

ASX RELEASE

28 January 2026

ASX: NVU

Nanoveu Builds Momentum in Edge-AI as ECS-DoT Advances Toward Commercial Readiness

Nanoveu enters CY2026 with major 16nm design progression, strengthened technical validation and partner engagement

Quarterly Activities Report and Appendix 4C for the Quarter ended 31 December 2025

Highlights

- **16nm ECS-DoT development timeline:** Full 16nm front-end, synthesis and physical design activities were completed during the Quarter, marking a key inflection point for the Company's next-generation ultra-low-power edge-AI platform and representing a materially faster progression than typical advanced-node SoC development timelines. Subsequent to the Quarter, EMASS successfully completed tape-out of its next-generation 16nm ECS-DoT SoC.
- **Live drone testing advanced:** Following highly significant simulation trial results, live drone validation progressed during the Quarter in collaboration with a specialist U.S. drone firm, with initial results expected in Q1 CY2026.
- **EMASS Collaboration with Arrow Electronics:** Collaboration centred on ECS-DoT SoC and developer tools, with joint evaluation board showcased at Singapore Week for Innovation and Technology (SWITCH).
- **EMASS and Semtech Collaboration:** Strategic collaboration with Semtech (NASDAQ: SMTC) to integrate EMASS's ECS-DoT edge-AI System on Chip (SoC) with Semtech's LoRa® transceivers, bringing long-range, battery-efficient intelligence to industrial and IoT markets.
- **Strategic semiconductor partnerships strengthened:** EMASS advanced collaborations with global technology and distribution partners to support evaluation, reference designs and potential future commercial deployment.
- **Post-quarter international recognition at CES 2026:** Subsequent to Quarter end, ECS-DoT was awarded 'Best in Show' in AI & Machine Learning at CES 2026, providing third-party validation of the technology.
- **Post-quarter strategic capital raise completed:** Subsequent to Quarter end, Nanoveu secured A\$7.5 million (before costs) through an upsized strategic placement to new and existing sophisticated, professional and institutional investors, strengthening the Company's balance sheet and funding the next phase of ECS-DoT commercialisation.

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 this activity report for the quarter ended 31 December 2025 ("Quarter"), along with the Company's Appendix 4C cash flow report.

The December Quarter represented a period of continued execution, consolidation and preparation for Nanoveu, as the Company advanced its semiconductor roadmap, strengthened its technical and commercial foundations, and positioned itself for accelerated customer and partner engagement entering CY2026. During the Quarter, focus remained on progressing core development milestones within the EMASS semiconductor division, supporting ongoing customer evaluations, and preparing for key validation and market-facing activities, while

maintaining discipline in capital management and strategic planning to ensure improved technical readiness, external validation and growing market visibility heading into the next phase of execution.

Dr David Pevcic, Executive Chairman of NVU, commented: *"The December Quarter was focused on disciplined execution and preparation, as we consolidated recent technical progress and position the Company for increased commercial engagement in 2026. With the ECS-DoT program advancing toward key development milestones and growing external validation of our edge-AI architecture, Nanoveu enters the new year with strengthened technical credibility, improving market visibility, and a clear pathway toward customer conversion."*

EMASS – Edge AI Semiconductor Division

16nm ECS-DoT SoC Advancement

During the Quarter, Nanoveu's wholly owned subsidiary Embedded A.I. Systems ("EMASS") advanced design validation, power optimisation and system integration activities for its next-generation 16nm ECS-DoT edge-AI system-on-chip. These efforts culminated in the completion of front-end design, synthesis and physical design, with tape-out and fabrication at TSMC commencing in January 2026, advancing Nanoveu's Atoms-to-Apps silicon roadmap, in line with the Company's previously communicated development timeline. Development activities across Singapore, Cairo and USA remained aligned to support early customer evaluation and downstream commercialisation.

Drone Energy Efficiency and Validation Activities

Building on previously announced simulation results demonstrating material drone flight-time extensions, EMASS progressed live drone testing programs during the Quarter. These activities included hardware integration, control-loop verification and test-planning to support real-world validation of ECS-DoT's ultra-low-power AI control capabilities across UAV platforms.

EMASS – Arrow Electronics Collaboration

EMASS entered into a collaboration with Arrow Electronics to accelerate the deployment of ultra-low-power edge-AI solutions based on EMASS's ECS-DoT System on Chip (SoC). The collaboration aligns Arrow's global engineering, distribution and supply-chain capabilities with EMASS's milliwatt-class, on-device AI technology, supported by SDKs, developer tools and a joint evaluation board showcased at Singapore Week for Innovation and Technology (SWITCH).

EMASS – Semtech Collaboration

EMASS entered into a strategic collaboration with Semtech (NASDAQ: SMTC) to integrate EMASS's ECS-DoT edge-AI System on Chip (SoC) with Semtech's LoRa® transceivers, bringing long-range, battery-efficient intelligence to industrial and IoT markets. Joint reference designs demonstrate applications including predictive maintenance and acoustic event detection, providing OEMs with a fast-track blueprint to develop and scale intelligent sensors.

Commercialisation and Strategic Partnerships

EMASS continued to deepen engagement with strategic technology and distribution partners during the Quarter, with a focus on accelerating customer evaluation, expanding reference designs and supporting scalable deployment of ECS-DoT in edge-AI applications. These partnerships are expected to play a key role in converting technical interest into commercial opportunities.

EyeFly3D™ and Nanoshield™ Divisions

The EyeFly3D™ and Nanoshield™ divisions continue to support Nanoveu's broader strategy of integrating visualisation and surface technologies with its semiconductor platform. Ongoing customer discussions and trials across multiple regions continue to progress. The Company is in ongoing discussions with potential customers in Asia and remains positive on potential sales within the next quarter. These discussions are non-binding, incomplete, are at a preliminary stage, and there can be no assurance that any binding agreement or material transaction will eventuate from these discussions.



Subsequent to Quarter end, Nanoveu entered into an exclusive global licensing agreement with Diamon-Fusion International for the use of Diamon-Fusion® nanocoating technology in the concentrated solar power (CSP) sector, supporting improved asset efficiency, reduced maintenance and water usage, and expanded participation in dispatchable renewable energy markets.

Board Structure

During the Quarter, the Company announced changes to its Board, with Professor Mohamed Sabry Aly and Mr Raymond Chen appointed as directors effective 1 December 2025. Professor Aly was appointed as a non-independent non-executive director, bringing deep technical expertise in embedded AI and semiconductor design as the founder of EMASS, while Mr Chen was appointed as an executive director, adding extensive financial and corporate experience to the Board. Dr Michael Winlo resigned as a non-executive director to focus on other business commitments. The Board thanked Dr Winlo for his contribution and welcomed the appointments as strengthening Nanoveu's leadership.

Corporate and Financial

Expenditure for the Quarter ended 31 December 2025 included:

- Staff costs of \$715k comprising the costs of all staff employed by the Company and directors' remuneration;
- Research and development costs of \$720k relating to support design, verification and preparation activities associated with the 16nm ECS-DoT tape-out process;
- Advertising and marketing costs of \$142k relating to support ongoing engagement with OEMs, including customer outreach, technical marketing materials, and activities aimed at advancing commercialisation of the Company's technology platforms.

The Company's cash position as at 31 December 2025 was \$1.808 million.

During the Quarter, the Company received \$288k in option exercise proceeds.

Subsequent to the end of the Quarter, the Company completed an upsized \$7.5 million (before costs) strategic placement to new and existing sophisticated, professional and institutional investors. Proceeds are being applied to support the commercialisation and scale-up of EMASS's edge-AI semiconductor platform, including the 16nm ECS-DoT program, live drone validation and go-to-market activities, while strengthening the Company's balance sheet as it transitions toward manufacturing readiness and commercial deployment.

In Q4 FY25, Nanoveu recorded payments to related parties totalling \$231k during the Quarter for directors' fees, executive remuneration, and pension/superannuation benefits.

Outlook

Subsequent to the end of the Quarter, EMASS received significant international recognition at CES 2026, with ECS-DoT named 'Best in Show' in the AI & Machine Learning category by Embedded Computing Design. This award provides independent validation of ECS-DoT's design excellence, performance and market relevance, and is expected to support ongoing OEM engagement and partner discussions.



Fig 1. EMASS team at CES 2026, where ECS-DoT received the Best in Show award for AI & Machine Learning.

The Company also announced the completion of tape-out for the 16nm ECS-DoT system-on-chip, with semiconductor fabrication commencing at Taiwan Semiconductor Manufacturing Company (“TSMC”), one of the world’s most eminent semiconductor manufacturers, marking a key milestone as the program transitions from design into production silicon.

Looking ahead, Nanoveu remains focused on:

- Executing live drone flight trials to validate prior simulation results.
- Expanding OEM and partner engagement.
- Advancing commercial licensing, reference designs and early potential revenue pathways.
- Maintaining disciplined capital and working-capital management.

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.

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”)	
	31 December 2025	
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	150
1.2 Payments for		
(a) research and development	(720)	(946)
(b) product manufacturing and operating costs	-	(752)
(c) advertising and marketing	(142)	(432)
(d) leased assets	-	-
(e) staff costs	(715)	(2,409)
(f) administration and corporate costs	(273)	(1,325)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	33
1.5 Interest and other costs of finance paid	(1)	(17)
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	(1,840)	(5,698)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(14)	(16)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(245)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(14)	(261)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,592
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	288	1,292
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(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	288	7,283
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,388	498
	EMASS's cash acquired in the acquisition	-	3
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,840)	(5,698)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14)	(261)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	288	7,283
4.5	Effect of movement in exchange rates on cash held	(14)	(17)
4.6	Cash and cash equivalents at end of period	1,808	1,808

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	1,608	876
5.2	Call deposits	200	2,512
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)	1,808	3,388

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	231
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

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)	(1,840)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,808
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,808
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.0

- 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. During the quarter, the Company undertook several option exercise activities, which supported the ongoing commercialisation of the EMASS semiconductor business and the Company's 3D and Nanoshield product portfolios. Subsequent to the end of the quarter, the Company announced an upsized strategic placement raising A\$7.5 million (before costs). The funds are being applied to the commercialisation of the EMASS ECS-DoT semiconductor platform and for working capital. The Company will continue to monitor its funding requirements and assess additional funding options as required.

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 funding activities completed during and subsequent to the quarter, continued progress in the development and commercialisation of the EMASS ECS-DoT semiconductor platform, and ongoing OEM engagement. 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.

28 January 2026

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.