Report for the 1st Quarter 2019

Interim Report as of March 31, 2019
(unaudited)

SINGULUS

Interim Report Q1 2019

Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

- → *Sales increased to € 20.8 million from € 17.3 million in previous year*
- → *EBIT of € 1.1 million significantly improved (previous year: € -1.6 million)*
- → *Several orders for the work areas Decorative Coatings, Medical Technology and Electronics*
- → *Project talks for Solar segment progressing favorably*
- → *Positive outlook for the business year 2019 – further increase in sales and earnings*

Sales for the SINGULUS TECHNOLOGIES Group (SINGULUS TECHNOLOGIES) amounted to € 20.8 million in the quarter under review exceeding the prior-year level of € 17.3 million. The earnings before interest and taxes (EBIT) developed positively to € 1.1 million (previous year: € -1.6 million). The EBITDA of € 2.0 million was also above the previous year's level of € -1.2 million. In the first three months of the business year 2019 a gross margin in the amount of 31.1 % (previous year: 27.1 %) was achieved. The order backlog of € 57.0 million (March 31, 2018: € 125.5. million) was below the prior-year level, which was mainly impacted by major orders for machines for the production of CIGS solar modules. The order intake of SINGULUS TECHNOLOGIES at € 11.8 million in the 1st quarter 2019 was also below the previous year's level of € 36.1 million.

For the next months SINGULUS TECHNOLOGIES expects a significantly positive course of business activities. The company expects that sales as well as the EBIT will increase substantially in the second half of the year and confirms the forecast for the full-year 2019.

The headcount within the SINGULUS TECHNOLOGIES Group remained at a constant level of 350 employees as of March 31, 2019 (December 31, 2018: 343 employees).

In the past couple of months SINGULUS TECHNOLOGIES has worked intensively on several projects for the new application areas Decorative Coatings and Electronics and was able to successfully sign orders during the quarter under review. In April an additional order for vacuum coating machines of the POLYCOATER type as well as production machines for Medical Technology was recorded.

SINGULUS TECHNOLOGIES focuses its activities on the development, manufacturing as well as on the sales and marketing of machines and systems in the area of vacuum coating technology, surface treatment, wet-chemical as well as thermal process technology and was able to establish itself with these technologies in the new work areas Decorative Coatings, Medical Technology as well as Electronics. The company was able position these products in the market with orders in the past year.

Due to this new positioning as well as the increasing importance of the new work areas, SINGULUS TECHNOLOGIES has adjusted the segmental structure to these trends. Accordingly, the new segment Life Science includes the business activities in the areas of Medical Technology, Decorative Coatings as well as Optical Disc. In addition, the company continues to report the segments Solar and Semiconductor.

New segmental structure

Solar Segment

In the Solar division SINGULUS TECHNOLOGIES includes its activities for the manufacturing of crystalline solar cells with a focus on high-performance cells as well as for thin-film solar cells on the basis of copper-indium-gallium-diselenide (CIGS) and cadmium-telluride (CdTe). This includes vacuum coating machines, systems for thermal processes as well as machines for wet-chemical processing. SINGULUS TECHNOLOGIES' strategy is to take advantage and expand the existing core competencies for production solutions in the photovoltaics sector to additional cell concepts. Due to the technologic characteristics the activities of the work area Medical Technology were previously grouped within the Solar segment. Due to the new positioning as well as the increasing importance, these will be reported under the segment Life Science from January 1, 2019.

According to analyses by IHS Markit, the market expectations for the photovoltaics build-up are positive. For the year 2019 IHS Markit projects an increase in the amount of 18 % to then 123 GW newly installed photovoltaic output. In the future, SINGULUS TECHNOLOGIES sees great potential in particular for the sub-markets for thin-film solar modules based on the CIGS technology as well as for high-efficiency cells based on the crystalline heterojunction technology (HJT). For HJT solar cells SINGULUS TECHNOLOGIES will deliver a vacuum coating machine of the GENERIS PVD type to a large manufacturer of solar cells. The order volume for this is in the mid-single-digit million Euro range. SINGULUS TECHNOLOGIES is thus able to position an additional product in the growing market for heterojunction high-performance cells next to the already very successful SILEX II production machines for wet-chemical processes.

The company expects that the further letter-of-intent (LOI) for CIGS will be converted to contracts within the coming weeks and that the course of business in the Solar segment will perform substantially better in the current year compared with the previous years.

Semiconductor Segment

SINGULUS TECHNOLOGIES is active in the semiconductor market as a supplier of special-purpose machines and offers the machine platforms TIMARIS and ROTARIS. SINGULUS TECHNOLOGIES has now regrouped the process solutions for the cleaning of electronic components and semiconductor applications to this segment. In wet-chemical cleaning machines, these products are processed and cleaned in several steps. In particular for electronic components, SINGULUS TECHNOLOGIES has developed a new process solution for the cleaning of metal-ceramic products and has received the first order here.

Starting from a low level in the Semiconductor segment, an increase in sales is expected for the business year 2019 compared with 2018. On the basis of the machine concepts developed in the past, SINGULUS TECHNOLOGIES overall sees good potential for a diversification of the business activities within this segment.

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 Optical Disc segment.

SINGULUS TECHNOLOGIES has been successfully selling production solution for medical technology since the end of 2017. The growth of the global spending for health care is reflected in the positive development of the global market for medical technologies. The orders for medical equipment in the double-digit million range booked in 2017 and 2018 for the sales of process machines for the treatment of contact lenses were first successes and thus a favorable start in this market. At the beginning of April 2019 SINGULUS TECHNOLOGIES received an additional order from a European customer for the delivery of two processing machines for the cleaning of medical products. The order volume is in the mid-single-digit million Euro range. Therefore, SINGULUS TECHNOLOGIES continued to position itself favorably in the market for medical technology. The company works intensively on also establishing vacuum coating machines for application in the area of medical technology. SINGULUS TECHNOLOGIES already expects additional orders for machines for medical technology in 2019.

For several years SINGULUS TECHNOLOGIES has already been working extensively on the introduction of its processes and machines in new market segments. A focus will be on vacuum coating machines for the finishing of surfaces as well as on various wet-chemical cleaning machines.

The vacuum coating technology clearly differentiates itself from traditional coating processes and provides all prerequisites to make the conventional product finishing of plastic, glass and metal components more resource-efficient. In general, the company is experiencing increasing interest in new, environmentally-friendly and cost-efficient solutions for the finishing of surfaces in the automotive, consumer goods and packaging sectors. In the first quarter an order for a production line of the DECOLINE II type for the finishing of three-dimensional components as well as for vacuum coating machines of the POLYCOATER type were received. European customers from the cosmetics sector opted for the environmentally-friendly and cost-efficient production solution by SINGULUS TECHNOLOGIES. Compared with galvanics, the used processes are particularly environmentally-friendly. For the cosmetics sector the POLYCOATER offers the ability to finish a wide range of products due to its flexibility. With the POLYCOATER, SINGULUS TECHNOLOGIES enables the economic chrome- (VI-) free coating of components. In addition to applications in the cosmetics sector, this process can also be used by supplier companies to the automotive industry for components in chrome appearance for control elements.

This new segment should perform favorably overall and make contributions to sales and earnings.

Key financial figures

The comparable information for the previous periods were adjusted to the new segmental reporting pursuant to IFRS 8.29.

Order intake and order backlog

The order intake at SINGULUS TECHNOLOGIES in the first quarter 2019 came to € 11.8 million (previous year: € 36.1 million). Accordingly, the Group records an order backlog in the amount of € 57.0 million as of March 31, 2019 (previous year: € 125.5 million).

Sales and earnings

Sales of € 20.8 million in the 1st quarter 2019 were higher than the € 17.3 million achieved in the previous year. Sales are split into € 13.9 million in the Solar segment (previous year: € 12.0 million), Life Science at € 6.0 million (previous year: € 4.5 million) and Semiconductor at € 0.9 million (previous year: € 0.8 million).

The regional percentage breakdown of sales in the first quarter 2019 was as follows:

- → Europe 12.5 % (previous year: 45.7 %)
- → North and South America 20.7 % (previous year: 12.1 %)
- → Asia 66.8 % (previous year: 41.6 %)
- → Africa and Australia 0.0 % (previous year: 0.6 %)

In the first three months of the business year 2019 a gross margin in the amount of 31.1 % (previous year: 27.1 %) was achieved. The gross profit from sales amounted to € 6.4 million in the quarter under review (previous year: € 4.6 million).

The total of the operating expenses amounted to € 5.3 million during the period under review and were thus below the prior-year level of € 6.2 million. Overall, in the first quarter 2019 earnings before interest and taxes (EBIT) in the amount of € 1.1 million were significantly improved compared with the prior-year level of € -1.6 million.

Balance sheet and liquidity

In the period under review the short-term assets totaled € 72.3 million December 31, 2018: € 80.4 million). The reason for this development is mainly due to a decline in cash and cash equivalents to € 9.9 million (December 31, 2018: € 13.5 million), a decline in the restricted assets to € 11.0 million (December 31, 2018: € 14.3 million) as well as a

Segment Reporting from January 1 to March 31, 2019 and 2018	Segment Solar		Segment Life Science		Segment Semiconductor		SINGULUS TECHNOLOGIES Group	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	million €	million €	**million €**	million €	**million €**	million €	**million €**	million €
Sales (gross)	**13.9**	12.0	**6.0**	4.5	**0.9**	0.8	**20.8**	17.3
Sales deduction and individual selling expenses	0.0	-0.1	-0.2	-0.2	0.0	0.0	-0.2	-0.3
Sales (net)	**13.9**	11.9	**5.8**	4.3	**0.9**	0.8	**20.6**	17.0
Write-offs and amortization	-0.7	-0.4	-0.2	0.0	0.0	0.0	-0.9	-0.4
Operating result (EBIT)	**1.0**	-0.7	**0.4**	-0.7	**-0.3**	-0.2	**1.1**	-1.6
Financial result							-0.6	-0.5
Earnings before taxes							0.5	-2.1

drop in the accounts receivable from production orders to € 17.4 million (December 31, 2018: € 20.4 million).

The long-term assets amounted to € 29.0 million as of March 31, 2019, above the level of the prior period (December, 31 2018: € 23.7 million). This increase is mainly due to the capitalization of the leasing contract for the office and production building in Fürstenfeldbruck following the first-time application of IFRS 16 – Leases.

The short-term debt declined compared with the level at the end of 2018 and amounted to € 43.2 million as of March 31, 2019 (December 31, 2018: € 50.2 million). Here, the accounts receivables decreased by € 6.3 million to € 12.2 million (December 31, 2018: € 18.5 million) as well as the liabilities from production orders by € 3.3 million to € 11.5 million (December 31, 2018: € 14.8 million) in connection with the run-off of production orders in the segments Solar and Life Science.

The long-term liabilities amounted to € 38.0 million as of March 31, 2019, above the level of the prior period (December 31, 2018: € 34.2 million). This increase is mainly due to the capitalization of the leasing contract for the office and production building in Fürstenfeldbruck following the first-time application of IFRS 16 – Leases.

Shareholders’ equity

The equity within the Group increased slightly by € 0.4 million due to the positive net income and amounted to € 20.1 million as of March 31, 2019, which is entirely attributable to the shareholders of the parent company (December 31, 2018: € 19.7 million).

Cash flow

In the 1st quarter of 2019 the operating cash flow in the Group was negative at € -9.1 million (previous year: € -2.5 million). The cash flow from investing activities came to € -0.8 million (previous year: € -0.7 million). The cash flow from financing activities came to € 6.2 million overall (previous year: € -1.8 million). In the period under review the company took out a senior-secured loan (€ 4.0 million). Furthermore, the restricted financial assets in the amount of € 3.3 million declined. Overall, the amount of liquid funds declined by € 3.6 million in the 1st quarter 2019 to currently € 9.9 million (December 31, 2018: € 13.5 million).

Risk Report

Within the risk report for the business year 2018, the project and sales market risks for the Solar segment as well as the liquidity risk were deemed essential risks for the Group.

Currently, we still rate the liquidity risk unchanged with a relevance score of 5. Despite the receipt of additional partial payments of the customers CNBM and Hanergy during the period under review, we still assess the probability of occurrence as medium, unchanged from the end of the past business year. In this connection we also point out the existing necessity to expand the financing commitments from banks and insurers and the reduction of required cash deposits for necessary guarantees for the financing of future projects. Furthermore, in particular the receipt of additional partial payments of key customers as planned will be required.

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. The probability of occurrence for the period under review is still assessed as being medium, unchanged from the end of the previous business year. After significant delays the respective machines for the first expansion stage of the factory in Bengbu, China, are currently in the process towards final acceptance. After the balance sheet date, the final acceptance for parts of the machines was already received. From today's point of view, we expect to achieve the contractually agreed acceptance criteria for the remaining machines in the next couple of months.

During the first three months of the business year 2019 there were no material changes regarding the risks depicted in the combined status report within the Annual Report for the year 2018.

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 € 3.0 million in total the expenditures for research and development in the first three months of 2019 were above the prior-year level (previous year: € 2.1 million). This increase is mainly due to the new work areas Medical Technology as well as Decorative Coatings.

The SINGULUS TECHNOLOGIES stock

The share price of the SINGULUS TECHNOLOGIES stock traded around the € 10.00 level in the first quarter 2019. On May 8, 2019 the shares traded at € 9,78.

The most significant change in the shareholder structure was the transfer of 1.166 million shares (around 13.11 %) to the Triumph Science and Technology Group Company, Ltd. (Triumph), a 100 % subsidiary of China National Building Materials, Beijing, China (CNBM). The SINGULUS TECHNOLOGIES AG was informed on September 21, 2018 that the announced acquisition of a minority stake as a first step had been concluded.

Shareholder structure (as of April 27, 2019)	**%**
Free-float	62.35
Triumph Science and Technology Group Co., Ltd. (100 % subsidiary of CNBM)	16.75
Clemens Jakopitsch	6.21
Universal-Investment-Gesellschaft mit beschränkter Haftung	4.97
Janus Henderson Group plc (TR European Growth Trust plc)	3.54
Oppenheimer Global Opportunities Fund	3.16
IP Concept (Luxemburg) S.A.	3.02
Total	**100.00**

On January 22, 2019, the SINGULUS TECHNOLOGIES AG was informed that CNBM had acquired additional 3.64 % of the shares and thus now owns 16.75 % of the shares of the SINGULUS TECHNOLOGIES AG in total.

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. The price of the bond stood at 103,6 % on May 8, 2019.

Positive outlook for the business year 2019

For the current business year, pursuant to IFRS, SINGULUS TECHNOLOGIES expects a further increase in sales and earnings compared with the previous business year 2018. Sales in the business year 2019 should be in a range from € 135.0 million to € 155.0 million. The operating earnings before interest and taxes (EBIT) should most probably also develop favorably and are projected to be in a range between € 6.0 million to € 11.0 million.

The key sales and earnings drivers are expected to originate from the Solar division and here from large project orders for investments in production lines for CIGS solar modules. These improvements are based on the current project plans with respect to the realization of the current projects as well as the start of expected new projects for the planned expansion and the new CIGS sites of CNBM, respectively. With regards to the forecasts for the business year 2019 the Executive Board assumes that the signing of the delivery contracts and the receipt of the corresponding prepayments will materialize in the next couple of months with a high probability.

Best regards,

The Executive Board

SINGULUS TECHNOLOGIES AG

SINGULUS TECHNOLOGIES Group
Balance Sheet
from March 31, 2019 to December 31, 2018

ASSETS	03/31/2019 [million €]	12/31/2018 [million €]
Cash and cash equivalents	**9.9**	13.5
Restricted cash	**11.0**	14.3
Trade receivables	**4.6**	6.1
Receivables from construction contracts	**17.4**	20.4
Other receivables and other assets	**11.2**	9.0
Total receivables and other assets	**33.2**	35.5
Raw materials, consumables and supplies	**8.0**	7.9
Work in process	**10.2**	9.2
Total inventories	**18.2**	17.1
Total current assets	**72.3**	80.4
Property, plant and equipment	**15.4**	10.7
Capitalized development costs	**6.5**	6.0
Goodwill	**6.7**	6.7
Other intangible assets	**0.4**	0.3
Deferred tax assets	**0.0**	0.0
Total non-current assets	**29.0**	23.7
Total assets	**101.3**	104.1

EQUITY AND LIABILITIES

	03/31/2019 [million €]	12/31/2018 [million €]
Trade payables	**12.2**	18.5
Prepayments received	**1.1**	1.0
Liabilities from construction contracts	**11.5**	14.8
Financing liabilities from the issuance of loans	**4.0**	0.0
Financing liabilities from the issuance of bonds	**0.7**	0.9
Current leasing liabilities	**2.5**	1.1
Other current liabilities	**9.8**	11.3
Provisions for restructuring measures	**0.2**	0.6
Provisions for taxes	**0.5**	0.5
Other provisions	**0.7**	1.5
Total current liabilities	**43.2**	50.2
Financing liabilities from the issuance of bonds	**12.0**	12.0
Non-current leasing liabilities	**8.8**	3.8
Provisions for restructuring measures	**0.0**	1.5
Pension provisions	**13.9**	13.9
Deferred tax liabilities	**3.3**	3.0
Total non-current liabilities	**38.0**	34.2
Total liabilities	**81.2**	84.4
Subscribed capital	**8.9**	8.9
Capital reserves	**19.8**	19.8
Reserves	**3.8**	3.6
Loss carryforward	**-12.4**	-12.6
Equity attributable to owners of the parent	**20.1**	19.7
Total equity	**20.1**	19.7
Total equity and liabilities	**101.3**	104.1

SINGULUS TECHNOLOGIES Group Income Statement

from January 1 to March 31, 2019 and 2018

	01/01 - 03/31			
	2019		2018	
	[million €]	[%]	[million €]	[%]
Revenue (gross)	**20.8**	**101.0**	17.3	101.8
Sales deductions and direct selling costs	**-0.2**	**-1.0**	-0.3	-1.8
Revenue (net)	**20.6**	**100.0**	17.0	100.0
Cost of sales	**-14.2**	**-68.9**	-12.4	-72.9
Gross profit on sales	**6.4**	**31.1**	4.6	27.1
Research and development	**-1.4**	**-6.8**	-1.3	-7.6
Sales and customer service	**-2.4**	**-11.7**	-2.9	-17.1
General administration	**-1.8**	**-8.7**	-2.3	-13.5
Other operating expenses	**0.0**	**0.0**	-0.2	-1.2
Other operating income	**0.3**	**1.5**	0.5	2.9
Total operating expenses	**-5.3**	**-25.7**	-6.2	-36.5
Operating result (EBIT)	**1.1**	**5.3**	-1.6	-9.4
Finance income	**0.0**	**0.0**	0.0	0.0
Finance costs	**-0.6**	**-2.9**	-0.5	-2.9
EBT	**0.5**	**2.4**	-2.1	-12.4
Tax income	**-0.3**	**-1.5**	0.0	0.0
Profit or loss for the period	**0.2**	**1.0**	-2.1	-12.4
Thereof attributable to:				
Owners of the parent	**0.2**		-2.1	
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	**0.02**		-0.24	
Diluted earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	**0.02**		-0.24	
Basic number of shares, pieces	**8,896,527**		8,896,527	
Diluted number of shares, pieces	**8,896,527**		8,896,527	

SINGULUS TECHNOLOGIES Group Statement of Comprehensive Income

from January 1 to March 31, 2019 and 2018

	01/01 - 03/31 2019 [million €]	01/01 - 03/31 2018 [million €]
Profit or loss for the period	**0.2**	-2.1
Items that may be reclassified to profit and loss:		
Derivative financial instruments	**0.0**	-0.1
Exchange differences in the fiscal year	**0.2**	-0.2
Total income and expense recognized directly in other comprehensive income	**0.2**	-0.3
Total comprehensive income	**0.4**	-2.4
Thereof attributable to:		
Owners of the parent	**0.4**	-2.4
Non-controlling interests	**0.0**	0.0

SINGULUS TECHNOLOGIES Group Statement of Changes in Equity

as of March 31, 2019 and 2018

	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, 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**
Changes in the scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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**
As of January 1, 2019	**8.9**	**19.8**	**3.6**	**0.0**	**-5.9**	**-6.7**	**19.7**	**0.0**	**19.7**
Profit or loss for the period	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0	0.2
Other comprehensive income	**0.0**	**0.0**	**0.2**	**0.0**	**0.0**	**0.0**	**0.2**	**0.0**	**0.2**
Changes in the scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income	**0.0**	**0.0**	**0.2**	**0.0**	**0.0**	**0.2**	**0.4**	**0.0**	**0.4**
As of March 31, 2019	**8.9**	**19.8**	**3.8**	**0.0**	**-5.9**	**-6.5**	**20.1**	**0.0**	**20.1**

SINGULUS TECHNOLOGIES Group
Statement of Cash Flows
from January 1 to March 31, 2019 and 2018

	01/01 - 03/31			
	2019		2018	
	[million €]		[million €]	
Cash flows from operating activities				
Profit or loss for the period		0.2		-2.2
Adjustment to reconcile profit or loss for the period to net cash flow				
Amortization, depreciation and impairment of non-current assets	1.0		0.5	
Contribution to the pension provisions	0.1		0.1	
Other non-cash expenses/income	0.4		-0.2	
Net finance costs	0.6		0.5	
Net tax expense	0.3		0.0	
Change in trade receivables	1.5		-0.5	
Change in construction contracts	-0.4		4.1	
Change in other receivables and other assets	-2.0		1.1	
Change in inventories	-1.1		-0.2	
Change in trade payables	-6.4		-4.5	
Change in other liabilities	-0.6		-0.8	
Change in prepayments	0.1		-0.1	
Change in provisions from restructuring measures	-1.9		-0.1	
Change in further provisions	-0.9		-0.1	
Interest paid	0.0		-0.1	
		-9.3		-0.3
Net cash from/used in operating activities		-9.1		-2.5

	01/01 - 03/31			
	2019		2018	
	[million €]		[million €]	
Cash flows from investing activities				
Cash paid for investments in development projects	**-0.7**		-0.4	
Cash paid for investments in other intangible assets and property, plant and equipment	**-0.1**		-0.3	
Net cash from/used in investing activities		**-0.8**		-0.7
Cash flows from financing activities				
Bond interest payments	**-0.4**		-0.4	
Cash received/used on the issuance of loans	**4.0**		0.0	
Loan interest payments	**0.0**		-0.1	
Cash used to pay leasing liabilities	**-0.7**		0.0	
Changes in cash and cash equivalents	**3.3**		-1.3	
Net cash from/used in financing activities		**6.2**		-1.8
Cash and cash equivalents at the beginning of the reporting period		**-3.7**		-5.0
Effect of exchange rate changes		**0.1**		0.0
Cash and cash equivalents at the beginning of the reporting period		**13.5**		27.2
Cash and cash equivalents at the end of the reporting period		**9.9**		22.2

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 2019 were approved for publication by decision of the Executive Board as of May 9, 2019.

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, 2019 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, 2018. 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 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 2018. For a detailed description of the accounting principles please refer to the notes of the consolidated financial statements of our Annual Report 2018.

In the course of the extraordinary general meeting on November 29, 2017, the Executive Board reported on the loss of 50 % of the nominal capital pursuant to Art. 92 Para. 1 AktG. As of the balance sheet date March 31, 2019, the SINGULUS TECHNOLOGIES AG reported a loss not covered by shareholders' equity pursuant to HGB. In particular the machines for the first factory for thin-film solar cells in China will mainly be finally accepted in the coming months and then strengthen the shareholders' equity accordingly. The final acceptance for parts of the machines was already received after the preparation period. A long-term recovery of the shareholders' equity is only expected by the Executive Board in the next business year. 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. This assumes the course of business and receipt of partial payments for the expected projects as planned. Furthermore, the cash deposits for counter guarantees are expected to be reduced.

Effects from the first-time application of IFRS 16
The Group has opted to apply the modified retrospective approach, meaning that it has not retrospectively restated prior-year comparative figures in the consolidated financial statements. The following table summarizes the impacts of the first-time application of the new accounting standard IFRS 16 "Leases". Overall, the liabilities from leases following the first-time application of IFRS 16 increased by approximately € 6.9 million as of January 1, 2019.

The leasing obligations now also include provisions for restructuring measures from obligations resulting from operating lease agreements.

The expenses for lease obligations are split into write-offs on fixed assets and financing expenses. Due to this effect, the EBIT increased by € 0.1 million during the period under review and at the same time the financial result is charged by an equal amount. The net profit remains unchanged from these adjustments.

in million €	Pursuant to balance sheet, as reported, with adaption of IFRS 16	Adjustment	Balance sheet w/o adaption of IFRS 16
Property, plant & equipment	15.4	-4.9	10.5
Others	85.9	–	85.9
Total Assets	**101.3**	**-4.9**	**96.4**
Short-term leasing liabilities	2.5	-1.4	1.1
Short-term provisions for restructuring measures	0.2	0.4	0.6
Long-term leasing liabilities	8.8	-5.3	3.5
Long-term provisions for restructuring measures	0.0	1.4	1.4
Others	89.8	–	89.8
Total liabilities and shareholders' equity	**101.3**	**-4.9**	**96.4**

in million €	Pursuant to P&L, as reported, with adaption of IFRS 16	Adjustment	P&L w/o adaption of IFRS 16
Operating expenses	-5.3	-0.1	-5.4
EBIT	1.1	-0.1	1.0
Financing expenses	-0.6	0.1	-0.5
Net profit/loss	0.2	0.0	0.2
Depreciations and amortizations	-0.9	0.3	-0.6
EBITDA	2.0	-0.3	1.7

Segmental reporting

The new work areas Medical Technology and Decorative Coatings, which were defined in previous years, were regrouped to the segments Solar and Optical Disc at the end of the business year 2018 on the basis of the technologic characteristics of the products.

Due to the increasing importance of these new work areas, the company has adjusted the internal reporting in 2019. Accordingly, the new segment Life Science includes the business activities in the areas of Medical Technology, Decorative Coatings as well as Optical Disc. In addition, the company continues to the report the segments Solar and Semiconductor.

The comparable information for the previous periods is adjusted to the new segmental reporting pursuant to IFRS 8.29.

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, 2019, in addition to the SINGULUS TECHNOLOGIES AG two domestic and eleven 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, 2019 are split as follows:

	Mar. 31, 2019	Dec. 31, 2018
	in million €	in million €
Accounts receivable - short-term	**4.7**	7.3
Receivables from production orders	**17.4**	20.4
Less write-offs	**-0.1**	-1.2
	22.0	26.5

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, 2019, the capitalized development expenses amounted to € 6.5 million (December 31, 2018: € 6.0 million). In the first three months of 2019 the investments in developments totaled € 0.8 million (previous year: € 0.4 million). Scheduled write-offs and amortization on 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 2019 € 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: € 0.2 million).

Rental and lease expenses

As of March 31, 2019, the future minimum expenses due to financial and operating leasing agreements within the Group totaled € 11.3 million (December 31, 2018: € 11.8 million).

Disaggregation of sales

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

January 1 to March 31, 2019	Solar in million €	Life Science in million €	Semiconductor in million €	Total in million €
Sales by country of destination				
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
	13.9	**6.0**	**0.9**	**20.8**
Sales by country of origin				
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
	13.9	**6.0**	**0.9**	**20.8**
Products and services				
Production equipment	12.8	3.2	0.6	16.6
Service and replacement parts	1.1	2.8	0.3	4.2
	13.9	**6.0**	**0.9**	**20.8**
Time of sales realization				
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
	13.9	**6.0**	**0.9**	**20.8**

January 1 to March 31, 2018	Solar in million €	Life Science in million €	Semiconductor in million €	Total in million €
Sales by country of destination				
Germany	4.3	0.9	0.0	5.2
Rest of Europe	1.5	0.8	0.4	2.7
North and South America	0.0	2.0	0.1	2.1
Asia	6.2	0.7	0.3	7.2
Africa & Australia	0.0	0.1	0.0	0.1
	12.0	**4.5**	**0.8**	**17.3**
Sales by country of origin				
Germany	11.8	2.4	0.7	14.9
Rest of Europe	0.0	0.1	0.0	0.1
North and South America	0.0	1.8	0.1	1.9
Asia	0.2	0.2	0.0	0.4
Africa & Australia	0.0	0.0	0.0	0.0
	12.0	**4.5**	**0.8**	**17.3**
Products and services				
Production equipment	11.6	1.3	0.5	13.4
Service and replacement parts	0.4	3.2	0.3	3.9
	12.0	**4.5**	**0.8**	**17.3**
Time of sales realization				
Sales realization extending one period	11.6	1.3	0.5	13.4
Sales realization for one period	0.4	3.2	0.3	3.9
	12.0	**4.5**	**0.8**	**17.3**

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 2019 also include the scheduled amortization of capitalized development expenses 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.

	Valuation method	Book value Mar. 31, 2019 in million €	Book value Dec. 31, 2018 in million €	Attributable time value Mar. 31, 2019 in million €	Attributable time value Dec. 31, 2018 in million €
Financial assets					
Cash and cash equivalents **	AC	**9.9**	13.5	**9.9**	13.5
Restricted financial assets **	AC	**11.0**	14.3	**11.0**	14.3
Derivatives					
Hedging derivatives **	HD	**–**	–	**–**	–
Accounts receivable **	AC	**4.6**	6.1	**4.6**	6.1
Receivables from production orders **	AC	**17.4**	20.4	**17.4**	20.4
Financial liabilities					
Corporate bond *	AC	**12.7**	12.9	**13.2**	12.9
Liabilities from the issuance of loans	AC	**4.0**	0.0	**4.0**	0.0
Derivatives					
Hedging derivative **	HD	**–**	–	**–**	–
Accounts payable **	AC	**12.2**	18.5	**12.2**	18.5
Total	AC	**71.8**	85.7	**72.3**	85.7
Total	HD	**0.0**	0.0	**0.0**	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 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 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:

	Mar. 31, 2019 in million €	Mar. 31, 2018 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**	-0.2
	-0.6	-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.

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

The company has taken up a loan in the amount of € 4.0 million in February 2019 in connection with the bond terms Art. 8 (a) (iv) together 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 compared with the bondholders. The term of the loans is one year. The effective interest rate amounts to 9.34 % per year.

Events after the Balance Sheet Date

Reportable events did not occur after the end of the reporting period.

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, 2019.

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:

	Mar. 31, 2019
	shares
Dr.-Ing. Stefan Rinck, CEO	122
Markus Ehret, CFO	43
	165

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 2019

The Executive Board

At a glance –
Consolidated Key Figures for the 1st Quarter 2017-2019

		2017	2018	2019
Revenue (gross)	million €	26.1	17.3	**20.8**
Order intake	million €	9.1	36.1	**11.8**
Order backlog (03/31)	million €	92.9	125.5	**57.0**
EBIT	million €	1.4	-1.6	**1.1**
EBITDA	million €	1.9	-1.2	**2.0**
Earnings before taxes	million €	0.9	-2.1	**0.5**
Profit/loss for the period	million €	0.9	-2.1	**0.2**
Operating cash flow	million €	-8.4	-2.5	**-9.1**
Shareholders' equity	million €	12.8	17.8	**20.1**
Balance sheet total	million €	88.0	86.2	**101.3**
Research & development expenditures	million €	2.1	2.1	**3.0**
Employees (03/31)		315	318	**350**
Weighted number of shares, basic		8,087,752	8,896,527	**8,896,527**
Earnings per share, basic	€	0.11	-0.24	**0.02**

Company Calendar

May 2019	5/14	Interim Report Q1/2019
May 2019	5/23	Annual Shareholders Meeting 10.30 am DVFA Deutsche Vereinigung für Finanzanalyse und Asset Management GmbH, Mainzer Landstraße 37, 60329 Frankfurt am Main
August 2019	8/14	Half Year Report 2019
November 2019	11/15	Interim Report Q3/2019

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.

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