

Analyst and Media Pack

NANOFILM TARGETS S\$500 MILLION REVENUE AND S\$100 MILLION PROFIT¹ BY 2025

SINGAPORE, 2 November 2022 – Mainboard-listed Nanofilm Technologies International Limited (the “**Company**” and together with its subsidiaries, “**Nanofilm**” or the “**Group**”), releases its business update.

- Nanofilm posted a resilient revenue growth of 10% YoY for 9M2022 despite challenging operating environment resulting from macro headwinds, supply chain disruptions and customers’ capital investment slowdown.
- While the near-term operating environment remains challenging, the Group is taking various revenues and operating cost optimisation measures to cushion impact.
- The Group is focused on the execution of identified key strategic areas.
 - **Expansion of production facilities in strategic locations.** The Group’s plan to establish a second production facility on land with an approximate 40,000 square metres in Hanoi, in the vicinity of the Group’s existing production facility in Tan Truong Industrial Zone, is on track. Subject to due diligence and the execution of definitive agreements, the acquisition of the land use rights is expected to conclude in 1Q2023. The mega site is intended to serve as an additional production base for the Group’s business activities.
 - **Expansion of business into green energy.** The Group recently announced that it will be providing its “Green Plating” vacuum coating solutions to the new energy advanced batteries industry in China through the establishment of its joint venture, Sichuan Apex Technologies Co. Ltd. (四川峰盈新能源科技有限公司) (“**ApexTech**”) with its joint venture partner Shenzhen Everwin Precision Technology Co., Ltd (深圳市长盈精密技术股份有限公司) (“**Everwin**”).
 - **Progress and momentum gained in the Group’s hydrogen energy business.** In the new energy Hydrogen fuel cell space, Sydrogen has started production of bipolar plates coatings, and it is on course in developing fuel cell system demonstrators. On 27 October 2022, the Group announced that Sydrogen has signed a Memorandum of Understanding with City Energy Pte Ltd. (as Trustee of City Energy Trust) (“**City Energy**”) to study the Proof of Concept (“**PoC**”) of generating an end-to-end hydrogen fuel cell solution for off-

¹ Profit after tax and minority interest

grid power supply in Singapore, utilising high-purity hydrogen extracted from the town gas produced by City Energy.

- **Continual R&D investments.** The Group will continue its investment in R&D to strengthen its deep tech platform and is expected to maintain its commitment to expend more than 5% of revenue on R&D despite the challenging short-term environment.
- **Driving growth engines.** The Group's strong fundamentals and differentiated solutions are backed by its deep tech platform and operational excellence. These are expected to deliver growth in three key end-markets - Consumer, Industrial, and New Energy. The Group is expected to deliver its offerings through multiple business models such as Equipment, Coating as a Service, Components, and Value Chain Integration.
- **2025 Target.** Collectively these growth efforts are intended to drive the Group's revenue and profit² to S\$500 million and S\$100 million, respectively, by 2025.

END.

² Profit after tax and minority interest

About Nanofilm Technologies International Limited (MZH / NANO.SI)

Listed on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 30 October 2020, Nanofilm Technologies International Limited (“**Nanofilm**”) is a leading provider of nanotechnology solutions in Asia, leveraging its proprietary technologies, core competencies in R&D, engineering and production, to provide technology-based solutions across a wide range of industries. Nanofilm’s solutions serve as key catalysts in enabling its customers to achieve high value-add advancements in their end-products in an environmentally sustainable manner. Nanofilm is a constituent of the FTSE ST All-Share Index, FTSE ST China Index, FTSE ST Large & Mid Cap Index, FTSE ST Mid Cap Index, MSCI ACWI Small Cap Index, MSCI Singapore Small Cap Index, and the MSCI World Small Cap Index.

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