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## **SLM Solutions starts offering period for its IPO on April 28, 2014**

- **SLM Solutions is a technology leader in metal based 3D printing**
- **Initial public offerings in Germany and Luxembourg as well as private placements in selected other countries and exclusively among qualified institutional buyers in the United States in accordance with Rule 144A**
- **Offering of up to 11,248,282 ordinary bearer shares**
- **Issue volume of up to EUR 237.9 million**
- **Period to submit purchase orders: April 28 to May 8, 2014**
- **Commencement of trading in the shares at Frankfurt Stock Exchange expected for May 9, 2014**
- **Gross proceeds from capital increase of approximately EUR 75 million to support growth strategy in dynamic metal based additive manufacturing market**
- **Existing shareholders to retain significant stake in the company post-IPO**

Luebeck, April 25, 2014 – SLM Solutions Group AG (together with its subsidiaries "SLM Solutions" or "SLM Group"), a leading provider of metal based additive manufacturing technology (also commonly referred to as "3D printing"), announces details of its forthcoming IPO on the Prime Standard segment of the regulated market of the Frankfurt Stock Exchange. The Federal Financial Supervisory Authority (BaFin) has approved the corresponding prospectus today.

The offering consists of initial public offerings in Germany and Luxembourg as well as private placements in selected other countries. Shares are also being offered exclusively to qualified institutional buyers ("QIBs") in the United States in the course of a private placement in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended.

### **Offering period starts next Monday**

The period during which purchase orders may be submitted starts on Monday, April 28, and is expected to end on Thursday, May 8, 2014. Offers may be submitted within a price range per share between EUR 18 and EUR 23 for 5,732,596 ordinary bearer shares with no-par value from the holdings of the existing shareholders, and up to 4,166,667 newly issued ordinary bearer shares with no-par value, resulting from a capital increase against cash contributions expected to be resolved by the General Shareholders' Meeting of the company on April 25, 2014. The capital increase will be implemented to an extent that, contingent on the final offer price, the sale of the new shares will generate gross proceeds for SLM Solutions of approximately EUR 75 million. In addition, a further up to 1,349,019 shares from the existing shareholders can be placed for purposes of a potential over-allotment (Greenshoe option). Hence, the issue volume, assuming an offer price at the mid-point of the price range, will amount to a total of EUR 220.2 million given a complete placement of the existing shares from the holdings of the existing shareholders and 4,166,667 new shares and including the full exercise of the Greenshoe option.

The final placement price will be determined prospectively on May 8, 2014 in the course of a bookbuilding process and will be announced by means of an ad hoc announcement. The commencement of trading in the shares in the Prime Standard segment of the regulated market of the Frankfurt Stock Exchange is expected for the following day, May 9, 2014. The transaction is managed

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by Credit Suisse Securities (Europe) Limited and Deutsche Bank Aktiengesellschaft as Joint Global Coordinators and Joint Bookrunners. BHF-BANK AG and Canaccord Genuity Limited (UK) will act as Co-Lead Managers and equinet Bank AG will act as selling agent.

Dr. Markus Rechlin, CEO of SLM Solutions Group AG, explains the IPO motives: "Metal based additive manufacturing technology is ready to be integrated into complex production environments. Leading international industrial companies are using the technology for direct part production in increasing volumes. This is exactly the right timing for us to acquire growth capital through an IPO to be able to satisfy the rising demand for our solutions."

#### **Issue proceeds to finance further growth**

SLM Solutions Group AG intends to utilize the net proceeds resulting from the sale of the new shares to further expand its international sales force and services network, to develop its consumables business through targeted investments in or partnerships with producers of metal powders required as base material for production of parts using the company's selective laser melting technology, and to continue investing in research and development as well as to finance working capital. The company's market presence and technology leadership shall be secured and further expanded by these investments. In contrast to many other 3D printing sector providers, SLM Solutions focuses exclusively on metal based manufacturing processes that are relevant to a growing number of blue chip customers from areas as widespread as aerospace, energy, healthcare and automotive industries. The company's selective laser melting systems use a powerful double and multi laser technology and a hull-core imaging process that increase build rates and productivity of the systems and enable customers such as NASA, EADS, SpaceX, General Electric, Siemens, Alstom, BEGO Bremer Goldschlägerei, BMW or Pierburg to use the systems in industrial production environments.

#### **Strong historic growth**

CFO Uwe Boegershausen identifies excellent growth opportunities for SLM Solutions accordingly: "We have grown company revenues by an average of 35% per year between 2011 and 2013, and work profitable with an adjusted EBITDA margin of 11.5% in 2013. Over the same period, we have doubled our sales revenue on average every year in our main business segment selective laser melting. SLM Solutions operates in a pronounced growth market and has a leading, proprietary technology to continue on its success path over the coming years."

#### **Existing shareholders will remain anchor investors also post-IPO**

Assuming the placement of the maximum amount of offered shares at the mid-point of the price range (including greenshoe shares) the free float will amount to approx. 61.5%. Hans-Joachim Ihde, founder of the company, majority shareholder of the company's shareholder Ceresio GmbH and chairman of the supervisory board of the company comments: "I have been in this industry for decades and strongly believe that SLM Solutions is just now entering the most exciting stage in its history. This is why I stay highly committed as anchor shareholder, also after a successful IPO." Parcom Deutschland I GmbH & Co. KG, a fund advised by DPE Deutsche Private Equity GmbH, will also continue to be a substantial shareholder after the IPO despite the placement of the majority of its shareholdings. Lars Becker, Partner at DPE Deutsche Private Equity GmbH and member of the supervisory board of SLM Solutions Group AG comments: "We have accompanied the company in a phase of strong growth. As an investor we have been deeply impressed by the technological skills of the team and the technological lead SLM Solutions has achieved over competitors in the relevant

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market. We believe the industry to be at an inflection point and our expectations are high for the future. This is why we will stay on board and further support the company's growth path." The existing shareholders have committed to an obligation vis-à-vis each Underwriter that, during the period of twelve months after the introduction of the shares to trading on the Frankfurt Stock Exchange, they will i.a. not, without the prior written consent of the Joint Bookrunners, sell any further shares, except for shares to be sold to the management and certain employees of the companies of the SLM Group in connection with the IPO bonus program.

### **Stable tailwind for 2014**

Dr. Rechlin sees growth opportunities especially due to the innovations that SLM Solutions realized in 2013: "We had a strong sales pipeline as of the end of February 2014 comprising of 133 selective laser melting systems that we are currently discussing with potential customers. Compared to 28 selective laser melting systems sold by us in 2013, the sales pipeline reflects an increase in demand for our products and despite the modest development of our revenue and earnings in the first quarter of 2014, compared to the first quarter of 2013, we expect our sales figures to increase in the financial year 2014, compared to 2013. At the end of February 2014, approximately 13% of our sales leads were for our new flagship system SLM 500<sup>HL</sup> which is regarded as the most productive in its class of metal based additive manufacturing systems. This compares to a share of approximately 7% in 2013 and reflects a shift in demand to our larger higher-performance system, generating higher sales prices per system sold. By the end of March 2014, the overall amount of signed orders was already 7 compared to 3 at the respective point in time in the last year. In April 2014 alone, so far we had an order intake of 6 selective laser melting systems, including 2 SLM 500<sup>HL</sup>. In the same period of the previous year, the order intake was only 2 systems."

The Federal Financial Supervisory Authority (BaFin) today approved the corresponding prospectus for the offering. It can be downloaded from the company website at: <http://www.slm-solutions.com> in the section "Investor Relations".

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**About the company:**

SLM Solutions Group AG, headquartered in Luebeck, Germany, is a leading provider of metal based additive manufacturing technology (also commonly referred to as "3D printing"). SLM Solutions focuses on the development, assembly and sales of machines and integrated system solutions in the field of selective laser melting, vacuum and metal casting. SLM Solutions currently employs over 80 people in Germany and the USA. The products are used worldwide by customers in particular from the aerospace, energy, healthcare and automotive industries. SLM Solutions stands for technologically advanced, innovative and highly efficient integrated system solutions.

**Contact:**

Henryk Deter, cometis AG  
Unter den Eichen 7, 65195 Wiesbaden  
Telephone: +49 (0) 611-205855-13  
Email: [deter@cometis.de](mailto:deter@cometis.de)