
# Report for the 3rd Quarter 2018

Interim Report as of September 30, 2018
(unaudited)

SINGULUS

# Report for the 3rd Quarter 2018



## Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

→ ***Strong increase in sales to € 91.0 million – +43 % compared with 2017***

→ ***Positive EBIT of € 4.0 million for nine months***

→ ***Gross margin of 30.1 % at a high level***

→ ***Additional orders for new work areas received***

→ ***Several letters of intent for CIGS production machines signed in November***

During the first nine months of the current business year the SINGULUS TECHNOLOGIES AG (SINGULUS TECHNOLOGIES) recorded sales of € 91.0 million, which is 43 % above the level of the prior-year period in the amount of € 63.6 million. Sales in the third quarter came to € 44.6 million, which is also significantly higher than the prior-year level (previous year: € 15.3 million). The EBIT for the first nine months in the amount of € 4.0 million considerably exceeds the prior-year level in the amount of € 0.4 million. In the 3rd quarter the EBIT came to € 5.2 million (previous year: € -2.1 million). Accordingly, the results are substantially improved over the previous year's period.

During the first nine months of the business year 2018 the order intake came to € 74.6 million, above the prior-year level of € 53.4 million in 2017. In the quarter under review the order intake came to € 9.6 million (previous year: € 27.3 million). The order backlog amounted to € 90.3 million as of September 30, 2018 (previous year: € 99.7 million).

During the first nine months of the business year 2018 the gross profit margin remained at a high level of 30.1 % (previous year: 29.7 %). The gross profit margin in the 3rd quarter 2018 stood at 31.4 % (previous year: 28.7 %). As of September 30, 2018, the available liquid funds amounted to € 27.4 million (December 31, 2017: € 27.2 million).

The headcount within the SINGULUS TECHNOLOGIES Group increased to 343 persons as of September 30, 2018 (December 31, 2017: 315 employees) mainly due to the set-up of the subsidiary located in Shanghai, China.

**First acquisition of 13.11 % of the shares of the SINGULUS TECHNOLOGIES AG by China National Building Materials (CNBM) completed**
China National Building Materials, Beijing (CNBM) informed the SINGULUS TECHNOLOGIES AG in September 2018 that as a first step it had acquired around 13.11 % of the shares (1,166,000 shares) from existing shareholders in the course of a minority participation. The transfer of ownership (closing) of the shares to Triumph Science and Technology Group Company, LLC, a 100 % subsidiary of CNBM, became effective on September 21, 2018. In a second, successive step additional 3.64 % of the outstanding shares are intended to be acquired in a timely manner following the occurrence of defined conditions precedent.

The Supervisory and Executive Boards of the SINGULUS TECHNOLOGIES AG regard the investment of the globally operating group CNBM as positive. With this commitment additional growth in existing as well as in new, interesting markets can be generated.

**Events after the reporting period conclusion**
After the conclusion of the reporting period, in the course of the China International Import Expo Show (“CIIE” from November 5-10, 2018) in Shanghai, China, SINGULUS TECHNOLOGIES signed several letters of intent (LOIs) for the delivery of production machines for the manufacturing of CIGS thin-film solar modules. These LOIs concern three sites in China in the cities of Bengbu, Xuzhou and Meishan. The volumes of the planned deliveries at the sites in Bengbu and Xuzhou are in a high double-digit million Euro range each. For the site in Meishan the delivery of five still pending CISARIS selenization machines was agreed in the course of the LOIs.

SINGULUS TECHNOLOGIES now works with the customer on the signing of the respective detailed delivery contracts on the basis of the signed LOIs. The production and delivery of the machines are mainly scheduled for the years 2019 and 2020.

**Solar division – the key market for SINGULUS TECHNOLOGIES**
In the past quarter the Intergovernmental Panel on Climate Change (IPCC) presented its special report, which calls for a radical, worldwide reduction in greenhouse gas emissions to reach $CO_2$ neutrality by the middle of the century. According to this report, the $CO_2$ emission will have to be reduced by 45 percent globally by 2030. This is the only way to achieve a reduction to zero percent by the middle of the century. Pursuant to the IPCC, with the current emission rates, the target defined in Paris will already be exceeded in the 2040s with increased climate consequences and risks for humans and nature worldwide. According to the report global warming is already currently around one degree Celsius higher than in the per-industrial era. Overall, the 91 authors of the global climate report analyzed 6,000 studies.

Only the increased use of renewable energies such as solar and wind power, which are already competitive as of today, will make the achievement of these targets possible. In Germany, the Federal Network Agency awarded tariffs of photovoltaic plants in the range from 3.86 to 5.15 Eurocent per kilowatt hour. The synchronous wind power tenders were in a range between 5.00 and 6.30 Eurocent per kilowatt hour. The Agency published an average tender amount of 6.26 Eurocent per kilowatt hour. In Saudi-Arabia a 300 MW PV project was awarded in February 2018. A Saudi-Arabian energy company submitted a bid for 2.36 US Dollar cent per kilowatt hour. In addition, four other bidders had submitted bids below 3.00 US Dollar cent per kilowatt hour. Accordingly, photovoltaic electricity is by far the cheapest energy source in these regions. Photovoltaics without governmental subsidies are thus absolutely competitive with fossil fuels.

Even after the Chinese government's decision in this year's May to reduce the subsidies, the market research institute IHS Markit depicted a mainly positive outlook for 2018. Here, the analysts expect that the global overall expansion of 105 gigawatt will only fall short by eight gigawatt compared with the original forecast despite the new Chinese policy. According to the analysts the decline in China will be partially offset by other markets. The 105 gigawatt newly installed photovoltaics output would mean an increase of eleven percent compared with 2017. The International Energy Agency (IEA) only recently had forecast an increase of around 83 gigawatt for 2018. In terms of the expansion in 2018, the IEA is markedly more pessimistic than large market analysts. Besides IHS Markit, SolarPower Europe also expects an expansion of 102 gigawatt in 2018.

SINGULUS TECHNOLOGIES is in the final stage of the technical commissioning of the various production systems for CIGS solar thin-film modules at the first site in Bengbu in the Province Anhui, China. In the course of the CIIE in Shanghai, China, on November 6, 2018, a LOI for the delivery of more than ten production machines for the manufacturing of additional


**SINGULUS TECHNOLOGIES exhibition booth at China International Import Expo, Shanghai, China**

300 MW CIGS thin-film solar modules for the site in Bengbu was signed. With this investment CNBM intends to expand the already existing production capacity for CIGS thin-film solar modules in Bengbu from 300 MW to 600 MW.

The machines for the second site of CNBM in Meishan are currently produced at SINGULUS TECHNOLOGIES in Germany. For Meishan in the Sichuan Province a LOI for the delivery of the five still pending selenization machines of the CISARIS type was signed during the CIIE on November 7, 2018, with which the site will reach its planned capacity of 300 MW.

Also in the course of the CIIE on November 7, 2018, an additional agreement for production machines for 300 MW production capacity was signed for the site in Xuzhou in the Jiangsu Province.

For all three sites, i.e. Bengbu, Xuzhou and Meishan, SINGULUS TECHNOLOGIES will now subsequently deliberate with the customer on the signing of the respective detailed delivery contracts on the basis of the signed LOIs. The financing of the respective projects and the resulting prepayments are then expected following the conclusion of the legally-binding delivery contracts. The production and delivery of the machines for the three sites Bengbu, Meishan and Xuzhou are mainly scheduled for the years 2019 and 2020.

For silicon applications SINGULUS TECHNOLOGIES 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 the company has a market-leading position with the SILEX II. SINGULUS TECHNOLOGIES works on introducing additional, new machine concepts for the solar market. This includes vacuum coating machines operating under the cathode sputtering (PVD) and the plasma-enhanced chemical vapor deposition (PECVD). The company’s goal is to establish itself with the production of highly efficient cells with new machines for the process steps PVD and PECVD.

In the past quarter SINGULUS TECHNOLOGIES received a new order for the wet-chemical process system SILEX II from an international customer. The ordered systems of the SILEX II type are used for heterojunction (HJT) solar cells. They transport four carriers with solar cells at once and therefore provide high production capacity.

**Optical Disc segment – the market for physical media**

In the Optical Disc segment, in addition to replacement and expansion investments, only few new production machines are sold. Despite a globally declining production of optical 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**

This year 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 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.

SINGULUS TECHNOLOGIES offers its machines for new applications for modern sensory technology in the medical area as well as sensors for automobile technology and piezoelectric materials for mobile phone technology.

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

**Work area decorative coatings with positive trend**

In 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 decorative elements in the interior of vehicles. With the DECOLINE II the economic Chrome (VI)-free coating of vehicle components is economically realized and in particular the automotive industry is offered further cost savings through integrated production and simplified logistics.

The finishing of surfaces through vacuum coating technology, also called "decorative coatings", opens numerous new applications. In addition to the automobile industry they include the metallization of fashion articles, buttons, pens, cosmetic articles as well as tablets and smart phones.

The business activities in the area of consumer goods were not material with respect to their contribution to the financial key figures during the period under review and were therefore included in the results for the Optical Disc segment.

**Work area medical technology – working on additional applications**

The order exceeding € 10 million and booked for medical technology at the end of 2017 for the sale of processing machines for the treatment of contact lenses makes its first contributions to sales in the current business year 2018 and positively impacts the operating result. At the beginning of June 2018, SINGULUS TECHNOLOGIES signed an additional order for the delivery of another processing machine for the production of contact lenses. All of the ordered machines are delivered to an internationally operating company in the medical industry.

SINGULUS TECHNOLOGIES has aligned its processes with the high requirements of medical technologies with regards to characteristics and functionality and thus to the quality of the products as well as the required production and handling processes. SINGULUS TECHNOLOGIES works on offering additional production machines for medical technology. In particular, this includes production systems for vacuum coating technology such as cathode sputtering machines for various coatings and surface finishings.

The business activities in the area of medical technology were not material with respect to their contribution to the financial key figures during the period under review and were therefore included in the results for the Solar segment.

## Key financial figures

### Order intake and order backlog

During the first nine months of the business year 2018 the order intake of € 74.6 million was considerably above the comparable result one year ago (previous year: € 53.4 million). In the quarter under review the order intake came to € 9.6 million (previous year: € 27.3 million). The order backlog amounted to € 90.3 million as of September 30, 2018 (previous year: € 99.7 million).

### Sales and earnings

Sales in the first nine months of the business year 2018 of € 91.0 million substantially exceeded the prior-year level of € 63.6 million. All segments contributed to the growth, a key driver was the Solar division with an increase in sales by € 26.3 million. Here, in particular the degree of completion of the CIGS projects was further improved during the period under review. Specifically, sales in the first nine months of 2018 are split into € 71.3 million in the Solar segment (previous year: € 45.0 million), Optical Disc at € 13.5 million (previous year: 12.7 million) and Semiconductor at € 6.2 million (previous year: € 5.9 million). Sales in the third quarter 2018 amounted to € 44.6 million and were also significantly above the prior-year level (previous year: € 15.3 million). Here, also the increase in sales in the segments Solar (€ +26.8 million), Optical Disc (€ +1.7 million) and Semiconductor (€ +0.8 million) was recorded. In the quarter under review sales were split into € 35.4 million in the Solar segment (previous year: € 8.6 million), Optical Disc at

**Segment Reporting from January 1 to September 30, 2018 and 2017**

| | Segment Solar | | Segment Optical Disc | | Segment Semiconductor | | SINGULUS TECHNOLOGIES Group | |
|---|---|---|---|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 |
| | **million €** | million € | **million €** | million € | **million €** | million € | **million €** | million € |
| **9-month figures** | | | | | | | | |
| Sales (gross) | **71.3** | 45.0 | **13.5** | 12.7 | **6.2** | 5.9 | **91.0** | 63.6 |
| Sales deduction and individual selling expenses | **-0.1** | -0.1 | **-1.0** | -0.8 | **-0.1** | 0.0 | **-1.2** | -0.9 |
| **Sales (net)** | **71.2** | 44.9 | **12.5** | 11.9 | **6.1** | 5.9 | **89.8** | 62.7 |
| Write-offs and amortization | **-1.5** | -1.3 | **-0.1** | -0.1 | **-0.1** | 0.0 | **-1.7** | -1.4 |
| **Operating result (EBIT)** | **3.7** | 1.4 | **-0.2** | -1.2 | **0.5** | 0.2 | **4.0** | 0.4 |
| Financial result | | | | | | | **-1.6** | -1.4 |
| Earnings before taxes | | | | | | | **2.4** | -1.0 |
| **3rd Quarter** | | | | | | | | |
| Sales (gross) | **35.4** | 8.6 | **5.6** | 3.9 | **3.6** | 2.8 | **44.6** | 15.3 |
| Sales deduction and individual selling expenses | **0.0** | -0.1 | **-0.5** | -0.2 | **-0.1** | 0.0 | **-0.6** | -0.3 |
| **Sales (net)** | **35.4** | 8.5 | **5.1** | 3.7 | **3.5** | 2.8 | **44.0** | 15.0 |
| Write-offs and amortization | **-0.7** | -0.4 | **0.0** | 0.0 | **-0.1** | 0.0 | **-0.8** | -0.4 |
| **Operating result (EBIT)** | **4.1** | -2.3 | **0.6** | -0.4 | **0.5** | 0.6 | **5.2** | -2.1 |
| Financial result | | | | | | | **-0.5** | -0.6 |
| Earnings before taxes | | | | | | | **4.7** | -2.7 |

€ 5.6 million (previous year: 3.9 million) and Semiconductor at € 3.6 million (previous year: € 2.8 million).

For the first nine months of 2018 the percentage regional breakdown of sales was as follows: Asia 67.6 % (previous year: 62.3 %), Europe 23.1 % (previous year: 15.1 %), North and South America 8.5 % (previous year: 22.0 %) as well as Africa and Australia 0.8 % (previous year: 0.6 %). The percentage regional breakdown of sales for the 3rd quarter 2018 was as follows: Asia 74.9 % (previous year: 51.6 %), Europe 17.7 % (previous year: 26.1 %), North and South America 7.0 % (previous year: 21.6 %) as well as Africa and Australia 0.4 % (previous year: 0.7 %).

During the first nine months of 2018 the gross profit margin slightly improved by 0.4 percentage points compared with the prior-year level and amounted to 30.1 % (previous year: 29.7 %). The gross profit margin in the 3rd quarter 2018 stood at 31.4 % (previous year: 28.7%) and was thus improved due to the better utilization rate.

The operating expenses (excluding other operating expenses/income) in the first nine months of 2018 amounted to € 22.7 million and were above the comparable prior-year level of € 19.7 million. This increase is mainly due to marketing & sales and customer service (€ +1.7 million) as well as research and development (€ +1.3 million). The increase in expenses for marketing & sales and customer service was predominantly caused by the set-up of the subsidiary in Shanghai, China. The increase in development expenses was mainly incurred in connection with the business activities within the new work areas. The other operating expenses amounted to € 1.1 million around the prior-year level (previous year: € 0.7 million). The other operating income declined by € 1.4 million and amounted to € 0.8 million during the first nine months (previous year: € 2.2 million).

In the quarter under review the expenses for research and development amounted to € 2.5 million (previous year: € 1.4 million), for sales & marketing and customer services to € 4.5 million (previous year: € 3.3 million) and general & administrative expenses to € 1.5 million (previous year: € 2.9 million). The other operating expenses came to € 0.3 million (previous year: € 0.3 million), the other operating income stood at € 0.2 million (previous year: € 1.5 million).

In the first nine months of 2018 earnings before interest and taxes (EBIT) came to € 4.0 million (previous year: € 0.4 million). The EBIT amounted to € 5.2 million (previous year: € -2.1 million) in the quarter under review.

In the first nine months of the current business year the financial result came to € -1.6 million (previous year: € -1.4 million). The net profit in the first nine months of 2018 stood at € 2.3 million (previous year: € -1.1 million).

**Balance sheet and liquidity**
As of the balance sheet date, the short-term assets came to € 78.2 million, slightly higher than the level as of end of 2017 (previous year: € 72.4 million). Mainly, the restricted financial assets, which serve to secure guarantees for prepayments received, increased by € 5.3 million to € 14.0 million.

The long-term assets in the amount of € 22.8 million are higher than the level recorded as of December 31, 2017 (previous year: € 15.5 million). The main reason is the prolongation of the lease contract for the office and production building in Kahl am Main. In this connection, the remaining book value was capitalized in the amount of € 5.5 million for the first time pursuant to the regulations of IAS 17.

The short-term debt rose by € 7.4 million to € 47.9 million compared with the level at the end of the business year 2017 (December 31, 2017: € 40.5 million). This is mainly due to increased accounts payable (€ 7.6 million) in connection with the progress of the order for machines for the production of CIGS solar modules. 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 mounted to € 30.8 million as of September 30, 2018, slightly above the level of the prior period (December 31, 2017: € 27.2 million). This increase was mainly caused by the prolongation of the lease contract for the office and production building in Kahl am Main. In this connection, the long-term lease liability was recognized as a liability in the amount of € 4.1 million pursuant to the regulations of IAS 17.

**Shareholders' equity**

Due to the positive net result the shareholders' equity in the Group pursuant to IFRS increased by € 2.1 million in the period under review and stood at € 22.3 million as of September 30, 2018 (December 31, 2017: € 20.2 million). Following the de-consolidation of the SINGULUS Manufacturing Guangzhou Ltd. with a minority stake in the amount of 49 %, the equity is removed for the shareholders of the parent company to the full extent. 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**

In the first nine months of 2018 the operating cash of the Group was positive at € 13.9 million and therefore significantly above the prior-year period (previous year: € -18.2 million). The cash flow from investing activities came to € -3.3 million (previous year: € -1.7 million). The cash flow from financing activities came to € -10.4 million overall (previous year: € 20.9 million) mainly due to the changes in restricted funds in the amount of € -5.3 million (previous year: € 17.5 million) and the payments for the repayment of loans amounting to € 4.1 million. The amount of cash and cash equivalents increased by € 0.2 million in the first nine months of the business year to currently € 27.4 million.

**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 to 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, to stabilize the liquidity position, the receipt of the installment payments due in connection with the relevant projects of the Chinese customers is CNBM and Hanergy PV Investment Ltd., Beijing (Hanergy) are still necessary. Otherwise, during the first nine months of the business year 2018 there were no material 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 point of view the sales prices developed as planned during the first nine months 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 € 9.0 million the expenses for developments in the first nine months of the current business year were slightly above the prior-year level (previous year: € 6.5 million). The expenses for development activities came to € 4.2 million (previous year: € 2.4 million) in the quarter under review. The increase was mainly incurred in connection with the business activities within the new work areas.

### Employees

The headcount within the SINGULUS TECHNOLOGIES Group increased to 343 employees as of September 30, 2018 (December 31, 2017: 315 employees). The increase in the headcount within the Group is mainly due to the set-up of the subsidiary in Shanghai, China.

### The SINGULUS TECHNOLOGIES stock

There were some changes in the shareholder structure in the 3rd quarter 2018. The transfer of ownership (closing) of the shares to Triumph Science and Technology Group Company, LLC, a 100 % subsidiary of CNBM, became effective on September 21. Accordingly, the largest single shareholder is Triumph Science and Technology Group Co., Ltd., a subsidiary of China National Building Material Group Corporation (CNBM). CNBM intends to acquire additional 3.64 % of the outstanding shares until December 31, 2018. The Executive Board regards this trend as positive since an investment by CNBM provides the company more stability and can also support the growth in interesting markets.

Due to the changes, the free-float of the SINGULUS TECHNOLOGIES shares currently amount to 67.99 %. Currently is the shareholder structure is as follows:

| | |
|---|---|
| Free-float | 67.99 % |
| Triumph Science and Technology Group Co., Ltd. (100 % subsidiary of CNBM with an option to acquire further 3.64 %) | 13.11 % |
| Universal-Investment-Gesellschaft mit beschränkter Haftung | 5.37 % |
| Familie Roland Lacher Vermögensverwaltung GmbH | 3.81 % |
| 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** | **100.0 %** |

At the time of the print deadline on November 14, 2018, the shares traded at € 12.16.

**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 Boerse AG at the Frankfurt Stock Exchange since July 2016 under the security identification number WKN A2AA5H (ISIN DE000A2AA5H5 - ticker symbol SNGB). The bond is collateralized, has a term to maturity of five years and provides for annually increasing interest payments. As of the print deadline, the price of the bond stood at 103.50 % on November 14, 2018.

## Outlook

SINGULUS TECHNOLOGIES also expects a favorable course of business in the fourth quarter and confirms its forecast for the full-year 2018 with sales in a low triple-digit million range. Accordingly, the EBIT for the business year 2018 is set to amount to a positive mid single-digit million range. The key sales and earnings drivers emerge from the Solar segment.

For the business year 2019, the company currently still expects a further increase in sales compared to the prior-year level. Accordingly, the operating result (EBIT) should also improve and amount to a mid single-digit million range. This assessment rests on the assumption of continued growth in the photovoltaics markets, in particular in the area of CIGS. Furthermore, the new work areas decorative coating and medical technology are forecast to contribute materially to sales and earnings. The forecast of the company for the business year 2019 rests on the assumption of the realization of the planned order intake as well as the resulting prepayments, in particular in the realm of CIGS projects to safeguard the liquidity of the company.

Best regards,

The Executive Board

SINGULUS TECHNOLOGIES AG

# SINGULUS TECHNOLOGIES Group
# Balance Sheet
*from September 30, 2018 to December 31, 2017*

| ASSETS | 09/30/2018 [million €] | 12/31/2017 [million €] |
|---|---|---|
| Cash and cash equivalents | **27.4** | 27.2 |
| Restricted cash | **14.0** | 8.7 |
| Trade receivables | **4.0** | 2.3 |
| Receivables from construction contracts | **10.7** | 9.5 |
| Other receivables and other assets | **4.6** | 7.4 |
| Total receivables and other assets | **19.3** | 19.2 |
| Raw materials, consumables and supplies | **8.6** | 6.5 |
| Work in process | **8.9** | 10.8 |
| Total inventories | **17.5** | 17.3 |
| **Total current assets** | **78.2** | 72.4 |
| Trade receivables | **10.5** | 4.9 |
| Capitalized development costs | **5.2** | 3.4 |
| Goodwill | **6.7** | 6.7 |
| Other intangible assets | **0.2** | 0.2 |
| Deferred tax assets | **0.2** | 0.3 |
| **Total non-current assets** | **22.8** | 15.5 |
| **Total assets** | **101.0** | 87.9 |

## EQUITY AND LIABILITIES

| | 09/30/2018 [million €] | 12/31/2017 [million €] |
|---|---|---|
| Trade payables | **17.7** | 10.1 |
| Prepayments received | **0.8** | 0.8 |
| Liabilities from construction contracts | **14.9** | 12.1 |
| Financing liabilities from the issuance of loans | **0.0** | 4.0 |
| Financing liabilities from the issuance of bonds | **0.7** | 0.8 |
| Current leasing liabilities | **1.1** | 0.0 |
| Other current liabilities | **11.8** | 11.0 |
| Provisions for restructuring measures | **0.6** | 0.7 |
| Tax provisions | **0.1** | 0.0 |
| Other provisions | **0.2** | 1.0 |
| **Total current liabilities** | **47.9** | 40.5 |
| Financing liabilities from the issuance of bonds | **12.0** | 12.0 |
| Non-current leasing liabilities | **4.1** | 0.0 |
| Provisions for restructuring measures | **1.6** | 1.9 |
| Pension provisions | **13.1** | 13.3 |
| **Total non-current liabilities** | **30.8** | 27.2 |
| **Total liabilities** | **78.7** | 67.7 |
| Subscribed capital | **8.9** | 8.9 |
| Capital reserves | **19.8** | 19.8 |
| Reserves | **4.0** | 3.5 |
| Loss carryforward | **-10.4** | -12.7 |
| Equity attributable to owners of the parent | **22.3** | 19.5 |
| Non-controlling interests | **0.0** | 0.7 |
| **Total equity** | **22.3** | 20.2 |
| **Total equity and liabilities** | **101.0** | 87.9 |

# SINGULUS TECHNOLOGIES Group
# Income Statement
*from January 1 to September 30, 2018 and 2017*

| | 3rd Quarter | | | | 01/01 - 09/30 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2018 | | 2017 | | 2018 | | 2017 | |
| | [million €] | [in %] | [million €] | [in %] | [million €] | [in %] | [million €] | [in %] |
| **Revenue (gross)** | 44.6 | 101.4 | 15.3 | 102.0 | 91.0 | 101.3 | 63.6 | 101.4 |
| Sales deductions and direct selling costs | -0.6 | -1.4 | -0.3 | -2.0 | -1.2 | -1.3 | -0.9 | -1.4 |
| **Revenue (net)** | 44.0 | 100.0 | 15.0 | 100.0 | 89.8 | 100.0 | 62.7 | 100.0 |
| Cost of sales | -30.2 | -68.6 | -10.7 | -71.3 | -62.8 | -69.9 | -44.1 | -70.3 |
| **Gross profit on sales** | 13.8 | 31.4 | 4.3 | 28.7 | 27.0 | 30.1 | 18.6 | 29.7 |
| Research and development | -2.5 | -5.7 | -1.4 | -9.3 | -5.3 | -5.9 | -4.0 | -6.4 |
| Sales and customer service | -4.5 | -10.2 | -3.3 | -22.0 | -10.4 | -11.6 | -8.7 | -13.9 |
| General administration | -1.5 | -3.4 | -2.9 | -19.3 | -7.0 | -7.8 | -7.0 | -11.2 |
| Other operating expenses | -0.3 | -0.7 | -0.3 | -2.0 | -1.1 | -1.2 | -0.7 | -1.1 |
| Other operating income | 0.2 | 0.5 | 1.5 | 10.0 | 0.8 | 0.9 | 2.2 | 3.5 |
| Total operating expenses | -8.6 | -19.5 | -6.4 | -42.7 | -23.0 | -25.6 | -18.2 | -29.0 |
| **Operating result (EBIT)** | 5.2 | 11.8 | -2.1 | -14.0 | 4.0 | 4.5 | 0.4 | 0.6 |
| Finance income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 |
| Finance costs | -0.5 | -1.1 | -0.6 | -4.0 | -1.6 | -1.8 | -1.5 | -2.4 |
| **EBT** | 4.7 | 10.7 | -2.7 | -18.0 | 2.4 | 2.7 | -1.0 | -1.6 |
| Tax income | 0.0 | 0.0 | -0.1 | -0.7 | -0.1 | -0.1 | -0.1 | -0.2 |
| **Profit or loss for the period** | 4.7 | 10.7 | -2.8 | -18.7 | 2.3 | 2.6 | -1.1 | -1.8 |
| Thereof attributable to: | | | | | | | | |
| Owners of the parent | 4.7 | | -2.8 | | 2.3 | | -1.1 | |
| 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** | 0.53 | | -0.35 | | 0.26 | | -0.14 | |
| **Diluted earnings per share based on the profit for the period (in EUR) attributable to owners of the parent** | 0.53 | | -0.35 | | 0.26 | | -0.14 | |
| **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 September 30, 2018 and 2017*

| | 3rd Quarter | | 01/01 - 09/30 | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **[million €]** | [million €] | **[million €]** | [million €] |
| **Profit or loss for the period** | **4.7** | -2.8 | **2.3** | -1.1 |
| 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 |
| Deconsolidation of non-controlling interests | -0.7 | 0.0 | -0.7 | 0.0 |
| Items that may be reclassified to profit and loss: | | | | |
| Derivative financial instruments | 0.0 | 0.0 | 0.0 | 0.0 |
| Exchange differences in the fiscal year | 0.8 | -0.1 | 0.5 | -0.3 |
| Total income and expense recognized directly in other comprehensive income | 0.1 | -0.1 | -0.2 | -0.3 |
| **Total comprehensive income** | **4.8** | **-2.9** | **2.1** | **-1.4** |
| Thereof attributable to: | | | | |
| Owners of the parent | 4.8 | -2.9 | 2.1 | -1.3 |
| Non-controlling interests | 0.0 | 0.0 | 0.0 | -0.1 |

# SINGULUS TECHNOLOGIES Group
## Statement of Changes in Equity
*as of September 30, 2018 and 2017*

| | Equity attributable to owners | | | | | | Non-controlling interests | Equity |
|---|---|---|---|---|---|---|---|---|
| | Subscribed capital | Capital reserves | Reserves | Loss carryforward | | Total | | |
| | | | **Currency translation reserves** | **Actuarial gains and losses from pension commitments** | **Other reserves** | | | |
| | **[million €]** | **[million €]** | **[million €]** | **[million €]** | **[million €]** | **[million €]** | **[million €]** | **[million €]** |
| **As of January 1, 2017** | **8.1** | **10.4** | **4.1** | **-5.7** | **-4.4** | **12.5** | **0.8** | **13.3** |
| Profit or loss for the period | 0.0 | 0.0 | 0.0 | 0.0 | -1.1 | -1.1 | 0.0 | -1.1 |
| **Other comprehensive income** | **0.0** | **0.0** | **-0.2** | **0.0** | **0.0** | **-0.2** | **-0.1** | **-0.3** |
| **Total comprehensive income** | **0.0** | **0.0** | **-0.2** | **0.0** | **-1.1** | **-1.3** | **-0.1** | **-1.4** |
| **As of September 30, 2017** | **8.1** | **10.4** | **3.9** | **-5.7** | **-5.5** | **11.2** | **0.7** | **11.9** |
| **As of January 1, 2018** | **8.9** | **19.8** | **3.5** | **-5.2** | **-7.5** | **19.5** | **0.7** | **20.2** |
| Profit or loss for the period | 0.0 | 0.0 | 0.0 | 0.0 | 2.3 | 2.3 | 0.0 | 2.3 |
| **Other comprehensive income** | **0.0** | **0.0** | **0.5** | **0.0** | **0.0** | **0.5** | **-0.7** | **-0.2** |
| **Total comprehensive income** | **0.0** | **0.0** | **0.5** | **0.0** | **2.3** | **2.8** | **-0.7** | **2.1** |
| **As of September 30, 2018** | **8.9** | **19.8** | **4.0** | **-5.2** | **-5.2** | **22.3** | **0.0** | **22.3** |

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

| | 01/01 - 09/30 | | | |
|---|---|---|---|---|
| | **2018** | | 2017 | |
| | **[million €]** | | [million €] | |
| **Cash flows from operating activities** | | | | |
| Profit or loss for the period | | **2.3** | | -1.1 |
| Adjustment to reconcile profit or loss for the period to net cash flow | | | | |
| Amortization, depreciation and impairment of non-current assets | **1.7** | | 1.4 | |
| Contribution to the pension provisions | **0.1** | | 0.1 | |
| Other non-cash expenses/income | **-5.7** | | 0.4 | |
| Net finance costs | **1.6** | | 1.3 | |
| Net tax expense | **0.2** | | 0.1 | |
| | | | | |
| Change in trade receivables | **-1.6** | | 3.8 | |
| Change in construction contracts | **1.7** | | -22.5 | |
| Change in other receivables and other assets | **2.7** | | 1.3 | |
| Change in inventories | **1.1** | | 1.7 | |
| Change in trade payables | **7.5** | | -2.2 | |
| Change in other liabilities | **4.3** | | -1.1 | |
| Change in prepayments | **0.0** | | -0.7 | |
| Change in provisions from restructuring measures | **-0.3** | | -0.4 | |
| Change in further provisions | **-1.3** | | 0.3 | |
| Interest paid | **-0.4** | | -0.5 | |
| Interest received | **0.0** | | 0.0 | |
| Income tax paid | **0.0** | **11.6** | -0.1 | -17.1 |
| | | | | |
| **Net cash from/used in operating activities** | | **13.9** | | -18.2 |

| | 01/01 - 09/30 | | | |
|---|---|---|---|---|
| | 2018 | | 2017 | |
| | [million €] | | [million €] | |
| **Cash flows from investing activities** | | | | |
| Cash paid for investments in development projects | -2.6 | | -1.5 | |
| Cash paid for investments in other intangible assets and property, plant and equipment | -0.7 | | -0.2 | |
| Net cash from/used in investing activities | | -3.3 | | -1.7 |
| **Cash flows from financing activities** | | | | |
| Bond interest payments | -0.8 | | -0.4 | |
| Loan payments | 0.0 | | 3.8 | |
| Redemption of loans payments | -4.1 | | 0.0 | |
| Loan interest payments | -0.2 | | 0.0 | |
| Changes in restricted cash and cash equivalents | -5.3 | | 17.5 | |
| Net cash from/used in financing activities | | -10.4 | | 20.9 |
| **Increase/decrease in cash and cash equivalents** | | **0.2** | | **1.0** |
| Effect of exchange rate changes | | 0.0 | | -0.4 |
| **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** | | **27.4** | | **19.1** |

## 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 nine months of the business year 2018 were approved for publication by decision of the Executive Board as of November 12, 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 September 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 September 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.

**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 September 30, 2018, in addition to the SINGULUS TECHNOLOGIES AG two domestic and eleven foreign subsidiaries were included overall.

The liquidation of the SINGULUS MANUFACTURING GUANGZHOU was completed as of September 28, 2018. Accordingly, the company was deleted from the scope of consolidation during the quarter under review. During the period under review, the newly established sales company SINGULUS TECHNOLOGIES SHANGHAI was included in the scope of consolidation. The SINGULUS TECHNOLOGIES AG holds 100 % of the newly established company, which is fully consolidated accordingly.

### Accounts receivable and receivables from production orders

The accounts receivable and production receivables as of September 30, 2018 are split as follows:

| | Sept. 30, 2018 | Dec. 31, 2017 |
|---|---|---|
| | **in million €** | in million € |
| Accounts receivable – short-term | **5.0** | 3.4 |
| Receivables from production orders | **10.7** | 9.5 |
| Less write-offs | **-1.0** | -1.1 |
| | **14.7** | 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 September 30, 2018, the capitalized development expenses amounted to € 5.2 million (December 31, 2017: € 3.4 million). In the first nine months of 2018 the investments in developments for our products totaled € 2.6 million (previous year: € 1.5 million). Scheduled write-offs and amortization on capitalized development expenses amounted to € 0.8 million (previous year: € 0.5 million). In the quarter under review development expenses amounted to € 1.3 million (previous year: € 0.8 million), the scheduled amortization for the respective period amounted to € 0.3 million (previous year: € 0.3 million).

### Property, plant & equipment

In the first nine months 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 € 0.8 million (previous year: € 0.5 million). The scheduled depreciation for the quarter under review amounted to € 0.4 million (previous year: € 0.1 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 € 6.5 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 Jan. 1 - Sept. 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 | 82.7 | 0.4 | 6.9 | 1.0 | 0.0 |
| by country of destination | 9.6 | 11.5 | 7.7 | 61.5 | 0.7 |

| Geographic information Jan. 1 – Sept. 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 | 51.3 | 0.5 | 9.8 | 2.0 | 0.0 |
| by country of destination | 4.1 | 5.5 | 14.0 | 39.5 | 0.4 |

## Disaggregation of sales

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

| | Solar in million € | Optical Disc in million € | Semiconductor in million € | Totel in million € |
|---|---|---|---|---|
| **Sales by country of destination** | | | | |
| Germany | 8.4 | 1.2 | 0.0 | 9.6 |
| Rest of Europe | 3.4 | 3.0 | 5.1 | 11.5 |
| North and South America | 0.9 | 6.6 | 0.2 | 7.7 |
| Asia | 58.6 | 2.0 | 0.9 | 61.5 |
| Africa & Australia | 0.0 | 0.7 | 0.0 | 0.7 |
| | **71.3** | **13.5** | **6.2** | **91.0** |
| **Sales by country of origin** | | | | |
| Germany | 70.4 | 6.5 | 5.8 | 82.7 |
| Rest of Europe | 0.0 | 0.3 | 0.1 | 0.4 |
| North and South America | 0.8 | 5.9 | 0.2 | 6.9 |
| Asia | 0.1 | 0.8 | 0.1 | 1.0 |
| Africa & Australia | 0.0 | 0.0 | 0.0 | 0.0 |
| | **71.3** | **13.5** | **6.2** | **91.0** |
| **Products and services** | | | | |
| Production equipment | 69.9 | 3.2 | 5.5 | 78.6 |
| Service and replacement parts | 1.4 | 10.3 | 0.7 | 12.4 |
| | **71.3** | **13.5** | **6.2** | **91.0** |
| **Time of sales realization** | | | | |
| Sales realization extending one period | 69.6 | 2.6 | 5.2 | 77.4 |
| Sales realization for one period | 1.7 | 10.9 | 1.0 | 13.6 |
| | **71.3** | **13.5** | **6.2** | **91.0** |

## Sales reductions and individual selling expenses

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

## General administrative expenses

The administrative expenses include the expenses for the management, personnel expenses, the finance and accounting departments as well as the corresponding expenses for rent and company cars. Furthermore, they include the ongoing IT expenses, legal and consulting fees, expenses for investor relations activities, the ordinary Annual General Meeting as well as the annual financial statements.

## Research and development expenses

In addition to the research expenses and non-capitalizable development expenses, the research and development expenses in the first nine months of 2018 still include the scheduled amortization of capitalized development efforts in the amount of € 0.8 million (previous year: € 0.8 million). During the 3rd quarter of 2018 write-offs on capitalized development activities amounted to € 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. 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 € 9.000.

| | | Book value | | Attributable time value | |
|---|---|---|---|---|---|
| | Valuation category | Sept. 30, 2018 in million € | Dec. 31, 2017 in million € | Sept. 30, 2018 in million € | Dec. 31, 2017 in million € |
| **Financial assets** | | | | | |
| Cash and cash equivalents ** | L&R | **27.4** | 27.2 | **27.4** | 27.2 |
| Restricted financial assets** | L&R | **14.0** | 8.7 | **14.0** | 8.7 |
| Accounts receivable ** | L&R | **4.0** | 2.3 | **4.0** | 2.3 |
| Receivables from production orders ** | L&R | **10.7** | 9.5 | **10.7** | 9.5 |
| **Financial liabilities** | | | | | |
| Corporate bond * | FLAC | **12.7** | 12.8 | **13.1** | 12.7 |
| Liabilities from the issuance of loans** | FLAC | **0.0** | 4.0 | **0.0** | 4.0 |
| Accounts payable ** | FLAC | **27.3** | 10.1 | **27.3** | 10.1 |
| Hedging Derivatives ** | HD | **0.0** | 0.0 | **0.0** | 0.0 |
| **Total** | L&R | **56.1** | 47.7 | **56.1** | 47.7 |
| **Total** | FLAC | **40.0** | 26.9 | **40.4** | 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:

| | Sept. 30, 2018 | Sept. 30, 2017 |
|---|---|---|
| | **in million €** | in million € |
| Other interest income | **0.0** | 0.1 |
| Financing expenses from issuance of bond | **-0.6** | -0.6 |
| Interest expenses from accrued provisions for pensions | **-0.2** | -0.2 |
| Other financing expeses | **-0.8** | -0.7 |
| | **-1.6** | -1.4 |

**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 collateralization was senior-ranking in relation 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.

**Short- and long-term lease obligations**
The company has extended the lease contract for the office and production buildings in Kahl am Main as of July 1, 2018. Pursuant to the rules of IAS 17, the lease contract is considered a finance lease for the Group. The balance sheet item “Short- and long-term lease obligations” include the lease obligations for this building pursuant to IAS 17.

**Events after the Balance Sheet Date**
In the course of the China International Import Expo Show (“CIIE” from November 5-10, 2018) in Shanghai, China, SINGULUS TECHNOLOGIES signed several letters of intent (LOIs) for the delivery of production machines for the manufacturing of CIGS thin-film solar modules. These LOIs concern three sites in China in the cities of Bengbu, Xuzhou and Meishan. The volumes of the planned deliveries at the sites in Bengbu and Xuzhou are in a high double-digit million Euro range each. For the site in Meishan the delivery of five still pending CISARIS selenization machines was agreed in the course of the LOIs.

**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 September 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:

| | Sept. 30, 2018<br>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, November 2018

The Executive Board

# At a glance –
## *Consolidated Key Figures 3rd Quarter 2016-2018*

| | | 2016 | 2017 | **2018** |
|---|---|---|---|---|
| Revenue (gross) | Mio. € | 12.1 | 15.3 | **44.6** |
| Order intake | Mio. € | 12.6 | 27.3 | **9.6** |
| EBIT | Mio. € | -5.5 | -2.1 | **5.2** |
| EBITDA | Mio. € | -4.8 | -1.7 | **6.0** |
| Earnings before taxes | Mio. € | -5.7 | -2.7 | **4.7** |
| Profit/loss for the period | Mio. € | -5.8 | -2.8 | **4.7** |
| Research & development expenditures | Mio. € | 3.2 | 2.4 | **4.2** |

## *Consolidated Key Figures 9 Months 2016-2018*

| | | 2016 | 2017 | **2018** |
|---|---|---|---|---|
| Revenue (gross) | million € | 36.7 | 63.6 | **91.0** |
| Order intake | million € | 144.1 | 53.4 | **74.6** |
| Order backlog (09/30) | million € | 134.0 | 99.7 | **90.3** |
| EBIT | million € | -14.8 | 0.4 | **4.0** |
| EBITDA | million € | -13.0 | 1.8 | **5.7** |
| Earnings before taxes | million € | 23.6 | -1.0 | **2.4** |
| Profit/loss for the period | million € | 23.4 | -1.1 | **2.3** |
| Operating cash flow | million € | 11.6 | -18.2 | **13.9** |
| Shareholders' equity (09/30) | million € | 11.8 | 11.9 | **22.3** |
| Balance sheet total (09/30) | million € | 91.2 | 74.4 | **101.0** |
| Research & development expenditures | million € | 8.0 | 6.5 | **9.0** |
| Employees (09/30) | | 327 | 313 | **343** |
| Weighted number of shares, basic | | 2,323,916 | 8,087,752 | **8,896,527** |
| Earnings per share, basic | € | 10.07 | -0.14 | **0.26** |

# Corporate Calendar

| | | |
|---|---|---|
| **November 2018** | 11/15 | Q3/2018 Report |
| **March 2019** | 03/28 | Annual Press Conference, Analyst Conference |
| **May 2019** | 05/14 | Q1/2019 Report |
| | 05/23 | Annual Shareholders Meeting |
| **August 2019** | 08/14 | Half Year Report 2019 |
| **November 2019** | 11/14 | Q3/2019 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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