

NANOFILM APPOINTS CEO AND PROVIDES BUSINESS UPDATE

SINGAPORE, 14 October 2021 – Mainboard-listed Nanofilm Technologies International Limited (the “**Company**” or “**纳峰科技有限公司**” and together with its subsidiaries, “**Nanofilm**” or the “**Group**”), a leading provider of nanotechnology solutions, would like to announce the appointment of Mr Gary Ho as Chief Executive Officer (“**CEO**”) and provide a business update for its third quarter ended 30 September 2021 (“**3Q2021**”).

Nanofilm is a deep-tech company with a proven track record and system in commercialising our deep proprietary technologies as enabling catalysts across multiple mission-critical applications and industries while contributing to a greener and better world through our solutions. The Company’s strong long-term fundamentals are deeply rooted by its core technologies in Filtered Cathodic Vacuum Arc (“**FCVA**”) advanced materials and nanofabrication. The successful commercialisation of our technologies is achieved through our systems for continuous innovation, engineering design, business development and operational excellence.

Appointment of CEO

The Company’s current Deputy CEO and Chief Commercial Officer (“**CCO**”), Mr Gary Ho will be appointed as Group CEO with effect from 1 January 2022. Mr Ho’s appointment is part of the Company’s ongoing succession planning as it continually identifies and develops talent to reinforce its management team in tandem with Nanofilm’s development and growth. The Company is fortunate to be able to effect this succession through an internal promotion due to its ongoing efforts in leadership development.

In his capacity as Deputy CEO, Mr Ho provides strategic and operational guidance to its Business Units. As CCO, he leads the Group’s business development efforts to cultivate business opportunities in new market segments and deepen relationships with existing customers. Mr Ho’s accomplishments in Nanofilm include achieving sustainable growth in revenue and profits

across the business units especially for the Automotive business, and positioning the Nanofabrication Business Unit for growth and developing a strong pipeline of orders for the next few years. Mr Ho also played an instrumental leadership role in the Group's successful Initial Public Offering ("IPO").

Under Mr Ho's leadership, the Group will continue to harness its deep technology capabilities and innovative spirit to deliver solutions that make lives better.

Mr Gary Ho, ("何福荣") CEO designate of the Company, remarked: *"It is an honour to take on this leadership role for Nanofilm together with our Founder and Executive Chairman Dr Shi Xu. My aim is to drive the development of our business units as we find new and exciting avenues for the commercialisation of our deep technology capabilities. The potential applications of our technologies span numerous industries and I look forward to see these come into fruition in the years to come."*

Business Update

Today, Nanofilm is in an even stronger position to accelerate its commercialisation paths in multiple areas and continues its strategy to leverage on its deep technology base to build-up its Business Units ("BU") and enter new industry domains. Even as the business environment continues to be volatile due to the effects of the Covid-19 pandemic and supply chain disruptions, the Group continues to see growth momentum for its businesses year-to-date ("YTD"). The Group continues to build up its revenue pipeline in 3Q2021, with multiple strategic projects under development and an increasing number of New Product Introduction ("NPI") projects that will contribute positively to revenue in the last quarter of FY2021 and beyond. Going beyond organic growth, Nanofilm has also made progress in its mergers and acquisitions ("M&A") strategy in 3Q2021.

Dr Shi Xu ("史旭"), Executive Chairman of the Company, said, *"The operating environment in 2021 had its share of challenges as we worked closely with our customers to solve their production problems caused by global supply chain disruptions. Dealing with such short-term issues is part*

and parcel of our business and we remain confident of positive revenue growth for the year as we are seeing the steady increase in the adoption of our nanotechnology solutions. On this note, I welcome Gary's appointment as CEO to help me drive the Company's plans forward."

Advanced Materials Business Unit ("AMBU")

AMBU, which covers multiple industries with different market cycles, registered mixed results YTD due to challenges in supply chain externalities. The Consumer Electronics, Communication, and Computers ("3C") segment in particular, faced short-term disruptions to its customers' supply chains caused by power supply curbs in China, component delays, and resurgent chip shortages. While the underlying demand for the 3C segment remains strong, its typical peak season from June to October has been shifted due to the aforementioned factors to the last quarter of 2021, possibly spilling into 2022.

The 3C segment contributed approximately 66% of the Group's YTD revenue, with the Smartphone category registering substantial growth, offsetting the decline in Wearables & Accessories and Computer categories. On the back of customers' new product launches across multiple categories announced in September, Nanofilm's customers' requisite lead times to fulfil their end-consumer orders continue to drive production activities and shipments in the supply chain.

Beyond the 3C segment, other segments¹ grew substantially and contributed approximately 16% of the Group's YTD revenue, led by the increasing adoption of Nanofilm's technology-based solutions in multiple industries.

Nanofabrication Business Unit ("NFBU")

NFBU contributed approximately 2% of the Group's YTD revenue. As an important nanofabrication supplier and development partner to its end customers, NFBU continues to work on multiple new projects, such as optical lens and sensory components. In the current quarter,

¹ Includes Automotive, Precision Engineering and Printing & Imaging

NFBU has commenced mass production of its first micro-lens array (“MLA”) project for new-generation wearables. This is expected to contribute positively to the performance of NFBU.

Industrial Equipment Business Unit (“IEBU”)

IEBU grew substantially and contributed approximately 15% of the Group’s YTD revenues with orders from the precision engineering industry and advanced materials products. With the increased adoption of our FCVA technologies for various applications, IEBU expects to supply equipment to both third-parties and for internal use, including Sydrogen.

Sydrogen Energy Pte Ltd (“Sydrogen”)

Sydrogen, a joint venture between Venezia Investments Pte Ltd² and Nanofilm, was completed on 01 Oct 2021 and has already commenced work in Shanghai and Singapore. To prepare for commercial opportunities in China, Sydrogen is commissioning and installing its initial pilot production line at Nanofilm’s Shanghai Plant 2 for customer qualification in an automotive project involving a key component for a hydrogen fuel cell stack. Sydrogen is working towards a maiden revenue contribution in 2022.

Revenue Diversification

With the Company’s continuous efforts to enter new industries, it has accelerated diversification of its customer base. Aside from our largest key customer, revenue contribution from other customers has increased from 33% to 39% YTD.

M&A Update

In 3Q2021, the Group entered into an agreement to acquire 100% of Miller Technologies Pte Ltd (“MTPL”). MTPL has been a trusted supplier to IEBU for CNC parts and components for more than 10 years. By securing IEBU’s supply chain, synergistic value is expected to be derived from the

² An indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited

cost savings of such parts and components. Upon completion of the acquisition in the current quarter, MTPL's direct contribution to the Group's FY2021 financial results is not expected to be material.

END.

Cautionary Statement

This announcement is intended to be a general update of the Group's businesses as at the end of 3Q2021 and a commentary of the significant trends and competitive conditions of the industries in which the Group operates, based on the Directors' best knowledge. Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. In the event of any doubt as to the action they should take, shareholders and potential investors should consult their financial, tax, legal or other professional advisers.

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 China Index, FTSE ST Large & Mid Cap Index, FTSE ST Mid Cap Index and MSCI World Small Cap Index.

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