

innovation



**SINGULUS
TECHNOLOGIES**

May 2015

Results for the First Quarter 2015

SINGULUS 

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2	Capital Measures
3	Strategic Development
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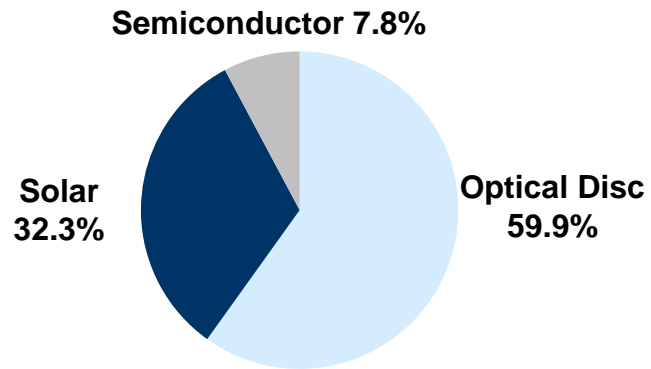
Key Financials

In million €	Q1 2014	Q1 2015
Revenues	16.7	12.6
Order Intake	14.1	62.8
Order Backlog (as of 31.03.)	17.7	64.2
EBIT	-5.1	-5.9
EBITDA	-3.8	-5.0
Profit Before Tax	-5.9	-7.0
Loss for the Period	-6.0	-6.9
Operating Cash Flow	-7.5	5.7
Equity	67.7	13.5
Equity Ratio (%)	37.7	10.1
Total Assets	179.6	133.7

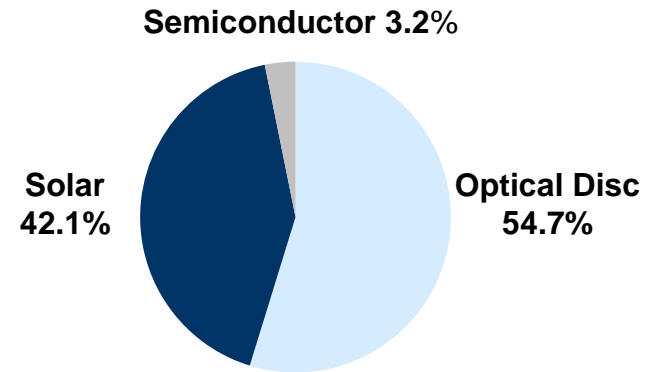
- Revenues below previous year due to low order backlog at year end '14
- Strong order intake in Q1 driven by solar segment
- Lower revenues led to broadened loss
- Equity significantly affected by weak performance in 2014

Sales Split by Product

Q1 2014



Q1 2015



Maintenance drove revenues in OD, thus providing a strong and stable cashflow

Profit & Loss Statement

In million €	Q1 2014	Q1 2015
Gross Revenue	16.7	12.6
Net Revenue	16.7	12.6
Gross Profit (in % of Net Revenues)	3.9 (23.4%)	1.9 (15.1%)
OPEX (Total)	-9.0	-7.8
- R+D	-2.4	-2.2
- Sales & Customer Service	-3.6	-3.0
- GM & A	-2.6	-2.5
- Other Income/Expenses	-0.4	-0.1
EBIT	-5.1	-5.9
Loss for the Period	-6.0	-6.9
EPS (basic)	-0.12	-0.14

- Revenues in line with expectations
- Price and cost development in line with expectations
- Lower Opex due to lower costs in Sales and Service
- Low utilisation rate

Balance Sheet

In million €	31/12/2014	31/03/2015
Liquid funds	35.8	28.8
Current Receivables and other Assets	24.7	35.3
Inventories	38.0	38.5
Non-Current Assets	31.7	31.1
Total Assets	130.2	133.7
Current Liabilities	36.4	46.6
Non-Current Liabilities	73.7	73.6
Equity	20.1	13.5
Total Equity and Liabilities	130.2	133.7

- Reduction in liquid funds driven by coupon payment of € 4.3m
- Bond amounting to € 55.4m
- Periodical loss led to further equity reduction

Cashflow Development*

In million €	Q1 2014	Q1 2015
Cashflow from Operating Activities	-7.5	5.7
Cashflow from Investing Activities	-0.3	-1.0
Cashflow from Financing Activities	-6.2	-12.6
Total Cashflow	-14.0	-7.9

- Strong operating cashflow in Q1
- Investing activities driven by R&D
- Sufficient liquidity to finance operating business

Liquid funds at the Beginning of the Period	51.0	35.8
Effect of Exchange Rate Changes	0.0	0.9
Liquid funds at the End of the Period	37.0	28.8

* Includes Cashflow from time deposits with terms longer than 3 months

Employees

	Dec. 2014	March 2015	Δ
SINGULUS Group	352	345	-7
Domestic	287	285	-2
Abroad	65	60	-5

- Positive development in operating business, solar market showing signs of recovery
- Continued focus on R&D to secure technology leadership and foster new applications
- Results situation remains difficult, still suffering from low order backlog in 2014
- Liquidity position sufficient to finance operating business
- Break even on EBIT level expected for 2015

Management suggested measures to achieve a stable and sustainable capital structure – a prerequisite for future growth

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- Our goal is a debt-free company upon completion of the suggested measures.
- A restructuring of the capital structure could be achieved by the conversion of the existing bond into equity or into a convertible bond with a longer term to maturity, lower interest rates and a mandatory conversion at maturity.
- These measures require the approval by shareholders and bondholders.
- With the approval, the general assembly provides management with a clear mandate to enter into negotiations with bondholders and sets the precondition for capital restructuring in the first place.
- Shareholders and bondholders equally benefit from financial stabilization and future growth.

Adjustment of capital structure is only possible if shareholders and bondholders act in concert.

Item 7

Resolution regarding the amendment of the Authorized Capital 2012/I
_ Enables the conversion of bond into equity subject to the approval by the bondholders

Item 8

Resolution regarding the approval of issuance of warrant and/or convertible bonds and the exclusion of subscription rights for these warrant or convertible bonds with simultaneous creation of authorized capital (“Authorized Capital 2015/I”) and cancellation of Authorized Capitals 2012/III and 2014/IV as well as change in statutes
_ Opens possibility to issue convertible bond or the conversion of the bond into equity subject to the approval by the bondholders

Item 9

Resolution regarding the simplified reduction of nominal capital of the SINGULUS TECHNOLOGIES Aktiengesellschaft to cover losses
_ Settles losses and enables issuance of equity

Item 10

Resolution regarding the conversion of nominal bearer shares into registered unit shares
_ Enables direct and simplified communication with shareholders

Results

- Settlement of losses
- Increase of equity
- Reduction of debt financing
- Creation of options for action
- Simplified communication

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Appendix

- SNEC solar industry exhibition in Shanghai in May with clear indication of rising demand in the Chinese market
 - About 20 Gigawatts appear possible in 2015 in China
 - Chinese government has invited tenders for an additional 100 Gigawatts of photovoltaic capacity by 2020
- US studies show solar technology has reached cost-competitiveness with conventional generation technologies expected to lead to strong capacity expansion
- International energy agency predicts in 2050 4.68 TWp PV installations. PV production capacity demand until 2018 of 60GW with a peak in 2030 of 220GW



SINGULUS TECHNOLOGIES holds outstanding market position, particularly in CIGS thin-film modules



New machine technology for the application of wet-chemical layers



Wet-chemical cleaning machines for high-performance solar cells



Vacuum coating machines for thin-film solar modules

- SINGULUS TECHNOLOGIES invested heavily in solar in 2013/14
- Development and market introduction of new production technologies for the manufacturing of new cell concepts for crystalline and thin-film solar technologies
- In 2014, SINGULUS TECHNOLOGIES was able to further expand its market position in particular for vacuum coating machines and wet-chemical equipment
- Still focused on the marketing of the newly developed production processing machines
- Order intake of € 60 million in Q1 2015

Successful development of new machines in 2013/14

- Development in solar market driven bei cost efficiency
- Heterojunction cell technology (HJT) provides for highest efficiency potential with cell performance of about 24%
- Heterojunction cells are expected to gain a market share of up to 10% by 2025 (PV Tech, April 2015)
- SINGULUS TECHNOLOGIES' SILEX II wet processing and HISTARIS inline sputter system ideally suited to address needs of HJT production
- SINGULUS TECHNOLOGIES joint forces with SERIS and FhG ISE
- SINGULUS TECHNOLOGIES is positioned with the SILEX II wet processing system

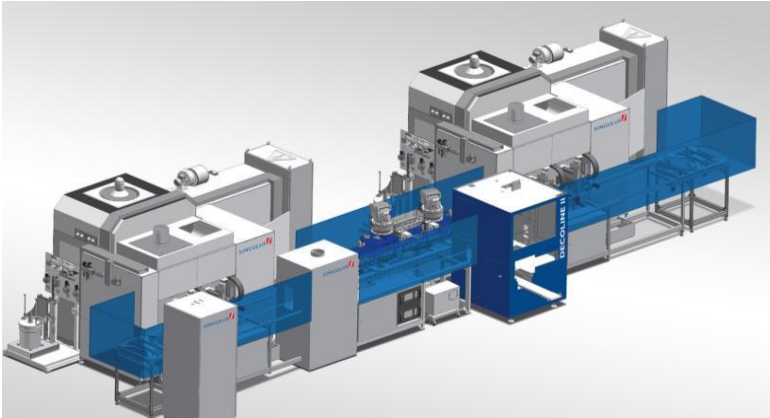


Transfer Innovative Technology to New Markets

Technology	THIN FILM DEPOSITION	SURFACE ENGINEERING	THERMAL PROCESSING	WET CHEMICAL	
Markets	Energy 	Entertainment 	Mobility 	Semi-conductor 	Consumer Goods 
					
Applications	<ul style="list-style-type: none"> • Solar • LED • E-Storage • E- Mobility • Battery 	<ul style="list-style-type: none"> • Optical • OLED • Decorative 	<ul style="list-style-type: none"> • Automotive • Electronics • RFID • Glass • Display 	<ul style="list-style-type: none"> • MRAM • Magnetics • Piezo • MEMS • Sensors 	<ul style="list-style-type: none"> • Automotive • Decorative • Functional

Decorative: Successful Market Launch of Machine for Surface Technology

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- With the DECOLINE II a fully-automated coating line for plastic parts was successfully developed and marketed
- Combination of lacquering units, product-handling and vacuum plasma coating
- All parts are fully-automatically transported through the various processing steps
- In the coming years, SINGULUS TECHNOLOGIES will market the complete line DECOLINE II as well as individual line parts



Machine for the processing of three-dimensional components

First successes of the strategic repositioning are already visible

Display & Touch Screens: Test Phase for Sputter Deposition Systems

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Sputter Deposition Systems for Multiple Applications

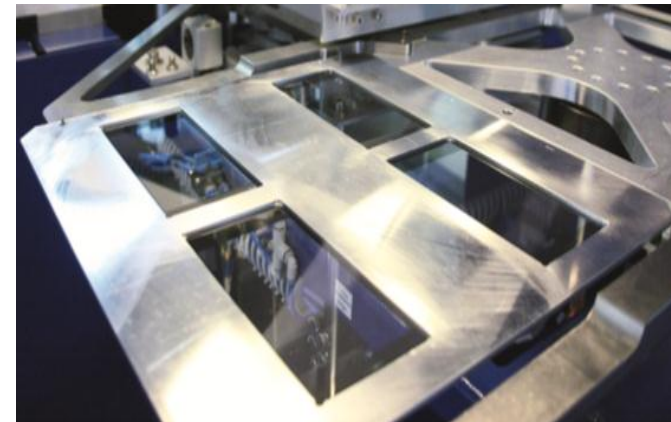
Addressed Market

- Fast growing market
- LCD, OLED, AMOLED, 3D displays, flexible displays, and touch panels
- Fast product change
- High innovation speed

Typical Applications

- Typical sputtering material Cu, Ag, SiN, Al, SS, etc.
- PVD Processes
- Heating & cooling
- Copper or other suitable layers layer for EMI Application
- Hard Coating of Surfaces
- AR coating

First applications for potential costumers done, marketing starts with trade show Display Week 2015, San Jose, USA



Glass:

Test Phase for Processing Systems for Large Substrates

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Addressed Market

- Large substrates
- Displays, LCD, OLED
- High innovation speed

Typical Applications

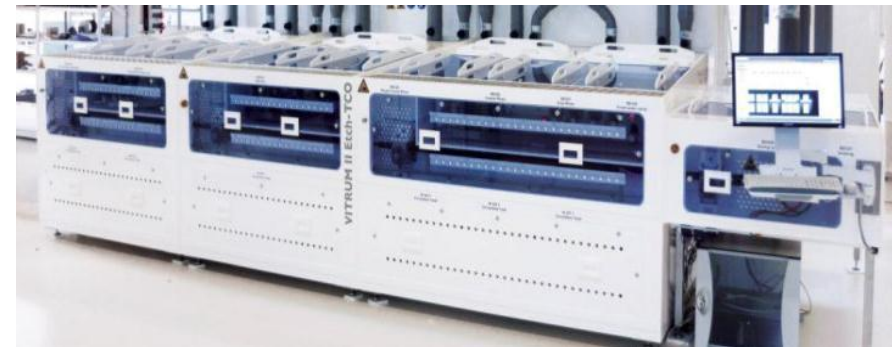
Sputtering

- Front or metallic back contact layers
- Multilayered precursors
- Typical sputtering materials like ITO, CuGa, Cu, In, AZO, i-ZnO etc

Wet Processing

- Cleaning, etching or deposition & polishing
- Surface etching applications
- Metal free cleaning, rinsing and drying section

First applications for potential costumers done, marketing starts with trade show Display Week 2015, San Jose, USA

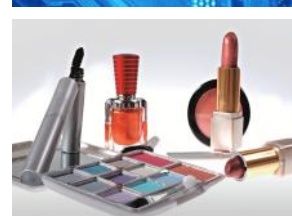
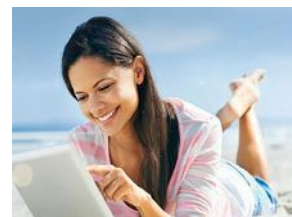


Paving the Way for Future Business Development

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- The solar market grows with double-digit rates and SINGULUS TECHNOLOGIES sees substantial growth opportunities in this segment
- Optical Disc remains a key sales and earnings driver in the medium-term
- Nearly break-even result (EBIT) expected for 2015
- First successes in new application areas are already visible
- SINGULUS TECHNOLOGIES to foster development into new markets

Strengthening of capital structure is a precondition for further strategic development and future growth of the company



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Resolution regarding the amendment of the Authorized Capital 2012/I

- A conversion of the corporate bond into equity corresponds to a capital increase in kind, this mandatorily requires the exclusion of subscription rights.
- The currently authorized capital approved by the general assembly is insufficient to completely convert the existing bond into shareholders' equity.
- The appropriateness of the conversion ratio is regulated by law.
- The measure results in a smaller ownership for existing shareholders, but in return increases the value of shareholders' equity due to the conversion of debt.

Enables the conversion of bonds into shares - subject to the approval by the bondholders

Item 8

Resolution regarding the approval of issuance of warrant and/or convertible bonds and the exclusion of subscription rights for these warrant or convertible bonds with simultaneous creation of authorized capital (“Authorized Capital 2015/I”) and cancellation of Authorized Capitals 2012/III and 2014/IV as well as change in statutes

- Corresponds to a swap of the existing corporate bond into a convertible bond.
- Such an exchange is legally the issue of convertible bonds against contribution in kind with subscription rights. The existing authorization from 2012 does not provide this.
- Effectively, a contribution in kind with required exclusion of subscription rights.
- Value of the contribution in kind has to correspond to the market value of the convertible bond at the time of issuance.
- The measure results in a smaller ownership for existing shareholders, but in return increases the value of shareholders’ equity due to the conversion of debt.

Opens possibility to issue convertible bond or the conversion of the bond into equity – subject to the approval by the bondholders

Item 9

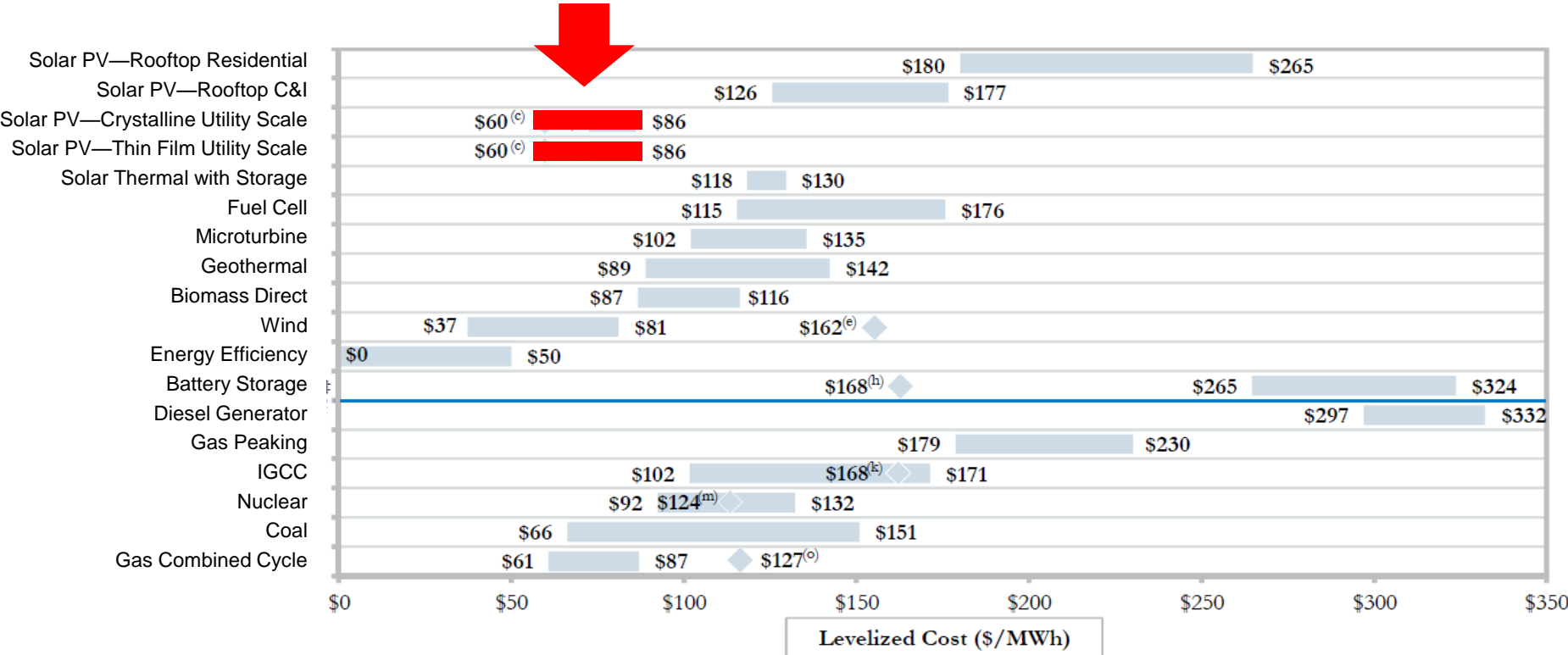
Resolution regarding the simplified reduction of nominal capital of the SINGULUS TECHNOLOGIES Aktiengesellschaft to cover losses

- Corporate action to clean up balance sheet. The nominal capital is reduced by the amount of the incurred losses.
- The number of shares is reduced, the value per share increases.
- Facilitates issuance of equity. At a stock price below € 1 a capital increase would not be possible on legal grounds.
- Capital reduction with a maximum ratio of 6:1. An accordingly increase of almost the share price of the same ratio could be expected.

Settles losses and enables issuance of equity

Unsubsidized Levelized Cost of Energy Comparison in US

Certain Alternative Energy generation technologies are cost-competitive with conventional generation technologies under some scenarios

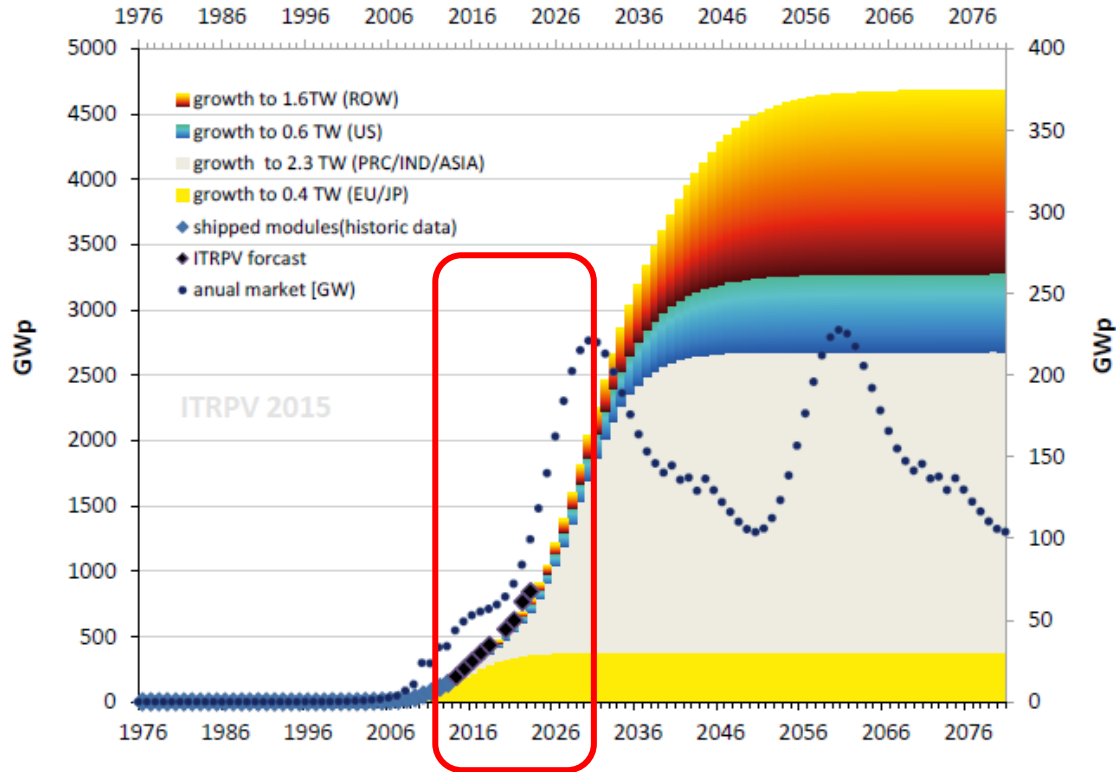


Such observation does not take into account potential social and environmental externalities (e.g., social costs of distributed generation, environmental consequences of certain conventional generation technologies, etc.) or reliability-related considerations (e.g., transmission and back-up generation costs associated with certain Alternative Energy generation technologies)

Source: Lazard 09/2014



Cumulative Installed Module Power



- Strong increase in the next 10 years
- Cumulative installed PV module power of about 4.7 TWp in 2060

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