SLM SOLUTIONS

INVESTOR PRESENTATION

April 2021

SLM – Key Investment Highlights

SLM - a leader in the high growth and highly innovative AM technology sector

- Current market size ~$12bn with CAGR of 28% until 2025
- Accelerated demand for AM due to reshoring and the need for more flexible supply chains

Our sole focus: Superior Laser Powder Bed Fusion

- Technology addresses most innovative and most attractive segments of the AM market: High precision, high performance parts across key regulated and unregulated industries
- SLM features one of the strongest IP portfolios and R&D and engineering teams in the sector, consistently investing leading industry innovation (~20% of revenue in R&D (2020))

SLMs is at the very core of the Industry 4.0 disruptive manufacturing and production revolution

- Fast evolving ecosystem around SLM's core metal printing technology: engineering capabilities, software, powder, process technology
- AM helps to significantly improve the ecological footprint of products and metal manufacturing process (energy and raw material savings)

SLM's NXG XII 600 machine is a game changer for the entire AM industry

- Worlds fasted and most efficient large platform PBLF printer launched in Nov 2020
- High precision, high performance, high value parts produced cost competitively compared to conventional processes (metal subtraction, casting)

Sizable service business opportunity

- Currently over 650 machines installed, containing over 1,000 lasers
- Machines in industrial processes generate significant constant revenue stream from service and powder

Strong international management team of growth and technology experts

- New management refocused company on growth and technology and manufacturing excellence

Poised for continuous growth

- > €30m backlog and NXG ramp up underpins SLM's growth trajectory
- Attractive and expanding gross margins
- Significant operating leverage. The business is set up for growth
- Core shareholder group supports growth trajectory with funding

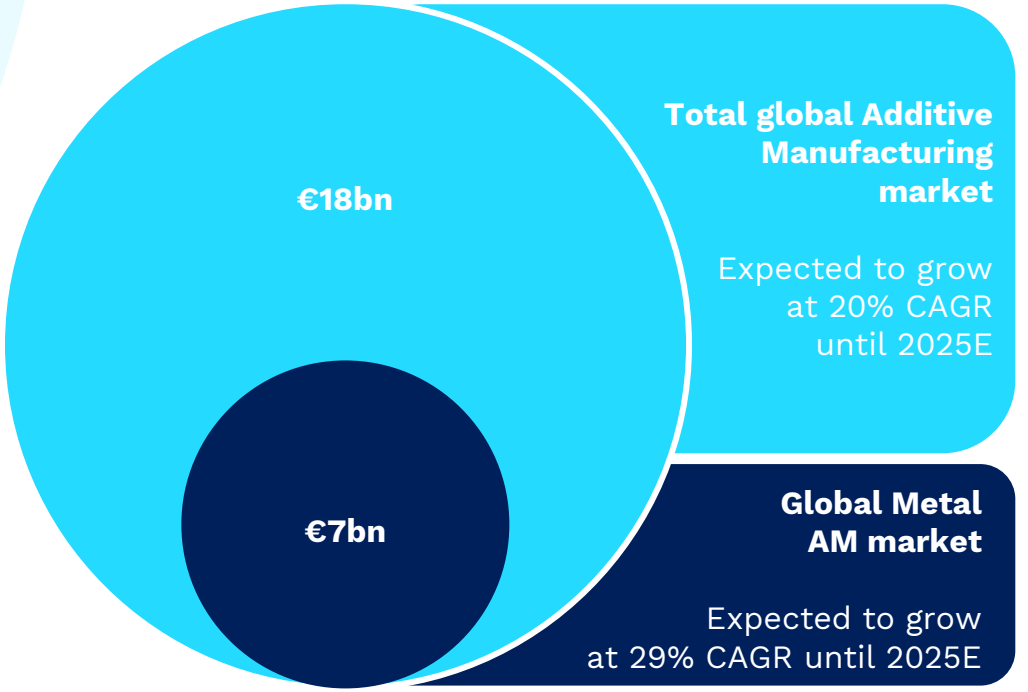
SECTION 1

Why is Additive Manufacturing the future of metal manufacturing?

Advantages of AM to drive strong market growth

Today: Traditional manufacturing market
$300bn+

2020



2025

Source: AM Power Report 2021, Equity Research, GS Research

AM delivers vast opportunities for customers

At the very core of the Industry 4.0 disruptive manufacturing and production revolution

	Conventional Casting	Additive Manufacturing	
Product Characteristics	× Overdesigned × Poor material properties	✓ Higher performing products ✓ More complex geometries ✓ Reduced weight	**Improvement of performance without design limits**
Lead Time	× 18 – 24 months for product launches × Prototypes expensive and slow	✓ Prototype within days ✓ 3 weeks for first parts ✓ Easy modifications	**Substantially shortened time to market**
Process Efficiency	× Prototyping resource intensive × Large batch processing	✓ Print part as needed ✓ Minimized waste and tooling	**Optimized working capital and cash conversion cycle**
Supply Chain	× Global and complex supply chain × Pollution from transportation from LCC sourcing	✓ 24 / 7 inhouse production ✓ Manufacturing cost largely independent of country with less transportation requirements	**Localization prevents supply chain disruptions**
Environmental Considerations	× Significant pollution from effluents × Very high energy consumption	✓ Near zero waste ✓ Low energy consumption	**Supports the transition to greener manufacturing**

Source: SLM

Advantages of AM

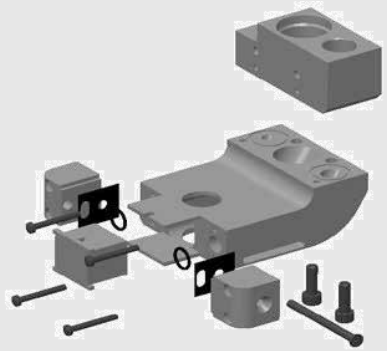
Significant weight reduction

	Traditional Manufacturing	Metal Additive Manufacturing
Gooseneck bracket Structural component from Krueger flap actuating mechanism for airplanes 		
Weight	**2.1 kg**	**1.4 kg** (-31%)
Buy-to-fly[1)]	**17x**	**1.5x** (-91%)
# of parts	**3 parts**	**1 part** (-67%)

Source: SLM
Note: 1) Ratio between weight of raw material purchased and weight of final part.

Advantages of AM

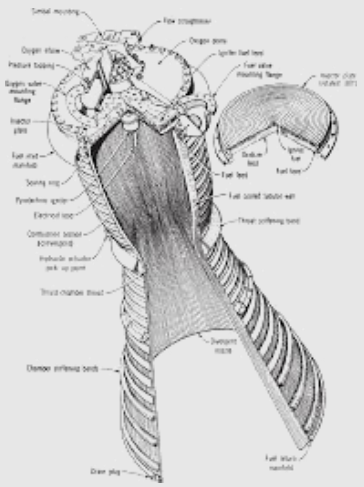
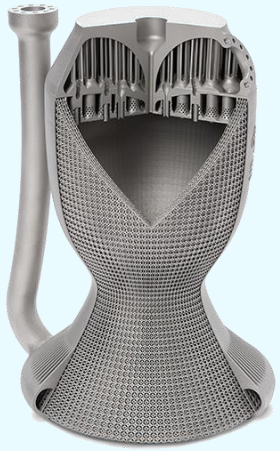
Reduction of part count and assembly time

	Traditional Manufacturing	Metal Additive Manufacturing
Hybrid welding head Cross-jet unit to protect laser optics from contamination during welding process 		
# of parts	**18 parts**	**1 part** **-94%**

Source: SLM

Advantages of AM

Improving functionality

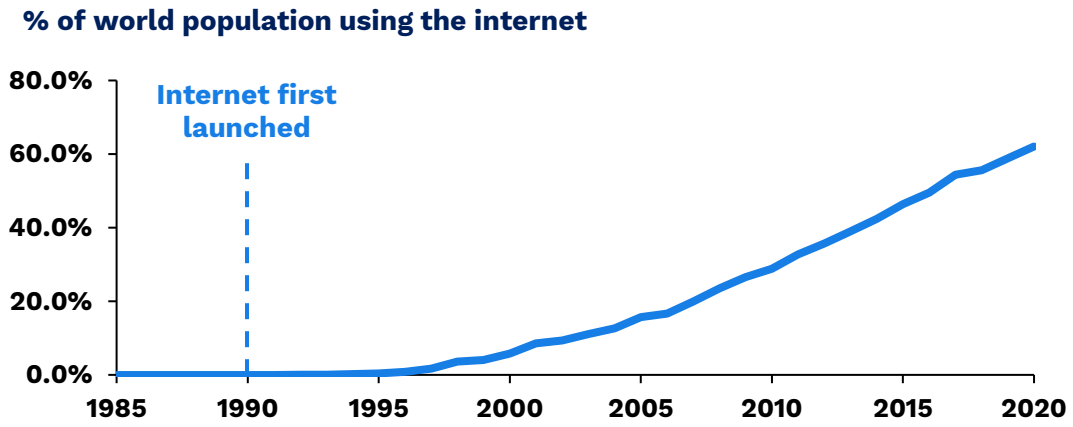
	Traditional Manufacturing	Metal Additive Manufacturing
Monolithic Thrust Chamber Core element of a liquid-propellant rocket engine 		
# of parts	**100+ parts**	**1 part**
Reliability	**Parts being assembled increases risk of failure**	**Increased reliability**
Functionality	**Separate cooling structure required**	**Integrated cooling function**

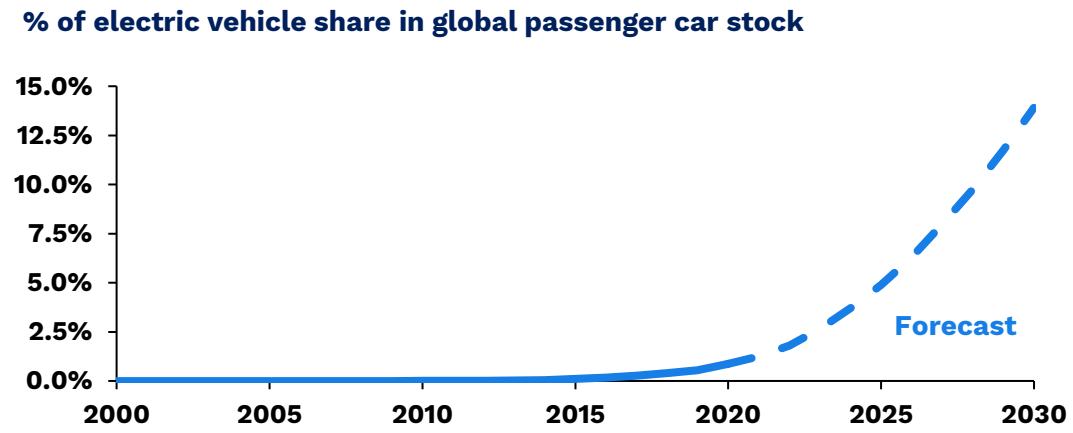
Source: SLM; NASA; G. P. Sutton, History of Liquid Propellant Rocket Engines, AIAA, Reston, VA, 2006.

SECTION 2

Why are we now at an inflection point for AM?

Disruptive technologies typically have a long lead up before reaching a demand inflection point

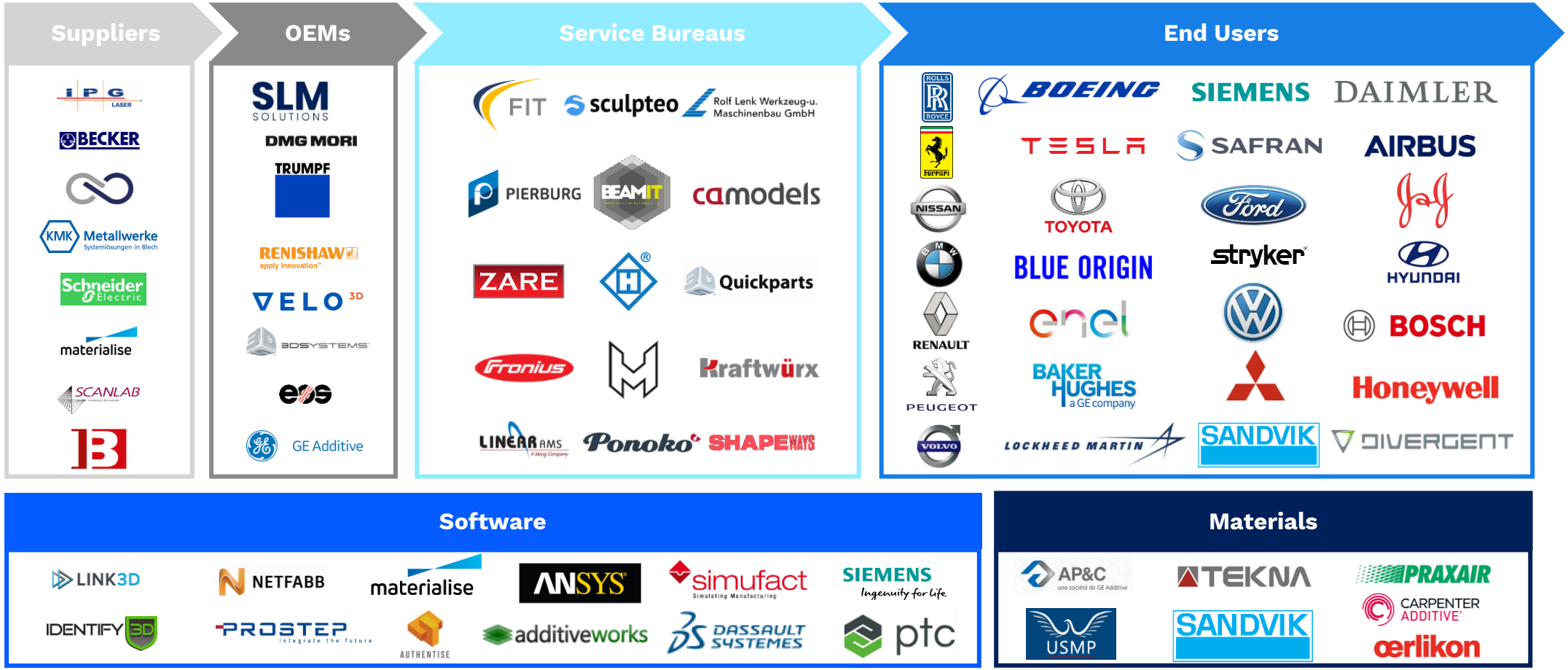




Source: Worldbank, Our World in Data, International Energy Agency

- **AM is a disruptive technology that will completely turn industrial manufacturing as we know it on its head**
- **As with most disruptive technology cycles, the time between invention and mass adoption is difficult to predict**
- **Adoption of the AM technology is at the start of the inflection point where the launch of the NextGen machines will drive mass adoption**
- **As this new tipping point for the technology emerges, this will be a revolution in the manufacturing industry and not an evolution**

The additive industry has broken through as a mainstream force



Source: SLM

Key hurdles to industrialization are being cleared

Reliability of Machines

- Machine reliability not yet on required level for large scale production

✓ Moving from niche market to serial production driving machine reliability improvements

Number of Skilled Operators

- Customers often lacking sufficient skilled AM machine operators
- Specialized diplomas having only become available in the last few years

✓ Recent graduates already well versed in AM and OEMs offer trainings and webinars on large scale

Certification of AM Parts

- 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

✓ Industries working on standards and certification processes, localization policies to accelerate adoption

Cost Per Part

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

✓ NextGen machines with significant productivity increase making AM extremely cost competitive

Productivity increases enabling mass production

SLM is at the forefront of the push to industrialization

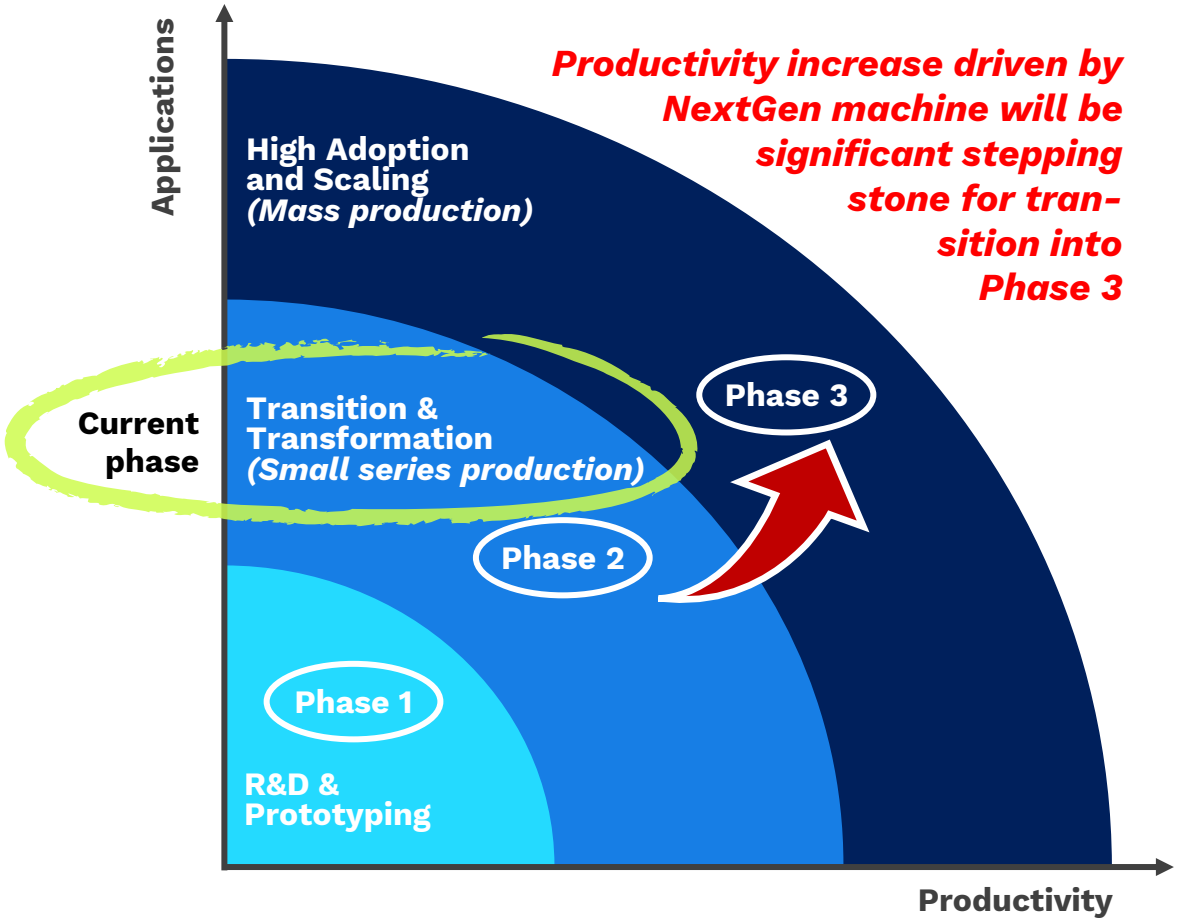
Phase 1 and 2

- Proof of concept of technological capabilities
- Continued development of machines, qualification and selection of parts
- Initial use cases for R&D and small-scale production
- Limiting factors: productivity and reliability of machines; economics per part

Transition to Phase 3 has been delayed

Phase 3

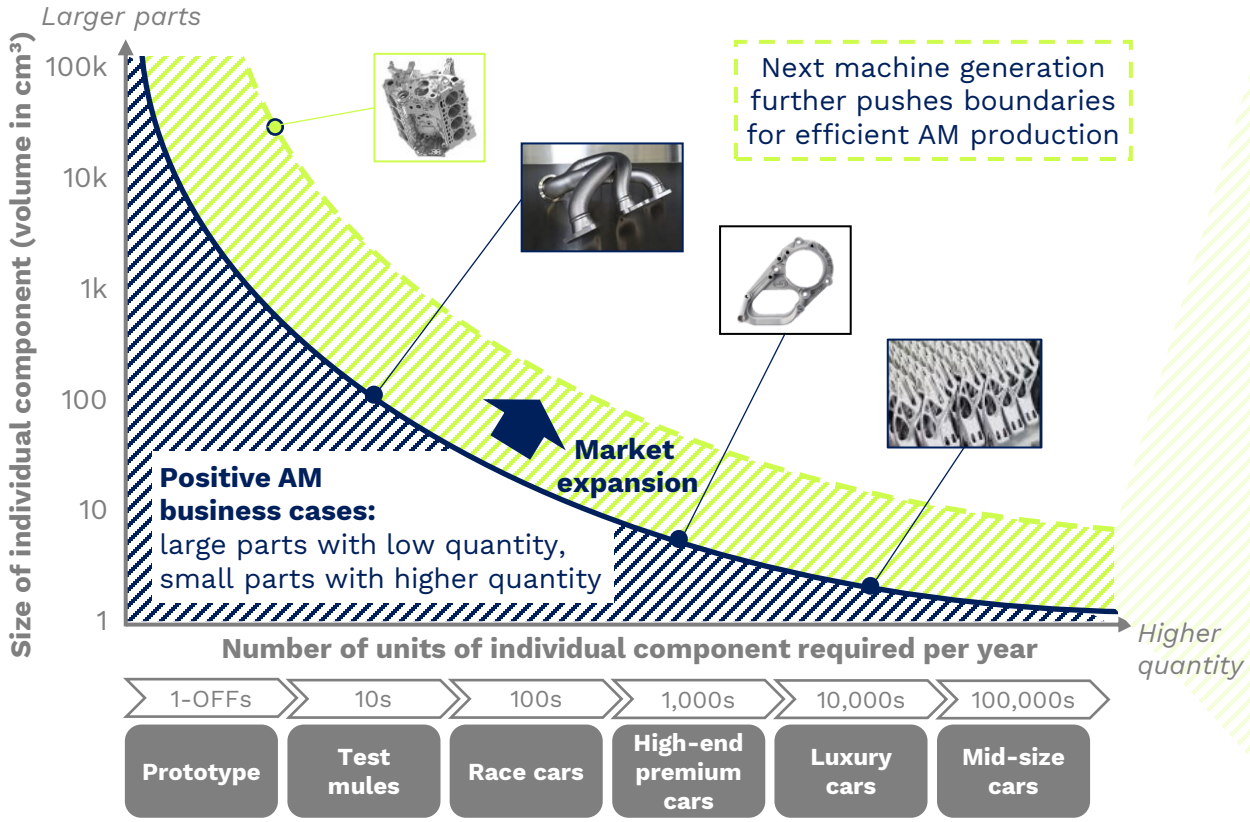
- Full integration of AM in manufacturing chain
- Industrialized machines
- Competitive economics facilitating large scale production while retaining advantages of AM



Positive AM business cases to further increase

Market expansion with next generation of components specifically designed for AM

Illustrative: **Break-even in Laser Powder Bed Fusion compared to conventional manufacturing (automotive example)**



Market expansion and growth driven by several favorable developments

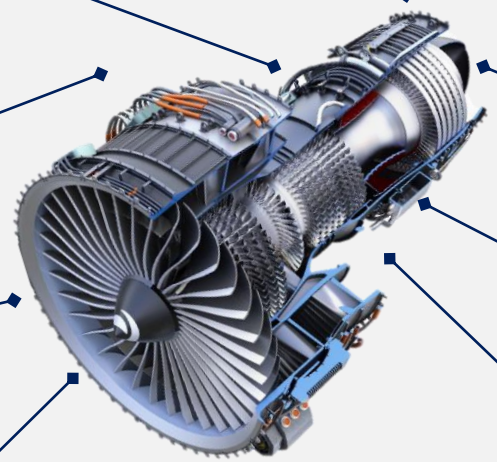
- Productivity increase of next generation of AM machines
- New parts being specifically designed to make use of advantages of AM production
- AM increasingly being integrated in industrialized production processes
- Completion of ongoing certification processes of AM produced parts

Source: SLM

AM industry growth driven by applications transitioning from prototyping to large scale production

Example: Metal additive manufacturing applications in the Aero Engine sector

Fuel Nozzles	**In full-rate production** Units to double in 5 years	**Prototyping** +3 years to production	**Vanes**
Casing Features	**Prototyping** 2-3 years to production	**Some in production** 1-2 years to more production	**Rakes**
Compressor Components	**Prototyping** 2-3 years to production	**Awaiting larger platforms** +4 years to production	**Liners**
MRO	**Qualification** 2-4 years to production	**Qualification** +2 years to production	**Bearing Housings**



Adoption of metal additive manufacturing is expanding and is being integrated into the design process of new engine programs, creating a growing number of applications for selective laser melting

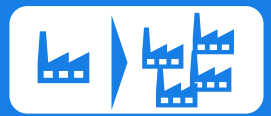
Source: SLM

AM key in transformation of global supply chains

COVID-19 has accelerated this transition

Further accelerated by COVID-19

Megatrends



Decentralization & **flexibilization** of manufacturing

Shifting manufacturing **in-house**

Repatriation of manufacturing

Focus on **green manufacturing**

How AM will 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 labor costs of operating the machine are of minor importance; 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

New AM manufacturing plants will bring a **whole new eco system** of surrounding suppliers and customers with them, which will result in **new regional job opportunities**

SLM enables greener manufacturing

Components produced with AM with substantially better environmental footprint

Waste reduction

Near zero waste produced

Metal powder up to 95% recyclable

Lower energy consumption

Requires less energy than traditional manufacturing methods

Greener components

Design flexibility results in significant reduction of weight and assembly steps of components

Leaner supply chains

Enables local-for-local production and reduces dependency on global supply chains

SECTION 3

Why is Laser Powder Bed Fusion superior to other additive manufacturing technologies?

Our sole focus: Superior Laser Powder Bed Fusion (LPBF)

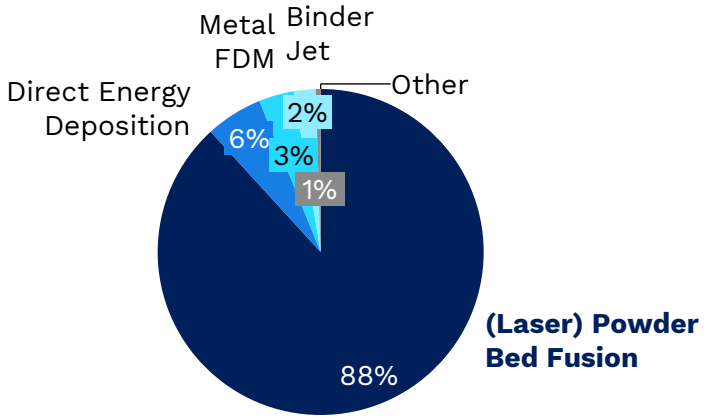
High mechanical properties combined with great degree of geometric freedom

Superior mechanical properties...

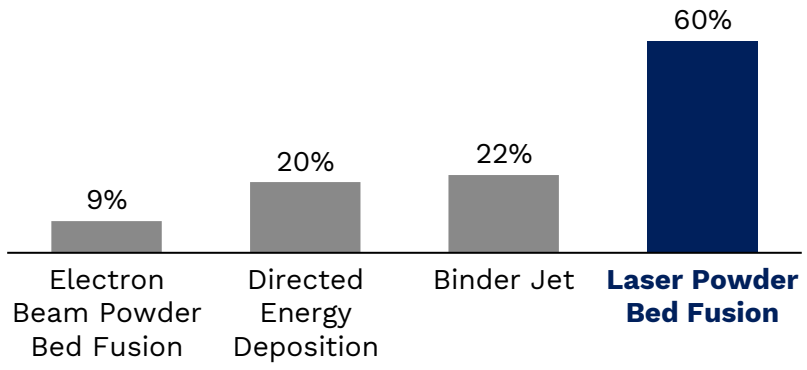
Size / Geometric Freedom	▪ Size of parts **only limited by machine chamber size** ▪ Outperforming in terms of **absolute size and variability of part thickness** ▪ **Geometry complexity is for free**, allowing for **topology optimization that is without limits**
Mechanical Properties	▪ Constantly **high mechanical properties** ▪ **Low porosity** ▪ **High density**
Wide Material Choice	▪ Compared to all other additive technologies **LPBF offering greatest number of input materials**. ▪ **Any material that can be welded can be processed**
One Step-Processing	▪ Little to no post-production increases **"first time right potential"** ▪ **Enabling thin wall sections** ▪ **Consistently accurate geometrical output** due to **controlled and predictable part shrinkage and distortion**

...make LPBF the leading AM technology today and tomorrow

Installed base (units) by technology 2019[1]



Investment related to AM in next years[2]



Notes: 1) AM Power. 2) Survey by Barnes Global Advisors: "What capital equipment related to metal AM does your company plan to purchase in the next 2-5 years?"

LPBF shows superior properties vs. MBJ

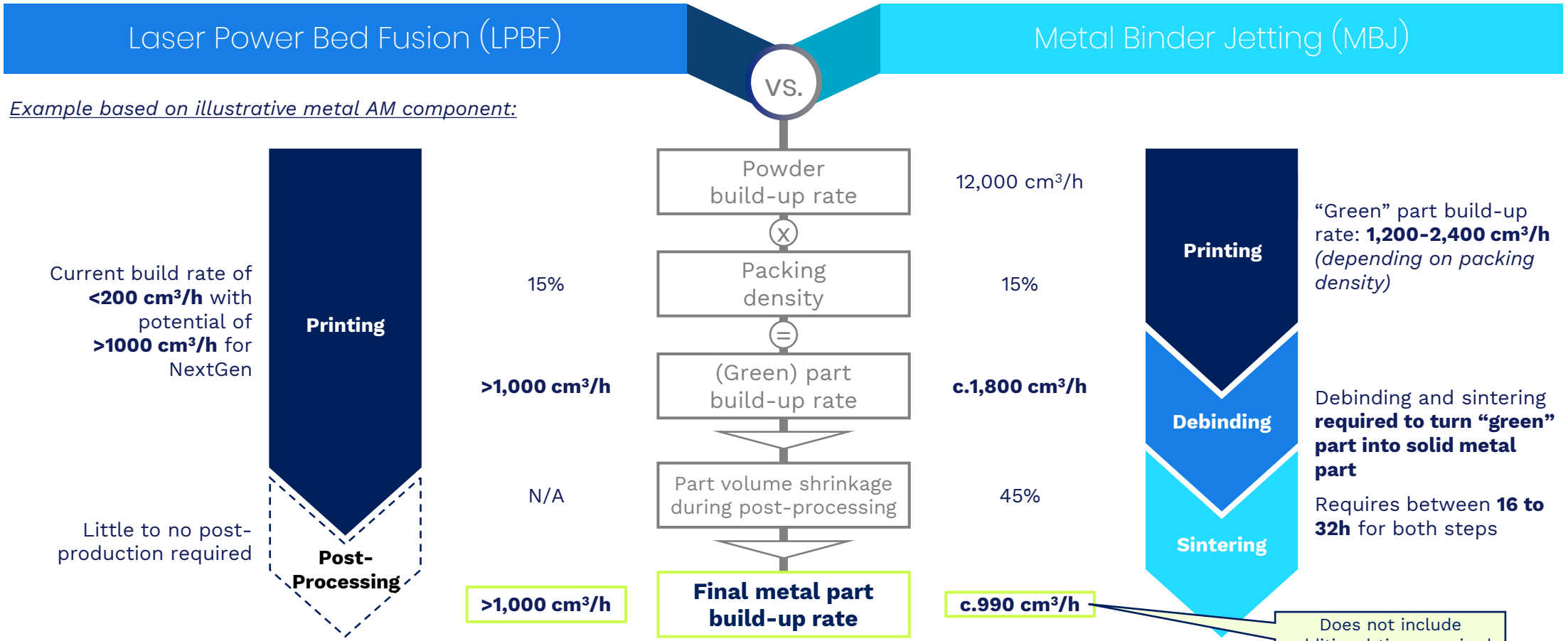
Better quality, material range and geometric freedom

Laser Power Bed Fusion (LPBF)		Metal Binder Jetting (MBJ)
	Quality	
▪ **High** mechanical properties and **extreme accuracy** ▪ **High** density and **low** porosity		▪ **Lower** mechanical properties, **lower** density and **higher** porosity vs. LPBF ▪ Complex sintering process with **many unknown effects** and **low first-time-right availability**
	Material range	
▪ **Wide** range of materials		▪ Currently, material choice **limited**
	Geometric freedom	
▪ Size **only constrained by machine chamber size**, suited for a wide range of thickness ▪ **Controlled** part shrinkage and part distortion possible		▪ **Limited** size and minimum thickness of parts ▪ **Shape limitations** due to debinding and sintering ▪ **Uncontrolled** creep deformation possible
	Productivity	
▪ Solid metal parts are produced directly, in a **single process** **Printing** → **Post-Processing**		▪ **Multi-step process** – solid metal parts are only created during last step of sintering ▪ **Build-up rate significantly lowered** by shrinkage – debinding and sintering required to turn “green part” into metal part **Printing** → **Debinding** → **Sintering**

Source: AM Power, SLM

NextGen LPBF at least as productive as MBJ…

…while keeping its advantage in material properties



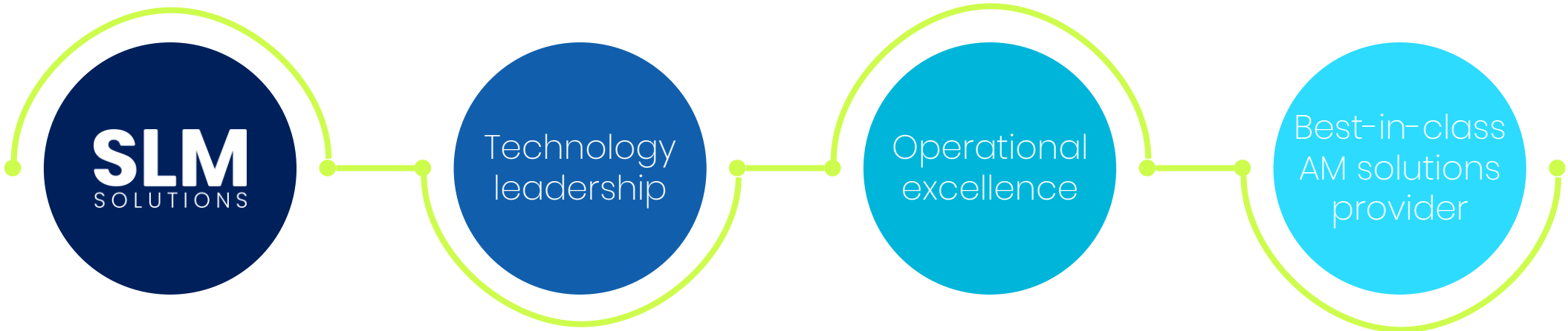
Source: AM Power; Company disclosure; SLM; Wielage, B. et al. (2010). *Utilisation potential of water-atomised metal powders for thermal spraying*.
Note: Compares NextGen LPBF technology with latest single pass MBJ machines. Packing density based on illustrative metal AM component.

SECTION 4

Why SLM will continue to lead

SLM Solutions is the leader in Metal AM

Enabling long-term sustainable growth



Our company has formed the metal additive industry since the beginning.

We continue to push the limits of additive manufacturing and thereby expand our technology leadership.

Given our vast industrial experience, we deliver world-class operations.

The success of our customers is our success.

SLM Solutions – a technological pioneer active in the AM space for more than 50 years[-1)]

Corporate Milestones

1960s: Introduction of prototype tooling technologies by MCP Group, the precursor to SLM Solutions

2006: Founding of the operating company SLM Solutions GmbH

2014: IPO of SLM Solutions Group AG

2016: Failed takeover attempt by GE

2018: Move into new HQ in Lübeck

2019: Appointment of new management team and board

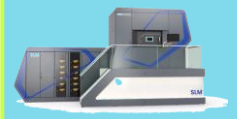
1960s–70s ... 1996 2000 2005 2010 2015 2020

Technology Advances

1996: Co-inventor of Selective Laser Melting base patent

2011: Launch of the SLM®280 Twin Production Series

2013: Launch of the SLM®500 Production Series



2020: Commercial launch of NXG XII 600 Multi laser machine

2003: Launch of the first selective laser melting system in the market, the SLM®250

First to the market with twin (SLM®280) and quad (SLM®500) laser technology

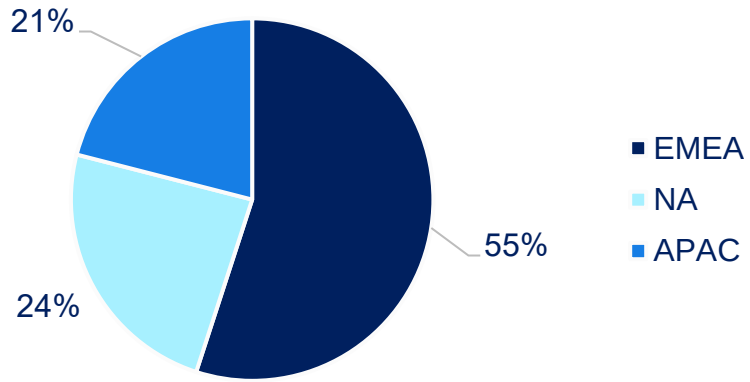
2017: Launch of the SLM®800 Production Series

(1- timeframe includes activities within the MCP Group out of which SLM Solutions was split off

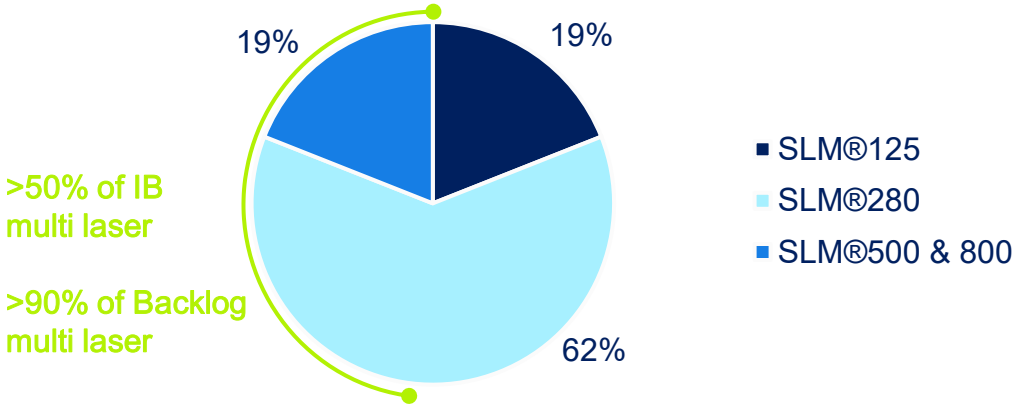
>650 machines installed globally

Serving a broad range of blue chip customers

Installed base by region



Installed base by machine type



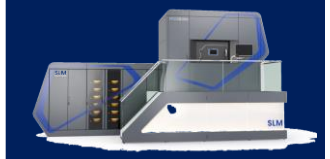
Source: SLM
Note: Installed machine base as of end 2020

Serving more than 150 blue chip customers

including **Fortune 500** companies, **Dax30** companies, some of the **largest OEMs** as well as leaders in **space exploration**, **aviation**, **electro mobility**, **motor racing**, **science**, and many more...

Rolls-Royce · EMERSON · BLUE ORIGIN · Honeywell · AIRBUS · BOEING · Baker Hughes · SAFRAN · BMW · PORSCHE · NASA · Ford

Technology pioneer with history of product innovation

	2009	2011	2013	2017	2020
	SLM®280 	**SLM®280** 	**SLM®500** 	**SLM®800** 	**NXG XII 600** 
Addressable Market	Prototyping, small series production				High volume, serial production
Chamber Size	280x280x365	280x280x365	500x280x365	500x280x850	600x600x600
Laser	Single	Twin	Twin & Quad	Quad	12
Build Rate cm³/h	**Up to 88**	**Up to 88**	**Up to 171**	**Up to 171**	**>1,000**

Larger building platform + higher build rate imply >500% productivity increase

The superior efficiency level of the NXG XII 600 machine enables SLM to target a new market
Development cycle for NextGen machine is >5 years.

Source: SLM

SLM's NXG XII 600 machine is a game changer for the entire AM industry

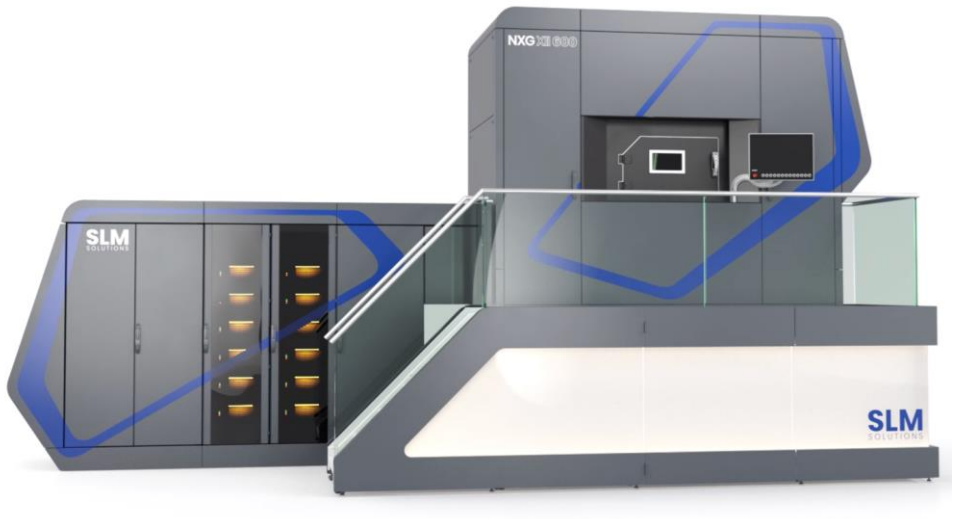
12 lasers designed for serial production

20x faster
than a standard single laser system

5x faster
than the SLM quad-laser machine

Designed for
serial production

Optimized for large parts and
high-volume production



12 Lasers
1000 Watts each

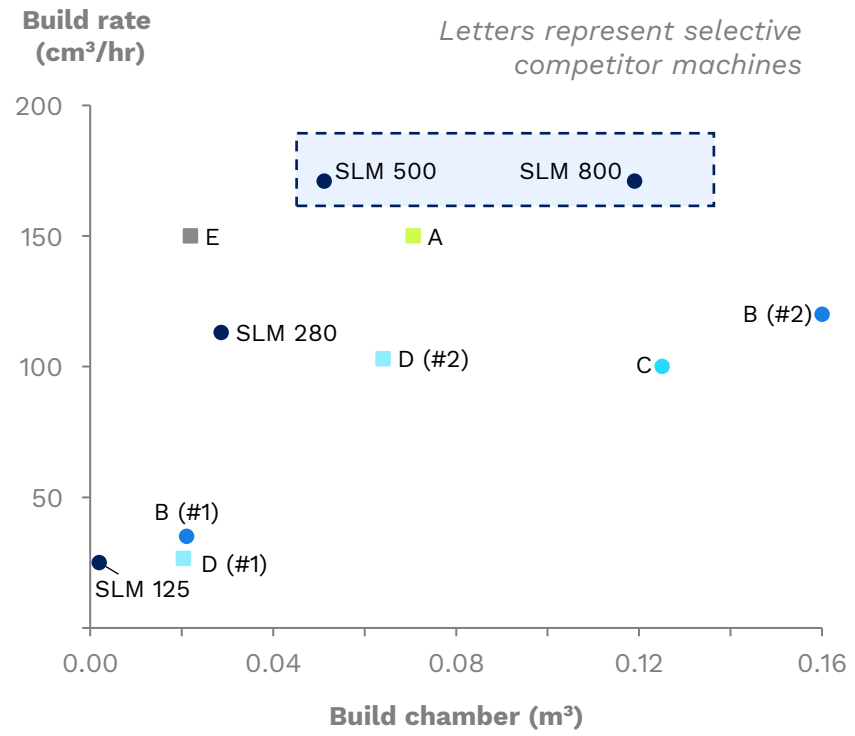
Zoom function
build up rate up to 1000 cm³/h

Capable of
large layer thickness

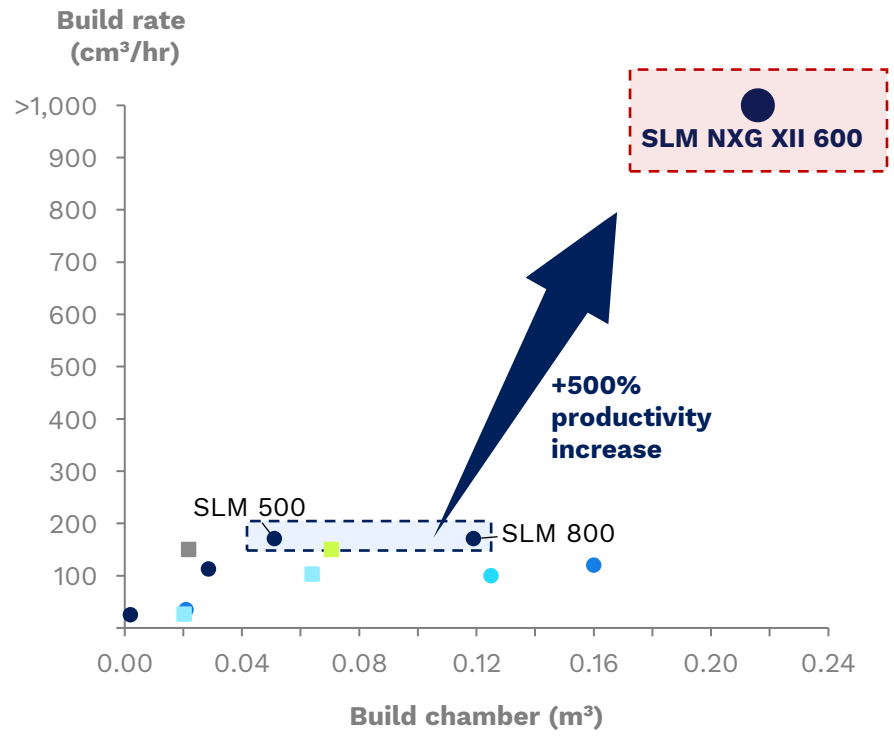
Fine features and
delicate patterns possible

NXG XII 600 is moving metal AM economics to a completely new level

SLM's current generation of machines is already at the top level of productivity for Metal AM machines...



... but SLM's NextGen machine will be a gamechanger



Source: Company information, SLM research

Team

Leadership with extensive industry track record

Sam O'Leary
CEO
Since Dec-2019
(CEO since Jan-2021)

- GE Additive Director of Product Management
- Prior: GE Power Supply Chain Strategy Leader

Dirk Ackermann
CFO
Since Jun-2020

- Senior Finance Manager at GE
- Prior: Finance Manager in various segments and locations of GE

André Witt
General Counsel & Interim management board member
Since Sep-2020

- Senior Legal Manager at Siemens Gamesa
- Prior: Senior Legal Manager at Senvion GmbH

VP Engineering & Technology
former GE
since Jan-2020

Service & Application ★
former Rockwell Collins
since Sep-2020

CMO ★
former Draegerwerke
since Apr-2020

Global Sales & GM North America
former ExOne, 3D Systems
since Feb-2021

Product Management ★
former Trumpf
since Sep-2020

Global Supply Chain
former Airbus
since Jan-2020

GM India
former GE
since 2016

GM China and Singapore
former Norican
since Dec-2018

Quality Management ★
former Draegerwerke
since Jan-2020

Global HR ★
former Senvion
since Oct-2019

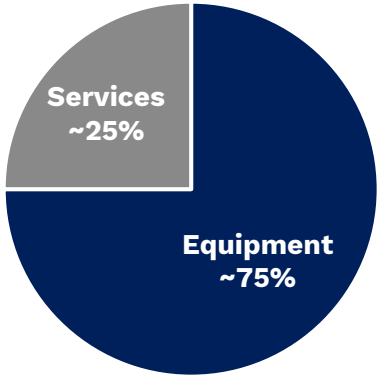
Experienced management team driving best in-class processes across the organization

★ Refers to positions having been created by new management team.

Increased focus on services

Acceleration of service revenues while boosting profitability

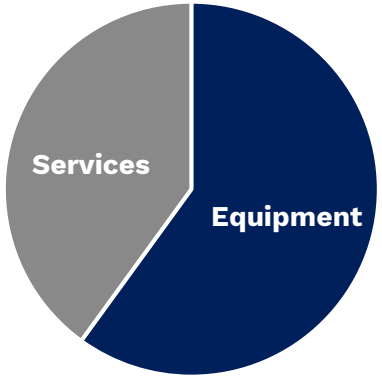
Historically, limited focus on services



- **Limited focus** across company, main goal to sell machines
- **Customer success not a KPI**, limited collaborations with customers
- Current **machine generation with low powder consumption** given application in prototyping and small series production

Share expected to significantly increase going-forward

Gradual increase of service revenue over next years



- **Our customers' success is our success**
- **Increased alignment of revenues** to criteria important to our customers
- **NXG machines requiring significant powder supply** given large series production
- **Mandatory service contracts** on NXG machines to ensure customer success

SECTION 5

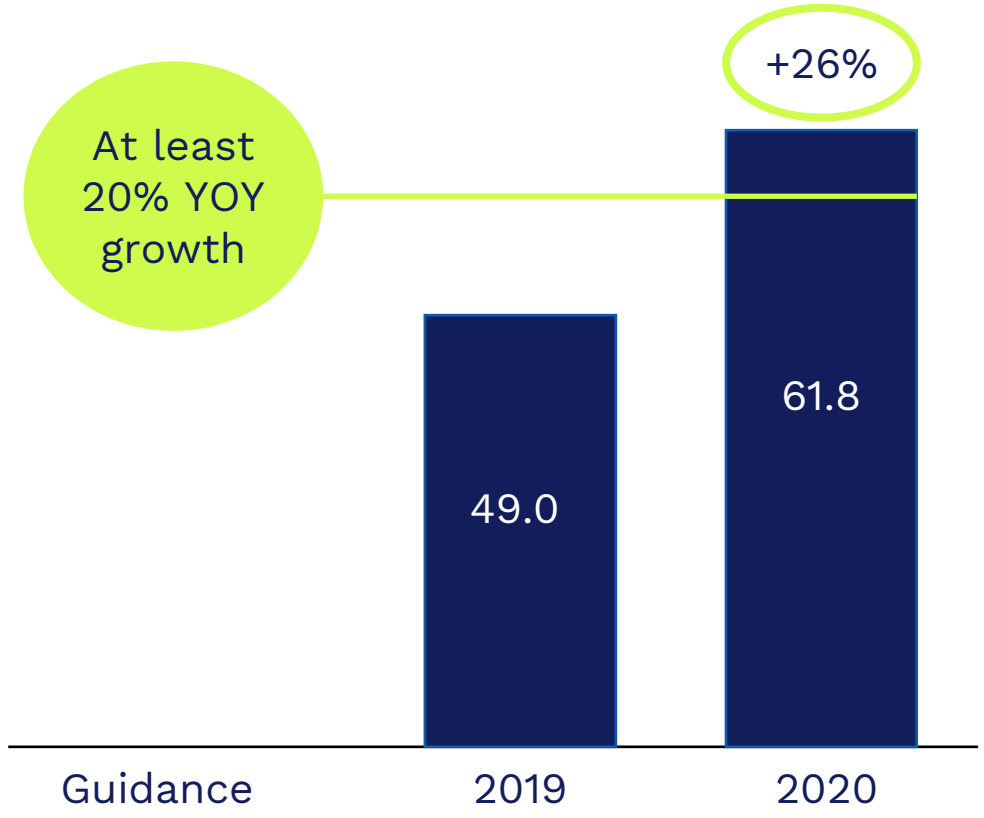
Financial overview

Successful target delivery

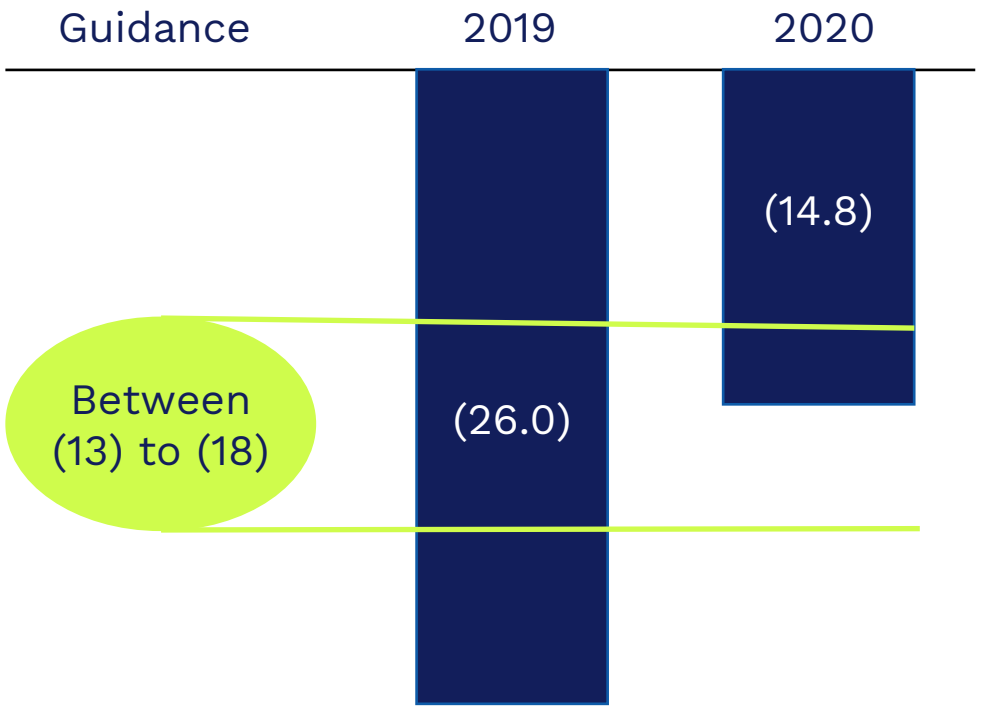
Continued progress on turnaround path

in €m

Revenue



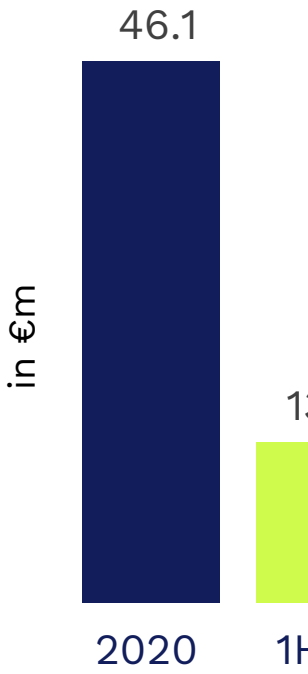
EBITDA



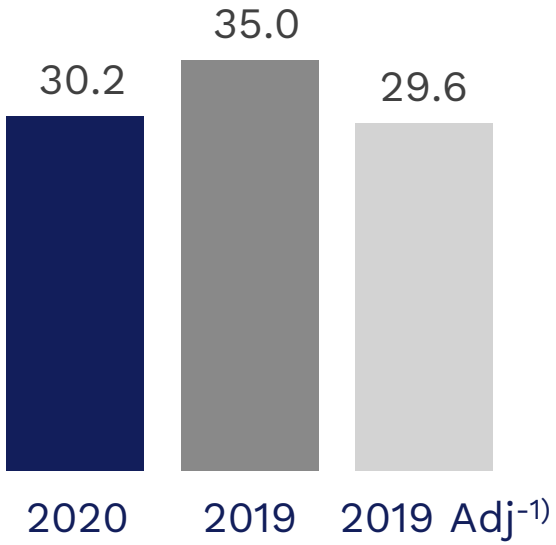
Strong operational performance

Solid foundation to continue growth story

Order In-take



Backlog



- Order-Intake in 2H more than doubled vs 1H reflecting ongoing improvement in key markets & industries
- Backlog up YoY-2) if €5.6m adjustment in 2Q20 considered

Selected Financials

in €m	2020	2019	Change
Machines Revenue	45.1	35.1	28%
After Sales Revenue	16.6	13.8	20%
Gross Profit	53%	53%	0pt
Personnel expenses	(35.6)	(31.9)	12%
Other Exp. & Income	(13.0)	(17.6)	(26)%
EBITDA	(14.8)	(26.0)	(43)%
Op. Cash-flow	(3.4)	3.5	U
Working Capital	24.4	36.8	(34)%
Cash	18.9	25.5	(26)%

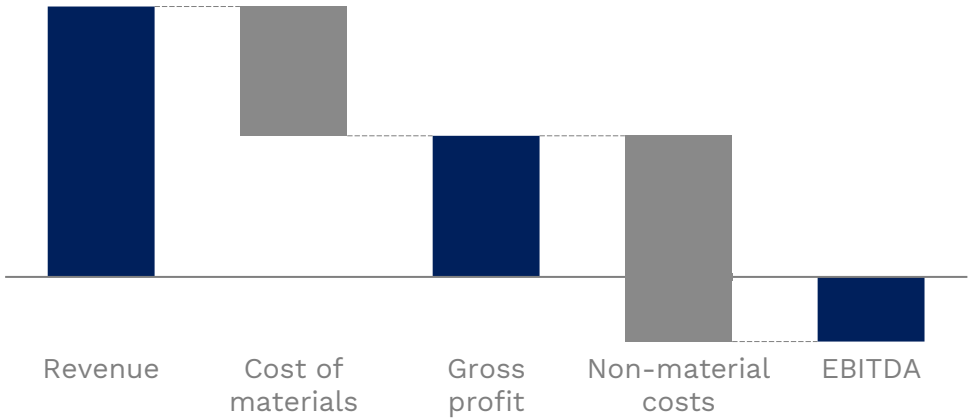
- Personnel expense ↑ due to hiring of key talent
- Other expense ↓ due to more cautious spending
- Working Capital ↓ due to operational excellence initiatives, increase in 2021 due to NXG ramp-up
- Initiated 2nd tranche of convertible 2020/26 (€15m) to strengthen balance sheet

F = Favorable (change >100%); U = Unfavorable (change <(100)%) (1- includes €5.6m of backlog adjustments performed in 2Q20 2-) Year-over-year

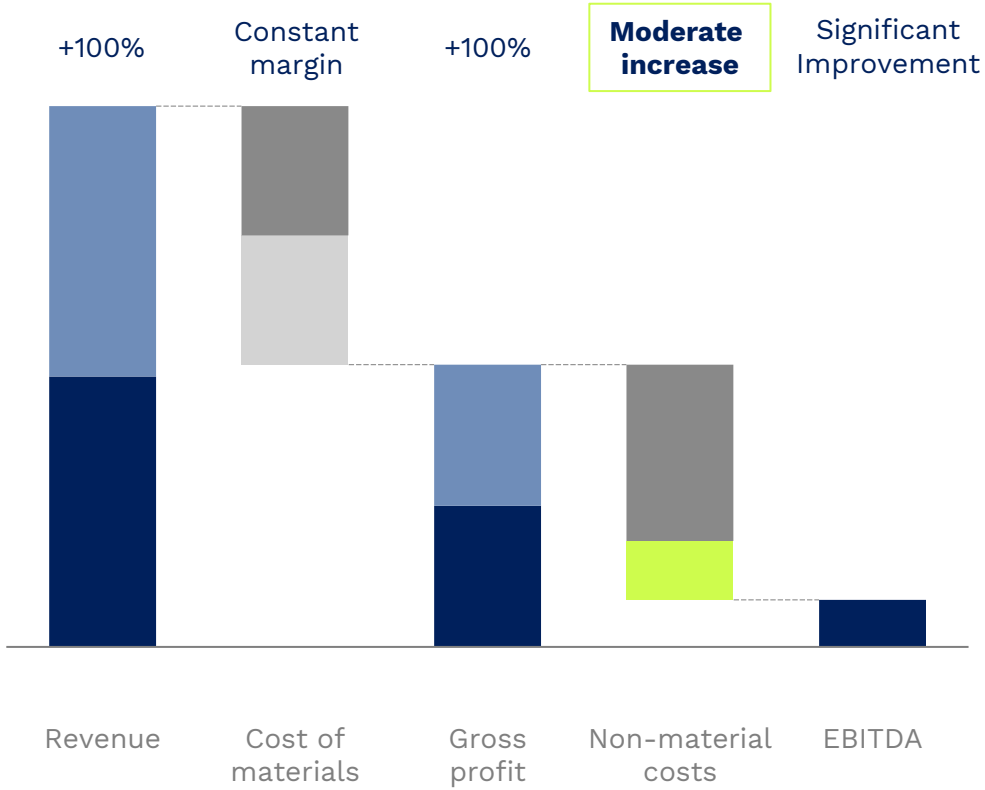
Path to growth and profitability

High operating leverage & NXG introduction

Currently: **Negative EBITDA largely driven by high non-material costs (R&D, admin) relatively to revenue**



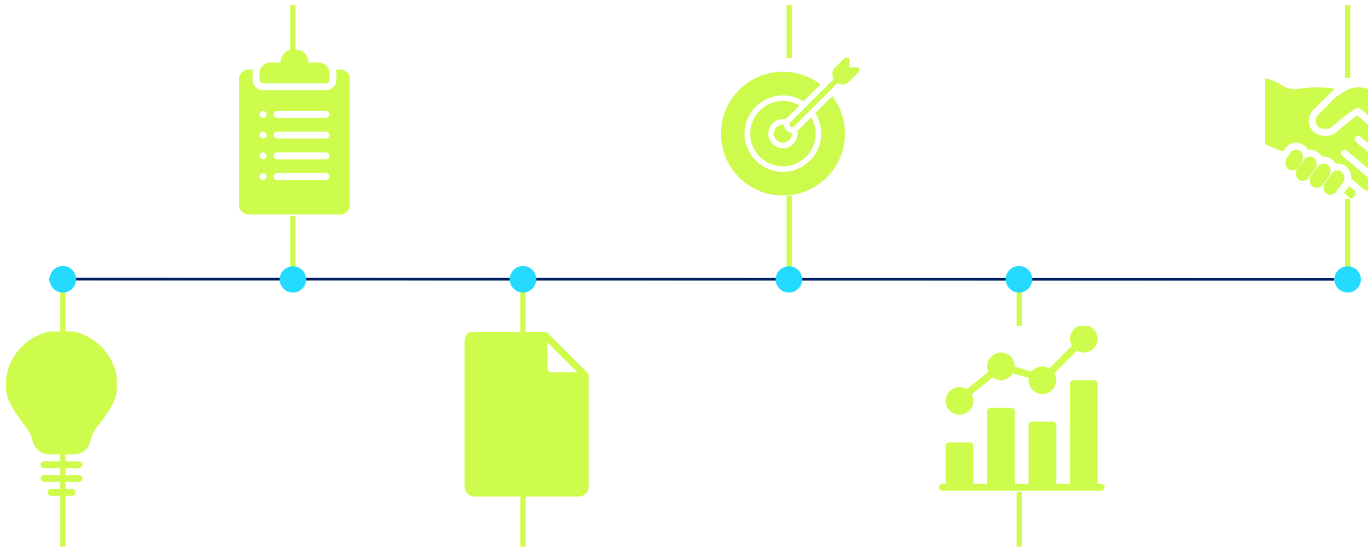
Illustrative: **Revenue increase resulting in significant operating leverage due to decoupling of non-material costs**



NXG XII 600: Inquiry to Order (ITO) Customer Journey

>25k
Launch landing page visits

~50
dedicated customer meetings



Product Introduction

Business Case and technical requirements

MoU / Reservation fee

Reported as committed units

Technical acceptance criteria

Benchmark builds and analysis

Machine configuration and contract

Reported in backlog

Typical ITO time: ~ 6 months

Current commitments cover a significant portion of the 2022 manufacturing capacity

Guidance & long-term view

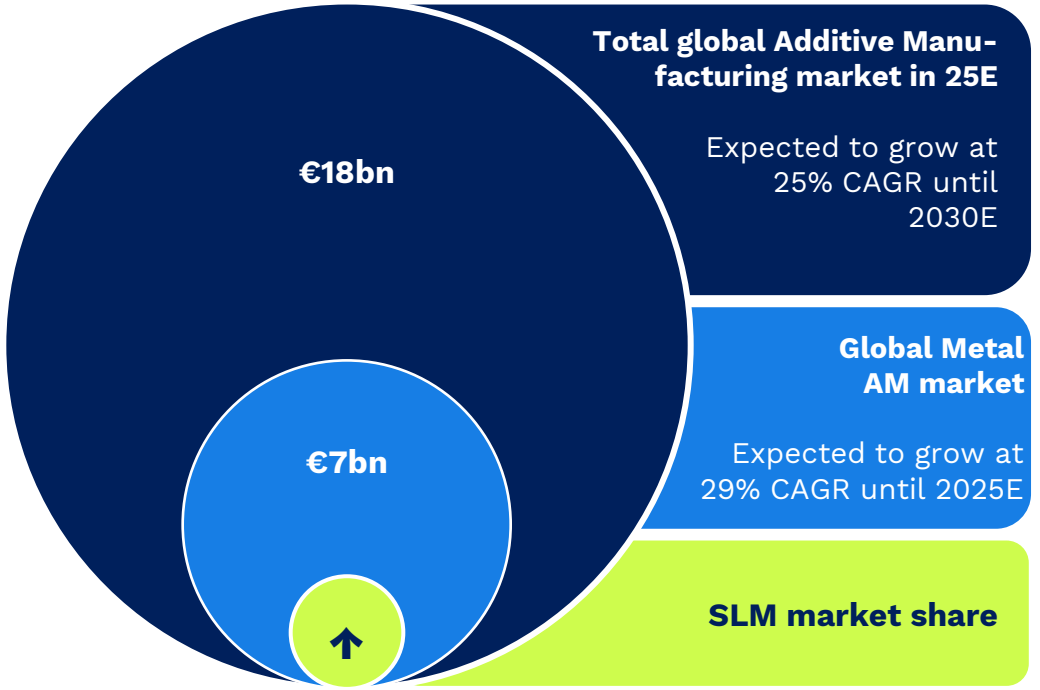
Continued progress on turnaround path

2021 Guidance

	2020	2021	2022 +
Sales	€61.8M	at least 15% YoY[-1)] growth	Further acceleration
EBITDA	€(14.8)M	Further improvement	

Assuming no drastic deterioration of the current COVID-19 situation.

2025E expected market size



Source: SLM, Wohlers Report, AM Power Report 2020

1-) Year-over-year

SECTION 6

Industry Peer Comparison

SLM in Perspective

SLM with superior technological capabilities

	SLM SOLUTIONS	Velo3D	Desktop Metal[1]
Technology	Powder Bed Fusion	Powder Bed Fusion	Binder Jetting
Support Free	Yes	Yes	*Not applicable*
Applications	Production of high value / high complexity metal parts	Production of high value / high complexity metal parts	Mass production of low-cost / low complexity parts
Industry Diversification	Aerospace, auto, energy, medical, research	Aerospace, energy	Auto, general industry
IP Portfolio	>400 publications >130 granted patents	<50 granted patents	~120 publications
Technology Heritage	20 years	7 Years	6 Years
Machine Portfolio	5 (1 to 12 lasers)	2 (2 to 8 lasers)	3
Maximum Build Size	600 mm X 600 mm X 600 mm 40% Larger than Velo	Ø 600 mm x 550 mm	490 x 380 x 260 mm
Proven Productivity	>1,000 cc/h	<100 cc/h	~1,000 cc/h

Source: SLM, Velo3D disclosure, Desktop Metal disclosure
Note: 1) Focus on Desktop Metal's binder jet printing segment.

SLM in Perspective (cont.)

SLM with significantly more advanced fundamentals

	SLM SOLUTIONS	Velo3D	Desktop Metal[1]
Installed Base (# machines)	>650	<50	Production System release H2 21
Market Share (%)	>10%	<3%	*Not applicable, different market*
Employees (#)	>450	~100	~300
In-house Manufacturing	Yes	No	No
Global Sites (#)	4	1	1
Direct Global Sales	Yes	No	No
Revenue 2020 (€m)	€62m	~€16m	~€14m
Revenue Growth 2020 (%)	26%	21%	-38%

Source: SLM, Velo3D disclosure, Desktop Metal disclosure
Note: 1) Focus on Desktop Metal's Binder Jet segment.