

Nanofilm Technologies International Limited (the “**Company**”) is a public company limited by shares, incorporated and domiciled in Singapore. The Company’s registered address and its principal place of business are at 11 Tai Seng Drive, Singapore 535226.

The unaudited condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2025 comprise of the Company and its subsidiaries (collectively, the “**Group**”).

The Company is a leading nanotechnology material company in Asia, leveraging its proprietary technologies through its self-built equipment to produce advanced materials coatings and nanofabricated products, with core competencies in R&D, engineering and mass production. The Group’s environmentally sustainable nanotechnology solutions serve as key catalysts in enabling its customers to achieve high value-add advancements in their end-products across wide range of industries.

### 2 Basis of Preparation

The unaudited condensed interim consolidated financial statements for the six months ended 31 December 2025 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last interim financial statements for the six-month period ended 30 June 2025.

The unaudited condensed interim financial statements are presented in Singapore dollar (“**S\$**”) which is the Company’s functional currency. The unaudited condensed interim financial statements are presented and rounded to the nearest thousand (**S\$’000**) except when otherwise indicated.

The accounting policies adopted in the preparation of the unaudited condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 December 2024 except for the adoption of new amendments to SFRS(I) that are effective as of 1 January 2025 which did not have significant impact on the financial performance or financial position of the Group. The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In preparing the unaudited condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 3 Seasonal Operations

The Group typically enjoys significantly better results in the second half of the year, primarily driven by the Advanced Materials BU's and Nanofabrication BU's exposure to the 3C market. Increase in demand for the Group's services and products in the 3C sector tend to be in line with new product launches or product upgrades by the Group's customers and increases in demand during the holiday season. However, such seasonality trend may change along with changes in consumer pattern or the Group's customers' timing in new product launches.

The Group does not experience material seasonality impact with respect to the Group's customers from the other BUs.

### 4 Operating Segment Information

Management has determined the operating segments based on the reports reviewed to make strategic decisions. The Group has four reportable segments, as described below, which are the Group's strategic business units ("BU") based on different services/products ranges.

Advanced Materials BU ("AMBU")	- material science provider of advanced materials through proprietary vacuum coating technology across wide range of end industries.
Industrial Equipment BU ("IEBU")	- designs and develops customised coating equipment, cleaning lines and automation systems, including after sales support for internal BUs and external sales to selective markets.
Nanofabrication BU ("NFBU")	- manufacturer and supplier of nanoproducts in optical imaging lens and sensory components critical to customers' end-products.
Sydragen BU	- provider of critical fuel cell components with its proprietary conductive diamond coatings and fuel cell system solutions for the hydrogen energy market.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 4 Operating Segment Information (cont'd)

	Advanced materials S\$'000	Industrial equipment S\$'000	Nanofabrication S\$'000	Sydhrogen S\$'000	Inter-segment eliminations S\$'000	Total S\$'000
<b>FY2025</b>						
Revenue from external customers	206,924	16,961	18,160	2,522	-	244,567
Inter-segment sales	-	7,723	-	-	(7,723)	-
	<u>206,924</u>	<u>24,684</u>	<u>18,160</u>	<u>2,522</u>	<u>(7,723)</u>	<u>244,567</u>
Cost of Sales	<u>133,992</u>	<u>8,165</u>	<u>9,763</u>	<u>4,217</u>	<u>-</u>	<u>156,137</u>
Adjusted EBITDA	<u>54,357</u>	<u>2,900</u>	<u>7,092</u>	<u>(1,520)</u>	<u>-</u>	<u>62,829</u>
<u>Other information</u>						
Depreciation	26,369	1,254	2,871	1,357	-	31,851
Amortisation of land use rights	180	29	41	4	-	254
Amortisation of intangible assets	9,788	538	332	1,219	-	11,877
Net impairment losses on trade receivables and contract assets	86	6	14	61	-	167
Write off/loss on disposal of property, plant and equipment	2,361	70	92	354	-	2,877
Listing expenses charged to profit or loss – Recurring	22	24	1	-	-	47
Share option expenses	5	6	-	-	-	11
Award share expenses under RSP 2021	408	361	20	1	-	790
Staff costs	30,907	6,117	2,987	1,338	-	41,349
Provision for warranties and restoration of property, plant and equipment	-	182	-	-	-	182
Reversal of provision for warranties and restoration of property, plant and equipment	-	(324)	-	-	-	(324)
<b>At 31 December 2025</b>						
<u>Assets</u>						
Segment assets	462,364	44,686	11,367	27,575	-	545,992
Cash and bank balances						84,550
Other financial assets						1,367
Investment in associate						3,714
Deferred tax assets						5,099
						<u>640,722</u>
Segment assets include:						
Additions to non-current assets:						
- Property, plant and equipment	40,358	4,306	291	2,822	-	47,777
- Intangible assets	14,021	1,221	616	3,989	-	19,847
<u>Liabilities</u>						
Segment liabilities	52,961	8,336	1,608	12,820	-	75,725
Bank loans						92,426
Deferred tax liabilities						1,685
Other payables (non-current)						-
Provision for taxation						1,076
						<u>170,912</u>

## E. Notes to the unaudited condensed interim consolidated financial statements

### 4 Operating Segment Information (cont'd)

	Advanced materials S\$'000	Industrial equipment S\$'000	Nanofabrication S\$'000	Sydsrogen S\$'000	Inter-segment eliminations S\$'000	Total S\$'000
<b>FY2024</b>						
Revenue from external customers	172,140	11,290	18,042	2,797	-	204,269
Inter-segment sales	-	7,060	-	-	(7,060)	-
	<u>172,140</u>	<u>18,350</u>	<u>18,042</u>	<u>2,797</u>	<u>(7,060)</u>	<u>204,269</u>
Cost of sales	<u>111,747</u>	<u>2,898</u>	<u>9,431</u>	<u>4,327</u>	<u>-</u>	<u>128,403</u>
Adjusted EBITDA	<u>40,500</u>	<u>4,967</u>	<u>7,871</u>	<u>(1,532)</u>	<u>-</u>	<u>51,806</u>
<u>Other information</u>						
Depreciation	23,474	858	4,914	765	-	30,011
Amortisation of land use rights	210	14	33	3	-	260
Amortisation of intangible assets	6,786	480	457	1,739	-	9,462
Impairment loss on trade receivables	201	5	(14)	33	-	225
(Gain)/write off/loss on disposal of property, plant and equipment	(71)	10	(14)	6	-	(69)
Listing expenses charged to profit or loss – Recurring	29	16	1	-	-	46
Share option expenses	55	30	2	-	-	87
Award share expenses under RSP 2021	631	338	26	-	-	995
Staff costs	26,697	5,072	2,813	1,400	-	35,982
Provision for warranties and restoration of property, plant and equipment	-	185	-	-	-	185
Reversal of provision for warranties	-	(219)	-	-	-	(219)
<b>At 31 December 2024</b>						
<u>Assets</u>						
Segment assets	425,122	45,532	13,736	31,062	-	515,452
Cash and bank balances						110,207
Other financial assets						1,367
Investment in associate						3,789
Deferred tax assets						4,278
						<u>635,093</u>
Segment assets include:						
Additions to non-current assets:						
- Property, plant and equipment	33,547	2,014	949	794	-	37,304
- Intangible assets	22,742	1,292	715	3,954	-	28,703
<u>Liabilities</u>						
Segment liabilities	51,246	7,631	1,879	3,467	-	64,223
Bank loans						84,957
Deferred tax liabilities						1,526
Other payables (non-current)						53,100
Provision for taxation						1,337
						<u>205,143</u>

**E. Notes to the unaudited condensed interim consolidated financial statements**
**4 Operating Segment Information (cont'd)**

	Advanced materials S\$'000	Industrial equipment S\$'000	Nanofab -rication S\$'000	Sydrogen S\$'000	Inter-segment eliminations S\$'000	Total S\$'000
<b>2H2025</b>						
Revenue from external customers	117,328	8,496	10,526	1,067	-	137,417
Inter-segment sales	-	1,955	-	-	(1,955)	-
	<u>117,328</u>	<u>10,451</u>	<u>10,526</u>	<u>1,067</u>	<u>(1,955)</u>	<u>137,417</u>
Cost of sales	<u>71,806</u>	<u>4,258</u>	<u>5,733</u>	<u>2,136</u>	<u>-</u>	<u>83,933</u>
Adjusted EBITDA	<u>34,205</u>	<u>935</u>	<u>4,101</u>	<u>(855)</u>	<u>-</u>	<u>38,386</u>
<u>Other information</u>						
Depreciation	14,017	549	1,522	632	-	16,720
Amortisation of land use rights	22	17	22	1	-	62
Amortisation of intangible assets	5,063	281	176	634	-	6,154
Net impairment losses on trade receivables and contract assets	86	6	7	61	-	160
Write off/loss on disposal of property, plant and equipment	2,372	85	92	294	-	2,843
Listing expenses charged to profit or loss –						
Recurring	7	16	-	-	-	23
Share option expenses	1	4	-	-	-	5
Award share expenses under RSP 2021	197	244	11	1	-	453
Staff costs	17,394	3,474	1,692	649	-	23,209
Provision for warranties and restoration of property, plant and equipment	-	51	-	-	-	51
Reversal of provision for warranties and restoration of property, plant and equipment	-	(204)	-	-	-	(204)

**E. Notes to the unaudited condensed interim consolidated financial statements**
**4 Operating Segment Information (cont'd)**

	Advanced materials S\$'000	Industrial equipment S\$'000	Nanofab -rication S\$'000	Sydrogen S\$'000	Inter-segment eliminations S\$'000	Total S\$'000
<b>2H2024</b>						
Revenue from external customers	101,089	7,393	11,068	2,073	-	121,623
Inter-segment sales	-	4,965	-	-	(4,965)	-
	<u>101,089</u>	<u>12,358</u>	<u>11,068</u>	<u>2,073</u>	<u>(4,965)</u>	<u>121,623</u>
Cost of sales	<u>63,229</u>	<u>1,727</u>	<u>5,474</u>	<u>2,984</u>	<u>-</u>	<u>73,414</u>
Adjusted EBITDA	<u>25,541</u>	<u>5,101</u>	<u>5,247</u>	<u>(800)</u>	<u>-</u>	<u>35,089</u>
<u>Other information</u>						
Depreciation	11,596	494	2,639	184	-	14,913
Amortisation of land use rights	34	4	11	1	-	50
Amortisation of intangible assets	3,897	294	401	1,248	-	5,840
Impairment loss on trade receivables	201	5	(14)	33	-	225
Gain on disposal of property, plant and equipment	(82)	-	(12)	-	-	(94)
Listing expenses charged to profit or loss –						
Recurring	15	9	-	-	-	24
Share option expenses	(30)	(17)	(2)	-	-	(49)
Award share expenses under RSP 2021	392	207	16	-	-	615
Staff costs	14,213	2,662	1,603	811	-	19,289
Provision for warranties and restoration of property, plant and equipment	-	66	-	-	-	66
Reversal of provision for warranties	-	(146)	-	-	-	(146)

## E. Notes to the unaudited condensed interim consolidated financial statements

### 4 Operating Segment Information (cont'd)

A reconciliation of the Adjusted EBITDA to profit before income tax is as follows:

	Group			
	2H2025 S\$'000	2H2024 S\$'000	FY2025 S\$'000	FY2024 S\$'000
Adjusted EBITDA <sup>(1)</sup> for reportable segments	38,386	35,089	62,829	51,806
Depreciation	(16,551)	(14,913)	(31,682)	(30,011)
Amortisation	(6,385)	(5,890)	(12,300)	(9,722)
(Write off/loss)/Gain on disposal of property, plant and equipment	(2,843)	94	(2,877)	69
Other professional fees	(175)	(575)	(682)	(1,072)
Award shares expenses under RSP 2021	(453)	(615)	(790)	(995)
Finance income	448	1,488	1,404	3,189
Finance expenses	(1,221)	(1,762)	(2,662)	(3,619)
Profit before income tax	11,206	12,916	13,240	9,645
Income tax expenses	(665)	(1,707)	(1,320)	(2,110)
Profit after income tax	10,541	11,209	11,920	7,535

<sup>(1)</sup> Earnings before interest, tax, depreciation and amortisation (EBITDA).

Revenue from external customers based on the Group's entities' place of business are as follows:

	Group			
	2H2025 S\$'000	2H2024 S\$'000	FY2025 S\$'000	FY2024 S\$'000
Singapore	22,379	20,003	41,190	35,483
China	102,538	93,059	182,559	154,504
Japan	4,221	5,742	7,403	9,067
Vietnam	1,394	143	2,166	177
Europe	6,771	2,676	11,132	5,038
India	114	-	117	-
Total revenue	137,417	121,623	244,567	204,269

**E. Notes to the unaudited condensed interim consolidated financial statements**
**5 Revenue**

## (a) Revenue by business segment

	Group			
	2H2025	2H2024	FY2025	FY2024
	S\$'000	S\$'000	S\$'000	S\$'000
Advanced materials	117,328	101,089	206,924	172,140
Industrial equipment	8,496	7,393	16,961	11,290
Nanofabrication	10,526	11,068	18,160	18,042
Sydragen	1,067	2,073	2,522	2,797
<b>Total</b>	<b>137,417</b>	<b>121,623</b>	<b>244,567</b>	<b>204,269</b>

## (b) Disaggregation of revenue from contracts with customers

	Group			
	2H2025	2H2024	FY2025	FY2024
	S\$'000	S\$'000	S\$'000	S\$'000
Performance obligations satisfied at a point in time				
Sale of equipment	5,747	4,902	10,491	4,902
Sale of products and spare parts	12,001	16,234	21,300	24,121
	<u>17,748</u>	<u>21,136</u>	<u>31,791</u>	<u>29,023</u>
Performance obligations satisfied over time				
Service rendered	118,394	99,508	209,445	174,113
Sale of equipment	1,275	979	3,331	1,133
	<u>119,669</u>	<u>100,487</u>	<u>212,776</u>	<u>175,246</u>
<b>Total</b>	<b>137,417</b>	<b>121,623</b>	<b>244,567</b>	<b>204,269</b>

## (c) Breakdown of sales and profit after income tax

	Group		
	FY2025	FY2024	Change
	S\$'000	S\$'000	%
Sales reported for the first half year	107,150	82,646	29.6
Profit/(Loss) after income tax reported for first half year	1,379	(3,674)	n.m.
Sales reported for the second half year	137,417	121,623	13.0
Profit after income tax reported for second half year	10,541	11,209	(6.0)

## E. Notes to the unaudited condensed interim consolidated financial statements

### 6 Profit before Income Tax

This is stated after charging/(crediting) the following:

	Group			
	2H2025 S\$'000	2H2024 S\$'000	FY2025 S\$'000	FY2024 S\$'000
Finance expense on:				
- bank loans	977	1,400	2,119	2,900
- lease liabilities	244	362	543	719
Finance income from:				
- bank deposits	(448)	(1,488)	(1,404)	(3,189)
Material items included in expenses/other operating income:				
Government grants and incentives	(1,971)	(1,442)	(2,966)	(2,415)
Depreciation of property, plant and equipment	16,720	14,913	31,851	30,011
Amortisation of land use rights	62	50	254	260
Amortisation of intangible assets	6,154	5,840	11,877	9,462
Lease expenses (short-term leases)	267	258	373	258
Listing expenses – Recurring	23	24	47	46
Write down of inventories	22	53	230	53
Net impairment losses on trade receivables and contract assets	160	225	167	225
Staff costs (including directors' remuneration)				
- Salaries and related costs	55,907	46,553	101,746	80,054
- Contribution to defined contribution plans	2,903	1,820	5,373	4,609
- Share option expenses under ESOS Schemes	5	(49)	11	87
- Award shares expenses under RSP 2021	453	615	790	995
Write off/ loss/(Gain) on disposal of property, plant and equipment	2,843	(94)	2,877	(69)
Exchange (gain)/loss	(441)	(287)	233	(679)
Provision for warranties and restoration of property, plant and equipment	51	66	182	185
Reversal of provision for warranties and restoration of property, plant and equipment	(204)	(146)	(324)	(219)

## E. Notes to the unaudited condensed interim consolidated financial statements

### 7 Income Tax Expenses

The Group calculates the income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expenses in the unaudited condensed interim consolidated statement of profit or loss are:

	Group			
	2H2025	2H2024	FY2025	FY2024
	S\$'000	S\$'000	S\$'000	S\$'000
Income tax:				
- Current period	1,782	2,047	2,379	2,425
- (Over)/Under provision in prior years	(187)	144	(136)	126
	1,595	2,191	2,243	2,551
Deferred tax:				
- Current period	(949)	(647)	(953)	(636)
- Under provision of deferred tax assets in prior years	19	163	30	195
	665	1,707	1,320	2,110

### 8 Earnings per Share

#### (a) Basic Earnings per Share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial periods as follows:

	Group			
	2H2025	2H2024	FY2025	FY2024
Profit for the period attributable to equity holders of the Company (S\$'000)	10,189	11,482	11,803	7,744
Weighted average number of ordinary shares ('000)	654,997	654,822	654,997	654,822
Basic earnings per share (cents)	1.56	1.75	1.80	1.18

## E. Notes to the unaudited condensed interim consolidated financial statements

### 8 Earnings per Share (cont'd)

#### (b) Diluted Earnings per Share

For the purposes of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and restricted share plan.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial period) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

Diluted earnings per share amounts attributable to equity holders of the Company are calculated as follows:

	Group			
	2H2025	2H2024	FY2025	FY2024
Profit for the period attributable to equity holders of the Company (S\$'000)	10,189	11,482	11,803	7,744
Weighted average number of ordinary shares ('000)	654,997	654,822	654,997	654,822
Adjustments for ('000):				
- Share options	7	27	7	27
- Restricted share plan	1,692	1,925	1,692	1,925
	656,696	656,774	656,696	656,774
Diluted earnings per share (cents)	1.56	1.75	1.80	1.18

### 9 Net Asset Value

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Net assets value (S\$'000)	437,704	387,860	253,136	255,349
Number of shares ('000)	652,234	651,651	652,234	651,651
Net asset value per share (cents)	67.11	59.52	38.81	39.18

## **E. Notes to the unaudited condensed interim consolidated financial statements**

### **10 Property, Plant and Equipment and Intangible assets**

During the twelve months ended 31 December 2025, the Group acquired property, plant and equipment amounting to S\$47,777,000 (31 December 2024: S\$37,304,000) and disposed of property, plant and equipment amounting to S\$3,640,000 and write off of property, plant and equipment amounting to S\$2,669,000 (31 December 2024: S\$1,661,000 and S\$50,000). The additions to property, plant and equipment included S\$900,000 (31 December 2024: S\$2,425,000) acquired under right-of-use assets under leasing arrangement. The disposal of property, plant and equipment included derecognition of right-of-use assets arising from early termination of leased properties amounting to S\$2,857,000 (31 December 2024: S\$1,544,000). The Group derecognised the corresponding lease liabilities in the same period.

During the twelve months ended 31 December 2025, the Group added intangible assets amounting to S\$19,847,000 (31 December 2024: S\$28,703,000).

### **11 Investment in Subsidiaries**

#### Additional injection in capital/ incorporation of subsidiaries/ acquisition of subsidiaries

During the twelve months ended 31 December 2025, the Company carried out the following investment in subsidiaries:

- (a) On 15 February 2025, Nanofilm AM Germany GmbH completed the acquisition of 100% of the equity interest of EC Europ Coating GmbH (“**EC Coating**”) and MC Europ Coating GmbH (“**MC Coating**”) (other than one treasury share held by MC Coating) for a purchase consideration of EUR3,070,000 (equivalent to S\$4,305,000). An aggregate amount of EUR2,838,000 (equivalent to S\$3,980,000) was paid to the seller on 15 February 2025 with the balance consideration (together with accrued interest) amounting to EUR 238,768 (equivalent to S\$360,000) becoming due and paid on 15 February 2026. Following completion, EC Coating and MC Coating became indirect wholly-owned subsidiaries of the Company with effect from 15 February 2025.

An earn-out amount of EUR695,385 (equivalent to approximately S\$1,049,000) was paid to the seller on 18 December 2025 following verification that specified financial performance targets for the 12-month period ended 31 December 2024 had been satisfied.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 11 Investment in Subsidiaries (cont'd)

#### (a) (cont'd)

The fair values of identifiable net assets and the cash outflow on the acquisition as at 15 February 2025 were as follows:

	Fair Value S\$'000
Non-current assets	2,621
Cash and cash equivalents	28
Current assets (excluding cash and cash equivalents)	1,692
Total liabilities	<u>(2,372)</u>
Net identifiable assets acquired	1,969
Add: Goodwill	<u>3,311</u>
Total consideration transferred	<u>5,280</u>
Cash paid	5,280
Less: Cash and cash equivalents acquired	<u>(28)</u>
Net cash outflow on acquisition	<u>5,252</u>

The goodwill is attributable to EC Coating and MC Coating, whose complementary strengths allow the Group to accelerate its business expansion in Europe by leveraging their established customer base and presence in Europe, as well as their expertise in decorative coatings.

- (b) On 30 June 2025, Nanofilm Technologies Europe B.V. ("**NTEBV**") passed a shareholders' resolution to record and confirm that the payment of a total sum of EUR420,000 (equivalent to S\$628,000), made by NTEBV to NAMG between August 2024 and December 2024, will be deemed as payment towards the free share capital reserve of NAMG.
- (c) On 5 July 2025, the Company entered into a sale and purchase agreement with Venezia Investments Pte. Ltd. ("**Venezio**") to acquire 49 million preference shares (the "**Sale Shares**") held by Venezia in the capital of Sydrogen Energy Pte. Ltd. ("**Sydrogen**"), a 65% owned subsidiary of the Company. The total consideration for the acquisition is S\$15,000,000, comprising: (i) S\$5,000,000 for the first tranche of 16,333,333 Sale Shares, to be completed by 30 November 2025 ("**First Tranche**"); and (ii) S\$10,000,000 for the second tranche of 32,666,667 Sale Shares, to be completed by 30 November 2026. The First Tranche was completed and the consideration for the First Tranche was fully settled in cash on 1 December 2025. Following such completion, the Company' interest in Sydrogen increased from 65.0% to 76.7%.
- (d) On 25 August 2025, an internal restructuring exercise was carried out to merge AxynTeC Dünnschichttechnik GmbH ("**AxynTec**"), EC Coating, MC Coating with, and into Nanofilm AM Germany GmbH ("**NAMG**"). The registration of the merger was completed in September 2025. Following the merger, NAMG assumed all the assets, liabilities and operations of AxynTec, EC Coating and MC Coating.
- (e) On 7 November 2025, Nanofab Vietnam Co., Ltd. an indirect wholly-owned subsidiary of the Company, increased its mobilised capital from U\$500,000 to U\$6,500,000. The increase in the mobilised capital was to fund the working capital and capital expenditures of Nanofab Vietnam Co., Ltd.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 12 Investment in Associate

	Group		Company	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	S\$'000	S\$'000	S\$'000	S\$'000
Investment in associate	3,714	3,789	-	-

<u>Name of associate</u>	<u>Principal activity</u>	<u>Place of incorporation and operation</u>	<u>Proportion (%) of ownership interest</u>
Zulu Inc.	Design and manufacturing of adjustable eyecare lenses	United States of America	21.9

On 15 February 2022, Nanofilm Investments Pte. Ltd., a wholly owned subsidiary of the Company, completed the acquisition of 30,000,000 shares of preferred stock (equivalent to 21.9%) in Zulu Inc. for a consideration of US\$3,000,000 (equivalent to S\$4,061,000).

Nanofilm Investments Pte. Ltd. was granted a right and option, but with no obligation, to require Zulu Inc. to issue, for the price of US\$3,000,000, such number of shares of Series A preferred stock which, assuming full conversion into common stock, would comprise 13.0% of the common stock issued and outstanding immediately after the option closing, on a fully diluted basis.

The call option shall be treated as mandatorily and automatically exercised if the following conditions are met:

- Zulu Inc. raised any equity fundraising round of which the pre-money valuation of the company will be no less than US\$30,000,000; and
- Zulu Inc. will receive no less than US\$3,000,000 in investment proceeds

The exercise period is at any time from and including the date of the agreement (21 January 2022) up to and including its fifth anniversary (21 January 2027).

The following table summarises the financial information of Zulu Inc. as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Zulu Inc.

	Zulu Inc 31/12/2025 S\$'000	Zulu Inc 31/12/2024 S\$'000
Non-current assets	44	93
Current assets	1,701	1,487
Current liabilities	(1,395)	(884)
Net assets of the associate	350	696
Proportion of the Group's ownership in Zulu Inc.	21.9%	21.9%
Group's share of net assets	77	152
Goodwill	3,637	3,637
Carrying amount of the Group's interest in Zulu Inc.	3,714	3,789
Revenue	189	79
Loss for the year	(344)	(469)

## E. Notes to the unaudited condensed interim consolidated financial statements

### 13 Trade and Other Receivables, and Other Current/Non-Current Assets

	Group		Company	
	31/12/2025 S\$'000	31/12/2024 S\$'000	31/12/2025 S\$'000	31/12/2024 S\$'000
Current				
Trade receivables:				
- Third parties	110,694	96,158	8,498	8,842
- Loss allowance	(650)	(497)	(142)	(67)
	110,044	95,661	8,356	8,775
- Subsidiaries	-	-	10,470	5,795
- Loss allowance	-	-	(380)	(73)
	-	-	10,090	5,722
	110,044	95,661	18,446	14,497
Other receivables:				
- Deposits	342	589	71	363
- GST/VAT and other taxes receivable	1,505	1,555	599	459
- Due from subsidiaries	-	-	6,224	1,842
- Sundry debtors	1,376	1,842	33	229
	3,223	3,986	6,927	2,893
Other current assets:				
- Prepayments	4,846	4,087	4,073	3,137
- Advances to suppliers	4,356	8,023	158	119
	9,202	12,110	4,231	3,256
Total current	122,469	111,757	29,604	20,646
Non-current				
Other receivables:				
- Loans due from subsidiaries	-	-	11,847	3,595
Gross amount (non-interest bearing)	-	-	12,052	3,595
Less: Fair value adjustment to investment in a Group's subsidiary	-	-	(283)	-
Add: Accumulated imputed interest recognised in profit or loss, net of exchange differences	-	-	78	-
Total non-current	-	-	11,847	3,595

#### Current

Trade receivables are interest-free and are generally on 30 to 90 days' terms.

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand, except for an amount due from a subsidiary of S\$783,840 (2024: S\$354,000) which is interest bearing at Nil (2024: 3%) per annum and are repayable within the next 12 months.

**E. Notes to the unaudited condensed interim consolidated financial statements**

**13 Trade and Other Receivables, and Other Current Assets (cont'd)**

Non-current

As at 31 December 2025, a loan amount of S\$3,149,000 (2024: S\$1,295,000) due from subsidiaries is unsecured, bearing interest at 3% (2024: 3%) per annum and repayable by 2027.

As at 31 December 2025, a loan amount of S\$8,903,000 (2024: S\$2,300,000) due from a subsidiary is unsecured, bearing interest at 2.5% (2024: Nil) and repayable on 31 December 2029.

As at 31 December 2024, a loan amount of S\$1,295,000 (2023: S\$1,399,000) due from a subsidiary is unsecured, bearing interest at 3% (2023: 3%) per annum and repayable on 1 January 2026.

As at 31 December 2024, a loan amount of S\$2,300,000 (2023: Nil) due from a subsidiary is unsecured, interest free and repayable on 31 December 2027.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 14 Share Capital and Treasury Shares

	Group and Company			
	2025		2024	
	No. of ordinary shares ('000)	S\$'000	No. of ordinary shares ('000)	S\$'000
<u>Fully paid ordinary shares</u>				
At 1 January	663,443	266,927	663,443	266,927
At 31 December	663,443	266,927	663,443	266,927
<u>Treasury shares</u>				
At 1 January	11,792	23,498	16,387	32,653
Treasury shares re-issued for settlement of NTI Swap Shares to acquire interest in non-controlling interest	-	-	(3,866)	(7,704)
Treasury shares re-issued under RSP 2021	(583)	(1,162)	(729)	(1,451)
At 31 December	11,209	22,336	11,792	23,498
Total issued shares excluding treasury shares	652,234	244,591	651,651	243,429

#### Treasury shares

For the twelve months ended 31 December 2025, the Company held 11,209,558 treasury shares, representing 1.72% of the total number of issued ordinary shares (excluding treasury shares) of 652,233,552 as at 31 December 2025.

For the twelve months ended 31 December 2024, the Company held 11,792,575 treasury shares, representing 1.81% of the total number of issued ordinary shares (excluding treasury shares) of 651,650,535 as at 31 December 2024.

During 2025, the Group transferred 583,017 treasury shares pursuant to the vesting and release of shares under the RSP 2021.

During 2024, the Group transferred (a) 3,866,104 treasury shares to MG Holdings in settlement of the NTI Swap Shares, (b) 688,121 treasury shares pursuant to the vesting and release of shares under the RSP 2021 and (c) 40,000 treasury shares upon the exercise of options granted under the ESOS Scheme 2017.

#### Subsidiary holdings

There were no holdings in the Company by any subsidiary as at 31 December 2025 and 31 December 2024.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 15 Employee Share Options and Share Awards

#### Pre-IPO Employee Share Option Scheme 2017 (“ESOS Scheme 2017”)

As at 31 December 2025 and 31 December 2024, the outstanding options granted under the ESOS Scheme 2017 to acquire ordinary shares in the capital of the Company are as follows:

Date of grant of options	Options outstanding at 1.1.2025	Options granted	Options cancelled/lapsed	Options exercised	Options outstanding at 31.12.2025	Exercise price S\$	Date of expiry
1 July 2020	100,000	-	-	-	100,000	0.5868	30 June 2026
	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>		

  

Date of grant of options	Options outstanding at 1.1.2024	Options granted	Options cancelled/lapsed	Options exercised	Options outstanding at 31.12.2024	Exercise price S\$	Date of expiry
3 December 2018	70,000	-	(30,000)	(40,000)	-	0.5868	9-27 December 2024
1 July 2020	100,000	-	-	-	100,000	0.5868	30 June 2026
	<u>170,000</u>	<u>-</u>	<u>(30,000)</u>	<u>(40,000)</u>	<u>100,000</u>		

As at 31 December 2025, all the 100,000 outstanding options (31 December 2024: 100,000) granted under the ESOS Scheme 2017 had vested.

#### Employee Share Option Scheme (“ESOS Scheme 2020”)

As at 31 December 2025 and 31 December 2024, the outstanding options granted under the ESOS Scheme 2020 to acquire ordinary shares in the capital of the Company are as follows:

Date of grant of options	Options outstanding at 1.1.2025	Options granted	Options cancelled/lapsed	Options exercised	Options outstanding at 31.12.2025	Exercise price S\$	Date of expiry
26 March 2021	684,500	-	(23,000)	-	661,500	4.9279	26 March 2031
6 April 2021	380,000	-	(50,000)	-	330,000	5.1135	6 April 2026 & 6 April 2031
19 August 2021	330,000	-	-	-	330,000	4.1185	19 August 2026
31 March 2022	1,345,000	-	(40,000)	-	1,305,000	2.6907	31 March 2027
	<u>2,739,500</u>	<u>-</u>	<u>(113,000)</u>	<u>-</u>	<u>2,626,500</u>		

  

Date of grant of options	Options outstanding at 1.1.2024	Options granted	Options cancelled/lapsed	Options exercised	Options outstanding at 31.12.2024	Exercise price S\$	Date of expiry
26 March 2021	684,500	-	-	-	684,500	4.9279	26 March 2031
6 April 2021	510,000	-	(130,000)	-	380,000	5.1135	6 April 2026 & 6 April 2031
19 August 2021	530,000	-	(200,000)	-	330,000	4.1185	19 August 2026
31 March 2022	1,965,000	-	(620,000)	-	1,345,000	2.6907	31 March 2027
	<u>3,689,500</u>	<u>-</u>	<u>(950,000)</u>	<u>-</u>	<u>2,739,500</u>		

## E. Notes to the unaudited condensed interim consolidated financial statements

### 15 Employee Share Options and Share Awards (cont'd)

#### Employee Share Option Scheme ("ESOS Scheme 2020") (cont'd)

As at 31 December 2025, out of the 2,626,500 outstanding options granted under the ESOS Scheme 2020, 2,300,250 had vested and 326,250 will vest in 2026.

As at 31 December 2024, out of the 2,739,500 outstanding options granted under the ESOS Scheme 2020, 1,718,375 had vested and 1,021,125 will vest between 2025 and 2026.

#### Nanofilm Restricted Share Plan ("RSP 2021")

As at 31 December 2025, a total of 4,021,764 share awards were granted under the RSP 2021, as follows:

<b>Date of grant of share award</b>	<b>No. of share awards granted</b>	<b>Vesting period</b>	<b>No of share awards cancelled/lapsed</b>	<b>No. of share awards vested</b>	<b>Outstanding no. of share awards as at 31.12.2025</b>
18 August 2025	396,541	over 3 years commencing from 30 September 2025	10,636	134,813	251,092
29 February 2024	647,531	over 2 years commencing from 30 September 2024	103,998	543,533	-
6 September 2024	1,522,692	over 3 years commencing from 30 September 2024	242,667	378,692	901,333
26 January 2022	25,000	over 4 years commencing from 26 January 2023	12,500	12,500	-
31 March 2022	240,000	over 5 years commencing from 31 March 2023	90,000	94,000	56,000
31 March 2022	33,000	over 10 years commencing from 31 March 2023	12,900	6,800	13,300
26 August 2022	438,000	over 10 years commencing from 26 August 2023	206,500	90,400	141,100
31 December 2021	719,000	over 10 years commencing from 31 December 2022	224,650	165,000	329,350
<b>Total</b>	<b>4,021,764</b>		<b>903,851</b>	<b>1,425,738</b>	<b>1,692,175</b>

As at 31 December 2025, out of the 4,021,764 share awards granted under the RSP 2021, 903,851 shares awards have been cancelled/lapsed while 1,425,738 shares were vested and released under the RSP 2021.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 16 Borrowings

	Group		Company	
	31/12/2025 S\$'000	31/12/2024 S\$'000	31/12/2025 S\$'000	31/12/2024 S\$'000
<u>Current</u>				
Bank loans	10,650	8,229	1,872	1,872
Lease liabilities	1,883	3,344	387	1,757
	<u>12,533</u>	<u>11,573</u>	<u>2,259</u>	<u>3,629</u>
<u>Non-current</u>				
Bank loans	81,776	76,728	18,796	20,668
Lease liabilities	13,788	17,375	8,005	9,241
	<u>95,564</u>	<u>94,103</u>	<u>26,801</u>	<u>29,909</u>
<u>Amount repayable in one year or less, or on demand</u>				
Secured	12,533	11,573	2,259	3,629
Unsecured	-	-	-	-
	<u>12,533</u>	<u>11,573</u>	<u>2,259</u>	<u>3,629</u>
<u>Amount repayable after one year</u>				
Secured	95,564	94,103	26,801	29,909
Unsecured	-	-	-	-
	<u>95,564</u>	<u>94,103</u>	<u>26,801</u>	<u>29,909</u>

#### Details of any collateral

As at 31 December 2025, the Company had an outstanding bank loan of S\$20,668,000 (2024: S\$22,540,000) from a local bank. The loan was obtained by the Company for general working capital purposes following the acquisition of the property at 11 Tai Seng Drive, Singapore, which was funded by internal sources of funds on completion. The bank loan is secured by a mortgage over the property bearing interest at approximately 2.02% to 3.52% per annum (2024: 3.88% to 4.65%) based on a fixed interest spread and cost of fund.

As at 31 December 2025, a wholly owned subsidiary, Nanofilm Renewable Energy Technology (Shanghai) Co., Ltd., had an outstanding bank loan of S\$51,464,000 (2024: S\$55,077,000) from a local financial institution for working capital purposes. The bank loan is secured by a mortgage over Shanghai Plant 1 and 2 and a corporate guarantee provided by the Company and another wholly owned subsidiary, Nanofilm Vacuum Coating (Shanghai) Co., Ltd. The bank loan bears interest at 2.80% per annum (2024: 2.79%).

As at 31 December 2025, a wholly owned subsidiary, Nanofilm Vacuum Coating (Shanghai) Co., Ltd., had an outstanding bank loan of S\$10,339,000 (2024: S\$6,068,000) from a local financial institution for working capital purposes. The bank loan is secured by a mortgage over Shanghai Plant 1 and 2 and a corporate guarantee provided by the Company and another wholly owned subsidiary, Nanofilm Renewable Energy Technology (Shanghai) Co., Ltd. The bank loan bears interest at 2.25% and 2.34% per annum (2024: 2.60%).

As at 31 December 2025, a wholly owned subsidiary, Nanofilm Vacuum Coating (Shanghai) Co., Ltd., had an outstanding bank loan of S\$9,190,000 (2024: Nil) from a local financial institution for working capital purposes. The bank loan is secured by a corporate guarantee provided by Nanofilm Renewable Energy Technology (Shanghai) Co., Ltd. The bank loan bears interest at 2.24% per annum (2024: Nil).

As at 31 December 2025, a wholly owned subsidiary, Nanofilm AM Germany GmbH, had outstanding bank loans of S\$765,000 (2024: S\$1,272,000) from local financial institutions for capital expenditure purposes. The bank loans are secured by mortgages over the machinery of Nanofilm Am Germany GmbH and bear interest at 1.09% per annum (2024: 2.27% to 2.95%).

Lease liabilities of the Group and the Company amounting to S\$15,671,000 (2024: S\$20,719,000) and S\$8,392,000 (2024: S\$10,998,000) respectively are secured by the leased properties and plant and machinery under the leasing arrangements.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 17 Trade and Other Payables

	Group		Company	
	31/12/2025 S\$'000	31/12/2024 S\$'000	31/2/2025 S\$'000	31/2/2024 S\$'000
<u>Current</u>				
Trade payables:				
- Subsidiaries	-	-	1,057	472
- Third parties	20,202	21,106	1,530	1,156
	<u>20,202</u>	<u>21,106</u>	<u>2,587</u>	<u>1,628</u>
Other payables:				
- Accrued operating expenses	15,510	11,015	1,862	1,874
- Advances received from government	1,019	1,372	10	19
- VAT and other taxes payable	1,633	1,534	4	4
- Sundry creditors	20,434	7,578	281	250
- Due to subsidiaries	-	-	14,194	8,894
	<u>38,596</u>	<u>21,499</u>	<u>16,351</u>	<u>11,041</u>
Total current trade and other payables	<u>58,798</u>	<u>42,605</u>	<u>18,938</u>	<u>12,669</u>
<u>Non-current</u>				
Other payables:				
- Put option liability	-	53,100	-	-
- Provisions	269	-	-	-
	<u>269</u>	<u>53,100</u>	<u>-</u>	<u>-</u>
Total non-current other payables	<u>269</u>	<u>53,100</u>	<u>-</u>	<u>-</u>

Trade payables are interest-free and are normally settled on 30 to 90 days' terms. The trade amounts due to subsidiaries are unsecured, interest-free and repayable on normal credit terms.

Other payables due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

Included in sundry creditors are payables to vendors of property, plant and equipment of S\$4,971,000 (2024: S\$3,670,000) and balance of the consideration payable of S\$10,000,000 for the acquisition of Venezia's 35% equity in Sydrogen Energy Pte. Ltd. in accordance with the terms of the agreement.

In connection with the Company's investment in Sydrogen Energy Pte. Ltd., the Company entered into a put option agreement with Venezia Investments Pte. Ltd. (an indirect wholly owned subsidiary of Temasek Holdings (Private) Ltd) pursuant to which the Company may be required upon the occurrence of a put option event and in accordance with the terms of the agreement, to acquire Venezia's 35% equity interest in Sydrogen Energy Pte. Ltd.. The non-current other payable of S\$53,100,000 as at 31 December 2024 represented the financial liability recognised in respect of the put option over the non-controlling interest.

The fair value of the financial liability was determined using valuation techniques that include inputs for the liability that are not based on observable market data (level 3 fair value measurements). The initial equity reduction of S\$53,100,000 was fully reversed in December 2025 following a sale and purchase agreement dated 5 July 2025 entered into between the Company and Venezia pursuant to which the Company agreed to acquire all the 49 million preference shares in the capital of Sydrogen held by Venezia for a fixed consideration of S\$15,000,000. Please refer to paragraph 11(c) of Part E of this announcement for more details.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 18 Dividends

	<b>Group and Company</b>	
	<b>FY2025</b>	<b>FY2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary dividends declared and paid:		
One-tier tax exempt final dividend of a total of S\$0.0033 per share paid on 20 May 2025 in respect of the financial year ended 31 December 2024	2,150	-
One-tier tax exempt interim dividend of a total of S\$0.0033 per share paid on 5 September 2025 in respect of the financial year ended 31 December 2025	2,151	-
One-tier tax exempt final dividend of a total of S\$0.0033 per share paid on 20 May 2024 in respect of the financial year ended 31 December 2023	-	2,148
One-tier tax exempt interim dividend of a total of S\$0.0033 per share paid on 6 September 2024 in respect of the financial year ended 31 December 2024	-	2,149
	4,301	4,297

### 19 Commitments and Contingencies

#### Capital commitment

Capital expenditure contracted for as at the reporting date but not recognised in the unaudited condensed interim financial statements is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2025</b>	<b>31/12/2024</b>	<b>31/12/2025</b>	<b>31/12/2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Property, plant and equipment	4,545	4,978	2,731	937

### 20 Related Party Transactions

In addition to the related party information disclosed elsewhere in the unaudited condensed interim financial statements, significant transactions with related parties, on terms agreed between parties, are as follows:

	<b>Group</b>			
	<b>2H2025</b>	<b>2H2024</b>	<b>FY2025</b>	<b>FY2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<u>Transactions with related parties</u>				
Sales	16,691	14,256	33,189	30,348
Purchases	10,358	8,933	20,349	18,118
Lease payments	53	75	103	127

## E. Notes to the unaudited condensed interim consolidated financial statements

### 21 Other Financial Assets

	31/12/2025	Group 31/12/2024
	S\$'000	S\$'000
<u>Equity Investments – at fair value through other comprehensive income</u>		
Investment in unquoted equity (non-current)	1,367	1,367

The investment in unquoted equity represents investments that the Group intends to hold for the long-term for strategic purposes. No strategic investments were disposed of during FY2025, and there were no transfers of any cumulative gain or loss within equity relating to these investments. No dividend was recognised during FY2025. The carrying value approximates its fair value and is derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (level 3 fair value measurements).

### 22 Fair Value

#### *Fair value measurements recognised in the statement of financial position*

The Group provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### *Financial assets and liabilities at amortised cost, whose carrying amounts approximate fair values*

The carrying amounts of the Group's and the Company's financial assets and financial liabilities with a maturity of less than one year approximate their fair values due to their short-term maturities.

Other than as disclosed, the fair values of the Group's and the Company's non-current financial assets and non-current financial liabilities are calculated based on discounted expected future principal and interest cash flows. The discount rate used is based on market rate for similar instruments as at the reporting date ("Level 2"). As at 31 December 2025 and 31 December 2024, the carrying amounts of these non-current assets and non-current liabilities approximate their fair values.

## E. Notes to the unaudited condensed interim consolidated financial statements

### 23 Subsequent events

- (a) On 6 January 2026, the Company announced that Nanofilm Vacuum Coating (Shanghai) Co., Ltd (“**NVC**”), a wholly-owned subsidiary of the Company, had obtained a two-year term loan of RMB50.0 million from China Construction Bank to fund the working capital purposes of NVC.
- (b) On 6 January 2026, the Company submitted an application to the Accounting and Corporate Regulatory Authority under Section 344A of the Companies Act 1967 of Singapore to strike off Miller Technologies Pte. Ltd., a wholly owned subsidiary of the Company. The striking off application is pending.
- (c) On 21 January 2026, the Company announced that Nanofilm Ventures Pte. Ltd., an indirect wholly-owned subsidiary of the Company, had been struck off the Register of Companies with effect from 10 January 2026 pursuant to an application submitted to the Accounting and Corporate Regulatory Authority under Section 344A of the Companies Act 1967 of Singapore.
- (d) On 3 February 2026, the Company announced that Nanofilm Technologies Europe B.V., a wholly-owned subsidiary of the Company, has been liquidated and deregistered under the laws of the Netherlands.
- (e) On 5 February 2026, the Company announced that it had entered into a shareholders’ agreement (“**SHA**”) with Ms Cheng Xiao Na, Mr Dai Di Sen and HeChuang Tech Pte. Ltd. to establish a joint venture company (“**JVCo**”) in Dongguan, China by the name of Dongguan Najin Technology Co., Ltd (东莞纳金科技有限公司) or such other name as may be approved by the relevant authority. Under the SHA, it is contemplated that NVC will grant a convertible loan of RMB 2.0 million to the JVCo.

## Other Information Required by Listing Rule Appendix 7.2

**1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The condensed consolidated statement of financial position of the Company and the Group, and the statement of financial position of the Company as at 31 December 2025, together with the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group, and the statement of changes in equity of the Company for the 12-month period then ended, including certain explanatory notes, have not been audited or reviewed.

**2 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

**2A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: - (a) updates on the efforts taken to resolve each outstanding audit issue; (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

**3 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -  
 (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### REVIEW OF THE GROUP'S PERFORMANCE

#### Revenue

The Group derives revenue from its four BU segments: (i) Advanced Materials BU, (ii) Industrial Equipment BU; (iii) Nanofabrication BU and (iv) Sydrogen BU.

The Group's revenue for FY2025 was S\$244.6 million, registering an increase of S\$40.3 million (19.7%) from S\$204.3 million in FY2024, attributed by higher revenue from the Advanced Materials BU, Industrial Equipment BU and Nanofabrication BU. The increase was partially offset by the decrease in revenue from the Sydrogen BU.

	FY2025 S\$'000	FY2024 S\$'000	Change %
Advanced Materials BU	206,924	172,140	20.2
Industrial Equipment BU	16,961	11,290	50.2
Nanofabrication BU	18,160	18,042	0.7
Sydrogen BU	2,522	2,797	(9.8)
<b>Total</b>	<b>244,567</b>	<b>204,269</b>	<b>19.7</b>

#### Revenue – Advanced Materials BU

Revenue from the Advanced Materials BU for FY2025 was S\$206.9 million, an increase of S\$34.8 million (20.2%) from S\$172.1 million in FY2024. The growth was primarily driven by stronger revenue contributions from 3C product sub-segments, automotive product sub-segments, and other industrial segments, including revenue contributions from the Group's European operations.

#### Revenue – Industrial Equipment BU

Revenue from the Industrial Equipment BU for FY2025 revenue was S\$17.0 million, an increase of S\$5.7 million (50.2%) from S\$11.3 million in FY2024, primarily attributable to the timing of equipment deliveries during the period.

## Other Information Required by Listing Rule Appendix 7.2

### REVIEW OF THE GROUP'S PERFORMANCE (cont'd)

#### Revenue (cont'd)

##### *Revenue – Nanofabrication BU*

Revenue from the Nanofabrication BU for FY2025 revenue was S\$18.1 million, an increase of S\$0.1 million (0.7%) from S\$18.0 million in FY2024, primarily due to higher sales in the consumer electronics sectors.

##### *Revenue – Sydrogen BU*

Revenue from the Sydrogen BU for FY2025 revenue was S\$2.5 million, a decrease of S\$0.3 million (-9.8%) from S\$2.8 million in FY2024, primarily due to lower commercial output during the production ramp-up phase.

#### Gross profit

Gross profit for FY2025 was S\$88.4 million, an increase of S\$12.6 million (16.6%) from S\$75.9 million for FY2024. Gross profit margin was 36.2% for FY2025, a slight decrease from 37.1% for FY2024, primarily due to higher manpower costs to support new products ramp-ups.

#### Other operating income

The breakdown for other operating income for FY2025 and FY2024 is as follows:

	<b>FY2025</b> S\$'000	<b>FY2024</b> S\$'000	<b>Change</b> %
Government grants and incentives	2,966	2,415	22.8
Sundry income	1,120	1,712	(34.6)
Scrap sales	68	105	(36.2)
Gain on disposal of property, plant and equipment	260	145	79.3
Exchange gain	-	679	100.0
<b>Total</b>	<b>4,414</b>	<b>5,056</b>	<b>(12.7)</b>

Other operating income was S\$4.4 million for FY2025, a decrease of S\$0.6 million (-12.7%) from S\$5.1 million for FY2024. This was primarily due to an increase in government grants and incentives received from local government, partially offset by a decrease in sundry income of S\$0.6 million and an exchange loss for FY2025 in comparison to an exchange gain incurred in FY2024.

#### Finance income

Finance income was S\$1.4 million for FY2025, a decrease of S\$1.8 million (-56.0%) from S\$3.2 million for FY2024. This was primarily due to lower interest income generated from fixed deposits.

#### Research & development and engineering expenses

Research & development and engineering expenses were S\$18.2 million for FY2025, an increase of S\$3.3 million (22.0%) from S\$15.0 million for FY2024, mainly due to an increase in staff cost to support the R&D and product development activities.

#### Selling and distribution expenses

Selling and distribution expenses were S\$10.1 million for FY2025, a decrease of S\$0.3 million (-3.0%) from S\$10.4 million for FY2024, primarily due to lower staffing-related expenses.

#### Administrative expenses

Administrative expenses were S\$46.6 million for FY2025, an increase of S\$1.5 million (3.4%) from S\$45.1 million for FY2024. This was primarily due to an increase of S\$1.9 million in staff-related costs to support business growth, reinstatement and moving cost of S\$0.5 million arising from the closure of workshops and an exchange loss of S\$0.9 million. These increases were partially offset by a decrease in depreciation and amortisation expenses of S\$1.7 million.

#### Write off and loss on disposal of property, plant and equipment

Write off and loss on disposal of property, plant and equipment was S\$3.1 million for FY2025, an increase of S\$3.1 million (n.m.) from S\$75,000 for FY2024. This was primarily due to the closure of workshops at the Group's sites in Singapore and China. The consolidation of workshops is expected to generate cost savings and improve financial performance.

## Other Information Required by Listing Rule Appendix 7.2

### REVIEW OF THE GROUP'S PERFORMANCE (cont'd)

#### Finance costs

Finance costs were S\$2.7 million for FY2025, a decrease of S\$1.0 million (-26.4%) from S\$3.6 million for FY2024. This was primarily due to lower interest expenses following the repayment of long-term bank loans.

#### Income tax

Income tax for FY2025 was S\$1.3 million, a decrease of S\$0.8 million (-37.4%) from S\$2.1 million for FY2024, primarily due to the use of previously unutilised tax losses to offset profits in certain subsidiaries.

#### Profit after income tax

As a result of the above factors, the Group's net profit has increased by S\$4.4 million (58.2%) to S\$11.9 million for FY2025 from S\$7.5 million for FY2024.

#### Profit after tax and minority interests (PATMI)

PATMI was S\$11.8 million for FY2025, an increase of S\$4.1 million (52.4%) after excluding profit attributable to non-controlling interests of S\$0.1 million.

#### Adjusted EBITDA

The Group's adjusted EBITDA increased by S\$11.0 million (21.3%) to S\$62.8 million for FY2025 from S\$51.8 million for FY2024.

Advanced Material BU's adjusted EBITDA for FY2025 was S\$54.4 million, an increase of S\$13.9 million (34.3%) from S\$40.5 million in FY2024, mainly due to higher sales in 3C sub-segments and revenue contribution from the Group's European business.

Industrial Equipment BU's adjusted EBITDA for FY2025 was S\$2.9 million, a decrease of S\$2.1 million (-42.0%) from S\$5.0 million in FY2024, mainly due to higher cost of sales, despite an increase in equipment revenue compared to FY2024.

Nanofabrication BU's adjusted EBITDA for FY2025 was S\$7.1 million, a decrease of S\$0.8 million (-10.1%) from S\$7.9 million in FY2024, mainly due to increase in operating expenses.

Sydrogen BU's adjusted EBITDA for FY2025 was a loss of S\$1.5 million in FY2025, remaining unchanged from the loss of S\$1.5 million in FY2024.

### REVIEW OF THE GROUP'S FINANCIAL POSITION

#### Property, plant and equipment

Property, plant and equipment was at S\$306.3 million as at 31 December 2025, an increase of S\$1.8 million (0.6%) from S\$304.5 million as at 31 December 2024, primarily due to additions of S\$47.8 million in FY2025 and through the acquisition of a subsidiary of S\$1.7 million. The increase were partially offset by depreciation of S\$35.7 million charged to profit or loss, disposal/write off of property, plant and equipment of S\$6.3 million, transfer to intangible assets and inventories of S\$0.7 million and an exchange difference of S\$5.0 million arising from the translation of property, plant and equipment.

The property, plant and equipment additions of the Group for FY2025 were as follows:

	<b>FY2025 S\$'000</b>
Plant and machinery	12,072
Building and renovation	2,254
Leasehold Land	271
Construction in-progress	30,468
Office and other equipment	2,459
Tools and supplies	142
Motor vehicles	111
<b>Total<sup>(1)</sup></b>	<b>47,777</b>

#### **Note:**

<sup>(1)</sup> The additions included S\$0.9 million acquired under right-of-use assets under leasing arrangements, partially offset by the right-of-use assets derecognised of S\$2.9 million. In FY2025, cash outflow on purchase of property, plant and equipment amounted to S\$46.9 million.

## Other Information Required by Listing Rule Appendix 7.2

### REVIEW OF THE GROUP'S FINANCIAL POSITION (cont'd)

#### Property, plant and equipment (cont'd)

Capital expenditure relating to plant and machinery was mainly attributable to the increase number of coating service equipment in China and Vietnam as a result of an expansion of the Group's business operations.

Capital expenditure relating to building and renovation was mainly attributable to the upgrade of the leased factory units in Singapore.

Capital expenditure relating to construction in-progress was mainly attributable plant and machinery by a subsidiary in Vietnam and subsidiaries in China. During the current period, the Group transferred S\$37.2 million assets from construction in-progress to plant and machinery, building and renovation and office and other equipment category due to the completion of the construction in-progress and commenced depreciation.

Capital expenditure relating to office and other equipment was mainly attributable to the increase in office, IT and other equipment in China.

#### Intangible assets

Intangible assets were at S\$65.3 million as at 31 December 2025, an increase of S\$12.3 million (23.2%) from S\$53.0 million as at 31 December 2024. The increase is primarily goodwill of S\$3.3 million recorded from the acquisition of EC Coating and MC Coating, the capitalisation of costs amounting to S\$19.8 million and partially offset by amortisation of S\$11.9 million charged to profit or loss in FY2025

#### Deferred tax assets

Deferred tax assets were at S\$5.1 million as at 31 December 2025, an increase of S\$0.8 million (18.6%) from S\$4.3 million as at 31 December 2024, due to the provision of deferred tax asset.

#### Inventories

Inventories were at S\$20.3 million as at 31 December 2025, an increase of S\$3.2 million (18.7%) from S\$17.1 million as at 31 December 2024, mainly due to higher inventory purchases to support increased sales activities.

#### Trade and other receivables and other current assets, and contract assets - Current

Trade receivables were at S\$110.0 million as at 31 December 2025, an increase of S\$14.3 million (14.9%) from S\$95.7 million as at 31 December 2024 primarily due to the increase in sales.

Other receivables were at S\$3.2 million as at 31 December 2025, a decrease of S\$0.8 million (20.0%) from S\$4.0 million as at 31 December 2024. The net increase in other receivables was mainly due to the a decrease in sundry debtors of S\$0.4 million and deposits of S\$0.3 million.

Other current assets represented mainly prepayments and advances to suppliers which was at S\$9.2 million as at 31 December 2025, a decrease of S\$2.9 million (-24.0%) from S\$12.1 million as at 31 December 2024. The decrease in other current assets was mainly due to decrease of S\$3.6 million in advances to suppliers for purchases of property, plant and equipment by the Company and its subsidiaries in China, and an increase of S\$0.7 million in prepayment primarily due to the funding of the NTI-NTU Corporate Laboratory research project in Singapore.

Contracts assets were S\$21.0 million as at 31 December 2025, an increase of S\$3.0 million (16.7%) from S\$18.0 million as at 31 December 2024 mainly due to work completed but not billed at year end.

#### Other financial assets

Other financial assets were at S\$1.4 million as at 31 December 2025, same as S\$1.4 million as at 31 December 2024.

#### Bank loans

Bank loans were at S\$92.4 million as at 31 December 2025, an increase of S\$7.4 million (8.7%) from S\$85.0 million as at 31 December 2024. The increase in bank loans was due to a three-year term loan of S\$9.1 million obtained from Industrial and Commercial Bank of China, a two-year term loan of S\$9.3 from China Construction Bank by the Group's wholly-owned subsidiary, Nanofilm Vacuum Coating (Shanghai) Co., Ltd. and long-term loans of S\$0.8 million obtained by NAMG from local banks. These were partially offset by loan repayments of S\$11.8 million.

## Other Information Required by Listing Rule Appendix 7.2

### REVIEW OF THE GROUP'S FINANCIAL POSITION (cont'd)

#### Lease liabilities

Lease liabilities were at S\$15.7 million as at 31 December 2025, a decrease of S\$5.0 million (-24.2%) from S\$20.7 million as at 31 December 2024. The decrease was due to derecognition of lease liabilities of S\$2.9 million by the Company for factory units in Singapore and principal payment of lease liabilities of S\$3.5 million. This was partially offset by recognition of renewal lease contracts entered into for S\$0.9 million for the rental of factory by the Company and its subsidiaries.

#### Trade and other payables, and contract liabilities

Trade payables were at S\$20.2 million as at 31 December 2025, a decrease of S\$0.9 million (-4.3%) from S\$21.1 million as at 31 December 2024. The decrease was primarily due to the payment made to suppliers.

Other payables were at S\$38.6 million as at 31 December 2025, an increase of S\$17.1 million (79.5%) from S\$21.5 million as at 31 December 2024. The increase in other payables is mainly attributable to an increase of accrued operating expenses of S\$4.5 million due to increase in accrued staff cost, an increase of deferred consideration payable of S\$10.0 million and an increase of sundry creditors of S\$2.8 million, offset against the decrease in government advances of S\$0.4 million.

Contract liabilities relate to the Group's obligation to transfer goods to customers for which the Group had received consideration. Contract liabilities are recognised as revenue as the Group performs under the contract. Contract liabilities were at S\$0.9 million as at 31 December 2025, an increase of S\$0.3 million (50.0%) from S\$0.6 million as at 31 December 2024.

#### Provision for taxation

Provision for taxation was S\$1.1 million as at 31 December 2025, a decrease of S\$0.2 million (-15.4%) from S\$1.3 million as at 31 December 2024. The decrease was mainly due to the income tax payments of S\$2.6 million offset against income tax expenses of S\$2.2 million in FY2025.

#### Translation reserve

Translation reserve was -S\$41.6 million as at 31 December 2025, an increase of translation loss from -S\$6.7 million for the year. This was mainly due to the depreciation of United State Dollars against Singapore Dollars that resulted in a translation loss arising from the translation of the financial statements of the Company subsidiaries operations.

### REVIEW OF THE GROUP'S CASH FLOWS

The Group generated positive net cash flows from operating activities for FY2025 and FY2024.

Net cash generated from operating activities amounted to S\$48.6 million for FY2025, mainly attributed to the following:

- Operating cash flows before working capital changes of S\$60.7 million;
- Negative working capital changes of S\$8.7 million;
- Net interest paid of S\$0.8 million; and
- Income tax paid of S\$2.6 million.

Net cash used in investing activities amounted to S\$67.8 million for FY2025, primarily due to purchase of property, plant and equipment and office and other equipment amounting to S\$46.9 million, additions to intangible assets of S\$16.2 million for development costs, computer software and patents, consideration of S\$5.3 million for the acquisition of EC Coating and MC Coating.

Net cash used in financing activities amounted to S\$6.2 million for FY2025, primarily due to proceeds from bank loans of S\$18.4 million. The cash inflows were offset by dividend payment of S\$4.3 million, repayment of bank loans and lease liabilities of S\$15.3 million and S\$5.0 million for the acquisition of the first tranche 16,333,333 Sale Shares in Sydrogen.

As at 31 December 2025, cash and cash equivalents amounted to S\$84.6 million, a decrease of S\$25.6 million from S\$110.2 million as at 31 December 2024.

#### **4 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been made previously.

## Other Information Required by Listing Rule Appendix 7.2

**5 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

We operate in an increasingly complex and fast-moving macroeconomic environment, characterised by shifting policy dynamics, evolving trade conditions, and varying levels of consumer and business confidence across regions. While uncertainty remains elevated, our business model has demonstrated strong resilience, as reflected in our 20% year-on-year revenue growth and 58% year-on-year growth in NPAT. This performance underscores the strength of our strategic positioning, operational discipline, and ability to capture opportunities across our key markets.

Growth trends are expected to be divergent in the near term, with some markets gaining momentum while others moderate. This uneven backdrop reinforces the importance of agility, disciplined capital allocation, and close customer engagement.

We remain focused on executing our strategic initiatives:

- **Enhancing global expansion and business development:** Under our China Plus One strategy, we will continue to deepen our presence in China while accelerating expansion in Vietnam and India, and advancing our footprint in Europe. These initiatives are expected to support higher revenue growth, strengthen client and geographical diversification, and increase penetration into high-growth markets and applications using our existing product portfolio.
- **Productisation of technology:** We will accelerate the productisation of our technologies. Our focus will be on improving the commercial conversion of R&D efforts, ensuring that innovation translates into scalable, market-ready solutions. R&D spending will be optimised in selected focus areas..
- **Driving operational excellence, and disciplined cost and cash flow control:** Operational excellence and financial discipline will underpin all our initiatives. With our main capex cycle completed, we do not anticipate significant capital expenditure in the near term. Instead, we will prioritise improving return on assets by driving higher utilisation of existing equipment and facilities. We will implement tighter expense controls, strengthen cash flow management, and intensify efforts to reduce the loss at Sydorgen.

Through these focused initiatives, we aim to enhance asset efficiency and strengthen our growth platform, with a clear objective to target higher revenue, higher profits, and better cash flow.

In recognition of our strong performance and healthy cash generation, the Board has proposed an increase in the final dividends for FY2025, as compared to FY2024. This reflects our commitment to rewarding shareholders while maintaining financial prudence and signals our confidence in the resilience of our business model and the sustainability of our cash flow position.

Our strong balance sheet, diversified global footprint, and demonstrated earnings growth position us well to navigate macroeconomic volatility and capture emerging opportunities. We are confident that our strategy, combined with the proven resilience of our business model, disciplined capital management, and continued investment in innovation and market expansion, will enable us to deliver sustainable long-term value for our shareholders.

## Other Information Required by Listing Rule Appendix 7.2

### 6 Dividend Information

(a) Current Financial Period Reported on

The Company had paid the following interim tax-exempt (one-tier) dividend to shareholders.

Name of dividend	Interim tax-exempt (one-tier) dividend
Date of Payment	5 September 2025
Dividend Type	Cash
Dividend Amount	S\$0.0033 per ordinary share
Total amount payable	S\$2.1 million

The Directors have recommended the following final tax exempt (one-tier) dividend to be paid to shareholders for the financial year ended 31 December 2025, subject to shareholders' approval at the Annual General Meeting of the Company to be held on 29 April 2026.

Name of dividend	Final tax-exempt (one-tier) dividend
Date of Payment	20 May 2026
Dividend Type	Cash
Dividend Amount	S\$0.0087 per ordinary share
Total amount payable	S\$5.7 million

(b) Corresponding Period of the Immediately Preceding Financial Year and Tax Rate

The Company had paid the following final tax exempt (one-tier) dividend to shareholders in the corresponding period of the immediately preceding financial year.

Name of dividend	Final tax-exempt (one-tier) dividend
Date of Payment	20 May 2025
Dividend Type	Cash
Dividend Amount	S\$0.0033 per ordinary share
Total amount paid	S\$2.1 million

#### Dividend information (cont'd)

(c) The date the dividend is payable

20 May 2026

(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

The Share Transfer Books and Register of Members of the Company will be closed on 8 May 2026, 5.00 pm. Duly completed transfers in respect of ordinary shares received by the Company's Shares Registrar up to 5.00 pm on 8 May 2026 will be registered to determine shareholders' entitlement to the final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited which are credited with shares as at 5.00 pm on 8 May 2026 will be entitled to the final dividend.

### 7 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

## Other Information Required by Listing Rule Appendix 7.2

- 8 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Not applicable as the Company has not obtained a general mandate from shareholders for interested persons transactions ("IPTs").

However, in the spirit of disclosure and transparency, the IPTs entered into by the Group in the current financial period reported on were as follows: -

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000)
		<b>FY2025</b>
		<b>S\$'000</b>
上海纳曦餐饮管理有限公司		
("Na Xi")	Note <sup>(1)</sup>	299

**Note:**

- <sup>(1)</sup> Na Xi is an associate of the Company's director and controlling shareholder and regarded as interested persons under Chapter 9 of the Listing Manual of the SGX-ST.

- 9 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

Pursuant to Listing Rule 720(1), the Company has procured undertakings from all of its directors and executive officers in the format as set out in Appendix 7.7 of the SGX-ST Listing Manual.

## Other Information Required by Listing Rule Appendix 7.2

### 10 Use of IPO Proceeds

Pursuant to the Listing of the Company, the Company received gross proceeds of S\$200.0 million (“IPO Gross Proceeds”). As at the date of this announcement, the IPO Gross Proceeds have been utilised as follows:

	<b>Amount allocated (as disclosed in the Prospectus)</b>	<b>Last announced balance as at 30 June 2025</b>	<b>Amount utilised from 1 July 2025 to 31 December 2025</b>	<b>Balance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Capital expenditure on development and building of new machinery for Advanced Materials BU and purchase of new machinery to support Nanofabrication BU	90,000	20,662	3,922	16,740
R&D & engineering for entry into new end industries and new areas and/or products in existing business segments	50,000	-	-	-
Construction, refurbishment and renovation of new and existing production facilities				
- Renovation (including refurbishment, furniture and fittings) of Shanghai Plant 2	20,000	-	-	-
- Construction, refurbishment and renovation of new and existing production facilities	10,000	-	-	-
General corporate and working capital purposes	20,900	-	-	-
Payment of underwriting commissions and offering expenses	9,100	(505)	-	(505)
	<b>200,000</b>	<b>20,157</b>	<b>3,922</b>	<b>16,235</b>

## Other Information Required by Listing Rule Appendix 7.2

### 11 Additional information pursuant to Rule 706A of the Listing Manual

Pursuant to Rule 706A of the Listing Manual, the Company wishes to announce the following transactions which have resulted in a company becoming a subsidiary of the Company or changes in the Company's percentage shareholding in a subsidiary or associated company during the financial year and up to the date of this announcement.

(a) Voluntary winding up of Nanofilm Advanced Materials Co., Ltd.

On 28 March 2025, the Company announced its intention to voluntarily wind up Nanofilm Advanced Materials Co., Ltd., an indirect wholly owned subsidiary of the Company, and appoint a liquidator for that purpose. The winding-up of this dormant subsidiary is currently pending. Please refer to the Company's announcement on 28 March 2025 for additional information.

(b) Acquisition of EC Europ Coating GmbH and MC Europ Coating GmbH

On 15 February 2025, the Company's wholly-owned subsidiary, Nanofilm AM Germany GmbH completed the acquisition of the 100% equity interest of EC Coating and MC Coating (other than one treasury share in MC Coating for a purchase consideration of EUR3,070,000 (equivalent to S\$4,305,000). Following completion of the acquisition, EC Coating and MC Coating became indirect wholly-owned subsidiaries of the Company with effect from 15 February 2025. Please refer to paragraph 11(a) of Part E of this announcement and the Company's announcement on 12 February 2025 for additional information.

(c) Acquisition of shares of Sydrogen Energy Pte. Ltd.

On 5 July 2025, the Company completed the acquisition of 16,333,333 preference shares in the capital of Sydrogen Energy Pte. Ltd from Venezio Investments Pte. Ltd. for a consideration of S\$5,000,000. Following completion, the Company's interest in Sydrogen increased from 65% to 76.6%. Please refer to paragraph 11(c) of Part E of this announcement and the Company's announcement on 5 July 2025 for additional information.

(d) Restructuring of European subsidiaries

On 25 August 2025, an internal restructuring exercise was carried out to merge AxynTec, EC Coating and MC Coating with, and into NAMG. As part of the restructuring, Nanofilm Technologies Europe B.V. disposed of all its shares in AxynTec and NAMG to the Company at the consideration of EUR6,800,000 and EUR770,000 respectively, taking into consideration their respective fair market value as internally assessed by the Company. AxynTec, EC Coating and MC Coating were merged with, and into NAMG upon completion of the registration of the merger documents in September 2025.

(e) Striking-off of Nanofilm Ventures Pte. Ltd.

On 21 January 2026, the Company announced that Nanofilm Ventures Pte. Ltd., an indirect wholly-owned subsidiary of the Company, had been struck off the Register of Companies with effect from 10 January 2026 pursuant to an application submitted to the Accounting and Corporate Regulatory Authority under Section 344A of the Companies Act 1967 of Singapore.

(f) Striking-off of Miller Technologies Pte. Ltd.

On 6 January 2026, the Company submitted an application to the Accounting and Corporate Regulatory Authority under Section 344A of the Companies Act 1967 of Singapore to strike off Miller Technologies Pte. Ltd., a wholly owned subsidiary of the Company. The striking off application is pending.

(f) Liquidation of Nanofilm Technologies Europe B.V.

On 3 February 2026, the Company announced that Nanofilm Technologies Europe B.V., a wholly-owned subsidiary of the Company, had been liquidated and deregistered under the laws of the Netherlands.

(g) Establishment of JV Company - Dongguan Najin Technology Co., Ltd (东莞纳金科技有限公司)

On 5 February 2026, the Company announced that it had entered into a shareholders' agreement with Ms Cheng Xiao Na, Mr Dai Di Sen and HeChuang Tech Pte. Ltd. to establish a joint venture company ("JVCo") in Dongguan, China by the name of Dongguan Najin Technology Co., Ltd (东莞纳金科技有限公司) or such other name as may be approved by the relevant authority. The Company's registered capital interest in the JVCo is 30.8%. Please refer to the Company's announcement on 5 February 2026 for additional information.

## Other Information Required by Listing Rule Appendix 7.2

### 12 Additional information pursuant to Rule 704(13) of the Listing Manual

Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Jin Xiaozhe	50	Brother of Jin Xiao Qun (Spouse of Dr Shi Xu)	<u>Position:</u> Mr Jin holds various positions since he joined the Group on 1 July 1999 and was subsequently appointed as Vice President of Advanced Materials BU in 2010. In January 2021, he was also appointed as General Manager of NRE.  <u>Duties:</u> Deputy for Business Development and Sales in Advanced Materials BU in China.	Deputy role in Business Development and Sales
Mr Matthew Shi	27	Son of Dr Shi Xu and Jin Xiao Qun	<u>Position:</u> Mr Shi was appointed as General Manager of IEBU on 2 October 2025.  <u>Duties:</u> Responsible for management of operations and supporting the implementation of the Company's strategic and business objectives.	Promotion to General Manager of IEBU

### ON BEHALF OF THE BOARD

Dr Shi Xu  
 Board Chairman and Group Chief Executive Officer

25 February 2026