Report for the 1st Half 2017

Half-Year Report as of June 30, 2017
(unaudited)

SINGULUS

Report First Half Year 2017

Report for the 1st Half 2017

→ *Positive trend in sales and EBIT*
→ *High order backlog*
→ *Additional CIGS production machines sold – prepayments received in July*
→ *Positive Outlook for CIGS Solar Segment*

The SINGULUS TECHNOLOGIES AG (SINGULUS TECHNOLOGIES) reports half-year sales for 2017 of € 48.3 million, which is significantly higher than the prior-year level of € 24.6 million. In the second quarter 2017 sales in amount of € 22.2 million were booked, which is also above the previous year's level of € 10.5 million. In the first half of 2017 earnings before interest and taxes (EBIT) were positive at € 2.5 million (previous year: € -9.3 million). In the 2nd quarter 2017 the EBIT stood at € 1.1 million (previous year: € -3.5 million). The high order backlog of € 87.7 million (June 30, 2016: € 133.5 million) mainly includes the production machines resulting from two contracts for the delivery of equipment for the production of CIGS solar modules, which were placed by the Chinese state-owned enterprise China National Building Materials (CNBM). Here, the company expects additional prepayments by the customer shortly.

After June 30, 2017 prepayments for projects were received which were not yet included in the order backlog at the half-year reporting date. In the first half of 2017 the gross profit margin improved considerably. An increasing utilization rate in the period under review contributed significantly to this trend.

In the first half of 2017 the financial result came to € -0.8 million (previous year excluding restructuring gains: € -2.6 million).

As of June 30, 2017, the available liquid funds amounted to € 24.4 million (previous year: € 18.5 million).

The headcount within the SINGULUS TECHNOLOGIES Group declined slightly to 312 people as of June 30, 2017 (December 31, 2016: 318 employees).

The market for production machines for solar cells

There were no substantial changes with respect to our assessments presented in previous reports. In the coming years, SINGULUS TECHNOLOGIES will continue to focus on the specialized markets for thin-film based solar modules (i.e. mainly CIGS) and the new crystalline, high-performance solar cells (i.e. heterojunction, PERC, PERT). By far the biggest national markets are currently China, Japan, the US and also India. However, the apparent regional diversification of the markets will progress further. In particular, in the Middle East and North Africa region (MENA) investments in production equipment are expected.

On a global basis, photovoltaics has the potential to establish itself as an essential component of energy provision. Especially the Middle East, North and South America offer optimal opportunities for an economic integration of PV-power into their energy systems.

Overall, we see promising interest for the CIGS technology in particular from China, where additional large CIGS projects have been started in 2017 by several major corporations. For the coming years, we expect additional 2-3 GW of investments for new production sites for CIGS solar modules. However, there is also increasing interest for the industrial manufacturing of thin-film solar modules on the basis of CIGS from other parts of the world. Here, SINGULUS TECHNOLOGIES also expects orders for various CIGS production

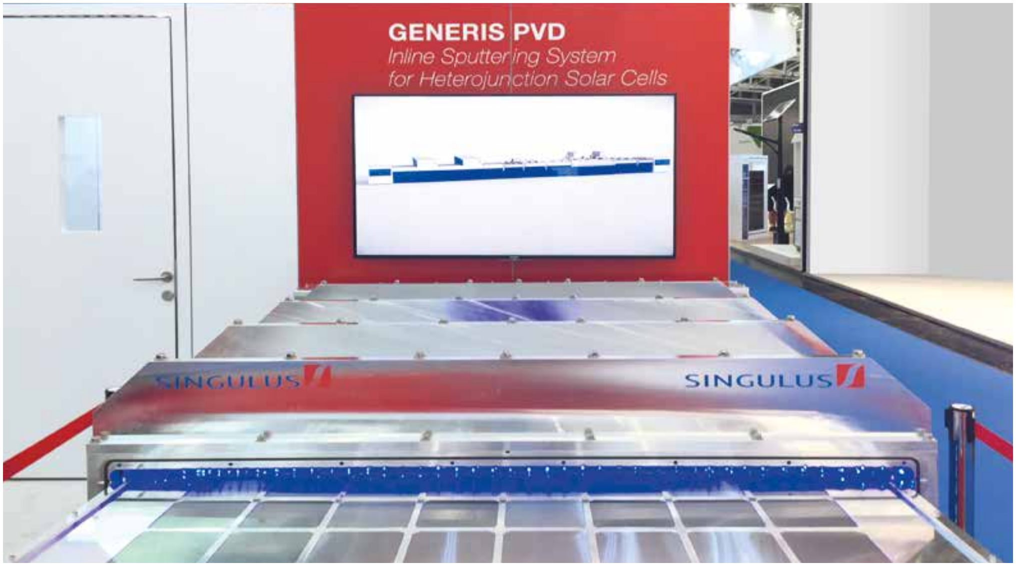
SINGULUS booth at SNEC 2017 in Shanghai, China. In the front, a process module of the LINEX inline processing machine is presented.

machines in the future. The orders for buffer layer coating machines of the TENUIS II type as well as for vacuum coating machines of the GENERIS type, which were received in the past couple of weeks, confirm these projections.

In the crystalline segment investments in high-performance cell formats such as hetero-junction and PERC will be made in the future. With wet-chemical processing machines and the new developments in the area of vacuum coating SINGULUS TECHNOLOGIES intends to benefit from this growth.

For the market of machines for the production of heterojunction solar cells SINGULUS TECHNOLOGIES introduced the vacuum coating machine (cathode sputtering and sputtering machine) under the brand name GENERIS PVD. The new machine concept is based on an inline machine, which is able to vacuum coat up to 5,200 solar wafers per hour. With its flexibility and performance, the modularly built machine is directly targeting the requirements of the solar industry.

In the past couple of years SINGULUS TECHNOLOGIES focused considerable resources on the development and the market launch of new production technologies for the manufacturing of new cell concepts for crystalline and thin-film solar technologies and pursues a focused growth strategy.



GENERIS PVD process module at the Intersolar Europe 2017 in Munich.

Optical Disc Segment

SINGULUS TECHNOLOGIES expects that in addition to limited replacement and expansion investments for CD, DVD and Blu-ray lines, there will only be investments in production machines of the BLULINE III type for UltraHD Blu-ray Discs. Although more and more big Hollywood studios are announcing the publication of movies on UltraHD Blu-ray Discs, from SINGULUS TECHNOLOGIES' point of view, the market for the relevant production machine BLULINE III will remain a niche market.

Semiconductor Segment

In the Semiconductor segment SINGULUS TECHNOLOGIES has established machine platforms, which apply extremely thin layers of less than one nanometer with the highest degree of precision. For example, these machines are used in applications for the semiconductor industry for magnetic layers such as applications of MRAM technology. Currently, from SINGULUS TECHNOLOGIES' view the further development and significance of MRAM as a potential storage technology of the future is still uncertain.

The application processes for ultra-thin layers are increasingly required in modern sensory technology such as medical technology, the automotive industry and the internet-of-things (IoT). Here, SINGULUS TECHNOLOGIES offers the machine systems TIMARIS and ROTARIS for such applications and works on testing additional applications with key customers and on offering relevant machine systems on the basis of the existing platforms.

SINGULUS booth at the INTERSOLAR North America/Semicon West 2017 in San Francisco.

Key financial figures

Order intake and order backlog

During the first half of 2017 the order intake of € 26.1 million (previous year: € 131.5 million) was significantly below the results for the first half of 2016, which was impacted by large-scale orders. In the quarter under review the order intake came to € 17.0 million (previous year: € 121.1 million). The order backlog amounted to € 87.7 million as of June 30, 2017 (June 30, 2016: € 133.5 million). After June 30, 2017 prepayments for projects were received which were not yet included in the order backlog at the half-year reporting date.

Sales and earnings

Sales in the first six months of the business year 2017 of € 48.3 million substantially exceeded the prior-year level of € 24.6 million. This increase is a result of the implementation of the major order for machines for the production of CIGS solar modules. Specifically, sales in the first half-year of 2017 are split into € 36.4 million in the Solar segment (previous year: € 12.7 million), Optical Disc at € 8.8 million (previous year: 9.7 million) and Semiconductor at € 3.1 million (previous year: € 2.2 million). In the quarter under review sales are split into € 15.6 million in the Solar segment (previous year: € 4.5 million), Optical Disc at € 4.5 million (previous year: 4.8 million) and Semiconductor at € 2.1 million (previous year: € 1.2 million).

For the 1st half of 2017 the percentage regional sales breakdown was as follows: Asia 65.6 % (previous year: 17.5 %), North and South America 22.2 % (previous year: 55.3 %), Europe 11.6 % (previous year: 24.8 %) as well as Africa and Australia 0.6 % (previous year: 2.4 %). The percentage regional breakdown of sales for the 2nd quarter 2017 was as follows: Asia 56.3 % (previous year: 21.0 %), North and South America 33.3 % (previous year: 43.8 %), Europe 9.5 % (previous year: 31.4 %) as well as Africa and Australia 0.9 % (previous year: 3.8 %).

In the 1st half of 2017 the gross profit margin improved by 12.2 percentage points compared with the prior-year level and amounted to 30.0 % (previous year: 17.8 %). An increasing utilization rate in the period under review contributed significantly to this trend. The gross profit margin in the 2nd quarter 2017 stood at 29.8 % (previous year: 19.4 %).

The operating expenses in the first half-year 2017 in the amount of € 11.8 million were below the prior-year level (€ 13.6 million). This decline is mainly due to lower expenses for research and development (€ -1.2 million), which were increasingly incurred on a project-related basis in the period under review and thus reported under costs of goods sold.

In the quarter under review the expenses for research and development amounted to € 1.3 million (previous year: € 1.9 million), for sales & marketing and customer services to € 2.5 million (previous year: € 3.0 million) and general & administrative expenses to € 1.8 million (previous year: € 2.1 million). The other operating expenses came to € 0.1 million (previous year: € 0.1 million), the other operating income stood at € 0.3 million (previous year: € 0.4 million). In the previous year, the result from restructuring included extraordinary income in connection with the revaluation of the business activities within the Optical Disc segment. In addition, with the completion of the balance sheet restructuring in the second quarter 2016, the up to then incurred transaction expenses were reclassified.

As a result of the improved business activities as well as lower operating expenses, the first half-year 2017 closed with earnings before interest and taxes (EBIT) in the amount of € 2.5 million (previous year: € -9.3 million). In the 2nd quarter 2017 the EBIT was positive at € 1.1 million (previous year: € -3.5 million).

Segmental reporting from January 1 to June 30, 2017 and 2016

	Segment Solar		Segment Optical Disc		Segment Semiconductor		SINGULUS TECHNOLOGIES Group	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	million €	million €	**million €**	million €	**million €**	million €	**million €**	million €
6-month figures								
Sales (gross)	**36.4**	12.7	**8.8**	9.7	**3.1**	2.2	**48.3**	24.6
Sales deduction and individual selling expenses	**0.0**	0.0	**-0.6**	-0.3	**0.0**	-0.1	**-0.6**	-0.4
Sales (net)	**36.4**	12.7	**8.2**	9.4	**3.1**	2.1	**47.7**	24.2
Result of restructuring	**0.0**	-0.2	**0.0**	0.2	**0.0**	0.0	**0.0**	0.0
Write-offs and amortization	**-0.9**	-1.0	**-0.1**	-0.2	**0.0**	0.0	**-1.0**	-1.2
Operating result (EBIT)	**3.7**	-8.1	**-0.8**	-1.3	**-0.4**	0.1	**2.5**	-9.3
Financial result							**-0.8**	38.6
Earnings before taxes							**1.7**	29.3
2nd Quarter								
Sales (gross)	**15.6**	4.5	**4.5**	4.8	**2.1**	1.2	**22.2**	10.5
Sales deduction and individual selling expenses	**0.0**	0.0	**-0.4**	-0.1	**0.0**	-0.1	**-0.4**	-0.2
Sales (net)	**15.6**	4.5	**4.1**	4.7	**2.1**	1.1	**21.8**	10.3
Result of restructuring	**0.0**	0.5	**0.0**	0.6	**0.0**	0.1	**0.0**	1.2
Write-offs and amortization	**-0.5**	-0.5	**0.0**	-0.1	**0.0**	0.0	**-0.5**	-0.6
Operating result (EBIT)	**2.0**	-3.6	**-0.8**	0.1	**-0.1**	0.0	**1.1**	-3.5
Financial result							**-0.3**	39.9
Earnings before taxes							**0.8**	36.4

Balance sheet and liquidity

As of the balance sheet date, the short-term assets came to € 63.6 million, significantly below the level of the end of 2016 (previous year: € 80.1 million). This is mainly due to declining restricted funds, which decreased by € 18.8 million to € 2.2 million. The restricted financial assets include deposited cash, which serves as security for guarantees for prepayments received. Furthermore, accounts payable dropped by € 3.2 million. In contrast, the cash and cash equivalents increased by € 5.9 million.

The long-term assets in the amount of € 16.2 million remained around the level as of December 31, 2016 (previous year: € 16.1 million).

The short-term debt decreased by € 17.5 million to € 36.6 million compared with the level at the end of the business year 2016. This is mainly due to declining liabilities from production orders (€ -20.5 million) in connection with the progress of the major order for machines for the production of CIGS solar modules. In contrast, due to the raising of a senior-ranked, secured loan with a nominal volume of € 4.0 million in March 2017 liabilities in the amount of € 3.8 million were incurred from the issuance of the loan.

The long-term liabilities amounted to € 29.6 million as of June 30, 2017, similar to the level of the prior period (December 31, 2016: € 30.0 million).

Shareholders’ equity

Due to the positive net result the shareholders’ equity in the Group pursuant to IFRS increased by € 1.5 million in the period under review and stood at € 13.6 million as of June 30, 2017 (December 31, 2016: € 12.1 million). Equity in the amount of € 12.9 million (previous year: € 11.3 million) is attributable to the shareholders of the parent company. For the trends in shareholders’ equity of the SINGULUS TECHNOLOGIES AG pursuant to HGB please refer to the details presented on the pages 9 and 10 of this report.

Cash flow

In the 1st half of 2017 the operating cash flow of the Group of € -15.1 million was substantially below the previous year’s level of € -5.0 million. The cash flow from investing activities came to € -1.2 million (previous year: € -0.6 million). The cash flow from financing activities came to € 22.4 million overall (previous year: € -1.0 million) mainly due to the changes in restricted funds in the amount of € 18.8 million (previous year: € 1.1 million). In addition, cash inflow in the amount of € 3.8 million was recorded from the issuance of a loan. The level of cash and cash equivalents increased by € 5.9 million to € 24.4 million during the first half-year of 2017.

Risk Report

Amongst the depicted financial risks described in the combined status report in the annual report for the year 2016 under the chapters "Risk Report" and "Outlook for the Business Years 2017 and 2018" are the transfer of cover of guarantee pledges to reduce the cash collateral as well as the receipt of further prepayments in connection with the major order for machines for the production of CIGS solar modules. Although up to now the bill guarantees were decreased and additional partial payments by the customer received, to a large extent the company is still dependent on further payments in connection with this major order. For this reason we still rate the liquidity risk unchanged with a relevance score of 5. However, the probability of occurrence is no longer assessed as being low as at the end of the business year 2016, but as medium as already reported in the first quarter.

With respect to the lawsuit of the Alster & Elbe Inkasso, GmbH, Hamburg, described within the legal risks, with an amount in dispute of € 750 million against the company and five other defendants for the determination of obligation to pay damages, the District Court Karlsruhe fully dismissed the claim on July 26, 2017. The judgment confirmed the company's legal opinion as well as the statements in the Risk Report as of December 31, 2016. The judgment is not yet final since the plaintiff can still give notice of appeal. The assessment of the company with respect to the risk relevance (score 5) and probability of occurrence (low) still remain unchanged until the sentence is final.

SINGULUS TECHNOLOGIES sets up its consolidated accounts according to the principles of the International Financial Reporting Standards (IFRS). In addition, the company also draws up balance sheets for commercial and tax reasons according to the principles of the German

Commercial Code (HGB). Partially, business transactions are differently treated under the two accounting systems. For example, sales pursuant to HGB are only completely recognized with the final acceptance of the machines and thus possibly significantly later than pursuant to IFRS. Due to the differing treatment, pursuant to HGB the SINGULUS TECHNOLOGIES AG may incur losses at the individual company level pursuant to the principles of HGB until sales are finally realized. Thus, there is a risk that more than 50 % of the nominal capital could be depleted in the course of the second half of the year.

In the course of the first six months of the business year 2017 there were no additional changes of the relevance of the risks depicted in the combined status report for the year 2016 under the chapters "Risk Report" and "Outlook for the Business Years 2017 and 2018".

Development of costs and prices

From our perspective the selling prices developed as planned in the first half 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 € 4.1 million in total the expenditures for developments in the first half of 2017 were below the prior-year's level of € 4.8 million. The expenditures for development activities came to € 2.0 million (previous year: € 2.1 million) in the quarter under review.

Employees

The number of employees in the SINGULUS TECHNOLOGIES Group decreased slightly from 318 employees as of December 31, 2016 to 312 employees as of June 30, 2017.

The SINGULUS TECHNOLOGIES stock

The share price started at € 4.74 in January 2017 and rose sharply in the first half of 2017. On June 30, 2017 the stock traded at € 9.28. At the editorial deadline on August 8, 2017 the shares traded at € 8.25.

The SINGULUS TECHNOLOGIES corporate bond

The new, secured bond of the SINGULUS TECHNOLOGIES AG trades at the Open Market of Deutsche Boerse AG at the Frankfurt Stock Exchange since July 2016. The new, secured bond has a term to maturity of five years and provides for annually increasing interest payments. From July 22, 2017, the interest rate increases by 3.00 percentage points annually until July 22, 2018 (excluding) to an interest rate of 6.00 % annually. As of the editorial deadline, the price of the bond stood at 90.2 % on August 8, 2017.

Outlook for the business year 2017

For the current year SINGULUS TECHNOLOGIES projects a doubling of sales pursuant to IFRS compared with the previous year. The operating result (EBIT) for the Group should come in at a low, positive single-digit million range.

The forecast for the annual targets for 2017 mainly rests on the assumption that the majority of the concluded delivery contracts, which are currently booked as order backlog, can be finished as scheduled within the course of the business year. The prerequisite for this is that the respective, contractually agreed prepayments are received in a timely manner.

For the two major orders reported in 2017 with additional customers for CIGS production machines, the prepayments were received in the quarter under review or shortly thereafter and the assembly of the machines has begun.

The pending prepayments for the second site in the context of the major order placed by the Chinese customer CNBM have to be made during the third quarter for the order to make sufficient sales and earnings contributions within the course of the year.

Furthermore, additional orders in the area of wet-chemical machines are anticipated for 2017. In particular with respect to wet-chemical machines, the company is subject to high competitive pressures.

If the order intake or the resulting prepayments by customers for the business years 2017 and 2018 assumed within the framework of the forecast should fall significantly short of expectations, this could potentially threaten the survival of the company.

Furthermore, we refer to the risk of a 50 % depletion of the nominal capital of the SINGULUS TECHNOLOGIES AG pursuant to HGB accounting principles, which is detailed in the Risk Report.

Best regards,

The Executive Board

SINGULUS TECHNOLOGIES AG

SINGULUS TECHNOLOGIES Group
Balance Sheet
from June 30, 2017 to December 31, 2016

ASSETS

	06/30/2017	12/31/2016
	[million €]	[million €]
Cash and cash equivalents	24.4	18.5
Restricted cash	2.2	21.0
Trade receivables	4.6	7.8
Receivables from construction contracts	3.1	2.2
Other receivables and other assets	8.2	8.6
Total receivables and other assets	15.9	18.6
Raw materials, consumables and supplies	8.7	7.8
Work in process	12.4	14.2
Total inventories	21.1	22.0
Total current assets	**63.6**	80.1
Property, plant and equipment	4.5	4.8
Capitalized development costs	3.7	3.3
Goodwill	6.7	6.7
Other intangible assets	0.2	0.2
Deferred tax assets	1.1	1.1
Total non-current assets	**16.2**	16.1
Total assets	**79.8**	96.2

EQUITY AND LIABILITIES

	06/30/2017	12/31/2016
	[million €]	[million €]
Trade payables	9.1	10.1
Prepayments received	0.8	1.4
Liabilities from construction contracts	9.9	30.4
Financing liabilities from the issuance of loans	3.8	0.0
Financing liabilities from the issuance of bonds	0.6	0.4
Other current liabilities	8.1	8.5
Provisions for restructuring measures	1.5	1.6
Other provisions	2.8	1.7
Total current liabilities	36.6	54.1
Financing liabilities from the issuance of bonds	12.0	12.0
Provisions for restructuring measures	3.8	4.2
Pension provisions	13.8	13.8
Total non-current liabilities	29.6	30.0
Total liabilities	66.2	84.1
Subscribed capital	8.1	8.1
Capital reserves	10.4	10.4
Reserves	4.0	4.1
Loss carryforward	-9.6	-11.3
Equity attributable to owners of the parent	12.9	11.3
Non-controlling interests	0.7	0.8
Total equity	13.6	12.1
Total equity and liabilities	79.8	96.2

SINGULUS TECHNOLOGIES Group
Income Statement
from January 1 to June 30, 2017 and 2016

	2nd Quarter				01/01 - 06/30			
	2017		2016		2017		2016	
	[million €]	[in %]	[million €]	[in %]	[million €]	[in %]	[million €]	[in %]
Revenue (gross)	22.2	101.8	10.5	101.9	48.3	101.3	24.6	101.7
Sales deductions and direct selling costs	-0.4	-1.8	-0.2	-1.9	-0.6	-1.3	-0.4	-1.7
Revenue (net)	21.8	100.0	10.3	100.0	47.7	100.0	24.2	100.0
Cost of sales	-15.3	-70.2	-8.3	-80.6	-33.4	-70.0	-19.9	-82.2
Gross profit on sales	6.5	29.8	2.0	19.4	14.3	30.0	4.3	17.8
Research and development	-1.3	-6.0	-1.9	-18.4	-2.6	-5.5	-3.8	-15.7
Sales and customer service	-2.5	-11.5	-3.0	-29.1	-5.4	-11.3	-5.8	-24.0
General administration	-1.8	-8.3	-2.1	-20.4	-4.1	-8.6	-4.4	-18.2
Other operating expenses	-0.1	-0.5	-0.1	-1.0	-0.4	-0.8	-0.4	-1.7
Other operating income	0.3	1.4	0.4	3.9	0.7	1.5	0.8	3.3
Result of restructuring expenses	0.0	0.0	1.2	11.7	0.0	0.0	0.0	0.0
Total operating expenses	-5.4	-24.8	-5.5	-53.4	-11.8	-24.7	-13.6	-56.2
Operating result (EBIT)	1.1	5.0	-3.5	-34.0	2.5	5.2	-9.3	-38.4
Finance income	0.1	0.5	41.2	400.0	0.1	0.2	41.3	170.7
Finance costs	-0.4	-1.8	-1.3	-12.6	-0.9	-1.9	-2.7	-11.2
EBT	0.8	3.7	36.4	353.4	1.7	3.6	29.3	121.1
Tax income	0.0	0.0	-0.1	-1.0	0.0	0.0	-0.1	-0.4
Profit or loss for the period	0.8	3.7	36.3	352.4	1.7	3.6	29.2	120.7
Thereof attributable to:								
Owners of the parent	0.8		36.3		1.7		29.2	
Non-controlling interests	0.0		0.0		0.0		0.0	

	2017		2016		2017		2016	
	[in €]		[in €]		[in €]		[in €]	
Basic earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	0.10		64.94		0.21		67.53	
Diluted earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	0.10		64.94		0.21		67.53	
Basic number of shares, pieces	8,087,752		559,001		8,087,752		432,407	
Diluted number of shares, pieces	8,087,752		559,001		8,087,752		432,407	

SINGULUS TECHNOLOGIES Group
Statement of Comprehensive Income
from January 1 to June 30, 2017 and 2016

	2nd Quarter		01/01 - 06/30	
	2017	2016	**2017**	2016
	[million €]	[million €]	**[million €]**	[million €]
Profit or loss for the period	**0.8**	36.3	**1.7**	29.2
Items that may be reclassified to profit and loss:				
Derivative financial instruments	**0.0**	-0.4	**0.0**	0.0
Exchange differences in the fiscal year	**0.0**	-0.1	**-0.2**	-0.5
Total income and expense recognized directly in other comprehensive income	**0.0**	-0.5	**-0.2**	-0.5
Total comprehensive income	**0.8**	35.8	**1.5**	28.7
Thereof attributable to:				
Owners of the parent	**0.8**	35.8	**1.6**	28.7
Non-controlling interests	**0.0**	0.0	**-0.1**	0.0

SINGULUS TECHNOLOGIES Group
Statement of Changes in Equity
as of June 30, 2017 and 2016

	Equity attributable to owners						Noncon-trolling interests	Equity
	Subscribed capital	Capital reserves	Reserves	Loss carryforward		Total		
			Currency translation reserves	**Actuarial gains and losses from pension commitments**	**Other reserves**			
	[million €]	**[million €]**	**[million €]**	**[million €]**	**[million €]**	**[million €]**	**[million €]**	**[million €]**
As of January 1, 2016	**48.9**	**2.1**	**4.0**	**-4.2**	**-73.2**	**-22.4**	**0.9**	**-21.5**
Profit or loss for the period	0.0	0.0	0.0	0.0	29.2	29.2	0.0	29.2
Other comprehensive income	**0.0**	**0.0**	**-0.5**	**0.0**	**0.0**	**-0.5**	**0.0**	**-0.5**
Total comprehensive income	**0.0**	**0.0**	**-0.5**	**0.0**	**29.2**	**28.7**	**0.0**	**28.7**
Capital reduction	-48.6	0.0	0.0	0.0	48.6	0.0	0.0	0.0
Non-cash capital increase	5.8	4.6	0.0	0.0	0.0	10.4	0.0	10.4
As of June 30, 2016	**6.1**	**6.7**	**3.5**	**-4.2**	**4.6**	**16.7**	**0.9**	**17.6**
As of January 1, 2017	**8.1**	**10.4**	**4.1**	**-5.7**	**-5.6**	**11.3**	**0.8**	**12.1**
Profit or loss for the period	0.0	0.0	0.0	0.0	1.7	1.7	0.0	1.7
Other comprehensive income	**0.0**	**0.0**	**-0.1**	**0.0**	**0.0**	**-0.1**	**-0.1**	**-0.2**
Total comprehensive income	**0.0**	**0.0**	**-0.1**	**0.0**	**1.7**	**1.6**	**-0.1**	**1.5**
As of June 30, 2017	**8.1**	**10.4**	**4.0**	**-5.7**	**-3.9**	**12.9**	**0.7**	**13.6**

SINGULUS TECHNOLOGIES Group
Statement of Cash Flows
from January 1 to June 30, 2017 and 2016

	01/01 - 06/30/2017 [million €]		01/01 - 06/30/2016 [million €]	
Cash flows from operating activities				
Profit or loss for the period		**1.6**		29.2
Adjustment to reconcile profit or loss for the period to net cash flow				
Amortization, depreciation and impairment of non-current assets	**1.0**		1.2	
Contribution to the pension provisions	**0.0**		0.1	
Profit/loss from the sale of fixed asset	**0.0**		0.0	
Other non-cash expenses/income	**0.3**		0.0	
Net finance costs	**0.8**		-38.6	
Net tax expense	**0.0**		0.1	
Change in trade receivables	**3.1**		-0.7	
Change in construction contracts	**-21.3**		7.0	
Change in other receivables and other assets	**0.4**		2.9	
Change in inventories	**1.0**		0.8	
Change in trade payables	**-1.0**		-5.5	
Change in other liabilities	**-0.6**		-1.0	
Change in prepayments	**-0.6**		1.2	
Change in provisions from restructuring measures	**-0.4**		-1.2	
Change in further provisions	**0.8**		-0.3	
Interest paid	**-0.3**		-0.1	
Interest received	**0.1**		0.1	
Income tax paid	**0.0**	**-16.7**	-0.2	-34.2
Net cash from/used in operating activities		**-15.1**		-5.0

	01/01 - 06/30/2017 [million €]		01/01 - 06/30/2016 [million €]	
Cash flows from investing activities				
Cash paid for investments in development projects	**-1.0**		-0.3	
Cash paid for investments in other intangible assets and property, plant and equipment	**-0.2**		-0.3	
Net cash from/used in investing activities		**-1.2**		-0.6
Cash flows from financing activities				
Transaction costs for the in-kind capital increase and issue of a bond	**0.0**		-2.1	
Bond interest payments	**-0.2**		0.0	
Cash received/used on the issuance of loans	**3.8**		0.0	
Cash received/used on financial assets subject to restrictions on disposal	**18.8**		1.1	
Net cash from/used in financing activities		**22.4**		-1.0
Cash and cash equivalents at the beginning of the reporting period		**6.1**		-6.6
Effect of exchange rate changes		**-0.2**		0.0
Cash and cash equivalents at the beginning of the reporting period		**18.5**		19.0
Cash and cash equivalents at the end of the reporting period		**24.4**		12.4

Annotations to the Interim Report

The SINGULUS TECHNOLOGIES Aktiengesellschaft (in the following also "SINGULUS" or the „company") is an exchange-listed capital company domiciled in Germany. The presented consolidated financial accounts for the interim reporting of the SINGULUS TECHNOLOGIES AG and its subsidiaries ("Group") for the first six months of the business year 2017 were approved for publication by resolution of the Executive Board as per August 10, 2017.

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 June 30, 2017 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, 2016. 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 with regards to 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 for 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 2016. For a detailed description of the accounting principles please refer to the notes of the consolidated financial statements of our Annual Report 2016.

The interim report is drawn up under the going-concern assumption. The SINGULUS TECHNOLOGIES AG is convinced that it will be successful in meeting all of its due payment liabilities within the next twelve months. The SINGULUS TECHNOLOGIES AG assumes with a high probability that the payments from the existing delivery contracts, and here in particular with customer CNBM, will be made as agreed. For further information, please refer to the "Risk Report" of this interim report.

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 June 30, 2017, in addition to the SINGULUS TECHNOLOGIES AG two domestic and eleven foreign subsidiaries were included overall. During the period under review, no companies were added to the scope of consolidation. The liquidation of the SINGULUS TECHNOLOGIES UK was completed with effect from May 27, 2017. Accordingly, the company was deleted from the scope of consolidation during the quarter under review.

Accounts receivable and receivables from production orders

The accounts receivable and production receivables as of June 30, 2017 are split as follows:

	June 30, 2017	Dec. 31, 2016
	in million €	in million €
Accounts receivable - short-term	**5.9**	9.3
Receivables from production orders	**3.1**	2.2
less write-offs	**-1.3**	-1.5
	7.7	10.0

Intangible assets

Capitalized development expenses, goodwill as well as concessions, intellectual property rights and other intangible are included under intangible assets. As of June 30, 2017, the capitalized development expenses amounted to € 3.7 million (December 31, 2016: € 3.3 million). In the first six months of 2017 the investments in developments for our products totaled € 1.0 million (previous year: € 0.3 million). Scheduled write-offs and amortization on capitalized development expenses amounted to € 0.5 million (previous year: € 0.6 million). In the quarter under review development expenses amounted to € 0.5 million (previous year: € 0.2 million), the scheduled amortization for the respective period amounted to € 0.2 million (previous year: € 0.3 million).

Property, plant & equipment

In the first half of the business year 2017, € 0.1 million were invested in property, plant & equipment (previous year: € 0.3 million). During the same period scheduled depreciation amounted to € 0.4 million (previous year: € 0.4 million). The scheduled depreciation for the quarter under review amounted to € 0.2 million (previous year: € 0.2 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 € 12.3 million (December 31, 2016: € 13.4 million) and include rent and leasing obligations. 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

Geographic information as of June 2017	Germany	Rest of Europe	North and South America	Asia	Africa and Australia
	in million €	in million €	in million €	in million €	in million €
Sales by country of origin	41.1	0.4	5.3	1.5	0.0
by country of destination	2.5	3.1	10.7	31.7	0.3

Geographic information as of June 2016	Germany	Rest of Europe	North and South America	Asia	Africa and Australia
	in million €	in million €	in million €	in million €	in million €
Sales by country of origin	17.0	0.3	5.8	1.5	0.0
by country of destination	2.6	3.5	13.6	4.3	0.6

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 Annual General Meeting as well as the annual financial statements.

Research and development expenses

In addition to the research and non-capitalizable development expenses, the research and development expenses in the first half of 2017 also include the scheduled amortization of capitalized development expenses in the amount of € 0.5 million (previous year: € 0.6 million). During the second quarter of 2017, write-offs on capitalized development expenses amounted to € 0.2 million (previous year: € 0.3 million).

Restructuring result

In the previous year, extraordinary income in connection with the revaluation of the business activities within the Optical Disc segment was included in the restructuring result. In addition, with the completion of the balance sheet restructuring in the second quarter 2016, the transaction expenses incurred up to then were reclassified.

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	
		June 30, 2017 in million €	Dec. 31, 2016 in million €	**June 30, 2017 in million €**	Dec. 31, 2016 in million €
Financial assets					
Cash and cash equivalents **	L&R	**24.4**	18.5	**24.4**	18.5
Restricted financial assets **	L&R	**2.2**	21.0	**2.2**	21.0
Accounts receivable **	L&R	**4.6**	7.8	**4.6**	7.8
Receivables from production orders **	L&R	**3.1**	2.2	**3.1**	2.2
Financial liabilities					
Corporate bond *	FLAC	**12.6**	12.4	**11.4**	9.6
Liabilities from the issuance of loans **	FLAC	**3.8**	-	**3.8**	-
Accounts payable **	FLAC	**9.1**	10.1	**9.1**	10.1
Total	L&R	**34.3**	49.5	**34.3**	49.5
Total	FLAC	**25.5**	22.5	**24.3**	19.7

* 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

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.

Financial income and financing expenses
The interest income/expenses are composed as follows:

	01/01 - 06/30 2017	01/01 - 06/30 2016
	in million €	in million €
Other interest income	**0.1**	0.1
Restructuring income	**0.0**	41.2
Financing expenses from issuance of bond	**-0.4**	-2.4
Interest expenses from the discounting of pension provisions	**-0.1**	-0.1
Other financing expenses	**-0.4**	-0.2
	-0.8	38.6

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.

Corporate bond

The new, secured bond (ISIN DE000A2AA5H5) with a volume of € 12.0 million was issued in July 2016 and has a term to maturity of five years as well as an annually increasing coupon. The initial interest rate amounted to 3.0 %. It increases annually, subject to an early repayment by the company, in steps to 6.0 %, 7.0 %, 8.0 % up to 10.0 % p.a.. The effective interest rate amounts to 6.70 % p.a.. Cash, receivables, inventories, fixed assets and intangible assets of the SINGULUS TECHNOLOGIES AG serve primarily as collateral for the new bond.

Liabilities from the issuance of loans

In March 2017, the company has taken a loan in the amount of € 4.0 million from a shareholder and bondholder. The loan is in context of the bond provisions Art. 8 (a) (iv) in connection with Art. 3 (e). Accordingly, the company is able to enter financial liabilities in form of a loan of up to € 4.0 million. In this context, the bond collateral is also used for securing the loan. This is senior ranking compared with the bondholders. The maturity of the loan is one year; the effective interest rate is 9.23 % per year.

Events after the Balance Sheet Date

On July 13, 2017 the company signed a contract with a German customer for the delivery of several vacuum coating machines. The order volume exceeds € 10 million. The prepayment was received at the end of July. Accordingly, the order will be booked as order intake in the third quarter 2017.

The lawsuit of the Alster & Elbe Inkasso, GmbH, Hamburg, with an amount in dispute of € 750 million against the company and five other defendants for the determination of obligation to pay damages, was fully dismissed by the District Court Karlsruhe on July 26, 2017. The judgment confirms the company's legal opinion as well as the statements in the Risk Report as of December 31, 2016. The judgment is not final yet, since the plaintiff may give notice of appeal.

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. Leichnitz, held 245 shares of the company in total as of June 30, 2017.

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:

	June 30, 2017
	Shares
Dr.-Ing. Stefan Rinck, CEO	122
Markus Ehret, CFO	43
	165

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, August 2017

The Executive Board

At a Glance –

Consolidated Key Figures 2nd Quarter

		2015	2016	2017
Revenue (gross)	million €	16.6	10.5	**22.2**
Order intake	million €	10.3	121.1	**17.0**
EBIT	million €	-3.9	-3.5	**1.1**
EBITDA	million €	-3.0	-2.9	**1.6**
Earnings before taxes	million €	-5.2	36.4	**0.8**
Profit/loss for the period	million €	-5.4	36.3	**0.8**
Research & development expenditures	million €	3.0	2.1	**2.0**

Consolidated Key Figures 1st Half Year

		2015	2016	2017
Revenue (gross)	million €	29.2	24.6	**48.3**
Order intake	million €	73.1	131.5	**26.1**
Order backlog (06/30)	million €	57.9	133.5	**87.7**
EBIT	million €	-9.8	-9.3	**2.5**
EBITDA	million €	-8.0	-8.1	**3.5**
Earnings before taxes	million €	-12.2	29.3	**1.7**
Profit/loss for the period	million €	-12.3	29.2	**1.7**
Operating cash flow	million €	1.9	-5.0	**-15.1**
Shareholders' equity	million €	9.3	17.6	**13.6**
Balance sheet total	million €	127.3	74.2	**79.8**
Research & development expenditures	million €	5.6	4.8	**4.1**
Employees (06/30)		338	333	**312**
Weighted number of shares, basic		305,814	432,407	**8,087,752**
Earnings per share, basic	€	-40.22	67.53	**0.21**

Current Corporate Calendar for 2017

August 11	Half-Year Report 2017
November 9	Q3/2017 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
Tel. +49 6188 440-0
Fax +49 6188 440-110
Internet: www.singulus.de

Investor Relations
Maren Schuster
Phone +49 6188 440-612
Fax +49 6188 440-110
investor.relations@singulus.de

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