

ASX RELEASE

31 October 2025

ASX: NVU

Nanoveu Strengthens Position as Edge-AI Innovator Through Technical and Market Milestones

Nanoveu Bolsters Edge-AI Leadership with U.S. Sales Network Growth, Major 16nm Chip Tape-Out Progress, and Breakthrough Drone Endurance Results

Quarterly Activities Report and Appendix 4C for the Quarter ended 30 September 2025

Highlights

- **Drone efficiency milestone achieved:** ECS-DoT Phase 2 drone testing achieved 60% average flight-time increase across quad, hexa and octocopter platforms, confirming ultra-low-power AI control at < 1 mW power draw. Patent filings commenced for energy-optimisation and AI-flight-control IP.
- **16 nm chip development advanced:** Next-generation 16 nm ECS-DoT chip program advanced to synthesis and fabrication stage, in collaboration with CND (Cairo), with tape-out on track for Q4 CY25 using TSMC's FinFET process.
- **U.S. dual listing completed:** OTCQB listing completed ("NNVUF"), enhancing access to North American investors and liquidity.
- **Key U.S. sales network established:** Appointed manufacturer representatives across key OEM hubs to drive design-ins for the ECS-DoT SoC, targeting initial market penetration with EMASS' 22nm ECS-DoT system-on-a-chip.
- **Strategic funding secured:** A\$2.4 million placement completed during the quarter and an additional A\$1.0 million secured via option conversion, providing significant growth capital to Nanoveu and funding the 16nm tape-out activities.

Nanoveu Limited (ASX: NVU, OTCQB: NNVUF) ("Nanoveu" or the "Company"), a technology innovator across advanced semiconductor, visualisation, and materials science applications, is pleased to provide its activity report for the quarter ended 30 September 2025 ("Quarter"), along with the Company's Appendix 4C cash flow report.

The September 2025 quarter marked a period of strong execution for Nanoveu as the Company advanced its semiconductor roadmap, achieved significant technical milestones, and strengthened its global commercial presence. EMASS progressed the 16 nm ECS-DoT chip towards tape-out, delivered landmark drone energy-efficiency results, and launched live drone flight testing. The successful completion of capital raisings, OTCQB listing, and expansion of the U.S. sales network further positioned Nanoveu for its next phase of commercial growth.

Dr David Pevcic, Executive Chairman of NVU, commented: *"The September quarter marked a pivotal moment in Nanoveu's journey, with exceptional progress in our semiconductor division. Our ECS-DoT Phase 2 drone simulations delivered outstanding results, showcasing ultra-low-power AI capabilities, while our 16nm ECS-DoT chip program advanced to synthesis and fabrication, with tape-out on track for Q4 CY2025. The establishment of our U.S. sales network, with manufacturer representatives strategically positioned across key OEM hubs, is poised to accelerate market penetration for our 22nm ECS-DoT chip and lay a robust foundation for the upcoming 16nm chip launch. Our current activities—including deepening OEM engagements, live drone trials, and completion of the 16nm tape-out—are driving Nanoveu's leadership in edge-AI innovation, positioning us for the next phase of commercial growth and sustained shareholder value creation."*

EMASS – Edge AI Semiconductor Division

16 nm ECS-DoT SoC Advancement

During the Quarter, Nanoveu’s wholly owned subsidiary Embedded A.I. Systems Pte Ltd (“EMASS”) progressed the next-generation ECS-DoT Edge AI SoC from 22 nm prototype to 16 nm synthesis stage, with tape-out scheduled for Q4 CY25 using TSMC FinFET technology. The 24-member engineering team, established in partnership with the Centre for Nanoelectronics and Devices (“CND”) in Cairo, is driving full-stack innovation across analog, digital and embedded systems. Parallel expansion of embedded software teams in Singapore and Egypt supports firmware and AI toolchain development for the upcoming Early Access Developer Program.

Drone Energy Efficiency Breakthrough

In September, EMASS reported landmark results from its Phase 2 evaluation program demonstrating average 60% flight-time extension and up to 85% maximum gains across multiple UAV classes using sub-milliwatt AI control. These results validated the initial phase 1 results in July, which demonstrated a 33% increase in simulated drone flight time. Over 300 hardware-in-the-loop campaigns validated robust performance under varying payloads and wind conditions, confirming that ECS-DoT delivers significant endurance improvements without changing batteries or propulsion hardware. Patent applications have been lodged covering ECS-DoT’s energy modelling framework and flight-control stack.

Transition to Live Flight Testing

Following simulation success and subsequent to the Quarter, EMASS commenced live Crazyflie nano-drone trials, aimed at replicating the 60% endurance uplift in real-world conditions and verifying 50 Hz closed-loop control at < 1 mW. Testing also explores GPS-free indoor autonomy and multi-chip deployment scenarios for control, navigation, and perception workloads – marking Phase 3 of the ECS-DoT program. Nanoveu has since engaged a US-based specialist drone technology company to expand testing to cover additional drone models and configurations.

Commercialisation and U.S. Sales Expansion

EMASS established a dedicated U.S. sales network, appointing manufacturer representatives TAARCOM, Haper & Two and IRI with coverage across the West Coast, Midwest and Northeast to accelerate OEM design-ins for the ECS-DoT SoC. Early OEM engagements are underway in autonomous drones, wearables and industrial IoT. The network provides rapid market access while maintaining a low-cost footprint.

Arrow Collaboration

Subsequent to the Quarter, EMASS announced a collaboration with Arrow Electronics (Arrow), a global provider of technology solutions, to accelerate deployment of its ultra-low-power edge-AI solutions based on EMASS’s ECS-DoT System on Chip (SoC). The collaboration combines Arrow’s global engineering reach, design-for-manufacture expertise, distribution and supply-chain services with EMASS’s milliwatt-class, on-device AI technology to help customers build and ship always-on products faster.

As part of the collaboration, Arrow and EMASS are aligning on enhanced SDKs, developer tools, and reference designs to simplify evaluation and integration of ECS-DoT across power- and space- constrained devices. To anchor this pathway, the companies showcased a joint reference design at Singapore Week for Innovation and Technology (SWITCH) in Singapore this week, giving developers a turnkey way to prototype real-time, on-device inference with minimal power and bill-of-materials overhead, and forming the first step toward production.

EyeFly3D™ and Nanoshield™ Divisions

No material changes were reported during the Quarter. Both business lines continue to support the Company’s strategic goal of integrating visualisation and surface technologies with EMASS’s semiconductor platform for cross-sector commercial applications. Trials of the Nanoveu’s solar coating technology in the Middle East continues to demonstrate the product’s resilience with customers in the EMEA. Separately, discussions and trials for EyeFly3D with potential customers in Korea and India continue to advance and the Company anticipates these activities will shortly generate tangible opportunities.

Corporate and Financial

In Q3 FY25, Nanoveu recorded cash receipts from customers of \$51k. Payments to related parties totalling \$101k were paid during the Quarter for directors' fees, executive remuneration, and pension/superannuation benefits.

Expenditure for the quarter ended 30 September 2025 have included:

- Staff costs of \$661k comprising the costs of all staff employed by the Company and directors' remuneration;
- Product manufacturing and operating costs of \$752k relating to the production of the Company's 22nm EMASS AI chips to support ongoing customer engagement and evaluation programs; and
- Administration and corporate costs of \$339k associated with running the Company, including ASX fees, audit fees, legal fees, share registry fees and rent. This also included payments from prior quarters that were completed in Q3 2025.

The Company's cash position as at 30 September 2025 was \$3.388 million.

Outlook

Nanoveu is rapidly advancing its Edge AI technology roadmap, executing on multiple fronts to:

- Complete 16 nm ECS-DoT tape-out and prepare for multi-project wafer fabrication.
- Continue live drone testing to expand on breakthrough Phase 2 simulation results and extend to larger airframes.
- Expand OEM engagements and reference designs through its U.S. sales network and Early Access Developer Program.
- Progress commercial licensing and IP protection of its energy-optimisation and AI-flight-control technology.

This announcement has been authorised for release by the Board of Directors.

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About Nanoveu Limited

Further details on the Company can be found at <https://nanoveu.com/>.

EMASS is a pioneering technology company specialising in the design and development of advanced systems-on-chip (SoC) solutions. These SoCs enable ultra-low-power, AI-driven processing for smart devices, IoT applications, and 3D content transformation. With its industry-leading technology, EMASS will enhance Nanoveu's portfolio, empowering a wide range of industries with efficient, scalable AI capabilities, further positioning Nanoveu as a key player in the rapidly growing 3D content, AI and edge computing markets.

EyeFly3D™ is a comprehensive platform solution for delivering glasses-free 3D experiences across a range of devices and industries. At its core, EyeFly3D™ combines advanced screen technology, sophisticated software for content processing, and now, with the integration of EMASS's ultra-low-power SoC, powerful hardware.

Nanoshield™ is a self-disinfecting film that uses a patented polymer of embedded Cuprous nanoparticles to provide antiviral and antimicrobial protection for a range of applications, from mobile covers to industrial surfaces. Applications include, *Nanoshield™ Marine*, which prevents the growth of aquatic organisms on submerged surfaces like ship hulls, and *Nanoshield™ Solar*, designed to prevent surface debris on solar panels, thereby maintaining optimal power output.

Forward Looking Statements This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'ambition', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'mission', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward looking information.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Nanoveu Limited

ABN

97 624 421 085

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	51	150
1.2 Payments for		
(a) research and development	(50)	(226)
(b) product manufacturing and operating costs	(752)	(752)
(c) advertising and marketing	(185)	(289)
(d) leased assets	-	-
(e) staff costs	(661)	(1,695)
(f) administration and corporate costs	(339)	(1,051)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	21
1.5 Interest and other costs of finance paid	(16)	(16)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,936)	(3,858)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(2)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(245)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(247)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,400	6,592
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,003	1,003
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(149)	(481)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(120)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,254	6,994

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,073	498
	EMASS's cash acquired in the acquisition	-	3
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,936)	(3,858)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(247)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,254	6,994
4.5	Effect of movement in exchange rates on cash held	(1)	(2)
4.6	Cash and cash equivalents at end of period	3,388	3,388

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	876	1,070
5.2	Call deposits	2,512	1,003
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,388	2,073

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1
6.2	Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

101
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,936)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,388
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,388
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.7

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. NVU anticipates it will receive cash from sales over the coming quarter which shall improve operating cash flow reported in item 1.9.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The Company has taken a number of proactive steps to strengthen its funding position and ensure adequate cash resources to advance its operations. The Company has several funding pathways, including further option conversions, strategic partnerships, and non-dilutive opportunities aligned with the commercial rollout of its EMASS semiconductor business and related 3D and Nanoshield products. Given the recent success of its capital raisings and strong investor demand, together with ongoing OEM engagement and expansion of its U.S. and European sales network, the Directors believe that future capital raising initiatives are likely to be successful.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company expects to continue its operations and achieve its business objectives. This expectation is supported by the successful completion of recent capital raisings, continued progress in the development and commercialisation of the EMASS ECS-DoT chip, and expanding OEM engagement through its U.S. and European sales network. With strengthened working capital and disciplined cost management, the Directors believe the Company is well positioned to deliver on its strategic and commercial objectives.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 October 2025

Date:

Managing Director and CEO

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.