

Nanoveu Limited

Appendix 4E

Preliminary final report

1. Company Details

Name of entity: Nanoveu Limited
 ABN: 97 624 421 085
 Reporting period: For the year ended 31 December 2025
 Previous period: For the year ended 31 December 2024

2. Results for Announcement to the Market

					2025 \$'000
2.1	Revenue from ordinary activities	up	4,230%	to	298
2.2	Loss from ordinary activities after tax attributable to members	up	167%	to	7,601
2.3	Net loss for the period attributable to members	up	167%	to	7,601
2.4	Loss per share	up	46%	at	0.92 cents
2.5	Comments The loss for the consolidated entity after providing for income tax amounted to \$7,601,225 (31 December 2024: \$2,851,971).				

3. Net Tangible Assets

	Reporting period	Previous period
Net tangible asset/(deficiency) per ordinary security	\$0.0016	\$0.0007

4 Control gained or lost over entities having material effect

Controlled Entities	Country of Incorporation	Ownership Interest 2025	Ownership Interest 2024
Parent Entity			
Nanoveu Ltd	Australia	100%	100%
Subsidiaries			
Nanoveu Pte Ltd	Singapore	100%	100%
Nanoveu Sdn Bhd	Malaysia	100%	100%
Fullveu Technology (HK) Ltd	Hongkong, China	51%	51%
Nanoveu EMASS Pty Ltd	Australia	100%	0%
Embedded A.I. Systems Pte Ltd	Singapore	100%	0%
Embedded A.I. Systems Inc	USA	100%	0%

5. Dividends

Current period

There were no dividends paid, recommended or declared during the current reporting period.

Previous period

There were no dividends paid, recommended or declared during the previous reporting period.

6. Dividend Reinvestment Plans

Not applicable.

7. Material interest in entities which are not controlled entities

Not applicable.

8. Foreign Entities

This report includes the following foreign subsidiaries:

- Nanoveu Pte Ltd, registered in Singapore;
 - Fullveu Technologies (HK) Limited, registered in Hong Kong China;
 - Nanoveu Sdn Bhd., registered in Malaysia;
 - Embedded A.I. Systems Pte Ltd, registered in Singapore; and
 - Embedded A.I. Systems Inc, registered in USA.
-

9. Audit qualification or review

The financial statements have been audited and an unmodified opinion has been issued.

10. Attachments

The Annual Financial Report of Nanoveu Limited for the year ended 31 December 2025 is attached.

Signed by:



Date: 27 February 2026

Name: Alfred Chong
Managing Director & CEO



nanoveu

ASX|NVU

2025 ANNUAL

FINANCIAL REPORT

ABN 97 625 421 085

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Company Directory

Directors

Dr David Pevcic
Executive Chairman

Mr Alfred Chong
Managing Director

Mr Steven Apedaile
Non-Executive Director

Mr Mohamed Sabry Aly
Non-Executive Director

Mr Siyuan (Raymond) Chan
Executive Director

Chief Financial Officer

Mr Siyuan (Raymond) Chen

Company Secretary

Mr Harry Spindler

Share Registry

Automic Registry Services
Level 5
191 St Georges Terrace
PERTH WA 6000

Tel (within Australia): 1300 288 664
Tel (outside Australia): +61 2 8072 1400
Email: hello@automic.com.au

Registered Office

Level 45
108 St Georges Terrace
PERTH WA 6000

Tel: +61 8 6244 9095

Web Address

www.nanoveu.com

ASX Code:

NVU

ABN:

97 624 421085

Auditors

BDO Audit Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 14, QV1
250 St Georges Terrace
Perth WA 6000

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Your Directors submit the financial report of Nanoveu Limited (“NVU”, “Nanoveu”, or the “Company”) and its controlled entities (the “Group”, or the “Consolidated Entity”) for the year ended 31 December 2025.

All amounts are presented in Australian Dollars (AU\$), unless noted otherwise.

DIRECTORS

The names of directors who held office during or since the end of the financial period and until the date of this report are as follows. Directors were in office for the entire financial period unless otherwise stated.

Name, qualifications, independence status and special responsibilities	Experience
<p>Dr David Pevcic (<i>BSc, BMedicine, BSurgery</i>) <i>Executive Chairman</i> Appointed 3rd February 2023</p>	<p>Dr David Pevcic is an experienced corporate professional and investor, with a principal focus on the resources and technology sectors. He is the Non-Executive Chairman of ASX listed Infini Resources Ltd (ASX:I88), Non-Executive Chairman of Battery Age Minerals Ltd (ASX:BM8) and founder of several privately owned mineral and technology ventures. Dr Pevcic Holds a Bachelor of Science, Bachelor of Medicine and Bachelor of Surgery from the University of Western Australia.</p> <p>Other ASX listed company directorships in the past 3 years:</p> <ul style="list-style-type: none"> -Battery Age Minerals Limited (2 February 2023 to present) -Infini Resources Limited (15 January 2024 to present)
<p>Mr Alfred Chong (<i>BSc Comp Science, MBA</i>) <i>Managing Director and CEO</i> Appointed 14th February 2018</p>	<p>Alfred is the Founder of Nanoveu. He has a history of building companies and executing trade sales in California and Singapore. Alfred moved back to Asia in 1997 and was the Asia Pacific CEO for Atex Media Command, a global provider of solutions and services to the media industry; CEO for THISS Technologies Inc, a satellite communications company; CEO for 121View, a digital signage company; and CMO at 3D International before founding Nanoveu.</p> <p>The Singapore American Business Association in the United States named Alfred Entrepreneur of the Year and the San Francisco Chronicle named Alfred as one of the twenty foreign-born high technology “visionaries” who have helped to make the San Francisco Bay Area the world’s technology centre. Alfred received both his Bachelor of Science in Computer Science and his master’s in business administration from the University of San Francisco.</p> <p>Other ASX listed company directorships in the past 3 years: None</p>
<p>Mr Steven Apedaile (FCA: MAICD) <i>Independent Non-executive Director</i> Appointed 14th May 2018</p>	<p>Steve has worked in the accounting profession for over 30 years, 25 of which were spent in Hong Kong with the first 7 years with KPMG Hong Kong and then 18 years with Horwath Hong Kong. Steven has experience in all facets of international business, corporate finance and forensic accounting services.</p> <p>Steve is the Executive Chairman of Sprintex Limited (ASX: SIX) and is a Fellow of the UK Institute of Chartered Accountants in England and Wales and is a Member of the Australian Institute of Company Directors.</p> <p>ASX listed company directorships in the past 3 years:</p> <ul style="list-style-type: none"> -Sprintex Limited (16 April 2021 to present)

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Name, qualifications, independence status and special responsibilities**Experience**

Dr Michael Winlo
(MBBS, MBA)

Independent Non-executive Director

Ceased 1 December 2025

Dr. Michael Winlo has extensive experience in leading high-growth teams across the healthcare, biotech, pharmaceutical and technology sectors, and is currently an Executive Director of Emyria Limited (ASX: EMD).

Michael is also a former Director and CEO of Linear Clinical Research, a world-class provider of early and late-stage pharmaceutical trials.

Prior to this he was the Health Lead for Palantir Technologies (Silicon Valley), one of the world's largest big data companies. There, he led deployments for health and government organisations across the US and UK.

Other ASX listed company directorships in the past 3 years:

-Emyria Limited (November 2019 to present)

-DaorsaVi Limited (October 2023 to present)

Mr Mohamed Sabry Aly
(PhD)
Founder and Director

Appointed 1st December 2025

Mohamed M. Sabry Aly is the Founder of EMASS and a recognised leader in embedded artificial intelligence and semiconductor technologies. He founded EMASS while serving as an Associate Professor at Nanyang Technological University (NTU), Singapore. Mr Aly has played a key role in shaping Singapore's deep-tech ecosystem, including serving as Task Force Lead for the Economic Development Board's (EDB) Future of Microelectronics (FME) initiative.

A former postdoctoral researcher at Stanford University, Mr Aly has authored over 100 peer-reviewed publications and has secured more than SGD 40 million in competitive research funding. His research contributions include involvement in DARPA's 3DSoc program under the USD 1.5 billion Electronics Resurgence Initiative, reflecting his strong track record in advanced microelectronics and semiconductor innovation.

Other ASX listed company directorships in the past 3 years: None

Mr Siyuan (Raymond) Chen
Chief Financial Officer appointed
4 February 2025

Director appointed 1 December
2025

Mr Siyuan (Raymond) Chen is a seasoned financial professional with more than a decade of experience across ASX-listed and private enterprises. His expertise spans financial management, financial control, planning and analysis, investor relations, capital raising, treasury management and corporate transactions.

Prior to joining the Company, Mr Chen held senior roles at several prominent ASX-listed companies, including Iluka Resources Ltd (ASX: ILU), NRW Holdings Ltd (ASX: NRW) and Equinox Resources Limited (ASX: EQN). He has also worked with unlisted entities such as Harmony Agriculture and Food Company Pty Ltd and began his career with KPMG in its audit division.

Mr Chen holds a Master of Business Administration from the University of Cambridge Judge Business School.

Other ASX listed company directorships in the past 3 years: None

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Company Secretary

Ms Naomi Haydari
Acted as CFO and Company
Secretary

Naomi Haydari acted as the Company Secretary and Chief Financial Officer until her resignation on 4 February 2025.

Resigned 4 February 2025

Mr Harry Spindler
Appointed 4th February 2025

Mr Spindler is an experienced corporate professional with a broad range of corporate governance and capital markets experience spanning 23 years. Previously he held various company secretary positions and has been involved with several public company listings, merger and acquisitions transactions and capital raisings for ASX-listed companies. Mr Spindler is a member of Chartered Accountants Australia and New Zealand and a member of the Financial Services Institute of Australia.

Directors' interests

As at the date of this report, the interests of the Directors in the Company were:

	Number of Fully Paid Ordinary Shares	Number of Performance Rights	Number of Unlisted Options
Dr David Pevcic	58,218,973	5,000,000	17,990,075
Mr Alfred Chong	48,416,020	5,700,000	-
Mr Steven Apedaile	4,540,350	5,030,000	-
Dr Mohamed Sabry Aly	102,936,352	49,752,570	-
Mr Siyuan (Raymond) Chen	175,709	-	80,645

Directors' Meetings

The number of meetings of Directors held during the financial period and the number of meetings attended by each Director was as follows:

Name	Number of meetings eligible to attend	Number of meetings attended
Dr David Pevcic	6	6
Mr Alfred Chong	6	6
Mr Steven Apedaile	6	6
Dr Michael Winlo	6	6
Mr Mohamed Sabry Aly	-	-
Mr Siyuan (Raymond) Chen	-	-

DIVIDENDS

No dividends have been paid or declared since the start of the financial period and the Directors do not recommend the payment of a dividend in respect of the financial period.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the development and commercialisation of advanced technologies across semiconductor systems, visualisation software and material science.

During the financial year ended 31 December 2025, the Company's principal activities were conducted through the following operating divisions:

- **Embedded A.I. Systems (EMASS) (Semiconductor Technology)**

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 aims to empower a wide range of industries with efficient, scalable AI capabilities for the rapidly growing edge computing markets.

- **EyeFly3D (Nanotechnology and Software)**

EyeFly3D™ is Nanoveu’s proprietary display enhancement technology, enabling glasses-free 3D visualization on mobile and consumer display devices. Combining advanced nanostructure optics with AI-driven software, EyeFly3D™ enhances depth perception and immersion for applications in the global mobile content, entertainment, e-commerce and gaming markets.

- **Nanoshield (Materials Science and Coatings)**

Nanoshield™ is a solar-optimized protective coating technology designed to enhance the efficiency and durability of photovoltaic (PV) panels. The technology helps mitigate biofilm formation, algae growth, and environmental degradation, seeking to improve long-term solar energy output and maintenance efficiency. By leveraging advanced material science, Nanoshield™ is designed to provide a cost-effective solution for solar farm operators, renewable energy projects, and industrial PV applications.

OPERATING AND FINANCIAL REVIEW

Review of Operations

The financial year ended 31 December 2025 represented a transformational period for Nanoveu, marked by its strategic expansion into the semiconductor industry following the acquisition of Embedded A.I. Systems Pte. Ltd. (“EMASS”) in March 2025. Throughout the year, the Company progressed its Edge AI semiconductor roadmap, strengthened technical validation through benchmarking and system-level testing, expanded OEM and partner engagement, and secured funding to support advanced-node silicon development and commercial readiness.

In parallel, the EyeFly3D™ and Nanoshield™ divisions continued to progress customer engagement, field trials and product development initiatives aligned with the Company’s broader commercialisation strategy.

Operations Summary

Semiconductor Division – EMASS

Strategic Expansion into Edge AI Semiconductors

On 18 March 2025, the Company completed the acquisition of Embedded A.I. Systems Pte. Ltd. (“EMASS”), marking the Company’s formal entry into the global semiconductor market with a focus on ultra-low-power Edge AI computing.

EMASS operates as a fabless semiconductor company and holds proprietary intellectual property spanning AI-optimised SoC architectures, ultra-low-power control frameworks, embedded software and development toolchains. Its ECS-DoT architecture is designed to perform real-time AI inference at sub-milliwatt power levels, addressing a key limitation of conventional AI processors in battery-powered and energy-constrained devices.

Silicon Development and Technology Progress

During the year, EMASS advanced two complementary silicon programs to support near-term evaluation and long-term commercial deployment:

22nm ECS-DoT Platform

The existing 22nm ECS-DoT SoC remained under active evaluation during the year, supporting OEM sampling, system-level testing and application development across multiple Edge AI use cases. Manufacturing runs of the 22nm device enabled customer evaluation programs, reference designs and benchmarking activities, providing a commercial bridge toward next-generation silicon.

16nm ECS-DoT Program

Significant progress was achieved during 2025 on the next-generation 16nm ECS-DoT SoC. Development advanced through architecture optimisation, design verification, synthesis and physical design, representing a major inflection point in the Company's semiconductor roadmap. The 16nm program targets increased logic density, expanded on-chip memory, improved memory bandwidth and deeper system integration, while preserving EMASS's ultra-low-power operating envelope.

Development was executed by a distributed engineering team across Singapore, Cairo and the United States, covering digital, analog, embedded software and AI toolchain disciplines. Tape-out of the 16nm ECS-DoT SoC was completed shortly after the year end, with fabrication commencing at Taiwan Semiconductor Manufacturing Company Limited (TSMC).

Performance Validation and Drone Energy Efficiency

Throughout the year, EMASS conducted extensive performance validation of its ECS-DoT architecture using simulation, hardware-in-the-loop testing and system-level benchmarking. Results demonstrated substantial energy-efficiency improvements across multiple AI workloads, including anomaly detection, keyword spotting and always-on inference tasks.

Drone-based evaluations demonstrated materially extended flight endurance compared to conventional architectures, achieved without changes to batteries, propulsion systems or airframes. Average simulated endurance improvements of approximately 60% were observed, with peak gains reported up to 85%, validating ECS-DoT's ability to deliver closed-loop AI control at ultra-low power levels.

These results supported the advancement of patent filings during the year covering aspects of EMASS's energy modelling framework and AI-enabled flight-control technology.

Live Validation and System Integration

Building on simulation and lab-based results, EMASS progressed system integration and preparation for live drone testing during the year. Activities included hardware integration, control-loop verification and test planning to support real-world validation of ECS-DoT's ultra-low-power AI capabilities across UAV platforms. Live flight trials commenced shortly after the end of the reporting period.

Commercialisation and OEM Engagement

During the year, the Company established a dedicated semiconductor sales and representation network in the United States to support OEM engagement, evaluation programs and early design-in discussions. OEM engagement focused on applications across drones, wearables, industrial IoT and embedded sensing platforms, with emphasis on differentiation in latency, power consumption and multi-sensor AI processing.

Customer engagement was supported by evaluation boards, reference designs and software development kits designed to reduce integration complexity and accelerate time-to-deployment.

Strategic Partnerships and Ecosystem Development

During 2025, EMASS strengthened its semiconductor ecosystem through strategic collaborations with global technology and distribution partners.

The Company advanced a collaboration with Arrow Electronics, aligning Arrow's global engineering, distribution and supply-chain capabilities with EMASS's ECS-DoT platform. The collaboration focused on evaluation boards, developer tools and reference designs to accelerate adoption of ultra-low-power Edge AI solutions.

EMASS also entered into a strategic collaboration with Semtech to integrate ECS-DoT SoCs with Semtech's LoRa® transceivers. The collaboration targets long-range, battery-efficient intelligent sensing applications, including predictive maintenance and acoustic event detection, providing OEMs with scalable reference architectures for industrial and IoT markets.

Leadership and Organisational Capability

To support the scale-up and commercialisation of its semiconductor activities, the Company appointed Mr Mark Goranson as Chief Executive Officer of the Semiconductor Technologies division in January 2025. Mr Goranson brings more than 40 years of semiconductor industry experience, including senior leadership roles at Intel, ON Semiconductor and TE Connectivity.

Mr Goranson works alongside EMASS founder and Chief Technology Officer, Professor Mohamed Sabry Aly, to advance silicon execution, OEM engagement and strategic partnerships, with a focus on transitioning EMASS from advanced R&D into commercial deployment.

The EMASS System-On-Chip (SOC) architecture is optimized for AI inference tasks, delivering higher performance per Watt than traditional solutions. EMASS technology is designed to power applications in IoT, smart infrastructure, wearables, and embedded AI systems.

EyeFly3D™

During the year, EyeFly3D™ continued to progress its glasses-free 3D visualisation platform through refinement of AI-driven 2D-to-3D conversion algorithms and expansion of customer discussions in Asia. Development activities focused on improving real-time performance, device compatibility and exploring pathways for future hardware acceleration, licensing opportunities and a more focused B2B strategy of partnering with companies with substantive content that can be delivered in glasses free 3D.

Nanoshield™

During the year, Nanoshield™ continued its transition toward renewable energy applications with field trials of solar-optimised coatings progressing in high-temperature and arid environments. The technology is designed to reduce surface fouling, mitigate environmental degradation and improve long-term energy output of solar assets. Discussions with industry participants continued to support future commercial deployment.

Corporate Developments

Board and Management Changes

During the year, the Company strengthened its Board and executive leadership to support its expanded technology focus.

In January 2025, Mr Mark Goranson was appointed Chief Executive Officer of the Semiconductor Technologies division, bringing extensive global experience in semiconductor commercialisation and operations.

Effective 4 February 2025, Mr Siyuan (Raymond) Chen was appointed Chief Financial Officer, and Mr Harry Spindler was appointed Company Secretary, replacing Ms Naomi Haydari, who resigned on 4th February 2025.

In December 2025, Professor Mohamed Sabry Aly was appointed as a non-executive director, and Mr Siyuan (Raymond) Chen was appointed as an executive director, further strengthening the Board's technical, financial and governance capabilities. Dr Michael Winlo resigned as a non-executive director during the year to focus on other business commitments.

Other Corporate Matters

There were no other material corporate developments during the financial year ended 31 December 2025, other than those disclosed elsewhere in this report or in the notes to the financial statements.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company to the date of this report, not otherwise disclosed in this report.

REVIEW OF FINANCIAL CONDITION

For the year ended 31 December 2025, the Group reported a loss before tax from continuing operations of \$7,601,225 (2024: \$2,846,367) and cash at bank of \$1,807,712(2024: \$498,303).

BUSINESS RISK

The Group, as a technology company, is exposed to inherent commercial, development and funding risks that may materially impact its operations and financial performance. Key risks to which the Group is exposed include:

EMASS

- **Capital-Intensive Market Entry:** The semiconductor industry is highly capital-intensive, requiring significant investment in R&D, prototyping, and manufacturing before generating revenue. Processes such as chip design, tapeouts, and testing incur substantial upfront costs, making commercialization a resource-intensive endeavor.
- **Manufacturing & Supply Chain Dependencies:** As a fabless semiconductor company, Nanoveu depends on external foundries and semiconductor manufacturers. Securing reliable supply chain partners is critical for production stability.
- **AI & Computing Demands:** The Edge AI market is rapidly changing, with continuous improvements in AI chip design and energy efficiency. Nanoveu must maintain an aggressive R&D approach to remain ahead of technological advancements.

EyeFly3D™

- **Market Uncertainty:** While EyeFly3D™ has gained traction in South Korea and India, its global rollout will require significant time and resources, and there is no certainty regarding market acceptance for 3D in new territories.
- **Focus on B2B:** With the migration to a B2B approach, the sales cycle and ensuing trials have been extended. Whilst these trials have shown substantive opportunities, translating these opportunities into sales remains a challenge.
- **Hardware & Software Integration Risks:** The EyeFly3D™ platform consists of both hardware (screen protector) and proprietary software. While hardware could be replicated, the software is proprietary, ensuing proprietary algorithms will be more difficult to replicate.
- **3D Fatigue:** Some users have complained that extensive use of glasses free 3D can cause eye strain. In order to mitigate this, the company has now tuned down the 3D effect to allow a subtle and yet differentiating experience.

Nanoshield™

- **Performance Variability Across Environments:** The Company's solar coatings are still in early-stage commercial testing and may demonstrate different performance characteristics in varied geographic conditions. Data from ongoing field trials in the EMEA region will be crucial in refining product effectiveness.
- **Customer Adoption & Warranty Restrictions:** Some solar panel manufacturers may be hesitant to approve coatings on new panels due to warranty concerns. While aging panels (3-5 years old) represent a significant market, overcoming OEM approval barriers remains a challenge.
- **Increasing Competition & Market Evolution:** The solar coatings industry is expected to expand as aging solar installations require efficiency improvements. New entrants could apply competitive pressure, necessitating continued R&D and innovation to maintain a market-leading position.
- **Dependencies on its partners.** The Company has recently signed a partnership in the USA. Subsequently relying on a key partner, although mitigates some technology risks will invariably mean risk should the partner fail in their technical endeavours.

Cybersecurity and data protection risks

The Group relies on information technology systems to support its semiconductor development activities, customer engagements, intellectual property management and financial reporting processes. Cybersecurity incidents, including unauthorised access, data breaches, ransomware attacks or system disruptions, may result in operational interruptions, loss of confidential information, reputational damage and financial loss. The Directors continue to monitor cybersecurity risks and maintain appropriate controls; however, no system can be guaranteed to be fully secure.

Economic and market conditions

The Group's performance may be adversely affected by global economic conditions, including inflationary pressures, higher interest rates, capital market volatility and reduced access to funding. An economic downturn may impact customer demand, OEM design cycles, investor appetite and the Group's ability to raise capital on acceptable terms.

Supply chain and manufacturing risks

The Group operates as a fabless semiconductor developer and is reliant on third-party foundries, packaging providers and component suppliers. Disruptions to global supply chains, capacity constraints, geopolitical tensions or delays in fabrication, packaging or logistics may impact development timelines, product delivery and commercialisation plans.

Regulatory and compliance risks

The Group operates across multiple jurisdictions and is subject to corporate, securities, trade, export control and other regulatory requirements. Changes in applicable laws, listing rules, taxation, export restrictions or technology-related regulations may increase compliance costs or restrict certain commercial activities.

Foreign currency fluctuations

The Group operates internationally and incurs costs in multiple currencies, including USD and SGD. Movements in foreign exchange rates may impact operating expenses, capital expenditure and cash flows when translated into Australian dollars.

Climate change and environmental risks

Although the Group's operations are not resource extraction based, it remains exposed to broader climate-related risks, including potential regulatory changes, supply chain disruptions, increased energy costs and evolving stakeholder expectations regarding sustainability. The Directors monitor emerging climate-related developments and assess their potential impact on the Group's operations and strategy.

BUSINESS STRATEGIES AND PROSPECTS FOR FUTURE FINANCIAL YEARS

The Company's strategy for the coming financial years is focused on commercialisation, market expansion, and technological integration across its core business lines. The Company is focused on building commercial partnerships to enhance the performance and adoption of the EMASS semiconductor technology, embedding it into real-world Edge AI applications to drive industry adoption.

EyeFly3D™ will prioritize increasing hardware sales while developing a white labelled B2B SaaS platform, enabling subscription-based and licensing revenue models. Meanwhile, Nanoshield™ Solar will concentrate on sales growth and market expansion, leveraging ongoing field trials to position itself as a key player in solar efficiency solutions. Through these initiatives, Nanoveu aims to scale its commercial footprint, strengthen strategic alliances, and drive sustained revenue growth in the coming years.

SIGNIFICANT EVENTS AFTER THE YEAR END**Completion of 16nm ECS-DoT Tape-out**

Subsequent to 31 December 2025, the Company completed tape-out of its next-generation 16nm ECS-DoT system-on-chip through its wholly owned subsidiary Embedded A.I. Systems Pte. Ltd. ("EMASS"). Following tape-out, semiconductor fabrication commenced at TSMC. The tape-out represents a key milestone in the Company's Edge AI semiconductor roadmap, transitioning the ECS-DoT program from design into production silicon.

Strategic Capital Raising

Subsequent to 31 D, the Company completed an upsized strategic placement raising approximately \$7.5 million (before costs) from new and existing sophisticated, professional and institutional investors. Proceeds from the capital raising are being applied to support the commercialisation and scale-up of the EMASS ECS-

DoT semiconductor platform, including advanced-node silicon validation, live system testing, go-to-market activities and working capital.

Exclusive Evaluation Licence for Autonomous Drone Swarm Technologies

Subsequent to 31 December 2025, the Company announced that it had entered into an exclusive evaluation licence agreement with Nanyang Technological University, Singapore, with an option to convert to an exclusive worldwide licence, for four inventions in autonomous localisation and formation-control technologies applicable to multi-drone and robotic swarm systems. The licence supports integration with the Company's ECS-DoT platform and broader autonomy roadmap.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company remains focused on advancing the commercial deployment of its semiconductor technologies, including validation of production silicon, continued OEM engagement and progression toward early commercial design-ins. Subsequent to the year end, the EMASS ECS-DoT platform received international recognition at CES 2026, being awarded Best in Show in the AI & Machine Learning category by Embedded Computing Design. This award provides independent third-party validation of the ECS-DoT architecture's technical performance, energy efficiency and commercial relevance.

EyeFly3D™ is expected to continue expanding its market presence through hardware sales and software licensing opportunities, while Nanoshield™ remains focused on progressing renewable energy applications through field trials and customer engagement.

SHARE OPTIONS

Unissued ordinary shares of Nanoveu Limited under option at the date of this report are as follows:

	Expiry date	Exercise Price	No.
Listed options	9/05/2027	\$ 0.045	68,809,678
Unlisted options	31/12/2026	\$ 0.050	93,446,958
Unlisted options	30/01/2027	\$ 0.025	23,352,940
Unlisted options	14/02/2027	\$ 0.025	12,352,941
Unlisted options	20/08/2028	\$ 0.100	5,000,000
Unlisted options	27/01/2029	\$ 0.150	56,931,835
Unlisted options	6/01/2030	\$ 0.025	5,000,000
Unlisted options	6/01/2030	\$ 0.035	5,000,000
			58,500,001

During the year:

- 81,294,333 options were exercised
- 14,848,084 options were lapsed

All unissued shares are ordinary shares of the Company.

All unvested options expire on termination of employment unless the Board makes a determination (in its absolute discretion) that the employee's performance during the term and the circumstances of the termination are such that all unvested options on the date of termination will continue to vest in accordance with the vesting schedule and only expire on the expiry date.

The above options represent all unissued ordinary shares of the Company under option as at the date of this report and include options held by Key Management Personnel and non-KMP participants. Further details of share-based payments to Directors and Key Management Personnel are disclosed in Note 7 to the financial statements.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

ENVIRONMENTAL LEGISLATION

The Company's operations are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory, or in any other jurisdiction in which it operates.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND EXECUTIVE OFFICERS

The Company has agreed to indemnify all Directors and executive officers against liabilities to another person (other than the Company or a related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith, wilful misconduct, gross negligence, or where indemnification is otherwise prohibited by law. The indemnity includes reasonable legal costs and expenses incurred in defending such proceedings.

The Company has also agreed to indemnify the Directors of its controlled entities on the same basis. Directors' and Officers' insurance has been maintained during the period. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

NON-AUDIT SERVICES

There were no non-audit services provided by BDO during the 2025 year.

PROCEEDINGS ON BEHALF OF THE COMPANY

There are no proceedings on behalf of the Company under section 237 of the Corporations Act 2001 in the financial period or at the date of this report.

ROUNDING OFF

The Company is of a kind referred to in the Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, in relation to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

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Directors' Report - Remuneration Report (audited)

This remuneration report for the financial year ended 31 December 2025 outlines remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and including the executives receiving the highest remuneration.

For the purposes of this report, the term "Executive" includes the Chief Executive Officer (CEO), Executive Directors and senior management and the term "Director" refers to Non-Executive Directors only.

Individual key management personnel disclosures

Details of KMPs of the Company are set out below:

Key management personnel

Directors

Dr David Pevcic	Executive Chairman, appointed 17 October 2024
Mr Alfred Chong	Managing Director and CEO, appointed 14 February 2018
Mr Steven Apedaile	Non-Executive Director, appointed 14 May 2018
Dr Michael Winlo	Non-Executive Director, appointed 28 March 2024, resigned 1 December 2025
Mr Mohamed Sabry Aly	Non-Executive Director, appointed 1 December 2025
Mr Siyuan (Raymond) Chen	Chief Financial Officer, appointed 4 February 2025 Executive Director, appointed 1 December 2025

The Remuneration Report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Option holdings of key management personnel
- E. Performance Rights holdings of key management personnel
- F. Share holdings of key management personnel
- G. Other transactions and balances with key management personnel
- H. Voting and comments made at the Company's Annual Meeting

A. Principles used to determine the nature and amount of remuneration

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

To this end, the Group embodies the following principles in its compensation framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Establish appropriate, demanding performance hurdles in relation to variable executive compensation

Remuneration consists of fixed remuneration and variable remuneration.

Directors' Report - Remuneration Report (audited) (continued)

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

Variable Remuneration

During the year, the Group established an Employee Incentive Plan to provide equity-based incentives to eligible employees and key management personnel. The Group maintains a discretionary variable component to the remuneration of the Board and management and may continue to utilise equity-based incentives to align performance outcomes with shareholder interests.

Remuneration Reviews

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the Managing Director and all other key management personnel.

The Board of Directors assesses the appropriateness of the nature and amount of compensation of key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution specifies that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive directors receive a fee for being a director of the Company. The compensation of non-executive directors for the year ended 31 December 2025 is detailed below.

The total maximum remuneration of non-executive directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, and the Corporations Act, as applicable. The determination of non-executive directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions of each non-executive Director. This amount has been set at an amount not to exceed \$300,000 per annum.

In addition, a director may be paid fees or other amounts and non-cash performance incentive such as options and performance rights, subject to necessary shareholder approval, where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director.

Directors are also entitled to be reimbursed reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as directors.

Director Remuneration

Remuneration of each director has been set at \$48,000 per annum plus superannuation of 12% (2024: 11.5%) with the exception of one Director whose remuneration has been increased to \$60,000 per annum. Director fees commenced being paid from admission to the Official List of the Australian Securities exchange. In addition, directors were offered performance rights for their services without cash remuneration prior to admission to the Official List of the Australian Securities exchange.

Remuneration for executive roles are separate and in addition to remuneration as a director. Accordingly, executive directors have a director contract and a separate contract for their executive services.

Directors' Report - Remuneration Report (audited) (continued)

Senior Manager and Executive Director remuneration

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company, business unit and individual performance against targets set to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

Compensation consists of the following key elements:

- Fixed Compensation; and
- Variable Compensation.

The proportion of fixed compensation and variable compensation (potential short term and long term incentives) is established for each key management person by the Directors.

Fixed Compensation

Objective

Fixed compensation is reviewed annually by the Directors. The process consists of a review of individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices. This review is based on a calendar year cycle and is typically performed in December / January.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans.

Variable Compensation

Objective

The objective of the Variable Compensation is to reward executives in a manner that aligns this element of compensation with the creation of shareholder wealth.

Structure

Variable remuneration is designed to align executive rewards with the creation of shareholder value. During the reporting period, the Group operated a discretionary variable remuneration component for the Board and management, with awards determined by the Board having regard to individual performance, achievement of strategic objectives and overall Group performance.

Use of remuneration consultants

The Group did not use the services of remuneration consultants.

Objective of the remuneration committee

The Group did not have a remuneration committee during the period.

Overview of Group performance

	2025	2024	2023	2022	2021	2020	2019
Net loss	(\$7,601,225)	(\$2,846,367)	(\$2,159,908)	\$(2,707,301)	\$(2,320,618)	\$(1,762,016)	\$(3,373,018)
Share price at year end	8.4 cents	3.4 cents	2.3 cents	0.9 cents	3.2 cents	6.5 cents	5.2 cents
Basic EPS (loss)	(0.9) cents	(0.6) cents	(0.6) cents	(1.2) cents	(1.2) cents	(1.3) cents	(2.5) cents

Directors' Report - Remuneration Report (audited) (continued)**B. Details of remuneration**

Year ended 31 December 2025

Directors	Salary, fees & commissions	Non-monetary benefits (i)	Superannuation	Share-based payments (ii)	Total	Portion of Remuneration Performance Related
<i>Executive</i>						
Mr Alfred Chong	293,158	9,478	12,951	105,561	421,148	25%
Dr David Pevcic	122,883	5,801	-	842,340	971,024	87%
Mr Siyuan (Raymond) Chen	114,000	242	-	-	114,242	0%
<i>Non-executive</i>						
Mr Steven Apedaile	56,220	5,801	-	4,057	66,078	6%
Dr Michael Winlo (iii)	36,308	5,318	5,160	32,610	79,396	41%
Mr Mohamed Sabry Aly (iv)	27,748	242	-	3,689	31,679	12%
	650,317	26,882	18,111	988,257	1,683,567	59%

Compensation is stated on an accruals basis.

- (i) Non monetary benefits. Comprises of directors and officers insurance for all directors, and medical insurance for Alfred Chong only.
- (ii) Share-based payments comprise the amortisation of performance rights granted to Directors and employees under the Company's Performance Rights Plan. The expense recognised during the year reflects performance rights that vested during FY2025, offset by the reversal of previously recognised expense relating to performance rights granted in FY2024 where non-market vesting conditions were not satisfied. The grant date fair value of performance rights is recognised over the vesting period. Where non-market vesting conditions are not satisfied, previously recognised expense is reversed.
- (iii) Represents remuneration from 1 January 2025 to 1 December 2025.
- (iv) Represents remuneration from 1 December 2025 to 31 December 2025. Share based payments include 5,000,000 performance rights proposed to be issued to Prof. Mohamed Sabry Aly, subject to shareholder approval. The rights vest in three equal tranches upon the Company achieving 20-day VWAP milestones of \$0.10, \$0.15 and \$0.20. The share-based payment expense recognised during the year represents an estimate of the fair value of the rights, calculated in accordance with AASB 2 and recognised over the expected vesting period.

Year ended 31 December 2024

Directors	Salary, fees & commissions	Non-monetary benefits (i)	Superannuation	Share-based payments (ii)	Total	Portion of Remuneration Performance Related
<i>Executive</i>						
Mr Alfred Chong	257,427	6,261	11,111	34,848	309,647	11%
Dr David Pevcic	56,040	6,261	-	48,898	111,199	44%
<i>Non-executive</i>						
Mr Steven Apedaile	53,520	6,261	-	48,027	107,808	45%
Dr Michael Winlo	56,001	6,261	6,280	19,474	88,016	22%
	422,988	25,044	17,391	151,247	616,670	25%

Compensation is stated on an accruals basis.

- (i) Non monetary benefits. Comprises of directors and officers insurance for all directors.
- (ii) Share based payments comprise the amortisation of the measured cost of performance rights issued at grant date. This grant date cost is based on the price of the Company's shares which is amortised to the estimated date of the hurdle being achieved based on an assessment of the probability of achievement of the hurdles specified in the performance rights. The ultimate benefit received by the participant may be materially different to this calculated value, and may be received at a significantly different time to the date presented in this table.

Directors' Report - Remuneration Report (audited) (continued)

C. Service agreements

Agreements with Executives

Alfred Chong – Director and Chief Executive Officer

The Company entered into an executive services agreement (Executive Services Agreement) with Mr Chong dated 20 June 2025, pursuant to which the Company has engaged Mr Chong as Chief Executive Officer. The material terms and conditions of the Executive Services Agreement are summarised below:

- (a) Term: The Executive's employment commenced on 1 February 2025 and continues until terminated in accordance with the provisions of the agreement.
- (b) Remuneration: Mr Chong receives a base salary of SGD \$17,000 per month (SGD \$204,000 per annum), inclusive of the applicable Singapore Central Provident Fund (CPF) contributions. In addition, he is entitled to a transport allowance of SGD \$1,040 per month.
- (c) Incentive Programs: Mr Chong may be entitled to short-term incentive bonuses and may participate in the Company's equity incentive plans, subject to Board discretion and compliance with the Corporations Act and Listing Rules.
- (d) Termination: Either party may terminate the agreement by providing three months' written notice. The Company may terminate the employment without notice in circumstances including serious misconduct, material breach of the agreement, or other grounds specified in the agreement.

The Executive Services Agreement contains other standard terms and conditions expected to be included in contracts of this nature.

Raymond Chen – Director and Chief Financial Officer

The Company entered into a Consultancy Services Agreement dated 15 December 2024 with Oxbridge Advisory Pty Ltd ('the agreement'), under which Mr Siyuan (Raymond) Chen is nominated to provide services to the Company in the role of Chief Financial Officer. The engagement commenced on 2 January 2025 and continues until terminated in accordance with its terms. On 1 December 2025, Mr Chen was further appointed as Executive Director. Under the agreement, Mr Chen is entitled to remuneration of \$15,000 per month, and the agreement may be terminated by either party upon one month's written notice.

Dr David Pevcic – Executive Chairman

The Company entered into a letter of appointment with Dr Pevcic dated 3 February 2023 in relation to his appointment as a Non-Executive Director. Effective 14 October 2024, Dr Pevcic's role changed to Executive Chairman. The material terms and conditions of his engagement are summarised below:

- (a) Term: Dr Pevcic's appointment continues until terminated in accordance with the provisions of his letter of appointment and the Company's Constitution.
- (b) Remuneration: Dr Pevcic currently receives a base fee of AUD \$15,000 per month (AUD \$180,000 per annum), plus statutory superannuation where applicable.
- (c) Termination: Dr Pevcic's appointment may be terminated in accordance with the Corporations Act, the Company's Constitution, or by resignation or removal by shareholders.

Non-Executive Director Service Contracts

The Company has entered into agreements with all directors. The material terms of the agreement are as follows:

- (a) Director's fees: director's fees at the rate of \$48,000 per annum plus superannuation, with the exception of one Director whose fee has been increased to \$60,000 per annum, together with reimbursement for out-of-pocket expenses incurred as a result of engagement as a director.
- (b) Termination: Non-Executive Directors may retire at any time and are subject to re-election at the annual general meeting of shareholders in accordance with the Company's policy of at least one third of the Non-Executive Directors being nominated for re-election each year based on the Company's rotation schedule.

Directors' Report - Remuneration Report (audited) (continued)**D. Option holdings of key management personnel**

	Balance at start of year	Granted as remuneration	Acquired Placement	Exercised (i)	Expired	Balance at end of year	Vested & Exercisable at end of year
Directors							
Dr David Pevcic	12,500,000	-	6,451,613	(961,538)	-	17,990,075	17,990,075
Mr Alfred Chong	96,154	-	-	(96,154)	-	-	-
Mr Steven Apedaile	500,000	-	-	(500,000)	-	-	-
Dr Michael Winlo	173,077	-	-	-	(173,077)	-	-
Mohamed Sabry Aly	-	-	-	-	-	-	-
Siyuan (Raymond) Chen	-	-	80,645	-	-	80,645	80,645
	13,269,231	-	6,532,258	(1,557,692)	(173,077)	18,070,720	18,070,720

(i) During the year ended 31 December 2025, the following options previously granted as remuneration were exercised:

- Dr David Pevcic exercised 961,538 options.
- Mr Alfred Chong exercised 96,154 options.
- Mr Steven Apedaile exercised 500,000 options.

The options were originally valued at \$0.024 per option at the grant date. At the time of exercise, the Company's market share price was \$0.037 per share, resulting in a net value realised of \$0.013 per option.

E. Performance Rights holdings of key management personnel

The table below shows the number of Performance Rights granted, converted and forfeited during the year.

	Balance at start of year	Granted as acquisition (i)	Converted	Forfeited	Balance at end of year	Vested & Exercisable at end of year
Directors						
Dr David Pevcic	36,625,000	-	(30,000,000)	(1,625,000)	5,000,000	-
Mr Alfred Chong	12,637,500	-	(5,000,000)	(1,937,500)	5,700,000	-
Mr Steven Apredaile	8,070,000	-	(2,040,000)	(1,000,000)	5,030,000	-
Dr Michael Winlo	5,540,000	-	(2,040,000)	(3,500,000)	-	-
Mohamed Sabry Aly	-	49,752,570	-	-	49,752,570	-
Siyuan (Raymond) Chen	-	-	-	-	-	-
	62,872,500	49,752,570	(39,080,000)	(8,062,500)	65,482,570	-

(i) During the year, the Company granted 49,752,570 performance rights to Mr Mohamed Sabry Aly as part of the consideration for the acquisition of Embedded A.I. Systems Pte Ltd (EMASS), following shareholder approval on 18 March 2025.

The performance rights comprise three equal tranches of 16,584,190 rights each (Class A, B and C), vesting upon achievement of specified technical, intellectual property and commercial milestones relating to the EMASS semiconductor program, including technology performance targets, patent outcomes and cumulative revenue of at least \$1,000,000 over a 12-month period.

Each performance right converts into one fully paid ordinary share upon vesting and has no exercise price.

In addition, subject to shareholder approval, Mr Sabry is entitled to a further 5,000,000 performance rights vesting in three equal tranches upon achievement of 20-day VWAP milestones of \$0.10, \$0.15 and \$0.20 respectively.

Directors' Report - Remuneration Report (audited) (continued)**F. Share holdings of key management personnel**

	Balance at start of year	Grant as acquisition	On conversion of performance rights	Acquisitions	Disposal	Balance at end of year
Directors						
Dr David Pevcic	2,377,285	-	30,000,000	25,841,688	-	58,218,973
Mr Alfred Chong	43,319,866	-	5,000,000	96,154	-	48,416,020
Mr Seven Apedaile	2,000,350	-	2,040,000	500,000	-	4,540,350
Dr Michael Winlo	346,154	-	2,040,000	-	-	2,386,154
Mohamed Sabry Aly	-	102,936,352	-	-	-	102,936,352
Siyuan (Raymond) Chen	-	-	-	175,709	-	175,709
	48,043,655	102,936,352	39,080,000	26,613,551	-	216,673,558

G. Other transactions and balances with Key Management Personnel

Apart from the above items and reimbursements for expenses paid on behalf of the Company, director and fees paid directly or indirectly to director related entities, there were no transactions or balances with KMP during the years ended 31 December 2025 and 2024.

H. Voting and comments made at the Company's Annual General Meeting

At the Annual General Meeting held on 30 May 2025, 99.85% of votes cast were in favour of the adoption of the Company's remuneration report for the 2024 financial year. The Company did not receive any comments at the Annual General Meeting on its remuneration report.

END OF THE AUDITED REMUNERATION REPORT

Signed in accordance with a resolution of the Directors:



Alfred Chong
Managing Director and CEO
 27 February 2026

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DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF NANOVEU LIMITED

As lead auditor of Nanoveu Limited for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Nanoveu Limited and the entities it controlled during the period.

Jackson Wheeler
Director

BDO Audit Pty Ltd
Perth
27 February 2026

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 \$	2024 \$
Revenue from contracts with customers	6	297,582	6,873
Revenue		297,582	6,873
Cost of sale of goods		(929,715)	3,657
Gross (loss) / profit		(632,133)	10,530
Other operating income	6	6,436	21,519
Selling and distribution expenses	6	(386,930)	(26,306)
Administration expenses	6	(4,424,940)	(2,133,276)
Research costs	6	(760,818)	(53,220)
Share based payment expense	7	(1,421,890)	(666,957)
Operating (loss)		(7,620,275)	(2,847,710)
Finance income	6	32,756	7,059
Finance costs	6	(13,706)	(5,716)
(Loss) before income tax		(7,601,225)	(2,846,367)
Income tax expense	8	-	-
(Loss) for the year		(7,601,225)	(2,846,367)
Other comprehensive income / (loss)			
<i>Items that may be reclassified to profit or loss:</i>			
- Foreign currency differences on translation of foreign operations		9,462	(5,604)
		9,462	(5,604)
Total comprehensive (loss) for the year		(7,591,763)	(2,851,971)
Loss for the year is attributable to:			
Non-controlling interest		(177,906)	(36,657)
Owners of Nanoveu Limited		(7,423,319)	(2,809,710)
Total (loss) for the year		(7,601,225)	(2,846,367)
Comprehensive loss for the year is attributable to:			
Non-controlling interest		(177,685)	(36,729)
Owners of Nanoveu Limited		(7,414,078)	(2,815,242)
Total comprehensive (loss) for the year		(7,591,763)	(2,851,971)
Basic and diluted loss per share (cents per share)	5	(0.9)	(0.6)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025	2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	9	1,807,712	498,303
Trade and other receivables		11,234	12,599
Prepayments	11	454,731	482,997
Loan Receivable	14	472,374	-
Total Current Assets		2,746,051	993,899
NON-CURRENT ASSETS			
Plant and equipment		119,190	63,390
Intangible Assets	13	10,500,307	-
Loan Receivable	14	-	258,663
Right of use asset		131,399	5,920
Non-Current Prepayments		57,968	-
Total Non-current Assets		10,808,864	327,973
TOTAL ASSETS		13,554,915	1,321,872
CURRENT LIABILITIES			
Trade and other payables	12	1,004,988	529,961
Contract liability	10	169,196	311,488
Lease liability		64,168	6,333
Provisions		17,231	15,802
Loan		134,011	120,000
Total Current Liabilities		1,389,594	983,584
NON-CURRENT LIABILITIES			
Lease liability		71,891	-
Total Non-Current Liabilities		71,891	-
TOTAL LIABILITIES		1,461,485	983,584
NET ASSETS		12,093,430	338,288
EQUITY			
Issued capital	15	39,377,691	21,951,287
Reserves		1,722,677	(207,286)
Accumulated losses		(28,792,375)	(21,369,056)
Total equity attributable to Nanoveu Limited shareholders		12,307,993	374,945
Non-controlling interest	19	(214,563)	(36,657)
TOTAL EQUITY		12,093,430	338,288

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$	2024 \$
Cash flows from Operating Activities			
Receipts from customers		161,727	288,289
Payments to suppliers and employees		(6,033,547)	(2,132,122)
Interest received		32,756	7,059
Interest paid		(6,774)	(5,716)
Net cash (used in) operating activities	9	(5,845,838)	(1,842,490)
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(76,510)	-
Cash acquired through EMASS acquisition		2,910	-
Loan receivable		(213,711)	(258,664)
Net cash (used in) investing activities		(287,311)	(258,664)
Cash Flows from Financing Activities			
Proceeds from the issuance of shares (net of issue costs)		7,471,773	2,082,712
Proceeds from shares to be issued (net of issue costs)		-	400,000
Interest free loan proceeds		134,011	120,000
Interest free loan repayment		(120,000)	-
Repayment of lease liabilities		(43,226)	(76,324)
Net cash provided by financing activities		7,442,558	2,526,388
Net increase in cash held		1,309,409	425,234
Cash at the beginning of the financial year		498,303	73,069
Cash at the end of the financial year		1,807,712	498,303

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Issued Capital	Option Reserve	Common Control Reserve ⁽¹⁾	Share Based Payment Reserve	Share to be issued Reserve	Foreign Currency Translation Reserve	Accumulated Losses	NCI	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2024	19,718,575	289,005	(1,710,087)	43,081	-	109,362	(18,559,346)	-	(109,410)
Loss for the year	-	-	-	-	-	-	(2,809,710)	(36,657)	(2,846,367)
Exchange differences on translation of foreign operation	-	-	-	-	-	(5,604)	-	-	(5,604)
Total comprehensive loss for the year	-	-	-	-	-	(5,604)	(2,809,710)	(36,657)	(2,851,971)
Adjustment to Prior Year	760	-	-	-	-	-	-	-	760
Shares issued	2,139,899	-	-	-	400,000	-	-	-	2,539,899
Share issue expenses	(128,394)	-	-	-	-	-	-	-	(128,394)
Interest Free Loan conversion	150,000	-	-	-	-	-	-	-	150,000
Share Based Payments-Options	-	281,700	-	-	-	-	-	-	281,700
Share Based Payments-Performance Rights NVU Directors	-	-	-	385,257	-	-	-	-	385,257
Share Options on conversion	70,447	-	-	-	-	-	-	-	70,447
Balance at 31 December 2024	21,951,287	570,705	(1,710,087)	428,338	400,000	103,758	(21,369,056)	(36,657)	338,288

The above Consolidated Statement of Statement of Changes in Equity should be read in conjunction with the accompanying notes

- (1) As a result of the capital reorganisation an equity account called 'Common Control Reserve' exists. This equity account represents the carrying value of the net liabilities of Nanoveu Limited prior to the date of completion of the capital reorganisation.

Notes to the Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Issued Capital	Option Reserve	Common Control Reserve ⁽¹⁾	Share Based Payment Reserve	Share to be issued Reserve	Foreign Currency Translati on Reserve	Accumulated Losses	NCI	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2025	21,951,287	570,705	(1,710,087)	428,338	400,000	103,758	(21,369,056)	(36,657)	338,288
Loss for the year	-	-	-	-	-	-	(7,423,319)	(177,906)	(7,601,225)
Exchange differences on translation of foreign operation	-	-	-	-	-	(9,462)	-	-	(9,462)
Total comprehensive loss for the year	-	-	-	-	-	(9,462)	(7,424,319)	(177,906)	(7,610,687)
Transfer back share to be issued reserve	400,000	-	-	-	(400,000)	-	-	-	-
Placement	5,930,096	-	-	-	-	-	-	-	5,930,096
Costs of share issue	(411,306)	-	-	-	-	-	-	-	(411,306)
Corporate Advisory	131,109	-	-	(131,109)	-	-	-	-	-
Shared Based Payments- Options	285,591	-	-	-	-	-	-	-	285,591
Share issue – EMASS acquisition	9,137,931	-	-	-	-	-	-	-	9,137,931
Share Based Payments- Performance Rights EMASS acquisition	-	-	-	1,334,235	-	-	-	-	1,334,235
Share Based Payments- Performance Rights NVU	-	-	-	1,136,300	-	-	-	-	1,136,300
Share Options on conversion	1,952,982	-	-	-	-	-	-	-	1,952,982
Balance at 31 December 2025	39,377,690	570,705	(1,710,087)	2,767,764	-	94,296	(28,792,375)	(214,563)	12,093,430

The above Consolidated Statement of Statement of Changes in Equity should be read in conjunction with the accompanying notes

- (1) As a result of the capital reorganisation an equity account called 'Common Control Reserve' exists. This equity account represents the carrying value of the net liabilities of Nanoveu Limited prior to the date of completion of the capital reorganisation.

Notes to the Financial Statements

1. CORPORATE INFORMATION

The consolidated financial statements of Nanoveu Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 27 February 2026. Nanoveu Limited (the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Company during the year were the development and commercialisation of semiconductor and nanotechnology-based technologies for consumer and industrial applications.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation of the financial report

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AASs) (including Australian Interpretations) issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Nanoveu Limited is a for-profit entity for the purposes of preparing the financial statements.

2.2 Basis of Measurement and Reporting Conventions Including Capital Reorganisation

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

2.3 Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year ended 31 December 2025 of \$7,601,225 (2024: \$2,846,367) and net cash outflows from operating activities of \$5,845,838 (2024: \$1,842,490). As at 31 December 2025, current assets exceeded current liabilities by \$1,284,566.

Subsequent to the year end, in January 2026, the Company completed an equity placement issuing 85,227,274 Shares at an issue price of \$0.088 per share, raising \$7,500,000 before costs. The placement also included 42,613,637 free attaching Options. The proceeds of the placement have strengthened the Group's balance sheet and are being applied toward the commercialisation and scale-up of the Group's semiconductor technology platform and working capital requirements. The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of signing this financial report. Based on those forecasts, which incorporate the proceeds from the January 2026 capital raising and anticipated receipts from product sales, the Directors believe that the Group will have sufficient funds to meet its obligations as and when they fall due. The Group has historically demonstrated its ability to access equity markets to satisfy funding requirements, and the Directors will continue to monitor the Group's cash position and consider additional funding initiatives, if required, having regard to forecast revenues and strategic development objectives.

Accordingly, the Directors are satisfied that it is appropriate to prepare the financial report on a going concern basis.

2.4 Summary of material accounting policies

(a) Revenue recognition

Revenue is recognised in accordance with AASB 15 when control of goods or services transfers to the customer, at an amount that reflects the consideration to which the Group expects to be entitled. Revenue is recognised only to the extent that it is highly probable that a significant reversal will not occur.

The Group acts as principal in all revenue arrangements, as it controls the goods or services prior to transfer to customers, has discretion in establishing pricing, and bears inventory and credit risk.

Sale of Goods

Revenue from the sale of goods is recognised at a point in time when control transfers to the customer, being upon shipment or delivery in accordance with contractual terms, including applicable Incoterms.

Notes to the Financial Statements

Service Revenue

Revenue from one-off services is recognised at a point in time upon completion and customer acceptance, when control of the deliverable transfers to the customer.

Revenue from ongoing or stand-ready services is recognised over time on a straight-line basis over the contractual service period, as the customer simultaneously receives and consumes the benefits of the services.

Advance Payments

Customer deposits and advance payments are recognised as contract liabilities and recognised as revenue when the related performance obligations are satisfied.

Interest Income

Interest income is recognised using the effective interest method on a time-proportionate basis.

(b) Foreign currency translation

The financial report is presented in Australian dollars, which is the Group's presentation and functional currency. The functional currencies of the subsidiaries are United States dollars and Singapore Dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

(c) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(d) Segment Reporting

For management reporting purposes, the Group is organised into four reportable operating segments based on its products: Semiconductor, Eyefly 3D, Nanoshield, and Corporate and Head Office.

The Board acts as the Chief Operating Decision Maker (CODM) and reviews segment performance based on profit or loss, measured consistently with the consolidated financial statements.

Financing activities and income taxes are managed on a Group basis and are not allocated to operating segments. Inter-segment transactions are conducted on an arm's length basis and are eliminated on consolidation.

2.5 Changes in Accounting Policies and Disclosures

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

New standards and interpretations not yet adopted

A number of new accounting standards and amendments have been issued but are not yet mandatory for the current reporting period and have not been early adopted by the Group.

AASB 18 – Presentation and Disclosure in Financial Statements

AASB 18 is effective for annual reporting periods beginning on or after 1 January 2027. The standard replaces AASB 101 and introduces new requirements for:

Notes to the Financial Statements

- the presentation of the statement of profit or loss, including mandatory subtotals such as operating profit;
- classification of income and expenses into operating, investing and financing categories;
- disclosure of management-defined performance measures (MPMs); and
- enhanced aggregation and disaggregation principles.

The Group expects that AASB 18 will result in changes to the presentation and disclosure of financial information, particularly within the statement of profit or loss, including the introduction of new mandatory subtotals and potential reclassification of certain income and expense items.

The standard is not expected to impact the recognition or measurement of assets, liabilities, equity, income or expenses.

The Group plans to adopt AASB 18 when it becomes effective.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Impairment assessment – intangible assets not yet available for use

Intangible assets that are not yet available for use are not amortised and are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

For the purposes of impairment testing, the recoverable amount is determined as the higher of fair value less costs of disposal and value in use. Determining the recoverable amount requires the use of significant judgements and estimates, including assessments of technical feasibility, progress toward commercialisation, expected timing of market entry, forecast sales volumes and pricing, projected gross margins, estimated future cash flows, terminal growth rates and the selection of an appropriate discount rate reflecting the risks specific to the asset.

These assumptions are inherently uncertain, particularly where the asset relates to early-stage technologies or products that have not yet achieved commercial production or secured binding customer contracts. Changes in key assumptions may result in a material adjustment to the carrying amount of the asset and could give rise to an impairment loss in future reporting periods.

Share-based payment transactions:

The Group measures the cost of equity-settled share-based payments which are performance shares at fair value at the grant date based on the expected issue price of the securities upon admission to the Official List of the Australian Securities Exchange. The Group applied appropriate valuation models based on the nature of the instruments.

The Group measures the cost of equity-settled share-based payments which are options at fair value at the grant date using an option pricing model, taking into account the terms and conditions upon which the instruments were granted. The fair value is determined by a valuation using a Black Scholes Option Pricing Model, using the assumptions detailed in Note 7.

Performance Rights (PRs) with market-based vesting conditions were valued using the Monte Carlo Model. Performance Rights with non-market vesting conditions were valued using the Black-Scholes Model. Non-market vesting conditions are not incorporated into the fair value of the rights at grant date. Instead, the Group assesses at each reporting date whether the relevant performance conditions are expected to be satisfied and recognises expense based on the number of rights expected to vest. Where the conditions are not expected to be met, no expense is recognised. The Group recognises share-based payment expenses over the vesting period in accordance with the respective vesting conditions. For full terms of the securities issued, refer to Note 7.

Control of Fullveu Technologies (HK) Limited

The Group has assessed its control over Fullveu Technologies (HK) Limited (Fullveu HK) under AASB 10 Consolidated Financial Statements. Nanoveu Limited holds a 51% equity stake and appoints three of four

Notes to the Financial Statements

directors, giving it power over key decision-making. While Fullsand retains a 49% interest, Nanoveu's ability to direct Fullveu HK's operations and exposure to future variable returns indicate control.

Despite no returns recorded for FY2025, the Group remains exposed to potential financial benefits from Fullveu HK's future profitability, as well as risks arising from its controlling interest. As majority shareholder, the Group may be required to provide financial or operational support and fund losses, if necessary, thereby exposing it to both upside returns and downside risks. The control assessment is subject to ongoing review, considering changes in governance, financial exposure, and decision-making authority. Based on the current structure, the Group has determined that Fullveu HK is a controlled entity and is consolidated accordingly.

Recoverability of Loan Receivable from Hongtai Sheng (HTS)

The Group has assessed the recoverability of the loan receivable from HTS in accordance with AASB 9 Financial Instruments. The loan was initially recognized at fair value, discounted using a 6% market interest rate, with subsequent unwinding of the discount recorded as interest income.

HTS's ability to meet its repayment obligations by 31 July 2026 has been assessed based on management's evaluation of the borrower's business operations and overall financial position. Management has conducted regular site visits to the factory to observe ongoing operations and assess the scale and functionality of the business. Based on this assessment, management is confident in HTS's ability to generate sufficient cash flows to meet its repayment obligations. Accordingly, the Group considers the credit risk associated with the loan to be low and expects full repayment at maturity..

4. SEGMENT REPORTING

The Group develops and commercialises advanced semiconductor, visualisation and materials science technologies. For management purposes, the Group is organised into business units based on its products and services and has four reportable segments:

- Semiconductor - design and development of ultra-low-power edge AI system-on-chip (SoC) technologies, including the ECS-DoT platform, together with related evaluation boards, licensing and engineering services;
- Eyefly 3D - development and commercialisation of glasses-free 3D display solutions, including hardware components and software licensing;
- Nanoshield - development and commercialisation of protective and performance-enhancing nanomaterial coatings, including applications for solar, marine and industrial surfaces; and
- corporate and head office - corporate management, treasury, administration and support functions not directly attributable to the operating segments.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Also, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year Ended 31 December 2025	Semi-Conductor	Eyefly 3D	Nanoshield	Corporate	Total Segments	Adjustment and Elimination	Consolidated
Revenue							
External customers	-	285,164	12,418	-	297,582	-	297,582
Total revenue	-	285,164	12,418	-	297,582	-	297,582
Depreciation and amortisation	(9,442)	(116,120)	-	(47,550)	(173,112)	-	(173,112)
Segment (loss)	(2,500,960)	(1,149,328)	(104,648)	(3,847,290)	(7,601,225)	-	(7,601,225)
Total assets	11,296,205	1,130,366	-	1,560,890	13,987,461	(432,545)	13,554,916
Total liabilities	(595,215)	(274,238)	-	(340,839)	(1,210,292)	(251,194)	(1,461,486)

Notes to the Financial Statements

Year Ended 31 December 2024	Semi- Conductor	Eye-fly 3D	Nanoshield	Corporate	Total Segments	Adjustment and Elimination	Consolidated
Revenue							
External customers	-	6,873	-	-	6,873	-	6,873
Total revenue	-	6,873	-	-	6,873	-	6,873
Depreciation and amortisation							
Segment (loss)	-	(1,039,594)	(12,000)	(1,794,773)	(2,846,367)	-	(2,846,367)
Total assets	-	949,801	-	15,315,210	16,265,011	(14,943,139)	1,321,872
Total liabilities	-	(10,125,864)	-	(484,688)	(10,610,552)	9,626,968	(983,584)

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Geographically, the Group has the following revenue information based on the location of its customers and non-current assets from where its investing activities are managed.

	2025	2024
Non-current assets	\$	\$
North America	-	-
Asia	10,670,230	327,973
Australia	138,634	-
Total	10,808,864	498,303

Non-current assets exclude financial instruments and deferred tax assets.

	2025	2024
Revenue from external customers	\$	\$
North America	-	-
Asia	297,582	6,873
Australia	-	-
Total	297,582	6,873

Revenue is allocated based on the location of the customer.

5. LOSS PER SHARE

	2025	2024
	\$	\$
Basic and diluted loss per share (cents per share)	(0.9)	(0.6)

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

Loss for the year	(7,601,225)	(2,846,367)
Weighted average number of shares outstanding during the year used in the calculations of basic loss per share:	825,913,230	473,667,614

There is no dilution of shares due to options as the potential ordinary shares are not dilutive and are therefore not included in the calculation of diluted loss per share.

Notes to the Financial Statements**6. RESULT FOR THE PERIOD**

	2025	2024
	\$	\$
Revenue from contracts with customers		
Sale of goods	297,582	6,873
	<u>297,582</u>	<u>6,873</u>
Other operating income		
Other income	6,436	21,519
	<u>6,436</u>	<u>21,519</u>
Selling and distribution expenses		
Advertising and marketing	379,253	6,394
Website	7,677	19,912
	<u>386,930</u>	<u>26,306</u>
Administration expenses		
Audit and tax fees	177,254	78,276
Consulting fees	755,196	323,295
Depreciation and amortisation	173,113	107,517
Director and employee expenses	1,630,762	1,075,514
Donation expenses (i)	692,606	-
Investor relations	50,249	50,728
Accounting, ASX & ASIC Fees	269,677	98,629
Legal fees	179,792	123,234
Licence fees	98,316	67,244
Office rental	69,413	45,081
Travel expenses	246,034	75,817
Sundry expenses	82,528	87,941
	<u>4,424,940</u>	<u>2,133,276</u>
Research costs		
Research costs	760,818	53,220
	<u>760,818</u>	<u>53,220</u>
Finance income/expenses		
Finance income	(32,756)	(7,059)
Finance costs	13,706	5,716
	<u>(19,050)</u>	<u>(1,343)</u>

(i) Donation expense relates to a contribution made to a university to support research and academic collaboration relevant to the Company's operations.

7. SHARE BASED PAYMENT

	2025	2024
	\$	\$
Performance rights expensed	1,621,758	367,959
Performance rights lapsed	(199,868)	(113,812)
Option expense recognised	-	281,700
Share expense recognised	-	131,110
	<u>1,421,890</u>	<u>666,957</u>

Notes to the Financial Statements

(a) Share Options

Options on issue:

At 31 December 2025, unissued ordinary shares of the Company under options were:

Terms of Options	Number on Issue
Listed options with an exercise price of \$0.045 on or before 09 May 2027	68,809,678
Unlisted options with an exercise price of \$0.020 on or before 27 January 2026	9,500,000
Unlisted options with an exercise price of \$0.025 on or before 06 January 2030	5,000,000
Unlisted options with an exercise price of \$0.035 on or before 06 January 2030	5,000,000
Unlisted options with an exercise price of \$0.050 on or before 31 December 2026	93,446,958
Unlisted options with an exercise price of \$0.100 on or before 20 August 2028	5,000,000
Unlisted options with an exercise price of \$0.025 on or before 30 January 2027	23,352,940
Unlisted options with an exercise price of \$0.025 on or before 14 February 2027	12,352,941
Total	222,462,517

Weighted average exercise prices:

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued as compensation during 2025 and 2024:

	2025 No	2025 Weighted average exercise price	2024 No	2024 Weighted average exercise price
Outstanding at the beginning of the year	128,756,794	2.7 cents	93,961,546	2.4 cents
Granted during the year (i)	180,348,140	4.8 cents	49,795,248	2.8 cents
Exercised during the year	71,794,333	2.7 cents	-	-
Expired during the year	14,848,084	4.0 cents	15,000,000	2.5 cents
Outstanding at the end of the year	222,462,517	4.3 cents	128,756,794	2.7 cents
Exercisable at the end of the year	222,462,517	4.3 cents	128,756,794	2.7 cents

(i) The options issued during the 2025 financial year were free attaching options issued as part of capital raisings. As no services were received in exchange, no share-based payment expense was recognised and there was no impact on the Statement of Changes in Equity (SOCIE).

(b) Performance Rights

The following table details the number and weighted average grant fair value at grant date of Performance Rights outstanding at the period end.

The table below shows the number of Performance Rights granted, converted and forfeited during the year.

	Balance at start of year	Granted	Converted (5)	Forfeited	Balance at end of year
Directors					
Dr David Pevcic (1)	36,625,000	-	30,000,000	1,625,000	5,000,000
Mr Alfred Chong (2)	12,637,500	-	5,000,000	1,937,500	5,700,000
Mr Steven Apredaile (3)	8,070,000	-	2,040,000	1,000,000	5,030,000
Dr Michael Winlo	5,540,000	-	2,040,000	3,500,000	-
Others					
Senior Management	-	22,500,000	-	-	22,500,000
Fullsand (4)	16,000,000	-	-	-	16,000,000
Total	78,872,500	22,500,000	39,080,000	8,062,500	54,230,000

Notes to the Financial Statements

- (1) As at 31 December 2025, the performance rights hurdles have not been met, as such 5,000,000 performance rights will lapse following the review of the audited report ended 31 December 2025.
- (2) As at 31 December 2025, the performance rights hurdles have not been met, as such 5,000,000 performance rights will lapse following the review of the audited report ended 31 December 2025.
- (3) As at 31 December 2025, the performance rights hurdles have not been met, as such 5,000,000 performance rights will lapse following the review of the audited report ended 31 December 2025.
- (4) As at 31 December 2025, the performance rights hurdles have not been met, as such 10,000,000 performance rights will lapse following the review of the audited report ended 31 December 2025.
- (5) During the year ended 31 December 2025, performance rights granted to Directors in 2024 vested following satisfaction of the applicable performance conditions. Upon vesting, a total of 39,080,000 fully paid ordinary shares were issued to Directors.

Grant date	Expiry date	Performance Hurdle	No.	Weighted average grant date fair value
23/12/2024	31/12/2025	(A)	10,000,000	\$0.0330
23/12/2024	31/12/2026	(B)	6,000,000	\$0.0330
31/05/2023	31/12/2025	(C)	15,000,000	\$0.0310
31/05/2025	14/04/2030	(D)	7,500,000	\$0.0250
31/05/2025	14/04/2030	(E)	7,500,000	\$0.0234
31/05/2025	14/04/2030	(F)	7,500,000	\$0.0460
20/06/2023	20/06/2030	(G)	730,000	\$0.0260
			54,230,000	\$0.0317

- (A) The Performance Rights shall vest upon the Company achieving \$1,000,000 USD in revenue solely generated from Fullveu Technologies (HK) Limited for 31 December 2025, as validated from the Company's audited or audit reviewed financial reports. As the performance hurdle was not met by the expiry date, this tranche will lapse following the review of the audited financial statements.
- (B) The Performance Rights shall vest upon the Company achieving \$2,500,000 USD in revenue solely generated from Fullveu Technologies (HK) Limited for 31 December 2026, as validated from the Company's audited or audit reviewed financial reports.
- (C) The Performance Rights shall vest upon the Company achieving \$15,000,000 of total consolidated sales revenue from all its product for 31 December 2025, as validated from the Company's audited or audit reviewed financial reports. As the performance hurdle was not met by the expiry date, this tranche will lapse following the review of the audited financial statements.
- (D) Performance Rights (which are convertible on a 1:1 basis into shares in the Company) upon the Company achieving a VWAP over 20 consecutive trading days of at least \$0.10
- (E) Performance Rights (which are convertible on a 1:1 basis into shares in the Company) upon the Company achieving a VWAP over 20 consecutive trading days of at least \$0.15
- (F) Performance Rights (which are convertible on a 1:1 basis into shares in the Company) upon the Company achieving a VWAP over 20 consecutive trading days of at least \$0.20
- (G) The Performance Rights shall vest upon completion of iPhone Series X production of at least 100,000 units, completion of the first three Android models of at least 100,000 units, and the participant remaining employed in June 2021.

Valuation of Performance Rights

The fair value of the services received in return for performance rights (PRs) granted are measured by reference to the fair value of the PRs granted. The fair value of the services is recognised as an expense on a straight-line basis over the vesting period and is determined by multiplying the fair value per PR by the number of PRs expected to vest.

The probability of achieving market performance conditions is incorporated into the determination of the fair value per PR. No adjustment is made to the expense for PRs that fail to meet the market condition. The number of PRs expected to vest based on achievement of operational conditions is adjusted over the vesting period in determining the expense to be recognised in the consolidated income statement. In order to convert PRs, the holders are required to be continually engaged with the Group at the time of achieving the performance hurdles.

In determining the fair value of PRs granted during the year ended 31 December 2025, the Company engaged

Notes to the Financial Statements

a third-party corporate finance consultant. For those PRs with market-based vesting conditions, the fair value calculation was completed using the Monte Carlo model.

Market Performance Rights Valuation

	Class D Performance Rights	Class E Performance Rights	Class F Performance Rights
Methodology	Monte Carlo	Monte Carlo	Monte Carlo
Iterations	100,000	100,000	100,000
Grant date	30-May-25	30-May-25	30-May-25
Expiry date	14-Apr-30	14-Apr-30	14-Apr-30
Share price at grant date (\$)	0.048	0.048	0.048
Exercise price (\$)	nil	nil	nil
VWAP hurdle (\$)	0.10	0.15	0.20
Risk-free rate (%)	3.485	3.485	3.485
Volatility (%)	90	90	90
Fair value per Performance Right (\$)	0.0432	0.0397	0.0344

The total value of the Class D Performance Rights is \$411,417 and the value has been derived using the Monte Carlo Model. The cost of \$56,172 has been expensed in the period to 31 December 2025.

The total value of the Class E Performance Rights is \$374,973 and the value has been derived using the Monte Carlo Model. The cost of \$51,562 has been expensed in the period to 31 December 2025.

The total value of the Class F Performance Rights is \$327,699 and the value has been derived using the Monte Carlo Model. The cost of \$44,731 has been expensed in the period to 31 December 2025.

(c) Shares

The following table details the number of shares issued during the period.

	Number Issued	Date of Issue	Share Price at Grant Date	Total Value at Grant Date	Expensed During The Period
62 Capital corporate advisory	5,000,000	03 Jan 25	\$0.046	\$230,000	\$205,740
Pitt Street corporate advisory	2,200,000	03 Jan 25	\$0.046	\$101,200	\$79,851

8. INCOME TAX

(a) Income tax recognised in profit/loss

No income tax is payable by the Company as it recorded a loss for income tax purposes for the period.

(b) Numerical reconciliation between income tax expense and the loss before income tax.

Notes to the Financial Statements

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2025	2024
	\$	\$
Accounting loss before tax	(7,601,225)	(2,846,367)
Income tax expense calculated at 30.0% (2024: 30.0%) ⁽ⁱ⁾	(2,280,368)	(853,910)
Non-deductible expenses	674,960	194,120
Tax losses for which no deferred tax asset was recognised	1,038,570	715,251
Other deferred tax assets and tax liabilities not recognised	72,620	(55,461)
Effect of tax rates of subsidiaries in different jurisdictions	494,218	-
Income tax expense	-	-

(c) Unrecognised deferred tax balances

Deferred tax assets comprise:

	\$	\$
Losses available for offset against future taxable income	4,532,799	5,390,256
Blackhole expenditure	138,492	30,815
Accrued expenses	36,340	23,484
Employee entitlements	2,826	4,556
Superannuation payable	288	819
Other	413	185
Deferred tax assets not recognised	(4,711,158)	(5,450,115)
	-	-

Deferred tax liabilities comprise:

Prepayments	-	(150,675)
FX gains	(294)	-
Deferred tax liabilities not recognised	294	150,675
	-	-

(i) Reflects the tax rate of the Company. The corporate tax rate in Singapore is 17%.

9. CASH AND CASH EQUIVALENTS

	2025	2024
	\$	\$
Cash at bank	1,807,712	98,303
Restricted cash	-	400,000
	1,807,712	498,303

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(a) Reconciliation to the Statement of Cash Flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank.

Cash and cash equivalents as shown in the statement of cash flows are reconciled to the related items in the balance sheet as follows:

	2025	2024
	\$	\$
Cash and cash equivalents	1,807,712	498,303

Notes to the Financial Statements

(b) Reconciliation of loss after income tax to net cash flows from operating activities:

	2025	2024
	\$	\$
Loss for the year	(7,601,225)	(2,846,367)
Non cash flow items in loss for the year:		
- Depreciation and amortisation	32,643	34,074
- Share based payment	1,421,890	666,957
- Leased Asset	(4,246)	73,371
- Foreign currency difference	-	5,604
Changes in operating assets and liabilities:		
- (Decrease) in other assets	(28,337)	(224,697)
- Increase in trade and other payables	482,132	185,799
- (Decrease) / increase in contract liability	(142,291)	259,897
- (Decrease) in intangibles	(7,833)	-
- Increase in provisions	1,429	2,872
Cash flow used in operating activities	<u>(5,845,838)</u>	<u>(1,842,490)</u>

10. CONTRACT LIABILITY

	2025	2024
	\$	\$
At the beginning of the reporting period	311,488	51,549
Less recognized in revenue	266,311	-
Cash advanced from customers	45,177	259,939
	<u>169,196</u>	<u>311,488</u>

11. PREPAYMENTS

	2025	2024
	\$	\$
Trade Prepayments	385,118	470,754
Other Prepayments	69,613	12,243
	<u>454,731</u>	<u>482,997</u>

12. TRADE AND OTHER PAYABLES

	2025	2024
	\$	\$
Trade payables	825,887	434,624
Accrued expenses	156,403	68,856
Other current liabilities	22,698	26,481
	<u>1,004,988</u>	<u>529,961</u>

13. INTANGIBLE ASSETS

	2025	2024
	\$	\$
Intangible assets – EMASS acquisition	10,492,474	-
Intangible assets - others	7,833	-
	<u>10,500,307</u>	<u>-</u>

Notes to the Financial Statements

	2025	2024
	\$	\$
At the beginning of the reporting period	-	-
Additions on acquisition	10,494,944	-
Additions on R&D capitalisation	7,833	-
At reporting date	10,500,307	-

Acquisition of Embedded A.I. Systems Pte Ltd (EMASS)

On 18 March 2025, the Company completed the acquisition of 100% of the issued shares of Embedded A.I. Systems Pte Ltd (EMASS), a Singapore-based developer of ultra-low power edge AI System-on-Chip (SoC) technology. EMASS was assessed as not being a business and the acquisition has been accounted for as an asset acquisition. As the consideration consisted of shares and performance rights, the principles of AASB 2 Share Based Payments have been applied.

Consideration Structure

The acquisition consideration comprised:

- 172,413,793 in ordinary shares, issued at a market price on transaction date of \$0.053 per share, and
- 83,333,333 performance rights, subject to non-market vesting conditions.

Net tangible liability acquired amounted to SGD \$16,986 (~AUD \$20,308). As the transaction has been accounted for as an asset acquisition, the total consideration transferred has been allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values. No goodwill has been recognised.

Component	Units	Valuation Basis	AUD
Ordinary shares	172,413,793	\$0.053 per share (arms-length negotiation)	\$9,137,931
Performance rights (non-market)	83,333,333	Refer to the valuation of A-C Performance Rights in Note 7	\$1,334,235
		Total consideration transferred	\$10,472,166
Net other liabilities acquired	–	SGD \$16,986 (~AUD \$20,308)	(\$20,308)
Identifiable intangible assets recognised	–	–	\$10,492,474
		Total net asset acquired	\$10,472,166

Accounting Treatment – AASB 2 Share-based Payment

The fair value of the acquired asset was unable to be reliably estimated and therefore as the consideration was provided in the form of equity instruments (ordinary shares and performance rights), the fair value of the instruments issued was used to measure the cost of the asset acquired.

- Fair Value of Consideration Shares: \$9,137,931, based on a market price on transaction date of 5.3 cents per share, negotiated at arm's length between unrelated parties.
- Performance Rights: These relate to three tranches (Class A, B, and C), each subject to non-market vesting conditions, including technical completion, patent development, and revenue milestones. Each right converts into a number of shares based on a VWAP-based market conversion formula, where the

Notes to the Financial Statements

number of shares is calculated as \$0.06 divided by the higher of the 20-day VWAP prior to milestone achievement or \$0.06.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value, and the company does not have a limited amount of authorised capital.

An independent valuation of the performance rights was performed by an external valuer, using a Monte Carlo simulation to capture the market-linked conversion mechanism. The total fair value of the performance rights was assessed at \$1,334,235 (i.e. \$444,745 per tranche). Management concluded that, in aggregate, vesting was more likely than not (>50%), and thus the full fair value of \$1,334,235 was recognised as part of the consideration for the asset acquisition.

Performance Milestones

The 83,333,333 performance rights vest upon the achievement of three milestone conditions:

- Class A: Completion of ECS-DoT based migration of the AI engine, meeting specified power/performance criteria.
- Class B: Filing and approval (or amendment) of patents related to Nanoveu's AI-driven 2D-to-3D SoC conversion algorithm.
- Class C: Execution of binding sales contracts resulting in \$1 million cumulative revenue over a 12-month period.

All milestones must be met prior to expiry on 18 March 2030.

Accounting policy for intangible assets

Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of the asset, which reflects the pattern in which the asset's future economic benefits are expected to be consumed.

The principal useful lives applied are as follows:

- Acquired intellectual property: 5–10 years
- Capitalised development costs: 5 years

Amortisation commences when the asset is available for use. Intangible assets not yet available for use are not amortised and are tested annually for impairment in accordance with AASB 136.

Indefinite life intangible assets are not amortised and are tested annually for impairment. In the year ended 31 December 2025 the recoverable amount of the EMASS acquired intangible assets was estimated using the fair value less costs to sell approach. With the fair value estimated based on the transaction price between two third parties negotiated on an arms length basis. The useful lives and amortisation methods are reviewed at least annually.

14. LOAN RECEIVABLE

Interest Free Loan to Hongtai Sheng (HK) Technology Co. Ltd

The Company has provided an unsecured, interest-free loan of up to US\$350,000 to Hongtai Sheng (HK) Technology Co. Ltd, classified as a financial asset at amortised cost under AASB 9.

As at 31 December 2025, US\$330,000 has been provided, with the remaining balance to be drawn over time. The loan was initially recognised at fair value, determined by discounting the contractual cash flows using a market-equivalent interest rate of 6%, with the difference recognised as an expense. Interest income is recognised over the loan term, which matures on 31 July 2026, using the effective interest method, and the full loan amount is expected to be repaid at maturity.

Notes to the Financial Statements

15. ISSUED CAPITAL

	2025	2024
	\$	\$
Paid up capital – ordinary shares	41,365,082	23,527,372
Capital raising costs	(1,987,391)	(1,576,085)
	<u>39,377,691</u>	<u>21,951,287</u>

	2025	2024
	\$	\$
987,087,553 (2024: 507,565,049) fully paid ordinary shares	39,377,691	22,351,287
At the beginning of the reporting period	21,951,287	19,718,290
Issue of shares – cash received	8,283,078	2,210,346
Issue of shares – loan conversion	-	150,000
Issue of shares – EMASS acquisition	9,137,932	-
Issue of shares – share based payments	416,700	-
Less share issue costs	(411,306)	(127,349)
At reporting date	<u>39,377,691</u>	<u>21,951,287</u>

	No. of shares	No. of shares
At the beginning of the reporting period	507,565,049	401,577,967
Issue of shares – cap raise	256,888,711	90,987,082
Issue of shares – performance rights conversion	40,080,000	-
Issue of shares – loan conversion	-	15,000,000
Issue of shares – EMASS acquisition	172,413,793	-
Issue of shares – share based payments	10,140,000	-
At reporting date	<u>987,087,553</u>	<u>507,565,049</u>

16. RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Parent entity

Nanoveu Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 19

Key management personnel

Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

The Group's related parties are as follows:

(i) Key management personnel ('KMP'):

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that Group are considered key management personnel. For details of remuneration disclosures relating to key management personnel, refer to Note 17.

Other transactions with KMP and their related entities are shown below.

Notes to the Financial Statements

- (ii) Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members. Refer to Note 17.
- (iii) Apart from reimbursements for expenses paid on behalf of the Group, director and fees paid directly or indirectly to director related entities, there were no transactions or balances with KMP during the years ended 31 December 2025.

17. KEY MANAGEMENT PERSONNEL

	2025	2024
	\$	\$
<i>Key management personnel:</i>		
Short-term employee benefits	650,317	422,988
Superannuation & CPF	18,111	17,391
Share-based payments	988,257	151,247
Non-monetary benefits – directors' and officers' insurance	26,882	25,044
	<u>1,683,567</u>	<u>616,670</u>
<i>Other related parties⁽¹⁾</i>		
Short-term employee benefits	105,725	88,948
Superannuation & CPF	16,343	15,125
Other expense reimbursement	-	31,775
	<u>122,068</u>	<u>135,848</u>
Total	<u>1,805,635</u>	<u>752,518</u>

Please see the Remuneration Report for further details.

- (1) Other related parties represent amounts paid to close family members of key management personnel for services provided to the Group on arm's length terms and in accordance with the Group's related party policies.

18. PARENT ENTITY INFORMATION

(a) Information relating to Nanoveu Limited

	2025	2024
	\$	\$
Current assets	1,530,482	408,219
Non-current assets	138,634	-
Total assets	<u>1,669,116</u>	<u>408,219</u>
Current liabilities	431,852	467,738
Non-current liabilities	71,891	-
Total liabilities	<u>503,743</u>	<u>467,738</u>
Net assets	<u>1,165,373</u>	<u>(59,519)</u>
Contributed equity	38,592,680	21,773,227
Reserves	2,977	1,505,059
Accumulated losses	(40,403,660)	(23,337,805)
Total shareholders' equity	<u>1,165,373</u>	<u>(59,519)</u>
Loss for the parent entity	(19,367,429)	(3,021,250)
Total comprehensive loss of the parent entity	<u>(19,367,429)</u>	<u>(3,021,250)</u>

(b) Guarantees

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries. As at 31 December 2025 the parent entity had no contingent liabilities.

Notes to the Financial Statements

(c) Commitments

Commitments of the Company as at reporting date are disclosed in note 20 to the financial statements.

19. Subsidiaries

The consolidated financial statements include the financial statements of Nanoveu Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	% Equity interest 2025	% Equity interest 2024
Nanoveu Pte Ltd	Singapore	100%	100%
Nanoveu Sdn Bhd	Malaysia	100%	100%
Fullveu Technology (HK) Ltd	Hong Kong, China	51%	51%
Nanoveu EMASS Pty Ltd	Australia	100%	0%
Embedded A.I. Systems Pte Ltd	Singapore	100%	0%
Embedded A.I. Systems Inc	USA	100%	0%

Summarised financial information

Summarised financial information of the subsidiary with non-controlling interests that are material to the consolidated entity are set out below:

Fullveu Technology (HK) Ltd

	2025	2024
<i>Summarised statement of financial position</i>		
Current assets	55,573	133
Non-current assets	389,361	258,664
Total assets	444,934	258,797
Current liabilities	50,271	7,803
Non-current liabilities	747,928	331,109
Total liabilities	798,199	338,912
Net assets	(353,266)	(80,115)
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue	0	0
Expenses	(288,264)	(74,810)
Loss before income tax expense	(288,264)	(74,810)
Income tax expense	0	0
Loss after income tax expense	(288,264)	(74,810)
Other comprehensive income / loss	9,808	(5,305)
Total comprehensive loss	(278,456)	(80,115)
<i>Other financial information</i>		
Loss attributable to non-controlling interests	141,249	36,657
Accumulated non-controlling interests at the end of reporting period	177,906	36,657

20. COMMITMENTS

The Group does not have any commitments not disclosed elsewhere in these financial statements.

Notes to the Financial Statements

21. FINANCIAL RISK MANAGEMENT

The Group's financial situation is not complex. Its activities may expose it to a variety of financial risks in the future: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. At that stage the Group's overall risk management program will focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the Group.

The Group holds the following financial assets and liabilities:

	2025 \$	2024 \$
Financial Assets		
Cash and cash equivalents	1,807,712	498,303
Trade and other receivables	465,965	495,596
	2,273,677	993,899
Financial Liabilities		
Trade and other payables	1,004,988	841,448
Lease liability	136,059	6,334
	1,141,047	847,782

(a) Market risk

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from cash and cash deposits. Deposits at variable rates expose the Group to cash flow interest rate risk. Deposits at fixed rates expose the Group to fair value interest rate risk. During the period, the Group's deposits at variable rates were denominated in Australian and Singaporean Dollars. The Group does not use derivatives to mitigate these exposures.

As at the reporting date, the Group had the following variable rate deposits and there were no interest rate swap contracts outstanding:

	2025 weighted average interest rate %	2025 Balance \$	2024 weighted average interest rate %	2024 Balance \$
Cash and cash equivalents	0.01%	1,807,712	0.01%	498,303
Net exposure to cash flow interest rate risk		1,807,712		498,303

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in high bearing accounts.

Sensitivity

During the period, if interest rates had been 50 basis points higher or lower than the prevailing rates realised, with all other variables held constant, there would be an immaterial change in post-tax profit for the year.

Foreign Exchange Risk Management

The Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the transacting entity's functional currency. The legal parent, Nanoveu Limited, holds cash balances in AUD. As a result of this, the Group's statement of financial position can be affected by movements in the USD/AUD and SGD/AUD exchange rate when translating to the USD and SGD functional currency.

In respect of other monetary assets and liabilities denominated in foreign currencies (AUD), the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Notes to the Financial Statements

As at 31 December 2025, the Group's exposure to foreign currency risk is not considered material and therefore no sensitivity analysis has been presented.

(b) Credit risk

The Group has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions, being major banks in Australia and Singapore.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. In relation to other credit risk areas management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

At the reporting date, there are no impaired trade receivables, and no trade receivables past due but not impaired.

The maximum exposure to credit risk at the reporting date is loan receivable from Hongtai Sheng (HTS).

In accordance with AASB 7, the Group has assessed the credit risk of its financial assets, particularly the loan receivable from Hongtai Sheng (HTS). The loan was initially recognized at fair value and discounted at 6%, with interest income recognized over time.

HTS's ability to meet its repayment obligations by 31 July 2026 has been evaluated based on its financial performance and profitability. Management has considered HTS's business operations, revenue streams, and historical margins, which indicate strong cash generation potential. Given HTS's strong financial performance and revenue streams, management considers the credit risk to be low, with no expected credit loss (ECL) provision required. The Group continuously monitors HTS's financial position and will reassess credit risk exposure as necessary.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group will aim at maintaining flexibility in funding by accessing appropriate committed credit lines available from different counterparties where appropriate and possible. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.

The carrying value of trade and other payables is deemed to represent contractual cash flows due to their short-term maturity. Other financial liabilities do not have significant contractual cash flows apart from their carrying amounts.

	Carrying Amount \$	Less than 6 months \$	6-12 months \$	More than 1 year \$
2025				
Trade and other payables	1,004,988	1,004,988	-	-
Lease liabilities	136,059	27,359	36,809	71,891
Total	1,141,047	1,032,347	36,809	71,891
	Carrying Amount \$	Less than 6 months \$	6-12 months \$	More than 1 year \$
2024				
Trade and other payables	529,961	529,961	-	-
Lease liabilities	6,333	6,333	-	-
Total	536,294	536,294	-	-

Notes to the Financial Statements

(d) Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Group consists of equity attributable to equity holders, comprising issued capital and accumulated losses.

The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

22. AUDITORS' REMUNERATION

	2025	2024
	\$	\$
Audit services - BDO		
- Auditing or reviewing the financial report;	90,750	74,651
	<u>90,750</u>	<u>74,651</u>

23. SIGNIFICANT EVENTS AFTER THE YEAR END

The following events occurred after the reporting date but before the financial statements were authorized for issue:

Capital Raising Settlement

On 27 January 2026, the Company completed and settled a strategic placement pursuant to which 83,863,637 fully paid ordinary shares were issued at an issue price of \$0.088 per share, raising \$7,500,000 before costs. The placement included one free-attaching option for every two new shares issued, with each option exercisable at \$0.15 and expiring three years from the date of issue.

An additional \$120,000 placement to directors remains subject to shareholder approval and will be completed following such approval.

Other than the matter disclosed above, no other significant events have occurred after the reporting date that require disclosure.

Completion of 16nm ECS-DoT Tape-out

Subsequent to year end, the Company completed tape-out of its next-generation 16nm ECS-DoT system-on-chip through its wholly owned subsidiary Embedded A.I. Systems Pte. Ltd. ("EMASS"). Following tape-out, semiconductor fabrication commenced at TSMC. The tape-out represents a key milestone in the Company's Edge AI semiconductor roadmap, transitioning the ECS-DoT program from design into production silicon.

Exclusive Evaluation Licence for Autonomous Drone Swarm Technologies

Subsequent to 31 December 2025, the Company announced that it had entered into an exclusive evaluation licence agreement with Nanyang Technological University, Singapore, with an option to convert to an exclusive worldwide licence, for four inventions in autonomous localisation and formation-control technologies applicable to multi-drone and robotic swarm systems. The licence supports integration with the Company's ECS-DoT platform and broader autonomy roadmap.

Notes to the Financial Statements

Consolidated Entity Disclosure Statement: 31 December 2025

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with the s295(3A)(vi) and (vii) of the Corporation Act 2001 for the financial year ended 31 December 2025. The CEDS includes the required information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Tax residency

Section 295(3B)(a) of the Corporations Act 2001 defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency: Current legislation and judicial precedent has been applied, including having regard for the Tax Commissioners public guidance

Foreign tax residency: Where appropriate, independent tax advisors have been engaged to assist in the determination of tax residency to ensure foreign tax legislations has been complied with.

Name	Entity Type	Incorporated/ Place Formed	Ownership interest %	Australian or foreign tax resident	Foreign Jurisdiction	Trustee, partner or participant in JV
Nanoveu Limited	Body Corporate	Australia	100%	Yes	n/a	-
Nanoveu Pte Ltd	Body Corporate	Singapore	100%	No	Singapore	-
Nanoveu Sdn Bhd	Body Corporate	Malaysia	100%	No	Malaysia	-
Fullveu Technology (HK) Ltd	Body Corporate	Hong Kong, China	51%	No	Hong Kong, China	Participant in JV
Nanoveu EMASS Pty Ltd	Body Corporate	Australia	100%	Yes	n/a	-
Embedded A.I. Systems Pte Ltd	Body Corporate	Singapore	100%	No	Singapore	-
Embedded AI Systems Inc	Body Corporate	USA	100%	No	USA	-

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Notes to the Financial Statements

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with Australian Accounting Standards as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial year ended on that date; and
- in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable having regard to the matter in note 2.3;
- the Consolidated Entity Disclosure Statement (CEDS) is true and correct in accordance with section 295(4)(da) of the Corporations Act 2001.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Alfred Chong

Managing Director and CEO

27 February 2026

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INDEPENDENT AUDITOR'S REPORT

To the members of Nanoveu Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nanoveu Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- i) Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Acquisition of Embedded A.I. Systems Pte Ltd (“EMASS”)

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 13 of the financial statements during the year, Nanoveu Limited (Nanoveu) acquired semiconductor related intangibles assets held by Embedded AI Systems Pte Ltd (EMASS) in exchange for consideration of 172,413,793 Ordinary shares and 83,333,333 Performance Rights. This was a significant transaction for Nanoveu and there were a number of issues that arose from this transaction. These included:</p> <ul style="list-style-type: none"> • Consideration of whether EMASS constitutes a business. With this assessment requiring judgement in applying the requirements of AASB 3 Business Combinations. • Fair value of the Assets acquired - The determination of the fair value of assets acquired. There is a rebuttable presumption that share-based payments are valued based on the fair value of assets acquired. • Recognition of the intangible asset in accordance with the requirements of AASB 138 Intangible Assets. <p>Due to the judgement involved in accounting for and the significance of this transaction to the financial position of the Group we have assessed that it is a Key Audit Matter.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Assessing management’s position as to whether the transaction should be accounted for as an asset acquisition or business combination including the consideration of the ‘concentration test’ as prescribed under AASB 3 Business Combinations; • Considering who was the acquirer in the transaction; • Reviewing relevant agreements to obtain an understanding of the contractual terms and conditions of the acquisition transaction; • Assessing management’s valuation of the intangible asset; • Evaluating the initial recognition of the intangible asset in accordance with AASB 138 Intangible Assets; • Consultations with internal accounting specialists in relation to management’s position on the accounting treatment of the acquisition transaction and • Reviewing the related disclosures in Note 13 of the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 31 December 2025 but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 19 of the directors' report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Nanoveu Limited, for the year ended 31 December 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO


Jackson Wheeler

Director

Perth, 27 February 2026

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 23 February 2026.

Ordinary Shareholders

(a) Distribution of equity securities

The number of security holders by size of holding in each class are:

	Holders	Total Units	% Issued Share Capital
1 - 1,000	45	7,534	0.00%
1,001 - 5,000	51	201,431	0.02%
5,001 - 10,000	337	2,728,778	0.25%
10,001 - 100,000	1,086	47,101,689	4.36%
> 100,000	763	1,030,411,758	95.37%
Totals	2,282	1,080,451,190	100.00%

(b) Twenty largest holders of quoted equity securities

Ref	Holder Name	Holding	%
1	MOHAMED MOSTAFA SABRY ALY	102,936,352	9.53%
2	MR BILAL AHMAD	49,275,000	4.56%
3	BNP PARIBAS NOMINEES PTY LTD <UOBKH R'MIERS>	47,388,930	4.39%
4	NORHAFIZAH BINTE HUD	42,424,654	3.93%
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	41,879,434	3.88%
6	MRS IFRAH NISHAT	32,500,000	3.01%
7	KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C>	32,400,000	3.00%
8	MR SUFIAN AHMAD	31,406,818	2.91%
9	DAVID PEVCIC	30,000,000	2.78%
10	DR ROSAMUND JULIAN BANYARD & MR PHILLIP STANLEY HOLTEN <R BANYARD SUPER FUND A/C>	22,000,000	2.04%
11	ORIGGIN VENTURES PTE LTD	21,014,345	1.95%
12	CITICORP NOMINEES PTY LIMITED	15,425,274	1.43%
13	MR DAVID DOMINIC PEVCIC	14,557,434	1.35%
14	DAVID DOMINIC PEVCIC	11,538,462	1.07%
15	MR PHILLIP STANLEY HOLTEN	10,261,920	0.95%
16	MR MORGAN J MCINNES	10,000,000	0.93%
17	CLAYTON CAPITAL PTY LTD	9,317,742	0.86%
18	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	8,895,750	0.82%
19	MR SUFIAN AHMAD <SIXTY TWO CAPITAL A/C>	7,884,615	0.73%
20	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,562,891	0.70%
	Total	548,669,62	50.78%
	Total issued capital - selected security class(es)	1,080,451,190	100.00%

Voting Rights

Each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands. Every person who is a member or a representative or a proxy of a member shall have one vote and on a poll every member present in person or by proxy or attorney or other authorised representative shall have one vote for each share held.

ASX ADDITIONAL INFORMATION

(c) Unmarketable parcels

There were 220 holders, with a total shareholding of 939,366 ordinary shares, of less than a marketable parcel of ordinary shares.

(d) Substantial shareholders

The names of the substantial shareholders disclosed to the Company as substantial shareholders are:

Ordinary shareholders

Holder Name	Number	%
Mohamed Mostafa Sabry Aly	102,936,352	9.53%
David Dominic Pevcic	58,218,973	5.39%

(e) Share Buy-Backs

There is no current on-market buy-back scheme.

Listed options

The listed options of Nanoveu Limited under option are as follows:

Expiry Date	Exercise Price	Number of shares under option
09/05/2027	\$ 0.045	68,809,678

\$0.045, expiry 09 May 2027 listed options

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	2	2	-
above 1,000 up to and including 5,000	1	5,000	0.01%
above 5,000 up to and including 10,000	1	10,000	0.01%
above 10,000 up to and including 100,000	38	2,166,561	3.15%
above 100,000	54	66,628,115	96.83%
Totals	96	68,809,678	100.00%

No holder held 20% or more of the listed options as at 23 February 2026.

Unquoted Equity Securities

Options

The unissued ordinary shares of Nanoveu Limited under option are as follows:

Expiry Date	Exercise Price	Number of shares under option
31/12/2026	\$ 0.050	93,446,958
30/01/2027	\$ 0.025	23,352,940
14/02/2027	\$ 0.025	12,352,941
20/08/2028	\$ 0.100	5,000,000
27/01/2029	\$ 0.150	56,931,835
06/01/2030	\$ 0.025	5,000,000
06/01/2030	\$ 0.035	5,000,000
		269,894,352

Unlisted options do not carry any voting rights

ASX ADDITIONAL INFORMATION

Distribution of Option Holders

\$0.050, expiry 31 December 2026 unlisted options

Holding Ranges	 Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	3	296,153	0.32%
above 100,000	26	93,150,805	99.68%
Totals	29	93,446,958	100.00%

No holder held 20% or more of the listed options as at 23 February 2026.

\$0.025, expiry 30 January 2027 unlisted options

Holding Ranges	 Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	6	23,352,940	100.00%
Totals	6	23,352,940	100.00%

Holders of greater than 20% or more of these unlisted options are as follows:

- Sufian Ahmad 4,823,529
- Fadi Diab 7,352,941

\$0.025, expiry 14 February 2027 unlisted options

Holding Ranges	 Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	4	12,352,941	100.00%
Totals	4	12,352,941	100.00%

Holders of greater than 20% or more of these unlisted options are as follows:

- Agha Shahzad Pervez 4,705,883

\$0.10, expiry 20 August 2028 unlisted options

Holding Ranges	 Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	2	5,000,000	100.00%
Totals	2	5,000,000	100.00%

Holders of greater than 20% or more of these unlisted options are as follows:

- Sufian Ahmad 2,500,000
- Evolution Capital Pty Ltd 2,500,000

ASX ADDITIONAL INFORMATION

\$0.15, expiry 27 January 2029 unlisted options

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	1	3,552	0.01%
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	50	2,662,116	4.68%
above 100,000	56	54,266,167	95.32%
Totals	107	56,931,835	100.00%

No holder held 20% or more of the listed options as at 23 February 2026.

\$0.025, expiry 06 January 2030 unlisted options

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	1	5,000,000	100.00%
Totals	1	5,000,000	100.00%

Holders of greater than 20% or more of these unlisted options are as follows:

- Sufian Ahmad 5,000,000

\$0.035, expiry 06 January 2030 unlisted options

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	1	5,000,000	100.00%
Totals	1	5,000,000	100.00%

Holders of greater than 20% or more of these unlisted options are as follows:

- Sufian Ahmad 5,000,000

Performance Rights

The Company has a total of 118,010,833 Performance Rights on issue. Performance Rights do not carry any voting rights.

Analysis of number of the performance rights holders by size of holding:

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	2	42,000	0.03%
above 100,000	14	137,968,833	99.97%
Totals	16	138,010,833	100.00%

ASX ADDITIONAL INFORMATION

Holders of greater than 20% or more of these unlisted rights are as follows:

- Dr Mohamed Mostafa Sabry Aly 49,752,570

The Performance Rights may be exercised (unless expired or lapsed) if the Performance Criteria have been met within the Performance Period or in limited other circumstances as set out in the Rule

Other Information

Nanoveu Limited, incorporated and domiciled in Australia, is a public listed Company limited by shares

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