

The logo for Materialise, featuring the word "materialise" in a bold, lowercase sans-serif font, with the tagline "innovators you can count on" in a smaller, lowercase sans-serif font below it. The background is white with a blue diagonal stripe that separates the logo area from the rest of the slide.

materialise
innovators you can count on

Q3 2021 Financial Results

Conference Call
October 28, 2021

www.materialise.com
NASDAQ: MTLA

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This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our intentions, beliefs, assumptions, projections, outlook, analyses or current expectations, plans, objectives, strategies and prospects, both financial and business, including statements concerning, among other things, our results of operations, cash needs, capital expenditures, expenses, financial condition, liquidity, prospects, growth and strategies (including how our business, results of operations and financial condition could be impacted by the COVID-19 pandemic and related public health measures, as well as the related actions we are taking in response), and the trends and competition that may affect the markets, industry or us. Such statements are subject to known and unknown uncertainties and risks. When used in this presentation, the words “estimate,” “expect,” “anticipate,” “project,” “plan,” “intend,” “believe,” “forecast,” “will,” “may,” “could,” “might,” “aim,” “should,” and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon the expectations of management under current assumptions at the time of this presentation. These expectations, beliefs and projections are expressed in good faith and the company believes there is a reasonable basis for them. However, the company cannot offer any assurance that our expectations, beliefs and projections will actually be achieved. By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics and industry change, and depend on economic circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. We caution you that forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. All of the forward-looking statements are subject to risks and uncertainties that may cause the company’s actual results to differ materially from our expectations, including risk factors described in the company’s most recent annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. There are a number of risks and uncertainties that could cause the company’s actual results to differ materially from the forward-looking statements contained in this presentation. The company is providing this information as of the date of this presentation and does not undertake any obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or otherwise, unless it has obligations under the federal securities laws to update and disclose material developments related to previously disclosed information.

This presentation includes non-IFRS financial measures, including EBITDA and Adjusted EBITDA. These measures are supplemental measures of financial performance that are not required by, or presented in accordance with, international financial reporting standards (“IFRS”). Please refer to the Appendix of this presentation for a reconciliation of such non-IFRS financial measures to the most directly comparable financial measures prepared in accordance with IFRS.

Agenda

- Q3 2021 Highlights
- Materialise End-part Manufacturing Update
- Q3 2021 Financial Results
- Fiscal 2021 Financial Guidance
- Q&A



Fried Vancraen
Founder & CEO



Peter Leys
Executive Chairman



Johan Albrecht
CFO

Q3 2021

Financial Highlights

- Q3 2021 revenue increased 28% YOY to 52,195 kEUR and 2.9% above Q2 2021
- Q3 2021 Adjusted EBITDA rose 62% to 9,739 kEUR YOY
- Adjusted EBITDA margin increased to 18.7%
- Q3 2021 Net result grew to 8,652 kEUR from (282) kEUR in Q3 2020
- 15 EUR-ct. Earnings per share

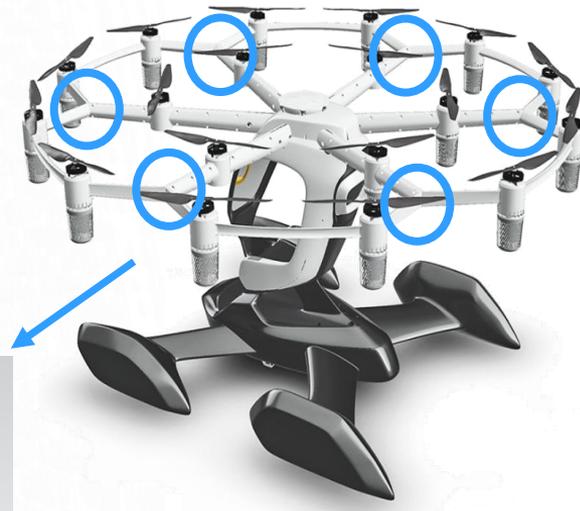
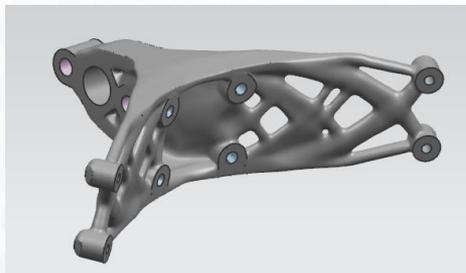
Record third quarter results. Materialise solidly on growth path.



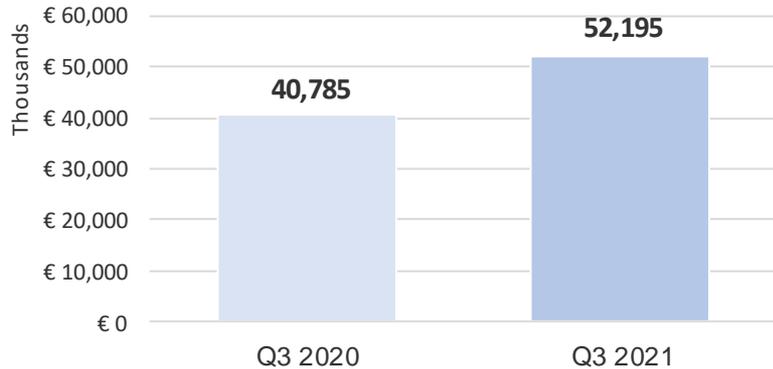
Materialise produces various components for Lift Aircraft

Hexa Y-Bracket, a Meaningful Application Example

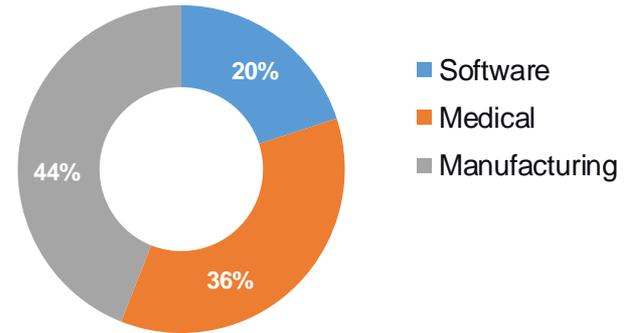
- Topology-optimized part flying 6 weeks after request
- Simulated part functionality and AM-process
- Weight reduction from 250g to 150g
- 40% lighter, in a plane weighing <115 kg
- Elimination of supports
- Cost within target pricing
- Now in serial production



Q3 2021 Consolidated Revenue



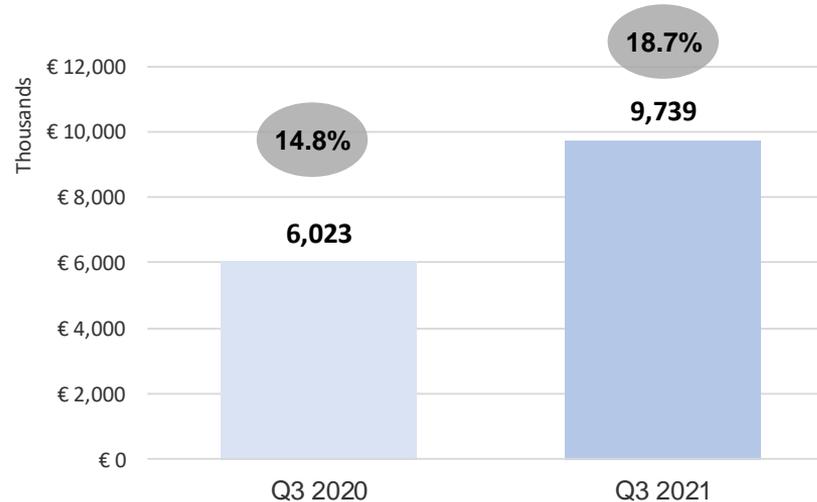
Q3 2021 Revenue by Segment



- Strong double-digit growth from all segments compared to Q3 2020, +28%
- Materialise Manufacturing revenue rose 61% compared to Q3 2020
- Deferred revenues from software license and maintenance fees grew by 0.5 million EUR from year end 2020
- Cross-segment revenue from software products amounted to 31%

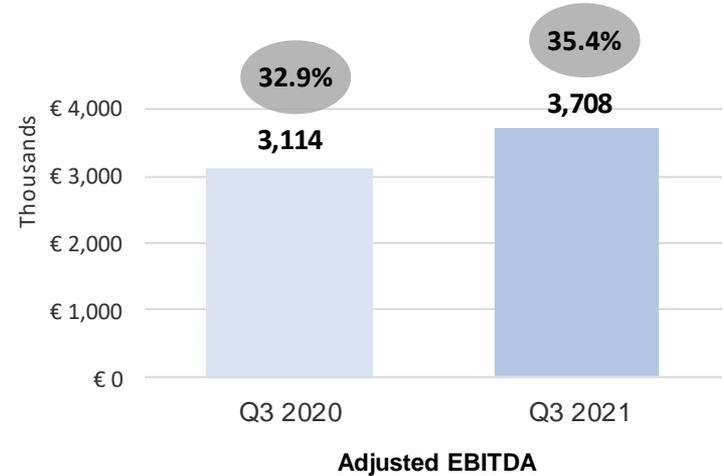
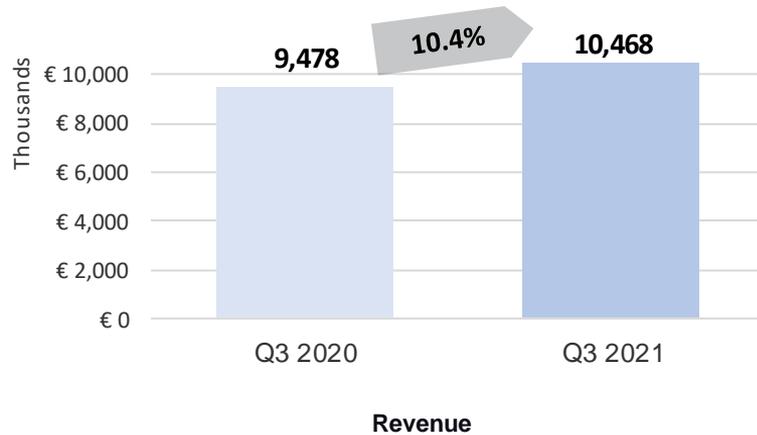
Q3 2021

Consolidated Adjusted EBITDA



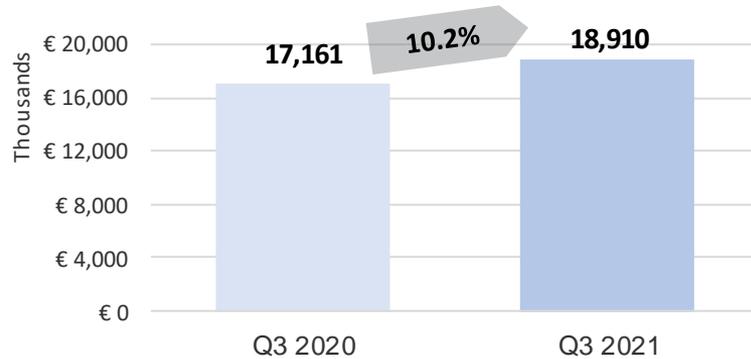
- Q3 2021 consolidated Adjusted EBITDA increased by 62% from last year
- Improved gross margin, continuous productivity improvements and operating cost containment
- Accelerated expenditures in R&D, and continued roll-out of our internal digital transformation program

Q3 2021 Software Segment

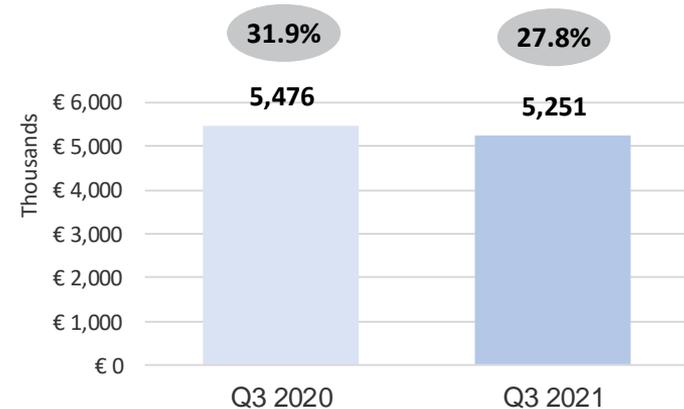


- Q3 2021 revenue increased to 10,468 kEUR, growth of 10,4% YOY
- Q3 2021 Adjusted EBITDA grew 19.1% to 3,708 kEUR, EBITDA margin of 35.4%

Q3 2021 Medical Segment



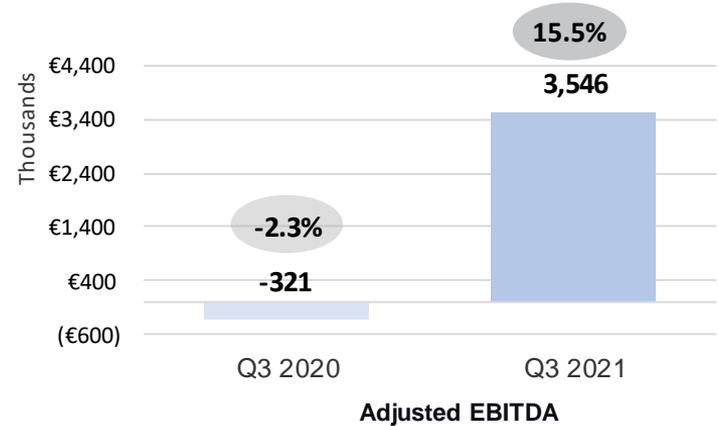
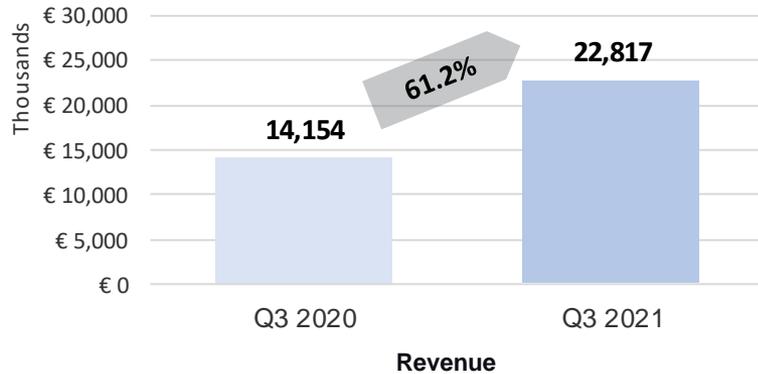
Revenue



Adjusted EBITDA

- Q3 2021 revenue rose to 18,910 kEUR, +10.2% compared to Q3 2020
- Revenue growth compared to Q3 2020 from both medical devices (+8.5%) and medical software sales (+15.0%)
- Q3 2021 Adjusted EBITDA amounted to 5,476 kEUR
- Revenue growth, productivity improvements, and continued cost containment in SG&A expenses, all the while accelerating roll-out of R&D programs

Q3 2021 Manufacturing Segment



- Q3 2021 revenue increased 61.2% YOY to 22,817 kEUR
 - Continued high performance of Q2 2021
- Q3 2021 Adjusted EBITDA increased 3.9 mEUR to 3,546 kEUR, EBITDA margin of 15.5%
 - Revenue bounced back, optimized capacity usage, production efficiency improvements

Income Statement Highlights

(in thousands of euros, except where indicated)	Q3	
	2021	2020*
Revenue	52,195	40,785
Cost of sales	(21,119)	(17,483)
Gross profit	31,076	23,303
Research & development expenses	(6,602)	(5,861)
Sales & marketing expenses	(12,413)	(11,015)
General & administrative expenses	(7,885)	(7,300)
Other income/(expenses), net	355	1,157
Operating profit/(loss)	4,529	284
Financial income/(expenses), net	4,203	(1,330)
Share in gain/(loss) of joint venture	-	-
Taxes	(80)	764
Net profit/(loss)	8,652	(282)
Diluted EPS (in €)	0.15	(0.01)
(Diluted) weighted average shares (thousands)	58,944	53,194

* The year 2020 has been restated to reflect the final accounting of the business combination with Engimplan.

Other Financial Highlights

(in thousands of euros)	09/30/2021	12/31/2020
Cash and equivalents	194,946	111,538
Receivables	38,543	30,871
Inventories	11,812	10,043
Payables	26,668	18,672
Deferred income	34,986	34,881
Borrowings	102,180	115,110
Equity	228,474	133,104
Total balance sheet	414,871	327,667

(in thousands of euros)	Q3 2021	Q3 2020	2021 YTD	2020 YTD
Capital expenditures	3,252	7,536	7,266	13,980
Cash flow from operations	4,388	426	17,490	14,752

Outlook for 2021

- **Current revenue outlook for 2021**
 - Expect revenue to be at the higher end of the 197m-200mEUR range
- **Current Adjusted EBITDA outlook for 2021**
 - Continuing to invest in our strategic business lines, R&D and digital transformation program
 - Increasing our Adjusted EBITDA guidance by 3 mEUR to up to 28 mEUR

APPENDIX

Adjusted EBITDA Reconciliation

	For the quarter ended September 30	
(in thousands of euros)	2021	2020*
Net profit/(loss)	8,652	(282)
Income taxes	80	(764)
Financial expenses	(2,334)	2,462
Financial income	(1,869)	(1,131)
Share of loss in a joint venture	-	-
Depreciation & amortization	5,314	4,839
EBITDA	9,843	5,123
Share-based compensation expenses	(104)	900
Acquisition-related expenses		-
Adjusted EBITDA	9,739	6,023

* The year 2020 has been restated to reflect the final accounting of the business combination with Engimplan..