



NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration Number 199902564C)

(Incorporated in Singapore on 13 May 1999)

EXTRAORDINARY GENERAL MEETING TO BE HELD ON 6 NOVEMBER 2025
RESPONSES TO QUESTIONS FROM SHAREHOLDERS

The Board of Directors (the “**Board**”) of Nanofilm Technologies International Limited (the “**Company**”) wishes to thank shareholders for submitting their questions in advance of the Extraordinary General Meeting (“**EGM**”) to be held physically at 11 Tai Seng Drive, Singapore 535226 on Thursday, 6 November 2025, at 3.00 p.m.

Capitalised terms used in this announcement shall bear the same meanings as those defined in the Company’s circular to shareholders dated 22 October 2025, unless otherwise defined.

The following are the responses to the substantial and relevant questions raised.

Question 1: Were there any trigger events in the Preference Shares held by the Vendor that resulted in some form of payouts to them previously? If not, can I confirm that the acquisition of the Target is at a substantial dollar discount to the previous deal valuation in 2021?

Response:

There were no trigger events that resulted in any form of payouts. The Proposed Acquisition represents a substantial discount to the deal valuation, agreed between the Parties on a willing-buyer, willing-seller basis, in 2021.

Question 2: There is circa \$50 million of goodwill sitting in the balance sheet of the Target. Can management elaborate specifically what this goodwill entails (i.e. what kind of intangibles like customer relationships are you all talking about to book \$50 million on the balance sheet and how are you all going to maximise these relationships)?

Response:

Note that goodwill is calculated as the excess of the total consideration over the fair value of the net identifiable assets, which primarily comprise cash and patents. The recognised goodwill reflects the expected benefits arising from business synergies, anticipated revenue growth, future market development, and value of the assembled workforce.

Question 3: Can management elaborate on the financial benefits that this acquisition is expected to bring for the Group for shareholders' understanding? For instance, when is Sydron expected to turn profitable? What is its revenue growth trajectory expected to be? What are potential commercial projects in the pipeline that could support this growth and so on.

Response:

Upon full completion of the Proposed Acquisition, the Group's non-current financial liabilities (of S\$51.7 million) arising from the Put Option agreement with the Vendor for its 35% stake in the Target will be eliminated, together with the corresponding minority interests in the Group's financial statements.

Full ownership of the Target will enable the Group to leverage its coating assets, technical know-how, and operational capabilities, extending their application beyond the hydrogen sector into adjacent industries.

Since its establishment, the Target has progressed from a development-stage entity to a recognised commercial supplier, currently ranked among the top five providers of advanced coatings for metallic bipolar plates in China. It has also expanded into air-cooled fuel cell stacks and advanced material technologies for green hydrogen generation, such as coatings and components for electrolyzers.

While it is premature to disclose detailed revenue forecasts, barring any unforeseen circumstances, the Company expects the Target's business volume and contribution to the Group to grow steadily over time, driven by project conversions, technology adoption, and broader clean energy market development.

In the longer term, the Proposed Acquisition enhances the Group's earnings potential and positions the Group strategically to capture opportunities arising from the transition towards clean and hydrogen-based energy solutions.

Question 4: The hydrogen market, and the broader renewable energy space, has yet to yield the winners and losers. In this aspect, can the company explain why is management so bullish on the prospects of hydrogen and also, what are the government initiatives in China that management expect to support hydrogen energy growth?

Response:

While the hydrogen economy remains in its early stages, management remains confident in the long-term potential of its solutions. Since the Target's establishment, it has worked in close collaboration with customers to deliver commercially viable and high-performance solutions. Through these efforts, the Target has become a key advanced materials coating supplier for metallic bipolar plates in China and is currently recognised among the top five suppliers in this segment.

In addition to coating services, the Target has expanded its capabilities to provide complete product solutions, such as air-cooled fuel cell stacks, and has developed advanced materials solutions to support green hydrogen generation, including applications for electrolyzers.

Based on the Company's knowledge, China's upcoming 15th Five-Year Plan (2026–2030) is planning to position hydrogen energy as a "strategic future industry", placing it alongside sectors such as quantum technology and nuclear fusion as a new driver of industrial growth. If adopted, this will reflect a clear shift in national policy, from pilot demonstration to large-scale commercialisation and regulatory integration, supported by long-term government planning and regional industrial cluster initiatives.

Such policy momentum (if implemented), coupled with anticipated growing demand for green hydrogen and hydrogen-powered transport applications, is expected to create significant opportunities for technology players across the hydrogen value chain. Against this backdrop, the Target's strong technology base and growing market presence position it well to benefit from the next phase of sector development.

Taken together, these factors underpin the Group's confidence in the Target's strategic position and the long-term prospects of the hydrogen economy, as the industry transitions from early commercial adoption toward large-scale deployment over the coming years.

Question 5: Considering all the above, can management elaborate on why you have deemed this substantial use of cash to be beneficial for shareholders, especially when this pool of funds could have been used to pay out dividends or for share buybacks for better shareholder returns?

Response:

The Proposed Acquisition is considered beneficial to the Shareholders as it will enable the Company to obtain full ownership of the Target, thereby enhancing management control over its operations and strategic direction. This will facilitate deeper integration of the Target's technologies and solutions with the Group's commercial, manufacturing, and R&D infrastructure, creating opportunities for scale, operational synergies, and commercial acceleration. The Proposed Acquisition will also eliminate potential future obligations, in particular, in the event of an exercise of the Put Option by 1 October 2029 at a base price of at least S\$17.5 million, which is higher than the Consideration for the Proposed Acquisition.

While the benefits may take time to be fully realised, the Proposed Acquisition represents a strategic investment that supports the Group's long-term sustainable growth objectives and is expected to deliver greater shareholder value.

**BY ORDER OF THE BOARD
NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED**

Lim Kian Onn
Chief Financial Officer

30 October 2025