

H1 REPORT

2023

OUR MISSION:

TO EMPOWER YOURS



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FINANCIAL HIGHLIGHTS

	Units	Q2 2023	Q2 2022	Δ (in %)	H1 2023	H1 2022	Δ (in %)
Revenue	kEUR	27,909	26,087	7%	51,945	42,474	22%
EBITDA	kEUR	(4,149)	1,342	n/a	(8,404)	(3,032)	(177%)
EBITDA margin (as a % of Revenue)	%	(15%)	5%	n/a	(16%)	(7%)	(127%)
Period Result	kEUR	(7,287)	(1,724)	(323%)	(16,259)	(9,106)	(79%)
EPS	EUR	(0.23)	(0.08)	(208%)	(0.52)	(0.40)	(30%)

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.

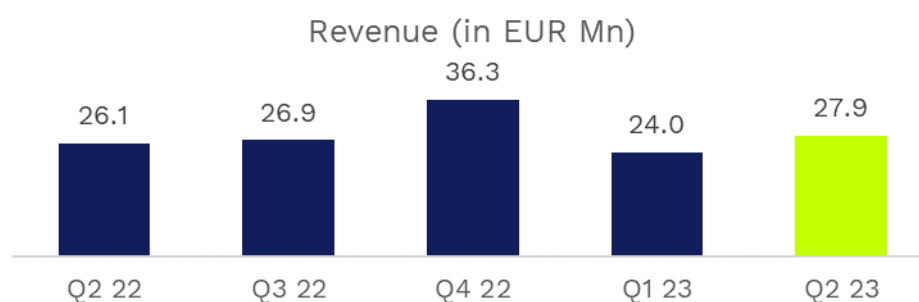
RESULTS OF OPERATIONS

Revenue

SLM Solutions generated revenues of kEUR 27,909 during the second quarter of 2023, marginally higher as compared to Q2 2022 (kEUR 26,087). The Company's robust topline performance in Q2 2023 along with a very strong Q1 2023 resulted in record revenues of kEUR 51,945 for the six-month period ending June 2023, 22% higher as compared to the corresponding period in 2022 (kEUR 42,474).

The Machine Business segment recorded revenues amounting to kEUR 41,398 during the first half of 2023, higher by 29% as compared to the first half of 2022 (kEUR 32,023). This increase was driven by the NXG XII 600 which has continued to witness broad based demand from a variety of customers. Additionally, SLM's topline was also supported by the existing portfolio of additive manufacturing systems which continue to enable various customers in their additive manufacturing processes.

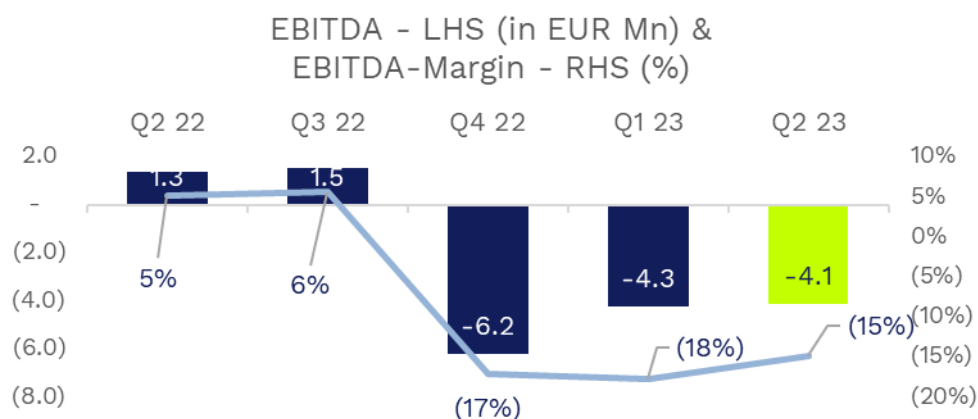
The After-Sales Business segment posted revenues of kEUR 10,547 for the first half of 2023, slightly higher as compared to the corresponding period in 2022 (kEUR 10,451). The After-Sales Business segment continues to grow at a steady pace, and benefits from increased adoption of the additive manufacturing technology among many customers.



EBITDA

For the first six months of 2023, the Company posted an EBITDA of kEUR -8,404 (H1 2022: kEUR -3,032). Operational profitability during the first half of 2023 was impacted by adverse currency effects, a significant discount on a one-off order with a major customer along with an order for an NXG XII 600 with a notable component of variable compensation which would be due upon fulfillment of specific preconditions that were not fulfilled during the reporting period. Additionally, EBITDA for H1 2023 was also impacted by a significant increase in electricity expenses as well as extraordinary expenses due to the Nikon takeover.

In contrast, operational profitability during the first half of 2022 benefitted from positive one-off effects such as the reversal of provisions no longer required coupled with foreign exchange gains during H1 2022.



FINANCIAL POSITION

Net Assets

(in kEUR)	30.06.2023	31.12.2022
Total current assets	98,190	107,425
Total non-current assets	82,461	74,886
Total assets	180,652	182,311
Total current liabilities	48,617	35,398
Total non-current liabilities	44,898	82,659
Total Liabilities	93,516	118,057

Total assets as of the end of June 2023 amounted to kEUR 180,652 (Dec 2022: kEUR 182,311). This decrease in total assets was driven by a lower liquidity position, partially offset by a higher inventory position. As of the end of June 2023, SLM Solutions had a liquidity position of kEUR 9,679 (Dec 2022: kEUR 31,160). At the end of June 2023 SLM Solutions' inventory position amounted to kEUR 49,361 higher as compared to the end of December 2022 (kEUR 39,888) as the Company prepares for upcoming shipments. Furthermore, contract assets at the end of June 2023, increased to kEUR 17,439 (Dec 2022: kEUR 6,496) reflecting orders where a portion of the payment is due after installation of certain machines. This was partially offset by a lower balance of trade receivables as compared to year-end 2022.

Total Liabilities as of June 2023 amounted to kEUR 93,516 as compared to year-end 2022 (kEUR 118,057). Total current liabilities increased to kEUR 48,617 (Dec 2022: kEUR 35,398), following the receipt of a short-term loan from Nikon Europe B.V., a subsidiary of Nikon Corporation amounting to kEUR 10,000. Total non-current liabilities decreased to kEUR 44,898 (Dec 2022: kEUR 82,659). This decrease was primarily driven by the conversion of convertible bonds into equity shares amounting to kEUR 39,003 in total.

Cash Flow

(in kEUR)	H1 2023	H1 2022
Net cash flows from operating activities	(20,634)	(10,531)
Net cash flows from investing activities	(10,480)	(5,239)
Net cash flows from financing activities	9,765	27,542
Net increase / (decrease) in cash and cash equivalents	(21,350)	11,772
Change in financing funds due to exchange rate changes	(131)	323
Cash and cash equivalents at the beginning of the period	31,160	24,998
Cash and cash equivalents at the end of the period	9,679	37,093

Net cash flows from operating activities during the first half of 2023 amounted to kEUR -20,634, as compared to H1 2022 (kEUR -10,531). Operating cash flows during the current reporting period were impacted by a significant increase in electricity expenses, a large order with a notable amount of variable compensation that would become due in upcoming periods, personnel expenses due to the Nikon takeover as well as an increase in contract assets during the reporting period also led to a decrease in operating cash flow.

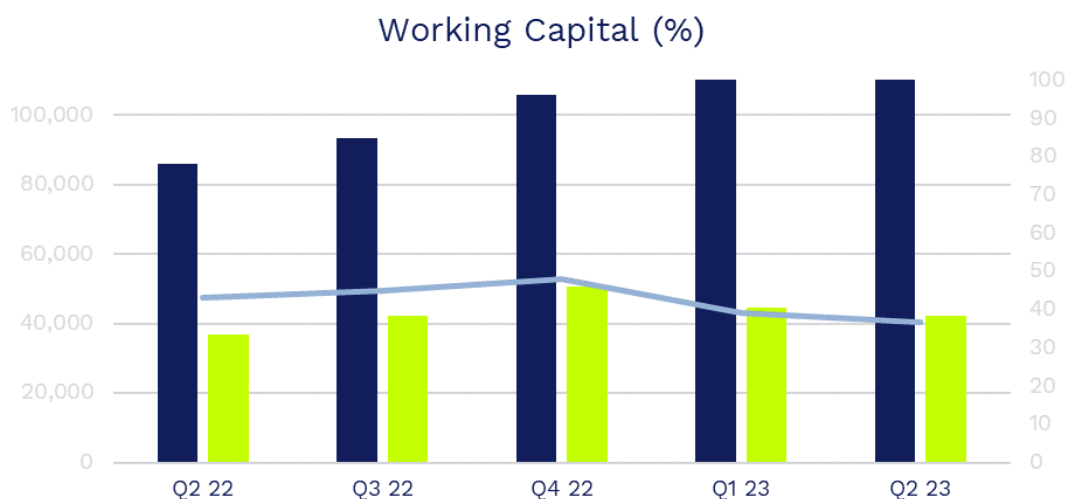
Net cash flows from investing activities during the first half of 2023 was kEUR -10,480, increasing as compared to H1 2022 (kEUR -5,239), as the Company continued to invest notably into its technology. This enables SLM Solution to remain at the forefront of innovation. Capitalized outlays in this regard amounted to kEUR -6,400 during H1 2023, higher by 38% as compared to the first half of 2022 (kEUR -4,640).

Net cash flows from financing activities during the first half of 2023 amounted to kEUR 9,765, as compared to H1 2022 (kEUR 27,542). During the first six months of 2023, SLM Solutions received a loan from 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. Additionally, SLM Solutions received additionally a short-term loan from Nikon Europe B.V., a subsidiary of Nikon Corporation amounting to kEUR 10,000. This cash inflow was partially offset by other financial cash outflows including interest payments, loans and finance lease repayments.

Working Capital

Working capital as of the end of June 2023 amounted to kEUR 42,342, decreasing in comparison to year-end 2022 (kEUR: 50,712). This decrease is mainly due to a lower level of receivables combined with an increase in customer down-payments received from new machine orders, partially offset by a build-up of inventories over the first six months of 2023.

As a result of the lower level of working capital and a growing topline, the working capital intensity metric, which is calculated based on revenues over the last twelve months, further decreased to 37% at the end of June 2023.



Revenue LTM (kEUR)	85,853	93,425	105,709	113,358	115,180
Working Capital as on Balance Sheet Date (kEUR)	37,015	42,151	50,712	44,516	42,342
Working Capital Intensity (%)	43%	45%	48%	39%	37%

OPPORTUNITITES AND RISKS

The opportunities and risks classified as action relevant on pages 65-72 in the Annual Report 2022 have been reviewed and are still considered relevant as of the issue date of this report. For further information on previously identified risks and opportunities, please refer to the detailed description in our Annual Report 2022, which is available on the Company's website www.slm-solutions.com in the "Investor Relations" section under "Reports & Publications" and further under "Reports".

FORECAST

As communicated in the Annual Report 2022, the Company expects to continue on its growth path in FY 2023 and expects notable sales growth. Furthermore, the Management Board expects a significantly improved EBITDA for FY 2023. Based on the performance in the first half of 2023, the management confirms its guidance. To achieve the guidance, it is critical that the business environment across SLM Solutions' key markets does not significant worsen in the second half of FY 2023

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period from
1 January to 30 June 2023

INTERIM CONSOLIDATED INCOME STATEMENT

For the six-month period from 1 January to 30 June 2023

	H1 2023	H1 2022
(in kEUR unless specified)	Unaudited	Unaudited
Revenue	51,945	42,474
Costs of goods sold	(33,094)	(26,153)
Gross profit	18,851	16,322
Sales costs	(10,995)	(8,676)
Administration costs	(13,209)	(10,778)
R&D costs	(7,158)	(5,409)
Other operating income	391	2,045
Other operating expenses	(1,360)	(313)
Earnings before interest and taxes (EBIT)	(13,480)	(6,810)
Interest and similar expenses	(2,092)	(2,516)
Interest & Other Income	558	17
Earnings before taxes	(15,014)	(9,309)
Income Tax	(1,245)	203
Result for the period	(16,259)	(9,106)
Number of shares (in '000s)	31,108	22,704
Earnings per share* (in EUR)	(0.52)	(0.40)
<i>*undiluted and diluted, calculated with 31,107,819 shares (Previous year: 22,703,789)</i>		
Earnings before interest and taxes (EBIT)	(13,480)	(6,810)
Depreciation	5,076	3,778
EBITDA	(8,404)	(3,032)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period from 1 January to 30 June 2023

	H1 2023	H1 2022
(in kEUR)	Unaudited	Unaudited
Result for the period	(16,259)	(9,106)
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	136	585
Other comprehensive income	136	585
Consolidated total comprehensive income	(16,124)	(8,521)
Attribution of comprehensive income:		
Shareholders of SLM Solutions Group AG	(16,124)	(8,521)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2023

	30.06.2023	31.12.2022	30.06.2022
(in kEUR)	Unaudited	Audited	Unaudited
Assets			
Cash and cash equivalents	9,679	31,160	37,093
Trade receivables	17,759	26,769	18,643
Inventories	49,361	39,888	35,680
Current tax receivables	48	23	39
Other non-financial assets	21,343	9,585	13,360
Total current assets	98,190	107,425	104,814
Intangible assets	40,816	37,430	35,460
Property, land and equipment	37,907	35,809	34,185
Other financial assets	3,218	1,127	240
Other non-financial assets	0	0	294
Deferred tax liabilities	520	520	638
Total non-current assets	82,461	74,886	70,817
Total assets	180,652	182,311	175,631

	30.06.2023	31.12.2022	30.06.2022
(in kEUR)	Unaudited	Audited	Unaudited
Equity and liabilities			
Trade payables	14,123	11,523	10,069
Financial liabilities	12,090	2,509*	33,930
Other non-financial liabilities	17,794	15,303	13,122
Provisions	4,350	4,983	3,847
Tax provisions	261	1,080	246
Total current liabilities	48,617	35,398	61,214
Financial liabilities	31,977	69,461	73,243
Pensions and similar obligations	4,112	4,005	6,566
Other financial liabilities	568	669	748
Other non-financial liabilities	44	44	48
Provisions	1,111	841	111
Deferred tax liabilities	7,086	7,638	5,974
Total non-current liabilities	44,898	82,659	86,689
Total liabilities	93,516	118,057	147,902
Total equity	87,136	64,254	27,729
Equity and liabilities (total)	180,652	182,311	175,631

*summarized representation

INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS

For the six-month period from 1 January to 30 June 2023

	H1 2023	H1 2022
(in kEUR)	Unaudited	Unaudited
Result for the period	(16,259)	(9,106)
Depreciation, amortization and impairment losses	5,076	3,778
Interest expenses	2,092	2,516
Interest income	(558)	(17)
Income tax	1,245	(203)
Change in assets and liabilities	(12,213)	(7,499)
Inventories	(9,473)	(9,837)
Accounts receivable	9,009	3,588
Pensions and similar obligations	107	261
Liabilities	2,600	(939)
Provisions	(364)	(1,049)
Other assets and liabilities	(14,092)	478
Income taxes paid	(18)	0
Net cash flows from operating activities	(20,634)	(10,531)

	H1 2023	H1 2022
(in kEUR)	Unaudited	Unaudited
Cash flows for investments in intangible assets and property, plant and equipment	(5,990)	(1,741)
Investments in development costs	(4,570)	(3,515)
Interest received	80	17
Net cash flows from investment activities	(10,480)	(5,239)
Contribution from convertible bond	(26,500)	30,213
Cash outflows for loans	38,033	(665)
Repayment of lease liabilities	(191)	(172)
Interest payments	(1,577)	(1,833)
Net cash flows from financing activities	9,765	27,542
Net decrease in cash and cash equivalents	(21,350)	11,772
Change in financing funds due to exchange rate changes	(131)	323
Cash and cash equivalents at the start of reporting period	31,160	24,998
Cash and cash equivalents at the end of reporting period	9,679	37,093

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period from 1 January to 30 June 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)	348	64,254
Consolidated group result			(16,259)				(16,259)
Equity from convertible bond	5,363	33,643					39,006
Change of equity from foreign currency					135		135
As at 30 June 2023	31,108	219,158	(162,967)	(549)	38	348	87,136
As at 01 January 2022	22,702	134,322	(121,964)	(549)	(544)	(1,296)	32,671
Consolidated group result			(9,106)				(9,106)
Equity from convertible bond	2	3,577					3,579
Change of equity from foreign currency					585		585
As at 30 June 2022	22,704	137,899	(131,070)	(549)	41	(1,296)	27,729

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period from 1 January to 30 June 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 30 June 2023 (in kEUR)	Machine Business	After Sales Business	Total
Revenue	41,398	10,547	51,945
Cost of goods sold	(20,681)	(12,414)	(33,094)
Gross Profit	20,717	(1,866)	18,851
Other Costs			(32,331)
EBT			(13,480)
Depreciation			5,076
EBITDA			(8,404)
Interest			(1,534)
Income Tax			(1,245)
Result for the period			(16,259)

1 January to 30 June 2022 (in kEUR)	Machine Business	After Sales Business	Total
Revenue	32,023	10,451	42,474
Cost of goods sold	(16,495)	(9,657)	(26,153)
Gross Profit	15,528	793	16,322
Other Costs			(23,132)
EBT			(6,810)
Depreciation			3,778
EBITDA			(3,032)
Interest			(2,499)
Income Tax			203
Result for the period			(9,106)

NOTE 3: EVENTS AFTER THE BALANCE SHEET DATE

On July 13, 2023 SLM Solutions Group AG held its Annual General Meeting and the Management Board and Supervisory Board proposed to change the name of the Company to "Nikon SLM Solutions AG", a proposal that was resolved on and further adopted by the shareholders. Accordingly, the change in name is expected to become effective from the middle of August 2023.

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, August 7, 2023



Sam O'Leary



Dirk Ackermann



Charles Grace