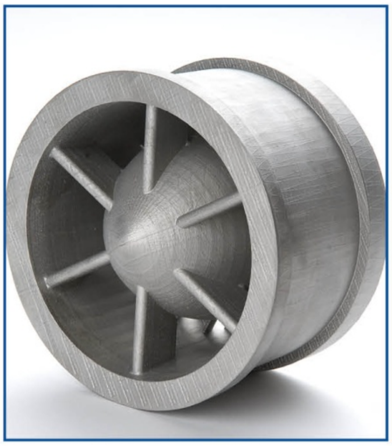
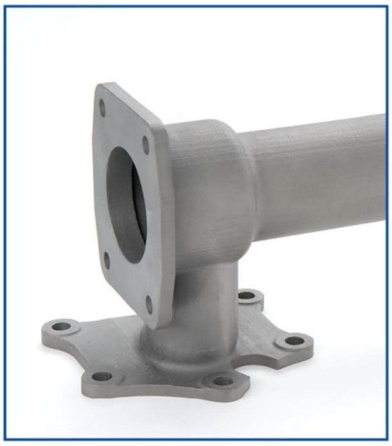
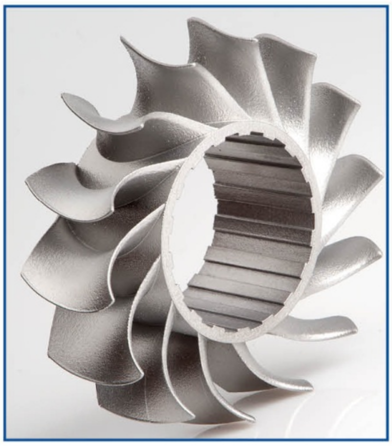
SLM Solutions Group AG
Q1 2014 report



Highlights

	Unit	Q1 2013	Q1 2014	Change (in % or % points)
Revenue	TEUR	3,869	**3,689**	-4.7
Total output	TEUR	4,066	**5,527**	+35.9
Cost of materials	TEUR	2,302	**3,004**	+30.5
Cost of materials ratio (as % of total output)	%	56.6	**54.4**	-2.2
Personnel costs	TEUR	1,058	**1,369**	+29.4
Personnel cost ratio (as % of total output)	%	26.0	**24.8**	-1.2
Adjusted EBITDA	TEUR	-80	**-233**	
Adjusted EBITDA margin (as % of sales revenue)	%	-2.1	**-6.3**	-4.2
Consolidated net result	TEUR	-513	**-1,401**	
Earnings per share*	EUR	-0.02	**-0.10**	
New order intake	Number of machines	3	**7**	+133.3
Machines sold	Number of machines	5	**5**	+/- 0

		Dec. 31, 2013	Mar. 31, 2014	Change (in % or % points)
Non-current assets	TEUR	21,026	**21,209**	+0.9
Current assets	TEUR	14,569	**16,347**	+12.2
Equity ratio	%	41.3	**58.0**	+16.7
Total assets	TEUR	35,595	**37,556**	+5,5

* Relating to 13,814,200 shares.

Contents

Letter from the Management Board

Dear shareholders, customers, business partners and colleagues,

Ladies and Gentlemen,

On May 9, SLM Solutions Group AG successfully completed the first IPO of 2014 in the Prime Standard of the Frankfurt Stock Exchange. We are proud that we have taken this step that is so important for the company's future development. During the past three years, SLM Solutions has reported strong growth on an exclusively organic base – we now intend to use the proceeds from the IPO to continue this growth. To this end, we are pursuing a clear growth strategy, the core of which focuses on three strategic initiatives: expanding our international sales and service network, developing our metal powder business, and research and development for our machines.

Business development during the first three months of the 2014 fiscal year underscores that we are on track: during this reporting period, we registered new order intake of 7 machines. We have thereby achieved considerable growth compared with the new order intake of 3 machines in the first quarter of 2013. This trend continued during April and May, where we observe a further increase in new order intake. We continue to report strong growth as a consequence, even though revenue in the traditionally weak first quarter was slightly down compared with the prior-year quarter at EUR 3.7 million, as expected.

Our operating business focused on sales and service during the first quarter. In March, we held our international User Group Meeting in Luebeck, which was attended by around 100 participants from 25 countries. During the course of various specialist lectures, we had the opportunity to present the utilization possibilities and advantages of our machines in a graphic and tangible setting. We were particularly honored to have the welcoming words of introduction be delivered by Mr. Ralph Müller-Beck, Secretary of State at the Ministry of Business and Finance from the German regional state of Schleswig-Holstein. In addition to this, we attended more than ten international trade fairs as exhibitors during the first quarter 2014, thereby significantly bolstering our trade fair presence.

The share of SLM Solutions has been listed in the Prime Standard of the Frankfurt Stock Exchange since the successful IPO on May 9. As a consequence, our company is subject to the highest transparency requirements, including the duty to publish quarterly reports. This is reflected in our completed transition to accounting according to International Financial Reporting Standards (IFRS), which stands us in good stead as far as meeting the capital market's need for information is concerned.

We would like to take this opportunity to thank our shareholders for the trust and confidence that they have placed in our business model, and in accompanying SLM Solutions Group AG in its stock market flotation. Together with you, I look forward to a successful 2014 fiscal year.

Luebeck, May 2014

Dr. Markus Rechlin (CEO)

The SLM Solutions share

The first quarter of the 2014 fiscal year was characterized by the preparations for the IPO that was successfully completed on May 9, 2014. With the IPO, we also entered into intensive dialogue with the capital market.

As Chief Financial Officer, Uwe Bögershausen is the first point of contact within the company for capital-providers, investors and analysts. Investors and potential investors can find more information about our company on our website at www.slm-solutions.com. The content of the investor relations area of this website is updated continuously. Shareholders and other interested individuals receive corporate news directly via email. Our focus in this context is on transparency and providing up-to-date news.

Both BHF-BANK and Deutsche Bank act as designated sponsors to our shares. Their analysts will provide long-term coverage of the development of our company.

Here, in the future, we will provide shareholders with all relevant information about the SLM Solutions share, and about the share price performance.

Key share data (from May 9, 2014)

ISIN	DE000A111338
German Securities Code (WKN)	A11133
Ticker symbol	AM3D
Sector	Industry
Trading segment	Regulated Market (Prime Standard)
Stock exchange	Frankfurt Stock Exchange
Initial listing	May 9, 2014
Placing price in EUR	18.00
Closing price in EUR on May 23, 2014	19.70
Number of shares	17,980,867 ordinary no par value bearer shares

Group interim management report

General conditions

Macroeconomic situation in target markets

The global economy reported strong growth during the initial months of 2014, according to the leading German economic research institutions. This growth was particularly driven by advanced economies: the USA is again in a significant economic upturn, and total economic activity also expanded recently in the United Kingdom and Japan (Source: Joint Economic Analyses, Spring 2014).

The Eurozone economy is recovering, too. Germany remains the economic locomotive in this context: in the first quarter of 2014, gross domestic product (GDP) was 0.8 percent higher than in the fourth quarter of last year (Source: German Federal Statistical Office on May 15, 2014). For the full 2014 year, the International Monetary Fund forecasts global GDP growth of 3.6 percent year-on-year; it forecasts 2.8 percent for the United States, 1.2 percent for the Eurozone and 1.7 percent for Germany (Source: IMF World Economic Outlook, April 2014).

Market for metal-based 3-D printing

SLM Solutions operates as a leading provider of metal-based additive manufacturing technology ("3D printing") in a pronounced growth market: in their 2013 sector report, experts from Wohlers Associates assume that the total global market for 3D printing possesses considerable growth potential. They estimate that the worldwide market volume will grow from USD 2 billion in 2012 to USD 6 billion in 2017, and to almost USD 11 billion by 2021. Metal-based printing processes' share was still relatively small in 2012 at 9 percent, but we think that they enjoy particularly attractive growth prospects.

Strategy consultants Roland Berger regard powder bed fusion processes as the most relevant additive manufacturing technology, which also include the selective laser melting applied by SLM Solutions. Compared with other 3D printing processes, powder bed fusion processes offer greater precision, surface quality and design freedom. SLM Solutions believes that the market for metal-based 3D printing is at a turning point as a growing number of internationally operating industrial companies are transitioning to direct part manufacturing using additive manufacturing technology.

Results of operations

The figures below can include rounding differences.

When reading these quarterly reports, two particular aspects relating to revenues and operating earnings should be taken into consideration: Firstly, deliveries can be delayed beyond the quarterly reporting date – often by customer request – which is why new order intake is a more suitable indicator of the development of SLM Solutions' operating business than its realized revenue. Secondly, SLM Solutions' business is subject to seasonal fluctuations that are typical of its sector. A significant proportion of new order intake is frequently generated in the fourth quarter of the year, while the first quarter is traditionally the weakest quarter of the year.

As expected, the results of operations of SLM Solutions Group AG in the first quarter of the 2014 fiscal year were characterized by lower year-on-year sales revenue. **Revenue** stood at TEUR 3,689 (Q1 previous year: TEUR 3,869). This primarily reflected a fall in sales in the RP (RP = Rapid Prototyping) operating segment. In the company's core segment, the SLM segment (SLM = Selective Laser Melting), revenue was almost unchanged at TEUR 2,655 (Q1 previous year: TEUR 2,627).

Despite this, the order book position of SLM Solutions registered a pronounced positive trend during the period under review: The company reported **new order intake** of 7 machines during the first three months of 2014 – compared with 3 machines in the prior-year period. **Total output** – the sum of revenue, inventory changes, and other work performed by the company and capitalized – was up by around one third to TEUR 5,527 in the first quarter (Q1 previous year: TEUR 4,066). This particularly reflected a TEUR 1,418 increase in inventories, which comprise mostly work in progress.

The cost of materials stood at TEUR 3,004 (Q1 previous year: TEUR 2,302), with the cost of materials ratio (expressed as a percentage of total output) improving by 2.2 percentage points to 54.4% (Q1 previous year: 56.6%). This positive trend was especially attributable to further efficiency gains and first successes in optimizing production. Despite the higher number of employees of 84 as of March 31, 2014 (March 31, 2013: 59), the personnel cost ratio also reduced to 24.8% (Q1 previous year: 26.0%). **Personnel costs** amounted to TEUR 1,369, compared with TEUR 1,058 in the previous-year quarter.

Other operating expenses totaling TEUR 2,354 (Q1 previous year: TEUR 855) include, firstly, various **one-off effects** (mainly advisory costs) of TEUR 158 (Q1 previous year: TEUR 17). They are not attributable to the operating business. Secondly, the successful IPO of SLM Solutions on May 9, 2014, during the first quarter of the current fiscal year was connected with **one-off IPO costs** (preparatory, advisory and auditing costs) of TEUR 840 in total. This amount is based on a preliminary estimate of the expenses connected with the IPO that have been incurred by the March 31, 2014 balance sheet date. Of these IPO costs, an amount of TEUR 127 (before tax effects) was recognized under other assets without impacting profit or loss, and offset with the proceeds from the capital increase after the successful IPO in May. The expenses with regards to the IPO recognized in income amount to TEUR 713 and are shown in the profit and loss statement under the position "Other operating expenses". Note 5 in the notes to these interim financial statements includes an overview of the IPO costs.

The existing shareholders obligated themselves to proportional compensation of the expenses connected with the successfully-placed IPO, as shares of existing shareholders were placed along with the issuance of new shares. The level of reimbursement cannot be calculated until the IPO has been completed and all open invoices have been received, so that a best possible estimate was utilized for the purposes of the quarterly financial statements. This proportional reimbursement of expenses already included in the interim financial statements is currently estimated at TEUR 445, and, pursuant to IFRS reporting, is shown as an additional payment from shareholders to the retained earnings without impact on profit or loss.

After adjusting for all one-off expenses, the company generated **adjusted EBITDA** (earnings before interest, tax, depreciation and amortization) of TEUR -233 (Q1 previous year: TEUR -80), representing an adjusted EBITDA margin (expressed as a percentage of sales revenue) of -6.3% (Q1 previous year: -2.1%). The adjusted figure stood at TEUR -1,104 (Q1 previous year: TEUR -97). As already explained in more detail above – here, too, it should be noted that quarterly reporting entails a reporting date perspective, and the business of SLM Solutions is subject to seasonal fluctuations.

Depreciation and amortization amounted to TEUR 186 in the period under review (Q1 previous year: TEUR 111), and **amortization related to PPA** (Purchase Price Allocation) of TEUR 320 was approximately at the previous year's level (Q1 previous year: TEUR 329).

As a consequence, at the **adjusted result before interest and tax (EBIT)** level (adjusted for one-off effects and PPA-related amortization), the company incurred a loss of TEUR -419 (previous year: TEUR -191), and the corresponding EBIT margin (expressed as a percentage of sales revenue) stood at -11.4% (Q1 previous year: -4.9%). **Interest expenses** of TEUR 163 were somewhat higher than in the previous year (TEUR 87), although they remain at a low level given the company's minor level of indebtedness.

The **tax income** increased from TEUR 111 in the first quarter of the previous year to TEUR 372 in the period under review. This marked rise is chiefly due to deferred tax income connected with the purchase price allocation (PPA) and deferred tax loss carryforward assets. Tax loss carryforwards result from IPO costs that are allowable for tax purposes.

As a consequence, the **net result for the period** reflected a loss of TEUR -1,401 (Q1 previous year: TEUR -513). This corresponds to **earnings per share** of EUR -0.10, which is based on the pre-IPO share capital consisting of 13,814,200 shares.

Financial position

Cash flow from operating activities amounted to TEUR -2,547 during the first three months of the 2014 fiscal year (Q1 previous year: TEUR 200). This development is mainly due to the higher level of capital tied up in working capital – especially for work in progress. In addition, higher legal and advisory expenses connected with the IPO that was successfully implemented on May 9, 2014, also fed through to the overall cash outflow.

The **cash flow from investing activities** was markedly lower than in the previous year at TEUR -638 (Q1 previous year: TEUR -8,124). The previous year's figure was significantly affected by payments connected with the acquisition of SLM Solutions GmbH, Luebeck. Investments during the current period under review were primarily attributable to the development of new application-oriented technologies, some of which were reported among work produced and capitalized by the company.

Operating and investing cash flows were financed with the use of short-term credit lines and cash at banks. In this context, **cash flow from financing activities** amounted to TEUR 1,491 during the first quarter 2014 (Q1 previous year: TEUR 12,112). The previous year's figure was significantly affected by proceeds of TEUR 8,000 arising from the capital increase in the previous year.

As a consequence, the **cash position** (excluding long-term time deposits) stood at TEUR 679 as of March 31, 2014 (March 31, 2013: TEUR 4,472).

Net assets

At TEUR 21,209, **non-current assets** as of March 31, 2014 were at a similar level to the end of the previous fiscal year (December 31, 2013: TEUR 21,026). The most important items in this context comprise intangible assets of TEUR 19,066 (December 31, 2013: TEUR 18,971), which are mainly due to the purchase price allocation in connection with the acquisition of SLM Solutions GmbH, Luebeck.

Current assets rose to TEUR 16,347 as of the March 31, 2014 balance sheet date (December 31, 2013: TEUR 14,569), chiefly reflecting the growth in inventories. The other current assets of TEUR 1,517 (December 31, 2013: TEUR 262) contain mainly VAT receivables and accrued income of TEUR 445 arising from the reimbursement of advisory costs connected with the IPO by the old shareholders.

The **equity** of SLM Solutions Group AG amounted to TEUR 21,764 as of March 31, 2014 (December 31, 2013: TEUR 14,693). The equity ratio consequently registered a marked increase from 41.3 % to 58.0 %. This change in the equity chiefly reflects the contribution of existing loan and interest payment claims of the shareholder (Parcom Deutschland I GmbH & Co. KG) to the additional paid-in capital on February 28, 2014.

By contrast, **non-current liabilities** registered a significant reduction to TEUR 7,878 as of March 31, 2014 (December 31, 2013: TEUR 16,196). This decline mainly arises from the marked reduction in financial liabilities to TEUR 29 due to the contribution of existing loan and interest payment claims of the shareholder mentioned before (December 31, 2013: TEUR 7,968). The deferred tax liabilities of TEUR 4,730 (December 31, 2013: TEUR 5,167) are primarily connected with the recognition of goodwill of the laser technology as part of the PPA.

Given the increase in both trade payables and provisions, **current liabilities** were higher than at the end of the 2013 fiscal year, standing at TEUR 7,914 (December 30, 2013: TEUR 4,706).

Total assets as of March 31, 2014 reported a slight increase to TEUR 37,556 (December 31, 2013: TEUR 35,595).

Events after the balance sheet date

On March 20, 2014, the Shareholders' General Meeting approved capital increase from company funds. To this end, the share capital was increased from EUR 81,260.00 to EUR 13,814,200.00. The entry in the commercial register occurred on April 11, 2014.

The appointment on March 20, 2014 of the Management Board members Dr. Markus Rechlin and Uwe Bögershausen was entered in the commercial register on April 10, 2014.

In addition, the share of SLM Solutions Group AG was admitted to trading on the Frankfurt stock exchange (Prime Standard) on May 8, 2014 and can be traded there since May 9. With the registration of the implementation of the capital increase resolved by the annual general meeting on 25 April in the Commercial Register on May 9, 2014, the share capital increased to EUR 17,980,867.00. The gross issue proceeds from the capital increase amounted to TEUR 75,000.

The issue price was EUR 18.00 per share. A total of 10,000,000 ordinary no par value bearer shares were successfully placed. This related to 4,166,667 new shares from the capital increase against cash capital contributions, 4,647,132 shares from the positions of the existing shareholders, and 1,186,201 shares arising from the positions of the existing shareholders that were utilized for a greenshoe. Assuming the shares placed under the greenshoe remain in the market permanently and will not be bought back for stabilization purposes and transferred back to the existing shareholders, the placing volume amounted to a total of EUR 180.0 million.

As part of the IPO and the related expansion strategy, the Management Board and the Supervisory Board of SLM Solutions Group AG have approved a short-term IPO bonus and a long-term employee retention bonus. The short-term IPO bonus rewards staff performance in connection with the successful conclusion of the IPO and is paid in its entirety by the shareholders. This transaction is neutral in terms of net assets and liquidity for the company. As IFRS requires that this compensation by shareholders must be reported by carrying it to directly to equity, and an accounting expense of up to TEUR 5,582 has been incurred which is offset in an identical amount by an addition to equity by the shareholders. The Management Board participated in an amount of TEUR 3,957 in the IPO bonus; this amount forms part of the total of TEUR 5,582.

The long-term employee retention bonus runs for three years, and obligates employees to convert their bonus claim instalments (after deducting social security contributions and wage tax) into shares every year. For the company, this would generate an outflow of liquidity equivalent to the expected wage tax and social security related deductions.

A liquidity outflow over and above this is not anticipated. IFRS requires progressive expensing, in other words, the constant liquidity outflow over the years is offset by disproportionately high expensing during the initial periods.

As of May 23 2014, the order intake amounted to 15 machines – compared with 6 machines in the same period of the previous year. In these 15 machines, two orders for the SLM 500^{HL} are included.

Opportunities and risks

Due to the IPO of SLM Solutions Group AG, risk reporting does not yet occur with the targeted frequency and in the targeted detail. The structures that have been established to date ensure that opportunities and risks that are of relevance for the progression of business are identified at a suitably early stage. SLM Solutions Group AG is not aware that any going concern risks exist currently.

Please refer to the remarks contained in the company's listing particulars that were published on April 25, 2014, for a more detailed presentation of specific risks to which the company can be exposed. This prospectus is available on the company's website at www.slm-solutions.com within the Investor Relations area. Compared with these presentations, no significant changes to the opportunities and risks have risen.

Outlook

For the 2014 fiscal year, the Management Board of SLM Solutions is assuming significant year-on-year growth in revenue and adjusted EBITDA – despite the overall moderate business development during the first quarter of 2014.

Compared with the 28 machines that SLM Solutions sold in 2013, the current sales pipeline reflects higher demand for the company's products. SLM Solutions also reported new order intake comprising 7 machines during the first three months of 2014 – compared with 3 machines in the prior-year period. In consequence, the first quarter – typically the weakest of the year – already provides a strong tailwind for the 2014 fiscal year. As of May 23 2014, the order intake amounted to 15 machines – compared with 6 machines in the same period of the previous year. In these 15 machines, two orders for the SLM 500^{HL} are included.

As SLM Solutions is currently continuously growing its productivity and efficiency, the Management Board also expects to report year-on-year growth in adjusted EBITDA for the 2014 fiscal year.

In this context, it should be noted that, in particular, 2014 fiscal year earnings were also burdened by the one-off costs of the IPO, the IPO bonus and the retention bonus (please see the report on events after the balance sheet date). The cost portion attributable to the new shares sold as part of the offering (reduced to reflect related income tax benefits) can nevertheless be offset directly with equity for the purposes of IFRS accounting in the consolidated financial statements.

IFRS consolidated financial statements for the three-month period from January 1, 2014 to March 31, 2014

Overview of contents

Consolidated income statement

(in TEUR)	Jan 1 - Mar 31 2014	Jan 1 - Mar 31 2013	Jan 1 - Dec 31. 2013
Revenue	3,689	3,869	21,575
Change in inventories of finished goods and work in progress	1,418	130	615
Other work performed by the company and capitalized	420	67	162
Total Output	**5,527**	**4,066**	**22,352**
Cost of materials	-3,004	-2,302	-11,438
Gross profit	**2,523**	**1,764**	**10,914**
Personnel costs	-1,369	-1,058	-4,705
Other operating income	96	52	439
Other operating expenses	-2,354	-855	-4,553
EBITDA	**-1,104**	**-97**	**2,095**
Depreciation and amortization expense	-186	-111	-585
Amortization PPA related	-320	-329	-1,531
Operating result (EBIT)	**-1,610**	**-537**	**-21**
Interest and similar expenses	-163	-87	-588
Earnings before income taxes (EBT)	**-1,773**	**-624**	**-609**
Income taxes	372	111	179
Net result	**-1,401**	**-513**	**-430**
Attributable to:			
Controlling interests	-1,401	-268	-430
Non-controlling interests	0	-245	0
Net result attributable to equity holders of the parent	-1,401	-268	-430
Number of shares (in million)	13.8	n.a.	n.a.
Earnings per share (in EUR)*	-0.10	-0.02	-0.03

* Calculated with 13.8 million shares in each case for purposes of comparison

Consolidated statement of comprehensive income

(in TEUR)	Jan 1 - Mar 31 2014	Jan 1 - Mar 31 2013	Jan 1 - Dec 31. 2013
Net result	-1,401	-513	-430
Items not to be reclassified to profit or loss:			
Actuarial gains on pension plans and similar commitments	–	–	382
Deferred tax on actuarial gains	–	–	-118
Items to be reclassified to profit or loss:			
Exchange rate differences	-1	0	-1
Other comprehensive income, net of tax	**-1**	**0**	**263**
Total comprehensive income	**-1,402**	**-513**	**-167**
Attributable to:			
Controlling interests	-1,402	-268	-167
Non-controlling interests	–	-245	–

Consolidated statement of financial position

(in TEUR)	Mar 31, 2014	Dec 31, 2013	Mar 31, 2013
Assets			
Current assets			
Cash and cash equivalents	711	2,404	4,504
Trade receivables	5,529	5,803	3,121
Inventories	8,418	5,928	5,624
Current income tax receivables	172	172	0
Other assets	1,517	262	341
Total current assets	**16,347**	**14,569**	**13,590**
Non-current assets			
Intangible assets	19,066	18,971	19,546
Property, plant and equipment	2,088	2,051	1,160
Deferred tax	55	0	0
Other assets	0	4	107
Total non-current assets	**21,209**	**21,026**	**20,813**
Total assets	**37,556**	**35,595**	**34,403**

(in TEUR)	Mar 31, 2014	Dec 31, 2013	Mar 31, 2013
Equity and liabilities			
Current liabilities			
Trade payables	2,927	1,965	3,248
Other financial liabilities	1,621	56	604
Finance lease obligations	0	0	85
Provisions	1,280	442	303
Tax provisions	0	0	516
Deferred revenue	0	0	44
Other liabilities and accrued expenses	2,086	2,243	183
Total current liabilities	**7,914**	**4,706**	**4,983**
Non-current liabilities			
Financial liabilities	29	7,968	6,424
Pension plans and similar commitments	3,119	3,061	3,323
Deferred revenue	0	0	18
Deferred tax liabilities	4,730	5,167	5,269
Finance lease obligations	0	0	38
Total non-current liabilities	**7,878**	**16,196**	**15,072**
Equity			
Subscribed share capital	81	81	38
Additional paid-in capital	23,113	15,085	8,020
Retained earnings	-1,428	-472	-574
Foreign currency translation	-2	-1	0
Equity attributable to equity holders of the parent	**21,764**	**14,693**	**7,484**
Non-controlling interests	0	0	6,864
Total equity	**21,764**	**14,693**	**14,348**
Total equity and liabilities	**37,556**	**35,595**	**34,403**

Consolidated statement of cash flows

(in TEUR)	Mar 31, 2014	Mar 31, 2013	Dec 31, 2013
Cash flow from operating activities			
Net result	-1,401	-513	-430
Amortization, depreciation and impairments	506	440	2,116
Interest expenses	163	87	588
(Income) losses from investments	0	0	-9
Other non-cash income	0	-62	0
Change in assets and liabilities			
Inventories	-2,490	-767	-1,071
Trade receivables	274	1,523	-1,159
Pension liabilities	58	32	41
Trade payables	962	517	-766
Provisions	838	85	224
Other assets and liabilities	-965	-1,043	1,018
Changes in income tax receivables, deferred tax assets and tax provisions	-492	-99	-1,007
Net cash provided by (used in) operating activities	**-2,547**	**200**	**-455**
Cash flow from investing activities			
Payments relating to business combinations, net of cash received	0	-8,000	-8,000
Purchases of intangible assets and property, plant and equipment	-218	-57	-1,882
Work performed by the company and capitalized	-420	-67	-162
Proceeds and (outgoing payments) from sales of investments, intangible assets and property, plant and equipment	0	0	43
Net cash provided by (used in) investing activities	**-638**	**-8,124**	**-10,001**

Cash flow from financing activities			
Proceeds from capital increase	0	8,000	8,022
Proceeds from issuance of debt	1,561	4,587	7,578
Repayment of debt	-5	-452	-2,837
Repayment of leasing liabilities	0	-16	-139
Interest paid	-65	-7	-80
Net cash provided by (used in) financing activities	**1,491**	**12,112**	**12,544**
Net increase (decrease) in cash and cash equivalents	-1,694	4,188	2,088
Financing funds change due to changes in the consolidated group	1	0	0
Fixed term bank deposits (maximum three-month term)	-32	-32	-32
Cash and cash equivalents at beginning of period	2,404	316	316
Cash and cash equivalents at end of period	**679**	**4,472**	**2,372**
Cash and cash equivalents position	**711**	**4,504**	**2,404**

Consolidated statement of changes in equity

(in TEUR)	Subscribed share capital	Additional paid-in capital	Retained earnings	Currency translation differences	Total	Non-controlling interests	Total equity
Balance as of January 1, 2013	**25**	**8,020**	**-306**	**0**	**7,739**	**7,109**	**14,848**
Issuance of limited liability company shares	13	–	–	–	**13**	–	**13**
Consolidated net result	–	–	-268	–	**-268**	-245	**-513**
Other comprehensive income, after tax	–	–	–	–	**0**	–	**0**
Balance as of March 31, 2013	**38**	**8,020**	**-574**	**0**	**7,484**	**6,864**	**14,348**
Balance as of January 1, 2014	**81**	**15,085**	**-472**	**-1**	**14,693**	**0**	**14,693**
Consolidated net result	–	–	-1,401	–	**-1,401**	–	**-1,401**
Other comprehensive income, after tax	–	–	–	-1	**-1**	–	**-1**
Reimbursement of shareholders	–	–	445	–	**445**	–	**445**
Other changes in equity	–	8,028	–	–	**8,028**	–	**8,028**
Balance as of March 31, 2014	81	23,113	-1,428	-2	**21,764**	0	**21,764**

Notes to the (IFRS) consolidated financial statements for the period from January 1 to March 31, 2014 SLM Solutions Group AG, Luebeck

Note 1) General information

SLM Solutions Group AG (formerly: SLM Solutions Holding GmbH, "SLM"), which has its corporate seat in Luebeck, Germany, is an incorporated firm and the ultimate parent company of the SLM Group, and is entered in the commercial register of the Luebeck District Court under commercial register sheet number HRB 13827. The company's address is Roggenhorster Strasse 9c, 23556 Luebeck, Germany.

Since May 9, 2014, the shares of SLM Solutions Group AG (German Securities Code/WKN: A11133) have been traded on the Frankfurt stock exchanges in the Prime Standard segment.

By way of preparation for the IPO that was successfully concluded on May 9, 2014 (please see note 12 Events after the balance sheet date), the shareholder meeting of March 20, 2014, approved a change of the company's form from SLM Solutions Holding GmbH into SLM Solutions Group Aktiengesellschaft, which was entered in the commercial register of Luebeck on April 11, 2014, under commercial register sheet number HRB 13827 HL.

SLM operates in the segments of "selective laser melting" and "rapid prototyping". The "Selective Laser Melting" segment comprises the production and development of machines for selective laser melting, as well as the sale of related consumables and materials. These machines are distributed through a global distribution network. In the USA, SLM is represented with its own subsidiary.

The "Rapid Prototyping" segment which now represents the smaller business, comprises the assembling and selling of vacuum casting and metal casting systems. In addition, related services and a variety of consumables for different applications in the field of rapid prototyping are offered.

These abbreviated consolidated interim financial statements of the SLM Solutions Group AG as of March 31, 2014 were prepared in euros. Unless stated otherwise, all amounts are stated on rounded basis in thousands of euros (TEUR). Differences of up to one unit (TEUR, %) relate to arithmetic rounding differences.

Note 2) Accounting principles

These interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These interim consolidated financial statements are not comparable with a set of consolidated financial statements in scope and level of detail, but the Management Board is of the opinion that they include all disclosures required pursuant to IAS 34 and Section 37x (3) of the German Securities Trading Act (WpHG) in connection with Section 37w of WpHG to convey a true and fair view of the net assets, financial position and results of operations relating to the interim financial statements.

The accounting methods applied in the abbreviated interim consolidated financial statements essentially correspond to those applied in the last set of consolidated financial statements as of the end of the 2013 fiscal year. The notes to the audited consolidated financial statements as of December 31, 2013 include a detailed description of the accounting principles. The first-time application of new standards and interpretations (e.g. IFRS 10, IFRS 11 and IFRS 12) resulted in no significant effects.

Note 3) Scope of consolidation

Besides the parent company, SLM Solutions Group AG, Luebeck, Germany, the interim consolidated financial statements comprise the following companies, and have not changed compared with December 31, 2013:

Name	Percentage of shares	Share capital*	Equity*	Net result*
SLM Solutions GmbH, Luebeck	100	500	2,570	-543
SLM Solutions NA, Inc., Commerce, Michigan/USA**	100	0	-160	-177

* The disclosures relate to the unaudited interim financial statements of the subsidiaries as of March 31, 2014, prepared according to local accounting standards
** The shares of SLM Solutions NA are held by SLM Solutions GmbH, Luebeck

Note 4) Seasonal effects on business activities

Revenue and operating profit of the company fluctuate from quarter to quarter. This is mainly due to the fact that deliveries – often pursuant to the customer preference – can be postponed beyond the quarterly reporting date. In our view, a comparison of revenue and operating result on a quarterly basis therefore is of limited value. For this reason, from our point of view the order intake is the appropriate indicator for the development of the operating activities. We assume that the impact of these effects will tend to weaken in the coming years given an increasing output.

In addition, our business is subject to seasonal fluctuations. A significant portion of our order intake typically is achieved in the fourth quarter of the year. This results in the concentration of the deliveries by the end of the year. The first quarter traditionally is the weakest quarter of the year. This is mainly due to budget restrictions of the customers or other customer requirements. Moreover the trade fair, the EuroMold, typically takes place in November or December of each year.

As a result, revenue and operating profit of a quarter may differ from our expectations and internal projection and be postponed to the following quarters. This must be considered when interpreting the quarterly reports.

Therefore conclusions about the development of future results cannot necessarily be drawn from the results of the reporting period ending on March 31, 2014.

Note 5) Effects of the successfully concluded IPO on the net assets, financial position and results of operations of SLM Solutions Group AG

The IPO that was successfully implemented on May 9, 2014, fed through to a high level of one-off expenses in the 2013 fiscal year (12-month period) and also in the first quarter of 2014. In order to better understand the operating business trend, these expenses are explained separately below:

	Until March 2014			
Expenses*	**Level**	**Reimbursement****	**Net charge for company**	**2013*****
Leading costs	75	40	35	66
Advisory costs	473	250	223	100
Auditing costs	292	155	137	–
IPO Bonus	–	–	–	–
	840	**445**	**395**	**166**

* Some of these expenses are reported directly in equity. Please refer to note 9

** In compliance with IFRS, the reimbursement is shown as a deposit by shareholders outside the income statement

*** All of the costs incurred in the 2013 fiscal year were carried through profit or loss

The expenses of TEUR 840 are based on preliminary estimates of the expenses connected with the IPO that have been incurred by the March 31, 2014 balance sheet date. These were recognized in an amount of TEUR 127 (before tax effects) under other assets without impacting profit or loss, and are offset with the proceeds from the capital increase at the date of the successful IPO. Expenses recognized in income on expenses in connection with the IPO of TEUR 713 will be recognized in the income statement under other operating expenses.

The existing shareholders obligated themselves to proportional compensation of the expenses connected with the successfully placed IPO, as existing shares of existing shareholders were placed along with the issuance of new shares. The level of reimbursement cannot be calculated until the IPO has been completed and all open invoices have been received, so that a best possible estimate was utilized for the purposes of the quarterly financial statements. This reimbursement of TEUR 445 is shown as an additional contribution to retained earnings (see consolidated statement of changes in equity: reimbursement of shareholders).

Note 6) Segment reporting

31.03.2014

(in TEUR)	SLM	RP	Bridge	Total
Revenue	**2,655**	**1,034**	**0**	**3,689**
Costs	2,635	1,207	951	4,793
EBITDA	**20**	**-173**	**-951**	**-1,104**
Amortization, depreciation and impairments				-186
Amortization PPA related				-320
Interest and similar expenses				-163
Income taxes				372
Net result for the period				**-1,401**

31.03.2013

(in TEUR)	SLM	RP	Bridge	Total
Revenue	**2,627**	**1,209**	**33**	**3,869**
Costs	2,919	1,057	-10	3,966
EBITDA	**-292**	**152**	**43**	**-97**
Amortization, depreciation and impairments				-111
Amortization PPA related				-329
Interest and similar expenses				-87
Income taxes				111
Net result for the period				**-513**

No impairment charges needed to be reported in the segmental results. In relation to the comparable periods, segment assets changed only to a normal operating extent as no significant disposal or investment measures were implemented, as planned.

First-quarter segment results in any given fiscal year are considerably impacted by seasonal effects (please see note 4). The estimated expenses from the IPO that have been incurred by the balance sheet date are reported in the reconciliation of the segmental result for the first quarter of 2014, as these expenses cannot be allocated to any segment, and are not included in the assessment of segment results in internal reporting.

Note 7) Non-current assets

Non-current assets remain significantly impacted by hidden reserves in the technology area, which were disclosed in the context of the purchase price allocation that was performed in the previous year. This purchase price allocation occurred as part of the acquisition of the majority of the shares in SLM Solutions GmbH by SLM Solutions Group AG.

Investments in non-current assets relate to intangible assets, and are attributable mainly to development expenses to be capitalized pursuant to IAS 38, where the recognition preconditions apply in their entirety.

SLM regularly reviews – at least at the end of each quarter – the need for impairment charges for development projects that have not yet been completed. The Management Board is of the opinion that no non-current assets were impaired as of the balance sheet date, as a consequence of which the write-downs exclusively comprise amortization.

Note 8) Liquidity and financial liabilities

Both in the previous year and during the first quarter 2014, liquidity was secured at all times.

The seasonal distribution of sales revenues that is typical of the sector results in a marked increase in capital tied up as working capital. Together with higher legal and advisory expenses in connection with the IPO that was successfully concluded on May 9, 2014, this business model-related pre-financing fed through to significantly negative cash flow from operating activities.

Working Capital				**Difference**	
	Mar 31, 2014	**Dec 31, 2013**	**Mar 31, 2013**	**3 month period**	**12 month period**
Trade receivables	5,529	5,803	3,121	-274	2,408
Inventories	8,418	5,928	5,624	2,490	2,794
Other assets	1,517	262	341	1,255	1,176
Trade payables	-2,927	-1,965	-3,248	-962	321
Provisions	-1,280	-442	-303	-838	-977
Other liabilities and accrued expenses	-2,086	-2.243	-183	157	-1.903
Total	**9,171**	**7,343**	**5,352**	**1,828**	**3,819**

The commitment in working capital for the elapsed (rolling) 12 month period amounted to TEUR 3,819 and for the period from 1 January to 31 March 2014 to TEUR 1,828.

In the previous year, cash flow from investing activities was considerably affected by the acquisition of SLM Solutions GmbH, Luebeck, and as a consequence can be compared with the cash flow from investing activities for the first quarter 2014 to only a limited extent.

Investments during the current period under review are attributable mainly to the development of new application-oriented technologies. Operating and investing cash flows were financed with the use of short-term credit lines and cash at banks.

As of February 28, 2014, existing loan and interest claims by (Parcom Deutschland I GmbH & Co. KG) of TEUR 8,028 was transferred to additional paid-in capital pursuant to Section 272 (2) No. 4 of the German Commercial Code (HGB), with the reduction in financial liabilities thereby occurring mainly on a non-cash basis.

Note 9) Equity

By way of resolution of the Shareholders' General Meeting of March 20, 2014, the company's share capital was increased from company funds by EUR 13,732,940.00 to EUR 13,814,200.00. After converting into a public stock corporation, the company's subscribed share capital is split into 13,814,200 ordinary registered no par bearer shares each with a notional value of EUR 1.00 in the share capital. We also refer to Note 12 “Events after the balance sheet date”.

The decisions described below do not affect the equity as of March 31, 2014:

As a result of the Shareholders' General Meeting of April 17, 2014, the Management Board is authorized, with Supervisory Board approval, until April 16, 2019, to increase the share capital, once or on several occasions, by up to a total of EUR 6,907,100.00 through issuing up to 6,907,100 new ordinary bearer shares against cash and/or non-cash capital contributions (Approved Capital 2014/I).

In addition, the share capital was conditionally increased by a resolution passed by the Shareholders' General Meeting of April 17, 2014 by up to EUR 6,907,100.00 through issuing up to 6,907,100 new ordinary bearer shares (Conditional Capital 2014).

The proportional costs of procuring the equity were to be deferred as of March 31, 2014. The scope of these costs was estimated on a best possible basis as of the reporting date, and carried either directly to equity or through profit or loss on the basis of a cost allocation key. The cost allocation key amounts to 23.17% and is calculated as follows:

Number of shares before IPO	13,814,200	76.83 %
Capital increase	4,166,667	23.17 %
Number of shares after IPO	17,980,867	100.00 %

For further IPO details, we refer to Note 12 “Events after the balance sheet date”.

Due to the fact that the IPO not yet been implemented as of the reporting date, the TEUR 98 of costs that had been incurred as of the reporting date and adjusted to reflect tax effects, were deferred within other assets

Please also refer to the consolidated statement of changes in equity for more information.

As of March 31, 2014, equity ratio amounts to: 58.0% (March 31, 2013 balance sheet date: 41.7 %, December 3, 2013: 41.3 %).

On March 20, 2014 the company changed ist legal form to an Aktiengesellschaft (stock corporation). Earnings per share is calculated after the change of legal form:

	31 March 2014	31 March 2013
Number of shares before IPO	13,814,200	n.a.
Net result attributable to equity holders of the parent (TEUR)	-1,401	-268
Earnings per share (EUR)	-0.10*	-0.02*

*Calculated with 13,814,200 shares in each case for purposes of comparison

Note 10) Significant business transactions with related parties

Individuals or companies which the reporting company can influence or which can influence the reporting company are regarded as related parties in the meaning of IAS 24.

The members of the Management Board as well as shareholders holding significant interests in the company share capital, and members of their families, are defined as related parties of the SLM Group:

Shareholders until March 31, 2014:

- Parcom Deutschland I GmbH & Co. KG and its shareholders and managing directors
- Henner Schöneborn
- Ceresio GmbH and its shareholders and managing directors

Members of the Management Board and their related parties until March 31, 2014:

- Dr Markus Rechlin
- Uwe Bögershausen

Parcom Deutschland I GmbH & Co. KG, which has its corporate seat in Munich, Germany, was the majority shareholder of SLM Solutions Group AG until the successful conclusion of the IPO. ING Groep NV, which has its corporate seat in Amsterdam, the Netherlands, was the ultimate parent company of the Group until the date of the successful IPO.

Since the successful admission to stock market listing of the company, no shareholder exerts direct control. Due to their remaining interests in the subscribed share capital which are subject to existing lock-up periods, the existing shareholders can continue to exercise considerable influence over the company, and can command de facto control at Shareholders' General Meetings depending on the extent to which a majority can be achieved given the voting rights represented at the meeting.

In order to improve the transparency of the business relationships with related parties, the information about business transactions with related parties is split into two different categories.

The services and other business transactions rendered until March 31, 2014 as part of normal operating activities correspond in their scope to the business relationships during the first quarter 2013, and, with the exception of the shareholder financing existing until February 28, 2014 (see note 8), exert no significant influence on the net assets, financial position and results of operations of SLM.

In addition, in expectation of the IPO, cost-assumption declarations have been made to the company which significantly affect the net assets, financial position and results of operations of the SLM, and which are explained extensively in note 11 (Other financial obligations and contingent claims) and note 12 (events after the balance sheet date).

Note 11) Other financial obligations and contingent claims

11.1) Other financial obligations

Other financial obligations arise from leasing and rental agreements. Please refer to our remarks in the consolidated financial statements as of December 31, 2013 as no new significant financial obligations have been entered into up until March 31, 2014.

11.2) Contingent claims

On March 24, 2014, SLM and its shareholders (before the IPO) concluded an agreement to assume one of personnel costs ("IPO bonus", please refer to note 12) in connection with the planned IPO. In this agreement, the shareholders obligated themselves to fully compensate bonus payments arising from an IPO bonus program that has yet to be concluded. Please refer to the remarks concerning events after the balance sheet date. Reimbursement claim has not yet been entered in the balance sheet as of March 31, 2014 as no corresponding costs have yet arisen as of this date.

In addition, the shareholders of obligated themselves to make proportional reimbursement of costs connected with the planned IPO. This agreement was concluded in writing on April 24, 2014. Expenses for the planned IPO have already risen as of March 31, 2014. As a compensation amount was sufficiently specific as of March 31, 2014, the cost compensation claim of TEUR 445 was reported as a (proportional) mirroring entry in the interim financial statements, which is reported among other assets in the consolidated statement of financial position.

In accordance with IFRS, this reimbursement is carried directly to equity, and reported as another additional transfer to retained earnings.

Note 12) Events after the balance sheet date

On March 20, 2014, the Shareholders' General Meeting approved capital increase from company funds. To this end, the share capital was increased from EUR 81,260.00 to EUR 13,814,200.00. The entry in the commercial register occurred on April 11, 2014.

The shares of SLM Solutions Group AG were admitted to trading on Frankfurt Stock exchange (Prime Standard) on May 8, 2014 and can be traded there since May 9. With the registration of the implementation of the capital increase resolved by the annual general meeting on 25 April in the Commercial Register on May 9, 2014, the share capital increased to EUR 17,980,867.00. The gross issue proceeds from the capital increase amounted to TEUR 75,000.

The appointment on March 20, 2014 of the Management Board members Dr. Markus Rechlin and Uwe Bögershausen was entered in the commercial register on April 10, 2014.

As part of the IPO and the related expansion strategy, the Management Board and the Supervisory Board of SLM Solutions Group AG have approved a short-term IPO bonus and a long-term employee retention bonus. The short-term IPO bonus rewards staff performance in connection with the successful conclusion of the IPO and is paid in its entirety by the shareholders (before the IPO). This transaction is neutral in terms of net assets and liquidity for the company. As IFRS requires that this compensation by shareholders must be reported by carrying it to directly to equity, and an expense of up to TEUR 5,582 has been incurred which is offset in an identical amount by an addition to equity by the shareholders in an identical amount. The Management Board participated in an amount of TEUR 3,957 in the IPO bonus; this amount forms part of the total of TEUR 5,582.

The long-term employee retention bonus runs for three years, and obligates employees to convert their bonus claim instalments (after deducting social security contributions and wage tax) into shares every year. For the company, this would generate an outflow of liquidity equivalent to the expected wage tax and social security related deductions.

A liquidity outflow over and above this is not anticipated. IFRS requires progressive expensing, in other words, the constant liquidity outflow over the years is offset by disproportionately high expensing during the initial periods.

Note 13) Other information

Financial assets and liabilities are recognized at amortized cost. A fair value accounting is affected neither for financial instruments nor for other assets (eg, property, plant and equipment). Due to the short maturities of the financial assets and liabilities, the carrying amount of the financial instruments is identical with the fair value.

Financial instruments (March 31, 2014)	**Measurement category**	**Carrying amount**	**Fair Value**
Trade receivables	LaR	6,170	6,170
Financial liabilities	FLAC	4,828	4,828

Finanzinstrumente (March 31, 2013)	**Measurement category**	**Carrying amount**	**Fair Value**
Trade receivables	LaR	5,803	5,803
Financial liabilities	LaR	11,349	11,349

Dr. Markus Rechlin
SLM Solutions Group AG

Uwe Bögershausen

REVIEW REPORT

To the SLM Solutions Group AG, Luebeck

We have reviewed the condensed interim consolidated financial statements, comprising the balance sheet, the income statement and comprehensive income statement, cash flow statement, statement of changes in equity and selected explanatory notes, together with the interim group management report of the SLM Solutions Group AG, Luebeck, for the period from 1 January 2014 to 31 March 2014, that are part of the quarterly financial report pursuant to § [Article] 37x Abs. [paragraph] 3 WpHG [Wertpapierhandelsgesetz: German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review on the condensed interim consolidated financial statements and on the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Luebeck, 27 May 2014

BDO AG
Wirtschaftsprüfungsgesellschaft

gez. Herbers	gez. Beecker
[German Public Auditor]	[German Public Auditor]