

REPORT FOR THE THIRD QUARTER 2022

INTERIM REPORT AS OF SEPTEMBER 30, 2022 (UNAUDITED)



Thin-Film Coating and Surface Treatment



Interim Report as of September 30, 2022 (unaudited)

Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

SINGULUS TECHNOLOGIES was able to significantly improve the key financial results for the year 2022 compared with the prior year. Sales in the first nine months of 2022 increased to € 67.5 million compared with € 45.5 million in the prior-year period. Sales in the 3rd quarter came to € 23.3 million (previous year: € 19.5 million). The operating earnings before interest and taxes (EBIT) for the first nine months also improved and came to € 9.5 million (previous year: € -7.6 million). In the 3rd quarter a positive EBIT in the amount of € 8.0 million (previous year: € 0.3 million) was achieved. This includes the one-time income of a high single-digit million amount from the sale of the property at the Fürstenfeldbruck site. During the first nine months of the business year 2022 the order intake of € 46.2 million was below the comparable result one year ago (previous year: € 73.3 million). Also the order backlog as of September 30, 2022 amounting to € 93.4 million was slightly below the level in 2021 at € 105.6 million. The unrestricted, available liquidity of SINGULUS TECHNOLOGIES amounted to € 15.6 million as of September 30, 2022 compared with € 14.9 million as of December 31, 2021.

On August 11, 2022 SINGULUS TECHNOLOGIES published the invitation to vote without meeting pursuant to Art. 18 and Art. 5 et seq. SchVG for the debt securities SINGULUS TECHNOLOGIES AG, ISIN: DE000A2AA5H5, WKN: A2AA5H and the appointment of new Mutual Representative of the bondholders as well as the amendment of the bond's conditions with respect to the waiver of the termination

right of the bondholders for a period of nine months due to the still pending publication of the audited annual accounts for the business year 2020 and 2021. The voting without a meeting conducted from Friday, August 26, 2022 at 0:00 a.m. (CEST), until Tuesday, August 30, 2022 at 24:00 p.m. (CEST), pursuant to § 18 and §§ 5 et seq. of the German Bond Act (SchVG) regarding the € 12,000,000.00 bearer bonds, ISIN DE000A2AA5H5 / WKN A2AA5H (the "Bonds") did not constitute a quorum, as the required quorum of 50 % of the outstanding Bonds (§ 15 Para. 3 Sentence 1 SchVG) was not reached.

The Executive Board of the SINGULUS TECHNOLOGIES AG thus invited all bearers of the SINGULUS bond to participate in the second bondholders' meeting on September 20, 2022 and to make use of their voting rights. The second bondholders' meeting on September 2022 was quorate with a quorum of 33.8 % and with 98 % of the votes approved all proposals to amend the bond's terms. Amongst others, these include the temporary waiver of the bondholders' potential termination rights due to the still pending publication of the audited financial results for 2020 and 2021 and provided the company more flexibility for financing options. Accordingly, it is possible to draw a working capital credit line with a volume of up to € 30.0 million. The larger financing scope could especially be required in connection with larger PV projects. Furthermore, the Mutual Representative proposed by the issuer, the Tauris Service GmbH, was appointed with 98.4 % of the votes. The resolutions of the second meeting have thus become legally effective.

The bondholder of the loan amounting to € 10 million informed the company on October 31, 2022, to extend the deadline to publish the audited financial results for 2020 on 2021 until March 31, 2023. The attestations of



Intersolar Europe 2022,
May 11 - 13, 2022
in Munich

the individual and consolidated financial results drawn up by SINGULUS TECHNOLOGIES for the business years 2020 and 2021 are currently still pending. SINGULUS TECHNOLOGIES is in talks with the auditor to fulfill the required conditions. The company currently expects the attestations for the business years 2020 and 2021 to be issued by January 31, 2023.

On August 22, 2022 the Supervisory Board extended the employment contract of Dr.-Ing. Stefan Rinck, Chief Executive Officer of the SINGULUS TECHNOLOGIES AG, until the end of 2023. Dr. Rinck will thus safeguard the continuity in corporate leadership and progress the strategic development of SINGULUS TECHNOLOGIES in its various market segments. The employment contract of Dr. rer. nat. Christian Strahberger expired on October 31, 2022 and his appointment thus terminated.

Combined description of risks

Within the current risk reporting, the project and the sales market risks for the segments Solar and Life Science as well as the liquidity risk were viewed as the material risks for the Group.

The sales market risk in the Solar division, even after the signing of delivery contracts with CNBM for CdTe equipment in October 2021 as well as the receipt of an additional major order for heterojunction equipment in May 2022, is still assessed with an unchanged relevance score of 5 due to the high importance of this business division. Management expects sustained high sales and earnings contributions in the Solar segment in the next couple of years. In connection with the COVID-19 pandemic and the resulting significantly declining order

intakes in the past two business years as well as the sustained delays in contract conclusions of ongoing projects, the probability of occurrence was rated high (previous year: high). 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. The company expects a significant expansion of the business operations within this segment. Due to the increasing importance of the segment for the key financial results for the company, the sales market risk for the Life Science business segment is rated with a relevance score of 5 as well as with a high probability of occurrence. To a large extent, the company is still depending on few major customers both in the Solar and the Life Science segments. The loss of one of these major customers could not be compensated for.

If the anticipated order intake in this segment will fall significantly short of expectations in the current business year and the company will not be successful in winning equivalent alternative projects, this would threaten the continuation of the company.

The continuation of the company is essentially depending on the realization of the key liquidity results as planned in the next two business years. Accordingly, a receipt of partial payments from already contracted as well as future expected major orders as planned is an essential prerequisite for the continuation of the company. In particular, the receipt of orders and additional partial payments by the customer CNBM as planned is required.

Due to the postponement of the audits, the term for the submission of the audits had to be extended with the lender for the credit agreement on the working capital line in the amount of €10.0 million. In October 2022, the Company was able to agree with the lender a corresponding extension of the deadlines for the

contractually required submission of the audited financial statements for fiscal years 2020 and 2021. In addition, an extension or refinancing of the working capital facility will be necessary according to the current planning status in order to secure the Company's solvency in the planning year 2023. Depending on the further course of business operations, it may be necessary to increase the working capital line. The company is already in constructive talks with financing partners in this regard.

In summary, on the basis of these facts, we continue to assess the financial risks with a relevance score of 5. As in the previous year, the probability of occurrence is classified as medium.

Should risks materialize in connection with order processing, they could have a significant negative impact on business activities, in particular in connection with the execution of major projects. The risks assessed as material are in particular the risk of missing the project schedule or planned costs and the non-fulfillment of acceptance criteria. Due to the COVID-19 pandemic and the Russia-Ukraine war, there are generally observable disruptions and difficulties in global supply chains that affect the processing of existing orders. While this does not pose significant risks for smaller projects, in the areas of work with the major projects in Solar for thin-film modules with the customer CNBM, in Solar for crystalline solar cells with the customer ENEL, and in Life Science with the customer ALCON, these disruptions in the global supply chain may result in some significant risks. However, in these major projects scheduled order processing for the delivery of the equipment in question is of considerable importance for the continued existence of the Company.

In summary, we still rate the project risks with an unchanged relevance score of 5. The probability of occurrence is assessed as medium, unchanged to the previous year.



Picture on the left:
Semicon Europa,
November 16 - 19, 2021
in Munich



Picture on the right:
Paint Expo 2022,
April 26 - 29, 2022
in Karlsruhe

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.

As an internationally operating company SINGULUS TECHNOLOGIES continuously monitors the current developments in connection with the COVID-19 pandemic and its economic consequences. In particular, the current development on the main sales market, China, is closely monitored by management.

Moreover, substantial risks could emerge from the Russia-Ukraine war. The war could negatively impact

the sales trend, production processes as well as the procurement and logistics processes, for example, due to interruption of the supply chains or shortages for components as well as raw materials and pre-products.

Segments

Development of markets with interesting growth rates

The company focuses on markets where the employment of the offered machines enables a differentiation against competitors and adds value for the respective customers. The company targets markets with attractive growth rates. In addition to new applications in the segments Solar and Life Science, the company reviews applications for coating technology in the work areas hydrogen and battery technology.

Solar Segment

Focus on thin-film solar technology and new, crystalline high-performance cells

In the area of CIGS solar, together with the key customer CNBM, the introduction of a new generation of CISARIS selenization machines is progressed. The first machine of the new CISARIS X3 type is scheduled to be delivered in 2023. Also for thin-film solar cells pursuant to the CdTe process, the company works with CNBM on a new machine generation for the “close-space sublimation” (CSS) process.

There are several initiatives in Europe discussing the set-up of cell production at GW scale. Here, the related parties plan sites at GW scale for hetero-junction solar cells as well as for TOPCon and IBC cells in various European countries. SINGULUS TECHNOLOGIES is a member of the European Solar Manufacturing Council (ESMC) and has officially launched an “Important Project of Common European Interest” (“IPCEI”) for photovoltaics in cooperation with the partners of the European Solar Initiative. The goal of the IPCEI for photovoltaics is to mobilize support from EU member states for innovative and breakthrough PV manufacturing technologies and facilitate their implementation for commercial production.

SINGULUS TECHNOLOGIES has developed machines for the HJT technology and its various production steps. In Spring 2022, the company received an important order. SINGULUS TECHNOLOGIES has entered into an agreement with a major European energy supplier for the supply of production equipment for the manufacture of HJT solar cells. In addition to wet-chemical production systems and vacuum cathode sputtering (PVD) systems, the company also offers systems that use the plasma-enhanced chemical vapor deposition (PECVD) process.

Semiconductor Segment

In the past, SINGULUS TECHNOLOGIES focused on Spintronic applications such as MRAM or thin-film heads and has expanded into the market for magnetic coating systems in recent years. In the meantime, SINGULUS TECHNOLOGIES has become the market leader for applications of magnetic TMR/GMR sensors and supplies leading sensor manufacturers. As an additional application, SINGULUS successfully commissioned a reference machine for integrated inductors at a globally leading semiconductor factory. Integrated inductors are a novel application with large growth potential. SINGULUS TECHNOLOGIES’ strategy is to increasingly expand in production applications and for tier #1 and #2 manufacturers.

Life Science Segment

Innovative use of existing core competencies

The medical technology sector is one of the most important growth markets in the long-term according to the company’s assessment. SINGULUS TECHNOLOGIES has worked on the further development of process equipment for the cleaning of medical products and plans to expand the process and equipment range for further applications with regard to various coating technologies.



At K 2022, October 19 - 26, 2022 in Düsseldorf, the POLYCOATER inline sputtering system was shown in operation



The market opportunities in the work area Decorative Coatings are mainly characterized by the increasingly important factors of environment-friendliness and sustainability. The use of environmentally-hazardous galvanic processes is not part of the implementation of vacuum coating processes. Also the ability of chrome (VI)-free coating of parts enhances the attractiveness of these processes.

With the machines of the POLYCOATER and DECOLINE II type SINGULUS TECHNOLOGIES offers a production method, which enables the chrome (VI)-free coating of parts for various application areas. In addition to coating solutions, SINGULUS TECHNOLOGIES is also offering complete lacquering units in the meantime.

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.

In terms of the activities for the work area Optical Data Storage, the company will mainly target its activities in the coming years on the global replacement part and service activities for the extensively installed machine base.

Outlook

Despite the sustained difficult environment in particular in connection with disrupted supply chains and the Russia-Ukraine war, for the current fiscal year 2022, SINGULUS TECHNOLOGIES forecasts an increase in sales and earnings pursuant to IFRS compared with the prior fiscal years 2020 and 2021. The operating earnings before interest and taxes (EBIT) should also develop favorably.

To achieve these improved financial forecasts requires a course of business activities in all segments as planned. However, the Russia-Ukraine war could negatively impact the sales trend, production processes as well as the procurement and logistics processes, for example, due to interruptions of the supply chains or shortages for components as well as raw materials and pre-products. Potential impacts from this are not reflected in the forecast. An evaluation of the risks is performed by the company.

Best regards,

The Executive Board

SINGULUS TECHNOLOGIES AG

Summary of Key Financial Results Q3-2022

(preliminary and unaudited)

		Q3 - 2021	Q3 - 2022	9M - 2021	9M - 2022
Sales (gross)	million €	19.5	23.3	45.5	67.5
EBIT	million €	0.3	8.0	-7.6	9.5
Order intake	million €	37.0	12.7	73.3	46.2
Order backlog (September 30)	million €			105.6	93.4

SINGULUS TECHNOLOGIES – Thin-Film Coating and Surface Treatment

SINGULUS TECHNOLOGIES develops and assembles innovative machines and systems for efficient thin-film coating and surface treatment processes, which are used worldwide in the Photovoltaics, Semiconductor, Medical Technology, Packaging, Glass & Automotive as well as Battery & Hydrogen markets.

The company's core competencies include various processes of coating technology, surface treatment as well as wet-chemical and thermal production processes.

SINGULUS TECHNOLOGIES sees sustainability as an opportunity to position itself with innovative products. In the focus are:

- Environmental awareness
- Efficient use of resources
- Avoidance of unnecessary CO₂ pollution

SINGULUS TECHNOLOGIES attaches great importance to responsible and sustainable corporate governance.

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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