

Q1 REPORT

2022

OUR MISSION:

TO EMPOWER YOURS



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FINANCIAL HIGHLIGHTS

	Units	Q1 2022	Q1 2021	Change (in %)
Revenue	kEUR	16,387	15,384	7%
Total Output	kEUR	23,751	18,052	32%
EBITDA	kEUR	(4,374)	(2,141)	(104%)
EBITDA margin (as a % of Revenue)	%	(27%)	(14%)	(92%)
Period Result	kEUR	(7,382)	(5,120)	(44%)
EPS	EUR	(0.33)	(0.26)	(26%)
Order Intake	kEUR	16,864	13,440	25%
Order Backlog	kEUR	48,960	31,211	57%

GROUP MANAGEMENT REPORT

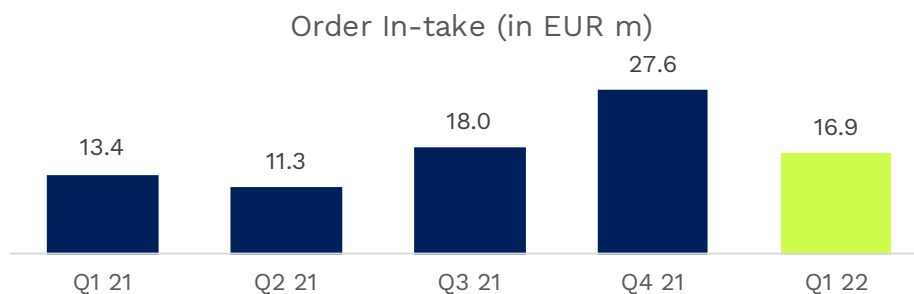
SLM Solutions Group AG ("SLM Solutions", "SLM" or the "Company") is a forward-thinking technology Company that has consistently created world firsts in the field of metal additive manufacturing. SLM Solutions has a proud technology heritage as one of the core inventors of the process and continues to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

OPERATIONAL PROFITABILITY

(in kEUR)	Q1 2022	Q1 2021
Revenue	16,387	15,384
Increase/decrease of finished and unfinished stock on hand	5,703	1,244
Other activated contributions	1,661	1,424
Total output	23,751	18,052
Cost of Material	(13,369)	(7,932)
Gross profit	10,382	10,120
Payroll	(10,994)	(9,061)
Other operating income	356	653
Other operating expenses	(4,119)	(3,853)
EBITDA	(4,374)	(2,141)

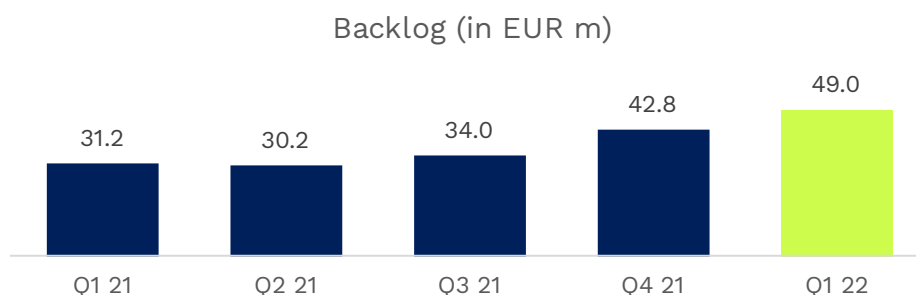
Orders

During the first quarter of 2022 SLM Solutions received orders amounting to kEUR 16,864 (Q1 2021: kEUR 13,440). The increased level of order intake is illustrative of the strength of the product portfolio, with orders from both existing and new customers. During the first quarter of 2022, a conditional order for the Company's NXG XII 600, received in December 2021 was converted to a firm order. Additionally, SLM Solutions also received an order for its NXG XII 600 from a defense company, further diversifying the customer base for the NXG XII 600 roll-out and underlining the value proposition of this system.



Backlog

SLM Solutions' order backlog position increased further driven by the strong order intake during the quarter as well as a lower than expected order fulfillment caused by material shortages. Accordingly, as of the end of March 2022, SLM Solutions had an order backlog of kEUR 48,960, 14% above the previous quarter (December 2021: kEUR 42,810), and 57% above the comparable quarter in 2021 (March 2021: kEUR 31,211).

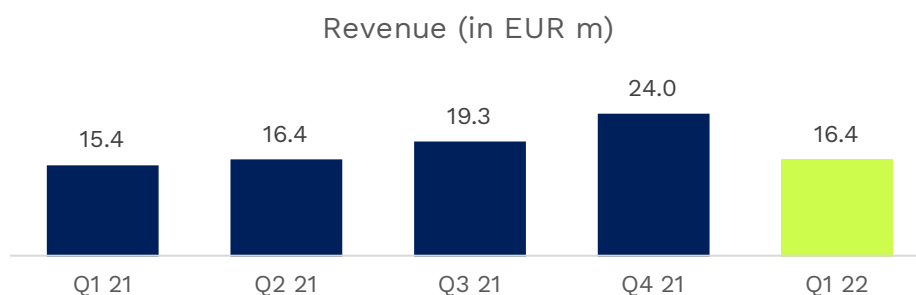


Revenue

During the first three months of 2022, SLM Solutions recorded revenues of kEUR 16,387, with the topline increasing by 7% as compared to the corresponding period in 2021 (kEUR 15,384). The Company's revenue can be segregated between its two operating segments – the Machine Business segment and the After-Sales Business segment.

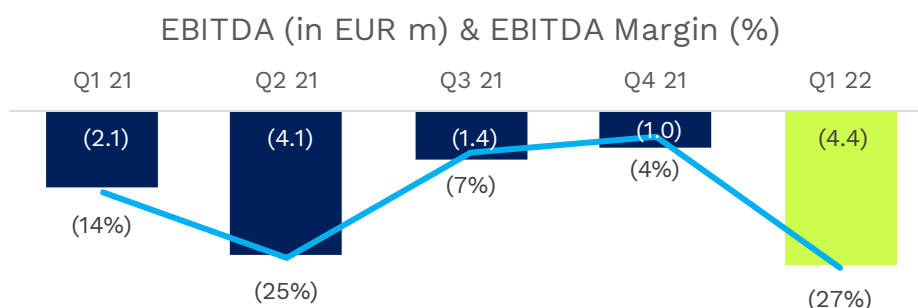
The Machine Business segment generated revenues of kEUR 11,380, increasing marginally over the corresponding period in 2021 (kEUR 11,240), despite several business headwinds. Due to the ongoing global supply chain disruptions, the Company experienced the delayed receipt of parts across all production lines which severely impacted its overall manufacturing process. As a result, the Company was not able to execute all planned order conversions.

The After-Sales Business segment generated revenues of kEUR 5,007, as compared to the same period in 2021 (kEUR 4,143). This increase was driven by a higher demand for consumables and ad-hoc services from existing customers.



EBITDA

The Company generated earnings before interest, taxes, depreciation and amortization (EBITDA) for the first quarter of 2022 amounting to kEUR -4,374 (Q1 2021: kEUR -2,141). This decrease vis-à-vis Q1 2021 was primarily driven by an underutilization of its production lines due to the ongoing supply chain challenges as well as an unfavorable product mix. The Company witnessed limited availability for various parts especially electronic components. SLM Solutions maintains a hands-on approach with regards to the ongoing supply chain disruptions and implemented a number of measures to minimize disruptions, including maintaining a higher safety stock level, reviewing options for alternative configurations as well as additively manufacturing parts on SLM systems. Driven by the above-mentioned factors, SLM Solutions' EBITDA margin was -27% for the first quarter of 2022 (Q1 2021: -14%).



FINANCIAL POSITION

Net Assets

(in kEUR)	31.03.2022	31.12.2021
Total current assets	72,603	79,775
Total non-current assets	70,853	69,261
Total assets	143,456	149,036
Total current liabilities	85,818	84,236
Total non-current liabilities	32,186	32,129
Total Liabilities	118,004	116,366

Total assets at the end of March 2022 amounted to kEUR 143,456 (Dec 2021: kEUR 149,036). This decrease was primarily due to a lower level of current assets amounting to kEUR 72,603 at the end of March 2022 as compared to December 2021 (kEUR 79,775). At the end of the first quarter of 2022, SLM had a lower liquidity position of kEUR 12,704 as compared to December 2021 (kEUR: 24,998) which was mainly driven by an inventory build-up for upcoming shipments including the first NXG XII 600 production machines. Consequently, SLM Solutions' balance of inventories at the end of March 2022 increased to kEUR 32,328 (December 2021: kEUR 25,842).

Total Liabilities as of March 2022 amounted to kEUR 118,004 as compared to year end 2021. (kEUR 116,366). This increase was primarily driven by higher employee provisions.

Cash Flow

(in kEUR)	Q1 2022	Q1 2021
Net cash flows from operating activities	(7,627)	(5,030)
Net cash flows from investing activities	(3,417)	(1,009)
Net cash flows from financing activities	(1,335)	(1,622)
Net decrease in cash and cash equivalents	(12,379)	(7,662)
Change in financing funds due to exchange rate changes	85	327
Cash and cash equivalents at the beginning of the period	24,998	18,864
Cash and cash equivalents at the end of the period	12,704	11,530

Net cash used in operating activities during the first quarter of 2022 amounted to kEUR 7,627, higher as compared to Q1 2021 (kEUR 5,030). This increase can be mainly attributed towards the increase in inventory levels during the first quarter of 2022 as well as the underutilization of its production due to material shortages. The increase in inventory levels is primarily related to upcoming system deliveries, including the NXG XII 600.

Net cash utilized in investing activities during the first three months of 2022 amounted to kEUR 3,417 (Q1 2021: kEUR 1,009). Capitalized expenditures that are mainly related to product development activities amounted to kEUR 2,342 during the first quarter of 2022, increasing by 48% as compared to the corresponding period in 2021 (Q1 2021: kEUR 1,579).

Net cash utilized in financing activities during the first quarter of 2022 was kEUR 1,335, as compared to the corresponding period in 2021 (Q1 2021: kEUR 1,622). The cash utilized for financing activities is mainly comprised of interest payments along with bank loan and financial lease repayments.

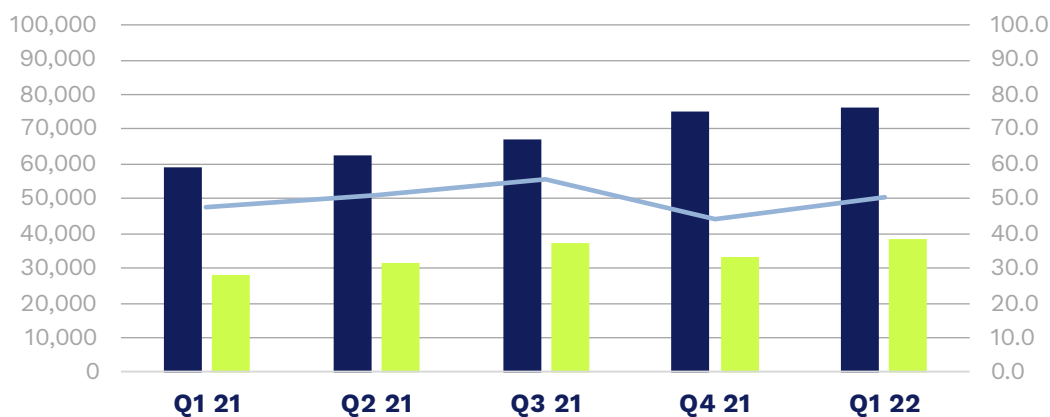
Accordingly, SLM Solutions' balance of cash and cash equivalents decreased by kEUR 12,379 during Q1 2022 (Q1 2021: kEUR 7,662). Including the effect of exchange rate changes, the balance of cash and cash equivalents at the end of March 2022 amounted to kEUR 12,704. Additionally, SLM Solutions' liquidity position is further supported with access to the third tranche of the Convertible Bonds 2020/2026, amounting to kEUR 30,213. The pre-conditions for the issuance of this tranche were waived, thereby providing the Company with access to additional funds if required.

Working Capital

Working capital at the end of March 2022 amounted to kEUR 38,535, increasing as compared to year-end 2021 (kEUR: 33,260). This increase was primarily driven by an increase in the level of inventories combined with a lower level of trade payables at the end of the first quarter of 2022. These effects were partially offset as a result of a decrease in the balance of trade receivables as of March 2022.

The Working Capital intensity metric, which is computed based on revenues over the last twelve months was 51% as of March 2022.

Working Capital (%)



	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
Revenue LTM (kEUR)	59,295	62,318	66,900	75,115	76,119
Working Capital as on Balance Sheet Date (kEUR)	28,229	31,664	37,084	33,260	38,535
Working Capital Intensity (%)	48%	51%	55%	44%	51%

CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period from
1 January to 31 March 2022

CONSOLIDATED INCOME STATEMENT

For the three-month period from 1 January to 31 March 2022

(in kEUR unless specified)	Q1 2022	Q1 2021
Revenue	16,387	15,384
Increase/decrease of finished and unfinished stock on hand	5,703	1,244
Other activated contributions	1,661	1,424
Total output	23,751	18,052
Cost of material	(13,369)	(7,932)
Gross profit	10,382	10,120
Payroll	(10,994)	(9,061)
Other operating income	356	653
Other operating expenses	(4,119)	(3,853)
EBITDA	(4,374)	(2,141)
Depreciation & amortization	(1,893)	(1,909)
Earnings before interest and taxes (EBIT)	(6,267)	(4,050)
Interest and similar expenses	(1,266)	(1,225)
Interest & Other Income	9	11
Earnings before taxes	(7,523)	(5,263)
Tax payable	142	144
Result for the period	(7,382)	(5,120)
Number of shares (in '000s)	22,702	19,779
Earnings per share*	(0.33)	(0.26)

*undiluted and diluted, calculated with 22,701,725 shares (Previous period: 19,778,953)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period from 1 January to 31 March 2022

(in kEUR)	Q1 2022	Q1 2021
Result for the period	(7,382)	(5,120)
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	162	21
Other comprehensive income	162	21
Consolidated total comprehensive income	(7,219)	(5,099)
Attribution of comprehensive income:		
Shareholders of SLM Solutions Group AG	(7,219)	(5,099)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 March 2022

(in kEUR)	31.03.2022	31.12.2021	31.03.2021
Assets			
Cash and cash equivalents	12,704	24,998	11,530
Trade receivables	19,646	22,231	18,805
Inventories	32,328	25,842	23,992
Current tax receivables	5	490	0
Other non-financial assets	7,919	6,214	6,073
Total current assets	72,603	79,775	60,400
Intangible assets	34,206	32,601	28,848
Property, land and equipment	35,547	35,757	36,907
Other financial assets	293	718	239*
Other non-financial assets	241	101	142*
Deferred tax liabilities	566	83	411
Total non-current assets	70,853	69,261	66,547
Total assets	143,456	149,036	126,947

*Reclassified

(in kEUR)	31.03.2022	31.12.2021	31.03.2021
Equity and liabilities			
Trade payables	9,234	11,008	8,838
Financial liabilities	60,868	60,453	3,510
Other non-financial liabilities	10,721	7,872	9,879
Provisions	4,770	4,896	5,311
Tax provisions	226	7	15
Amounts owed to affiliated companies	0	0	-5
Total current liabilities	85,818	84,236	27,548
Financial liabilities	19,969	20,112	75,034*
Pensions and similar obligations	6,447	6,304	7,102
Other financial liabilities	944	771	820*
Other non-financial liabilities	4	0	15
Provisions	111	111	97
Deferred tax liabilities	4,710	4,831	5,661
Total non-current liabilities	32,186	32,129	88,730
Total liabilities	118,004	116,366	116,278
Total equity	25,451	32,671	10,669
Equity and liabilities (total)	143,456	149,036	126,947

*Reclassified

CONSOLIDATED STATEMENT OF CASHFLOWS

For the three-month period from 1 January to 31 March 2022

(in kEUR)	Q1 2022	Q1 2021
Result for the period	(7,382)	(5,120)
Depreciation, amortization and impairment losses	1,893	1,909
Interest expenses	1,266	1,225
Interest income	(9)	(11)
Income tax	(142)	(144)
Change in assets and liabilities	(3,253)	(2,889)
Inventories	(6,486)	(3,222)
Accounts receivable	2,585	(5,355)
Pensions and similar obligations	143	121
Liabilities	(1,773)	1,855
Provisions	(127)	230
Other assets and liabilities	2,405	3,484
Income taxes paid	0	0
Net cash flows from operating activities	(7,627)	(5,030)

(in kEUR)	Q1 2022	Q1 2021
Cash flows for investments in intangible assets and property, plant and equipment	(1,766)	404
Investments in development costs	(1,661)	(1,424)
Interest received	9	11
Net cash flows from investment activities	(3,417)	(1,009)
Cash outflows for loans	(333)	(332)
Repayment of lease liabilities	(87)	(96)
Interest payments	(915)	(1,194)
Net cash flows from financing activities	(1,335)	(1,622)
Net decrease in cash and cash equivalents	(12,379)	(7,662)
Change in financing funds due to exchange rate changes	85	327
Cash and cash equivalents at the start of reporting period	24,998	18,864
Cash and cash equivalents at the end of reporting period	12,704	11,530

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period from 1 January to 31 March 2022

(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 2022	22,702	134,322	(121,964)	(549)	(544)	(1,296)	32,671
Consolidated group result			(7,382)				(7,382)
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
As at 01 January 2021	19,779	100,583	(101,588)	(549)	(656)	(1,800)	15,769
Consolidated group result			(5,120)				(5,120)
Change of equity from foreign currency					21		21
As at 31 March 2021	19,779	100,583	(106,708)	(549)	(635)	(1,800)	10,670

SEGMENT REPORTING

For the three-month period from 1 January to 31 March 2022

1 January to 31 March 2022 (in kEUR)	Machine Business	After Sales Business	Total
Revenue	11,380	5,007	16,387
Costs	(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)

1 January to 31 March 2021 (in kEUR)	Machine Business	After Sales Business	Total
Revenue	11,240	4,143	15,384
Costs	(12,224)	(5,301)	(17,525)
EBITDA	(983)	(1,158)	(2,141)
Depreciation			(1,909)
Interest			(1,213)
Income Tax			144
Result for the period			(5,120)