Report for the 1st Quarter 2018

Interim Report as of March 31, 2018
(unaudited)

SINGULUS

Interim Report Q1 2018

Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

- *Order backlog of € 125.5 million as of March 31 significantly above prior-year level*
- *Sales of € 17.3 million in the 1st quarter still below prior-year level*
- *EBIT in the amount of € -1.6 million*
- *Prepayments received this year exceeding € 40 million*
- *Several major orders in Solar division*
- *Solar division continues to perform favorably overall*

Sales within the SINGULUS TECHNOLOGIES Group (SINGULUS TECHNOLOGIES) amounted to € 17.3 million in the quarter under review and was thus below the previous year's level of € 26.1 million. The high order backlog of € 125.5 million (March 31, 2017: € 92.9 million) was above the prior-year level and mainly includes machines for the production of CIGS solar modules. The order intake at SINGULUS TECHNOLOGIES of € 36.1 million in the 1st quarter 2018 was significantly higher than the previous year's level (€ 9.1 million). Overall, the 1st quarter came in below the prior-year level with earnings before interest and taxes (EBIT) amounting to € -1.6 million (previous year: € 1.4 million). The EBITDA of € -1.2 million was also below the previous year's level of € 1.9 million. Within the first three months of the business year a gross profit margin of 27.1 % was achieved (previous year: 30.1 %).

In the first months of 2018, SINGULUS TECHNOLOGIES has mainly received prepayments for the delivery of production machines for the Solar division with an order volume exceeding € 40 million and was thus able to further expand the leading position for the delivery of production machines for CIGS solar modules. As of March 31, 2018 the order backlog stood at € 125.5 million.

The headcount within the SINGULUS TECHNOLOGIES Group remained at a constant level with 318 employees as of March 31, 2018 (December 31, 2017: 315 employees).

Solar division – the key market for SINGULUS TECHNOLOGIES

For the year 2018 the market research company IHS Markit forecasts another record year for solar power and expects an additional capacity of 108 GW for photovoltaics until the end of 2018. The analysts expect that the continuing demand from China will be key to this growth, since the country is successfully diversifying its market and achieved strong momentum in the area of decentralized power generation. China has already beaten all expectations in the past year and newly installed photovoltaic machines for nearly 53 GW.

The framework conditions still favor a continued growth in the photovoltaics sector. In January 2018, IHS Markit reported that the available production capacity for solar cells (crystalline and thin-film) is set to increase from around 100 GW in 2017 to more than 117 GW in the current year 2018.

Accordingly, SINGULUS TECHNOLOGIES sees great potential in particular for the submarkets thin-film solar modules based on CIGS technology as well as for the high-performance cells on the basis of crystalline heterojunction technology (HJT). However, the realization of this potential is closely tied to the implementation of the goals for the local energy markets set by the Chinese government. Here, the large Chinese state-owned company CNBM plays a major role. In order to reach the energy target, CNBM has already started the assembly of four factories for the manufacturing of CIGS solar modules. All sites are set to start with a production capacity of 300 MW in the first stage and according to CNBM should be expanded to a total capacity of 1,500 MW (1.5 GW) each in the following years. The key components for the entire production process of the solar modules are the machines developed and supplied by SINGULUS TECHNOLOGIES.

In the crystalline area for HJT cells SINGULUS TECHNOLOGIES continues to be successful with its wet-chemical processing machines and the new developments in the area of vacuum coating. The HJT cells are expected to play a leading role in the next investment cycle for the set-up of addition production capacity. The market is forecast to establish new production machines with up to 20 GW capacity. SINGULUS TECHNOLOGIES aims for a very high market share with innovative and cost-efficient production machines as well as through targeted partnerships.

With respect to the key financial figures, the course of business in the Solar division should improve substantially in 2018 compared with the previous years. This presumes the realization of the already received orders by the customer CNBM, which is expected to be implemented in 2018 as planned.

Optical Disc segment – market for physical media in decline

With the increasing expansion of and access to broadband networks the consumers' behavior in the entertainment sector has profoundly changed in the past couple of years. In particular, the trend to stream movies and TV shows over the internet, cable or satellite is continuing. The quality advantages of media such as Ultra-HD Blu-ray for audio and video are not in high demand and are not a contributing factor for the consumers' buying decisions up to now. Therefore, there is currently only a very limited market for these production machines. However, since billions of CDs, DVDs and Blu-ray Discs are still produced worldwide, SINGULUS TECHNOLOGIES offers repair and maintenance services and sells replacement parts for the still operating production machines all over the world.

Semiconductor segment – no changes in market forecasts

There are no changes in market forecasts with respect to the originally intended target technology MRAM. MRAM memory chips are only used in small numbers for special application areas. In the future, MRAM memory chips are intended for various production segments such as robotics, automotives, aviation and astronautics as well as medical applications, amongst others. However, they have not established themselves for a broad application in the chip industry.

With its machine lines SINGULUS TECHNOLOGIES is currently focusing on new potential applications of vacuum coating technology, such as in the areas of sensor technology or power management. With the developed machine types SINGULUS TECHNOLOGIES is absolutely competitive and sees good opportunities to withstand its large American and Asian competitors. Thus, we foresee good potential for the future with the machine concepts developed in the past and a diversification of sales for SINGULUS TECHNOLOGIES.

New work areas

SINGULUS TECHNOLOGIES will continue to work hard on the introduction of its processes and machines for new market segments in 2018. Here, a focus is set on vacuum coating machines for the finishing of surfaces. The vacuum coating technology is very different from traditional coating processes and meets all conditions to safeguard a more resource-efficient process than the conventional product finishing of plastic, glass and metal parts. In general, the company is experiencing increasing interest for new, environmentally-friendly and cost-efficient solutions for the treatment of surfaces in the automotive, consumer goods and packaging sectors.

The medical sector is one of the most important future growth markets, not least driven by factors such as demographic change, ever more medical innovation, the setup of health care systems in emerging markets and the increase in lifestyle diseases. The medical technology order for more than € 10 million received in November 2017 for the sale of processing machines for the treatment of contact lenses is making its first sales contributions in this segment. SINGULUS TECHNOLOGIES still expects additional orders in 2018 for machines in the medical sector and attempts to establish itself as a long-term provider.

Key financial figures

Order intake and order backlog

The order intake at SINGULUS TECHNOLOGIES in the 1st quarter 2018 amounted to a satisfactory level of € 36.1 million (previous year: € 9.1 million). The Group reports an order backlog in the amount of € 125.5 million as of March 31, 2018 (previous year: € 92.9 million).

Sales and earnings

In the 1st quarter 2018 the sales of € 17.3 million could not reach the prior-year level of € 26.1 million, since several projects were only started towards the end of the quarter and will thus only contribute to sales and earnings in the following quarters. Sales were split by € 12.6 million for the Solar division (previous year: 20.8 million), Optical Disc at € 3.9 million (previous year: € 4.3 million) as well as Semiconductors at € 0.8 million (previous year: € 1.0 million).

The percentage regional sales breakdown for the 1st quarter was as follows:

- → Europe 45.7 % (previous year: 13.4 %)
- → North and South America 12.1 % (previous year: 12.6 %)
- → Asia 41.6 % (previous year: 73.6 %)
- → Africa and Australia 0.6 % (previous year: 0.4 %)

Within the first three months of the business year a gross profit margin of 27.1 % (previous year: 30.1 %) was achieved. The gross profit from sales amounted to € 4.6 million in the quarter under review (previous year: € 7.8 million). The total of operating expenses in the period under review amounted to € 6.2 million, around the prior-year level of € 6.4 million. Overall, the earnings before interest and taxes (EBIT) in the amount of € -1.6 million came in below the prior-year level of € 1.4 million.

Balance sheet and liquidity

In the period under review the short-term assets declined slightly by € 1.7 million from € 72.4 million to currently € 70.7 million. The main reason is the decline in cash and cash equivalents by € 5.0 million to € 22.2 million. In contrast, the restricted financial assets (€ 1.3 million) as well as the receivables from production orders increased by € 2.6 million to € 12.1 million.

Segment Reporting from January 1 to March 31, 2018 and 2017	Segment Solar		Segment Optical Disc		Segment Semiconductor		SINGULUS TECHNOLOGIES Group	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	million €	million €	**million €**	million €	**million €**	million €	**million €**	million €
Sales (gross)	**12.6**	20.8	**3.9**	4.3	**0.8**	1.0	**17.3**	26.1
Sales deduction and individual selling expenses	-0.1	0.0	-0.2	-0.2	0.0	0.0	-0.3	-0.2
Sales (net)	**12.5**	20.8	**3.7**	4.1	**0.8**	1.0	**17.0**	25.9
Write-offs and amortization	-0.4	-0.4	0.0	-0.1	0.0	0.0	-0.4	-0.5
Operating result (EBIT)	**-1.2**	1.7	**-0.2**	0.0	**-0.2**	-0.3	**-1.6**	1.4
Financial result							-0.5	-0.5
Earnings before taxes							-2.1	0.9
Sales in %	72.9 %	79.7 %	22.5 %	16.5 %	4.6 %	3.8 %	100.0 %	100.0 %

As of March 31, 2018 the long-term assets stood at € 15.5 million, the level of the prior period (December 31, 2017: € 15.5 million).

The short-term liability increased slightly by € 0.9 million compared to the year-end 2017 and therefore stood at € 41.4 million as of March 31, 2018. Here, accounts payable declined by € 4.4 million from € 10.1 million to currently € 5.7 million in connection with the completion of production orders in the Solar division. In contrast, the liabilities from production orders rose by € 6.7 million from € 12.1 million to currently € 18.8 million due to prepayments received for the CIGS projects.

The long-term liabilities remained around the same level as of the previous period and stood at € 27.0 million as of March 31, 2018 (December 31, 2017: € 27.2 million).

Shareholders' equity

Due to the net loss the shareholders' equity within the Group declined by € 2.4 million in the quarter under review from € 20.2 million as of December 31, 2017 and amounted to € 17.8 million as of March 31, 2018. Shareholders' equity attributable to shareholders of the parent company stood at € 17.1 million, minority interests accounted for an amount of € 0.7 million.

Cash flow

In the 1st quarter 2018, the operating cash flow within the Group was negative at € -2.5 million. However, it improved compared to the prior-period cash flow in the amount of € -8.4 million. The cash flow from investing activities stood at € -0.7 million (previous year: € -0.6 million). The cash flow from financing activities amounted to € -1.8 million during the period under review (previous year: € 9.9 million). In the same period of the previous year, the company had issued a senior-secured loan (€ 3.8 million) and the restricted financial assets declined by € 6.3 million. Overall, cash and cash equivalents decreased by € 5.0 million from € 27.2 million to € 22.2 million at the end of the 1st quarter 2018.

Risk report

The risk report for the business year 2017 highlighted the project and sales market risks for the Solar division as well as the liquidity risk as essential risks within the Group.

We are currently assessing the liquidity risk with an unchanged relevance level of 5. However, after the receipt of considerable prepayments by the customer CNBM during the period under review and afterwards, we no longer view the probability of occurrence as medium as reported for the end of the past business year, but rather as low. Nevertheless, we would like to point out the existing necessity for additional financing commitments from financial institutions and insurers for required guarantees for the financing of future projects. Furthermore, in particular the receipt of additional partial payments is required as planned in connection with the projects with the customer CNBM.

Apart from that, during the course of the first three months of the business year 2018, there were no changes in the risk depicted in the combined status report as part of the annual report for the year 2017.

Development of costs and prices

From our perspective, the selling prices developed as planned during the 1st quarter of the business year. The material and personnel expenses also developed according to our budgets. However, the pricing situation in the Solar division strongly depends on the future trend of demand in this market.

Research and development
In the first three months of 2018 the expenses for research and development of € 2.1 million in total remained at the prior-year level (previous year: € 2.1 million).

The SINGULUS TECHNOLOGIES stock
The shares started off in January 2018 at € 14.92 and climbed to a new 52-week high at € 19.00 (day's high) on February 1, 2018. In the further course of the month the stock price came under pressure, but was able to recover and held the level around € 18.00. During the course of March the downward trend continued, so that the shares traded at € 12.04 on March 31, 2018. By the print deadline on May 9, 2018 the shares had recovered once again and posted a gain to € 13.16.

The SINGULUS TECHNOLOGIES bond
The new bond of the SINGULUS TECHNOLOGIES AG with a nominal value of € 12.0 million has been trading at the Open Market of Deutsche Boerse AG at the Frankfurt Stock Exchange under the security identification number WKN A2AA5H (ISIN DE000A2AA5H5 – ticker SNGB) since July 2016. The bond is collateralized and has an initial term to maturity of five years with an annually increasing coupon. At the time of the print deadline on May 9, 2018 the bond traded at 101.10 %.

Outlook for the business year 2018

Pursuant to IFRS SINGULUS TECHNOLOGIES forecasts a significant increase in sales for the year 2018 compared with the previous year. Although several projects were only initiated towards the end of the quarter, the Executive Board expects a substantial increase in sales within the group of companies to a low triple-digit million Euro amount. Accordingly, the EBIT is forecast to be positive at a mid-single-digit million Euro range in the business year 2018.

The key sales and earnings driver are expected from the Solar division and here in particular from a few, major project orders for investments in production lines for thin-film solar modules on the basis of CIGS technology. The prerequisite for reaching these targets is a continuation of the agreed projects as planned, in particular the receipt of additional prepayments by our customer CNBM for the currently assembled machines at the sites in Bengbu and Meishan. From today's point of view the Executive Board deems this to be highly probable.

Yours sincerely,

The Executive Board

SINGULUS TECHNOLOGIES AG

SINGULUS TECHNOLOGIES Group
Balance Sheet
from March 31, 2018 to December 31, 2017

ASSETS	03/31/2018 [million €]	12/31/2017 [million €]
Cash and cash equivalents	**22.2**	27.2
Restricted cash	**10.0**	8.7
Trade receivables	**2.7**	2.3
Receivables from construction contracts	**12.1**	9.5
Other receivables and other assets	**6.1**	7.4
Total receivables and other assets	**20.9**	19.2
Raw materials, consumables and supplies	**6.8**	6.5
Work in process	**10.8**	10.8
Total inventories	**17.6**	17.3
Total current assets	**70.7**	72.4
Trade receivables	**0.0**	0.0
Property, plant and equipment	**4.7**	4.9
Capitalized development costs	**3.5**	3.4
Goodwill	**6.7**	6.7
Other intangible assets	**0.4**	0.2
Deferred tax assets	**0.2**	0.3
Total non-current assets	**15.5**	15.5
Total assets	**86.2**	87.9

EQUITY AND LIABILITIES

	03/31/2018 [million €]	12/31/2017 [million €]
Trade payables	**5.7**	10.1
Prepayments received	**0.7**	0.8
Liabilities from construction contracts	**18.8**	12.1
Financing liabilities from the issuance of loans	**4.0**	4.0
Financing liabilities from the issuance of bonds	**0.6**	0.8
Other current liabilities	**10.2**	11.0
Provisions for restructuring measures	**0.7**	0.7
Other provisions	**0.7**	1.0
Total current liabilities	**41.4**	40.5
Financing liabilities from the issuance of bonds	**12.0**	12.0
Provisions for restructuring measures	**1.8**	1.9
Pension provisions	**13.2**	13.3
Total non-current liabilities	**27.0**	27.2
Total liabilities	**68.4**	67.7
Subscribed capital	**8.9**	8.9
Capital reserves	**19.8**	19.8
Reserves	**3.2**	3.5
Loss carryforward	**-14.8**	-12.7
Equity attributable to owners of the parent	**17.1**	19.5
Non-controlling interests	**0.7**	0.7
Total equity	**17.8**	20.2
Total equity and liabilities	**86.2**	87.9

SINGULUS TECHNOLOGIES Group
Income Statement
from January 1 to March 31, 2018 and 2017

	01/01 - 03/31			
	2018		2017	
	[million €]	[%]	[million €]	[%]
Revenue (gross)	**17.3**	**101.8**	26.1	100.8
Sales deductions and direct selling costs	**-0.3**	**-1.8**	-0.2	-0.8
Revenue (net)	**17.0**	**100.0**	25.9	100.0
Cost of sales	**-12.4**	**-72.9**	-18.1	-69.9
Gross profit on sales	**4.6**	**27.1**	7.8	30.1
Research and development	**-1.3**	**-7.6**	-1.3	-5.0
Sales and customer service	**-2.9**	**-17.1**	-2.9	-11.2
General administration	**-2.3**	**-13.5**	-2.3	-8.9
Other operating expenses	**-0.2**	**-1.2**	-0.3	-1.2
Other operating income	**0.5**	**2.9**	0.4	1.5
Total operating expenses	**-6.2**	**-36.5**	-6.4	-24.7
Operating result (EBIT)	**-1.6**	**-9.4**	1.4	5.4
Finance income	**0.0**	**0.0**	0.0	0.0
Finance costs	**-0.5**	**-2.9**	-0.5	-1.9
EBT	**-2.1**	**-12.4**	0.9	3.5
Tax income	**0.0**	**0.0**	0.0	0.0
Profit or loss for the period	**-2.1**	**-12.4**	0.9	3.5
Thereof attributable to:				
Owners of the parent	**-2.1**		0.9	
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	**-0.24**		0.11	
Diluted earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	**-0.24**		0.11	
Basic number of shares, pieces	**8,896,527**		8,087,752	
Diluted number of shares, pieces	**8,896,527**		8,087,752	

SINGULUS TECHNOLOGIES Group Statement of Comprehensive Income

from January 1 to March 31, 2018 and 2017

	01/01 - 03/31 2018 [million €]	01/01 - 03/31 2017 [million €]
Profit or loss for the period	**-2.1**	0.9
Items that may be reclassified to profit and loss:		
Derivative financial instruments	**-0.1**	0.0
Exchange differences in the fiscal year	**-0.2**	-0.2
Total income and expense recognized directly in other comprehensive income	**-0.3**	-0.2
Total comprehensive income	**-2.4**	0.7
Thereof attributable to:		
Owners of the parent	**-2.4**	0.8
Non-controlling interests	**0.0**	-0.1

SINGULUS TECHNOLOGIES Group Statement of Changes in Equity

as of March 31, 2018 and 2017

	Equity attributable to owners							Non-controlling interests	Equity
	Subscribed capital	Capital reserves	Reserves		Loss carryforward		Total		
	[million €]	[million €]	Currency translation reserves [million €]	Hedge accounting reserves [million €]	Actuarial gains and losses from pension commitments [million €]	Other revenue reserves [million €]	[million €]	[million €]	[million €]
As of January 1, 2017	**8.1**	**10.4**	**4.1**	**0.0**	**-5.7**	**-4.4**	**12.5**	**0.8**	**13.3**
Profit or loss for the period	0.0	0.0	0.0	0.0	0.0	0.9	0.9	0.0	0.9
Other comprehensive income	**0.0**	**0.0**	**-0.1**	**0.0**	**0.0**	**0.0**	**-0.1**	**-0.1**	**-0.2**
Total comprehensive income	**0.0**	**0.0**	**-0.1**	**0.0**	**0.0**	**0.9**	**0.8**	**-0.1**	**0.7**
As of March 31, 2017	**8.1**	**10.4**	**4.0**	**0.0**	**-5.7**	**-3.5**	**13.3**	**0.7**	**14.0**
As of January 1, 2018	**8.9**	**19.8**	**3.5**	**0.0**	**-5.2**	**-7.5**	**19.5**	**0.7**	**20.2**
Profit or loss for the period	0.0	0.0	0.0	0.0	0.0	-2.1	-2.1	0.0	-2.1
Other comprehensive income	**0.0**	**0.0**	**-0.2**	**-0.1**	**0.0**	**0.0**	**-0.3**	**0.0**	**-0.3**
Total comprehensive income	**0.0**	**0.0**	**-0.2**	**-0.1**	**0.0**	**-2.1**	**-2.4**	**0.0**	**-2.4**
As of March 31, 2018	**8.9**	**19.8**	**3.3**	**-0.1**	**-5.2**	**-9.6**	**17.1**	**0.7**	**17.8**

SINGULUS TECHNOLOGIES Group
Statement of Cash Flows
from January 1 to March 31, 2018 and 2017

	01/01 - 03/31			
	2018		2017	
	[million €]		[million €]	
Cash flows from operating activities				
Profit or loss for the period		**-2.2**		**0.9**
Adjustment to reconcile profit or loss for the period to net cash flow				
Amortization, depreciation and impairment of non-current assets	**0.5**		0.5	
Contribution to the pension provisions				
Other non-cash expenses/income	**-0.2**		0.2	
Net finance costs	**0.5**		0.5	
Net tax expense	**0.0**		0.0	
Change in trade receivables	**-0.5**		3.0	
Change in construction contracts	**4.1**		-18.2	
Change in other receivables and other assets	**1.1**		1.9	
Change in inventories	**-0.2**		-0.3	
Change in trade payables	**-4.5**		3.6	
Change in other liabilities	**-0.8**		0.1	
Change in prepayments	**-0.1**		-0.2	
Change in provisions from restructuring measures	**-0.1**		-0.2	
Change in further provisions	**-0.1**		-0.1	
Interest paid	**-0.1**		-0.1	
		-0.3		**-9.3**
Net cash from/used in operating activities		**-2.5**		**-8.4**

	01/01 - 03/31			
	2018		2017	
	[million €]		[million €]	
Cash flows from investing activities				
Cash paid for investments in development projects	**-0.4**		-0.5	
Cash paid for investments in other intangible assets and property, plant and equipment	**-0.3**		-0.1	
Net cash from/used in investing activities		**-0.7**		-0.6
Cash flows from financing activities				
Bond interest payments	**-0.4**		-0.2	
Cash received/used on the issuance of loans	**0.0**		3.8	
Loan interest payments	**-0.1**		0.0	
Changes in cash and cash equivalents	**-1.3**		6.3	
Net cash from/used in financing activities		**-1.8**		9.9
Cash and cash equivalents at the beginning of the reporting period		**-5.0**		0.9
Effect of exchange rate changes		**0.0**		0.0
Cash and cash equivalents at the beginning of the reporting period		**27.2**		18.5
Cash and cash equivalents at the end of the reporting period		**22.2**		19.4

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 2018 were approved for publication by decision of the Executive Board as of May 9, 2018.

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, 2018 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, 2017. 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, income, expenses as well as contingent liabilities. These assumptions and estimates mainly affect the projected expenses and the level of completion of production orders, 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 2017. For a detailed description of the accounting principles please refer to the notes of the consolidated financial statements of our Annual Report 2017.

At the extraordinary shareholders' meeting on November 29, 2017 the Executive Board had reported the loss of more than 50 % of the nominal capital pursuant to Art. 92 Para. 1 AktG. As of March 31, 2018 the SINGULUS TECHNOLOGIES AG reports a loss, which is not covered by shareholders' equity pursuant to HGB. During the period of setting up this report the shareholders' equity pursuant to German commercial law continued to decline. In particular the machines for the first factory for thin-film solar cells in China will mainly be finally accepted in the next couple of months and once again strengthen the equity base pursuant to HGB. The Executive Board only expects a long-term recovery of the shareholders' equity in the next business year. However, from today's point of view the company has sufficient available liquid funds to secure the normal course of business and thus draws up the accounts pursuant to the going-concern assumption. This requires the course and receipt of prepayments for the ongoing projects as planned. Furthermore, the reduction of cash collateral for debt guarantees is planned.

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, 2018, in addition to the SINGULUS TECHNOLOGIES AG two domestic and eleven foreign subsidiaries were included overall. During the period under review, no companies were added to the scope of consolidation.

Accounts receivable and receivables from production orders

The accounts receivable and production receivables as of March 31, 2018 are split as follows:

	March 31, 2018	Dec. 31, 2017
	in million €	in million €
Accounts receivable – short-term	**3.7**	3.4
Receivables from production orders	**12.1**	9.5
Less write-offs	**-1.0**	-1.1
	14.8	11.8

Intangible assets

Capitalized development expenses, goodwill, client bases as well as concessions, intellectual property rights and other intangible are included under intangible assets. As of March 31, 2018, the capitalized development expenses amounted to € 3.5 million (December 31, 2017: € 3.4 million). In the first three months of 2018 the investments in developments for our products totaled € 0.4 million (previous year: € 0.5 million). Scheduled write-offs and amortization of capitalized development expenses amounted to € 0.3 million (previous year: € 0.3 million).

Property, plant & equipment

In the first three months of the business year 2018 € 0.1 million were invested in property, plant & equipment (previous year: € 0.1 million). During the same period scheduled depreciation amounted to € 0.2 million (previous year: € 0.2 million).

Contingent liabilities and other financial obligations

At the end of the quarter under review the contingent liabilities and other financial obligations not included in the consolidated accounts amount to € 13.1 million (December 31, 2017: € 13.6 million) and include rent and leasing obligations. The Executive Board does not have knowledge about facts that could have a materially adverse impact on the business operations, the financial situation or the business results of the company.

Geographical breakdown of sales

Geographic information as of March 2018	**Germany**	**Rest of Europe**	**North and South America**	**Asia**	**Africa and Australia**
	in million €	in million €	in million €	in million €	in million €
Sales by country of origin	14.9	0.1	1.9	0.4	0.0
by country of destination	5.2	2.7	2.1	7.2	0.1

Geographic information as of March 2017	**Germany**	**Rest of Europe**	**North and South America**	**Asia**	**Africa and Australia**
	in million €	in million €	in million €	in million €	in million €
Sales by country of origin	23.4	0.2	2.2	0.3	0.0
by country of destination	1.7	1.8	3.3	19.2	0.1

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 expenses and non-capitalizable development expenses, the research and development expenses in the 1st quarter 2018 still include the scheduled amortization of capitalized development efforts in the amount of € 0.3 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:

		Book value		Attributable time value	
	Valuation category	**March 31, 2018 in million €**	Dec. 31, 2017 in million €	**March 31, 2018 in million €**	Dec. 31, 2017 in million €
Financial assets					
Cash and cash equivalents **	L&R	**22.2**	27.2	**22.2**	27.2
Restricted financial assets**	L&R	**10.0**	8.7	**10.0**	8.7
Accounts receivable **	L&R	**2.7**	2.3	**2.7**	2.3
Receivables from production orders **	L&R	**12.1**	9.5	**12.1**	9.5
Financial liabilities					
Corporate bond *	FLAC	**12.6**	12.8	**12.5**	12.7
Liabilities from the issuance of loans**	FLAC	**4.0**	4.0	**4.0**	4.0
Hedging derivatives **	HD	**0.1**	0.0	**0.1**	0.0
Accounts payable **	FLAC	**5.7**	10.1	**5.7**	10.1
Total	L&R	**47.0**	47.7	**47.0**	47.7
Total	FLAC	**22.3**	26.9	**22.2**	26.8
Total	HD	**0.1**	0.0	**0.1**	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 value, based on the input factors of the applied valuation procedures.

Annotations to the abbreviations:
L&R: Loans and Receivables
FLAC: Financial Liabilities Measured at Amortised Cost
HD: Hedging Derivative (Hedging Derivate)

Attributable time value
Cash and cash equivalents as well as accounts payable regularly have a short term to maturity. The balance sheet values are approximately the attributable time values. The same holds true for short-term accounts receivables and other assets. The attributable time values of long-term accounts receivable corresponds to the present values corresponding to the payments of the assets subject to the relevant interest rate parameters.

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

Hierarchy of attributable time values
The Group applies the following hierarchy for the calculation and reporting of the corresponding time values of financial instruments as per valuation method:

Level 1: listed (unadjusted) prices on active markets for similar assets or liabilities,

Level 2: methods, in which all input parameters which have a material impact on the calculated attributable time value, can be observed directly or indirectly,

Level 3: methods, which use input parameters, which have a material impact on the calculated attributable time value and which are not based on observable market data.

Financial income and financing expenses
The interest income/ expenses are composed as follows:

	March 31, 2018	March 31, 2017
	in million €	in million €
Financing expenses from issuance of bond	**-0.2**	-0.3
Interest expenses from the discounting of pension provisions	**-0.1**	-0.1
Other financing expenses	**-0.2**	-0.1
	-0.5	-0.5

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.

Financial liabilities from the issuance of bond

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

Liabilities from the issuance of loans

In March 2017 the company has taken a loan in the amount of € 4.0 million from a shareholder and bondholder. The loan is in context of the bond provisions Art. 8 (a) (iv) in connection with Art. 3 (e). Accordingly, the company is able to enter financial liabilities in form of a loan of up to € 4.0 million. In this context, the bond collateral is also used for securing the loan. This is senior ranking in relation to the bondholders. The initial maturity of the loan was one year. In the meantime it was prolonged until the end of 2018; the effective interest rate is 13.85 % per year.

Events after the Balance Sheet Date

The company has entered into an agreement with the subsidiary of a large, stock-listed energy company and producer of solar modules in China for the delivery of CIGS production machines of the TENUIS II type for wet-chemical coating processes. The order volume exceeds € 10 million. The prepayment for this project has already been received.

In addition, the company received the contractually agreed prepayment for the ordered machines at the sites in Bengbu and Meishan from its customer China National Building Materials (CNBM), China. Here, the first prepayments for the contract signed on December 21, 2017 for the delivery of five selenization machines of the CISARIS type for the production of CIGS solar modules were received.

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. Leichnitz, held 245 shares of the company in total as of March 31, 2018.

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, 2018
	shares
Dr.-Ing. Stefan Rinck, CEO	122
Markus Ehret, CFO	43
	165

Declaration by 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, May 2018

The Executive Board

At a glance –

Consolidated Key Figures for the 1st Quarter 2016-2018

		2016	2017	2018
Revenue (gross)	million €	14.1	26.1	**17.3**
Order intake	million €	10.4	9.1	**36.1**
Order backlog (03/31)	million €	22.9	92.9	**125.5**
EBIT	million €	-5.8	1.4	**-1.6**
EBITDA	million €	-5.2	1.9	**-1.2**
Earnings before taxes	million €	-7.1	0.9	**-2.1**
Profit/loss for the period	million €	-7.1	0.9	**-2.1**
Operating cash flow	million €	-7.0	-8.4	**-2.5**
Shareholders' equity	million €	-28.6	12.8	**17.8**
Balance sheet total	million €	82.2	88.0	**86.2**
Research & development expenditures	million €	2.7	2.1	**2.1**
Employees (03/31)		336	315	**318**
Weighted number of shares, basic		305,814	8,087,752	**8,896,527**
Earnings per share, basic	€	-23.22	0.11	**-0.24**

Company Calendar

May 2018	5/15	Interim Report Q1/2018
June 2018	6/28	Annual Shareholders Meeting 10:30 am DVFA Deutsche Vereinigung für Finanzanalyse und Asset Management GmbH, Mainzer Landstrasse 37, 60329 Frankfurt am Main
August 2018	8/14	Half Year Report 2018
November 2018	11/15	Interim Report Q3/2018

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 futureoriented statements made in this report.

SINGULUS TECHNOLOGIES AG
Hanauer Landstrasse 103
D-63796 Kahl am Main
Phone +49 6188 440-0
Fax +49 6188 440-110
Internet: www.singulus.de

Investor Relations
Maren Schuster
Phone +49 6188 440-612
Fax +49 6188 440-110
investor.relations@singulus.de

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