

REPORT FOR THE THIRD QUARTER 2023

Interim Report as of September 30, 2023 (unaudited)



Thin-Film Coating and Surface Treatment



Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

During the first nine months of the business year 2023 SINGULUS TECHNOLOGIES achieved sales in the amount of € 55.8 million (previous year: € 67.5 million). Sales in the third quarter came to € 14.1 million (previous year: € 23.3 million). Accordingly, sales in the first nine months of the year are below the forecast published at the beginning of the year. The main reason is the delay in significant projects by customers in the Solar division. SINGULUS TECHNOLOGIES had already published this on July 6, 2023 in the course of an ad-hoc release pursuant to Art. 17 MAR and reduced the forecast for sales to a range from € 90 to 100 million. Since the still continuing delays could have an impact on realized sales in the current year, the company will closely monitor the further development of order intake. In the first nine months of 2023 earnings before interest and taxes (EBIT) came to € -5.6 million (previous year: € 9.5 million). The EBIT in the third quarter amounted to € -4.9 million (previous year: € 8.0 million). The figures for 2022 include the one-off income from the sale of the property at the Fürstenfeldbruck site (€ 9.7 million).

During the first nine months of the business year 2023 the order intake of € 32.3 million was below the comparable result one year ago (previous year: € 46.2 million). The order backlog as of September 30, 2023 amounting to € 61.3 million was also below the level of 2022 with € 93.4 million. The unrestricted, available liquidity to SINGULUS TECHNOLOGIES amounted to € 12.5 million as of September 30, 2023 compared with € 18.7 million as of December 31, 2022.

Due to the globally increasing investment activities for the further expansion of production capacities in the photovoltaics industry, SINGULUS TECHNOLOGIES still expects substantial order intake in the Solar segment in the coming months. These orders should affect both production machines for crystalline solar cells as well as for thin-film solar modules. In addition, in the Life Science division there are pending agreements for the sales of machine in the area of Medical Technology as well as for Decorative Coatings. The Semiconductor division benefits from the expansion of production capacities for magnetic, semiconductor-based sensors, which is the reason for expected successful contract conclusion in this segment by the end of the year.

Executive Board matters

In the course of the meeting on October 30, 2023, the Supervisory Board of the SINGULUS TECHNOLOGIES AG prolonged the appointment to the Executive Board for Dr. Stefan Rinck until December 31, 2024 as well as the appointment of Markus Ehret until December 31, 2028.

Headcount

As of September 30, 2023, the headcount within the SINGULUS TECHNOLOGIES Group declined slightly to 296 employees due to the closure of the production at Fürstenfeldbruck as of the end of the business year 2022 (December 31, 2022: 321 employees).

Certificate with unqualified audit opinion issued for the annual financial statements for the 2022 financial year

Baker Tilly GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft ("BakerTilly"), which was appointed by the court as the Company's new auditor in May 2023, issued an unqualified audit opinion on the annual financial statements (HGB) and the consolidated financial statements (IFRS) for the 2022 financial year on October 29, 2023. Subsequently, during its meeting on October 30, 2023, the Supervisory Board of the Company adopted the financial accounts and approved the consolidated financial accounts for 2022. The annual report for fiscal year 2022 was published without delay and is available for downloading under the following link: <https://www.singulus.com/financial-reports/>.

Annual General Meeting for fiscal year 2022 will take place on December 14, 2023

SINGULUS TECHNOLOGIES will hold the Annual General Meeting for fiscal year 2022 as a virtual Annual General Meeting without the physical presence of shareholders. The invitation to the Annual General Meeting is accessible from the Company's website under <https://www.singulus.com/shareholder-meeting/> since November 7, 2023. Participation in the Annual General Meeting will be possible after duly registration under the link <https://www.singulus.com/shareholder-meeting/> within the AGM portal.

Combined description of risks

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

Due to the high importance of this business area, the market risk in the Solar segment is rated with a relevance score of five (5). Management expects sustained high sales in the Solar segment in the next couple of years. Despite the entry into new business areas, this business segment will continue to provide the largest share of sales and earnings contributions in the current business year 2023. In view of the significant decline in orders in previous years and the continuing delays in the completion of ongoing projects, particularly in the CIGS and CdTe segments, the probability of occurrence was assessed as high and the relevance as a threat to the Company's continued existence.

In addition, the company anticipates a significant increase in the business activities in the Life Science segment in the medium-term. If the forecast sales for this segment will not materialize in the coming years, this would have negative impacts on the financial and earnings situation of SINGULUS TECHNOLOGIES. Due to the further increasing importance of this segment for the key financial results for the Company, the sales market risk for Life Science is rated with a relevance score of five (5) as well as with a high probability of occurrence.

If the anticipated order intake in these segments 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.

Currently, we still rate the liquidity risk unchanged with a relevance score of five (5) and the credit risk with a relevance score of three (3). Despite the receipt of further partial payments from subsidiaries of China National Building Material Group Co., Ltd ("CNBM") in the reporting period, the provision of cash and cash equivalents of € 20.0 million and the successful conclusion of the working capital credit line of € 10.0 million, we classify the probability of occurrence of the liquidity risk as high. In particular, the timely receipt of contractually agreed payments by key customers as well as the assignment of additional large projects are required in the coming months. Material delays in payments or credit losses within key projects could not be compensated for by the Company. The Executive Board expects the partial payments to be received on schedule and the signing of further major orders with a high degree of probability. Triumph Science and Technology Group Co., Ltd. ("Triumph"), a subsidiary of CNBM, which holds 16.75 % of the shares in SINGULUS TECHNOLOGIES, confirmed the currently granted and secured financing structure to the Company as part of the 2022 annual audit and issued a guarantee for its continuation. From the Executive Board's perspective, financing on the basis of these guarantees and of the current corporate planning until the end of 2024 is mainly probable.

These events and circumstances indicate that there are material uncertainties, which can raise doubts as to the ability of the Company and the Group to continue to operate as a going concern within the meaning of Art. 322 Para. 2 Sent. 3 HGB. Accordingly, the SINGULUS TECHNOLOGIES Group might not be able to realize its assets as well as to cover its liabilities during the regular course of its operations.

Segments

Solar Segment

SINGULUS TECHNOLOGIES has a leading market position in the field of production systems for thin-film solar modules (CIGS & CdTe) and offers the most important production systems for the relevant process steps to increase module efficiency. CNBM, the most important customer and partner in the Solar segment, is planning to further expand its capacities for thin-film solar modules for both CIGS and CdTe technologies. In the area of highly efficient crystalline solar cells such as heterojunction technology (HJT), SINGULUS TECHNOLOGIES also expects increased demand for production equipment. This is due to global efforts to build up production capacities outside of China in order to become increasingly independent of Chinese supply chains in the future. In the US, funds are provided for this by the Inflation Reduction Act. In Europe, the basis for funding commitments for investments in solar cell factories is still being worked out. SINGULUS TECHNOLOGIES is currently negotiating with several parties in the US and Europe with regards to the build up of production machines, since solar power will gain an ever increasing share in the global electricity demand.

Accordingly, the expansion of electricity generation is steadily continuing worldwide due to the further reduction in costs and the associated increase in demand for environmentally friendly solar energy. Here, China remains the undisputed leader for global photovoltaic installations. The USA, India and Brazil as well as European countries such as Spain and Germany then follow, according to the analyses in the latest SolarPower Europe report. SINGULUS TECHNOLOGIES is a member of the European Solar Manufacturing Council (ESMC) and supports initiatives for the establishment of solar cell production facilities in Europe in order to actively shape further industrial policy at the European level.

Life Science Segment

In recent years, SINGULUS TECHNOLOGIES has established itself with production systems for the manufacturing of contact lenses at well-known major producers. The market for contact lenses is a growing sector in the medical technology industry, as beyond the medical use of lenses, more and more people are opting for contact lenses as an alternative to glasses due to their greater freedom of movement and aesthetic benefits. With the general market growth and the high speed of innovation with regard to new products, there are good opportunities for SINGULUS TECHNOLOGIES to remain a leader in this market in the future. Projects to expand the



SINGULUS
TECHNOLOGIES at
RE+ in Las Vegas, USA,
September 11-14, 2023

capacities of two existing customers are currently under discussion and new production concepts are being discussed with another manufacturer.

With the POLYCOATER and DECOLINE II machines, SINGULUS TECHNOLOGIES offers an advanced production method for the decorative coating of consumer goods, which not only enables the fast and cost-effective coating of many parts, but also relies on chrome (VI)-free processes. These innovative technologies enable various application opportunities, such as for the cosmetics and automotive industries.

The work area of optical Data Storage (formerly Optical Disc) is based on the large number of optical disc production systems installed worldwide. These machines are still producing a large number of units and customers are requesting spare parts and services.

Semiconductor Segment

In the Semiconductor segment, SINGULUS TECHNOLOGIES is currently focusing on the development of production systems for various applications in semiconductor technology, sensor technology and magnetic coatings. The Company is particularly active in the field of magnetic sensors, in which extremely thin metallic coating systems are used. SINGULUS TECHNOLOGIES offers the TIMARIS platform, which enables customized production systems by combining different process modules. Although the Company is in a competitive environment with international competitors in the semiconductor applications it offers, it still expects to receive important orders from international customers by the end of the year. The Company's expertise in coating systems in the field of semiconductor-based sensor technology plays a key role here.

SINGULUS
TECHNOLOGIES
at EU PVSEC in
Lisbon, Portugal,
September 18-22, 2023



Outlook

Taking into account information from key customers in the Solar segment with regards to their investment plans, the Company concluded on July 6, 2023 that there would be delays of important projects in this segment. Since these delays have an impact on the realized sales in the current business year, SINGULUS TECHNOLOGIES revised its forecast for the business year 2023. Due to the still continuing delays, the Company will closely monitor the further development of order intake. Sales are currently expected to come in at a range from € 90 million to € 100 million. The forecast for the EBIT amounts to a low single-digit million Euro amount.

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 highly dependent on the further development of the business activities with a few large customers. Sufficient liquidity within the Company and the Group can only be maintained until the end of 2024 if the planning presented above can be implemented as expected in this period. It is an essential prerequisite for the planning that the partial payments, which are due based on the already contracted large orders with individual, major customers, will actually be made and without material delay. Furthermore, the receipt of additional, substantial large orders is required in the coming months until the end of 2024.

The Company is currently financed by the issued bond (WKN A2AA5H / ISIN DE000A2AA5H5) with a volume of € 12.0 million, a financing of € 20.0 million granted by Triumph and a working capital credit line of € 10 million guaranteed by Triumph and granted by a bank, as well as a super senior loan of € 4.0 million, of which € 2.0 million has been drawn down. This financing structure must remain in place beyond October 2024 and the availability of the super senior loan of € 4.0 million must be guaranteed until the end of 2024. It is thus required that the extension of the working capital credit line in the amount of € 10.0 million must take place in March 2024 or alternatively be replaced by a shareholder loan from Triumph. In a letter to the company as part of the 2022 annual audit, Triumph guarantees to provide the company with sufficient financial resources so that the company can meet its obligations during this period.

We also refer to the comments on financial risks in the Risk Report in connection with the Company's financing.

Best regards,
The Executive Board

SINGULUS TECHNOLOGIES AG

Summary of Key Financial Results Q3-2023

(preliminary and unaudited)

		Q3 - 2022	Q3 - 2023	9M - 2022	9M - 2023
Sales (gross)	million €	23.3	14.1	67.5	55.8
EBIT	million €	8.0	-4.9	9.5	-5.6
Order intake	million €	12.7	8.2	46.2	32.3
Order backlog (September 30)	million €			93.4	61.3

SINGULUS TECHNOLOGIES – Thin-Film Coating and SurfaceTreatment

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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