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Introduction of selected new leadership members

Sam O’Leary
Chief Operating Officer (COO)

- Joined SLM Solutions in Dec 2019
- Responsible for NTI, NPI, Engineering, Production, Quality, Supply Chain, IT
- +13 years industrial leadership experience
- > 10 years additive manufacturing experience
- Held global leadership positions in UK, Switzerland and Germany for Score Group, Alstom Power, GE Power, and GE Additive

Dirk Ackermann
Chief Financial Officer (CFO)

- Joined SLM Solutions in June 2020
- Responsible for Accounting, Controlling, Legal & Compliance, Investor Relations
- +13 years experience in Finance & Operations incl. 7 years at GE
- > 3 years industrial leadership experience
- Extensive international experience across Europe, North America & Asia

Note: NTI = New Technology Introduction; NPI = New Product Introduction
SLM Solutions: Pioneer in the metal AM sector with extensive experience and 600+ SLM® machines installed around the world

- SLM Solutions is a pioneer in the metal additive manufacturing industry ("metal 3D-printing", "metal AM")
- Developing selective laser melting machines since the early 2000s, SLM now offers four different machines with different build chamber sizes and up to 4 lasers
- SLM is a long-time innovator in the industry being the first company to offer dual (since 2011) and quad laser (since 2013) machines
- Additionally, SLM also provides after services and metal powder required for selective laser melting

Global footprint and headcount (FTE¹)

SLM serves various industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Manufacturers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Ford, GM, Divergent 3D, Volkswagen Group, BMW</td>
</tr>
<tr>
<td>Aerospace</td>
<td>Rolls Royce, Airbus, Sintavia, Honeywell, Boeing, Collins/UTC</td>
</tr>
<tr>
<td>Service bureaus</td>
<td>BEAMIT, Rosswag, Oskar Frech, Kelseyowski AM, Mimo Technik</td>
</tr>
<tr>
<td>Healthcare</td>
<td>KLS Martin and leading medical equipment provider</td>
</tr>
<tr>
<td>Energy</td>
<td>Baker Hughes, GE Power, Emerson, Engie</td>
</tr>
</tbody>
</table>

610² SLM® machines installed globally

Note: 1) FTE = Full time equivalents as of 31-Dec-2019. 2) Installed machines as of 31-Dec-2019.
SLM Solutions’ product overview

**SLM Solutions’ machine portfolio allows production of various component sizes**

- **SLM®125** Versatile, small platform with single laser
- **SLM®280** Mid-size platform, industry-leading reliability with two lasers
- **SLM®500** Industry-leading productivity, first machine with four lasers
- **SLM®800** Production of large-scale parts at unrivaled speeds with four lasers

**AM allows creation of products that could otherwise not be manufactured**

- **Rocket Propulsion Engine**
  - Key advantages of using AM-technology:
    + Direct integration of multiple parts into one
    + Production time reduced from months to days
    + Significant weight reduction
  - **Built on SLM®280 in 2 days 18 hours per part**

- **Turbine Blades**
  - Key advantages of using AM-technology:
    + Internal cooling channels to improve performance
    + Streamlined production resulting in cost and productivity advantages
  - **Built on SLM®500 in 1 day 22 hours (78 parts)**

- **Cam Cover for Bugatti Chiron**
  - Key advantages of using AM-technology:
    + Complex geometry in one production step
    + Production cost and time significantly lower compared to traditional methods
  - **Built on SLM®800 in 4 days 8 hours (8 parts)**

**Comparison of build chamber volumes**

- **Mid-size platform**, industry-leading reliability with two lasers
- **Industry-leading productivity**, first machine with four lasers
- **Production of large-scale parts at unrivaled speeds with four lasers**
High-end products made in Germany with international management competence

New talented leadership team will take SLM Solutions’ performance to the next level
Capturing even only a small part of the casting market already offers vast potential for AM

Casting Market 2018

- $124bn
- $47bn
- $25bn
- $1.25bn

Global casting market
5% CAGR expected until 2025

Aluminium casting market

Aluminium die casting market

Capturing only 5% of aluminium die casting market already represents huge market

Increase of production efficiency of machines will lead to industrialization of AM

- Wide range of traditional casting users are already using or experimenting with the technology
- Next generation of machines will make AM cost competitive to traditional casting, leading to accelerated adoption (industrialization)

Source: Grand View Research, Company information
Note: This market overview shows selected companies that are active in the AM sector and does not necessarily represent SLM Solutions’ customers or partners.
The additive industry has broken through as mainstream force – a broad range of big players is active across the whole value chain.

Note: This market overview shows selected companies that are active in the AM sector and does not necessarily represent SLM Solutions’ customers or partners.
While industrialization is the natural evolution of the AM industry, key hurdles still have to be overcome.

- Productivity not yet competitive with conventional casting manufacturing for large scale production
- AM already with cost advantages on smaller scale production
- Certification for new AM-produced parts taking longer than expected
- Business cases with beneficial economics especially in aerospace delayed due to missing certification of parts
- Customers often lacking sufficient skilled AM machine operators
- Specialised diplomas having only become available in the last few years
- Business cases with beneficial economics especially in aerospace delayed due to missing certification of parts
- Customers often lacking sufficient skilled AM machine operators
- Specialised diplomas having only become available in the last few years
- Industries working on standards and certification processes, localization policies to accelerate adoption
- Moving from niche market to serial production driving machine reliability improvements
- Recent graduates already well versed in AM and OEMs offer trainings and webinars on large scale

Cost Per Part
- Productivity not yet competitive with conventional casting manufacturing for large scale production
- AM already with cost advantages on smaller scale production

SLM NextGen machine with significant productivity increase making AM extremely cost competitive
Adoption and production on an industrial scale will drive the growth of the AM market

Market growth driven by several favorable developments

- **Existing products produced with AM:** Next generation of machines allows cost efficient mass production of products currently only produced in small series.

- **Products under certification:** Current machines allow for cost efficient serial production of many products which are currently in certification process.

- **Currently designed products:** Design of new generation of products will already include AM produced parts.

- **Production processes:** Additive Manufacturing will increasingly be integrated in production processes.

Development towards industrialization in the Automotive Sector while remain being able to customize products

<table>
<thead>
<tr>
<th>Part volume produced with AM (cm³)</th>
<th>No. of parts p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Today</td>
</tr>
<tr>
<td>1 &lt; 10 &lt; 100 &lt; 1,000 &lt; 10,000 &lt; 100,000</td>
<td>In 3-5 Years</td>
</tr>
<tr>
<td>High</td>
<td>Up to 50,000 parts</td>
</tr>
</tbody>
</table>

Source: Company information
AM technology reveals vast opportunities for customers

<table>
<thead>
<tr>
<th>Product Characteristics</th>
<th>Conventional Casting</th>
<th>SLM® technology</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>× Overdesigned</td>
<td>✓ Higher performing products</td>
</tr>
<tr>
<td></td>
<td>× Poor material properties</td>
<td>✓ Improved strengths &amp; durability</td>
</tr>
<tr>
<td>Lead Time</td>
<td>× 18 – 24 months for product launches</td>
<td>✓ Light weighting</td>
</tr>
<tr>
<td></td>
<td>× Prototypes expensive and slow</td>
<td>✓ Easy modifications</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>× Global and complex supply chain with many weak links</td>
<td>✓ Prototype within days</td>
</tr>
<tr>
<td></td>
<td>× Higher inventory &amp; working capital</td>
<td>✓ 3 weeks for first parts</td>
</tr>
<tr>
<td>Process Quality</td>
<td>× Production process difficult to control and monitor</td>
<td>✓ Lower cost</td>
</tr>
<tr>
<td>Process Efficiency</td>
<td>× Prototyping resource intensive</td>
<td>✓ 24 / 7 inhouse production</td>
</tr>
<tr>
<td></td>
<td>× Large batch processing</td>
<td>✓ Cost of manufacturing largely independent of country</td>
</tr>
</tbody>
</table>

- Improvement of performance without design limits
- Substantially shortened time to market
- Localization of manufacturing prevents supply chain disruption
- Improved process and quality control
- Optimized working capital and cash conversion cycle
SLM Solutions has demonstrated continuous productivity increase of SLM® machine portfolio

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
<th>2021+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SLM®280</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Laser</td>
<td>17</td>
<td>17</td>
<td>31</td>
<td>80-100</td>
</tr>
<tr>
<td>Twin Laser</td>
<td></td>
<td></td>
<td></td>
<td>~</td>
</tr>
<tr>
<td>Quad Laser</td>
<td></td>
<td></td>
<td></td>
<td>&lt;15</td>
</tr>
<tr>
<td><strong>NextGen</strong></td>
<td></td>
<td></td>
<td></td>
<td>&gt;66%</td>
</tr>
<tr>
<td>up to 12 Laser</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Parts / job</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>160</td>
<td>89</td>
<td>47</td>
<td></td>
</tr>
<tr>
<td><strong>Build time (hours)</strong></td>
<td>45:32</td>
<td>25:15</td>
<td>24:30</td>
<td>~</td>
</tr>
<tr>
<td><strong>Time / part (min)</strong></td>
<td></td>
<td></td>
<td></td>
<td>&lt;15</td>
</tr>
<tr>
<td><strong>Reduction (%)</strong></td>
<td>160</td>
<td>89</td>
<td>47</td>
<td></td>
</tr>
</tbody>
</table>

SLM Solutions’ next generation machine will be the first machine to offer the necessary productivity to enable large scale industrialized production.

++ significant productivity increase
COVID-19 deferred orders, but no impact on NextGen development; SLM Solutions is actively contributing to the fight against the virus

<table>
<thead>
<tr>
<th>Topic</th>
<th>Impact</th>
<th>Comment</th>
</tr>
</thead>
</table>
| End-markets    | Medium | × Order intake negatively affected due to:  
  - Customer / market uncertainty and customer availability  
  - Travel restrictions and tradeshows cancelations  
  ✓ Most of the orders/projects are on hold and are not cancelled  
  ✓ Customers continue to plan for post COVID-19  
  ✓ COVID-19 crisis is driving narrative supply chain localization |
| Production     | Medium | × 3-week stop of production and HQ (R&D not affected) during Easter holiday in Mar/Apr 2020  
  × 50% short-time work since May 18, 2020 at Lübeck HQ |
| R&D            | Low    | ✓ NextGen development team not affected by company holiday and short-time work  
  ✓ Project schedule is on time |
| Supply Chain   | Low    | ✓ Primarily localized supply chain, negligible impact on procurement  
  ✓ Safety stock increase for high risk and long lead time items |
| Employee protection | Low  | ✓ Digitalization pushed and homeoffice supported  
  ✓ Working time flexibilized to minimize personal contact; hygiene standards improved  
  ✓ Close monitoring of business trips |

**Additive Alliance Against Corona**

- Actively contribute to overcoming the COVID-19 crisis
- Convince market on AM technology and its advantages
- Connect local and global players in the industry
- Involvement of young talent and academic institutions

- Printing jobs for injection mold in the US
- BEAMIT
- Rosswag
- Burgmaier
- Fraunhofer
- University of Braunschweig
- University of Central Florida
- ...
COVID-19 accelerates transformation of global supply chain – AM plays key role in repatriating manufacturing

- Manufacturing businesses have expedited their considerations on future supply chains given the severe impact of the virus on global trade
- Interest in AM expected to further increase as companies are trying to figure out how AM can help to render supply chains more reliable and to achieve long-term targets
- While transformation of supply chains will require large investments, AM will provide necessary flexibility and cost advantages to bring manufacturing back from outsourcing into low-cost countries

Long-term targets

- Decentralisation and flexibilisation of manufacturing to reduce dependency on low-cost countries
- Shifting manufacturing in-house to become independent of suppliers while staying cost competitive
- Repatriation of manufacturing to bring production closer to end customers and to ensure supply certainty

How AM can be part of the solution

- Flexible production of various parts on same machine type relinquishes expensive retooling of traditional manufacturing equipment, allowing businesses to use AM to bridge supply gaps
- Production costs largely independent of location as labour costs of operating the machine are of minor importance compared to conventional manufacturing; AM is becoming more and more cost competitive as machine productivity increases
- Next generation products already include AM in their design processes facilitating the transition
Financial Highlights
FY 2019 – What went well and what did not?

- **Organization strengthened**
  - 10+ key leadership positions filled

- **Over 200% increase in customer visits to SLM HQ**
  - Strategic AM partner to key players (e.g. Rolls-Royce, Honeywell, BEAMIT)

- **Commercial Excellence**
  - Order intake increased by 21% Y-o-Y
  - Order backlog boosted by >400% Y-o-Y

- **Further reduction of working capital driven by decreasing inventory; positive operating cash flow**

- **First NextGen key milestones**
  - Excellent test rigs results
  - Currently on track for launch at Formnext 2020

- **Conclusion of financing agreement in Q1 2020 regarding issuance of up to approx. EUR 60m convertible bonds**

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- **FY 2019 Revenue 32 % below FY 2018**

- **FY 2019 EBITDA significantly below FY 2018**

- **Demand in additive manufacturing market softer than expected**
  - Soft environment expected to continue in the near-term as industry rationalizes excess supply of older first generation machines
  - Longer lead-times to qualify parts and machines as customers look to adopt additive manufacturing on a broader scale

- **Machine reliability not yet where we want it to be but substantial improvements have been made with products availability > 90%**

- **Current uncertainty relating to COVID-19**
Boosted order intake and order backlog Y-o-Y

- Order intake and backlog driven by growth in North America
  - Largely driven by actions taken in Q2/Q3 and go-to-market approach
- Strong growth in a muted market
  - Higher growth in China without frame agreement EUR 2.4m in FY 2018 to EUR 8.9m in 2019 (+270%).
  - North America order intake growth of 83%, thereof 4 SLM®800 machines.
- Average selling price increased due to shifted order intake mix incl. 5 SLM®800 machines in FY 2019.
Revenue and EBITDA performance impacted by weak H1 2019

- FY 2019 revenue decrease of 31.7% YOY due to low order backlog at year end 2018 resulting in weak sales in H1 2019.
- In H2 2019 revenue recovered and nearly doubled compared to H1 2019.
- Overall, global AM market slowed down in 2019 to lower than expected levels.

- Weak EBITDA margin mainly caused by low sales volume in H1 2019.
- Additionally, significant one-offs of EUR 3.0m in H1 2019 and EUR 4.0m in Q4 impacted EBITDA margin.
- Significant focus on cost-out while improving the talent base of organization.
Continued Working Capital progress, positive cash flow from operating activities in FY 2019

- Accounts receivables reduced YOY mainly due to reduced outstanding customer issues and improvements of receivable management.
- Improvements of machine payment terms.
- Inventories were reduced significantly due to sales from stock.
- Further initiatives to continuously decrease inventory will be implemented over the next quarters.
- Positive cash flow from operating activities of EUR 3.5m in FY 2019 is significantly above FY 2018 level (EUR -14.4m).

Clear focus on ongoing working capital management given high potential for further improvement
Approximately EUR 60m convertible bond issuance signifies continuous commitment by our largest shareholder

- 3-tranched convertible bond with tranches two and three being issued by SLM Solutions if certain conditions precedent are met, which mainly refer to the achievement of future growth targets of SLM Solutions
- Fully backstopped by SLM Solutions’ largest shareholder, Cornwall GmbH & Co. KG, a company advised by Elliott Advisors (UK) Limited

**Next steps**
- Convertible Bonds will be offered only on the basis of a securities prospectus²
- Subscription period from June 26, 2020 to July 10, 2020

**Tranche I**
- EUR 15m proceeds
- Conversion price: EUR 6.75
- 2% coupon p.a., maturity until 30 Sep 2026
- Subscription rights for all shareholders and 2017/22 convertible bond holders

**Tranche II**
- EUR 15m proceeds
- Conversion price: EUR 7.75
- Other terms essentially identical to Tranche I
- Issued if certain conditions are met

**Tranche III**
- ~EUR 30m proceeds
- Conversion price: EUR 8.75
- Other terms essentially identical to Tranche I
- Issued if certain conditions are met

**Total proceeds if Tranche I and Tranche III are issued:**
- ~EUR 60m

Note: 1) Conditions can also be waived by the holders of the Tranche I convertible bonds with the required majority.
2) Securities prospectus to be approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and to be published on SLM Solutions’ website.
Company strategy
SLM Solutions’ strategic business segment approach

Continuous product portfolio improvements and release of NextGen machine

- Improving quality and reliability
- Focus on serial production
- Specific use cases

- Large scale industrialized production
- Scalability to full factory

NextGen

Commercial release expected end of 2020

Full AM Solutions

- Complete value chain through SLM Solutions
- System integrated specifications

- Redesign service portfolio
- Closer to our customers

Service

- Customer industrialization success
- Prototype and benchmark

Industrialization

- Increase productivity
- Interface and user experience
- Partnership and join collaborations

Software

Powder

Commercial release expected end of 2020
As the technology pioneer, we create endless possibilities to change the future of manufacturing forever.

1. Pioneer in multi-laser technology with continuous focus in LPBF

Focus on solutions for our customers

NextGen will enable large scale industrialized production

Note: LPBF = Laser Powder Bed Fusion