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3Q 2016 Financial Results Conference Call
November 9, 2016

www.materialise.com
NASDAQ: MTLS

Safe Harbor Summary

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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, current estimates of fiscal 2015 revenues and Adjusted EBITDA, investments in R&D and S&M initiatives, 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 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 the risk factors described in our annual report on Form 20-F filed with the SEC on April 28, 2016. 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 press release.

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.

Agenda

Fried Vancraen
Founder & CEO

Peter Leys
Executive Chairman

Johan Albrecht
CFO

- Q3 2016 Highlights
- Materialise – HOYA Vision Care Partnership
- Q3 2016 Financial Results
- Positioning Materialise for 2017
- Q&A

Q3 2016 Highlights

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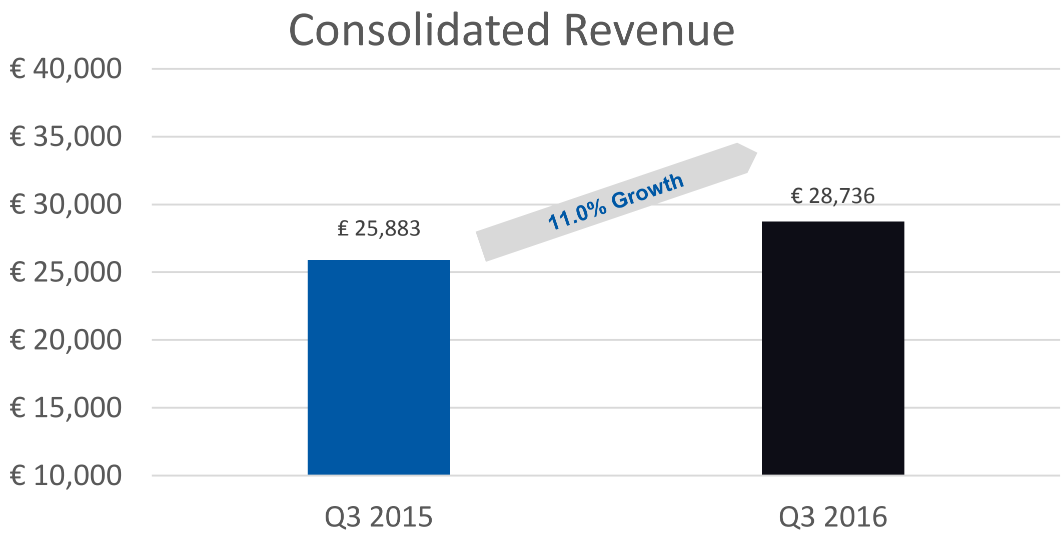
- Total revenue increased 11% to 28,736 kEUR.
- Adjusted EBITDA more than doubled compared to Q3 2015 (2,833 kEUR in Q3 2016 from 1,175 kEUR last year)
- Adjusted EBITDA margin also more than doubled compared to Q3 2015 (9.9% margin in Q3 2016 from 4.5% last year)
- Revenue increases and positive EBITDA in all three business segments.

Strong Performance by Materialise in a Transition Period for the Industry

Materialise – HOYA Vision Care Partnership

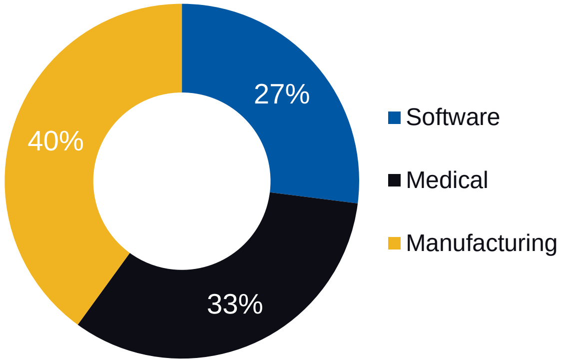
- Prime example of Materialise’s backbone strategy.
- Significantly enhances the customer’s vision experience by customizing lens and frame in a coordinated fashion.
  - Yuniku’s result: better vision, less fatigue.
- Fully backed by an end-to-end digital supply chain.
- Materialise to produce the individualized frames.
- First products to be delivered in spring of 2017, with ramp up in Europe during the year.

Consolidated Revenue

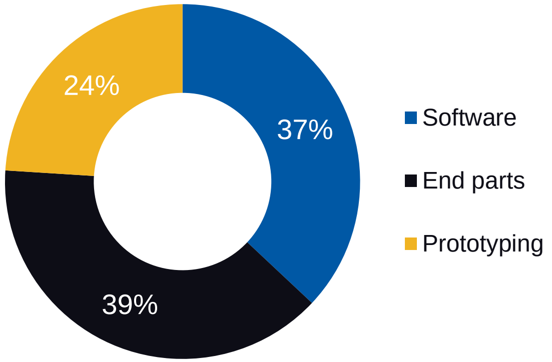


- Revenue increases in all segments.
- Software led the gain with a 21% increase, followed by Manufacturing.
- 76% of Q3 2016 revenue from software sales and end parts.

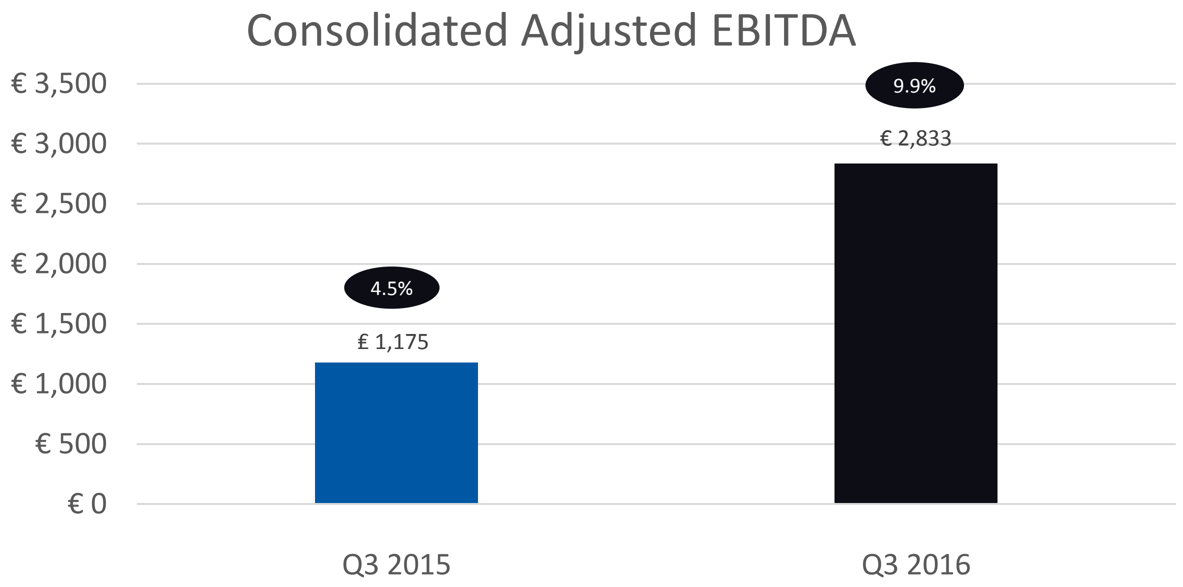
Q3 2016 Revenue by Segment



Q3 2016 Revenue by Product Type

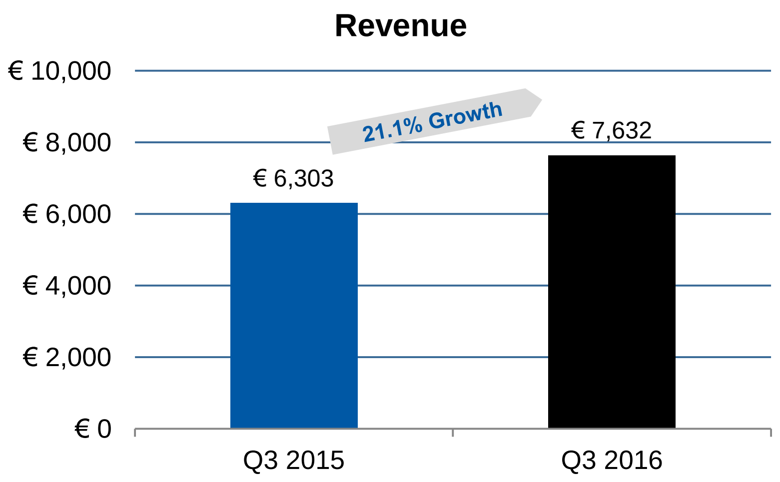


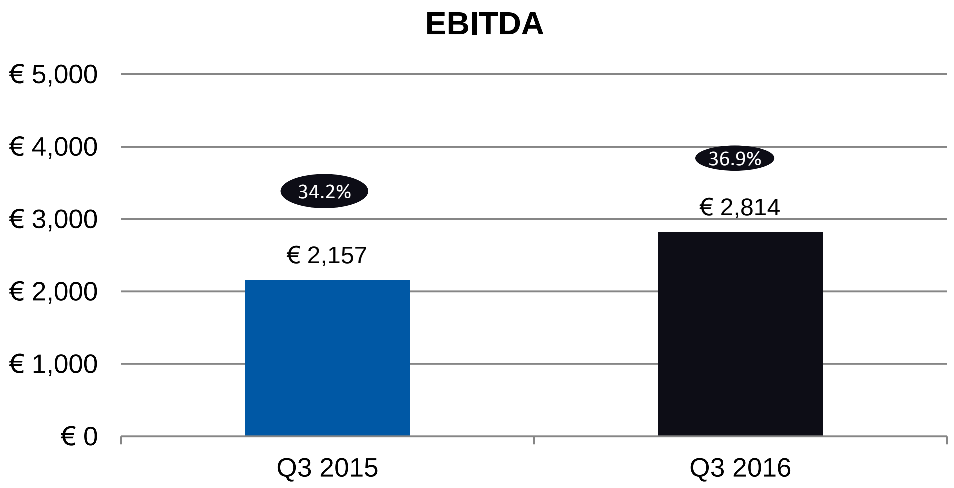
Consolidated Adjusted EBITDA



- Q3 2016 consolidated Adjusted EBITDA grew from 1,175 kEUR to 2,833 kEUR.
- Q3 2016 consolidated Adjusted EBITDA margin grew 532 basis points to 9.9%.
- Improvements reflect:
  - 11% revenue growth
  - 15% increase in gross profit
  - 5% increase in operational expenses

Software Segment

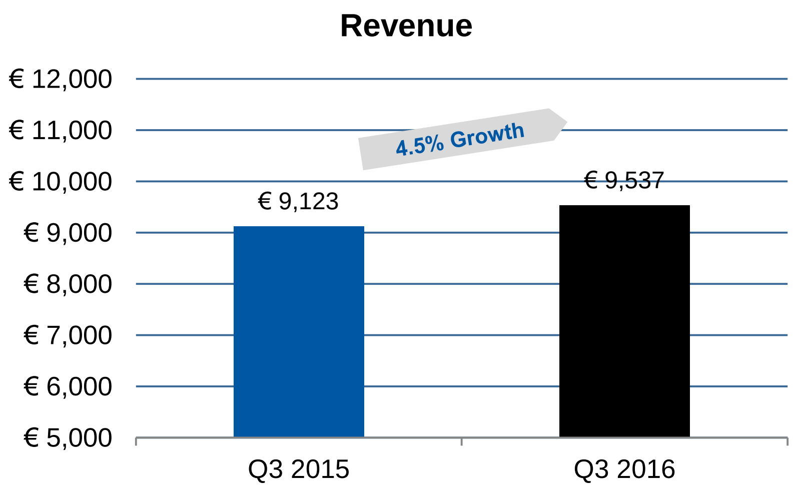


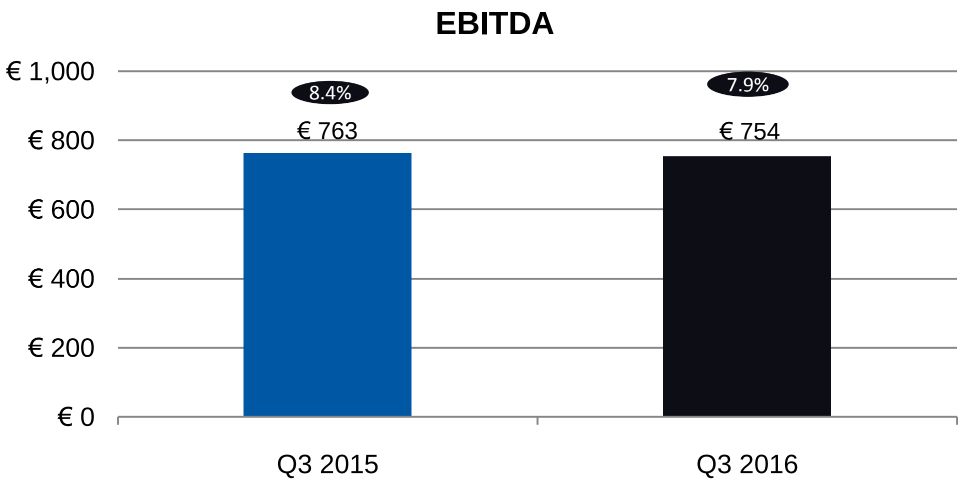


- Q3 2016 sales* generated from OEMs increased 30% from the prior-year period.
- 15% YOY growth in recurring license revenue.
- EBITDA grew 30% on 21% revenue growth.

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

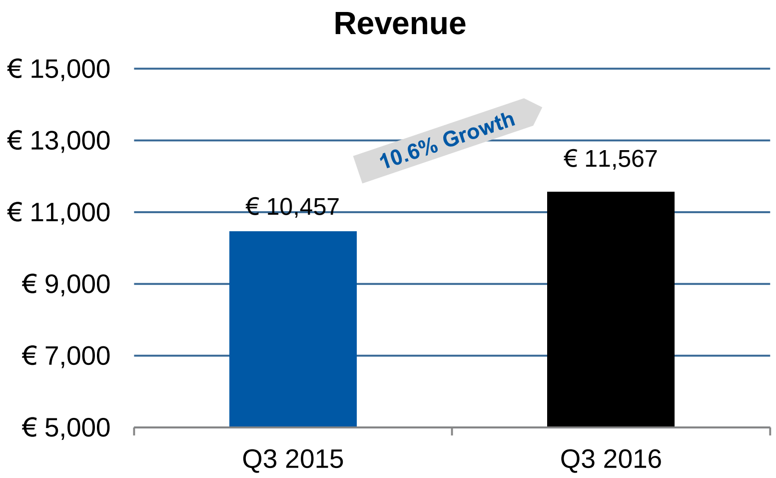
Medical Segment

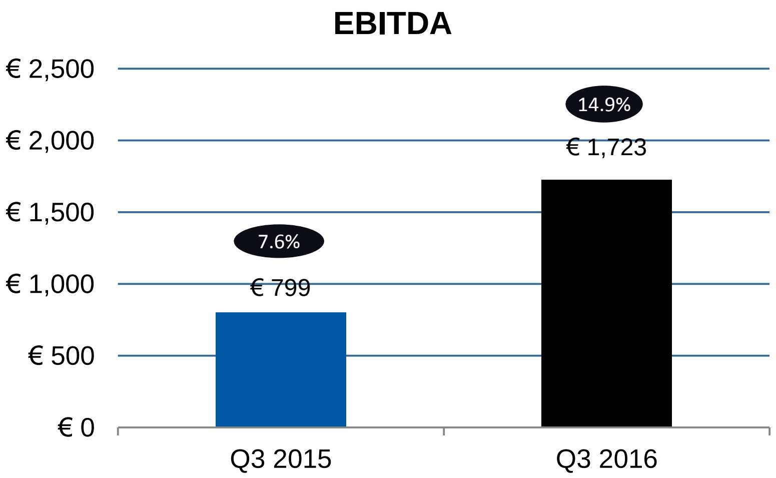




- Direct sales from complex surgery devices increased 28% from Q3 2015.
- Sales from collaborated medical devices and medical software sales decreased 2% from Q3 2015.
- Segment EBITDA margin remained stable at 8%.

Manufacturing Segment





- 41% growth in revenue from end parts for Q3 2016 compared to Q3 2015.
- EBITDA almost doubled to 15% on higher gross profit.
  - Includes 460 kEUR for updated accounting valuation of resin materials stock due to steady efficiency improvements
- Excluding i.materialise and Rapid Fit, Q3 2016 EBITDA was 22% versus 17% in Q3 2015.
- Number of printers increased slightly to 148 as of September 30, 2016.

Income Statement Highlights

(in thousands of euros, except where indicated)	Q3	
	2016	2015
Revenue	28,736	25,883
Cost of sales	(11,799)	(11,181)
Gross profit	16,937	14,702
Research & development expenses	(4,389)	(4,566)
Sales & marketing expenses	(8,299)	(8,657)
General & administrative expenses	(5,286)	(3,956)
Other income/(expenses), net	1,369	1,643
Operating profit/(loss)	332	(834)
Financial income/(expenses), net	(124)	151
Share in loss of joint venture	(69)	(125)
Taxes	(191)	(296)
Net profit/(loss)	(52)	(1,104)
Diluted EPS*	(0.00)	(0.02)
Diluted weighted average shares (thousands)	47,325	47,227

* Excludes non-controlling interest.

Other Financial Highlights

(in thousands of euros)	09/30/2016	12/31/2015
Cash & equivalents	50,490	50,726
Receivables	23,143	22,843
Inventory	6,215	5,387
Payables	10,433	9,967
Total deferred income	17,963	16,601
Total borrowings	26,416	21,089
Total equity	78,098	82,955
Total equity and liabilities	147,526	144,136

(in thousands of euros)	Q3 2016	Q3 2015
Capital expenditures	(2,292)	(2,828)
Cash flow from operations	(1,466)	268

Positioning Materialise for 2017

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- Entering into strategic partnerships in anticipation of full adoption of AM technology for end part manufacturing.
  - HP, Johnson& Johnson/Depuy Synthes, HOYA and others
- Expanding our backbone offering with focus on end part manufacturing and AM applications.
  - Hospital solution, MCP, certified manufacturing, X-ray knee guides
- Increasing operational effectiveness.
- Expanding production facilities.

Fiscal 2016 Guidance

Consolidated Revenue	**115M to 120M euros** **Lower end of guidance range**
Consolidated Adj. EBITDA(1)	**7M to 9M euros**
Deferred Revenue	**2M to 3M euros**

Note: These objectives do not represent budget estimates or projections of any type and have not been prepared by management in the manner budget estimates or projections are prepared. The Company's operational and financial objectives change from time to time based on numerous factors, and the Company's ability to achieve any objective is subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. For discussion of some of the important factors that could cause these variations, please see the risk factors described in our annual report on Form 20-F filed with the SEC on April 28, 2016. Nothing in this presentation should be regarded as a representation by any person that these objectives will be achieved and the Company undertakes no duty to update its objectives.

(1) Adjusted EBITDA is a non-IFRS financial measure that the Company calculates as net profit plus income taxes, financial expenses (less financial income), depreciation and amortization and stock-based compensation expense.

APPENDIX
Adjusted EBITDA Reconciliation

	For the three months ended September 30	
(in thousands of euros)	**2016**	**2015**
Net profit/(loss)	(52)	(1,104)
Income taxes	191	296
Financial expenses	181	373
Financial income	(58)	(524)
Share of loss in a joint venture	69	125
Depreciation & amortization	2,144	1,829
EBITDA	2,475	995
Non-cash stock-based compensation expenses	358	180
Adjusted EBITDA	2,833	1,175