

REPORT FOR THE FIRST QUARTER 2022

Interim Report as of March 31, 2022 (unaudited)



Thin-Film Coating and Surface Treatment



Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

The SINGULUS TECHNOLOGIES AG (SINGULUS TECHNOLOGIES) reports preliminary key financial figures for the first quarter of 2022.

For the 1st quarter 2022 SINGULUS TECHNOLOGIES reports overall improved, preliminary financial results. Accordingly, sales generated by SINGULUS TECHNOLOGIES amounted to € 21.4 million in the 1st quarter 2022, above the prior-year level of € 14.6 million. The earnings before interest and taxes (EBIT) were positive at € 0.1 million (previous year: € -3.3 million). The order intake in the 1st quarter 2022 amounted to € 6.5 million (previous year: € 7.9 million).

After the completion of the reporting period, a pre-contractual agreement was made with a large European energy supplier for the delivery of production machines for the manufacturing of heterojunction (HJT) solar cells. The total volume of the deliveries is in a low double-digit million € range. The renowned European energy supplier plans to set up a new factory for solar cells with a capacity of several gigawatts and will employ the wet-chemical machines from SINGULUS TECHNOLOGIES for this.

In May 2022, SINGULUS TECHNOLOGIES concluded a loan agreement with a large international bank for a working capital credit line in the amount of € 10.0 million. The total loan amount was drawn by SINGULUS TECHNOLOGIES and is available for the financing of operating activities.

On June 2, 2022 SINGULUS TECHNOLOGIES postponed the planned publication of the audited annual financial statements for the business year 2020. The auditor appointed by the shareholder assembly requested additional auditing documents on short notice.

The company still expects the conclusion of the audit and the issue of an unqualified auditor's opinion in the course of the month of June.

Summary of the risks

The project and the sales market risks for the Solar and Life Science segments as well as the liquidity risk are the material risks within the Group from today's point of view.

The Solar division is expected to provide the largest proportion of sales and earnings contributions in the current business year. Also against the background of establishing new business areas, the development of the solar market remains a critical criterion for the future continuation of the company. In addition, the company anticipates a significant increase in the business activities in the Life Science segment. If the forecast sales for these segments will not materialize in the coming years, this would have negative impacts on the financial and earnings situation of SINGULUS TECHNOLOGIES. Besides the core segment Solar, the segment Life Science is gaining increasing importance for the further course of business in the next couple of years.

If the risk of the order completion of current and future large projects materializes, this could have material negative impacts on the overall business operations of the company.

A sufficient level of liquidity for the company in the business years 2022 and 2023 can only be maintained, if the corporate plans in the next two years are sufficiently realized. The essential prerequisites for this plan are that the partial payments of the customers, which are payable due to the already contracted large orders, are actually made without material delays. Furthermore, it

will be necessary to win additional material, large orders combined with the receipt of agreed prepayments for the current business year 2022. Moreover, the prolongation or refinancing of the additional, unsecured working capital credit line will be necessary according to the current status of plans to secure the solvency of the company in the budget year 2023. Also, the receipt of the sales proceeds as planned from the sale-and-leaseback transaction of the property in Fürstenfeldbruck is an essential component to secure the future solvency of the company. The Executive Board expects with a high degree of probability the receipt of agreed prepayments as planned, the signing of additional major orders as well as a prolongation or refinancing of the working capital credit line due in May 2023. With respect to the sale-and-leaseback transaction, the Executive Board expects with a high probability the entry into the land register and the resulting liquidity inflow in the next couple of weeks.

The aforementioned events and conditions indicate the existence of substantial uncertainty, which can cast significant doubt on the company's ability to continue its business operations and which pose an existence-threatening risk. 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.

Segments

SINGULUS TECHNOLOGIES is continuously working on further developing the core technologies of the three segments and the associated machine types.

Solar segment

position for thin-film solar module – both for CIGS and for CdTe. At the same time, the customer CNBM is also preparing for the setup of factories for the production of CdTe solar modules at several sites in China. In this connection, SINGULUS TECHNOLOGIES was able to conclude a development contract and several delivery contracts with CNBM.

An additional focus of activities in the Solar segment is set on new production sites for high-performance solar cells. There are several initiatives in Europe based on this technology to plan the cell production at a gigawatt scale. SINGULUS TECHNOLOGIES takes part in the European initiative PV-IPCEI (Photovoltaics – Important Projects of Common European Interest). Four projects alone concern the setup of cell manufacturing in the GW range.

The initial PV-IPCEI event was organized shortly after the adoption of the EU solar energy strategy by the European Commission on May 18. The strategy clearly states the support of the European Commission for the photovoltaics IPCEI. The European Commission has set the goal to double the photovoltaics base by 2025 and to increase it to 600 GW by 2030.

From SINGULUS TECHNOLOGIES' perspective, all of the framework conditions are in favor of long-term growth in the solar sector. The cost of electricity generation by solar technology continues to decline. Research studies show that solar power is already the most efficient way of electricity generation in many parts of the world. As a consequence, in the meantime, the electricity from new solar plants is cheaper than electricity from the continued operation of already written-off coal power plants.

Semiconductor segment

With the machines of the TIMARIS platform SINGULUS TECHNOLOGIES offers vacuum coating solution for 200 mm and 300 mm semiconductor manufacturing (“fabs”) as well as for leading research institutes. Here, several segments in the area “more-than-Moore” are addressed.

SINGULUS TECHNOLOGIES is a leader in the field of magnetic coatings, which are, for example, required for magnetic sensors, integrated inductors or MRAM. In addition, SINGULUS TECHNOLOGIES has expanded the portfolio of modules at its disposal and now addresses a large number of applications, such as μ LED, RDL and metallization.

Life Science segment

In this segment the work areas Medical Technology, Decorative Coatings and Data Storage are combined. In the past couple of years, in particular the activities in the area of Decorative Coatings and Medical Technology were extensively expanded and have developed favorably in the past business year 2021.

In the first month of the year 2022, several machines of the MEDLINE, POLYCOATER and DECOLINE II types were delivered or commissioned in Asia, Europe and the US.

Kind regards

The board

SINGULUS TECHNOLOGIES AG

Q1-2022 Financial Key Figures at a Glance (*preliminary and unaudited*)

		Q1-2021	Q1-2022
Revenue (gross)	million €	14.6	21.4
Order intake	million €	7.9	6.5
Order backlog (03/31)	million €	69.8	107.2
EBIT	million €	-3.3	0.1

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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