

# innovation

## Report for the 1<sup>st</sup> Quarter 2016

Interim Report as of March 31, 2016  
(unaudited)

## Interim Report Q1 2016

### Interim Status Report

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### Interim Status Report

- Sales and EBIT at low levels
- Implementation of the resolved bond restructuring initiated
- Available liquidity of € 12.8 million as of March 31, 2016
- Slightly negative EBIT expected for 2016
- Extensive Solar orders still in negotiations

In the quarter under review, due to the lower order backlog at year-end, sales in the SINGULUS TECHNOLOGIES Group amounted to only € 14.1 million, which was slightly higher than the prior-year level of € 12.6 million, however. The earnings before interest and taxes (EBIT) came to € -5.8 million and nearly reached the level of the previous year of € -5.9 million. The order intake in the 1<sup>st</sup> quarter 2016 amounted to € 10.4 million (previous year: € 62.8 million). The order backlog amounted to € 22.9 million as of March 31, 2016 (previous year: € 64.2 million).

The order intake in the prior-year quarter was impacted by major orders for the delivery of vacuum coating machines as well as by an order for the delivery of process machines of the SILEX II type. In the 1<sup>st</sup> quarter 2016 the extensive orders for production machines for CIGS thin-film solar

modules currently in negotiations could not yet be concluded. The amount of cash and cash equivalents declined by € 6.2 million in the 1<sup>st</sup> quarter of 2016 to currently € 12.8 million.

### Implementation of the resolved bond restructuring

The second bondholder meeting of the SINGULUS TECHNOLOGIES AG with respect to the SINGULUS bond 2012/2017 (ISIN DE000A1MASJ4 / WKN A1MASJ) had resolved a restructuring of the SINGULUS bond on February 15, 2016, which the Extraordinary General Meeting on February 16, 2016 also passed. Actions for rescission were filed against the resolutions of both assemblies. However, both the action for rescission against the resolutions of the bondholder meeting as well as the action for rescission against the resolutions of the Extraordinary General Meeting were revoked by the plaintiffs on short notice. Accordingly, the SINGULUS TECHNOLOGIES AG commenced the implementation of the resolved restructuring of the SINGULUS bond.

The resolutions passed by the bondholders meeting with respect to agenda items 4 to 7 as well as 12 and 13 have already

been concluded at the custodian Clearstream Banking AG. Accordingly, the respite of the interest payment under the SINGULUS bond until March 23, 2017 and the temporary waiver of certain termination rights have become effective. The implementation of the resolution with respect to the exchange of the SINGULUS bond into purchase rights (agenda item 11) as well as the corporate actions resolved by the Extraordinary General Meeting will commence during the course of the year. A capital increase in kind by € 5,760,000.00 through the issuance of 5,760,000 new bearer shares with a nominal value of € 1.00 each to the exclusion of the subscription rights of the current shareholders

should be implemented by the beginning of August of this year. The subject of the payment in kind are the entire claims from the certificates of indebtedness arising from the SINGULUS bond. In addition to the issuance of new shares, the company will issue a new secured bond with a nominal volume in the amount of € 12 million as further consideration.

### **The Ordinary General Meeting will take place on August 31, 2016**

In order to enable both the current and future shareholders to participate in the ordinary annual general meeting, the meeting will be postponed from June 7, 2016 to August 31, 2016.

### **The market for production machines for solar cells**

The majority of market forecasts of major market research institutes expect that the international markets for solar cells will continue to develop favorably. Investments in production equipment for solar cells are set to further increase significantly.

Accordingly, the market research company IHS has forecast a growth of installed photovoltaic capacity from 59.0 to 69.0 GW in 2016. The biggest national markets continue to remain China, Japan, the US and also India. The highest percentage growth rates are projected for the US and India according to market researchers. The apparent regional diversification of the market will progress further.

**Inline sputtering system for large glass substrates**



The business activities in the Solar division should thus perform substantially better than in the previous years. SINGULUS TECHNOLOGIES already published on February 11, 2016, that it received a construction order at the end of 2015 for the advanced generation of CISARIS selenization machines for the use in a CIGS solar module factory in China. The fundamental construction work according to the customer's specifications was completed by SINGULUS TECHNOLOGIES in the 1<sup>st</sup> quarter 2016 and conceptually agreed with the customer. SINGULUS TECHNOLOGIES continues to

expect a timely order intake for the manufacturing of the production machines as a first stage for a CIGS solar module factory. In terms of sales, a considerable increase is expected for the business year 2016 compared with 2015. This assumes material order intake during the first half of the year, so that a large extent of sales will already become effective in 2016 pursuant to IFRS. The EBIT is also set to improve substantially compared with the previous year. A slightly positive EBIT is forecast for the Solar segment.

### Optical Disc

The weak production volumes for Optical Disc also suggest a weak market for new Blu-ray Disc production machines in the future.

The introduction of the new Blu-ray Disc format "Ultra HD Blu-ray" offers an additional opportunity for physical disc formats. The first Blu-ray Discs with 4K movies were published in April. Almost all Hollywood studios have announced several movies and started their distribution. The companies Samsung, Panasonic and Sony



Process equipment for wet-chemical treatment of Heterojunction solar cells

have also started the market introduction of the respective new playing devices. SINGULUS TECHNOLOGIES is in talks with all major disc producers, but still does not see the customers' willingness in the short-term to invest into the new machine technology BLULINE III.

The budgeted contributions to total sales and to the consolidated net result should mainly stem from the service and replace part activities based on the large number of globally installed machines. In its forecast for 2016 the Executive Board foresees a

slight decline in sales compared with the previous year. However, the negative EBIT should be reduced compared with the prior-year and only make a slightly negative contribution. The initiated cost reductions in this segment will have a positive impact on the earnings.

### **Semiconductor**

From SINGULUS TECHNOLOGIES' view the further development and importance of MRAM as a potential storage technology of the future is still uncertain. In addition to the MRAM application, with its machine line

the company continues to focus on new potential applications of vacuum coating technology for magnetic layers within the semiconductor sector.

For 2016, within this segment we once again expect a decline in sales, which compared with the previous year will result in a slightly improved, but still negative EBIT for the segment. The adjusted EBIT for the business year 2015 serves as the basis for comparison. However, in the long-term the Executive Board sees good potential to be successful in this area in the future with its acquired know-how.



**Inline process equipment for wet-chemical treatment of solar cells**





(previous year: € 7.8 million) resulted for the 1<sup>st</sup> quarter of 2016. Including the extraordinary charges the operating expenses remained around the prior-year level.

Overall, in the 1<sup>st</sup> quarter 2016 earnings before interest and taxes (EBIT) in the amount of € -5.8 million around the prior-year level were realized (previous year: € -5.9 million). Excluding the impairment and restructuring charges, an EBIT in the amount of € -4.6 million (previous year: € -5.9 million) was realized.

### **Balance sheet and liquidity**

Current assets declined by € 9.0 million to € 62.1 million during the period under review. The main reason is the decline in liquid funds by € 6.2 million to € 12.8 million. Furthermore, the other receivables and other assets decreased by € 2.9 million to € 5.6 million. This is mainly due to lower prepayments

received (€ -1.4 million) as well as reduced restricted financial assets (€ -1.1 million), which are reported under items "Other receivables" and "Other assets". The restricted financial assets include cash, which generally serves as security for guarantees for prepayments received. In contrast, accounts receivable rose by € 1.0 million to € 7.1 million. The long-term assets amounted to € 20.1 million as of March 31, 2016, slightly below the level of the prior period (December 31, 2015: € 21.0 million).

The corporate bond maturing on March 23, 2017 is reported under "Short-term debt" as of March 31, 2016. Accordingly, compared with the year-end 2015 the short-term debt declined by € 56.9 million and amounted to € 93.2 million as of March 31, 2016. Furthermore, the accounts payable declined by € 4.2 million to € 3.5 million as well as the

provisions for restructuring charges by € 0.7 million to € 3.0 million. In contrast, the prepayments received increased by € 1.2 million to € 6.8 million. The interest liability within the item "Financing liabilities from the bond issuance" increased by € 1.2 million to € 4.8 million due to the suspension of interest payments for the corporate bond. There are no material interest-bearing liabilities other than the bond liabilities.

The long-term liabilities declined by the financing liabilities from the bond issuance and stood at € 17.6 million as of the end of the quarter under review (December 31, 2015: € 77.3 million).

In the course of the further implementation of the resolutions regarding the corporate actions, the liabilities stemming from the bond will be converted into equity and new bonds as a result.

**Shareholders' equity**

The shareholders' equity in the Group declined by € 7.1 million in the quarter under review and stood at € -28.6 million as of March 31, 2016 (December 31, 2015: € -21.5 million). Equity in the amount of € -29.5 million is attributable to the shareholders of the parent company and € 0.9 million to minorities.

**Cash flow**

In the 1<sup>st</sup> quarter of 2016 the operating cash flow of the Group of € -7.0 million was below the previous year's level (previous year: € 5.7 million). The cash flow from investing activities came to € -0.2 million (previous year: € -1.0 million). The cash flow from financing activities amounted to € 1.1 million in the period under review (previous year: € -12.6 million) and exclusively resulted from changes in restricted financial assets. Overall, the amount of cash and cash equivalents declined by € 6.2 million in the 1<sup>st</sup> quarter of 2016.

**Risk Report**

During the first three months of the business year 2016 there were no changes regarding the risks depicted in the Annual Report for the year 2015.

**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 € 2.7 million in total the expenditures for research and development in the first three months of 2016 remained around prior-year level (previous year: € 2.6 million).

**Employees**

The headcount within the SINGULUS TECHNOLOGIES Group remained at a constant level of 336 employees as of March 31, 2016 (December 30, 2015: 335 employees).

**The SINGULUS TECHNOLOGIES stock**

The extraordinary general meeting held on February 16, 2016 approved the proposals by the company regarding the various corporate actions with a significant majority of more than 90 % of the capital present and thus enables the implementation of the exchange resolution of the bondholders.

Due to the restructuring measures of the balance sheet the stock remained under pressure in the 1<sup>st</sup> quarter 2016 and closed at € 0.21 on May 18, 2016.



## **The SINGULUS TECHNOLOGIES corporate bond**

In the past couple of months, a restructuring concept for the balance sheet reorganization of the company was developed, which includes a refinancing of the corporate bond.

The bondholder meeting on February 15, 2016 was quorate with a quorum of approximately 33 % and approved the resolution proposals for the implementation of the presented restructuring concept with a majority of around 90 % of the voting rights present. As of May 18, 2016, the bond traded at 36.5 %.

## **Outlook for the Business Year 2016**

For the current business year SINGULUS TECHNOLOGIES projects sales in a range of € 115 to 130 million. Despite the higher sales compared with the previous year, the company still expects a negative EBIT for 2016 in the range of € -2.0 to -6.0 million.

It is expected that sales will be split by more than 70 % from the Solar division and around 20 % from the Optical Disc segment. In the Solar division sales are generated from the construction and commissioning of production machines, which are primarily based on a few major project orders. In the Optical Disc division sales will be mainly generated through service and replace part activities similar to the previous years. Here, the company does not expect material orders for production machines. The company projects

that the gross margins in the Solar and Optical Disc segments will come in above the level of 2015. The operating result in 2016 will be burdened by the expenses in the Semiconductor segment and in the new application areas as well as by the still not sufficiently covered selling, general and administrative expenses.

The forecast for the full-year targets for 2016 is mainly based on the assumptions that the Solar market will continue to perform favorably, the extensive orders for production machines for CIGS thin-film solar modules in discussion will be received in the short term and the associated sales can be realized in the current business year as planned.

Yours sincerely,

The Executive Board

SINGULUS TECHNOLOGIES AG

## SINGULUS TECHNOLOGIES Group

### Balance Sheet

*from March 31, 2016 to December 31, 2015*

ASSETS	03/31/2016	12/31/2015
	[million €]	[million €]
Liquid funds	12.8	19.0
Trade receivables	7.1	6.1
Receivables from construction contracts	8.7	8.6
Other receivables and other assets	5.6	8.5
Total receivables and other assets	21.4	23.2
Raw materials, consumables and supplies	9.0	8.6
Work in process	18.9	20.3
Total inventories	27.9	28.9
<b>Total current assets</b>	<b>62.1</b>	<b>71.1</b>
Trade receivables	0.5	1.0
Property, plant and equipment	5.2	5.3
Capitalized development costs	5.1	5.4
Goodwill	6.7	6.7
Other intangible assets	0.4	0.4
Deferred tax assets	2.2	2.2
<b>Total non-current assets</b>	<b>20.1</b>	<b>21.0</b>
<b>Total assets</b>	<b>82.2</b>	<b>92.1</b>

**EQUITY AND LIABILITIES**

	03/31/2016	12/31/2015
	[million €]	[million €]
Trade payables	3.5	7.7
Prepayments received	6.8	5.6
Liabilities from construction contracts	3.5	3.6
Financing liabilities from the issuance of bonds	64.5	3.6
Other current liabilities	10.9	11.1
Provisions for restructuring measures	3.0	3.7
Provisions for taxes	0.1	0.1
Other provisions	0.9	0.9
<b>Total current liabilities</b>	<b>93.2</b>	<b>36.3</b>
Financing liabilities from the issuance of bonds	0.0	59.6
Provisions for restructuring measures	5.3	5.4
Pension provisions	12.3	12.3
<b>Total non-current liabilities</b>	<b>17.6</b>	<b>77.3</b>
<b>Total liabilities</b>	<b>110.8</b>	<b>113.6</b>
Subscribed capital	48.9	48.9
Capital reserves	2.1	2.1
Reserves	4.0	4.0
Retained earnings	-84.5	-77.4
Equity attributable to owners of the parent	-29.5	-22.4
Non-controlling interests	0.9	0.9
<b>Total equity</b>	<b>-28.6</b>	<b>-21.5</b>
<b>Total equity and liabilities</b>	<b>82.2</b>	<b>92.1</b>

## SINGULUS TECHNOLOGIES Group

### Income Statement

from January 1 to March 31, 2016 and 2015

	01/01 - 03/31/2016		01/01 - 03/31/2015	
	[million €]	[%]	[million €]	[%]
<b>Revenue (gross)</b>	<b>14.1</b>	<b>101.4</b>	<b>12.6</b>	<b>100.0</b>
Sales deductions and direct selling costs	-0.2	-1.4	0.0	0.0
<b>Revenue (net)</b>	<b>13.9</b>	<b>100.0</b>	<b>12.6</b>	<b>100.0</b>
Cost of sales	-11.6	-83.5	-10.7	-84.9
<b>Gross profit on sales</b>	<b>2.3</b>	<b>16.5</b>	<b>1.9</b>	<b>15.1</b>
Research and development	-1.9	-13.7	-2.2	-17.5
Sales and customer service	-2.8	-20.1	-3.0	-23.8
General administration	-2.3	-16.5	-2.5	-19.8
Other operating expenses	-0.3	-2.2	-1.1	-8.7
Other operating income	0.4	2.9	1.0	7.9
Impairment and restructuring expenses	-1.2	-8.6	0.0	0.0
Total operating expenses	-8.1	-58.3	-7.8	-61.9
<b>Operating result (EBIT)</b>	<b>-5.8</b>	<b>-41.7</b>	<b>-5.9</b>	<b>-46.8</b>
Finance income	0.1	0.7	0.2	1.6
Finance costs	-1.4	-10.1	-1.3	-10.3
<b>EBT</b>	<b>-7.1</b>	<b>-51.1</b>	<b>-7.0</b>	<b>-55.6</b>
Tax income	0.0	0.0	0.1	0.8
<b>Profit or loss for the period</b>	<b>-7.1</b>	<b>-51.1</b>	<b>-6.9</b>	<b>-54.8</b>
Thereof attributable to:				
Owners of the parent	-7.1		-6.9	
Non-controlling interests	0.0		0.0	
	[€]		[€]	
Basic earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	-0.15		-0.14	
Diluted earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	-0.15		-0.14	
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, 2016 and 2015

	01/01 - 03/31	
	2016	2015
	[million €]	[million €]
<b>Profit or loss for the period</b>	<b>-7.1</b>	<b>-6.9</b>
Items that may be reclassified to profit and loss:		
Derivative financial instruments	0.4	0.0
Exchange differences in the fiscal year	-0.4	0.3
Total income and expense recognized directly in other comprehensive income	0.0	0.3
<b>Total comprehensive income</b>	<b>-7.1</b>	<b>-6.6</b>
Thereof attributable to:		
Owners of the parent	-7.1	-6.7
Non-controlling interests	0.0	0.1

## SINGULUS TECHNOLOGIES Group

### Statement of Changes in Equity

as of March 31, 2016 and 2015

	Equity attributable to owners						Non-controlling interests	Equity
	Subscribed capital	Capital reserves	Reserves		Loss carryforward	Total		
	[million €]	[million €]	Currency translation reserves [million €]	Hedge accounting reserves [million €]	Actuarial gains and losses from pension commitments [million €]	Other revenue reserves [million €]	[million €]	[million €]
<b>As of January 1, 2015</b>	<b>48.9</b>	<b>77.2</b>	<b>2.8</b>	<b>-0.3</b>	<b>-4.4</b>	<b>-105.0</b>	<b>19.2</b>	<b>20.1</b>
Profit or loss for the period	0.0	0.0	0.0	0.0	0.0	-6.9	-6.9	-6.9
Other comprehensive income	0.0	0.0	0.2	0.0	0.0	0.0	0.2	0.3
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-6.9</b>	<b>-6.7</b>	<b>-6.6</b>
<b>As of March 31, 2015</b>	<b>48.9</b>	<b>77.2</b>	<b>3.0</b>	<b>-0.3</b>	<b>-4.4</b>	<b>-111.9</b>	<b>12.5</b>	<b>13.5</b>
<b>As of January 1, 2016</b>	<b>48.9</b>	<b>2.1</b>	<b>4.0</b>	<b>0.0</b>	<b>-4.2</b>	<b>-73.2</b>	<b>-22.4</b>	<b>-21.5</b>
Profit or loss for the period	0.0	0.0	0.0	0.0	0.0	-7.1	-7.1	-7.1
Other comprehensive income	0.0	0.0	-0.4	0.4	0.0	0.0	0.0	0.0
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.4</b>	<b>0.4</b>	<b>0.0</b>	<b>-7.1</b>	<b>-7.1</b>	<b>-7.1</b>
<b>As of March 31, 2016</b>	<b>48.9</b>	<b>2.1</b>	<b>3.6</b>	<b>0.4</b>	<b>-4.2</b>	<b>-80.3</b>	<b>-29.5</b>	<b>-28.6</b>

# SINGULUS TECHNOLOGIES Group

## Statement of Cash Flows

*from January 1 to March 31, 2016 and 2015*

	01/01 - 03/31/2016		01/01 - 03/31/2015	
	[million €]		[million €]	
<b>Cash flows from operating activities</b>				
Profit or loss for the period		-7.1		-6.9
Adjustment to reconcile profit or loss for the period to net cash flow				
Amortization, depreciation and impairment of non-current assets	0.6		0.9	
Other non-cash expenses/income	0.6		0.2	
Net finance costs	1.3		1.1	
Net tax expense	0.0		-0.1	
Change in trade receivables	-0.6		0.1	
Change in construction contracts	-0.3		15.3	
Change in other receivables and other assets	2.2		-0.4	
Change in inventories	0.9		-0.8	
Change in trade payables	-4.1		-1.1	
Change in other liabilities	0.0		-1.7	
Change in prepayments	1.1		0.6	
Change in provisions from restructuring measures	-1.4		-0.9	
Change in further provisions	-0.1		-0.3	
Interest paid	-0.1		-0.1	
Interest received	0.1		0.2	
Income tax paid	-0.1		-0.4	
		0.1		12.6
<b>Net cash from/used in operating activities</b>		<b>-7.0</b>		<b>5.7</b>

	01/01 - 03/31/2016		01/01 - 03/31/2015	
	[million €]		[million €]	
<b>Cash flows from investing activities</b>				
Cash paid for investments in development projects	-0.1		-0.9	
Cash paid for investments in other intangible assets and property, plant and equipment	-0.1		-0.1	
Net cash from/used in investing activities		-0.2		-1.0
<b>Cash flows from financing activities</b>				
Bond interest payments	0.0		-4.3	
Cash received/used on financial assets subject to restrictions on disposal	1.1		-8.3	
Net cash from/used in financing activities		1.1		-12.6
<b>Cash and cash equivalents at the beginning of the reporting period</b>		-6.1		-7.9
Effect of exchange rate changes		-0.1		0.9
<b>Cash and cash equivalents at the beginning of the reporting period</b>		19.0		35.8
<b>Cash and cash equivalents at the end of the reporting period</b>		12.8		28.8



## Annotations to the interim report

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 2016 were approved for publication by decision of the Executive Board as of May 18, 2016.

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, 2016 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, 2015. The interim report was 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 2015. For a detailed description of the accounting principles please refer to the notes of the consolidated financial statements of our Annual Report 2015.

### 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, 2016, in addition to the SINGULUS TECHNOLOGIES AG in total two domestic and twelve foreign subsidiaries were included. No companies have been added or deleted from the scope of consolidation in the reporting period.

### Accounts receivable and production receivables

The accounts receivable and production receivables as of March 31, 2016 are split as follows:

	March 31, 2016	Dec. 31, 2015
	million €	million €
Accounts receivable – short-term	8.4	7.7
Receivables from production orders	8.7	8.6
Accounts receivable – long-term	0.5	1.0
less write-offs	-1.3	-1.6
	16.3	15.7

### 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, 2016, the capitalized development expenses amounted to € 5.1 million (December 31, 2015: € 5.4 million). In the first three months of 2016 the investments in developments for our products totaled € 0.1 million (previous year: € 0.9 million). Scheduled write-offs and amortization on capitalized development expenses amounted to € 0.3 million (previous year: € 0.5 million).

### Property, plant & equipment

In the first three months of the business year 2016 € 0.1 million were invested in property, plant & equipment (previous year: € 0.1 million). During the same period scheduled depreciation amounted to € 0.2 million (previous year: € 0.3 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 € 17.1 million (December 31, 2015: € 18.8 million) and mainly include rent and leasing obligations (€ 15.2 million) as well as guarantees for prepayments received (€ 1.9 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 2016</b>	<b>Germany</b>	<b>Rest of Europe</b>	<b>North and South America</b>	<b>Asia</b>	<b>Africa and Australia</b>
	million €	million €	million €	million €	million €
Sales by country of origin	10.2	0.1	3.0	0.8	0.0
by country of destination	1.4	1.4	9.0	2.1	0.2

<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>
	million €	million €	million €	million €	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

### 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 Ordinary 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 € 2.6 million (previous year: € 1.7 million), the research and development expenses in the 1<sup>st</sup> quarter of 2016 also include the scheduled amortization of capitalized development expenses in the amount of € 0.3 million (previous year: € 0.5 million).

### Impairment and restructuring expenses

These expenses mainly include expenses for legal consulting, for the bondholder meeting and the extraordinary general meeting in connection with the restructuring of the bond.

### Financial income and financing expenses

The interest income/ expenses are composed as follows:

	<b>March 31, 2016</b>	March 31, 2015
	million €	million €
Interest income from long-term customer receivables	<b>0.1</b>	0.2
Financing expenses for issuance of bond	<b>-1.2</b>	-1.2
Other financing expenses	<b>-0.2</b>	-0.1
	<b>-1.3</b>	-1.1

### 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.

		Book value		Attributable time value	
	Valuation category	March 31, 2016	Dec. 31, 2015	March 31, 2016	Dec. 31, 2015
		million €	million €	million €	million €
<b>Financial assets</b>					
Cash and cash equivalents **	L&R	12.8	19.0	12.8	19.0
Other assets **	L&R	2.2	3.3	2.2	3.3
Accounts receivable **	L&R	7.6	7.1	7.6	7.1
Receivables from production orders **	L&R	8.7	8.6	8.7	8.6
Derivatives					
Hedging derivatives **	HD	0.5	0.3	0.5	0.3
<b>Financial liabilities</b>					
Corporate bond *	FLAC	64.5	63.2	24.6	15.3
Derivatives					
Hedging derivatives **	HD	0.1	0.3	0.1	0.3
Accounts payable **	FLAC	3.5	7.7	3.5	7.7
<b>Total</b>					
	L&R	31.3	38.0	31.3	38.0
<b>Total</b>	FLAC	68.0	70.9	28.1	23.0
<b>Total</b>	HD	0.4	0.0	0.4	0.0

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

Cash and cash equivalents 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

The second bondholder meeting of the SINGULUS TECHNOLOGIES AG with respect to the SINGULUS bond 2012/2017 had resolved a restructuring of the SINGULUS bond on February 15, 2016, which the Extraordinary General Meeting on February 16, 2016 also passed. Actions for rescission were filed against the resolutions of both assemblies. However, both the action for rescission against the resolutions of the bondholder meeting as well as the action for rescission against the resolutions of the Extraordinary General Meeting were revoked by the plaintiffs in April 2016. Accordingly, the SINGULUS TECHNOLOGIES AG commenced the implementation of the resolved restructuring of the SINGULUS bond.

The resolutions passed by the bondholders meeting with respect to agenda items 4 to 7 as well as 12 and 13 have already been concluded at the custodian Clearstream Banking AG. Accordingly, the respite of the interest payment under the SINGULUS bond until March 23, 2017 and the temporary waiver of certain termination rights have become effective. The implementation of the resolution with respect

to the exchange of the SINGULUS bond into purchase rights (agenda item 11) as well as the corporate actions resolved by the Extraordinary General Meeting will commence shortly.

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, 2016.

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, 2016
	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 2016

The Executive Board

## At a glance –

### Consolidated Key Figures for the 1<sup>st</sup> Quarter 2014-2016

		2014	2015	2016
Revenue (gross)	million €	16.7	12.6	14.1
Order intake	million €	14.1	62.8	10.4
Order backlog (03/31)	million €	17.7	64.2	22.9
EBIT	million €	-5.1	-5.9	-5.8
EBITDA	million €	-3.8	-5.0	-5.2
Earnings before taxes	million €	-5.9	-7.0	-7.1
Profit/loss for the period	million €	-6.0	-6.9	-7.1
Operating cash flow	million €	-7.5	5.7	-7.0
Shareholders' equity	million €	67.7	13.5	-28.6
Balance sheet total	million €	179.6	133.7	82.2
Research & development expenditures	million €	2.0	2.6	2.7
Employees (03/31)		370	345	336
Weighted number of shares, basic		48,930,314	48,930,314	48,930,314
Earnings per share, basic	€	-0.12	-0.14	-0.15

## Actual Corporate Calendar 2016

<b>May</b>	May 19	Q1/2016 Report
<b>August</b>	August 18	Half Year Report 2016
	August 31	Ordinary Annual Shareholders Meeting, 10:30 am, Deutsche Nationalbibliothek Adickesallee 1 60322 Frankfurt am Main
<b>November</b>	November 14	Q3/2016 Report

## 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)