

# 2020

## SINGULUS TECHNOLOGIES

Innovations for New Technologies



## REPORT FOR THE 1<sup>ST</sup> QUARTER

Interim Report as of March 31, 2020  
(unaudited)

SINGULUS 

## Interim Report Q1 2020

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## Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

- *Sales and EBIT lower than expected*
- *Gross margin weak due to low business volumes*
- *Conclusion of CIGS solar contracts increases order intake*
- *Short-time labor from April and voluntary salary cut*
- *Outlook for the business year 2020 impossible due to COVID-19 pandemic*

Sales for the SINGULUS TECHNOLOGIES Group (SINGULUS TECHNOLOGIES) amounting to € 10.9 million in the quarter under review in 2020 fell significantly short of the prior-year level of € 20.8 million. In the first three months of the business year 2019 a low gross margin in the amount of 8.4 % (previous year: 31.1 %) was achieved. Consequently, the earnings before interest and taxes (EBIT) were negative at € -5.8 million (previous year: € 1.1 million). The EBITDA of € -4.8 million was also below the prior-year level (€ 2.0 million). Overall, the key results are mainly impacted by the low order backlog as of the end of the year. In addition, the COVID-19 pandemic in the core sales market China already had a very severe impact at the beginning of the year.

The order intake in the first quarter 2020 came to € 63.6 million, above the previous year's level of € 11.8 million. On January 15, 2020, SINGULUS TECHNOLOGIES had signed contracts with a subsidiary of the China National Building Materials Group (CNBM), Beijing, China, for the delivery of machines for the production of CIGS solar modules for the site in Xuzhou, China. The order volume for the planned factory in the city of Xuzhou exceeds € 50 million in the first expansion stage. The order backlog of € 79.0 million (March 31, 2019: € 57.0 million) was also above the prior-year level. The level of cash and cash equivalents in the first quarter 2020 amounted to € 14.0 million (December 31, 2019: € 14.8 million).

The headcount within the SINGULUS TECHNOLOGIES Group remained at a constant level of 354 employees as of March 31, 2020 (December 31, 2019: 351 employees).

The spread of the SARS-COV-2 virus and the resulting restrictions of private and business lives are felt all over the world. The impact of the pandemic on the development of the global economy is more severe than expected. Overall, the COVID-19 pandemic burdens all of the company's segments at SINGULUS TECHNOLOGIES. For this reason the company has applied the instrument of short-term labor compensation for the two German sites in Kahl am Main and in Fürstfeldbruck from April 1, 2020. As a sign of solidarity to the entire staff, the Supervisory Board, the Executive Board and the management have agreed to waive 20 % of their monthly fixed salaries for three months.

### Solar Segment

According to the analyses by IHS Markit as of the beginning of 2020, the photovoltaics increase for the year 2020 should amount to a growth rate of 14 % to then 142 GW newly installed photovoltaic output. It is expected that the markets outside of China will once again gain importance and that two thirds of the newly installed photovoltaics output will be attributable to these regions. The analysts from Bloomberg New Energy Finance (Bloomberg NEF) reduced their outlook at the beginning of March 2020 due to the current crisis caused by the COVID-19 pandemic. They currently anticipate a globally new installed output between 108 and 143 GW in the current business year.

From the company's perspective the general framework conditions are thus in favor of long-term growth in the photovoltaics industry. In the coming years, SINGULUS TECHNOLOGIES will focus on the specialized markets

for thin-film based solar modules (e.g. CIGS) and the new crystalline, high-performance solar cells (e.g. HJT) and will focus its sales efforts on these applications.

In particular the customer CNBM receives a high level of importance with a planned expansion of 6 GW production capacity for CIGS solar modules. In the area of the new high-performance solar cells such as heterojunction (HJT) SINGULUS TECHNOLOGIES has developed its own machines for the cell production. In addition to the machines of the SILEX II type for the wet-chemical treatment of cells, this in particular concerns the new GENERIS PVD vacuum coating machines for cathode sputtering. The company's goal is to firmly establish itself as a technologic leader with its machines for the key process steps used in the production of highly efficient cells.

#### **Life Science Segment**

In this segment SINGULUS TECHNOLOGIES combined the new product solutions for Medical Technology, Decorative Coatings as well as machine and service solutions of the work area Data Storage.

For medical technology SINGULUS TECHNOLOGIES offers production machines for wet-chemical processes as well as various methods of vacuum coating technology. The company meets the high requirements of medical technologies with regards to characteristics and functionality and thus to the quality of the products as well as the required production and handling processes.

In the context of application for medical technology the company is mainly active in the market for production machines for contact lenses. This focus will be further continued in the current business year. According to research studies the global market for contact lenses should grow annually by 5.4 % until 2021 and thus offer a favorable outlook.

The developments and market opportunities in the work area Decorative Coatings are mainly characterized by the factors environmental friendliness, sustainability and cost savings in the process of manufacturing 3-dimensional components. With the machines of the POLYCOATER and the DECOLINE II type the chrome (VI)-free coating of parts for various application areas becomes possible and the use of galvanics becomes obsolete. In addition to applications in the cosmetics sector, such processes can also be used by supplier companies to the automotive industry for components in chrome appearance for control elements such as push buttons and levers for switches. SINGULUS TECHNOLOGIES is focused on these markets with its products.

In the work area Data Storage the service and replacement part activities shadows the declining trend of optical storage media. New applications in the area of data storage technology will remain a niche market.

#### **Semiconductor Segment**

In the semiconductor market SINGULUS TECHNOLOGIES supplies a niche with special applications such as sensory technology or the application of ultra-thin metallic coating systems and is thus decoupled from the investment cycles of the global semiconductor market. The company manufactures the machine systems TIMARIS and ROTARIS in the area of vacuum machines and on those existing platforms the respective modified manufacturing systems are marketed. Due to the existing competence for wet-chemical manufacturing processes these machines are also offered for the cleaning and etching of semiconductors, MEMS and other electronic parts.

## Key Financial Figures

### Order intake and order backlog

The order intake at SINGULUS TECHNOLOGIES in the first quarter 2020 came to € 63.6 million (previous year: € 11.8 million). Accordingly, the Group records an order backlog in the amount of € 79.0 million as of March 31, 2020 (previous year: € 57.0 million).

### Sales and earnings

Sales of € 10.9 million in the 1<sup>st</sup> quarter 2020 were significantly lower than the € 20.8 million achieved in the previous year. Sales are split into € 4.6 million in the Solar segment (previous year: € 13.9 million), Life Science at € 5.1 million (previous year: € 6.0 million) and Semiconductor at € 1.2 million (previous year: € 0.9 million).

The regional percentage breakdown of sales in the first quarter 2020 was as follows:

- Europe 55.0 % (previous year: 12.5 %)
- Asia 29.4 % (previous year: 66.8 %)
- North and South America 15.6 % (previous year: 20.7 %)
- Africa and Australia 0.0 % (previous year: 0.0 %)

In the first three months of the business year 2020 a gross margin in the amount of 8.4 % (previous year: 31.1 %) was achieved. This financial key metric was mainly burdened in the period under review by the high degree of under-utilization of the factories in Kahl am Main as well as in Fürstfeldbruck. The gross profit from sales amounted to € 0.9 million in the quarter under review (previous year: € 6.4 million). The total of the operating expenses amounted to € 6.7 million during the period under review and were thus above the prior-year level of € 5.3 million. Overall, in the first quarter 2020 earnings before interest and taxes (EBIT) in the amount of € -5.8 million were significantly below the prior-year level of € 1.1 million.

### Balance sheet and liquidity

In the period under review the short-term assets totaled € 49.6 million (December 31, 2019: € 51.5 million). The reason is mainly the decline in accounts receivable to € 3.1 million (December 31, 2019: € 5.8 million).

The long-term assets amounted to € 31.9 million as of March 31, 2020, around the level of the prior year (December 31, 2019: € 32.2 million).

Segment Reporting from January 1 to March 31, 2020 and 2019	Solar Segment		Life Science Segment		Semiconductor Segment		SINGULUS TECHNOLOGIES Group	
	2020 million €	2019 million €	2020 million €	2019 million €	2020 million €	2019 million €	2020 million €	2019 million €
<b>Sales (gross)</b>	4.6	13.9	5.1	6.0	1.2	0.9	10.9	20.8
Sales deduction and individual selling expenses	0.0	0.0	-0.2	-0.2	0.0	0.0	-0.2	-0.2
<b>Sales (net)</b>	4.6	13.9	4.9	5.8	1.2	0.9	10.7	20.6
Write-offs and amortization	-0.7	-0.7	-0.3	-0.2	0.0	0.0	-1.0	-0.9
<b>Operating result (EBIT)</b>	-5.6	1.0	0.5	0.4	-0.7	-0.3	-5.8	1.1
Financial result							-0.6	-0.6
Earnings before taxes							-6.4	0.5

The short-term debt increased compared with the level at the end of 2019 and amounted to € 42.6 million as of March 31, 2020 (December 31, 2019: € 38.2 million). Here, receivables from production orders increased by € 9.0 million to € 15.6 million (December 31, 2019: € 6.6 million) due to the receipt of prepayments for a major order from the Chinese customer CNBM. In this context, the accounts payable decreased by € 3.2 million to € 5.1 million (December 31, 2019: € 8.3 million) in connection with declining business activities of the company.

The long-term liabilities amounted to € 38.3 million as of March 31, 2020, around the level of the prior balance sheet date (December 31, 2019: € 38.5 million).

#### **Shareholders' equity**

The equity within the Group further declined by € 6.4 million due to the negative net income and amounted to € 0.6 million as of March 31, 2020, which is entirely attributable to the shareholders of the parent company (December 31, 2019: € 7.0 million).

#### **Cash flow**

In the first quarter of 2020 the operating cash flow in the Group was positive at € 1.3 million (previous year: € -9.1 million). During the period under review the company received the first prepayments for a major order from the Chinese customer CNBM. The cash flow from investing activities came to € -0.7 million (previous year: € -0.8 million). The cash flow from financing activities came to € -1.6 million overall (previous year: € 6.2 million). During the period under review the company has prolonged the maturity of a senior-secured loan (€ 4.0 million) until March 2021.

Overall, the amount of liquid funds declined by € 0.8 million in the 1<sup>st</sup> quarter 2020 to currently € 14.0 million (December 31, 2019: € 14.8 million).

#### **Development of costs and prices**

From our perspective the selling prices developed as planned in the first quarter of the business year. Material and personnel expenses also developed according to our budgets. However, the price situation in the Solar segment strongly depends on the future developments of demand in this market.

#### **Research and development**

At € 2.7 million the expenditures for research and development in the first three months of 2020 were slightly below the prior-year level (previous year: € 3.0 million). This decline mainly results from the high investments for the work areas Medical Technology and Decorative Coating in the comparison period.

### **Risk Report**

As an internationally operating company the Executive Board continuously monitors the current developments in connection with the outbreak of the COVID-19 pandemic and its economic consequences for the company. A final assessment of the impacts on the business operations is currently not possible. Management is closely monitoring the situation in order to be able to implement required countermeasures.

Within the risk report for the business year 2019, the project and sales market risks for the Solar segment as well as the liquidity risk were deemed essential risks for the Group.

**Sales market risk**

Due to the decline in the business activities, the sales market risk in the Solar segment is rated with an unchanged relevance score of 5. Even after the signing of the delivery contracts with CNBM for the production site in Xuzhou and the receipt of the first prepayment, the company currently assesses the probability of occurrence of the sales market risk as being high. Accordingly, the risk is still rated to be existential.

From today's perspective the global economy is to a large extent dependent on the future development of the COVID-19 pandemic. As a result, the global economy, in particular in important sales markets for the company, could further weaken. However, the impacts cannot be quantified from today's point of view.

**Liquidity risk**

Currently, we still rate the liquidity risk unchanged with a relevance score of 5. Despite the receipt of additional partial payments of the customer CNBM during the period under review, we rate the probability of occurrence as being high.

The continuation of the company is mainly dependent on realizing the budgeted plans in the next two years. The essential prerequisites for the plans are that the partial payments of the customers, which are payable due to the already contracted large orders, are actually made without material delays. In particular, the contractually agreed receipt of additional partial payments by the customer CNBM is required.



*MEDLINE – Production system for cleaning and coating of contact lenses. The MEDLINE Clean cleans the contact lenses of material residues and coats the lenses in a further process step.*

Moreover, winning an additional large order or a combination of equivalent alternative projects in the current business year is required. Furthermore, a successful and timely refinancing of the corporate bond in the amount of € 12.0 million due in July 2021 is a central component of securing the liquidity situation within the company. If the respective cash inflows cannot be realized as planned, the level of cash and cash equivalents will not be sufficient during the course of the year 2020 to completely honor all payment obligations. Insofar, the continuation of the company and thus of the Group is threatened. Material delays in payments or credit losses within these projects could not be compensated for.

In addition, we would like to once again point out that the future development of the COVID-19 pandemic could have negative impacts on the course of business in particular with respect to the demand situation as well as the course of the projects of essential customer orders. In this connection there could be substantial delays or even the failure to receive relevant partial payments.

### **Project risk**

With respect to the project risk in particular the order progress for the delivery and installation of machines for the manufacturing of CIGS solar modules for the customer CNBM as planned is of essential importance for the continuation of the company. Currently, we still rate the project risk unchanged with a relevance score

of 5. We still rate the probability of occurrence with an unchanged medium assessment. After significant delays the respective machines for the first expansion stage of the factory in Bengbu, China, have mainly passed the process towards final acceptance in the previous business year. The final acceptance for a large part of the machines was already received at the end of the business year 2019. For the production site in Meishan the company expects the final acceptance of the machines in close cooperation with the customer by the end of the business year 2020. However, we point out that the realization of project risks within these activities would have material negative impacts on the asset, financial and earnings situation of the company. If the projects fail as a whole or in parts or the planned economic success is not sufficiently realized, this could have material negative impacts up to threatening the existence of the company.

Further negative implications on the project activities could also result in connection with the COVID-19 pandemic in particular. If measures to contain the virus are maintained over a prolonged period of time or expanded, this could lead to substantial delays in the completion of the projects.

In the course of the first three months of the 2020 financial year, there were no further notable changes in connection with the risk assessment compared to the risks presented in the combined management report in the 2019 annual report.



## The SINGULUS TECHNOLOGIES Stock

The share price of the SINGULUS TECHNOLOGIES stock closed at € 5.18 in Frankfurt after the first trading day of the business year 2020. Afterwards the share price traded around this level until SINGULUS TECHNOLOGIES signed contracts for a major order for the delivery of machines for the production of CIGS solar modules on January 15, 2020. Due to the publication of this contract with an order volume exceeding € 50 million the share price rose to € 7.69 on January 20, 2020. However, in the second half of March it experienced a period of weakness and the share price slipped to a low below the € 3 level. On May 8, 2020, the share price of the SINGULUS TECHNOLOGIES stock closed at € 4.09.

<b>Shareholder structure (as of May 8, 2020)</b>	<b>%</b>
Free float	65.54
Triumph Science and Technology Group Co., Ltd. (100 % subsidiary of CNBM)	16.75
Universal-Investment-Gesellschaft mit beschränkter Haftung	7.96
Shareholders represented by Clemens Jakopitsch	6.21
Janus Henderson Group plc (TR European Growth Trust plc)	3.54
<b>Total</b>	<b>100.00</b>

## The SINGULUS TECHNOLOGIES Corporate Bond

The bond of the SINGULUS TECHNOLOGIES AG with a nominal value of € 12.0 million is trading at the Open Market of Deutsche Boerse AG at the Frankfurt Stock Exchange since July 2016 under the security identification number WKN A2AA5H (ISIN DE000A2AA5H5 - ticker symbol SNGB). The bond is collateralized, has a term to maturity of five years and provides for annually increasing interest payments. As of the print deadline, the price of the bond stood at 83.50 % in Frankfurt on May 8, 2020.

## Difficult Outlook for the Business Year 2020

After large parts of the industry in Asia, and thus our customers, had been decommissioned by COVID-19 in China since the end of January, the SARS-COV2 pathogen with the accompanying protective measures now have reached the western countries and thus our plants, customers and suppliers. The effects of the COVID-19 pandemic on all areas of the company, which have been in effect for almost four months, are still increasing, although the individual effects cannot be quantified at this point in time. SINGULUS TECHNOLOGIES is currently not able to provide an outlook, which correctly includes the negative impact for the full-year 2020. Accordingly, the Executive Board of SINGULUS TECHNOLOGIES decided that the former forecast for the business year 2020 as published in connection with the full-year results for 2019 can no longer be maintained.

Best regards,

The Executive Board

SINGULUS TECHNOLOGIES AG

## SINGULUS TECHNOLOGIES Group

### Balance Sheet

*as of March 31, 2020 and December 31, 2019*

ASSETS	March 31, 2020 [million €]	Dec. 31, 2019 [million €]
Cash and cash equivalents	14.0	14.8
Restricted cash	4.7	4.4
Trade receivables	3.1	5.8
Receivables from construction contracts	7.3	4.6
Other receivables and other assets	5.5	6.4
Total receivables and other assets	15.9	16.8
Raw materials, consumables and supplies	8.4	8.8
Work in process	6.6	6.7
Total inventories	15.0	15.5
<b>Total current assets</b>	<b>49.6</b>	<b>51.5</b>
Property, plant and equipment	15.2	15.6
Capitalized development costs	9.6	9.5
Goodwill	6.7	6.7
Other intangible assets	0.4	0.4
<b>Deferred tax assets</b>	<b>31.9</b>	<b>32.2</b>
<b>Total assets</b>	<b>81.5</b>	<b>83.7</b>

EQUITY AND LIABILITIES	March 31, 2020 [million €]	Dec. 31, 2019 [million €]
Trade payables	5.1	8.3
Prepayments received	3.3	2.6
Liabilities from construction contracts	15.6	6.6
Financing liabilities from the issuance of loans	4.0	4.0
Financing liabilities from the issuance of bonds	0.6	0.8
Current leasing liabilities	2.4	2.4
Other current liabilities	7.6	9.1
Provisions for restructuring measures	0.2	0.2
Provisions for taxes	0.6	0.9
Other provisions	3.2	3.3
<b>Total current liabilities</b>	<b>42.6</b>	<b>38.2</b>
Financing liabilities from the issuance of bonds	12.0	12.0
Non-current leasing liabilities	6.8	7.3
Pension provisions	16.2	16.2
Deferred tax liabilities	3.3	3.0
<b>Total non-current liabilities</b>	<b>38.3</b>	<b>38.5</b>
<b>Total liabilities</b>	<b>80.9</b>	<b>76.7</b>
Subscribed capital	8.9	8.9
Capital reserves	19.8	19.8
Other reserves	-3.5	-3.7
Retained earnings	-24.6	-18.0
<b>Equity attributable to owners of the parent</b>	<b>0.6</b>	<b>7.0</b>
<b>Total equity</b>	<b>0.6</b>	<b>7.0</b>
<b>Total equity and liabilities</b>	<b>81.5</b>	<b>83.7</b>

# SINGULUS TECHNOLOGIES Group

## Income Statement

from January 1 to March 31, 2020 and 2019

	Jan. 1 - March 31, 2020		Jan. 1 - March 31, 2019	
	[million €]	[%]	[million €]	[%]
<b>Revenue (gross)</b>	<b>10.9</b>	<b>101.9</b>	<b>20.8</b>	<b>101.0</b>
Sales deductions and direct selling costs	-0.2	-1.9	-0.2	-1.0
<b>Revenue (net)</b>	<b>10.7</b>	<b>100.0</b>	<b>20.6</b>	<b>100.0</b>
Cost of sales	-9.8	-91.6	-14.2	-68.9
<b>Gross profit on sales</b>	<b>0.9</b>	<b>8.4</b>	<b>6.4</b>	<b>31.1</b>
Research and development	-1.8	-16.8	-1.4	-6.8
Sales and customer service	-2.7	-25.2	-2.4	-11.7
General administration	-2.1	-19.6	-1.8	-8.7
Other operating expenses	-0.3	-2.8	0.0	0.0
Other operating income	0.2	1.9	0.3	1.5
Total operating expenses	-6.7	-62.6	-5.3	-25.7
<b>Operating result (EBIT)</b>	<b>-5.8</b>	<b>-54.2</b>	<b>1.1</b>	<b>5.3</b>
Finance costs	-0.6	-5.6	-0.6	-2.9
<b>EBT</b>	<b>-6.4</b>	<b>-59.8</b>	<b>0.5</b>	<b>2.4</b>
Tax expense/income	-0.2	-1.9	-0.3	-1.5
<b>Profit or loss for the period</b>	<b>-6.6</b>	<b>-61.7</b>	<b>0.2</b>	<b>1.0</b>
Thereof attributable to:				
Owners of the parent	-6.6		0.2	
Non-controlling interests	0.0		0.0	
		[€]		[€]
Basic earnings per share based on the profit for the period (in EUR) attributable to owners of the parent		-0.74		0.02
Diluted earnings per share based on the profit for the period (in EUR) attributable to owners of the parent		-0.74		0.02

## SINGULUS TECHNOLOGIES Group

### Statement of Comprehensive Income

from January 1 to March 31, 2020 and 2019

	Jan. 1 - March 31, 2020 [million €]	Jan. 1 - March 31, 2019 [million €]
Profit or loss for the period	-6.6	0.2
Exchange rate differences in the fiscal year	0.2	0.2
Total income and expense recognized directly in other comprehensive income	0.2	0.2
Total comprehensive income	-6.4	0.4
Thereof attributable to:		
Owners of the parent	-6.4	0.4
Non-controlling interests	0.0	0.0

## SINGULUS TECHNOLOGIES Group

### Statement of Changes in Equity

as of March 31, 2020 and 2019

	Equity Attributable to Owners of the Parent		
	Subscribed Capital	Capital Reserves	Other Reserves*
	[million €]	[million €]	Currency Translation Reserves [million €]
<b>As of January 1, 2019</b>	<b>8.9</b>	<b>19.8</b>	<b>3.6</b>
Profit or loss for the period	0.0	0.0	0.0
<b>Other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>
<b>As of March 31, 2019</b>	<b>8.9</b>	<b>19.8</b>	<b>3.8</b>
<b>As of January 1, 2020</b>	<b>8.9</b>	<b>19.8</b>	<b>3.9</b>
Profit or loss for the period	0.0	0.0	0.0
<b>Other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>
<b>As of March 31, 2020</b>	<b>8.9</b>	<b>19.8</b>	<b>4.1</b>

\* Prior-year figures and designation adjusted (we refer to the explanation in the annotations to the interim report)

Equity Attributable to Owners of the Parent			Non-Controlling Interests	Equity
Other Reserves*	Retained Earnings*	Total		
Actual Gains and Losses from Pension Commitments [million €]	Other Retained Reserves [million €]	[million €]	[million €]	[million €]
-5.9	-6.7	19.7	0.0	19.7
0.0	0.2	0.2	0.0	0.2
0.0	0.0	0.2	0.0	0.2
0.0	0.2	0.4	0.0	0.4
-5.9	-6.5	20.1	0.0	20.1
-7.6	-18.0	7.0	0.0	7.0
0.0	-6.6	-6.6	0.0	-6.6
0.0	0.0	0.2	0.0	0.2
0.0	-6.6	-6.4	0.0	-6.4
-7.6	-24.6	0.6	0.0	0.6

# SINGULUS TECHNOLOGIES Group

## Statement of Cash Flows

from January 1 to March 31, 2020 and 2019

	Jan. 1 - March 31, 2020 [million €]	Jan. 1 - March 31, 2019 [million €]
<b>Cash flows from operating activities</b>		
Profit or loss for the period	-6.6	0.2
Adjustment to reconcile profit or loss for the period to net cash flow		
Amortization, depreciation and impairment of non-current assets	1.0	1.0
Contribution to the pension provisions	0.0	0.1
Other non-cash expenses/income	-0.2	0.4
Net finance costs	0.6	0.6
Net tax expense	0.1	0.3
Change in trade receivables	2.8	1.5
Change in construction contracts	6.3	-0.4
Change in other receivables and other assets	0.9	-2.0
Change in inventories	0.6	-1.1
Change in trade payables	-3.1	-6.4
Change in other liabilities	-1.2	-0.6
Change in prepayments	0.7	0.1
Change in provisions from restructuring measures	0.0	-1.9
Change in further provisions	-0.3	-0.9
Interest paid	-0.2	0.0
Income tax paid	-0.1	0.0
Net cash from/used in operating activities	1.3	-9.1



	Jan. 1 - March 31, 2020 [million €]	Jan. 1 - March 31, 2019 [million €]
<b>Cash flows from investing activities</b>		
Cash paid for investments in development projects	-0.5	-0.7
Cash paid for investments in other intangible assets and property, plant and equipment	-0.2	-0.1
Net cash from/used in investing activities	-0.7	-0.8
<b>Cash flows from financing activities</b>		
Cash used to pay bond interest	-0.5	-0.4
Cash received/used on the issuance of loans	0.0	4.0
Cash used to pay loan interest	-0.1	0.0
Cash used to pay leasing liabilities	-0.7	-0.7
Cash received/used on financial assets subject to restrictions on disposal	-0.3	3.3
Net cash from/used in financing activities	-1.6	6.2
Cash and cash equivalents at the beginning of the reporting period	-1.0	-3.7
Effect of exchange rate changes	0.2	0.1
Cash and cash equivalents at the beginning of the reporting period	14.8	13.5
Cash and cash equivalents at the end of the reporting period	14.0	9.9

Cash and cash equivalents comprise monetary investments with a remaining maturity of up to three months at the time of acquisition.

Financial assets subject to restrictions on disposal are presented separately in the balance sheet. These financial assets relate to the Company's financing transactions and are included in the consolidated cash flow statement as cash flows from financing activities.

## Annotations to the Interim Report

The SINGULUS TECHNOLOGIES Aktiengesellschaft (in the following also "SINGULUS" or the „company“) is an exchange-listed capital company domiciled in Germany. The consolidated financial accounts presented for the interim reporting of the SINGULUS TECHNOLOGIES AG and its subsidiaries (the "Group") for the first three months of the business year 2020 were approved for publication by decision of the Executive Board as of May 7, 2020.

The consolidated financial accounts were drawn up in Euro (€). If not stated otherwise, all figures are in millions of Euro (million €). Due to statements in million € differences in rounding may occur.

### Accounting and valuation principles

The preparation of the abbreviated consolidated interim results for the period from January 1 to March 31, 2020 was made pursuant to IAS 34 "Interim Financial Reporting". The abbreviated consolidated interim results do not include all of the notes and information required for the reporting for the full business year and should be read in conjunction with the consolidated financial accounts as of December 31, 2019. The interim financial accounts were neither audited nor reviewed by auditors.

The preparation of the interim results pursuant to IAS 34 requires estimates and assumptions by the management, affecting the level of the reported assets, liabilities, sales, income, expenses as well as contingent liabilities. These assumptions and estimates mainly affect the Group-consistent determination of useful life expectancy, the write-offs of assets, the valuation of provisions, the recoverability of receivables, the determination of realizable terminal values with regards to inventories as well as the realizability of future tax

relieves. The actual values can differ from the assumptions and estimates made on a case by case basis. Changes are recognized affecting earnings at the time of the knowledge gained. The accounting and valuation methods applied for the consolidated accounts for the interim reporting correspond to those applied for the most recent consolidated financial report as of the end of the business year 2019. For a detailed description of the accounting principles please refer to the notes of the consolidated financial statements of our Annual Report 2019.

The consumption of more than half of the nominal capital pursuant to HGB was incurred in the business year 2017 and was reported on September 21, 2017. The extraordinary shareholders' meeting took place on November 29, 2017.

However, from today's point of view, the company has sufficient available liquid funds to safeguard the course of business and therefore draws up the financial statement according to the going concern assumptions. Nevertheless, it has to be pointed out that the continuation of the company pursuant to the liquidity planning depends on the realization of the plans in the next two years. The essential prerequisites for the plans are that the partial payments of the customers, which are payable due to the already contracted large orders, are actually made without material delays. Moreover, winning an additional large order or a combination of equivalent alternative projects in the current business year is required. Furthermore, a successful and timely refinancing of the corporate bond in the amount of € 12 million due in July 2021 is a central component of securing the liquidity situation within the company. If the respective cash inflows cannot be realized as planned, the level of cash and cash equivalents will not be sufficient during the course of the year 2020 to completely honor all payment obligations. Insofar, the continuation of the company and thus of the Group is threatened.

These events and conditions indicate the existence of material uncertainty, which can cast considerable doubt on the company's ability to continue its business activities and which pose an existence-threatening risk in the meaning of Art. 322 Para. 2 Sent. 3 HGB.

### Revised presentation of shareholders' equity

The company has decided to adjust the individual items of the shareholders' equity with respect to its structure and its labeling to clarify the financial statements. The following changes result:

(i) The shareholders' equity items "Reserves" and "Loss carry forwards" are renamed to "Other reserves" and "Retained earnings".

(ii) In the previous reporting periods finance-mathematical profits and losses from pension benefits were categorized under "Loss carry forward". The company will regroup these effects to "Other reserves". The prior-year results were adjusted correspondingly.

This change does not have an impact on the asset or earnings situation of the Group.

### Scope of consolidation

In addition to the SINGULUS TECHNOLOGIES AG, the consolidated financial statements include all companies, which are legally or factually controlled by the company. In the interim report as of March 31, 2020, in addition to the SINGULUS TECHNOLOGIES AG two domestic and ten foreign subsidiaries were included overall. No companies have been added or excluded from the scope of consolidation in the period under review.

### Accounts receivable and receivables from production orders

The accounts receivable and production receivables as of March 31, 2020 are split as follows:

	March 31, 2020 in million €	Dec. 31, 2019 in million €
Accounts receivable - short-term	4.2	6.9
Receivables from production orders	7.3	4.6
Less write-offs	-1.1	-1.1
	10.4	10.4

### Intangible assets

Capitalized development expenses, goodwill, customer bases as well as concessions, intellectual property rights and other intangibles are included under intangible assets. As of March 31, 2020, the capitalized development expenses amounted to € 9.6 million (December 31, 2019: € 9.5 million). In the first three months of 2020 the investments in developments totaled € 0.5 million (previous year: € 0.8 million). Scheduled write-offs and amortization on capitalized development expenses amounted to € 0.4 million (previous year: € 0.3 million).

### Property, plant & equipment

In the first three months of the business year 2020 € 0.1 million were invested in property, plant & equipment (previous year: € 0.1 million). During the same period scheduled depreciation amounted to € 0.6 million (previous year: € 0.6 million).

### Rental and lease expenses

As of March 31, 2020, the future minimum expenses due to leasing agreements within the Group totaled € 10.4 million (December 31, 2019: € 11.1 million).

### Breakdown of sales

The following matrix splits sales in the period under review according to the individual segments and selected categories.

January 1, to March 31, 2020	Solar in million €	Life Science in million €	Semiconductor in million €	Total in million €
<b>Sales by country of destination</b>				
Germany	2.0	0.2	0.4	2.6
Rest of Europe	0.3	3.0	0.1	3.4
North and South America	0.0	1.5	0.2	1.7
Asia	2.3	0.4	0.5	3.2
Africa & Australia	0.0	0.0	0.0	0.0
	<b>4.6</b>	<b>5.1</b>	<b>1.2</b>	<b>10.9</b>
<b>Sales by country of origin</b>				
Germany	4.6	3.3	1.1	9.0
Rest of Europe	0.0	0.1	0.0	0.1
North and South America	0.0	1.3	0.1	1.4
Asia	0.0	0.4	0.0	0.4
Africa & Australia	0.0	0.0	0.0	0.0
	<b>4.6</b>	<b>5.1</b>	<b>1.2</b>	<b>10.9</b>
<b>Products and services</b>				
Production equipment	4.0	2.6	0.9	7.5
Service and replacement parts	0.6	2.5	0.3	3.4
	<b>4.6</b>	<b>5.1</b>	<b>1.2</b>	<b>10.9</b>
<b>Time of sales realization</b>				
Sales realization extending one period	3.8	2.5	0.9	7.2
Sales realization for one period	0.8	2.6	0.3	3.7
	<b>4.6</b>	<b>5.1</b>	<b>1.2</b>	<b>10.9</b>

January 1, to March 31, 2019	Solar in million €	Life Science in million €	Semiconductor in million €	Total in million €
<b>Sales by country of destination</b>				
Germany	0.6	0.2	0.0	0.8
Rest of Europe	0.4	0.7	0.7	1.8
North and South America	2.1	2.1	0.1	4.3
Asia	10.8	2.9	0.1	13.8
Africa & Australia	0.0	0.1	0.0	0.1
	<b>13.9</b>	<b>6.0</b>	<b>0.9</b>	<b>20.8</b>
<b>Sales by country of origin</b>				
Germany	12.9	3.8	0.7	17.4
Rest of Europe	0.0	0.1	0.1	0.2
North and South America	0.9	1.9	0.1	2.9
Asia	0.1	0.2	0.0	0.3
Africa & Australia	0.0	0.0	0.0	0.0
	<b>13.9</b>	<b>6.0</b>	<b>0.9</b>	<b>20.8</b>
<b>Products and services</b>				
Production equipment	12.8	3.2	0.6	16.6
Service and replacement parts	1.1	2.8	0.3	4.2
	<b>13.9</b>	<b>6.0</b>	<b>0.9</b>	<b>20.8</b>
<b>Time of sales realization</b>				
Sales realization extending one period	12.8	3.0	0.5	16.3
Sales realization for one period	1.1	3.0	0.4	4.5
	<b>13.9</b>	<b>6.0</b>	<b>0.9</b>	<b>20.8</b>

### Sales reductions and individual selling expenses

The sales reductions include cash discounts granted. The individual selling expenses are mainly composed of expenses for packaging, freight and commissions.

### General administrative expenses

The administrative expenses include the expenses for the management, personnel expenses, the finance and accounting departments as well as the corresponding expenses for rent and company cars. Furthermore, they include the ongoing IT

expenses, legal and consulting fees, expenses for investor relations activities, the ordinary Annual General Meeting as well as the annual financial statements.

### Research and development expenses

In addition to the research and non-capitalizable development expenses, the research and development expenses in the first quarter of 2020 also include the scheduled amortization of capitalized development expenses in the amount of € 0.4 million (previous year: € 0.3 million).

## Financial instruments

The following table displays the book values and the corresponding time values of all financial instruments included in the consolidated financial statement by class.

	Valuation method	Book value		Attributable time value	
		March 31, 2020 in million €	Dec. 31, 2019 in million €	March 31, 2020 in million €	Dec. 31, 2019 in million €
<b>Financial assets</b>					
Cash and cash equivalents **	AC	14.0	14.8	14.0	14.8
Restricted financial assets **	AC	4.7	4.4	4.7	4.4
Derivatives					
Hedging derivatives **	HD	–	–	–	–
Accounts receivable **	AC	3.1	5.8	3.1	5.8
Other receivables	AC	5.5	6.4	5.5	6.4
<b>Financial liabilities</b>					
Bond *	AC	12.6	12.8	9.6	10.8
Liabilities from the issuance of loans	AC	4.0	4.0	4.0	4.0
Derivatives					
Hedging derivatives **	HD	–	–	–	–
Accounts payable **	AC	5.1	8.3	5.1	8.3
Other liabilities	AC	7.6	9.1	7.6	9.1
<b>Total</b>	AC	<b>56.6</b>	65.6	<b>53.6</b>	63.6
<b>Total</b>	HD	<b>0.0</b>	0.0	<b>0.0</b>	0.0

\* The valuation at attributable time value was accounted for as Level 1 attributable time value, based on the input factors of the applied valuation procedures.

\*\* The valuations at attributable time value were accounted for as Level 2 attributable time values, based on the input factors of the applied valuation procedures.

### Annotations to the abbreviations:

AC: Amortized Cost (financial assets or liabilities valued at net acquisition costs)

HD: Hedging Derivative

Cash and cash equivalents, restricted funds as well as accounts payable regularly have a short term to maturity. The balance sheet values approximate the attributable time value taking into account the expected credit loss model. The same holds true for short-term due loan liabilities, short-term accounts receivables and other assets.

As a valuation price for the foreign exchange forwards concluded, for cash rates the ECB reference prices and for forward rates the relevant forward rate prices of the relevant commercial banks are used.

The attributable time value of the exchange-listed bonds corresponds to the exchange price at the balance sheet date plus the book value of the accrued interest liabilities as of the balance sheet date.

The attributable time value of the liabilities from the issuance of loans corresponds to the redemption amount of the loans at the balance sheet date.

The maximum credit risk is reflected by the book values of the financial assets and liabilities.

## Financial income and financing expenses

The interest income/ expenses are composed as follows:

	March 31, 2020 in million €	March 31, 2019 in million €
Financing expenses from issuance of bond	-0.2	-0.2
Interest expenses from the discounting of pension provisions	-0.1	-0.1
Other financing expenses	-0.3	-0.3
	<b>-0.6</b>	<b>-0.6</b>

## Earnings per share

For the calculation of the undiluted earnings per share the earnings attributable to the bearers of the common shares of the parent company are divided by the weighted average number of shares in circulation during the period under review.

For the calculation of the diluted earnings per share the earnings attributable to the bearers of the common shares of the parent company are divided by the weighted average number of common shares in circulation during the period under review in addition to the weighted average number of shares resulting from the conversion of all potential common shares with dilution effect into common shares. Dilution effects were neither recorded in the quarter under review nor in the same period one year ago. In the period from the balance sheet date until the drawing up of the consolidated financial statements there were no transactions of common shares or potential common shares.

## Financing liabilities from issuance of bond

The secured bond (ISIN DE000A2AA5H5) with a volume of € 12.0 million was issued in July 2016 and has a term to maturity of five years as well as an annually increasing coupon. The initial interest rate amounted to 3.0 %. It increases annually, subject to an early repayment by the company, in steps to 6.0 %, 7.0 %, 8.0 % up to 10.0% p.a.. The effective interest rate amounts to 6.70 % p.a.. Cash, receivables, inventories, fixed assets and intangible assets of the SINGULUS TECHNOLOGIES AG serve primarily as collateral for the bond.

## Liabilities from the issuance of loans

In February 2019 the company has taken a loan in the amount of € 4.0 million from a shareholder and bondholder. The original term

of the loans was one year. In the meantime the term has been prolonged by an additional year. The loan is in context of the bond provisions Art. 8 (a) (iv) in connection with Art. 3 (e). Accordingly, the company is authorized to enter financial liabilities in form of a loan of up to € 4.0 million. The bond collateral primarily serves to secure the loan. The effective interest rate amounts to 9.97 % per year.

## Events after the Balance Sheet Date

There were no material events after the balance sheet date.

## Shareholdings of Board members

As of the balance sheet date, the members of the Executive and Supervisory Boards of the SINGULUS TECHNOLOGIES AG held the following number of shares, convertible bonds and stock options: The Chairman of the Supervisory Board, Dr.-Ing. Lechnitz, held 245 shares of the company in total as of March 31, 2020.

Furthermore, at the end of the quarter under review members of the Executive Board had themselves purchased the following number of shares of the SINGULUS TECHNOLOGIES AG:

	March 31, 2020 Shares
Dr.-Ing. Stefan Rinck, CEO	122
Markus Ehret, CFO	43
Dr. rer. nat. Christian Strahberger, COO	2,000
	<b>2,165</b>

## Affirmation of the Legal Representatives

“We assert to our best knowledge and belief that pursuant to the applicable accounting principles for the interim financial reporting the consolidated financial statements reflect the true situation of the asset, financial and earnings situation of the Group. The consolidated interim status report depicts the course of business including the financial results and the situation of the Group in a way reflecting the true situation and describing the material opportunities and risks of the foreseeable developments of the Group during the remainder of the business year.”

Kahl am Main, in May 2020

The Executive Board

## At a Glance –

### Consolidated Key Figures for the 1<sup>st</sup> Quarter

		2019	2020
Revenue (gross)	million €	20.8	10.9
Order intake	million €	11.8	63.6
Order backlog (03/31)	million €	57.0	79.0
EBIT	million €	1.1	-5.8
EBITDA	million €	2.0	-4.8
Earnings before taxes	million €	0.5	-6.4
Profit/loss for the period	million €	0.2	-6.6
Operating cash flow	million €	-9.1	1.3
Shareholders' equity	million €	20.1	0.6
Balance sheet total	million €	101.3	81.5
Research & development expenditures	million €	3.0	2.7
Employees (03/31)		350	354
Weighted number of shares, basic		8,896,527	8,896,527
Earnings per share, basic	€	0.02	-0.74

## Future-oriented Statements and Forecasts

This report contains future-oriented statements based on the current expectations, assessments and forecasts of the Executive Board as well as on the currently available information to them. Known as well as unknown risks, uncertainties and impacts could cause the actual results, the financial situation or the development to differ from the statements made in this report. We assume no obligation to update the future-oriented statements made in this report.

## Corporate Calendar 2020

### May 2020

Interim Report Q1/2020 05/12

### May 2020

12 pm: Annual General Meeting  
DVFA Deutsche Vereinigung für Finanzanalyse und Asset Management GmbH, Mainzer Landstrasse 37, 60329 Frankfurt am Main  
Held as virtual Annual General Meeting without physical presence. 05/20

### June/July 2020

Equity Forum Spring Conference, Frankfurt am Main 06/30 to 07/02

### June/July 2020

Quiet Period: Ahead of the report of the quarterly and annual results SINGULUS TECHNOLOGIES only conducts limited communication with the capital market. 07/24 to 08/11

### August 2020

Half Year Report 2020 08/12

### August 2020

Bankhaus Lampe Deutschlandkonferenz, Baden-Baden 08/18 to 08/19

### November 2020

Interim Report Q3/2020 11/13

### November 2020

Deutsches Eigenkapitalforum, Frankfurt am Main 11/16 to 11/18



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