



Materialise
innovators you can count on



**Q1 2015 Financial Results
Conference Call
May 13, 2015**

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 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 press release. 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 30, 2015. 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 press release 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



Frederic Merckx
CFO

- Q1 2015 Highlights
- Our View on the 3D Printing Market
- Q1 2015 Financial Results
- 2015 Operational Goals and Q2 2015 Operational Priorities
- Q&A

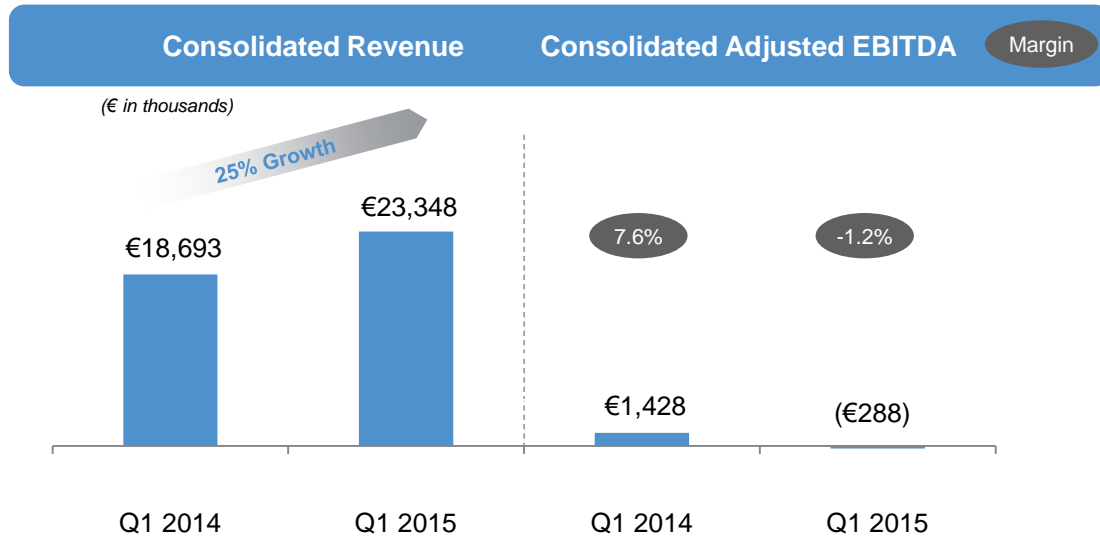
Q1 2015 Highlights

- ✓ Revenue increased 25% to 23,348 kEUR from prior year; organic growth was 20% as compared to Q1 2014.
- ✓ 3D Printing Software sales increased 52% from prior year.
- ✓ Total (3D Printing and Medical) software sales were 38% of total revenue in Q1 2015, as compared to 31% in Q1 2014.
- ✓ S&M and R&D expenses combined increased 55% from prior year, as planned.
- ✓ Adjusted EBITDA was (288) kEUR, compared to 1,428 kEUR in Q1 2014.

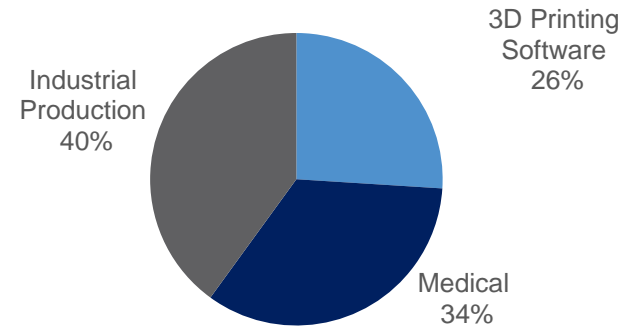
Our View on the 3D Printing Market

- ✓ 3D Printing / AM industry maintains healthy growth, even accelerating
 - Wohlers Report: 35% growth in 2014
- ✓ Increasing number of opportunities in growing number of market segments
- ✓ Ecosystem development a key limiting factor; key enablers include:
 - New thinking in product design
 - Software systems
 - Distribution reorganization
- ✓ Future growth will not be linear, consistent with past

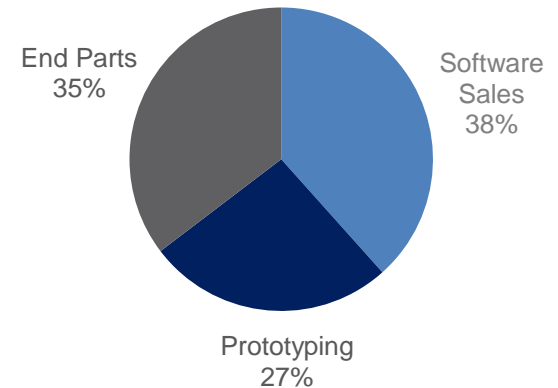
Consolidated Results



Q1 2015 Revenue

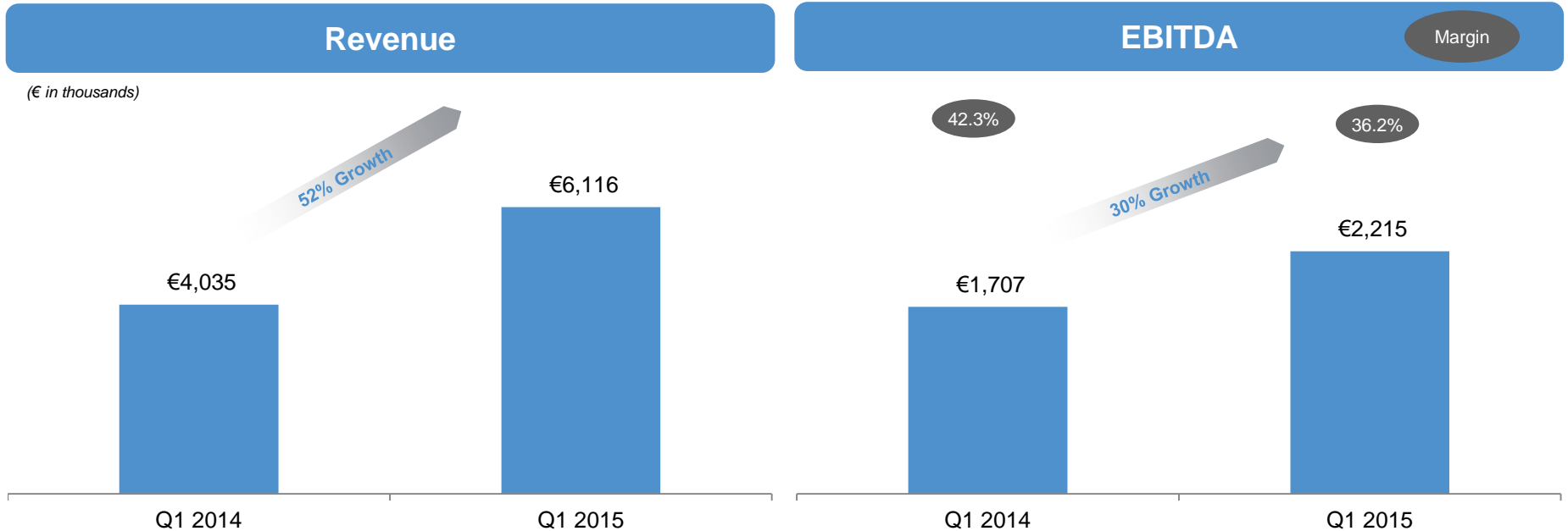


Q1 2015 Revenue



- ✓ 73% of Q1 2015 revenue from software sales and end parts.
- ✓ Q1 2015 S&M and R&D spending increased 55% or 4,863 kEUR from prior year.
- ✓ Non-cash stock-based compensation expense in Q1 2015 was 220 kEUR.

3D Printing Software Segment



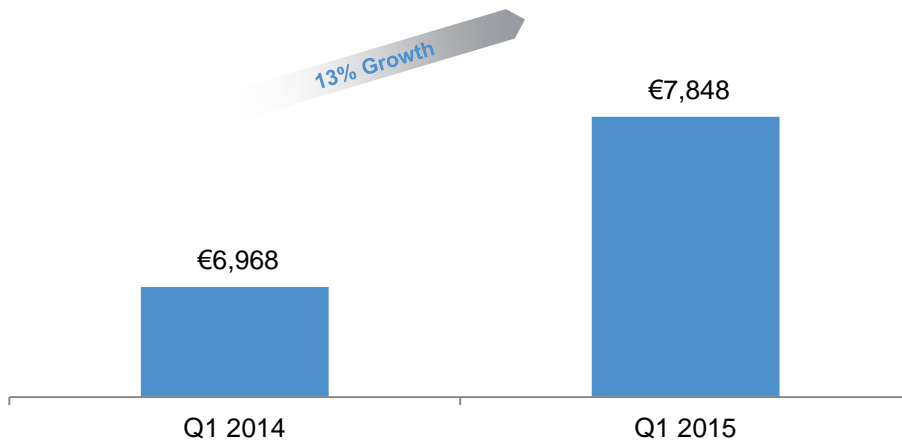
- ✓ Revenue from new licenses for Q1 2015 increased by 57% from the prior year.
- ✓ Q1 2015 revenue generated from OEMs increased by 94% from the prior year ⁽¹⁾.
- ✓ Q1 2015 revenue from Asia increased by 71% from the prior year.
- ✓ Q1 2015 EBITDA margin reflects 1,381 kEUR increased investment in R&D and S&M.

(1) Reflects a combination of software sold to or through OEMs.

Medical Segment

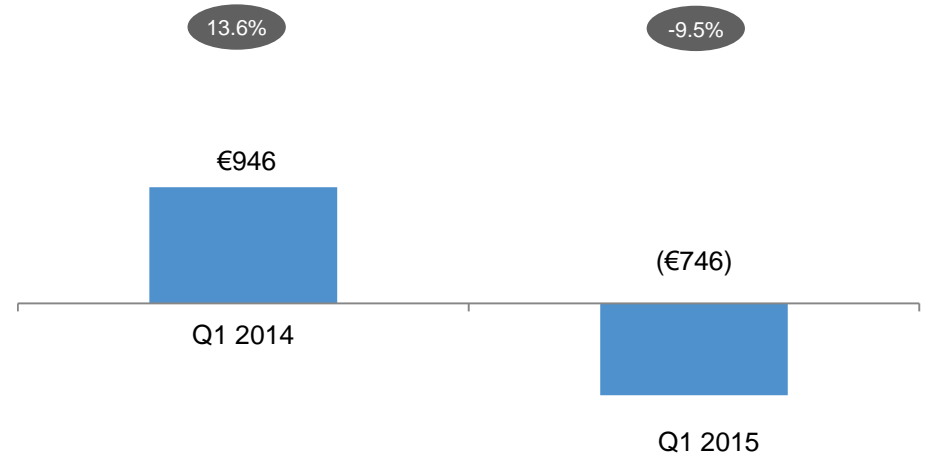
Revenue

(€ in thousands)



EBITDA

Margin



- ✓ Q1 2015 medical software revenue increased 54% from the prior year (4.7% excluding OrthoView) and represented 35% of total medical sales.
- ✓ Share of annual licenses increased to 35% of new license sales from 17% last year, excluding OrthoView.
- ✓ Q1 2015 revenue from direct sales of complex surgery devices increased by 24% from the prior year and represented 14% of total medical sales.
- ✓ Q1 2015 revenue from medical collaboration partners decreased to 52% from 60% the prior year.
- ✓ Q1 2015 EBITDA margin reflects 1,971 kEUR increased investment in R&D and S&M.

Industrial Production Segment

Revenue

(€ in thousands)

25% Growth

€7,483

Q1 2014

€9,384

Q1 2015

EBITDA

Margin

-0.9%

(€71)

Q1 2014

-0.4%

(€40)

Q1 2015

- ✓ 42% growth in sales of end parts for Q1 2015 over the prior year.
- ✓ Number of printers increased from 109 as of 3/31/14 to 126 as of 3/31/15.
- ✓ Excluding growth businesses, Q1 2015 EBITDA margin was 10.0% versus 12.2% for the prior year.

Income Statement Highlights

(in thousands of euros, except where indicated)	Q1	
	<u>2015</u>	<u>2014</u>
Revenue	23,348	18,693
Cost of sales	<u>(9,881)</u>	<u>(7,639)</u>
Gross profit	13,467	11,054
Research & Development Expenses	(4,507)	(3,179)
Sales & Marketing Expenses	(9,215)	(5,680)
General & Administrative Expenses	(3,575)	(2,716)
Other income/(expenses), net	<u>1,780</u>	<u>958</u>
Operating profit	(2,050)	437
Financial income/(expenses), net	1,472	(166)
Share in loss of joint venture	(60)	0
Taxes	<u>(250)</u>	<u>(189)</u>
Net profit/(loss)	(888)	82
Diluted EPS*	-0.02	0.00
Diluted weighted average shares (thousands)	47,170	39,904

* Excludes non-controlling interest.

Other Financial Highlights

(in thousands of euros)	03/31/2015	12/31/2014
Cash & equivalents*	57,571	61,019
Receivables	19,962	18,370
Inventories	4,491	3,660
Payables	9,794	7,332
Total borrowings	17,772	17,347
Total equity	85,015	85,167
Total liabilities and equity	137,562	133,221
(in thousands of euros)	Q1 2015	Q1 2014
Capital expenditures	3,057	1,781
Cash flow from operations	818	1,996

* Including held-to-maturity investments €7,000 as per 03/31/2015 and €10,000 as per 12/31/2014.

2015 Guidance

**Consolidated
Revenue**

99M to 101M euros

**Consolidated
Adj. EBITDA⁽¹⁾**

4M to 5M 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 30, 2015. 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.

Operational Review

Q1 Operational Accomplishments

- ✓ Launched 3 build processors
- ✓ Launched additive manufacturing control system (CENAT)

Q2 Operational Priorities

SOFTWARE

- ✓ Further roll out build processor program
- ✓ Continue to build the CENAT platform
- ✓ Expand on relationships built at Materialise World Conference

MEDICAL

- ✓ Integration of OrthoView and Materialise's sales teams
- ✓ Filed X-ray knee guide with FDA
- ✓ Bought out minority owners of Mobelife

- ✓ Continue integration of OrthoView and Materialise product portfolios
- ✓ Bring metal printing of entire product portfolio in house
- ✓ Explore new strategic partnerships

INDUSTRIAL PRODUCTION

- ✓ Obtained certifications to expand our offering to aerospace customers
- ✓ Launched co-creation consulting platform
- ✓ Set up aluminum printing line

- ✓ Further expand our metal offering
- ✓ Build our i.materialise franchise network

Q & A



Visionary company and leadership that has driven advancement of the 3D printing industry



Commitment to expanding 3D printing technology through constant ongoing Research & Development



At the forefront of 3D printing growth with a compelling and unique business and financial model

Adjusted EBITDA Reconciliation

	For the three months ended March 31	
(in thousands of euros)	2015	2014
Net profit/(loss)	(888)	82
Income taxes	250	189
Financial expense	449	199
Financial income	(1,921)	(33)
Share in Loss in a Joint Venture	60	0
Depreciation & amortization	1,542	961
EBITDA	(508)	1,398
Non-recurring IPO Expenses	0	0
Non-cash stock-based compensation expenses	220	30
Adjusted EBITDA	(288)	1,428