Report for the 1st Half 2018

Half-Year Report as of June 30, 2018
(unaudited)

SINGULUS

Report First Half Year 2018

Interim Report as of June 30, 2018 (unaudited)

→ ***Order intake in the first half at € 65.0 million***
→ ***Order backlog as of June 30 at € 125.3 million substantially above prior-year level***
→ ***Sales at prior-year level with EBIT amounting to € -1.2 million***
→ ***Significant increase in sales foreseeable for the second half***
→ ***Full-year forecast with positive operating result (EBIT) confirmed***
→ ***Solar continues to perform favorably overall***
→ ***New work areas attract additional order intake***

The SINGULUS TECHNOLOGIES AG (SINGULUS TECHNOLOGIES) reports half-year sales for 2018 of € 46.4 million, which is around the prior-year level of € 48.3 million. In the 2nd quarter 2018 significantly higher sales of € 29.1 million were recorded compared with the prior year period (previous year: € 22.2 million). While the 2nd quarter already achieved an operating profit, the earnings before interest and taxes (EBIT) for the entire first half of 2018 remained slightly negative at € -1.2 million (previous year: € 2.5 million). The reason for this improvement is the realization of sales for essential projects in the course of the second half of the year. The second quarter 2018 was positive with an EBIT of € 0.4 million (previous year: € 1.1 million), which already reflects the uptrend in earnings. The EBITDA in the amount of € -0.3 million for the first six months was below the prior-year level of € 3.5 million. In the first six months of the business year 2018 a gross margin in the amount of 28.8 % (previous year: 30.0 %) was achieved.

The Executive Board still expects a considerable increase in sales within the group of companies to a level in the low triple-digit million range as well as positive operating earnings before interest and taxes (EBIT) in the mid single-digit million range.

The orders intake in the first half of 2018 improved from € 26.1 million in the previous year to currently € 65.0 million. The high order backlog of € 125.3 million (June 30, 2017: € 87.7 million) to a large extent includes machines for the production of CIGS solar modules for the Chinese state-owned enterprise China National Building Materials (CNBM).

The headcount within the SINGULUS TECHNOLOGIES Group remained at a constant level of 318 employees as of June 30, 2018 (December 31, 2017: 315 employees).

Solar
The key market for SINGULUS TECHNOLOGIES

Currently, the production machines for CIGS thin-film solar modules are commissioned at the first site in Bengbu in the province Anhui, China. The machines for the Meishan site are currently produced at SINGULUS TECHNOLOGIES in Germany. The award for the contracts for the two other sites to be set up is scheduled for the near future. Once again, this will be the first expansion stage of 300 MW production capacity each.

The Avancis GmbH, Torgau, a subsidiary of our customer China National Building Materials Co. Ltd., Beijing, (CNBM) ceremoniously reopened its CIGS PV factory in Ochang, South Korea, in July 2018. CNBM expects a global increase in demand for CIGS premium modules for the application on building fronts. With the reopening of the Korean factory Avancis intends to sell its CIGS modules in Korea and other Asian markets.

CIGS is a technology with high potential, which has not yet been fully exploited and which therefore appears to be very promising for the future. The specific advantages of the CIGS solar modules make them competitive and cost-efficient in the long-term as well. This is the reason why CNBM plans to build and operate factories for CIGS thin-film modules outside of China as well in the long-term.

At the end of May 2018, the Chinese government announced that it will reduce the feed-in tariffs for electricity generated through photovoltaics. This

HISTARIS - Inline sputtering system with horizontal substrate transport announcement has put pressure on the stock prices of companies, which are active in the solar market. There is concern that a price war could ensue, since excess capacities for the market of solar cells and modules will arise and that customers will become more price-sensitive due to the lack of subsidies. Pricing pressures will predominantly affect less efficient cells. A market shakeout is expected for manufacturers of solar cells, in particular smaller producers of crystalline solar will come under pressure. SINGULUS TECHNOLOGIES does not have significant operations for the two areas of machines for the production of crystalline standard solar cells (BSF) and PERC upgrades.

SINGULUS TECHNOLOGIES today anticipates a move of the market towards highly efficient, crystalline solar cells, e.g. cells based on heterojunction technology (HJT). This is an area, in which SINGULUS TECHNOLOGIES offers its own machines for the cell production and where SINGULUS TECHNOLOGIES already has a market leadership position with the SILEX II and where additional production machines (PVD and PECVD) are to be introduced to the market.

In talks with the customer CNBM, the company explained to SINGULUS TECHNOLOGIES that the reduced feed-in tariffs will have no impact on the capital spending budgets for CIGS technology. A confirmation for this is the development order by CNBM for the construction of a new, highly-specialized production machine, which was received in June 2018.

Insofar, the Executive Board currently does not expect a decline in demand for production machines for CIGS cells. Accordingly, from today's perspective the Executive Board does not anticipate a substantial, adverse impact for SINGULUS TECHNOLOGIES due to the changed subsidy policy by the Chinese government.

During the period under review SINGULUS TECHNOLOGIES has also received orders for CIGS production machines from other customers. This included various individual orders for several buffer layer coating machines of the TENUIS II type. Here, the customer uses a production process, which includes the wet-chemical coating as a key production step.

Overall, we see promising interest in the CIGS technology with an extended investment cycle, in particular from China.

SINGULUS TECHNOLOGIES works on introducing additional, new machine concepts for the solar market. This includes vacuum coating machines operating under the physical vapour deposition (sputtering = PVD) and the plasma-enhanced chemical vapor deposition (PECVD). It is the company's goal to establish itself for the production of high-efficiency cells with new machines for the processing steps vacuum cathode sputtering and machines with PECVD processes.

Optical Disc
The market for physical media
In the Optical Disc segment, next to limited replacement and expansion investments for CD, DVD and Blu-ray machines, there is only slight demand for production machines for the manufacturing of Ultra-HD Blu-ray discs. Despite a globally declining production of discs, still billions of CD, DVD and Blu-ray discs are produced. This means a continuing and interesting service and replacement part business for the international service network of SINGULUS TECHNOLOGIES.

Semiconductor segment
New order in the high single-digit million Euro range
SINGULUS TECHNOLOGIES has received an order for the assembly of a complex TIMARIS vacuum coating machine from a leading European manufacturer of semiconductor production machines. The entire project volume amounts to a high single-digit million Euro range. The new machine is intended for the application of critical, metallic layer systems for a thin-film product in the area of the semiconductor industry.

The vacuum coating machine of the TIMARIS type by SINGULUS TECHNOLOGIES is equipped with various process and add-on modules and is used for the application of very thin layers in vacuum to thin-film products. Amongst others, it includes coating units, which can be equipped with several cathodes and which work in ultra-high vacuum of less than 10^{-8} Torr.

For the memory technology MRAM there are currently no changes with respect to market assumptions.

Decorative coatings with positive trend
At the beginning of this year's January SINGULUS TECHNOLOGIES received the first order from the automotive industry for a production line of the DECOLINE II type for the finishing of three-dimensional plastic parts such as switches and decoration of the interior of vehicles. With the DECOLINE II the Chrome (VI)-free coating of parts for the automotive industry is made possible.

This solution for the finishing of three-dimensional components is almost unique. With the DECOLINE II the economic Chrome (VI)-free coating of vehicle components is made possible and in particular the automotive industry is offered further cost savings through integrated production and simplified logistics. The respective components are pre-processed, painted and coated in a single line.

SINGULUS TECHNOLOGIES will continue as well in 2018 to work extensively on the introduction of its processes and machines for new market segments. One focus will be the vacuum coating machines for the finishing of surfaces. 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.

Medical technology
Additional order booked in the first half-year

The order exceeding € 10 million and booked for medical technology in November 2017 for the sale of processing machines for the treatment of contact lenses will make its first contributions to sales in the current business year 2018 and will positively impact the operating result. At the beginning of June 2018, SINGULUS TECHNOLOGIES signed a new order for the delivery of an additional processing machine for the production of contact lenses.

All of the ordered machines will be delivered to an internationally operating company in the medical industry. SINGULUS TECHNOLOGIES has been working together in development projects with this customer for some time and developed a new process machine for the manufacturing of contact lenses. The new machine MEDLINE Clean cleans contact lenses from residues and subsequently coats the lenses in the course of an additional processing step.

The production system has a modular built and can be used for various applications also outside of the ophthalmic sector. Medical products of various formats can be processed by the system.

For the medical industry SINGULUS TECHNOLOGIES supplies machine technology for wet-chemical treatment and processes of vacuum coating technology as well as the injection molding of small plastic components with high precisions and utmost quality requirements. All processes share the basic idea of an efficient and resource-friendly production technology.

Medical technology: Numerous applications for wet-chemical processes and vacuum coating processes

Key financial figures

Order intake and order backlog

The order intake in the 1st half of 2018 amounted to € 65.0 million (previous year: € 26.1 million), which was significantly higher than the level achieved in the 1st half of 2017. In the quarter under review the order intake came to € 28.9 million (previous year: € 17.0 million). The order backlog amounted to € 125.3 million as of June 30, 2018 (previous year: € 87.7 million).

Sales and earnings

Sales in the first six months of the business year 2018 stood at € 46.4 million, around the prior year level of € 48.3 million. Specifically, sales in the first half-year of 2018 are split into € 35.9 million in the Solar segment (previous year: € 36.4 million), Optical Disc at € 7.9 million (previous year: € 8.8 million) and Semiconductor at € 2.6 million (previous year: € 3.1 million). In the quarter under review sales are split into € 23.3 million in the Solar segment (previous year: € 15.6 million), Optical Disc at € 4.0 million (previous year: € 4.5 million) and Semiconductor at € 1.8 million (previous year: € 2.1 million).

For the 1st half of 2018 the percentage regional sales breakdown was as follows: Asia 60.6 % (previous year: 65.6 %), Europe 28.4 % (previous year: 11.6 %), North and South America 9.9 % (previous year: 22.2 %) as well as Africa and Australia 1.1 % (previous year: 0.6 %). The percentage regional breakdown of sales for the 2nd quarter 2018 was as follows: Asia 71.7 % (previous year: 56.3 %), Europe 18.3 % (previous year: 9.5 %), North and South America 8.6 % (previous year: 33.3 %) as well as Africa and Australia 1.4 % (previous year: 0.9 %).

Segment reporting from January 1 to June 30, 2018 and 2017

	Segment Solar		Segment Optical Disc		Segment Semiconductor		SINGULUS TECHNOLOGIES Group	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	Mio. €	Mio. €	**Mio. €**	Mio. €	**Mio. €**	Mio. €	**Mio. €**	Mio. €
6-month figures								
Sales (gross)	**35.9**	36.4	**7.9**	8.8	**2.6**	3.1	**46.4**	48.3
Sales deduction and individual selling expenses	**-0.1**	0.0	**-0.5**	-0.6	**0.0**	0.0	**-0.6**	-0.6
Sales (net)	**35.8**	36.4	**7.4**	8.2	**2.6**	3.1	**45.8**	47.7
Write-offs and amortization	**-0.8**	-0.9	**-0.1**	-0.1	**0.0**	0.0	**-0.9**	-1.0
Operating result (EBIT)	**-0.4**	3.7	**-0.8**	-0.8	**0.0**	-0.4	**-1.2**	2.5
Financial result							**-1.1**	-0.8
Earnings before taxes							**-2.3**	1.7
2nd Quarter								
Sales (gross)	**23.3**	15.6	**4.0**	4.5	**1.8**	2.1	**29.1**	22.2
Sales deduction and individual selling expenses	**0.0**	0.0	**-0.3**	-0.4	**0.0**	0.0	**-0.3**	-0.4
Sales (net)	**23.3**	15.6	**3.7**	4.1	**1.8**	2.1	**28.8**	21.8
Write-offs and amortization	**-0.4**	-0.5	**-0.1**	0.0	**0.0**	0.0	**-0.5**	-0.5
Operating result (EBIT)	**0.8**	2.0	**-0.6**	-0.8	**0.2**	-0.1	**0.4**	1.1
Financial result							**-0.6**	-0.3
Earnings before taxes							**-0.2**	0.8

In the first half of 2018 the gross profit margin declined slightly by 1.2 percentage points compared to the prior-year period and amounted to 28.8 % (previous year: 30.0 %). The gross profit margin in the 2nd quarter 2018 stood at 29.9 % (previous year: 29.8 %).

Compared with the exceptionally low operating expenses of € 11.8 million in the previous year due to one-time effects, these expenses increased to € 14.4 million in the first half of 2018.

In the quarter under review the expenses for research and development amounted to € 1.5 million (previous year: € 1.3 million), for sales & marketing and customer services to € 3.0 million (previous year: € 2.5 million) and general & administrative expenses to € 3.2 million (previous year: € 1.8 million). The other operating expenses came to € 0.6 million (previous year: € 0.1 million), the other operating income stood at € 0.1 million (previous year: € 0.3 million).

Overall, in the first half of 2018 earnings before interest and taxes (EBIT) in the amount of € -1.2 million (previous year: € 2.5 million) were slightly negative. In the 2nd quarter 2018 the EBIT was slightly positive at € 0.4 million (previous year: € 1.1 million).

Balance sheet and liquidity

As of the balance sheet date, the short-term assets came to € 92.6 million, higher than the level of the end of 2017 (previous year: € 72.4 million). This is mainly due to the increase in restricted cash by € 18.1 million to € 26.8 million, which serve to secure guarantees for prepayments received. At the same time, the other receivables and others assets increased by € 5.8 million to € 13.2 million due to prepayments made to suppliers. In contrast, the receivables from construction contracts declined by € 2.4 million as well as the cash and cash equivalents by € 2.3 million.

The long-term assets in the amount of € 16.6 million are slightly higher than the level recorded as of December 31, 2017 (previous year: € 15.5 million).

The short-term debt rose by € 23.5 million to € 64.0 million compared with the level at the end of the business year 2017. This is mainly due to increased liabilities from construction contracts (€ 24.1 million) in connection with the run-off of orders for machines for the production of CIGS solar modules as well as accounts payable (€ 4.2 million). In contrast, the company repaid the senior secured loan with a nominal volume of € 4.0 million in June 2018 ahead of schedule.

The long-term liabilities amounted to € 26.8 million as of June 30, 2018, similar to the level of the prior period (December 31, 2017: € 27.2 million).

Shareholders' equity

Due to the negative net result, the shareholders' equity in the Group pursuant to IFRS decreased by € 1.8 million in the period under review and amounts to € 18.4 million as of June 30, 2018 (December 31, 2017: € 20.2 million). Equity in the amount of € 17.7 million (December 31, 2017: € 19.5 million) is attributable to the shareholders of the parent company. For the trends in shareholders' equity of the SINGULUS TECHNOLOGIES AG pursuant to HGB please refer to the details presented on page 18 of this report.

Cash flow

Due to the received prepayments for machines for the production of CIGS solar modules, the operating cash flow of the Group of € 22.1 million in the first half of 2018 was significantly higher than the prior-year level in the amount of € -15.1 million. The cash flow from investing activities came to € -1.7 million (previous year: € -1.2 million). The cash flow from financing activities came to € -22.7 million overall (previous year: € 22.4 million) mainly due to the changes in restricted funds in the amount of € 18.0 million (previous year: € 18.8 million) and the payments for the repayment of loans amounting to € 4.1 million. The level of cash and cash equivalents decreased by € 2.3 million to € 24.9 million during the first half-year of 2018.

Risk Report

Within the risk report for the business year 2017, 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. However, after the receipt of substantial prepayments by the customer CNBM during the quarter under review, we rate the probability of occurrence as low compared to a medium assessment at the end of the past business year. Nevertheless, we would like point out the existing necessity for the expansion of our financing commitments by banks and insurers for the required guarantees to finance future projects. In addition, the on schedule receipts of further partial payments in connection with key projects of the Chinese customers CNBM and Hanergy PV Investment Ltd., Beijing, (Hanergy) are still necessary. Otherwise, during the first six months of the business year 2018 there were no changes regarding the risks depicted in the combined status report of the Annual Report for the year 2017.

Development of costs and prices

From our perspective the selling prices developed as planned in the first half 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 € 4.8 million in total the expenditures for developments in the first half of 2018 were above the prior-year's level of € 4.1 million. The expenditures for development activities came to€ 2.7 million (previous year: € 2.0 million) in the quarter under review.

Employees

The headcount within the SINGULUS TECHNOLOGIES Group remained at a constant level of 318 employees as of June 30, 2018 (December 31, 2017: 315 employees).

The SINGULUS TECHNOLOGIES stock

The free float of the SINGULUS TECHNOLOGIES shares currently amount to 59.41 %. According to recent reports, the following funds are invested in the company:

→ Universal-Investment-Gesellschaft mit beschränkter Haftung at 9.42 %
→ FPM Funds SICAV Luxembourg at 4.83 %
→ Janus Henderson Group plc at 3.54 %
→ HANSAINVEST Hanseatische Investment-GmbH at 3.02 %
→ IP Concept (Luxemburg) S.A. at 3.02 %

The largest single shareholder is the Familie Roland Lacher Vermögensverwaltung GmbH at 16.76 %. In January 2018 CNBM informed our company that it had signed a purchase agreement to acquire 1.5 million shares. A transfer of the shares to CNBM will be implemented following the approval of the relevant Chinese and European authorities.

The Executive Board regards this trend as positive since an investment by CNBM provides the company more stability and further supports the growth in interesting markets.

At the Annual General Meeting of the SINGULUS TECHNOLOGIES AG in Frankfurt am Main on June 28, 2018 47.23 % of the capital was present. The General Meeting approved all of the proposed items on the agenda with a large majority. The members of the Executive and Supervisory Boards were discharged. Pursuant to agenda item 6, new capital (Authorized Capital 2018/1) was authorized.

At the time of the print deadline on August 9, 2018, the shares traded at € 12.90.

The SINGULUS TECHNOLOGIES corporate bond

The new bond of the SINGULUS TECHNOLOGIES AG with a nominal value of € 12.0 million is trading at the Open Market of Deutsche Börse 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 105.50 % on August 9, 2018.

Outlook for the business year 2018

For the business year 2018 SINGULUS TECHNOLOGIES forecasts a significant increase in sales pursuant to international accounting standards (IFRS) compared with the previous year. Although several projects were only started towards the end of the first quarter 2018, the order intake in the half-year and the high order backlog as per June 30, 2018 provide a good basis for the second half the year. The Executive Board still expects a significant increase in sales within the group of companies to a low triple-digit million Euro range. Accordingly, the operating result before interest and taxes (EBIT) for the business year 2018 is projected to be positive in a mid single-digit million Euro range. Here, the main sales and earnings driver should come from the Solar division and should mainly result from a few major project orders for investments in production lines for thin-film solar modules on the basis of CIGS technologies. The progress of the contracted projects as planned, in particular the receipts of additional prepayments by our customers CNBM and Hanergy for the currently assembled machines at the respective Chinese sites, forms the basis to reach our goals.

Best regards,

The Executive Board

SINGULUS TECHNOLOGIES AG

SINGULUS TECHNOLOGIES Group
Balance Sheet
as of June 30, 2018 and December 31, 2017

ASSETS

	06/30/2018 [million €]	12/31/2017 [million €]
Cash and cash equivalents	24.9	27.2
Restricted cash	26.8	8.7
Trade receivables	3.2	2.3
Receivables from construction contracts	7.1	9.5
Other receivables and other assets	13.2	7.4
Total receivables and other assets	23.5	19.2
Raw materials, consumables and supplies	8.4	6.5
Work in process	9.0	10.8
Total inventories	17.4	17.3
Total current assets	**92.6**	72.4
Property, plant and equipment	5.1	4.9
Capitalized development costs	4.2	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	**16.6**	15.5
Total assets	**109.2**	87.9

EQUITY AND LIABILITIES

	06/30/2018 [million €]	12/31/2017 [million €]
Trade payables	14.3	10.1
Prepayments received	0.9	0.8
Liabilities from construction contracts	36.2	12.1
Financing liabilities from the issuance of loans	0.0	4.0
Financing liabilities from the issuance of bonds	0.8	0.8
Other current liabilities	10.4	11.0
Provisions for restructuring measures	0.8	0.7
Tax provisions	0.1	0.0
Other provisions	0.5	1.0
Total current liabilities	**64.0**	40.5
Financing liabilities from the issuance of bonds	12.0	12.0
Provisions for restructuring measures	1.6	1.9
Pension provisions	13.2	13.3
Total non-current liabilities	**26.8**	27.2
Total liabilities	**90.8**	67.7
Subscribed capital	8.9	8.9
Capital reserves	19.8	19,8
Reserves	4.1	3.5
Loss carryforward	-15.1	-12.7
Equity attributable to owners of the parent	17.7	19.5
Non-controlling interests	0.7	0.7
Total equity	**18.4**	20.2
Total equity and liabilities	**109.2**	87.9

SINGULUS TECHNOLOGIES Group
Income Statement
from January 1 to June 30, 2018 and 2017

	2nd Quarter				01/01 - 06/30			
	2018		2017		2018		2017	
	[million €]	[in %]	[million €]	[in %]	[million €]	[in %]	[million €]	[in %]
Revenue (gross)	29.1	101.0	22.2	101.8	46.4	101.3	48.3	101.3
Sales deductions and direct selling costs	-0.3	-1.0	-0.4	-1.8	-0.6	-1.3	-0.6	-1.3
Revenue (net)	28.8	100.0	21.8	100.0	45.8	100.0	47.7	100.0
Cost of sales	-20.2	-70.1	-15.3	-70.2	-32.6	-71.2	-33.4	-70.0
Gross profit on sales	8.6	29.9	6.5	29.8	13.2	28.8	14.3	30.0
Research and development	-1.5	-5.2	-1.3	-6.0	-2.8	-6.1	-2.6	-5.5
Sales and customer service	-3.0	-10.4	-2.5	-11.5	-5.9	-12.9	-5.4	-11.3
General administration	-3.2	-11.1	-1.8	-8.3	-5.5	-12.0	-4.1	-8.6
Other operating expenses	-0.6	-2.1	-0.1	-0.5	-0.8	-1.7	-0.4	-0.8
Other operating income	0.1	0.3	0.3	1.4	0.6	1.3	0.7	1.5
Total operating expenses	-8.2	-28.5	-5.4	-24.8	-14.4	-31.4	-11.8	-24.7
Operating result (EBIT)	0.4	1.4	1.1	5.0	-1.2	-2.6	2.5	5.2
Finance income	0.0	0.0	0.1	0.5	0.0	0.0	0.1	0.2
Finance costs	-0.6	-2.1	-0.4	-1.8	-1.1	-2.4	-0.9	-1.9
EBT	-0.2	-0.7	0.8	3.7	-2.3	-5.0	1.7	3.6
Tax income	-0.1	-0.3	0.0	0.0	-0.1	-0.2	0.0	0.0
Profit or loss for the period	-0.3	-1.0	0.8	3.7	-2.4	-5.2	1.7	3.6
Thereof attributable to:								
Owners of the parent	-0.3		0.8		-2.4		1.7	
Non-controlling interests	0.0		0.0		0.0		0.0	
	[in €]		[in €]		[in €]		[in €]	
Basic earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	-0.03		0.10		-0.27		0.21	
Diluted earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	-0.03		0.10		-0.27		0.21	
Basic number of shares, pieces	8,896,527		8,087,752		8,896,527		8,087,752	
Diluted number of shares, pieces	8,896,527		8,087,752		8,896,527		8,087,752	

SINGULUS TECHNOLOGIES Group
Statement of Comprehensive Income
from January 1 to June 30, 2018 and 2017

	2nd Quarter		01/01 - 06/30	
	2018	2017	**2018**	2017
	[million €]	[million €]	**[million €]**	[million €]
Profit or loss for the period	**-0.3**	0.8	**-2.4**	1.7
Items that will never be reclassified to profit and loss:				
Actuarial gains and losses from pension commitments	**0.0**	**0.0**	**0.0**	0.0
Items that may be reclassified to profit and loss:				
Derivative financial instruments	**0.1**	0.0	**0.0**	0.0
Exchange differences in the fiscal year	**0.8**	0.0	**0.6**	-0.2
Total income and expense recognized directly in other comprehensive income	**0.9**	0.0	**0.6**	-0.2
Total comprehensive income	**0.6**	0.8	**-1.8**	1.5
Thereof attributable to:				
Owners of the parent	**0.6**	0.8	**-1.8**	1.6
Non-controlling interests	**0.0**	0.0	**0.0**	-0.1

SINGULUS TECHNOLOGIES Group
Statement of Changes in Equity
as of June 30, 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 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	1.7	1.7	0.0	1.7
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**	**1.7**	**1.6**	**-0.1**	**1.5**
As of June 30, 2017	**8.1**	**10.4**	**4.0**	**0.0**	**-5.7**	**-2.7**	**14.1**	**0.7**	**14.8**
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	-2.4	-2.4	0.0	-2.4
Other comprehensive income	**0.0**	**0.0**	**0.6**	**0.0**	**0.0**	**0.0**	**0.6**	**0.0**	**0.6**
Total comprehensive income	**0.0**	**0.0**	**0.6**	**0.0**	**0.0**	**-2.4**	**-1.8**	**0.0**	**-1.8**
As of June 30, 2018	**8.9**	**19.8**	**4.1**	**0.0**	**-5.2**	**-9.9**	**17.7**	**0.7**	**18.4**

SINGULUS TECHNOLOGIES Group
Statement of Cash Flows
from January 1 to June 30, 2018 and 2017

	01/01 - 06/30			
	2018		2017	
	[million €]		[million €]	
Cash flows from operating activities				
Profit or loss for the period		**-2.4**		1.6
Adjustment to reconcile profit or loss for the period to net cash flow				
Amortization, depreciation and impairment of non-current assets	**0.9**		1.0	
Contribution to the pension provisions	**0.1**		0.0	
Other non-cash expenses/income	**0.0**		0.0	
Net finance costs	**1.1**		0.3	
Net tax expense	**0.1**		0.8	
Change in trade receivables	**-0.9**		3.1	
Change in construction contracts	**26.5**		-21.3	
Change in other receivables and other assets	**-5.6**		0.4	
Change in inventories	**0.3**		1.0	
Change in trade payables	**4.3**		-1.0	
Change in other liabilities	**-1.2**		-0.6	
Change in prepayments	**0.1**		-0.6	
Change in provisions from restructuring measures	**-0.2**		-0.4	
Change in further provisions	**-0.8**		0.8	
Interest paid	**-0.2**		-0.3	
Interest received	**0.0**		0.1	
Income tax paid	**0.0**	**24.5**	0.0	-16.7
Net cash from/used in operating activities		**22.1**		-15.1

	01/01 - 06/30			
	2018 [million €]		2017 [million €]	
Cash flows from investing activities				
Cash paid for investments in development projects	**-1.3**		-1.0	
Cash paid for investments in other intangible assets and property, plant and equipment	**-0.4**		-0.2	
Net cash from/used in investing activities		**-1.7**		-1.2
Cash flows from financing activities				
Bond interest payments	**-0.4**		0.0	
Redemption of loans	**-4.1**		-0.2	
Loan interest payments	**-0.2**		3.8	
Cash received/used on financial assets subject to restrictions on disposal	**-18.0**		18.8	
Net cash from/used in financing activities		**-22.7**		22.4
Increase/decrease in cash and cash equivalents		**-2.3**		6.1
Effect of exchange rate changes		**0.0**		-0.2
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		**24.9**		24.4

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 presented consolidated financial accounts for the interim reporting of the SINGULUS TECHNOLOGIES AG and its subsidiaries (“Group”) for the first six months of the business year 2018 were approved for publication by resolution of the Executive Board as per August 13, 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 June 30, 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 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.

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 June 30, 2018, the SINGULUS TECHNOLOGIES AG reported a loss not covered by shareholders’ equity pursuant to HGB. During the period of drawing up the accounts, the shareholders’ equity pursuant to 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 coming months and then strengthen the shareholders’ equity accordingly. 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 progress and receipt of pre-payments for the ongoing projects as planned – here in particular with respect to the large Chinese customers CNBM and Hanergy. Furthermore, the reduction of the cash collateral for guarantees to reduce the tied-up liquidity is assumed.

Effects from the first-time application of IFRS 15

The following table summarizes the effects of the first-time application of the new accounting standards IFRS 15 on the profit-and-loss statement of the Group for the first half of the business year. As already described in the full-year financial reporting as of December 31, 2017, the effects of the newly applicable standards are negligible overall.

in million €	Pursuant to P&L, as reported, with adaption of IFRS 15	Adaption	P&L w/o adaption of IFRS 15
Sales (gross)	46.4	0.1	46.5
Sales (net)	45.8	0.1	45.9
Gross profit	13.2	0.0	13.2
EBIT	-1.2	0.0	-1.2

Effects from the first-time application of IFRS 9
The first-time application of the new accounting standards IFRS 9 requires the introduction of the Expected Credit Loss Model. This does not result in an essential change in the earnings results during the period under review. The additional, income statement-related write-off on financial assets amount to kEUR 23 and thus do not have a material impact on the Group's profit-and-loss statement.

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 June 30, 2018, 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 June 30, 2018 are split as follows:

	June 30, 2018	Dec. 31, 2017
	in million €	in million €
Accounts receivable - short-term	**4.1**	3.4
Receivables from production orders	**7.1**	9.5
Less write-offs	**-0.9**	-1.1
	10.3	11.8

Intangible assets
Capitalized development expenses, goodwill as well as concessions, intellectual property rights and other intangible are included under intangible assets. As of June 30, 2018, the capitalized development expenses amounted to € 4.2 million (December 31, 2017: € 3.4 million). In the first six months of 2018 the investments in developments for our products totaled € 1.3 million (previous year: € 1.0 million).

Scheduled write-offs and amortization on capitalized development expenses amounted to € 0.5 million (previous year: € 0.5 million). In the quarter under review development expenses amounted to € 0.9 million (previous year: € 0.5 million), the scheduled amortization for the respective period amounted to € 0.3 million (previous year: € 0.2 million).

Property, plant & equipment
In the first half of the business year 2018 € 0.2 million were invested in property, plant & equipment (previous year: € 0.1 million). During the same period scheduled depreciation amounted to € 0.4 million (previous year: € 0.4 million). The scheduled depreciation for the quarter under review 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 € 12.3 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 01/01-06/30/2018	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	41.0	0.3	4.4	0.7	0.0
by country of destination	6.7	6.5	4.6	28.1	0.5

Geographic information 01/01-06/30/2017	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	41.1	0.4	5.3	1.5	0.0
by country of destination	2.5	3.1	10.7	31.7	0.3

Deaggregation of sales

The following matrix sorts sales in the first half of 2018 according to the individual segments and selected categories.

	Solar	Optical Disc	Semiconductor	Total
	in million €	in million €	in million €	in million €
Sales by country of destination				
Germany	5.9	0.8	0.0	6.7
Rest of Europe	3.0	1.6	1.9	6.5
North and South America	0.5	4.0	0.1	4.6
Asia	26.5	1.0	0.6	28.1
Africa & Australia	0.0	0.5	0.0	0.5
	35.9	7.9	2.6	46.4
Sales by country of origin				
Germany	35.1	3.5	2.4	41.0
Rest of Europe	0.0	0.3	0.0	0.3
North and South America	0.7	3.6	0.1	4.4
Asia	0.1	0.5	0.1	0.7
Africa & Australia	0.0	0.0	0.0	0.0
	35.9	7.9	2.6	46.4
Products and services				
Production equipment	34.8	1.5	2.2	38.5
Service and replacement parts	1.1	6.4	0.4	7.9
	35.9	7.9	2.6	46.4
Time of sales realization				
Sales realization over time	34.8	1.0	2.2	38.0
Sales realization at a point in time	1.1	6.9	0.4	8.4
	35.9	7.9	2.6	46.4

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 half of 2018 also include the scheduled amortization of capitalized development expenses in the amount of € 0.5 million (previous year: € 0.5 million). During the first half of 2018 write-offs on capitalized development activities amounted to € 0.3 million (previous year: € 0.2 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. The application of the "Expected Credit Loss Model" under IFRS 9 results to an income statement-related write-off of financial assets in the amount of kEUR 23.

	Valuation category	Book value		Attributable time value	
		June 30, 2018 in million €	Dec. 31, 2017 in million €	**June 30, 2018** in million €	Dec. 31, 2017 in million €
Financial assets					
Cash and cash equivalents**	L&R	**24.9**	27.2	**24.9**	27.2
Restricted cash**	L&R	**26.8**	8.7	**26.8**	8.7
Accounts receivable**	L&R	**3.2**	2.3	**3.2**	2.3
Receivables from construction contracts**	L&R	**7.1**	9.5	**7.1**	9.5
Financial liabilities					
Corporate bond*	FLAC	**12.8**	12.8	**12.9**	12.7
Liabilities from the issuance of loans**	FLAC	**0.0**	4.0	**0.0**	4.0
Accounts payable**	FLAC	**14.3**	10.1	**14.3**	10.1
Hedging Derivatives**	HD	**0.0**	0.0	**0.0**	0.0
Total	L&R	**62.0**	47.7	**62.0**	47.7
Total	FLAC	**27.1**	26.9	**27.2**	26.8
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 value, based on the input factors of the applied valuation procedures.

Annotations to the abbreviations:
L&R: Loans & Receivables
FLAC: Financial Liabilities Measured at Amortized Cost
HD: Hedging Derivatives (valued at income statement-neutral attributable time values)

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:

	01/01-06/30/2018	01/01-06/30/2017
	in million €	in million €
Other interest income	**0.0**	0.1
Financing expenses from issuance of bond	**-0.4**	-0.4
Interest expenses from accrued provisions for pensions	**-0.1**	-0.1
Other financing expeses	**-0.5**	-0.4
	-1.0	-0.8

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 new, 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 new bond.

Liabilities from the issuance of loans
In March 2017 the company had taken a loan in the amount of € 4.0 million from a shareholder and bondholder. The loan was 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 was also used for securing the loan. The collateral was primarily in the relationship to the bondholders.

The original term to maturity was one year and had been extended until the end of 2018. The effective interest rate amounted to 13.85 % per year. In June 2018, the company redeemed the loan ahead of schedule.

Events after the Balance Sheet Date
The company has extended the lease contract for the office and production building in Kahl am Main. The remaining book value in the amount of € 5.5 million is refinanced at 4.9 % interest over the contractual term from July 1, 2018 until December 31, 2022 and will amount to € 0.00 at the end of the lease contract. At the end of the contract period the ownership will be transferred to the lessee. Pursuant to the rules of IAS 17, the lease contract is considered a finance lease for the Group. Accordingly, the lease contract is recognized in the balance sheet as both an asset and a liability.

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 June 30, 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:

	June 30, 2018
	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, August 2018

The Executive Board

At a Glance –
Consolidated Key Figures 2nd Quarter

		2016	2017	2018
Revenue (gross)	million €	10.5	**22.2**	**29.1**
Order intake	million €	121.1	**17.0**	**28.9**
EBIT	million €	-3.5	**1.1**	**0.4**
EBITDA	million €	-2.9	**1.6**	**0.9**
Earnings before taxes	million €	36.4	**0.8**	**-0.2**
Profit/loss for the period	million €	36.3	**0.8**	**-0.3**
Research & development expenditures	million €	2.1	**2.0**	**2.7**

Consolidated Key Figures 1st Half Year

		2016	2017	2018
Revenue (gross)	million €	24.6	**48.3**	**46.4**
Order intake	million €	131.5	**26.1**	**65.0**
Order backlog (06/30)	million €	133.5	**87.7**	**125.3**
EBIT	million €	-9.3	**2.5**	**-1.2**
EBITDA	million €	-8.1	**3.5**	**-0.3**
Earnings before taxes	million €	29.3	**1.7**	**-2.3**
Profit/loss for the period	million €	29.2	**1.7**	**-2.4**
Operating cash flow	million €	-5.0	**-15.1**	**22.1**
Shareholders' equity	million €	17.6	**13.6**	**18.4**
Balance sheet total	million €	74.2	**79.8**	**109.2**
Research & development expenditures	million €	4.8	**4.1**	**4.8**
Employees (06/30)		333	**312**	**318**
Weighted number of shares, basic		432,407	**8,087,752**	**8,896,527**
Earnings per share, basic	€	67.53	**0.21**	**-0.27**

Current Corporate Calendar for 2018

August 14	Half-Year Report 2018
November 15	Q3/2018 Report

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.

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