NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED
(Company Registration No.: 199902564C)
(Incorporated in Singapore on 13 May 1999)
(the "**Company**")

APPENDIX 1

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS AT THE ANNUAL GENERAL MEETING HELD ON 29 APRIL 2026

Question 1:	What is the difference between Resolutions 7 and 8 in the Notice of AGM?
Answer 1: Dr. Shi Xu, Executive Chairman and Group Chief Executive Officer	Resolution 7 relates to the Employee Share Option Scheme ("**ESOS**") 2017, which was adopted prior to the Company's initial public offering ("**IPO**"). There are unexercised options under the ESOS 2017, resulting in outstanding options. Resolution 8 relates to the ESOS 2020, which was introduced following the Company's IPO.
Question 2:	In today's multipolar world where the superpowers, media influence and smaller nations are all striving to secure resources and facilities to ensure that supply chains remain resilient in the event of conflicts, how has the Company benefited in terms of demand, and how do you see its growth drivers evolving over the coming years?
Answer 2: Dr. Shi Xu, Executive Chairman and Group Chief Executive Officer	The Company does not directly benefit from the current situation. However, we have been preparing for such scenarios for a considerable period, particularly since we were listed. During the COVID-19 pandemic, supply chain disruptions became increasingly severe, which was effectively the starting point of these challenges. As a mitigation measure, we have strategically position ourselves in various locations across different regions. While China remains an extremely important manufacturing base and we continue to strengthen our presence there by establishing additional local and regional coating centres, we have simultaneously accelerated our global expansion strategy. Key initiatives include securing a presence in Germany to serve the broader European market. We have also established a new manufacturing base in Vietnam, which is expected to be comparable in scale to our China operations once fully operational. In addition, we have initiated a smaller footprint in India to align with supply chain developments. We continue to operate and expand our activities in Japan as well, focusing primarily on marketing, sales and after-sales services. Japan remains our first key market since the Company's inception, and we are committed to further deepening our presence there.

Question 3:	While reviewing your sustainability report, I noted the reference to the SydroPower MZ250N Power System on page 43 of the Annual Report. Could you please advise whether this fuel cell technology has the potential to be scaled for larger applications, such as powering ocean liners or other large maritime vessels?
Answer 3: Mr. Gian Yi-Hsen, Group Chief Strategy Officer	We have made significant progress in the development of our maritime fuel cell unit and its design has been validated. We are now currently in the process of identifying a vessel partner to adopt this design. This process is ongoing, and we are actively engaging with both regulatory authorities and shipowners as potential partners. As this is not a journey we can undertake alone, collaboration with multiple stakeholders will be essential moving forward. Whether the technology can be scaled to power ocean liners, we believe this is technically feasible. However, at its current stage, the technology is more suited to smaller vessels, such as tugboats and similar applications. As such, we are focusing on these segments while continuing to explore opportunities and partnerships for broader applications in the longer term.
Question 4:	In view of the movements in the Company's share price, would Management consider share buyback as part of capital management?
Answer 4: Mr. Kay Lim Kian Onn, Group Chief Financial Officer	The Company continuously evaluates various ways to return value to its shareholders. Share buyback is one of several tools available to us, alongside dividends, reinvestment into the business and potential M&A opportunities. As such, we have increased our dividend payout to 0.87 cents per ordinary share from the previous interim dividend of 0.33 cents per ordinary share. We believe this reflects Management's confidence in the business and our commitment to delivering sustainable returns to our shareholders.
Question 5:	I note that the Company currently operates in seven countries, with the United States being a notable exception. Could you share whether this is a strategic decision or if there are plans to expand into the United States market in the future, especially considering your positioning in the high-tech sector?
Answer 5: Dr. Shi Xu, Executive Chairman and Group Chief Executive Officer	We remain committed to our global expansion strategy and we recognise that the United States is a highly important market with strong potential. However, we are also mindful of the current challenges, including complexities in setting up supply chains, navigating labour regulations and securing skilled workforce support. We will evaluate the right opportunities to enter the United States market at an appropriate time.

Question 6:	On new technologies, are you exploring opportunities in Artificial Intelligence ("**AI**"), given the current momentum in this space? And how do you see customer adoption evolving in these areas?
Answer 6: Dr. Shi Xu, Executive Chairman and Group Chief Executive Officer	AI is becoming increasingly important in daily life. While the Company is not focused on developing AI models, we are actively leveraging AI as a key productivity tool to enhance our operations. We are applying AI in areas such as materials research, process optimisation and predictive maintenance to improve efficiency and reliability. We also use AI to stabilise our manufacturing processes. In addition, we will use AI across corporate functions, including meeting documentation and financial analysis, to improve overall productivity. These initiatives are currently in the pipeline to further enhance productivity.
Question 7:	Do you have any plans to commercialise any of these AI-related capabilities as tools, technologies, or processes? I understand they are currently used internally, but is there a potential to extend them for external commercial use?
Answer 7: Dr. Shi Xu, Executive Chairman and Group Chief Executive Officer	From a commercialisation perspective, we see both direct and indirect opportunities arising from our AI-related capabilities. On the indirect side, we are actively integrating AI into material research, coating stack design optimisation and process development. These applications enhance our core business performance rather than being standalone products. On the more direct side, AI is embedded within our equipment and operational models. For instance, we utilise AI for predictive maintenance and process control, enabling better efficiency, reliability and performance through AI-driven systems. In terms of broader applications, our work also contributes indirectly to the AI ecosystem. For example, we are involved in areas such as printed circuit boards (PCBs), optical computing, and heat management solutions, which are increasingly relevant to data centres and AI infrastructure. Overall, our business focus remains on materials science and foundational technologies that support and enable industrial advancements. This includes not only AI but also emerging fields such as robotics. As such, our contributions are primarily at the fundamental and enabling level, rather than through direct commercial AI products.

Question 8:	I recently had my phone screen coated with a protective film, which I believe is quite common nowadays. Could you please confirm if this is Nanofilm's coating? If not, is it likely to be a competitor's product?
Answer 8: Dr. Shi Xu, Executive Chairman and Group Chief Executive Officer	I believe what you encountered is most likely a protective film applied to the surface, rather than the type of coating we provide. These are typically laminate or spray-on films which are different from our technology. At Nanofilm, our coatings are applied in a vacuum environment onto the glass substrate, without any base layer or physical film. This results in a more durable and integrated coating. In contrast, many of the coatings available in the market today are organic, spray-applied solutions. While they can provide a smooth feel and fingerprint resistance initially, they tend to wear off relatively quickly, often within a few months. From a technical standpoint, organic spray-on coatings are generally less durable compared to our coatings. Under abrasion or wear testing, organic coating can be removed after a certain number of strokes, whereas vacuum-deposited coatings offer significantly greater durability and performance.
Question 9:	Is it possible to commercialise Nanofilm technology for widespread use by consumers?
Answer 9: Dr. Shi Xu, Executive Chairman and Group Chief Executive Officer	It is not possible to apply our coating technology to every product directly. For example, we cannot place an entire finished device into a vacuum chamber. We typically coat individual components, such as glass. We work closely with other companies, who then incorporate our coatings and technologies into their own products.
Question 10:	It has been a long journey with significant investments made by Nanofilm. New products such as META lenses have also been released by other companies. How does this impact the Company in terms of its nanofabrication business? Could you also provide some colours on the current business performance of Sydrogen, and whether we are beginning to see a turnaround?
Answer 10: Dr. Shi Xu, Executive Chairman and Group Chief Executive Officer	META lenses are a very new technology in the current market We notice that the technology has not reached a fully mature stage and that it will likely take some time for product development to mature. At Nanofilm, we have taken a different approach by utilising an advanced 5-axis precision machining with diamond tooling. This allows us to manufacture high-quality optical structures in a much more cost-effective and scalable manner. Our strength lies in the production of micro lens arrays (**MLA**) which are extremely small lenses arranged in dense patterns. We have established strong capabilities here and are expanding into more customers and applications, building on our success in major supply chains.

	As for Sydrogen, we have continued to make steady progress. After a period of slower market activity, we are now seeing renewed momentum, particularly in China, where hydrogen energy has been prioritised under the latest five-year plan. We are working closely with leading fuel cell companies in China and are a key supplier of bipolar plates (**BPPs**), which are critical components in fuel cells. Through our sales and marketing efforts, we aim to secure a larger share of upcoming projects in this growing market. At the same time, we have refined our strategy to focus more on our mature materials science. Specifically, we are concentrating on advanced coating solutions for fuel cells and electrolysers, where we believe we have a strong competitive advantage. Our coating technology is highly differentiated and among the best globally, positioning us well to benefit from the expected expansion in hydrogen production and related infrastructure.
Question 11: **Answer 11:** Mr. Ian Howe, Group Chief Commercial Officer	For your industrial equipment business, do you provide after-sales service, and do you also supply the materials required for coating operations? Yes, we have a recurring revenue stream from after-sales services. Throughout the lifecycle of the equipment, we are able to generate ongoing revenue through after-sales service such as servicing and maintenance, overhauls of key components, system upgrades as well as the supply of consumables and spare parts. We already have an established base in this area and intend to further grow this segment. In addition, some of the parts and systems are proprietary, as they are designed and manufactured by Nanofilm. For these components, customers typically rely on us for support and replacements.
Question 12: **Answer 12:** Mr. Gian Yi-Hsen, Group Chief Strategy Officer	Based on your current customer mix and product portfolio, do you observe any meaningful changes compared to last year? Additionally, how do you expect this trend to evolve going forward? Focusing on our Advanced Materials Consumer segment, we have seen a strong performance in the first quarter of 2026, as reflected in our recent update. As is typical each year, the second quarter tends to involve transitions related to new program changes. We anticipate that the level of seasonality will be comparable to previous years. Barring unforeseen circumstances, we hope to see a relatively smooth second quarter.

Question 13:	While the Company appears to be gaining strong traction and has made solid progress in its products and overall development, its share price performance does not seem to fully reflect this. What do you think the markets are missing in terms of its evaluation?
Answer 13: Mr. Kay Lim Kian Onn, Group Chief Financial Officer	Prior to your first question, to put things into perspective, our Advanced Materials Consumer segment, which is typically front-end consumer-focused, contributed around 60% of our total revenue last year. The approximately 20% year-on-year revenue growth we achieved was driven by broad-based contributions across all our core business units, including our Industrial Equipment segment. I believe the market is still in the process of understanding our business. As a deep-tech materials science company, we operate at a very fundamental level which requires time and patience, particularly when transitioning from research to commercialised products. At present, the market may not fully appreciate the breadth of our capabilities yet. Some may still perceive us primarily as a coating company but while coatings remain a core strength, even within this space, we are highly differentiated and remain a comprehensive vacuum coating company globally. We develop proprietary coating sources, design and build our own equipment, and integrate these systems to deliver end-to-end solutions. In simple terms, these “sources” are the core engines of our technology. Beyond coatings, we have also established a second technological pillar in nanofabrication, particularly in micro lens arrays. These are not coatings, but functional components embedded in products such as wearables, smart glasses, and automotive systems like LiDAR. The challenge is that deep-tech innovation often takes time for the market to fully understand and value. Typically, this requires longer-term, patient investors who can appreciate technological trends and future potential. Since listing, we have invested significantly in productisation, transforming our technologies into commercially viable products. We have also been actively investing in sales and marketing, business development and broader strategic outreach initiatives. These efforts are beginning to bear fruit, although we have gone through some challenging periods where these investments did not deliver immediate returns. As we continue to expand our outreach and further productise our offerings at scale, we believe investors will develop a stronger understanding and appreciation of our business. This is because our value proposition goes beyond supplying coating materials, we are delivering complete, market-ready products with clearly defined applications. We are progressing steadily along this journey, but it will take time for these efforts to be fully reflected. We appreciate your patience.

Question 14:	Noting the amount of trade receivables on Nanofilm's balance sheet and the provisions it has made for doubtful debts, how does Nanofilm manage its debt collections?
Answer 14: Mr. Kay Lim Kian Onn, Group Chief Financial Officer	Receivables are closely linked to our operating cash flow. Notably, our operating cash flow in 2025 doubled compared to 2024. While we have seen an increase in working capital, this is consistent with our revenue growth and project expansion, particularly within our consumer business, where longer receivable cycles are typical. We monitor receivables very closely, with weekly reporting that highlights longer-dated balances requiring follow-up and targeted action. Importantly, the majority of our receivables are tied to the supply chain and are managed in coordination with our core customers. This structure helps mitigate risk as participants in the supply chain are pre-qualified to meet specific standards before engagement.
Question 15:	How significant is Nanofilm's position in capturing opportunities, especially in terms of being a front-runner? How much additional investment do we expect to commit to fully capitalise on this opportunity?
Answer 15: Mr. Gian Yi-Hsen, Group Chief Strategy Officer	Regarding Sydrogen, particularly in relation to our China operations, the Chinese government has been supportive in strengthening our capabilities including for our capacity build-up in Shanghai. We believe that broader demand-side support is still needed, and this is an area the government is increasingly focusing on to stimulate the hydrogen market. As Dr. Shi also highlighted, hydrogen has traditionally been high on the agenda, including in areas such as new energy infrastructure. More broadly, our interpretation of China's energy security strategy is that hydrogen is intended to play a key role as a primary chemical energy vector. Given ongoing geopolitical developments, particularly in the Middle East, there appears to be a stronger push to accelerate investment and development across the hydrogen ecosystem. We are also hearing increasing activity and positive signals from various partners and market participants. As Dr. Shi mentioned, we will continue to manage our investment in Sydrogen in a disciplined manner, while ensuring we are well positioned to capture the upside when the market scales. We believe this inflection point may be approaching, as we are seeing growing momentum in project announcements and industry developments. Importantly, in China, even incremental policy support or market movements can translate into significant opportunities, given the scale of the market there compared to what we typically see in smaller economies like Singapore.

Question 16:	Given the mixed views on hydrogen technology, particularly with some high-profile skepticism, how far along is Nanofilm in the commercialisation of its hydrogen solutions? Additionally, are there already customers using these solutions today?
Answer 16: Dr. Shi Xu, Executive Chairman and Group Chief Executive Officer	I believe the future of energy will be a diversified portfolio of renewable sources, including batteries and hydrogen technologies, each serving different roles across the energy value chain. Batteries, in particular, have seen rapid advancements in recent years, especially in storage, which has put some pressure on the adoption of hydrogen in certain applications. That said, hydrogen still holds an irreplaceable position within national energy strategies. One of its key advantages is its ability to capture and store otherwise wasted renewable energy. In markets like China, where solar and wind generation are expanding rapidly, a significant portion of this energy can be underutilised due to grid constraints and intermittency. Hydrogen provides an effective solution by converting excess electricity through electrolysis into a storable energy form. Once produced, hydrogen can be stored and later used, for example, in fuel cells to generate electricity when needed. However, one of the key challenges remains the transportation and handling of hydrogen. Direct transport, whether as a gas or in liquefied form, presents practical and economic challenges. As a result, hydrogen often needs to be stored or transported in alternative forms, which then require efficient technologies to extract and utilise it at the point of use. Ultimately, the large-scale adoption of hydrogen will depend on overcoming several key challenges across the value chain, from generation and storage to transportation and end-use applications. From our perspective, we are focused on improving the durability and performance of the technologies involved, particularly in extending the lifespan of critical components in view of the market's focus on the commercial viability of using hydrogen energy, its life span and price. Overall, we remain positive about the long-term outlook for hydrogen. It is a critical component of national energy strategies, and we believe in the capability of our technology to add value in its commercialisation.