

Thin-Film Coating and
Surface Treatment

REPORT OF THE
1ST QUARTER 2024

Interim Report as of March 31, 2024
(unaudited)

BUSINESS TRENDS AND SITUATION OF THE SINGULUS TECHNOLOGIES GROUP

SINGULUS TECHNOLOGIES AG (SINGULUS TECHNOLOGIES) Reports Key Financial Figures for the Group for the First Quarter of 2024

SINGULUS TECHNOLOGIES reports financial key figures for the Group for the first quarter of 2024. Incoming orders increased to € 33.2 million in the first quarter of 2024 and were thus significantly higher than the previous year's figure of € 14.1 million. Incoming orders are spread across all of the company's segments, although it should be emphasized that the Semiconductor segment recorded the highest order intake and further orders are expected here in the coming months.

The order backlog amounted to € 71.6 million as of March 31, 2024 (previous year: € 82.6 million). Revenue amounted to € 20.6 million in the quarter under review and was therefore higher than the previous year's comparable figure of € 16.3 million. At € 0.6 million (previous year: € -0.9 million), earnings before interest and taxes (EBIT) improved compared to the previous year and were slightly positive.

SINGULUS TECHNOLOGIES' free available liquidity amounted to € 6.3 million as of March 31, 2024, compared to € 11.5 million as of December 31, 2023. In the first quarter of 2024, the gross margin reached 29.4% (previous year: 29.4%).

On April 4, 2024, the Supervisory Board of SINGULUS TECHNOLOGIES AG approved the annual financial statements, the consolidated financial statements, and the combined status report of the company for fiscal year 2023 and adopted the annual financial statements of the company. The annual financial statements 2023 were published on April 8, 2024 on the Company's website at: <https://www.singulus.com/financial-reports/>.

NEW APPOINTMENTS TO THE SUPERVISORY BOARD OF SINGULUS TECHNOLOGIES AG

The amendment to the Articles of Association for the expansion of the Supervisory Board of SINGULUS TECHNOLOGIES AG resolved at the Annual General Meeting on December 14, 2023, became legally effective upon entry in the commercial register on January 24, 2024. Mr. Denan Chu had put himself forward as a candidate for the Supervisory Board and was elected by a large majority at the Annual General Meeting on December 14, 2023. Dr. rer. pol. Silke Landwehrmann resigned from the Supervisory Board of SINGULUS TECHNOLOGIES AG for personal reasons as of January 17, 2024. Ms. Martina Rabe, Dipl. Bankbetriebswirtin, was proposed to the competent local court by the Executive Board as a substitute member and appointed by the court as a member of the Supervisory Board with effect from January 17, 2024, until the next Annual General Meeting.

SEGMENTS

Solar Segment

In the Solar segment, SINGULUS TECHNOLOGIES focuses on the development and production of systems for manufacturing of various types of solar cells and solar modules. These include crystalline solar cells as well as thin-film solar modules based on copper indium gallium diselenide (CIGS) and cadmium telluride (CdTe). The company offers a range of production systems, including vacuum coating systems, thermal processing systems and systems for wet-chemical treatments. In the field of crystalline silicon solar cells, these systems are developed and offered for the production of cell

concepts for high-performance solar cells such as HJT (heterojunction), IBC (interdigitated back contact) and TOPCon (tunnel oxide passivated contact) solar cells as well as tandem solar cells such as perovskite tandem solar cells.

The international solar market continues to grow rapidly and, alongside wind energy, is seen as one of the most important clean and sustainable energy sources. China is maintaining its leading position in the market, while Europe is increasingly being confronted with low-cost solar modules from China, whose sales prices are significantly lower than the manufacturing costs of European modules.

The European Union has been committed to revitalizing the solar industry for some time, but measures to promote renewable energy manufacturing technology and tackle climate change have been slow to develop. However, building a viable solar industry requires a long-term preparatory process that must be accompanied by significant efforts and accelerated decision-making processes. Favorable loans and direct support are essential to build a sustainable photovoltaic industry, including the promotion of the entire value chain.

In the USA, the Inflation Reduction Act of 2022 (IRA) passed a law that specifically promotes the domestic production of renewable energies, among other things. In Europe, this has led to concerns about a migration of investments to the USA and a loss of competitiveness for European companies. A major European customer of the company, which is just starting its production of HJT solar cells and modules in Southern Europe, is also planning to establish similar capacities in the US. SINGULUS TECHNOLOGIES is currently in discussions with

several potential companies and investors for the production of solar cells and modules in the US, including the establishment of complete turn-key lines.

The Chinese state-owned China National Building Material Group Corporation (CNBM), Beijing, China, is the largest shareholder of SINGULUS TECHNOLOGIES through its subsidiary Triumph Science & Technologies Co. Ltd. (Triumph), Beijing, China, with a share of 16.75% and also a significant customer. SINGULUS TECHNOLOGIES is working on Triumph's existing orders for the development and delivery of production equipment for CIGS and CdTe thin-film solar module production. The delivery of important process equipment is planned for the current business year, including a new large CSS (sublimation) production line as well as vacuum cathode sputtering machines for the expansion of the production of CdTe solar modules.

Life Science Segment

In addition to the two established segments, SINGULUS TECHNOLOGIES is further expanding the Life Science segment. The areas of medical technology and decorative coating are promising growth markets that are in focus.

SINGULUS TECHNOLOGIES has firmly established itself with MEDLINE production systems for the manufacture of contact lenses at renowned global producers. In the first quarter, an existing customer ordered a production system to expand its capacities. The market for contact lenses is a growing sector in medical technology, as more and more people around the world are opting for contact lenses as an alternative to glasses due to their greater freedom of movement and aesthetic benefits, over and above the purely medical use of lenses.

Left:
ADF, PCD & PLD Paris,
January 17 - 18, 2024
in Paris, France

Right:
SEMICON China,
March 20 - 22, 2024
in Shanghai, China



With the POLYCOATER and DECOLINE II machines, SINGULUS TECHNOLOGIES offers advanced production methods for the decorative coating of consumer goods, which not only enable the fast and cost-effective coating of many parts, but also rely on chromium (VI)-free and solvent-free processes. These innovative technologies open up a wide range of possible applications, such as in the cosmetics and automotive industries, and are expected to generate further orders in the near future.

Semiconductor Segment

The extremely positive development of the semiconductor segment is particularly pleasing. SINGULUS TECHNOLOGIES was able to establish itself as the market leader for production systems for magnetic TMR/GMR sensors. The machines are now also in demand for other semiconductor-based applications with magnetic layers such as RRAM and MRAM. SINGULUS TECHNOLOGIES has also developed an interesting application with a new machine configuration for the production of light-emitting diodes, so-called micro-LEDs (Light Emitting Diodes), and sold a first machine to a large international company last year.

Based on these developments, SINGULUS TECHNOLOGIES has received orders for innovative TIMARIS deposition systems for various applications in recent weeks. This success underscores the company's growing presence and expertise in the semiconductor sector. The new coating systems sold in the first quarter, with a total order value in the low double-digit million-euro range, are crucial process systems for the manufacture of top-quality semiconductor products. These machines offer precise and reliable coating technology that significantly increases the efficiency and performance of semiconductor production and represents the absolute state of the art in semiconductor technology.

SUMMARIZED PRESENTATION OF RISKS AND OPPORTUNITIES

Within the risk report for the 2023 financial year, the project and sales market risk for the Solar and Life Science segments as well as the liquidity risk were considered to be the main risks in the Group. For a detailed assessment of the risks as of December 31, 2023, the company refers to the management report in the 2023 Annual Report.

The Solar segment is expected to make the largest contribution to sales and earnings in the current financial year. Even against the backdrop of the establishment of new business areas, the development of the solar market remains a decisive criterion for the future progress of the company. In addition, the company is planning a steady increase in business activities in the Life Science and Semiconductor segments in the medium term. Furthermore, the company aims to reduce its dependence on the Chinese solar market by diversifying into other markets and applications. If the forecast sales for these segments fail to materialize in the coming years, this would have a negative impact on SINGULUS TECHNOLOGIES' financial position and results of operations. For both segments, the Company continues to assess the sales market risk with a relevance score of five (5) and the probability of occurrence as high.

Should risks materialize in connection with the order processing of current and future major projects, this could have a significant negative impact on the company's overall business activities. The relevance indicator for project risk remains unchanged at five (5) and the probability of occurrence is still classified as high.

The SINGULUS TECHNOLOGIES Group is highly dependent on the future development of business activities with a small number of large customers both with regard to the achievement of the expected key financial figures and the further development of liquidity. Sufficient liquidity for the Company and the Group in the next 24 months after the end of fiscal year 2023 can only be maintained if the sales and earnings planning for this period can be realized. Key prerequisites in this underlying planning are that

the partial payments to be made on the basis of the major orders already contracted are actually made or are not made with a material delay. In addition, further major orders must be obtained by the end of 2025. The company has a senior secured loan with a volume of € 4.0 million at its disposal, which has been fully utilized. The repayment of this loan must be fully guaranteed in December 2024 from the financial resources generated by the company.

To secure liquidity, SINGULUS TECHNOLOGIES has had a loan from the Bank of Shanghai (BoS), Hong Kong, in the amount of € 10.0 million since May 2022. Repayment of the loan was guaranteed by the largest single shareholder, the Chinese Triumph, a subsidiary of CNBM. The term of the loan was initially twelve months and was extended by a further twelve months until May 9, 2024, by agreement dated January 31, 2023, subject to the occurrence of conditions precedent. The Management Board repaid this loan with effect from May 9, 2024. At the end of April 2024, a new loan in the amount of € 10.0 million with comparable conditions and a term of 12 months was provided to BoS with the renewed support of the guarantor Triumph and drawn in full by SINGULUS TECHNOLOGIES.

In a contract dated February 3, 2023, Triumph provided SINGULUS TECHNOLOGIES with financing with a volume of € 20.0 million via a Group company in Hong Kong. This was drawn down in two tranches on February 6, 2023, in the amount of € 9.6 million and on March 27, 2023, in the amount of € 10.4 million. The funds disbursed have a minimum availability period of 18 months from the disbursement date, meaning that Triumph is entitled to call the tranches due in full or in part from August 4, 2024, and September 28, 2024, respectively. SINGULUS TECHNOLOGIES is currently in talks with Triumph

to further restructure the liabilities with the aim of achieving the most sustainable financing structure possible for the company. The provision of an additional loan by BoS in the amount of € 10.0 million to finance the currently increasing working capital as well as the reduction of the above tranches from the financing are under discussion.

To cover the aforementioned financial liabilities due in the forecast period, Triumph guarantees until March 31, 2025, to provide the company with sufficient funds to meet its financial obligations on the basis of the aforementioned liabilities.

Overall, in addition to the stable implementation of the financing described above, the Management Board expects with a high degree of probability that partial payments will be received on schedule and that further major orders will be signed. Based on these assumptions and the current corporate planning, the Management Board believes it is highly likely that financing will be secured within the planning period.

We currently continue to assign a relevance score of five (5) to liquidity risk and a relevance score of three (3) to default risk. We continue to classify the probability of occurrence of liquidity risk as high.

These events and circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Company's and the Group's ability to continue as a going concern and which represents a going concern risk within the meaning of § 322 (2) sentence 3 HGB. The SINGULUS TECHNOLOGIES Group may therefore not be able to realize its assets and settle its liabilities in the ordinary course of business.

TAPPING INTO MARKETS WITH PROMISING GROWTH POTENTIAL

SINGULUS TECHNOLOGIES focuses on markets in which the company's systems enable a unique positioning compared to competitors and create high added value for customers. To expand its portfolio of machines and systems, the company relies on both internal developments and sponsored partnerships with customers and research institutions. The primary goal is to secure existing, profitable markets. In addition to the continuous further development in the Solar and Life Science segments, SINGULUS TECHNOLOGIES is also tapping into new markets with great growth potential. As early as 2022, SINGULUS TECHNOLOGIES therefore expanded its range of sputtering technologies for the upcoming sector with hydrogen-related technologies.

In the field of hydrogen, SINGULUS TECHNOLOGIES is working on the development of coating systems for the sputtering of bipolar plates in fuel cells and electrolyzers. SINGULUS TECHNOLOGIES is working closely with various large national and international institutes and companies. The aim is to develop coatings that prevent corrosion, offer low electrical resistance, are stable in the long term and can be produced cost-effectively at the same time. The coating machines that SINGULUS TECHNOLOGIES offers its customers for these applications are based on proven basic technologies that are already being used successfully by customers in production in the Solar segment. They make it possible to coat large throughput volumes reliably, cost-effectively and to a high standard.

CREDITORS' MEETING FOR THE SINGULUS BOND (DEBT SECURITIES SINGULUS TECHNOLOGIES AG, ISIN DE000A2AA5H5, WKN A2AA5H ("SINGULUS BOND"))

The Executive Board of SINGULUS TECHNOLOGIES intends to implement a series of selected restructuring measures relating to the SINGULUS bond in order to secure the financing and to support the positive economic development of the company. The participation and approval of the holders of the SINGULUS bond is therefore requested in the course of a meeting.

After the vote without meeting pursuant to § 18 and §§ 5 et seq. SchVG from April 25, 2024, to April 29, 2024, was not quorate – as the required quorum of 50% of the outstanding bonds (§ 15 para. 3 sentence 1 SchVG) was not reached – the Executive Board of SINGULUS TECHNOLOGIES AG and the notary Dr. Olaf Gerber, domiciled in Frankfurt am Main and in his capacity as voting manager of the vote without meeting, invite the holders of the SINGULUS bond to participate in the second bondholders' meeting on May 21, 2024 and to exercise their voting rights.

The meeting will take place on May 21, 2024, and will begin at 1:30 p.m. (CEST) at the Crowne Plaza Frankfurt - Congress Hotel, Lyoner Straße 44-48, 60528 Frankfurt am Main (room Hamburg). Holders of the SINGULUS bond may, of course, be represented by a proxy or alternatively authorize the proxy of SINGULUS TECHNOLOGIES AG. The latter will vote in accordance with the express instructions of the holders.

OUTLOOK FOR THE 2024 FINANCIAL YEAR

For 2024, SINGULUS TECHNOLOGIES expects an increase in sales compared to 2023. The earnings situation of our company should continue to improve significantly. Sales in the range of € 120.0 million to € 130.0 million are expected. EBIT is expected to be in the low double-digit million range.

In order for the forecast to be achieved, current projects must be completed without material and time delays and further significant new orders must be realized in the coming months of 2024. This is particularly dependent on the solar market developing positively in the most important target markets and the successful implementation of the planned major projects in the Solar segment. In addition, further significant orders will be concluded for the Life Science and Semiconductor segments.

Yours sincerely

The Executive Board

SINGULUS TECHNOLOGIES AG

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.

Q1-2024 FINANCIAL KEY FIGURES AT A GLANCE (preliminary and unaudited)

		Q1-2024	Q1-2023
Revenue (gross)	million €	20.6	16.3
Order intake	million €	33.2	14.1
Order backlog (03/31)	million €	71.6	82.6
EBIT	million €	0.6	-0.9

COMPANY CALENDAR 2024

May 2024

Report Q1-2024 May 15

July 2024

Annual General Meeting
for the year 2023 July 25

August 2024

Report Q2-2024 August 14

November 2024

Report Q3-2024 November 13



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