

REPORT FOR THE FIRST QUARTER 2023

Interim Report as of March 31, 2023 (unaudited)



Thin-Film Coating and Surface Treatment



Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

The SINGULUS TECHNOLOGIES AG (SINGULUS TECHNOLOGIES) Reports Preliminary Financial Results for the 1st Quarter of 2023

SINGULUS TECHNOLOGIES reports preliminary financial results for the 1st quarter 2023 with sales in the amount of € 16.3 million (previous year: € 21.4 million). The earnings before interest and taxes (EBIT) were slightly negative at € -0.9 million (previous year: € 0.1 million). The order intake in the 1st quarter 2023 increased to € 14.1 million and was thus above the prior-year level of € 6.5 million. The order backlog of € 82.6 million as of March 31, 2023 is below the previous year's level of € 107.2 million. The unrestricted, available liquidity to SINGULUS TECHNOLOGIES amounted to € 16.8 million as of March 31, 2023 compared with € 18.7 million as of December 31, 2022. The sales in the period under review were still low, because resources for essential projects were scarce such as delayed deliveries of materials and pre-produced parts. This situation should improve; we currently see a significantly improvement of the supply chain situation and therefore expect a soon increase in sales and earnings contributions in the next couple of quarters. The gross profit margin stood at 29.4 % in the 1st quarter 2023. Here, the successful reduction of the fixed costs basis in connection with the relocation of the Fürstenfeldbruck site had a positive impact.

During the period under review, SINGULUS TECHNOLOGIES signed a contract for the delivery of an additional vacuum coating machine for the CdTe (cadmium-telluride) thin-film solar technology

with the corporate group of China National Building Materials (CNBM), Beijing. CNBM invests in factories for production based on both CIGS (copper, indium, gallium and selenium or sulfur) and CdTe technologies. SINGULUS TECHNOLOGIES is an important partner for CNBM for the set-up of factories for the production of CdTe solar modules. In addition to its project with regards to the CIGS technology, the customer intends to set up additional production sites for the manufacturing of CdTe thin-film solar module in various regions in China. CNBM targets an annual output of CdTe solar modules at its various sites in a gigawatt range.

Provision of financing

CNBM holds 16.75 % of the shares of SINGULUS TECHNOLOGIES through a consolidated company. To secure the continuation of the company, with effect from February 3, 2023 the company and CNBM signed an agreement regarding the provision of liquid funds in the amount of € 20.0 million. In return, the company granted various options with respect to rights in connection with know-how in the area of solar technology. The total volume was received by the Company in two tranches in the amount of € 9.6 million in March 2023 and in the amount of € 10.4 million in early April 2023. Both tranches have a maturity of at least 18 months, but the disbursed funds have to be repaid in full or in part only upon request of the lender. Furthermore, the company also has the option to repay the funds in part or in total at any time. However, they will not be eligible to drawn again then.

Full-year results for 2020 and 2021 published

On April 6, 2023, KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt (“KPMG”), issued SINGULUS TECHNOLOGIES with the audit certificates with unqualified audit opinions for the financial statements of the business years 2020 and 2021. Following the issue of the audit certificates, both of the financial statements were adopted at a meeting of the Supervisory Board and published on the company’s website on April 20, 2023.

KPMG, which has been responsible for auditing the annual financial statements to 2021, must not continue the mandate after completing its tenth year of auditing. The company will shortly appoint a new auditor for the auditing of the financial statements 2022.

The delayed publication of the annual financial statements for the business years 2020 and 2021 prevented a timely publication of the annual financial statements for 2022. On April 25, 2023, SINGULUS TECHNOLOGIES announced the date of publication as August 31, 2023.

Additional bondholders’ meeting required

Against the backdrop of the delayed provision of the annual financial report 2022 the company asks the holders of its issued SINGULUS bond (ISIN: DE000A2AA5H5, WKN: A2AA5H) with regard to the safeguarding of the financial planning as a precautionary measure to waive any termination

rights for a period of fifteen months, which are linked to a delayed submission or publication of audited financial statements, as well as the approval of further amendments to the bond terms and conditions, which are intended to facilitate the refinancing of the bond at a later point in time. SINGULUS TECHNOLOGIES had therefore published an invitation to vote in a poll without a meeting pursuant to Art. 18 and Art. 5 et seq. SchVG for bonds on April 17, 2023. The voting without a meeting conducted from Tuesday, May 2, 2023 at 0:00 a.m. (CEST), until Thursday May 4, 2023 at 24:00 a.m. (CEST), pursuant to Art. 18 and Art. 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 (Art. 15 Para. 3 Sentence 1 SchVG) was not reached.

Therefore, SINGULUS TECHNOLOGIES invited all bearers of SINGULUS Bonds on May 10, 2023 to participate in a second bondholders’ meeting on May 30, 2023 and to exercise their voting rights.

The meeting will take place at the hotel Le Méridien, Frankfurt am Main, on May 30, 2023 at 1:00 p.m. (CEST). Holders of the SINGULUS bond are able to authorize a proxy of SINGULUS TECHNOLOGIES who will vote according to the explicit instructions. For further information please refer to the information provided by the company on its homepage under <https://www.singulus.com/de/glaeubigerversammlung/> under the section “Second bondholders’ meeting on May 30, 2023”.

Combined description of risks

Within the risk report for the business year 2021, the project and sales market risks for the Solar and Life Science segments as well as the liquidity risk were deemed the essential risks for the Group. For a detailed analysis of the risks as of December 31, 2022, please refer to the company's Status Report in the Annual Report 2021.

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 in particular in the main sales market China 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 asset, financial and earnings situation of SINGULUS TECHNOLOGIES. For both segments, the company continues to assess the sales market risk with a relevance level of 5 and the probability of occurrence as high.

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. The relevance level

of the project risk is still assessed as 5 and the probability of occurrence unchanged as high.

With regard to future liquidity, the Executive Board continues to expect with a high degree of probability that the partial payments to be made will be received as scheduled and that further major orders will be signed. In addition, the Executive Board continues to assess the risk of effective notices of termination by bondholders as a result of any delay in the submission or publication of the annual financial statements for fiscal year 2022 as very low. This is based on past experience and the expected support of at least two significant bondholders, so that calls representing more than 20 % of the bonds are considered unlikely. Furthermore, a significant bondholder issued a guarantee to the company to compensate for effective notices. On April 17, 2023, the company published a request to cast votes in the course of a poll without presence. The subject of the vote will be the proposal for a temporary waiver of notice and the extension of the submission deadline for the 2022 annual financial statements to August 31, 2023. From the Executive Board's perspective, financing on the basis of the current corporate planning for the next twelve months is largely probable. The relevance level for the liquidity risk continues to be assessed at 5, but due to the secure financial position and the resulting unqualified audit opinions for the 2020 and 2021 financial years, the company reduces the probability of occurrence from high to medium.



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.

The further development of the Russia-Ukraine war could have negative impacts on the business activities of the company due to disrupted supply chains and supply bottlenecks for components as well as for raw materials and pre-products.

Otherwise, in connection with the assessment of the remaining risk categories, during the first three months of the business year 2023, compared with the risks depicted in the combined status report of the Annual Report for the year 2021, there were no further material changes.

Segments

SINGULUS TECHNOLOGIES is constantly working on further developing the core technologies in the three segments and the resulting machine types.

Solar Segment

SINGULUS TECHNOLOGIES continues to cooperate closely with the shareholder and customer CNBM and currently manufactures large production machines for CIGS and CdTe thin-film solar modules.

An additional focus of activities in the solar market is the establishment of new production sites for crystalline high-performance solar cells in Europe and the US. In Europe, cell production at a gigawatt scale is discussed and planned. SINGULUS TECHNOLOGIES is actively participating in all

European initiatives for the implementation of these projects. In the US, the “Inflation Reduction Act” was presented. This includes substantial investments in various areas. This holds particularly true for climate protection. The support of renewable energies, including solar energy, is a central measure of the act. Due to the support for projects reducing the emission of greenhouse gases, the demand for solar modules and solar cells will presumably increase and thus US manufacturers will benefit. All market participants expect that substantial investments will be made in the US for the set-up of solar cell and solar module productions.

From SINGULUS TECHNOLOGIES’ perspective, all of the framework conditions are still in favor of long-term growth in the solar sector. Solar as a climate-friendly source of power generation is no longer in question.

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. The production facilities for



ADF, PCD & PLD Paris,
January 25-25, 2023
in Paris

contact lenses were a major sales driver in the past business year and are expected to continue to develop favorably in the coming years due to the strong growth in global markets. In 2022, several machines of the MEDLINE, POLYCOATER and DECOLINE II types were delivered or commissioned in Asia, Europe and the US. For the work areas Decorative Coatings and Medical Technology, SINGULUS TECHNOLOGIES expects a stable trend.

Semiconductor Segment

SINGULUS TECHNOLOGIES was able to record key orders in the business year 2022 for the delivery of vacuum coating machines for the semiconductor industry. In this work area, the company is advancing towards market leadership for coating machines for magnetic sensors. 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. In addition, SINGULUS TECHNOLOGIES has expanded the available portfolio of production modules, which can be connected to the central handling system and now addresses a large number of applications, such as μ LED, RDL and metallization.

Outlook

With an order backlog in the amount of € 86,7 million as of January 1, 2023, SINGULUS TECHNOLOGIES plans a significant increase in sales and earnings pursuant to IFRS for 2023 compared with the past business year 2022. In this context, sales in the business year 2023 should amount to a range from € 140.0 million to € 150.0 million. The operating earnings before interest and taxes (EBIT) are expected to also develop favorably and come in at a low double-digit million range. To achieve these financial forecasts, a course of business activities in all segments as planned is required.

The most important sales and earnings drivers are set to stem from the Solar segment and here from orders for the CIGS and CdTe factories and their expansions for the major customer and shareholder CNBM. Furthermore, additional orders for the Medical Technology operations in the Life Science division are expected during the course of the year. In the Semiconductor segment, mainly the completion of existing orders should make contributions with positive effects on the financial results such as sales and EBIT.

Both in view of achieving the expected financial results and also in terms of the future trend of the liquidity situation, the SINGULUS TECHNOLOGIES Group is to a large extent dependent on the further development of the business activities with select, large customers. Sufficient liquidity within the company and the Group can only be maintained in the next twelve months if the planning presented above can be implemented as expected in this period.

Best regards,

The Executive Board

SINGULUS TECHNOLOGIES AG

Q1-2023 Financial Key Figures at a Glance (preliminary and unaudited)

		Q1-2022	Q1-2023
Revenue (gross)	million €	21.4	16.3
Order intake	million €	6.5	14.1
Order backlog (03/31)	million €	107.2	82.6
EBIT	million €	0.1	-0.9

Company Calendar 2023

May 2023

Report Q1-2023 May, 12

May 2023

Creditors' Meeting
Hotel Le Méridien,
Frankfurt am Main, 1:00 PM May, 30

tba

Annual General Meeting
for the years 2021 and 2022

July 2023

Report Q2-2023 July, 21

August 2023

Annual Accounts 2022 August, 31

November 2023

Report Q3-2023 November 14

tba

Annual General Meeting
for the year 2022

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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