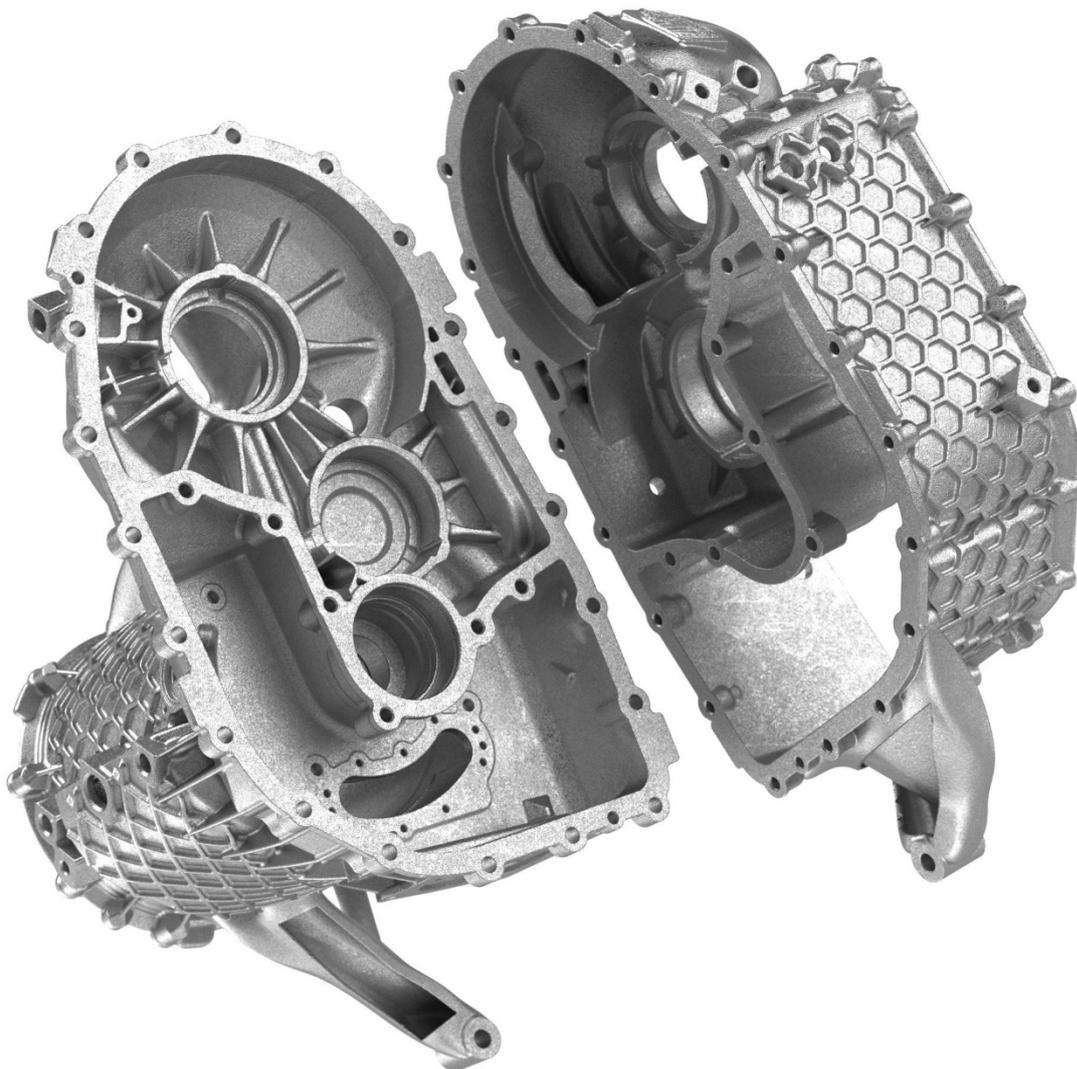


Q1 REPORT

2021

PUSHING THE LIMITS

A NEW ERA OF
MANUFACTURING



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FINANCIAL HIGHLIGHTS

	Unit	1Q21	1Q20	Change
Revenue	€m	15.4	17.8	-14%
Total Output	€m	18.1	18.5	-2%
EBITDA	€m	-2.1	-3.0	29%
Period Result	€m	-5.1	-6.1	16%
Order In-take	€m	13.4	2.9	362%
Order Backlog	€m	31.2	23.7	32%

TECHNOLOGY PIONEERS

WHAT HAPPENED IN THE 1ST QUARTER?

Safran and SLM Solutions evaluate SLM[®] technology for Additively Manufactured Main Fitting of a Bizjet

In a joint project, Safran Landing Systems and SLM Solutions tested Selective Laser Melting to produce a component of a nose landing gear for a bizjet. A world first for a part of this size. The objective of the project is to demonstrate the feasibility to produce a main fitting by Selective Laser Melting process. The component was therefore redesigned for metal-based additive manufacturing allowing time saving in the whole process, and significant weight reduction about 15% of the component.

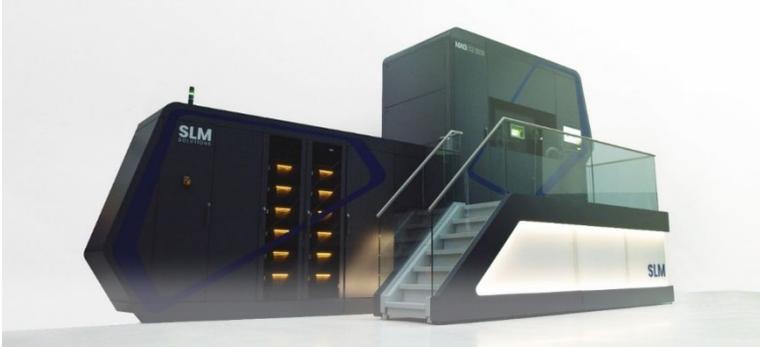
Machine: SLM@800
Material: Titanium



SLM Solutions signs Memorandum of Understanding (MoU) with major Energy OEM

In May 2021, SLM Solutions signed a memorandum of understanding with a major Energy OEM which, as with similar agreements with other customers, will follow a firm purchase order after achieving clearly defined technical requirements which is expected in the second half of the year. A significant driver of SLM Solutions' future growth, the NXG XII 600 continues to exceed the company's already high expectations in terms of customer response which is reflected in this newly signed MoU.

SLM Solutions signs Memorandum of Understanding (MoU) for the purchase of five NXG XII 600 with Major European OEM



A major European OEM has signed an MoU to purchase five NXG XII 600 machines, with the first machine delivery in 2022. The agreement also facilitates the reservation and allocation of production-slots. Sam O'Leary, CEO of SLM Solutions explains: "When we launched the NXG XII 600, we knew it would disrupt the industry and spark a new era for manufacturing. Therefore, this MoU just two months after the launch is an exciting milestone for the company. It validates our vision that the OEMs can implement innovative additive manufacturing technology for serial production into their business models." He then went on to say that: "The NXG XII 600 accelerates the future of metal additive manufacturing, and our engineers have further pushed the boundaries of what is possible."

AMEXCI and SLM Solutions strengthen partnership

AMEXCI, an Additive Manufacturing company, founded by eleven Nordic based industrial companies and Selective Laser Melting pioneer SLM Solutions strengthen their partnership. The joint objective is to further accelerate the industrialization of metal-based Additive Manufacturing. To achieve this and to create the basis for increased productivity and part quality, AMEXCI has invested in the Selective Laser Melting machine SLM®500, equipped with four 700 W lasers.



Wabtec and SLM Solutions show how additive manufacturing is changing the locomotive industry



Wabtec, a global provider of equipment, systems, digital solutions, and services for the freight, rail, transit, mining, industrial and marine sectors, and SLM Solutions recently published a case study showcasing the vast benefits additive manufacturing can provide to the locomotive industry. Using a SLM800 machine, Wabtec was able to redesign a 52lb brake panel which consisted of several different pieces. Leveraging the advantages of additive technology, Wabtec was able to reduce the lead time by 70% and the weight by 50%.

MANAGEMENT REPORT

Orders

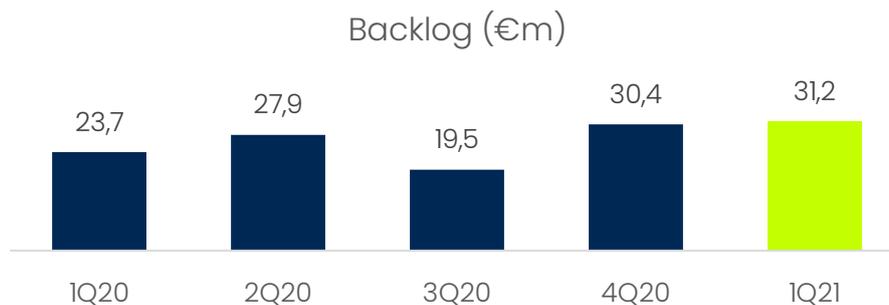
SLM Solutions received orders of €13.4m in the first quarter of 2021 representing an increase of more than 350% compared to 1Q20 (€2.9m). The increased order in-take reflects the ongoing improvement in the business environment which started in 3Q20 after being significantly impacted by the COVID-19 pandemic in the first half of 2020.



The management expects a further improvement of order-intake in the second half of the year.

Backlog

The company increased its order backlog to €31.2m in 1Q21 which was a slight increase compared to the prior quarter (4Q20: €30.4m) and a significant improvement to 1Q20 (€23.7m). The increase compared to 1Q20 was mainly driven by the significantly higher order in-take during the quarter.



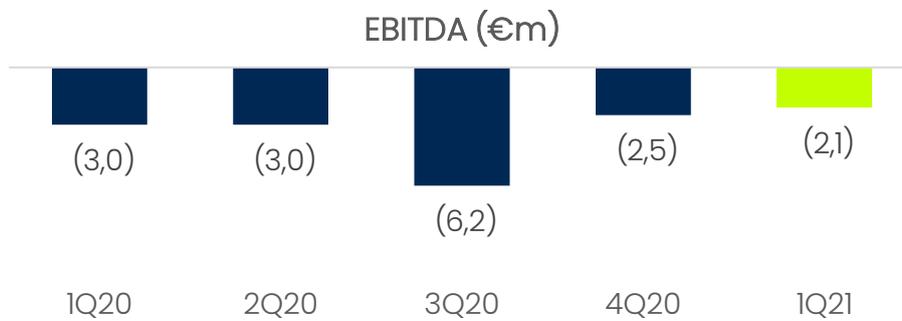
Revenue

Revenue in 1Q21 decreased compared to the first quarter of 2020 to €15.4m from €17.8m. Key reason for the lower revenue was a slower backlog conversion of machine orders and a slight decrease in after-sales revenue. The revenue is aligned with the expectations of the management and builds a solid foundation to achieve the revenue guidance issued for the total year.



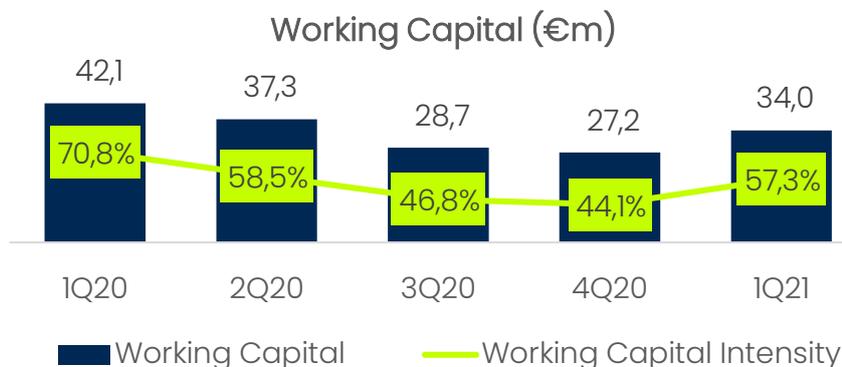
EBITDA

Despite the lower revenue, SLM Solutions improved its EBITDA in the first quarter of 2021 with €-2.1m compared to 1Q20 (€-3.0m). The improvement was mainly driven by lower travel and consulting expenses as well as a more cautious spending as result of implemented cost-out actions.



Working Capital

Working capital increased in the reporting period to €34.0m compared to 4Q20 (€27.2m) while significantly decreasing year-over-year from €42.1m in 1Q20. The cyclical increase of inventory during the first quarter to prepare deliveries for the coming quarters as well as an increase of receivables due to delayed collections were the main driver for the increase quarter-over-quarter. Both impacts are expected to be reversed until the end of the fiscal year.



Financial Statements

Group Consolidated Profit and Loss Statement (January 1 to March 31, 2021)

(in kEUR)	1Q21	1Q20
Revenue	15,384	17,848
Increase/decrease of finished and unfinished stock on hand	1,244	-420
Other activated contributions	1,424	1,023
Total output	18,052	18,451
Cost of material	-7,932	-7,914
Gross profit	10,120	10,537
Payroll	-9,061	-9,781
Other operating income	653	691
Other operating expenses	-3,853	-4,468
Proceeds from associated companies	0	-1
EBITDA	-2,141	-3,023
Depreciation & amortization	-1,909	-2,184
Earnings before interest and taxes (EBIT)	-4,050	-5,207
Interest and similar expenses	-1,225	-1,016
Interest & Other Income	11	14
Earnings before taxes	-5,263	-6,208
Tax payable	144	109
Result for the period	-5,120	-6,099
<i>Earnings per share</i>	<i>-0.26</i>	<i>-0.31</i>

Consolidated Group Result (January 1 to March 31, 2021)

(in kEUR)	1Q21	1Q20
Result for the period	-5,120	-6,099
Income and expenditure not to be reclassified to profit or loss in the future:		
Actuarial Profit and Loss	0	0
Income and expenditure to be reclassified to profit or loss in the future:		
Income/Expenses from currency conversion	21	-595
Other comprehensive income	0	0
Consolidated total comprehensive income	-5,099	-6,694
Attribution of comprehensive income:		
Shareholders of SLM Solutions Group AG	-5,099	-6,694

Consolidated Statement of Financial Position (as of March 31, 2021)

(in kEUR)	3/31/ 2021	3/31/ 2020
Assets		
Cash and cash equivalents	11,530	20,337
Trade receivables	18,805	21,733
Other financial assets	0	346
Inventories	23,992	29,085
Current tax receivables	0	55
Other non-financial assets	6,073	3,975
Total current assets	60,400	75,530
Intangible assets	28,848	25,676
Property, land and equipment	36,907	37,582
Other financial assets	0	1
Other non-financial assets	381	857
Deferred tax liabilities	411	42
Total long-term assets	66,547	64,158
Total assets	126,947	139,688
Equity and liabilities		
Trade payables	8,838	8,700
Financial liabilities	3,510	2,454
Other non-financial liabilities	9,879	10,237
Provisions	5,311	5,210
Tax provisions	15	0
Amounts owed to affiliated companies	-5	0
Total current liabilities	27,548	26,602
Financial liabilities	74,672	63,962
Pensions and similar obligations	7,102	6,890
Other financial liabilities	1,183	1,369
Other non-financial liabilities	15	344
Provisions	97	139
Deferred tax liabilities	5,661	2,561
Total non-current liabilities	88,730	75,265
Total equity	10,669	37,820
Equity and liabilities (total)	126,947	139,687

Consolidated Statement of Cash Flows (January 1 to March 31, 2021)

(in kEUR)	1Q21	1Q20
Net profit/loss for the period	-5,120	-6,099
Depreciation, amortization and impairment losses	1,909	2,184
Interest expenses	1,225	1,016
Interest income	-11	-14
Income tax	-144	-109
Non-cash expenses	0	1
Change in assets and liabilities	-2,889	1,378
<i>Inventories</i>	-3,222	-804
<i>Accounts receivable</i>	-5,355	-6,245
<i>Pensions and similar obligations</i>	121	171
<i>Liabilities</i>	1,855	3,553
<i>Provisions</i>	230	-84
<i>Other assets and liabilities</i>	3,484	4,787
Income taxes paid	0	0
Other changes in current assets	0	0
Net cash flows from operating activities	-5,030	-1,637
Cash outflows for investments in intangible assets and property, plant and equipment	404	-993
Investments in development costs	-1,424	-1,023
Interest received	11	2
Net cash inflow/outflow from investment activities	-1,009	-2,014
Capital injection by shareholders	0	0
Cash outflows for loans	-332	-333
Repayment of lease liabilities	-96	-109
Interest payments	-1,194	-990
Net cash flows from financing activities	-1,622	-1,432
Net increase(decrease) in cash and cash equivalents	-7,662	-5,083
Change in financing funds due to exchange rate changes	327	-104
Cash and cash equivalents at the start of reporting period	18,864	25,523
Cash and cash equivalents at the end of reporting period	11,530	20,337

Consolidated Statement of Changes in Equity
(as of March 31, 2021)

(in kEUR)	Sub- scribed capital	Capital reserve	Consoli- dated loss for the period included in retained earnings	First time appli- cation reserve	Foreign ex- change equali- zation reserve	Other reser- ves	Equity
As at 01. January 2020	19.779	98.225	-71.337	-549	79	-1.683	44.514
Consolidated group result			-6.099				-6.099
Change of equity from foreign currency					-595		-595
As at 31. March 2020	19.779	98.225	-77.436	-549	-516	-1.683	-37,820
As at 01. January 2021	19,779	100,583	-101,588	-549	-656	-1,800	15,769
Consolidated group result			-5,120				-5,120
Change in equity from foreign currency					21		21
As at 31. March 2021	19,779	100,583	-106,708	-549	-635	1,800	10,670

Segment Reporting (January 1 to March 31, 2021)

January 1 to March 31, 2021 (in kEUR)	Maschine Business	After Sales Business	Total
Revenue	11,240	4,143	15,384
Expenses	12,224	5,301	17,525
EBITDA	-983	-1,158	-2,141
Depreciation, amortisation and impairment losses			-1,909
Interest result			-1,213
Taxes on income			144
Net profit/loss for the period			-5,120

January 1 to March 31, 2020 (in kEUR)	Maschine Business	After Sales Business	Total
Revenue	13,496	4,352	17,848
Expenses	16,054	4,817	20,871
EBITDA	-2,558	-465	-3,023
Depreciation, amortisation and impairment losses			-2,184
Interest result			-1,001
Taxes on income			109
Net profit/loss for the period			-6,099