Disclaimer

This Presentation has been produced by SLM Solutions Group AG (the “Company”), has not been verified independently, and is provided for information purposes only.

This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which the Company operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements, including assumptions, opinions and views of the Company or cited from third party sources, contained in this Presentation are solely opinions and forecasts which are uncertain and subject to risks. A multitude of factors can cause actual events to differ significantly from any anticipated development. Neither the Company nor any other person guarantees that the assumptions underlying such forward-looking statements are free from errors, and neither the Company nor any other person accepts any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments.

No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor any of its affiliates nor any of their respective officers, employees or advisers accepts any liability whatsoever arising directly or indirectly from the use of this document.

By reviewing this Presentation you acknowledge that you will be solely responsible for your own assessment of the Company, the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

This Presentation speaks as of August 13, 2020. Nothing shall under any circumstances create any implication that there has been no change in the affairs of the Company since such date. The Company disclaims any obligation to update or revise any statements, in particular forward-looking statements, to reflect future events or developments.

This Presentation is not a securities prospectus and does not contain all information with regard to the Company and/or its securities that may be essential to make an investment decision with respect to the Company’s securities. An investment decision must be based solely on any related securities prospectus that is made available on the Company’s website in the future. Such prospectus will also include a description of the risks specific to the situation of the Company and/or the offered securities which are material for the taking of any investment decisions.

This Presentation does not constitute or form part of and should not be construed as an offer or invitation or recommendation to, purchase or sell or subscribe for, or as any solicitation of any offer to purchase or subscribe for, any securities of the Company, in any jurisdiction. Neither this Presentation, nor any part thereof or anything contained or referred to therein, should form the basis of or be relied on in connection with, or serve as an inducement in relation to, a decision to purchase or subscribe for or enter into any contract or make any other commitment whatsoever in relation to any such securities.

The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state in the United States of America and may not be offered or sold in the United States of America, except pursuant to an applicable exemption from registration.
2Q/1H 2020 – What went well and what did not?

While COVID-19 has weighed on SLM’s business in H1 2020, the global crisis has increased the visibility of AM to facilitate reshoring of mass manufacturing and de-risking of supply chains.

**+**
- Continue to grow revenue in COVID-19 environment. Sales up 90% increase y-o-y in H1
- Taking active measures to improve order backlog
- Minimum impact on the company during shutdown and during short-time work
- Improved cost and cash position
- NextGen on schedule and the launch is set for November 2020
- More customer activities after month of May and improved visibility

**-**
- Delayed customers’ projects due to COVID-19
- Limited in-person customer interaction; some will remain working remotely through 2020
- Aviation and Oil & Gas industries with prolonged recovery (likely post 2021)
- Machines order intake -38% y-o-y due to COVID-19 crisis
- Orders impacted by timing
# Financial Performance

**Continued turnaround of business despite significant challenges due to COVID-19**

<table>
<thead>
<tr>
<th>Financial KPIs</th>
<th>2Q20</th>
<th>VPY</th>
<th>1H20</th>
<th>VPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders -1)</td>
<td>10.7</td>
<td>(38)%</td>
<td>13.7</td>
<td>(34)%</td>
</tr>
<tr>
<td>Backlog -1)</td>
<td>19.2</td>
<td>31%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>13.3</td>
<td>47%</td>
<td>31.2</td>
<td>90%</td>
</tr>
<tr>
<td>Machines</td>
<td>10.3</td>
<td>93%</td>
<td>23.8</td>
<td>F</td>
</tr>
<tr>
<td>After Sales</td>
<td>3.1</td>
<td>(18)%</td>
<td>7.4</td>
<td>6%</td>
</tr>
<tr>
<td>Total Output</td>
<td>13.6</td>
<td>45%</td>
<td>32.1</td>
<td>75%</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>57%</td>
<td>12pt</td>
<td>56%</td>
<td>14pt</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(7.6)</td>
<td>(18)%</td>
<td>(17.4)</td>
<td>(1)%</td>
</tr>
<tr>
<td>Other Exp. &amp; Income</td>
<td>(2.9)</td>
<td>(49)%</td>
<td>(6.7 )</td>
<td>(24)%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(3.0)</td>
<td>(72)%</td>
<td>(6.0 )</td>
<td>(68)%</td>
</tr>
<tr>
<td>EBITDA %</td>
<td>(22)%</td>
<td>93pt</td>
<td>(19)%</td>
<td>84Pt</td>
</tr>
<tr>
<td>Op. Cash-flow</td>
<td>(2.3)</td>
<td>U</td>
<td>(3.9 )</td>
<td>U</td>
</tr>
<tr>
<td>Working Capital</td>
<td>37.3</td>
<td>(22)%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Commentary**

- Order-intake in 1H20 impacted by COVID-19 restrictions while backlog remained healthy despite adjustments (see separate page), experienced uptick in activity at the end of 2Q20
- Revenue almost doubled in 1H20 VPY driven by machines sales, after sales impacted by reduced machine run-time due to COVID-19 lockdowns
- Gross Profit improvement driven by better pricing discipline for new deals & supply chain improvements
- Personnel expenses ↓ in 2Q20 driven by state aid programs in Germany & US (€1.2M)
- Improvement in other expenses in 2Q20 mainly driven by lower A/R write-offs (€1.1M), reduced travel expenses (€0.5M) and more focused marketing spend (€0.3M)
- Op. Cash-Flow in 1H19 mainly driven by A/R improvement (€16.4M)
- Working Capital ↓ demonstrating better operational rigor across inventory & A/R (see separate page)

---

1) Related to machines sales, corresponding revenue will be partially recorded as after sales revenue
F = Favorable (change >100%); U = Unfavorable (change <(100)%)

---
Order Backlog

*New process implemented to adjust backlog to give investors better indicator of near-term performance*

---

**Commentary**

- Implemented new process to continuously review order backlog
- If customer down-payment is overdue, assessment of financial health, payment history & overall deal structure (i.e. public funds) is performed
- If customer cancellation or inability to pay are assessed with a probability of at least 75%, order is removed from backlog
- Removed orders totaling 6 machines and €5.6M overall value mainly based on customer liquidity concerns despite no order cancellations received
- Orders might be re-added to backlog if required down-payments are received
- Adjusted backlog will provide investors with a better insight of future performance

---

**Backlog Walk from 1Q20 to 2Q20 in €M**

<table>
<thead>
<tr>
<th>1Q20</th>
<th>New Orders</th>
<th>Usage/FX</th>
<th>Adjustment</th>
<th>2Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.7</td>
<td>10.7</td>
<td>-9.6</td>
<td>-5.6</td>
<td>19.2</td>
</tr>
</tbody>
</table>

---

**Despite the challenging times and the performed corrections, backlog increased 31% if compared to the level at 30 June 2019**
Working Capital

More operational rigor already visible in financials, expect further improvements going forward

Working Capital Development

What Has Changed vs. the Past

Accounts Receivables

- Focus on upfront screening of customer health & improved payment terms with higher down-payment amounts
- Weekly past due calls w/ better coordination across departments
- Process adjustments to improve billing quality driven by system limitations

Inventory

- Moved from Make-to-Stock to Build-to-Order process in 2H19
- Improved rigor in inventory management focusing on safety stock levels, lead times & supplier relationships
- Line-by-line review & definition of action plans for aging items
- Implementation of Tableau dashboards to allow real-time monitoring

Accounts Payables

- Achieved price & payment terms improvement with key suppliers
- Started to centralize indirect spend to improve payment terms, # suppliers & overall spend
- Lower A/P balance VPY driven by better control of direct material spend

HC intensity significantly improved over last year driven by more efficient operations despite not all changes yet reflective in numbers

1) Working capital intensity calculated as working capital divided by revenue in the last twelve months
NextGen Machine Will Deliver Game-changing Revolution in the Application of Metal AM Into Mass Manufacturing

NextGen Machine to Pave the Way for AM Industrialization

**Exceptional performance** with state-of-the-art multi-laser technology and numerous innovations beyond current standards

**Superior productivity** on large format with square build plate

**Setting new industry standard** enabling cost efficient mass production

First time a metal AM printer enables cost efficient mass manufacturing paving the way for an industrialization of the technology

Driving transformation of supply chains serving the increasing demand for localization and flexibility of production capacities

Global launch event in November 2020

**Multichannel Launch**

- **Digital launch event** from SLM Headquarters with global reach
- **VIP events** for customers, press and financial community
- **Digital marketing campaigns**

Combination of global digital launch event and booth presence at FormNext 1)

1) Depending on further development of COVID-19 situation
COVID-19 slowed our plans, but we are well positioned for growth when the market picks up.

Current environment likely to accelerate demand for AM in the long-term to facilitate reshoring and flexibility of mass manufacturing.

SLM’s NextGen machine on track for launch in November 2020.

Great progress on products’ industrialization with availability >90%.

### Guidance

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>Change</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€49m</td>
<td>Significant improvement</td>
<td>20%+ VPY(^1)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Negative €26m</td>
<td>Significant improvement</td>
<td>Negative €13-18m</td>
</tr>
</tbody>
</table>

\(^1\) Versus prior year

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