

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 split.

**materialise**  
innovators you can count on

**Q2 2018 Financial Results  
Conference Call  
August 7, 2018**

[www.materialise.com](http://www.materialise.com)  
NASDAQ: MTLA

# Safe Harbor Summary



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, current estimates of fiscal 2018 revenues, deferred revenue from annual licenses and maintenance and Adjusted EBITDA, the benefits of our collaboration with BASF and the ACTech acquisition, results of operations, cash needs, capital expenditures, expenses, financial condition, liquidity, prospects, growth and strategies, and the trends and competition that may affect the markets, industry or the company. 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 the company’s 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 the risk factors described in our annual report on Form 20-F filed with the SEC on April 30, 2018. 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



**Fried Vancraen**  
*Founder & CEO*



**Peter Leys**  
*Executive Chairman*



**Johan Albrecht**  
*CFO*

- ▶ Q2 2018 Highlights
- ▶ Strategic Alliance with BASF
- ▶ Q2 2018 Financial Results
- ▶ 2018 Financial Guidance
- ▶ Q&A

## Q2 2018 Highlights

- ▶ Total revenue increased 34% from Q2 2017 to 45,076 kEUR
- ▶ Continued revenue and EBITDA outperformance in Materialise Medical and Materialise Manufacturing's new business from ACTech
- ▶ Adjusted EBITDA was 5,216 kEUR compared to 2,732 kEUR for Q2 2017
  - ▶ Excluding ACTech, Adjusted EBITDA was 3,245 kEUR
- ▶ Net result improved 1,324 kEUR to 369 kEUR, or 0.01 EUR per diluted share

**Capped a successful quarter with a 25M USD private placement and a 45M USD public offering**



# July 2018 Private Placement and Public Offering

- ▶ BASF subscribed to 1,953,125 new ordinary shares at \$12.80 per share (total investment of 25 million USD)
- ▶ Public offering of 3,450,000 new ordinary shares at \$13.00 per share (gross proceeds of 44.9 million USD)
- ▶ All new shares are ordinary shares with no special rights attached
- ▶ Pro forma cash position rose to 115 million EUR

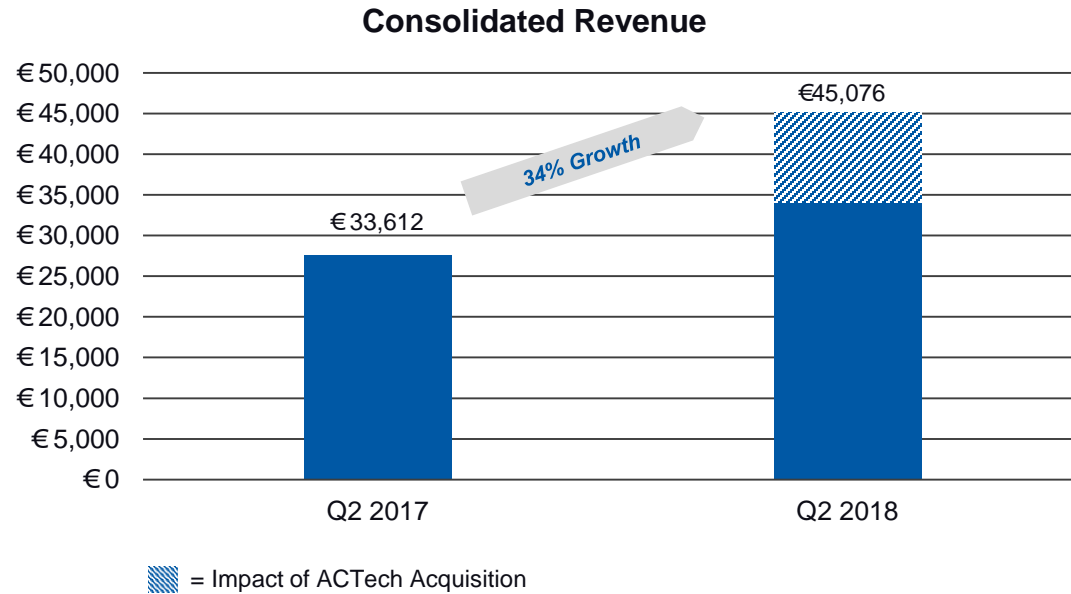
# Materialise-BASF Strategic Alliance

## Establishing an Open Ecosystem

## Developing Meaningful Applications

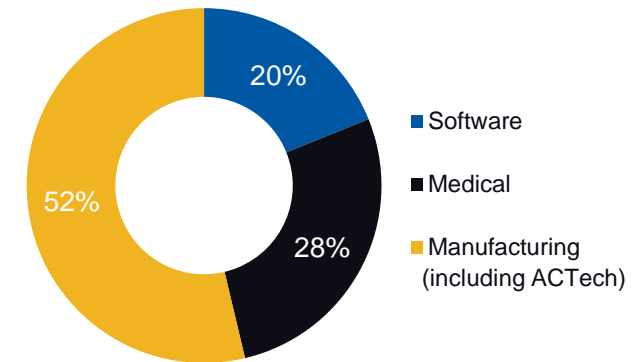
|           | Establishing an Open Ecosystem  | Developing Meaningful Applications   |
|-----------|---|--|
| Strategic |  <ul style="list-style-type: none"><li>✓ Shared perspective that growth of 3D printing market will be accelerated through open and machine/data agnostic market for 3D printing software + materials</li></ul> | <ul style="list-style-type: none"><li>✓ Shared perspective that continued growth of industrial 3D printing market will be driven by innovative applications</li></ul>  |
| Tactical  |  <ul style="list-style-type: none"><li>✓ MTLs and BASF will collaborate to accelerate the development of new software tools and materials</li><li>✓ Focus on interoperability and openness</li></ul>          | <ul style="list-style-type: none"><li>✓ Collaboration to identify and develop applications + accelerate their time to market</li><li>✓ Collaboration on R&amp;D of new materials in strategic verticals and co-creation sessions with customers to develop new verticals</li></ul> |

# Q2 2018 - Consolidated Revenue

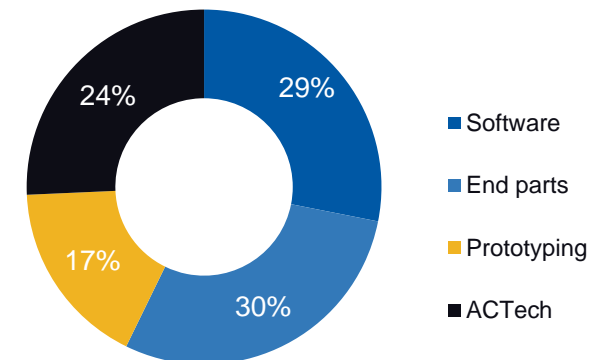


- Solid sales increase in Medical and Software segments
- Deferred revenue increased 2,419 kEUR
- ACTech contributed 10,963 kEUR

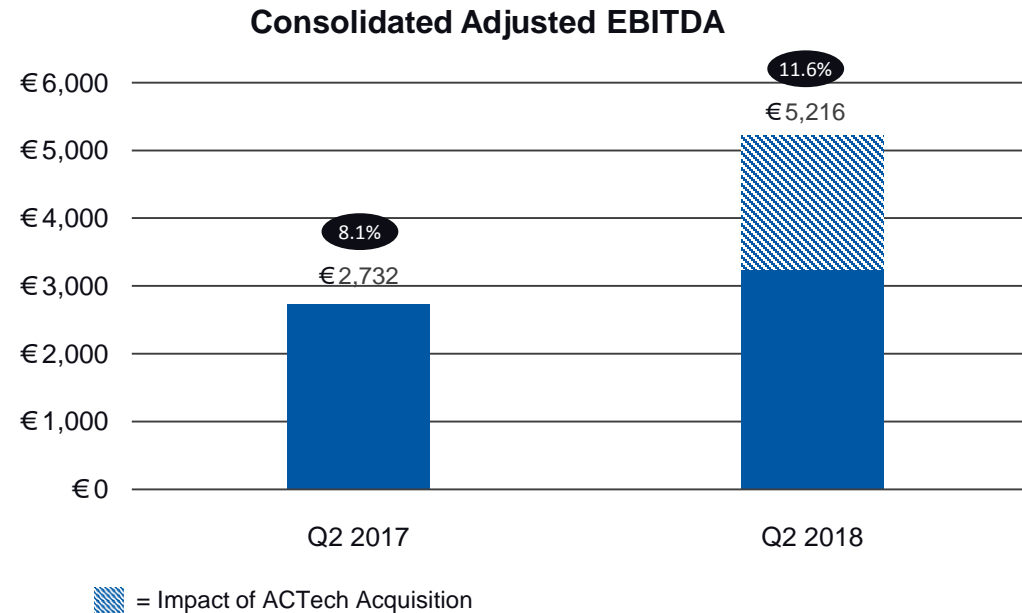
### Q2 2018 Revenue by Segment



### Q2 2018 Revenue by Product Type



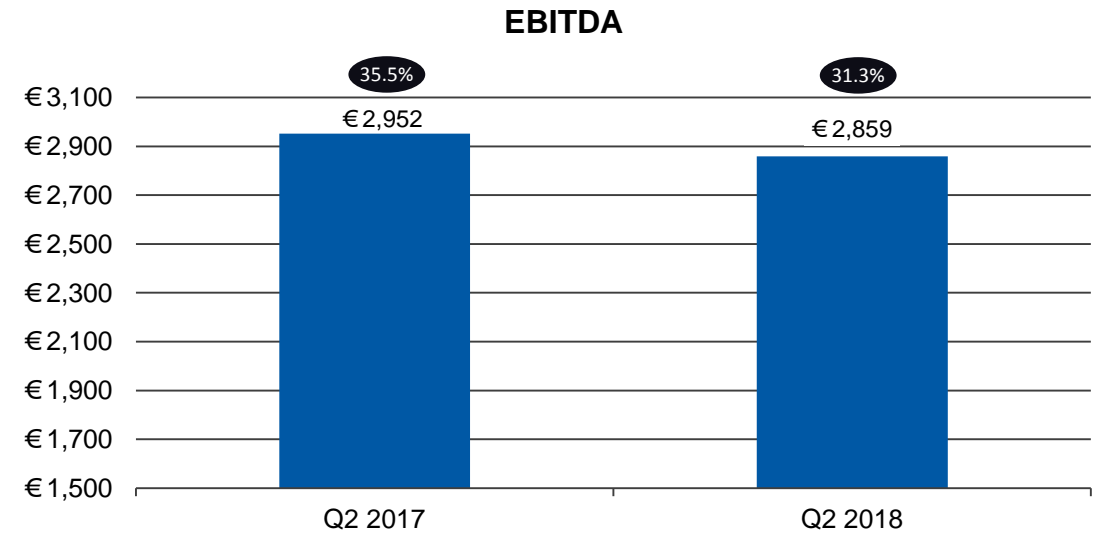
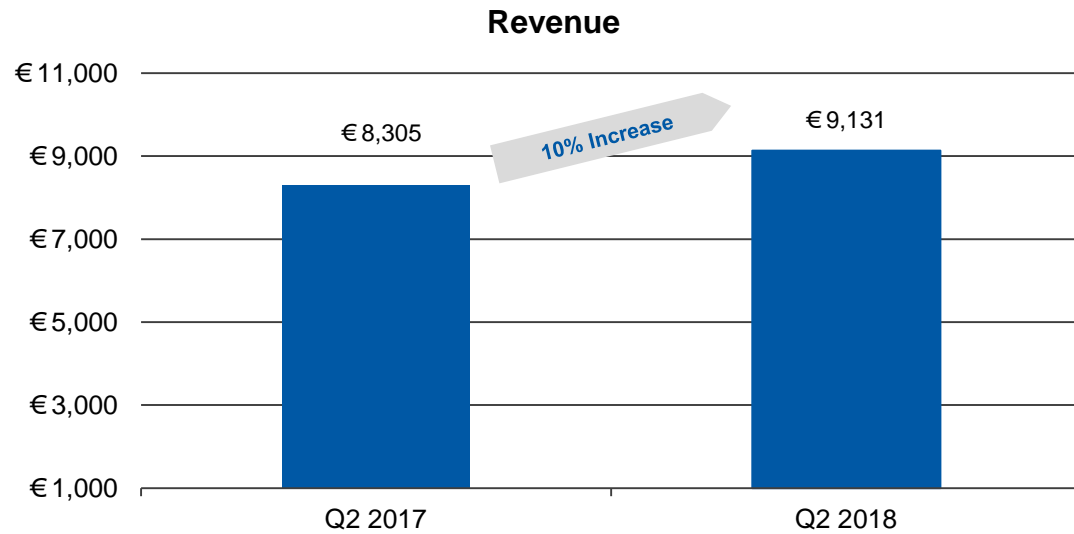
# Q2 2018 - Consolidated Adjusted EBITDA



- Q2 2018 consolidated adjusted EBITDA increased 91%
- Q2 2018 consolidated adjusted EBITDA grew 350 basis points to 11.6%
- Improvement reflects:
  - ACTech's EBITDA contribution of 1,971 kEUR
  - Significant increase in Medical segment's EBITDA to a large extent offset by lower EBITDA in organic Manufacturing businesses



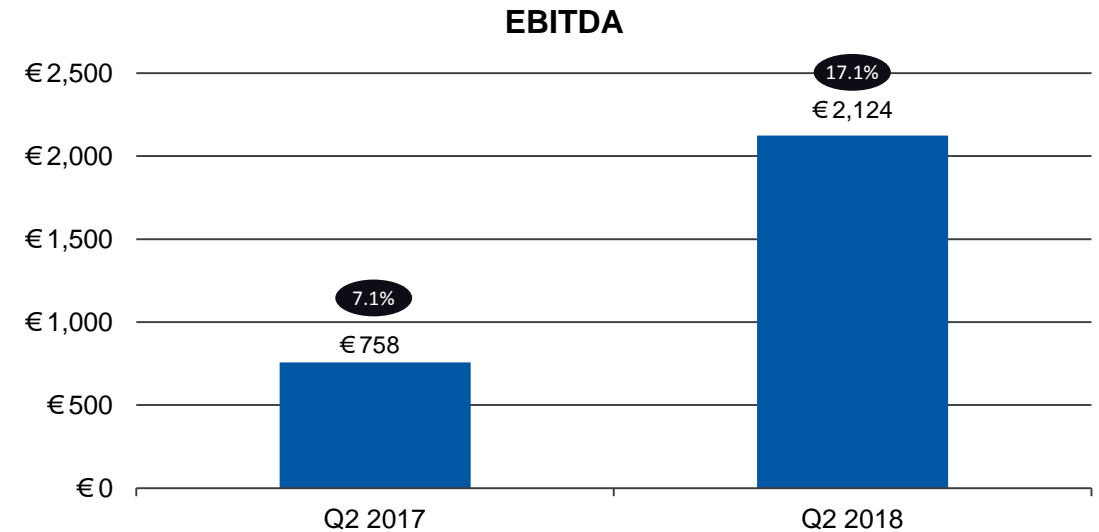
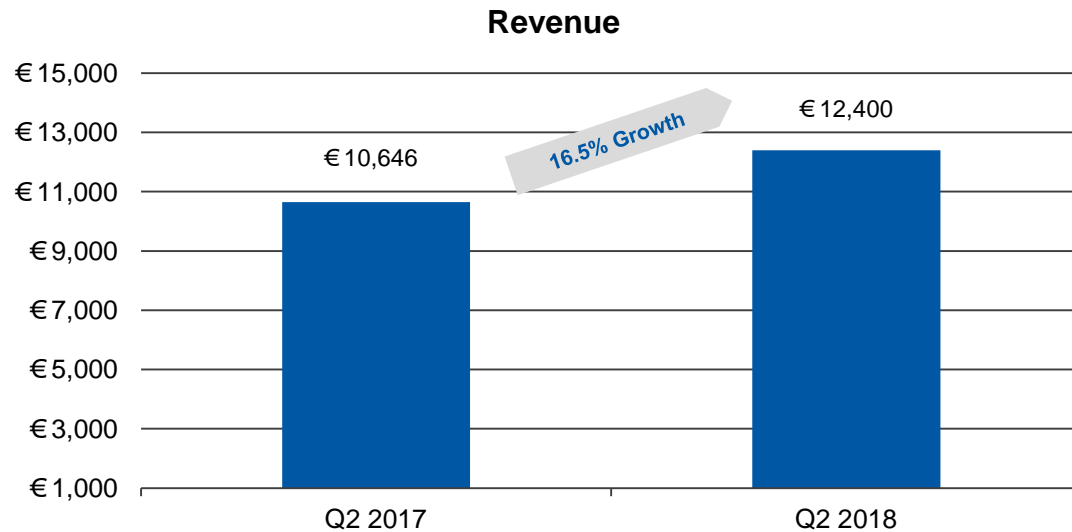
# Software Segment



- Q2 2018 sales increased 15% while revenue rose 10%
- Q2 2018 EBITDA margin was 31.3%

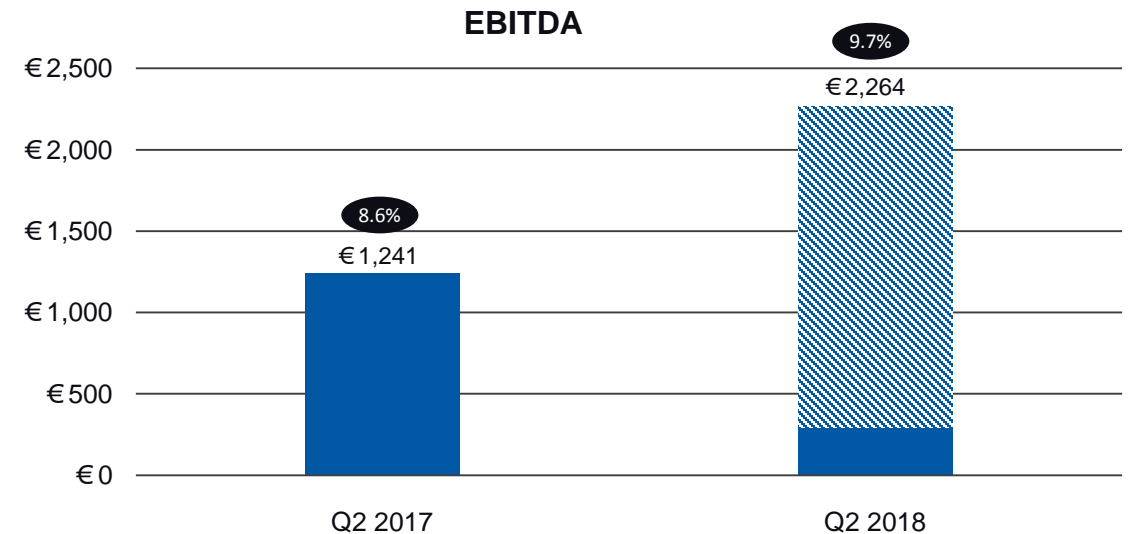
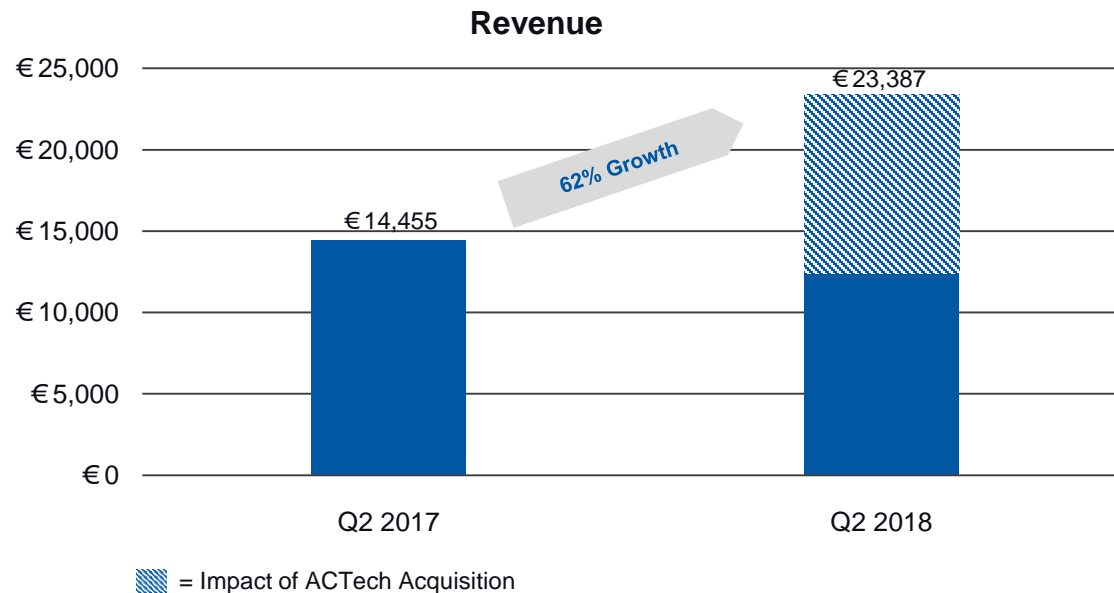
\*Sales are defined in this presentation as revenue plus deferred revenue.

# Medical Segment



- Q2 2018 revenue from direct sales from medical devices and services rose 29%
- Q2 2018 revenue from medical software decreased 5% while sales from medical software increased 9%
- EBITDA increased 1,366 kEUR, resulting in a 17% EBITDA margin, due to solid revenue growth and limited increase of operating expenses

# Manufacturing Segment



- ▶ Strong revenue growth due to ACTech contribution of 11 mEUR
- ▶ Strong growth of EBITDA due to ACTech contribution of 1,971 kEUR
- ▶ EBITDA margin increased to 9.7%
- ▶ 185 printers in production as of June 30, 2018

# Income Statement Highlights

| (in thousands of euros, except where indicated) | Q2       |          |
|---|----------|----------|
|   | 2018     | 2017     |
| Revenue   | 45,076   | 33,612   |
| Cost of sales                                   | (20,288) | (14,224) |
| Gross profit                                    | 24,788   | 19,388   |
| Research & development expenses                 | (5,831)  | (5,131)  |
| Sales & marketing expenses                      | (11,842) | (10,009) |
| General & administrative expenses               | (8,027)  | (5,771)  |
| Other income/(expenses), net                    | 1,841    | 1,228    |
| Operating profit/(loss)                         | 929      | (295)    |
| Financial income/(expenses), net                | (376)    | (427)    |
| Share in loss of joint venture                  | (141)    | (42)     |
| Taxes   | (43)     | (191)    |
| Net profit/(loss)                               | 369      | (955)    |
| Diluted EPS*                                    | 0.01     | (0.02)   |
| Diluted weighted average shares (thousands)     | 48,131   | 47,325   |

\* Excludes non-controlling interest.

## Other Financial Highlights

| (in thousands of euros)      | 06/30/2018 | 12/31/2017 | 06/30/2018<br>Pro-forma* |
|------------------------------|------------|------------|--------------------------|
| Cash & equivalents           | 48,719     | 43,175     | 115,289                  |
| Receivables                  | 38,408     | 35,582     | 38,408                   |
| Inventory                    | 10,794     | 11,594     | 10,794                   |
| Payables                     | 19,725     | 19,230     | 19,725                   |
| Total deferred income        | 29,201     | 23,831     | 29,201                   |
| Total borrowings             | 98,219     | 94,557     | 108,219                  |
| Total equity                 | 77,053     | 77,515     | 133,623                  |
| Total equity and liabilities | 246,969    | 237,539    | 313,539                  |

| (in thousands of euros)   | Q2 2018 | Q2 2017 |
|---------------------------|---------|---------|
| Capital expenditures      | (4,797) | (9,151) |
| Cash flow from operations | 4,831   | 3,585   |

\* Pro-forma balance sheet of June 30, 2018 presents the June 30, 2018 balance sheet adjusted with the proceeds from the company's July private placement and public offering and the 10 mEUR loan drawn from the European Investment Bank in July 2018.

# APPENDIX

## Adjusted EBITDA Reconciliation

|  | For the three months ended<br>June 30 |       |
|--|---------------------------------------|-------|
| (in thousands of euros)                    | 2018                                  | 2017  |
| Net profit/(loss)                          | 369                                   | (955) |
|  |                                       |       |
| Income taxes                               | 43                                    | 191   |
| Financial expense                          | 967                                   | 1,317 |
| Financial income                           | (591)                                 | (890) |
| Share of loss in a joint venture           | 141                                   | 42    |
| Depreciation & amortization                | 4,010                                 | 2,656 |
|  |                                       |       |
| EBITDA                                     | 4,939                                 | 2,361 |
| Non-cash stock-based compensation expenses | 277                                   | 371   |
| Adjusted EBITDA                            | 5,216                                 | 2,732 |