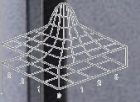


SLM
SOLUTIONS



Q1 2020 Earnings Presentation

May 7, 2020

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Q1 2020 – What went well and what did not?

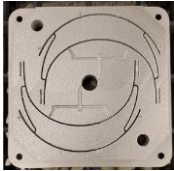


- Best Q1-Revenue of the company's history with EUR 17.8m in sales representing a 143% increase y-o-y
- Further Working Capital improvements driven by continuous focus on inventory and rigorous operations
- SLM® machine export not affected by COVID-19 trade restrictions¹
- NextGen development on schedule and not interrupted despite COVID-19 crisis and 3 weeks company shutdown
- Conclusion of financing agreement regarding issuance of up to approx. EUR 60m convertible bonds starting in June 2020 until Sept 30, 2023 to ensure financial flexibility and to support development projects
- New CFO onboard June 1st, 2020



- Machines order intake (16%) y-o-y due to COVID-19 crisis
- Delayed customers' projects due to COVID-19
- Uncertainty of the COVID-19 impact and duration
- Two major market segments impacted hardest: Aviation and Oil & Gas

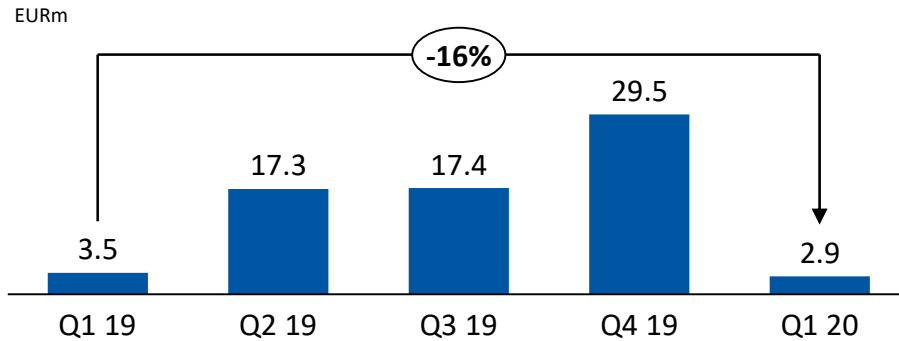
COVID-19 deferred orders, but no impact on NextGen development; SLM is actively contributing to the fight against the virus

Topic	Impact	Comment	Additive Alliance Against Corona	
End-markets	Medium	<ul style="list-style-type: none"> ✗ Order intake negatively affected due to: <ul style="list-style-type: none"> – Customer / market uncertainty and customer availability – Travel restrictions and tradeshows cancellations ✓ Most of the orders/projects are on hold and are not cancelled ✓ Customers continue to plan for post COVID-19 ✓ COVID-19 crisis is driving narrative supply chain localization 	Target	<ul style="list-style-type: none"> Actively contribute to overcoming the COVID-19 crisis Convince market on AM technology and its advantages
Production	Medium	<ul style="list-style-type: none"> ✗ 3-week stop of production at HQ ✓ Since April 20, 2020 100% operating status 	Initiative	<ul style="list-style-type: none"> Connect local and global players in the industry Involvement of young talent and academic institutions
R&D	Low	<ul style="list-style-type: none"> ✓ NextGen development team was not affected by closures and project schedule is on time 	Example of SLM® technology and partners	<ul style="list-style-type: none"> Printing jobs for injection mold in the US
Supply Chain	Low	<ul style="list-style-type: none"> ✓ Primarily localized supply chain, negligible impact on procurement ✓ Safety stock increase for high risk and long lead time items 		 <ul style="list-style-type: none"> BEAMIT Rosswag Burgmaier Fraunhofer University of Braunschweig University of Central Florida ...

The leadership team is closely monitoring the development of the COVID19 situation

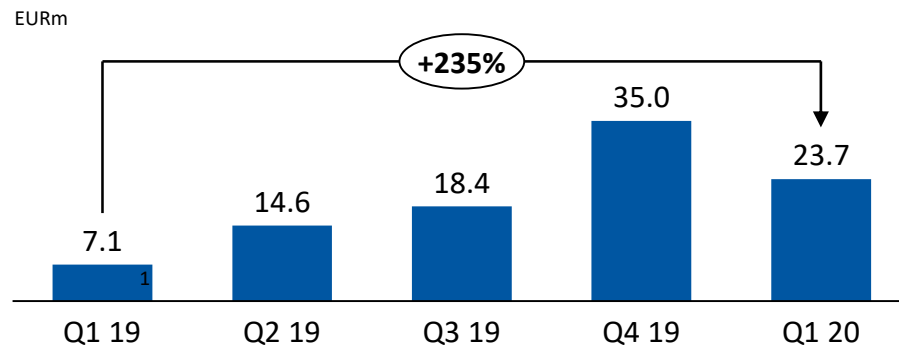
Slowed order intake y-o-y while order backlog remains strong

Machine related order intake



- Machine related order intake slowed down -16% y-o-y due to the global COVID-19 crisis.
- In Q1 2020 seven machines were sold to customers (seven machines in Q1 2019)
- Average selling price decreased to EUR 421k in Q1 2020 (EUR 500k in Q1 2019) due to machine split

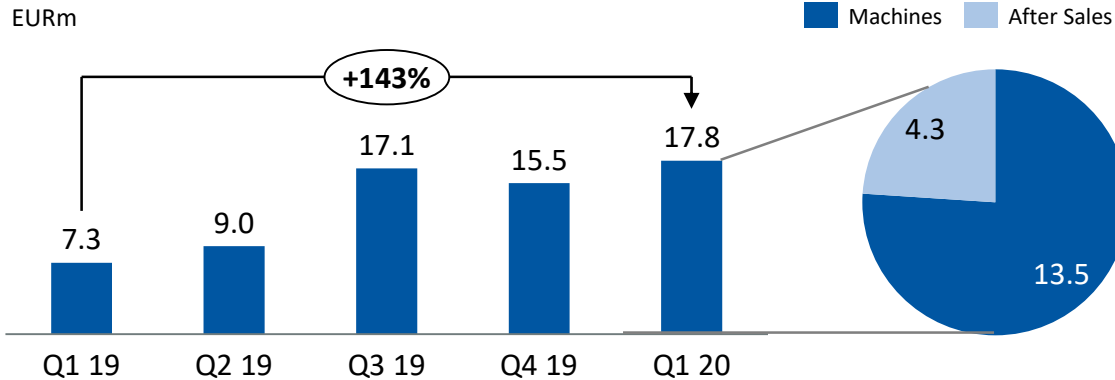
Machine related order backlog



- Still strong order backlog after an impressive order backlog in Dec 2019
- Solid order backlog provides comfort for the second quarter 2020

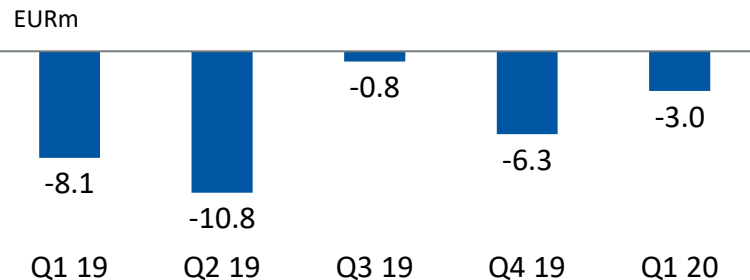
Best ever Q1-Revenue

Revenue



- Best Q1-revenue ever with +143% revenue growth y-o-y to EUR 17.8m in Q1 2020
- Revenue growth mainly driven by execution of order backlog as of Dec 2019
- Machine business remains key driver with 76% of revenue; nevertheless After Sales is an important contributor

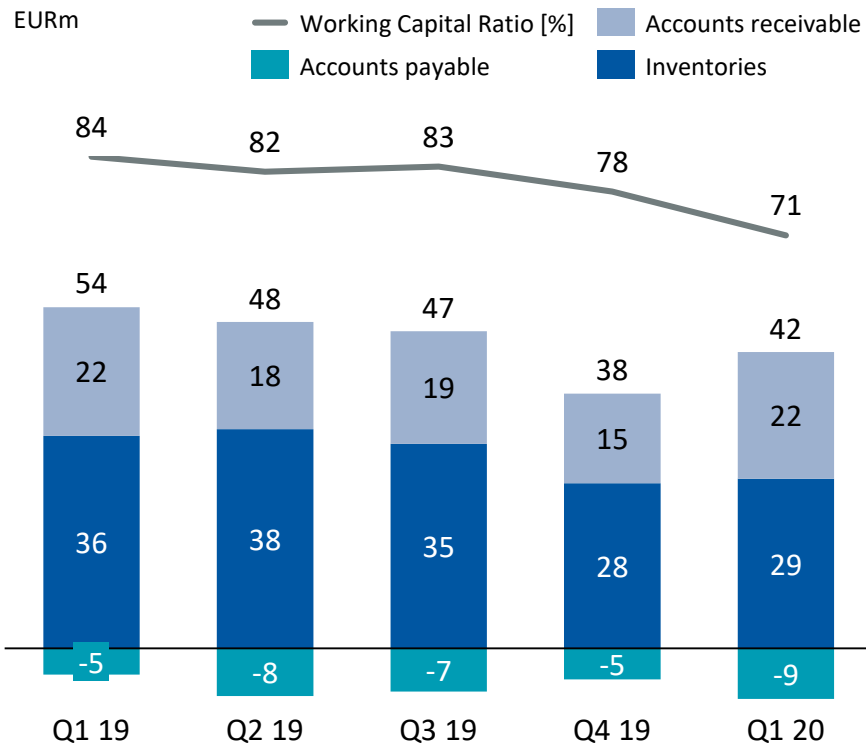
EBITDA



- EBITDA level significantly improved y-o-y but remains negative
- Personnel expenses increased by EUR 1.5m y-o-y; thereof majority is one-off

Continued Working Capital reduction progress

Working Capital

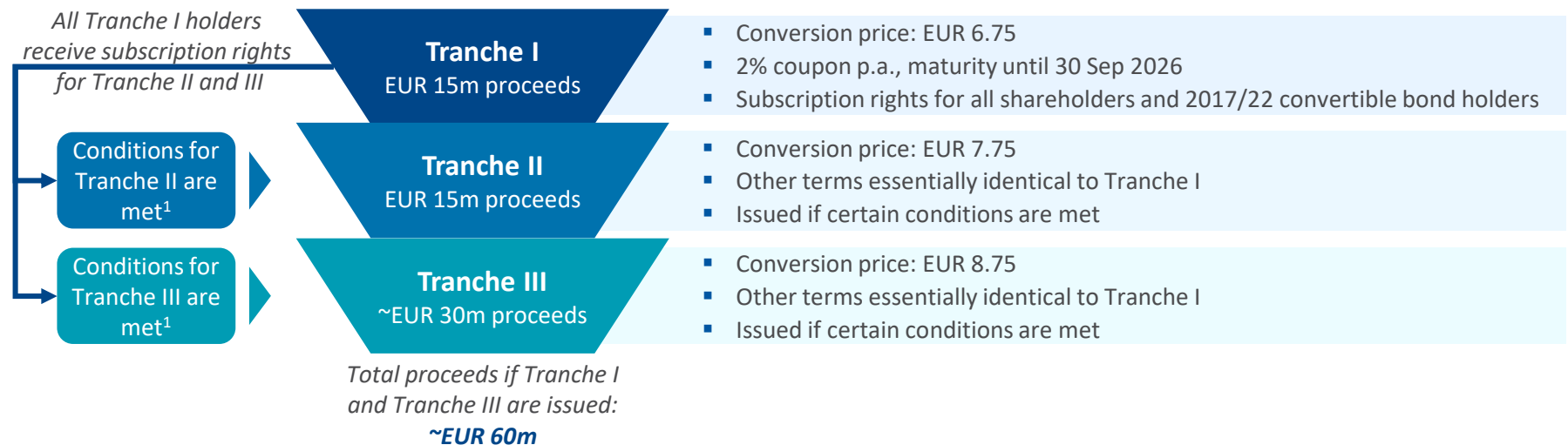


- Further Working Capital reduction of -22% y-o-y to a level of EUR 42.1m in Q1 2020
- As a function of working capital ratio a reduction of 13% y-o-y
- Receivable increase due to shipments close to quarter close, and associated contractual terms
- Inventories increased slightly in the period to ensure supply chain stability, and as a function of increased production volume
- Negative Cash Flow from operating activities of EUR -1.6m in Q1 2020 below EUR 1.6m in Q1 2019.
- Cash on hand in Q1 2020 is at EUR 20.3m

Continuous focus on working capital reduction

Approximately EUR 60m convertible bond issuance signifies continuous commitment by our largest shareholder

- 3-tranched convertible bond with tranches two and three being issued by SLM Solutions if certain conditions precedent are met, which mainly refer to the achievement of future growth targets of SLM Solutions
- Fully backstopped by SLM Solutions' largest shareholder, Cornwall GmbH & Co. KG, a company advised by Elliott Advisors (UK) Limited



Next steps

- Convertible Bonds will be offered only on the basis of a securities prospectus²
- Subscription period from June 26, 2020 to July 10, 2020

- ✓ Bolstering the liquidity position
- ✓ Supporting development projects

- ✓ Create additional financial flexibility
- ✓ Securing future company growth

Summary Highlights

1

Well positioned for growth when the market picks up

2

Near-term strategic focus is on topline growth and driving market share gains

3

SLM's next generation machine will be a key enabler for vast adoption

4

2019/20 are transition years to reset SLM on a path to growth

5

SLM's technological fundamentals remain strong - we will continue to invest in our technological leadership

6

Motivated workforce complemented by new leadership talent

Q&A

