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SLM Solutions Group AG: Convertible bond offering

Lübeck, 04 October 2017 – The Management Board of SLM Solutions Group AG ("SLM Solutions", "Issuer") today resolved, with the approval of the Supervisory Board, to issue senior unsecured convertible bonds ("Convertible Bond") maturing in October 2022 with an aggregate principle amount of EUR 50 million convertible into new or existing ordinary no par value bearer shares. The issue size may be increased by up to approx. EUR 10 million to approx. EUR 60 million.

The Issuer intends to use the net proceeds from the placement of the Convertible Bond to finance its further growth. In addition to investments in research and development projects, it is planned to strengthen the sales network by establishing additional sales and service centres in Asia, Europe and the USA. With the proceeds from this offering, SLM Solutions feels confident that on a medium-term basis (ie until no later than 2022) it can achieve annual revenues of EUR 500 million and an EBITDA margin of 20%. In this context the Issuer confirms its guidance for the financial year 2017 - the feasibility of which, this year, will depend particularly on the development of the business in the course of the fourth quarter - and expects that today's issuance will create additional trust from a customer perspective.

The Convertible Bond is expected to be issued on or around 11 October 2017 ("Settlement Date").

Bondholders have the right to convert the Convertible Bond from 11 October 2020 until the fifteenth business day before maturity into ordinary no par value bearer shares (the "Ordinary Shares"). The initial conversion price will be fixed during the Trading Day, prospectively at a conversion premium



between 23 % and 28 % above the volume-weighted average price of the Ordinary Shares on XETRA. The shares underlying the Convertible Bond initially equal up to 7.7 % of the current share capital. The shareholders' subscription rights with regards to the Convertible Bond have been excluded.

The coupon of the Convertible Bond is expected to amount to between 5.50 % and 6.00 %.

The Issuer is to pay interest on the Convertible Bond quarterly in arrears. The first interest payment date is 11 January 2018.

The Convertible Bond will be issued at 100 % of its par value. SLM Solutions has the right to redeem all Convertible Bonds at 100 % of par value plus accrued and unpaid interest from 15 November 2020 subject to the condition that the daily volume-weighted average price of one ordinary share on XETRA within a specific period exceeds 150 % of the then prevailing conversion price or that less than 15 % of the initial aggregate principle amount remain outstanding

The final terms of the Convertible Bond are expected to be determined via an accelerated bookbuilt offering and to be announced later today.

An application for inclusion of the bond in trading on the Open Market segment of the Frankfurt Stock Exchange is to be made within three months from the Settlement Date. SLM Solutions has agreed to a lock-up until 90 days after the Settlement Date.

The Convertible Bond will be offered solely to institutional investors outside the United States in reliance on Regulation S (Category 1) under the United States Securities Act of 1933 in its applicable version and outside Australia, Japan or in any other jurisdiction in which offers or sales of the convertible bonds are prohibited by law.

<End of the ad hoc announcement>



About the company:

Lübeck-based SLM Solutions Group AG is a leading provider of metal-based additive manufacturing technology. The company's shares are traded in the Prime Standard of the Frankfurt Stock Exchange. The stock has been listed in the TecDAX index since March 21, 2016. SLM Solutions focuses on the development, assembly and sale of machines and integrated system solutions in the field of selective laser melting. SLM Solutions currently employs over 340 members of staff in Germany, the USA, Singapore, Russia, India and China. The products are utilised worldwide by customers in particular from the aerospace, energy, healthcare and automotive industries.

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