

Q1 REPORT

2023

OUR MISSION:

TO EMPOWER YOURS



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FINANCIAL HIGHLIGHTS

	Units	Q1 2023	Q1 2022	Δ (in %)
Revenue	kEUR	24,036	16,387	47%
EBITDA	kEUR	(4,255)	(4,374)	3%
EBITDA-margin (% of Revenue)	%	(18%)	(27%)	34%
Period Result	kEUR	(8,973)	(7,382)	(22%)
EPS	EUR	(0.29)	(0.33)	11%

GROUP MANAGEMENT REPORT

SLM Solutions Group AG ("SLM Solutions", "SLM" or the "Company") is a forward-thinking technology Company that has consistently created world firsts in the field of metal additive manufacturing. SLM Solutions has a proud technology heritage as one of the core inventors of the process and continues to push the boundaries of additive manufacturing thanks to the creativity of the Company's global workforce, of which >40% are engineers.

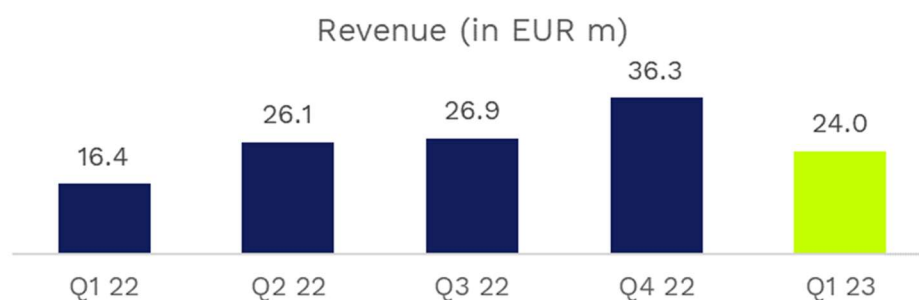
RESULTS OF OPERATIONS

Revenue

The Company posted total revenues of kEUR 24,036 for the first quarter of 2023, 47% higher as compared to the corresponding period in 2022 (kEUR 16,387).

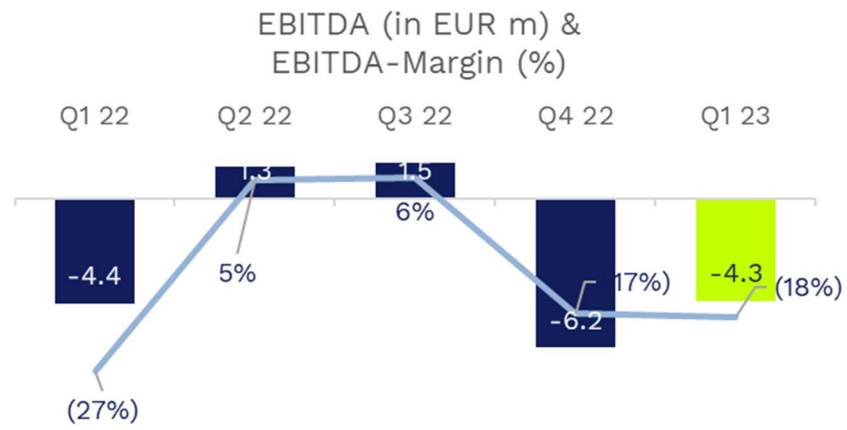
Revenue attributable to the Machine Business segment amounted to kEUR 19,109 for the three-month period ending March 2023, higher by 68% in comparison with the same period in 2022 (kEUR 11,380). This performance was driven by an increase in system sales across the machine portfolio, to a diverse customer base which included both new and repeat customers. The Machine Business segment has benefited from a diverse product portfolio that caters to a wide range of customers including those with large and growing requirements for advanced additive manufacturing solutions.

The Company's After-Sales Business segment posted revenues of kEUR 4,927 for the three-month period ending March 2023, reflecting a 2% decrease over the comparable period in 2022 (kEUR 5,007).



EBITDA

SLM Solutions reported an EBITDA of kEUR -4,255 for the three-month period ending March 2023, improving by 3% as compared to the same period in 2022 (kEUR -4,374). Although the Company's top line improved by 47% during the same period, business profitability improved not by the same extent. The main reasons for this are negative currency impacts, a one-off order with a major customer with a significant discount as well as an order for an NXG XII 600 with a significant variable compensation component, which is only due upon fulfillment of certain preconditions, which were not yet fulfilled at the end of the quarter. As a result, the gross margin in the machine segment in particular developed negatively.



FINANCIAL POSITION

Net Assets

(in kEUR)	31.03.2023	31.12.2022
Total current assets	96,319	107,425
Total non-current assets	76,907	74,886
Total assets	173,226	182,311
Total current liabilities	32,063	35,398
Total non-current liabilities	46,842	82,659
Total Liabilities	78,906	118,057

Total assets at the end of March 2023 amounted to kEUR 173,226, 5% below year-end 2022 (kEUR 182,311). This decrease is mainly a result of a lower liquidity position at the current reporting period's end. SLM Solutions' inventories increased to kEUR 44,616 at the end of March 2023 (Dec. 2022: kEUR 39,888), which is mainly due to the preparation of deliveries in the upcoming quarters. Furthermore, contract assets increased significantly from kEUR 6,496 at year-end 2022 to kEUR 14,284. The increase is based on an increased payment portion, which is due after the installation of certain machines.

Total Liabilities at the end of March 2023 was kEUR 78,906 (Dec 2022: kEUR 118,057). As of March 2023, total non-current liabilities decreased to kEUR 46,842 as compared to year-end 2022 (kEUR 82,659). This decrease is mainly due to the conversion of convertible bonds into shares (kEUR 39,003 in total).

Cash Flow

(in kEUR)	Q1 2023	Q1 2022
Net cash flows from operating activities	(14,195)	(7,627)
Net cash flows from investing activities	(4,441)	(3,417)
Net cash flows from financing activities	662	(1,335)
Net increase / (decrease) in cash and cash equivalents	(18,014)	(12,379)
Change in financing funds due to exchange rate changes	(93)	85
Cash and cash equivalents at the beginning of the period	31,160	24,998
Cash and cash equivalents at the end of the period	13,053	12,704

Net cash flows from operating activities during the three-month period ending March 2023 amounted to kEUR -14,195, deteriorating as compared to the corresponding period in 2022 (kEUR -7,627). This deterioration is mainly due to expenses in connection with the Nikon acquisition and the increase in inventories and contract assets.

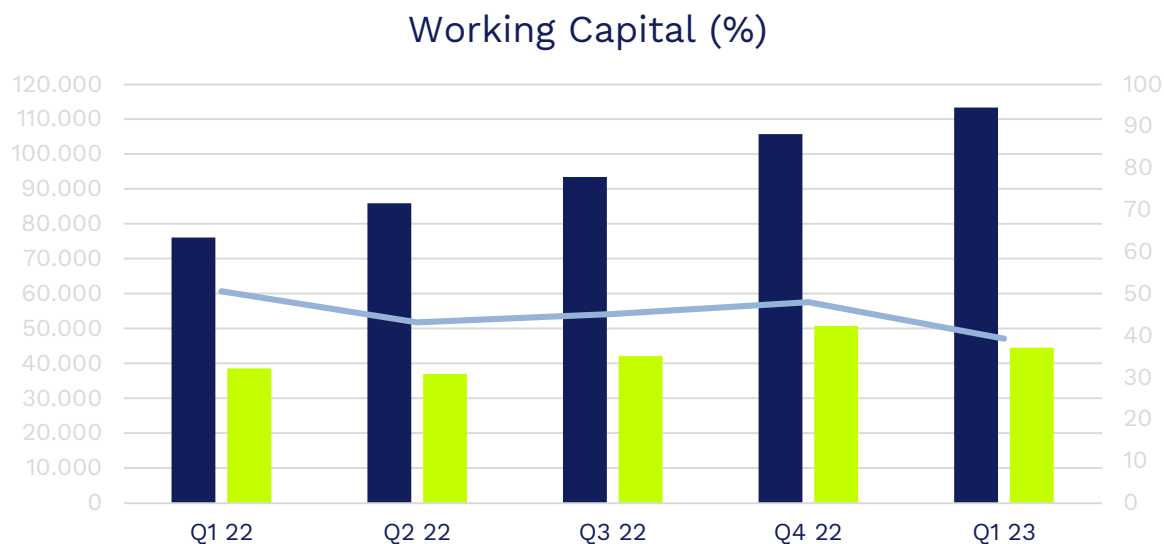
Net cash flows from investing during the three-month period ending March 2023 amounted to kEUR -4,441, as compared to the same period in 2022 (kEUR -3,417). SLM Solutions continues to invest significantly in various product development activities that enable the Company to maintain and expand its technological leadership position. Capitalized outlays in this regard amounted to kEUR 3,329 during Q1 2023, higher as compared to the corresponding period in 2022 (kEUR 2,342).

Net cash flows from financing activities during the three-month period ending March 2023 was kEUR 662 (March 2022: kEUR -1,335). In March 2023, a loan was disbursed by Nikon Corporation in the amount of kEUR 28,700 to repay a majority portion of the 2017 convertible bond in the amount of kEUR 26,500. The cash inflows and outflows from these capital measures were offset to a small extent by interest payments and the repayment of bank loans and finance leases in the reporting period.

Working Capital

Working capital as of the end of March 2023 amounted to kEUR 44,516, lower as compared to the end of December 2022 (kEUR: 50,712). This decrease is mainly driven by reduced receivables.

The working capital intensity metric, which is computed based on revenues over the last twelve months was 39% at the end of March 2023, reflecting the improved topline performance of the business.



■ Revenue LTM (kEUR)	76,119	85,853	93,425	105,709	113,358
■ Working Capital as on Balance Sheet Date (kEUR)	38,535	37,015	42,151	50,712	44,516
■ Working Capital Intensity (%)	51%	43%	45%	48%	39%

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period from
1 January to 31 March 2023

INTERIM CONSOLIDATED INCOME STATEMENT

For the three-month period from 1 January to 31 March 2023

(in kEUR)	Q1 2023	Q1 2022
Revenue	24,036	16,387
Costs of goods sold	(15,996)	(10,724)
Gross profit	8,040	5,663
Sales costs	(4,819)	(3,869)
Administration costs	(6,122)	(5,580)
Research & Development costs	(3,113)	(2,629)
Other operating income	301	356
Other operating expenses	(1,024)	(208)
Earnings before interest and taxes (EBIT)	(6,736)	(6,267)
Interest and similar expenses	(1,656)	(1,266)
Interest & Other Income	487	9
Earnings before taxes	(7,904)	(7,523)
Income Tax	(1,068)	142
Result for the period	(8,973)	(7,382)
Number of shares (in '000s)	31,107	22,702
Earnings per share	(0,29)	(0,33)
Earnings before interest and taxes (EBIT)	(6,736)	(6,267)
Depreciation	2,481	1,893
EBITDA	(4,255)	(4,374)

**undiluted and diluted, calculated with 31,107,265 shares (Previous year: 22,701,725)*

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period from 1 January to 31 March 2023

	Q1 2023	Q1 2022
(in kEUR)	Unaudited	Unaudited
Result for the period	(8,973)	(7,382)
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	37	162
Other comprehensive income	37	162
Consolidated total comprehensive income	(8,935)	(7,219)
Attribution of comprehensive income:		
Shareholders of SLM Solutions Group AG	(8,935)	(7,219)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 March 2023

	31.03.2023	31.12.2022	31.03.2022
(in kEUR)	Unaudited	Audited	Unaudited
Assets			
Cash and cash equivalents	13,053	31,160	12,704
Trade receivables	18,482	26,769	19,646
Inventories	44,616	39,888	32,328
Current tax receivables	34	23	5
Other non-financial assets	20,134	9,585	7,919
Total current assets	96,319	107,425	72,603
Intangible assets	39,252	37,430	34,206
Property, land and equipment	35,992	35,809	35,547
Other financial assets	1,143	1,127	293
Other non-financial assets	0	0	241
Deferred tax liabilities	520	520	566
Total non-current assets	76,907	74,886	70,853
Total assets	173,226	182,311	143,456

	31.03.2023	31.12.2022	31.03.2022
(in kEUR)	Unaudited	Audited	Unaudited
Equity and liabilities			
Trade payables	12,263	11,523	9,234
Financial liabilities	2,017	2,509	60,868
Other non-financial liabilities	13,276	15,303	10,721
Provisions	4,232	4,983	4,770
Tax provisions	274	1,080	226
Total current liabilities	32,063	35,398	85,818
Financial liabilities	34,663	69,461	19,969
Pensions and similar obligations	4,049	4,005	6,447
Other financial liabilities	633	669	944
Other non-financial liabilities	44	44	4
Provisions	544	841	111
Deferred tax liabilities	6,909	7,638	4,710
Total non-current liabilities	46,842	82,659	32,186
Total liabilities	78,906	118,057	118,004
Total equity	94,320	64,254	25,451
Equity and liabilities (total)	173,226	182,311	143,456

INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS

For the three-month period from 1 January to 31 March 2023

	Q1 2023	Q1 2022
(in kEUR)	Unaudited	Unaudited
Result for the period	(8,973)	(7,382)
Depreciation, amortization and impairment losses	2,481	1,893
Interest expenses	1,656	1,266
Interest income	(487)	(9)
Income tax	1,068	(142)
Change in assets and liabilities	(9,923)	(3,253)
Inventories	(4,728)	(6,486)
Accounts receivable	8,287	2,585
Pensions and similar obligations	43	143
Liabilities	741	(1,774)
Provisions	(1,049)	(127)
Other assets and liabilities	(13,217)	2,406
Income taxes paid	(18)	0
Net cash flows from operating activities	(14,195)	(7,627)

	Q1 2023	Q1 2022
(in kEUR)	Unaudited	Unaudited
Cash flows for investments in intangible assets and property, plant and equipment	(2,129)	(1,766)
Investments in development costs	(2,357)	(1,661)
Interest received	46	9
Net cash flows from investment activities	(4,441)	(3,417)
Contribution from convertible bond	(26,500)	0
Cash in-/outflows for loans	28,366	(333)
Repayment of lease liabilities	(105)	(87)
Interest payments	(1,140)	(915)
Net cash flows from financing activities	622	(1,335)
Net decrease in cash and cash equivalents	(18,014)	(12,379)
Change in financing funds due to exchange rate changes	(93)	85
Cash and cash equivalents at the start of reporting period	31,160	24,998
Cash and cash equivalents at the end of reporting period	13,053	12,704

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period from 1 January to 31 March 2023

(in kEUR)	Subscribe d capital	Capital reserve	Consolida ted loss for the period included in retained earnings	First time applicatio n reserve	Foreign exchange equalizatio n reserve	Other reserves	Equity
As at 01 January 2023	25,745	185,515	(146,708)	(549)	(97)	349	64,254
Consolidated group result			(8,973)				(8,973)
Equity from convertible bond	5,363	33,639					39,002
Change of equity from foreign currency					37		37
As at 31 March 2023	31,107	219,154	(155,681)	(549)	(60)	349	94,320
As at 01 January 2022	22,702	134,322	(121,964)	(549)	(544)	(1,296)	32,671
Consolidated group result			(7,382)				(7,382)
Equity from convertible bond							
Change of equity from foreign currency					162		162
As at 31 March 2022	22,702	134,322	(129,346)	(549)	(382)	(1,296)	25,451

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period from 1 January to 31 March 2023

NOTE 1: BASIS OF PREPARATION

The interim consolidated financial statements were prepared in line with the principles of International Financial Reporting Standards (IFRS), as applicable in the European Union, as well as with additional applicable provisions pursuant to Section 315e (1) of the German Commercial Code (HGB).

The interim consolidated financial statements have been prepared on the basis of amortized, historical cost of acquisition or production, and are presented in thousands of Euros (kEUR). Minor differences in figures can occur as the result of commercial rounding.

The interim consolidated financial statements were not audited by KPMG AG Wirtschaftsprüfungsgesellschaft or any other third party.

NOTE 2: PRESENTATION OF REPORTABLE SEGMENTS

1 January to 31 March 2023 (in kEUR)	Machine Business	After Sales Business	Total
Revenue	19,109	4,927	24,036
Expenditure	(20,959)	(7,331)	(28,291)
EBITDA	(1,850)	(2,404)	(4,255)
Depreciation			(2,481)
Interest			(1,169)
Income Tax			(1,068)
Result for the period			(8,973)

1 January to 31 March 2022 (in kEUR)	Machine Business	After Sales Business	Total
Revenue	11,380	5,007	16,387
Expenditure	(14,722)	(6,039)	(20,761)
EBITDA	(3,342)	(1,032)	(4,374)
Depreciation			(1,893)
Interest			(1,256)
Income Tax			142
Result for the period			(7,382)


RESPONSIBILITY STATEMENT

We give our assurance that, to the best of our knowledge and in accordance with the applicable accounting principles, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and that the course of business, including the business result and the position of the Group, is portrayed in such a way in the Group Management Report that a true and accurate picture is conveyed and that the significant opportunities and risks of the Group's future development are fairly described.

Lübeck, May 10, 2023



Sam O'Leary



Dirk Ackermann



Charles Grace