

# innovation

## Report for the 1<sup>st</sup> Quarter 2015

Interim Report as of March 31, 2015  
(unaudited)

## Interim Report Q1 2015

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- Order intake and order backlog exceeding € 60 million
- Sales and EBIT at low levels
- Important corporate actions to be proposed at AGM on June 9
- Strategy for future development and financial restructuring
- Liquidity of € 28.8 million as of March 31, 2015
- Nearly breaking-even on EBIT level expected for 2015

SINGULUS TECHNOLOGIES received several major orders for processing machines in the Solar division in the 1<sup>st</sup> quarter 2015.

A contract for the delivery of vacuum coating equipment was already signed on January 8, 2015. These machines are an important component for the manufacturing of high-performance CIGS thin-film modules. The order volume is in the double-digit million Euro range. In addition, the company received an order for the delivery of processing machines of the SILEX II type on March 7, 2015.

The machines are made for the production of high-performance solar cells. For both delivery contracts the required prepayments were already received in the 1<sup>st</sup> quarter. Accordingly, the order intake for the Solar segment in the 1<sup>st</sup> quarter 2015 exceeded € 50 million. For the company as a whole the order intake in the respective period amounted to € 62.8 million (previous year: € 14.1 million). The order backlog increased sharply compared with the year-end 2014 and stood at € 64.2 million (March 31, 2014: € 17.7 million). Correspondingly, this is the highest order backlog in the past three years.

In the quarter under review due to the lower order backlog at year-end sales in the SINGULUS TECHNOLOGIES Group amounted to only € 12.6 million (previous year: € 16.7 million). Accordingly, the earnings before interest and taxes (EBIT) of € -5.9 million were below the level of the previous year (previous year: € -5.1 million).

### **Proposed corporate actions safeguard future development**

In the quarter under review SINGULUS TECHNOLOGIES continued the repositioning of the company to sustainably safeguard the viability of the company. These measures concern the focusing of the production portfolio and the positioning on new markets with strong growth potential, in which coating technology is of essential importance, the streamlining of the corporate structure and the restructuring of the capital structure. The restructuring of the company should enable the early refinancing of the corporate bond due in 2017. For this reason, several anticipatory resolutions were presented for voting together with the invitations to the ordinary Annual General Meeting on June 9, 2015.

### **With the agenda item 7 of the Annual General Meeting**

the conversion of the bond into equity should be enabled by means of increase of the existing authorized capital with an exclusion of subscription rights. Legally, such a conversion constitutes a contribution of the bond of debt into the company against issuance of shares (capital increase by way of contribution in kind). Such a conversion also requires the approval of the bondholders with a qualified majority during a bondholder meeting. To protect shareholders, the German Company Law (Aktiengesetz) provides that the exchange ratio is appropriate, i.e. the market value of the contributed bond has to correspond to the value of the issued shares. Alternatively, the authorized capital could also be used if a strategic partner contributes business activities, which supplement the operations of SINGULUS TECHNOLOGIES.

### **With the agenda item 8 at the Annual General Meeting**

the conversion of the existing bond into a convertible bond should be enabled. This authorization includes the issuance of a convertible or warrant bond against contribution in kind, which in this case could be the existing corporate bond. Irrespective of this, the company would also possess an additional financing instrument. Such a conversion also requires the approval of the bondholders with a qualified majority during a bondholder meeting. The agenda item 8 complements the agenda item 7.

### **With the agenda item 9 at the Annual General Meeting**

the reduction of capital is proposed, which should enable the issuance of equity. This implies cleaning up the balance sheet. The accumulated incurred losses are offset against shareholders' equity. The

resolution of the Annual General Meeting determines that the last quarterly financial statement before the implementation of the capital reduction will be relevant. A capital reduction can only be implemented to the extent of accrued losses in this financial statement. It is limited to a ratio of 6:1, i.e. the number of shares would be reduced by this ratio.

For further information about the planned corporate actions and the further development of the company, please refer to: <http://www.singulus.com/en/investor-relations/shareholders-meeting/2015.html>

### Optical Disc

The development of the Optical Disc segment depends on the annual cycle in the media industry. Investments for new production machines are usually discussed at the end of the 2<sup>nd</sup> quarter and increasingly only the beginning of the 3<sup>rd</sup> quarter in order to then expand the respective production capacity in the second half of the year, which is then used for the Christmas business. The market research institute Futuresource expects in one of its studies that the production of Blu-ray Discs will continue to grow slightly on a global basis. However, the global Blu-ray Disc production

declined by 1.7 % to 819 million units in 2014, but is forecast to expand to 869 million units in 2015. With the BLULINE II for the manufacturing of Blu-ray Discs with a storage capacity of 50 GB SINGULUS TECHNOLOGIES continues to have a unique global position and focuses on maintaining the global leadership in this segment.

SINGULUS TECHNOLOGIES is currently anticipating that the demand for production equipment will pick up slightly again in 2015. The Blu-ray Disc Association (BDA) has announced mid May the standard for the new "ULTRA HD Blu-ray" format with a storage capacity of up to 100 GB. The new disc format was developed for new ultra-high resolution movies.



**TENUIS II – Modular buffer layer deposition systems for CIGS solar cells**

For the upcoming new Blu-ray standard for 4K content on Blu-ray Disc, first project talks about the new BLULINE III production machine should be held in 2015.

Nevertheless, after the unexpectedly sharp decline in the past business year we are very cautious concerning the volume sales of production machines for Blu-ray Discs. However, the service activities for the installed machines continue to make positive sales and earnings contributions.

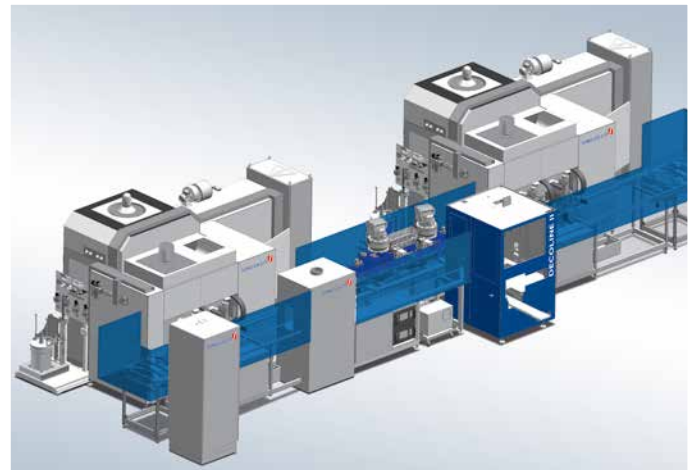
## Solar

The market development for photovoltaic installations in the past couple of years relied to a large extent on the regulatory framework and global subsidies for investments in photovoltaic equipment. Lower or canceled subsidies for photovoltaic technology in Europe resulted in significantly fewer new installations in this regions. In contrast, new regulations and subsidies in Asian countries such as China and Japan led to considerable increases in new installations and to strong growth in these markets. In the US, introduced protective duties resulted in new investment into domestic production.

The global PV module demand rose in 2014 and should continue to increase in 2015. The majority of market forecasts expect the international solar markets to develop positively and the demand for PV modules to expand. The market research company IHS forecasts global demand to grow by 25 % in 2015. The installations of photovoltaic equipment should rise to about 55 GW. As a result, an increase in capital expenditure for production equipment is anticipated.



**DECOLINE II – Inline coating system for 3D substrates**



### Semiconductor

The forecast for the general economic developments for investments in semiconductor production machines is generally positive for 2015 as well (market research institute Gartner).

So far SINGULUS TECHNOLOGIES does not yet have a clear view on the future development and relevance of the MRAM technology as a potential future memory technology addressed by the company. We have

concluded development cooperations with renowned semiconductor manufacturers for MRAM and are still working on this subject, but it is not foreseeable whether a breakthrough can already be achieved in the business year 2015. With its machine line the company focuses on new potential applications of vacuum coating technology for the semiconductor industry.

### Positioning on new markets

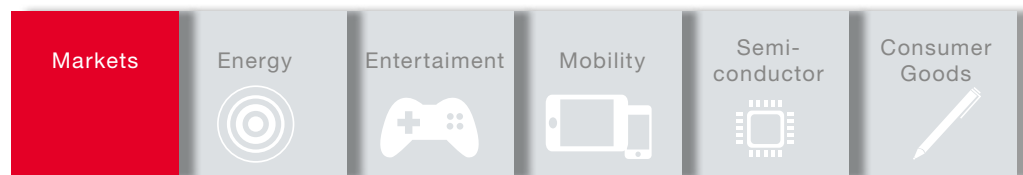
The core competence of SINGULUS TECHNOLOGIES is the know-how in vacuum thin-film and plasma technology, wet-chemical processing as well as thermal process technology.

SINGULUS TECHNOLOGIES works on expanding this expertise in the existing segments and to transfer it to new markets as well as on new ideas for innovative product solutions. SINGULUS TECHNOLOGIES operates as a driver of innovation in technologic areas with high growth potential. This includes renewable energies, the entire area of entertainment, ever increasing mobility, semiconductor technologies as well as consumer goods of any kind.

### Innovative technologies



### Positioning in new markets





Overall, in the 1<sup>st</sup> quarter 2015 earnings before interest and taxes (EBIT) in the amount of € -5.9 million around the prior-year level were realized (previous year: € -5.1 million).

### **Balance sheet and liquidity**

Current assets increased by € 4.1 million to € 102.6 million during the period under review. The reason is a rise in restricted financial funds (€ + 8.3 million) within the line items Other Receivables and Other Assets. This includes deposited cash, which serves as security for guarantees for prepayments received. The other receivables and other assets stood at € 16.8 million as of the end of the quarter under review (December 31, 2014: € 8.4 million).

In addition, receivables from production orders increased by € 1.5 million to € 3.2 million. In contrast, cash and cash equivalents declined by € 7.0 million to € 28.8 million mainly due to the payment of interest for the bond (€ -4.3 million) in March.

The long-term assets amounted to € 31.1 million as of March 31, 2015, around the level of the prior period (December 31, 2014: € 31.7 million).

Compared with the year-end 2014 the short-term debt rose by € 10.2 million and amounted to € 46.6 million as of March 31, 2015. Specifically, the liabilities from production orders increased by € 16.7 million to € 17.9 million due to prepayments received. In

contrast, the financial liabilities from the issuance of the bond decreased by € 3.3 to € 0.1 million. This is connected to the payment of the coupon as of March 23, 2015 in the amount of € 4.3 million. Furthermore, the other liabilities declined by € 1.3 million (December 31, 2014: € 13.5 million) as well as the accounts payable by € 1.1 million (December 31, 2014: € 7.3 million).

The long-term liabilities were nearly unchanged at € 73.6 million compared with the level of the prior period (December 31, 2014: € 73.7 million). Of this, € 55.4 million resulted from liabilities arising from the bond. There are no material interest-bearing liabilities other than the bond liabilities.



**SILEX II – Process system for high-performance solar cells**

### Shareholders' equity

The shareholders' equity in the Group declined by € 6.6 million in the quarter under review and stood at € 13.5 million as of March 31, 2015 (December 31, 2014: € 20.1 million). Equity in the amount of € 12.5 million is attributable to the shareholders of the parent company and € 1.0 million to minorities. The equity ratio decreased to 10.1 % (December 31, 2014: 15.4 %).

With respect to the declining equity within the Group, please refer to the presentation regarding the shareholders' equity in the chapter Events after the balance sheet date in the annotations. However, the information presented concerns the individual financial accounts of the SINGULUS TECHNOLOGIES AG pursuant to German Trade Law (HGB), according to which the shareholders' equity in the individual account amounted to € 27.3 million as of March 31, 2015.

### Cash flow

In the 1<sup>st</sup> quarter of 2015 the operating cash flow of the Group of € 5.7 million was substantially above the previous year's level of € -7.5 million). The cash flow from investing activities came to € -1.0 million (previous year: € 4.7 million) and was characterized by capital spending for development activities. The cash flow from financing activities amounted to € -12.6 million in the period under review (previous year: € -6.2 million) and mainly resulted from the change of restricted financial funds (€ -8.3 million) as well as the payment of interest for the corporate bond (€ -4.3 million). Overall, the amount of cash and cash equivalents declined by € 7.0 million in the 1<sup>st</sup> quarter of 2015.

### Risk Report

During the first three months of the business year 2015 there were no changes regarding the risks depicted in the Annual Report for the year 2014.

### Development of costs and prices

From our perspective the selling prices developed as planned in the 1<sup>st</sup> quarter of the business year. Material and personnel expenses also developed according to our budgets. However, the price situation in the Solar segment strongly depends on the future developments of demand in this market.

### Research and development

At € 2.6 million in total the expenditures for research and development in the first three months of 2015 were above the prior-year level (previous year: € 2.0 million).

### Employees

The number of employees in the SINGULUS TECHNOLOGIES Group decreased slightly from 352 employees as of December 31, 2014 to 345 employees as of March 31, 2015.

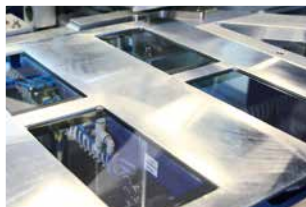
### The SINGULUS TECHNOLOGIES stock

The shares of SINGULUS TECHNOLOGIES were able to recover slightly at the beginning of 2015 and traded above € 1.00 once again on February 4, 2015. This rise continued to € 1.30 after various positive news regarding the development of the DECOLINE II as well as prepayments for major projects received. The agenda for the

Annual General Meeting on June 9, which was published on April 24, resulted in considerable pressure on the share price. SINGULUS TECHNOLOGIES had presented the creation of newly authorized and conditional capital for approval and announced a potential capital increase. This should serve the capital restructuring, which is a prerequisite for a repositioning of the company. On May 19, 2015 the shares traded at € 1.00.

### The SINGULUS TECHNOLOGIES corporate bond

The price of the corporate bond was also negatively impacted by the agenda for the Annual General Meeting published on April 24, 2015 and dropped sharply. On May 19, 2015 the bonds traded at € 45.80.



**SINGULUS TECHNOLOGIES**  
is testing new applications for  
displays and mobile devices

## Outlook for the business year 2015

For the business year 2015 SINGULUS TECHNOLOGIES plans to double its sales compared with the previous year, in particular due to the projections for the Solar division. Thus, the company is expected to nearly break-even on an EBIT level in 2015. In the 1<sup>st</sup> quarter 2015 the company already realized an order intake exceeding € 60 million and therefore reached an important milestone of its plans.

To achieve the financial full-year targets for 2015 it will be decisive how sales develop and to what extent the individual segmental targets will be achieved. This holds particularly true for the segments Solar and Optical Disc. Nevertheless,

SINGULUS TECHNOLOGIES' challenge in the business year 2015 will be to set up new work areas and lead them to success in addition to securing stable order intake and sales in the core divisions.

The approval of our shareholders for the proposed authorizations in the course of the Annual General Meeting is a very important milestone for the reorganization of our capital structure. This will provide SINGULUS TECHNOLOGIES with the necessary stability to be able to realize the potential of existing and new markets in the course of the initiated strategic repositioning in the future. In the end, the reorganization of the capital structure will only be successful, if shareholders and bondholders act in concert for the benefit of the company.

Therefore, the Executive Board kindly asks all shareholders for approval in the course of the Annual General Meeting on June 9, 2015 and thanks them for their trust.

Yours sincerely,

The Executive Board

SINGULUS TECHNOLOGIES AG

## SINGULUS TECHNOLOGIES Group

### Balance Sheet

*from January 1 to March 31, 2015 and December 31, 2014*

ASSETS	March 31, 2015	Dec. 31, 2014
	[million €]	[million €]
Liquid funds	28.8	35.8
Trade receivables	11.9	11.4
Receivables from contract work	3.2	1.7
Borrowings	3.4	3.2
Other receivables and other assets	16.8	8.4
Total receivables and other assets	35.3	24.7
Raw materials, consumables and supplies	11.2	11.8
Work in process	27.3	26.2
Total inventories	38.5	38.0
<b>Total current assets</b>	<b>102.6</b>	<b>98.5</b>
Trade receivables	6.0	6.7
Borrowings	1.9	2.0
Property, plant and equipment	6.1	6.3
Capitalized development costs	6.5	6.1
Goodwill	6.7	6.7
Other intangible assets	1.6	1.7
Deferred tax assets	2.3	2.2
<b>Total non-current assets</b>	<b>31.1</b>	<b>31.7</b>
<b>Total assets</b>	<b>133.7</b>	<b>130.2</b>

**EQUITY AND LIABILITIES**

	March 31, 2014	Dec. 31, 2014
	[million €]	[million €]
Trade payables	6.2	7.3
Prepayments received	5.3	4.7
Liabilities from construction contracts	17.9	1.2
Financing liabilities from the issuance of bonds	0.1	3.4
Other current liabilities	12.2	13.5
Provisions for restructuring measures	2.2	2.9
Provisions for taxes	0.0	0.5
Other provisions	2.7	2.9
<b>Total current liabilities</b>	<b>46.6</b>	<b>36.4</b>
Financing liabilities from the issuance of bonds	55.4	55.3
Provisions for restructuring measures	5.8	6.0
Pension provisions	12.4	12.4
<b>Total non-current liabilities</b>	<b>73.6</b>	<b>73.7</b>
<b>Total liabilities</b>	<b>120.2</b>	<b>110.1</b>
Subscribed capital	48.9	48.9
Capital reserves	77.2	77.2
Reserves	2.7	2.5
Retained earnings	-116.3	-109.4
Equity attributable to owners of the parent	12.5	19.2
Non-controlling interests	1.0	0.9
<b>Total equity</b>	<b>13.5</b>	<b>20.1</b>
<b>Total equity and liabilities</b>	<b>133.7</b>	<b>130.2</b>

# SINGULUS TECHNOLOGIES Group

## Income Statement

from January 1 to March 31, 2015 and 2014

	01/01 - 03/31/2015		01/01 - 03/31/2014	
	[million €]	[in %]	[million €]	[in %]
<b>Revenue (gross)</b>	<b>12.6</b>	<b>100.0</b>	<b>16.7</b>	<b>100.0</b>
Sales deductions and direct selling costs	0.0	0.0	0.0	0.0
<b>Revenue (net)</b>	<b>12.6</b>	<b>100.0</b>	<b>16.7</b>	<b>100.0</b>
Cost of sales	-10.7	-84.9	-12.8	-76.6
<b>Gross profit on sales</b>	<b>1.9</b>	<b>15.1</b>	<b>3.9</b>	<b>23.4</b>
Research and development	-2.2	-17.5	-2.4	-14.4
Sales and customer service	-3.0	-23.8	-3.6	-21.6
General administration	-2.5	-19.8	-2.6	-15.6
Other operating expenses	-1.1	-8.7	-0.7	-4.2
Other operating income	1.0	7.9	0.3	1.8
Total operating expenses	-7.8	-61.9	-9.0	-53.9
<b>Operating result (EBIT)</b>	<b>-5.9</b>	<b>-46.8</b>	<b>-5.1</b>	<b>-30.5</b>
Finance income	0.2	1.6	0.5	3.0
Finance costs	-1.3	-10.3	-1.3	-7.8
<b>EBT</b>	<b>-7.0</b>	<b>-55.6</b>	<b>-5.9</b>	<b>-35.3</b>
Tax income	0.1	0.8	-0.1	-0.6
<b>Profit or loss for the period</b>	<b>-6.9</b>	<b>-54.8</b>	<b>-6.0</b>	<b>-35.9</b>
Thereof attributable to:				
Owners of the parent	-6.9		-6.0	
Non-controlling interests	0.0		0.0	
	[in €]		[in €]	
Basic earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	-0.14		-0.12	
Diluted earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	-0.14		-0.12	
Basic number of shares, pieces	48,930,314		48,930,314	
Diluted number of shares, pieces	48,930,314		48,930,314	

## SINGULUS TECHNOLOGIES Group

### Statement of Comprehensive Income

from January 1 to March 31, 2015 and 2014

	01/01 - 03/31	
	2015	2014
	[million €]	[million €]
<b>Profit or loss for the period</b>	<b>-6.9</b>	<b>-6.0</b>
Items that may be reclassified to profit and loss:		
Exchange differences in the fiscal year	0.3	0.0
Total income and expense recognized directly in other comprehensive income	0.3	0.0
<b>Total comprehensive income</b>	<b>-6.6</b>	<b>-6.0</b>
Thereof attributable to:		
Owners of the parent	-6.7	-6.0
Non-controlling interests	0.1	0.0

## SINGULUS TECHNOLOGIES Group

### Statement of Changes in Equity

as of March 31, 2015 and 2014

	Equity attributable to owners							Non-controlling interests	Equity
	Subscribed capital	Capital reserves	Reserves		Loss carryforward		Total		
			Currency translation reserves	Hedge accounting reserves	Actuarial gains and losses from pension commitments	Other revenue reserves			
	[million €]	[million €]	[million €]	[million €]	[million €]	[million €]	[in million €]	[in million €]	[in million €]
As of January 1, 2014	48.9	77.2	1.7	0.0	-1.4	-53.6	72.8	0.9	73.7
Profit or loss for the period	0.0	0.0	0.0	0.0	0.0	-6.0	-6.0	0.0	-6.0
Other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-6.0	-6.0	0.0	-6.0
As of March 31, 2014	48.9	77.2	1.7	0.0	-1.4	-59.6	66.8	0.9	67.7
As of January 1, 2015	48.9	77.2	2.8	-0.3	-4.4	-105.0	19.2	0.9	20.1
Profit or loss for the period	0.0	0.0	0.0	0.0	0.0	-6.9	-6.9	0.0	-6.9
Other comprehensive income	0.0	0.0	0.2	0.0	0.0	0.0	0.2	0.1	0.3
Total comprehensive income	0.0	0.0	0.2	0.0	0.0	-6.9	-6.7	0.1	-6.6
As of March 31, 2015	48.9	77.2	3.0	-0.3	-4.4	-111.9	12.5	1.0	13.5

## SINGULUS TECHNOLOGIES Group

### Statement of Cash Flows

from January 1 to March 31, 2015 and 2014

	01/01 - 03/31/2015		01/01 - 03/31/2014	
	[million €]		[million €]	
<b>Cash flows from operating activities</b>				
Profit or loss for the period		-6.9		-6.0
Adjustment to reconcile profit or loss for the period to net cash flow				
Amortization, depreciation and impairment of non-current assets	0.9		1.3	
Other non-cash expenses/income	0.2		0.1	
Net interest income	1.1		0.8	
Net tax expense	-0.1		0.1	
Change in trade receivables	0.1		1.4	
Change in construction contracts	15.3		0.0	
Change in other receivables and other assets	-0.4		-0.4	
Change in inventories	-0.8		-4.6	
Change in trade payables	-1.1		-1.9	
Change in other liabilities	-1.7		0.4	
Change in prepayments	0.6		1.0	
Change in loans	0.0		0.5	
Change in provisions from restructuring measures	-0.9		-0.3	
Change in further provisions	-0.3		-0.3	
Interest paid	-0.1		0.0	
Interest received	0.2		0.5	
Income tax paid	-0.4	12.6	-0.1	-1.5
<b>Net cash from/used in operating activities</b>		<b>5.7</b>		<b>-7.5</b>

	01/01 - 03/31/2015		01/01 - 03/31/2014	
	[million €]		[million €]	
<b>Cash flows from investing activities</b>				
Cash paid for investments in development projects	-0.9		-0.2	
Cash paid for investments in other intangible assets and property, plant and equipment	-0.1		-0.1	
Change in time deposits (with terms longer than 3 months)	0.0		5.0	
Net cash from/used in investing activities		-1.0		4.7
<b>Cash flows from financing activities</b>				
Bond interest payments	-4.3		-4.4	
Cash received/used on financial assets subject to restrictions on disposal	-8.3		-1.8	
Net cash from/used in financing activities		-12.6		-6.2
<b>Increase/decrease in cash and cash equivalents</b>		-7.9		-9.0
Effect of exchange rate changes		0.9		0.0
<b>Cash and cash equivalents at the beginning of the reporting period</b>		35.8		35.0
<b>Cash and cash equivalents at the end of the reporting period</b>		28.8		26.0
Time deposits with terms longer than 3 months		0.0		11.0
<b>Liquid funds at the end of the reporting period</b>		28.8		37.0

## Notes to the interim financial statements

The SINGULUS TECHNOLOGIES Aktiengesellschaft (hereinafter also "SINGULUS" or the "Company") is an exchange-listed stock corporation domiciled in Germany. The consolidated financial accounts presented for the interim reporting of the SINGULUS TECHNOLOGIES AG and its subsidiaries (the "Group") for the first three months of the business year 2015 were approved for publication by decision of the Executive Board as of May 20, 2015.

The consolidated financial accounts were drawn up in Euro (€). If not stated otherwise, all figures are in millions of Euro (million €). Due to statements in million € differences in rounding may occur.

### Accounting and valuation principles

The preparation of the abbreviated consolidated interim results for the period from January 1 to March 31, 2015 was made pursuant to IAS 34 "Interim Financial Reporting". The abbreviated consolidated interim results do not include all of the notes and information required for the reporting for the full business year and should be read in conjunction with the consolidated financial accounts as of December 31, 2014. The interim financial accounts were neither audited nor reviewed by auditors.

The preparation of the interim results pursuant to IAS 34 requires estimates and assumptions by the management, affecting the level of the reported assets, liabilities, income, expenses as well as contingent liabilities. These assumptions and estimates mainly affect the Group-consistent determination of useful life expectancy, the write-offs of assets, the valuation of provisions, the recoverability of receivables, the determination of realizable terminal values in the area of inventories as well as the realizability of future tax relieves. The actual values can differ from the assumptions and estimates made on a case by case basis. Changes are recognized affecting earnings at the time of the knowledge gained.

The accounting and valuation methods applied in the consolidated accounts for the interim reporting correspond to those applied for the most recent consolidated financial report as of the end of the business year 2014. For a detailed description of the accounting principles please refer to the notes of the consolidated financial statements of our Annual Report 2014.

### Scope of consolidation

In addition to the SINGULUS TECHNOLOGIES AG the consolidated financial statements include all companies, which are legally or factually controlled by the company. In the interim report as of March 31, 2015, in addition to the SINGULUS TECHNOLOGIES AG in total three domestic and twelve foreign subsidiaries were included.

No companies have been added or deleted from the scope of consolidation in the current business year.

### Accounts receivable and production receivables

The accounts receivable and production receivables as of March 31, 2015 are split as follows:

	<b>March 31, 2015</b>	Dec. 31, 2014
	<b>in million €</b>	in million €
Accounts receivable - short-term	<b>13.6</b>	13.1
Receivables from production orders	<b>3.2</b>	1.7
Accounts receivable - long-term	<b>6.0</b>	6.7
less write-offs	<b>-1.7</b>	-1.7
	<b>21.1</b>	19.8

### Intangible assets

Capitalized development expenses, goodwill, customer bases as well as concessions, intellectual property rights and other intangibles are included under intangible assets.

As of March 31, 2015, the capitalized development expenses amounted to € 6.5 million (December 31, 2014: € 6.1 million). In the first three months of 2015 the investments in developments for our products totaled € 0.9 million (previous year: € 0.2 million). Scheduled write-offs and amortization on capitalized development expenses amounted to € 0.5 million (previous year: € 0.5 million).

### Property, plant & equipment

In the first three months of the business year 2015 € 0.1 million were invested in property, plant & equipment (previous year: € 0.1 million). During the same period scheduled depreciation amounted to € 0.3 million (previous year: € 0.4 million).

### Contingent liabilities and other financial obligations

At the end of the quarter under review the contingent liabilities and other financial obligations not included in the consolidated accounts amount to € 37.0 million (December 31, 2014: € 29.7 million) and mainly include rent and leasing obligations (€ 24.7 million) as well as guarantees for prepayments received (€ 11.8 million). The Executive Board does not have knowledge about facts that could have a materially adverse impact on the business operations, the financial situation or the business results of the company.

## Geographical breakdown of sales

<b>Geographic information as of March 2015</b>	<b>Germany</b>	<b>Rest of Europe</b>	<b>North and South America</b>	<b>Asia</b>	<b>Africa and Australia</b>
	in million €	in million €	in million €	in million €	in million €
Sales by country of origin	7.7	0.4	4.0	0.5	0.0
by country of destination	1.1	1.4	7.8	2.0	0.3

<b>Geographic information as of March 2014</b>	<b>Germany</b>	<b>Rest of Europe</b>	<b>North and South America</b>	<b>Asia</b>	<b>Africa and Australia</b>
	in million €	in million €	in million €	in million €	in million €
Sales by country of origin	8.2	0.6	4.0	3.9	0.0
by country of destination	3.7	2.7	5.4	4.5	0.4

## Sales reductions and individual selling expenses

The sales reductions include cash discounts granted.

The individual selling expenses are mainly composed of expenses for packaging, freight and commissions.

## General administrative expenses

The administrative expenses include the expenses for the management, personnel expenses, the finance and accounting departments as well as the corresponding expenses for rent and company cars. Furthermore, they

include the ongoing IT expenses, legal and consulting fees, expenses for investor relations activities, the Annual General Meeting as well as the annual financial statements.

## Research and development expenses

In addition to the research and non-capitalizable development expenses in the amount of € 1.7 million (previous year: € 1.9 million), the research and development expenses in the 1<sup>st</sup> quarter of 2015 also include the scheduled amortization of capitalized development expenses in the amount of € 0.5 million (previous year: € 0.5 million).

## Financial income and financing expenses

The interest income/ expenses are composed as follows:

	<b>March 31, 2015</b>	March 31, 2014
	in million €	in million €
Interest income from long-term customer receivables	<b>0.2</b>	0.4
other interest income	<b>0.0</b>	0.1
Financing expenses for issuance of bond	<b>-1.2</b>	-1.2
other financing expenses	<b>-0.1</b>	-0.1
	<b>-1.1</b>	-0.8

## Financial instruments

The following table displays the book values and the corresponding time values of all financial instruments included in the consolidated financial statement by class.

	Valuation category	Book value		Attributable time value	
		March 31, 2015	Dec. 31, 2014	March 31, 2015	Dec. 31, 2014
		in million €	in million €	in million €	in million €
Financial assets					
Cash and cash equivalents **	L&R	28.8	35.8	28.8	35.8
Borrowings **	L&R	5.3	5.2	5.3	5.2
Other assets **	L&R	12.8	4.6	12.8	4.6
Accounts receivable **	L&R	17.9	18.1	17.9	18.1
Receivables from production orders **	L&R	3.2	1.7	3.2	1.7
Financial liabilities					
Corporate bond *	FLAC	55.5	58.7	40.7	26.4
Derivatives					
Hedging derivatives **	HD	0.3	0.3	0.3	0.3
Accounts payable **	FLAC	6.2	7.3	6.2	7.3
Total	L&R	68.0	65.4	68.0	65.4
Total	FLAC	61.7	66.0	46.9	33.7
Total	HD	0.3	0.3	0.3	0.3

\* The valuation at attributable time value was accounted for as Level 1 attributable time value, based on the input factors of the applied valuation procedures.

\*\* The valuations at attributable time value were accounted for as Level 2 attributable time value, based on the input factors of the applied valuation procedures.

### Annotations to the abbreviations:

L&R: Loans and Receivables

FLAC: Financial Liabilities Measured at Amortised Cost

HD: Hedging Derivative

### Attributable time value

Liquid funds as well as accounts payable regularly have a short term to maturity. The balance sheet values are approximately the attributable time values. The same holds true for short-term accounts receivables and other assets.

The attributable time values of long-term accounts receivable corresponds to the present values corresponding to the payments of the assets subject to the relevant interest rate parameters.

As a valuation price for the foreign exchange forwards concluded, for cash rates the ECB reference prices and for forward rates the relevant forward rate prices of the relevant commercial banks are used.

The attributable time value of the exchange-listed bonds corresponds to the exchange price at the balance sheet date plus the book value of the accrued interest liabilities as of the balance sheet date.

The maximum credit risk is reflected by the book values of the financial assets and liabilities.

#### *Hierarchy of attributable time values*

The Group applies the following hierarchy for the calculation and reporting of the corresponding time values of financial instruments as per valuation method:

Level 1: listed (unadjusted) prices on active markets for similar assets or liabilities,

Level 2: methods, in which all input parameters which have a material impact on the calculated attributable time value, can be observed directly or indirectly,

Level 3: methods, which use input parameters, which have a material impact on the calculated attributable time value and which are not based on observable market data.

#### **Earnings per share**

For the calculation of the undiluted earnings per share the earnings attributable to the bearers of the common shares of the parent company are divided by the weighted average number of shares in circulation during the period under review.

For the calculation of the diluted earnings per share the earnings attributable to the bearers of the common shares of the parent company are divided by the weighted average number of common shares in circulation during the period under review in addition to the weighted average number of shares resulting from the conversion of all potential common shares with dilution effect into common shares. Dilution effects were neither recorded in the quarter under review nor in the same period one year ago. In the period from the balance sheet date until the drawing up of the consolidated financial statements there were no transactions of common shares or potential common shares.

#### **Events after the Balance Sheet Date**

A loss in the amount of half of the nominal capital for the individual financial account of the SINGULUS TECHNOLOGIES AG pursuant to HGB is foreseeable. The respective announcement pursuant to Art. 92 AktG was made in the course of the invitations to the ordinary Annual General Meeting of the company, which will take place on June 9, 2015. The unaudited balance sheet as of March 31,

2015 reports shareholders' equity in the amount of € 27.3 million. Since this balance sheet date, additional losses have been incurred, which according to the assessment of the Executive Board have resulted in a loss in the amount of half of the nominal capital by the time of the Annual General Meeting.

There were no additional events with material impact after the completion of the quarter under review.

### Shareholdings of Board members

As of the balance sheet date, the members of the Executive and Supervisory Boards of the SINGULUS TECHNOLOGIES AG held the following number of shares, convertible bonds and stock options:

The Chairman of the Supervisory Board, Dr.-Ing. Lechnitz, held 39,344 shares of the company in total as of March 31, 2015.

Furthermore, at the end of the quarter under review members of the Executive Board had themselves purchased the following number of shares of the SINGULUS TECHNOLOGIES AG:

	March 31, 2015
	shares
Dr.-Ing. Stefan Rinck	19,619
Markus Ehret	7,000
	26,619

### Affirmation of the Legal Representatives

"We assert to our best knowledge and belief that pursuant to the applicable accounting principles for the interim financial reporting the consolidated financial statements reflect the true situation of the asset, financial and earnings situation of the Group. The consolidated interim status report depicts the course of business including the financial results and the situation of the Group in a way reflecting the true situation and describing the material opportunities and risks of the foreseeable developments of the Group during the remainder of the business year."

Kahl am Main, in May 2015

The Executive Board

## At a glance – Consolidated Key Figures

		2013	2014	2015
Revenue (gross)	million €	22.8	16.7	12.6
Order intake	million €	15.6	14.1	62.8
Order backlog (03/31)	million €	32.9	17.7	64.2
EBIT	million €	-4.9	-5.1	-5.9
EBITDA	million €	-3.5	-3.8	-5.0
Earnings before taxes	million €	-5.7	-5.9	-7.0
Profit/loss for the period	million €	-5.9	-6.0	-6.9
Operating cash flow	million €	-5.1	-7.5	5.7
Shareholders' equity	million €	68.9	67.7	13.5
Balance sheet total	million €	191.4	179.6	133.7
Research & development expenditures	million €	2.0	2.0	2.6
Employees (03/31)		384	370	345
Weighted number of shares, basic		48,930,314	48,930,314	48,930,314
Earnings per share, basic	€	-0.12	-0.12	-0.14

## Corporate Calendar 2015

<b>May</b>	May 21	Q1/2015 Report
<b>June</b>	June 9	Annual Shareholders Meeting
<b>August</b>	August 12	Q2/2015 Report
<b>November</b>	Nov. 18	Q3/2015 Report
	Nov. 23-25	German Equity Forum, Frankfurt/Main

## 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.

### SINGULUS TECHNOLOGIES AG

Hanauer Landstrasse 103  
D-63796 Kahl am Main  
Phone +49 6188 440-0  
Fax +49 6188 440-110  
Internet: [www.singulus.de](http://www.singulus.de)

### Investor Relations

Maren Schuster  
Phone +49 6188 440-612  
Fax +49 6188 440-110  
[investor.relations@singulus.de](mailto:investor.relations@singulus.de)