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4Q 2017 Financial Results Conference Call March 6, 2018

www.materialise.com
NASDAQ: MTLS

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 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 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 May 1, 2017. 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

- Q4 and FY 2017 Highlights
- Financial and Strategic Accomplishments
- Q4 2017 Financial Results
- 2017 Achievements and 2018 Priorities
- Fiscal 2018 Guidance
- Q&A

Q4 2017 Highlights

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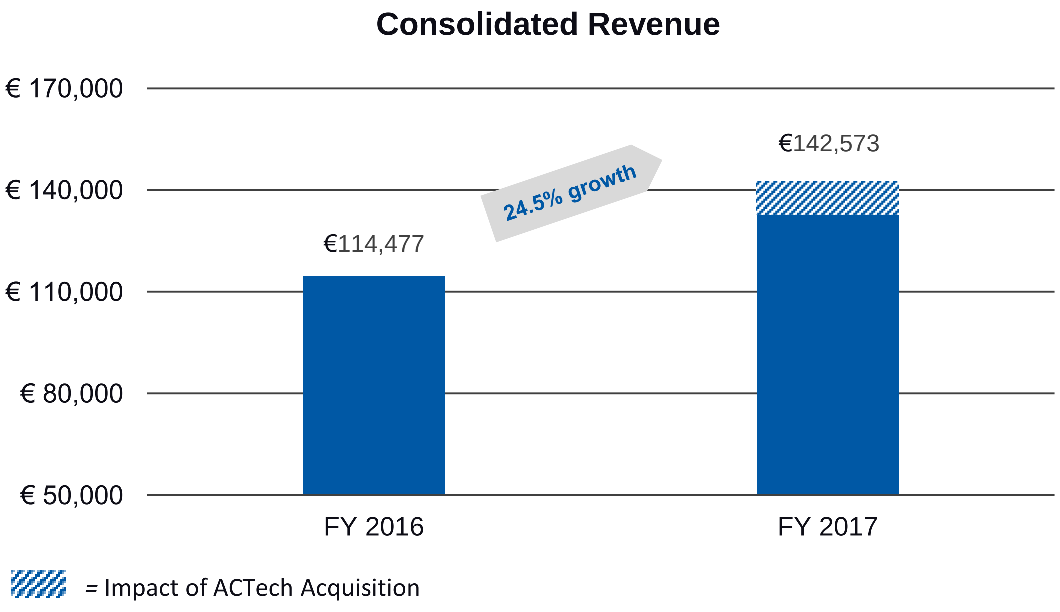
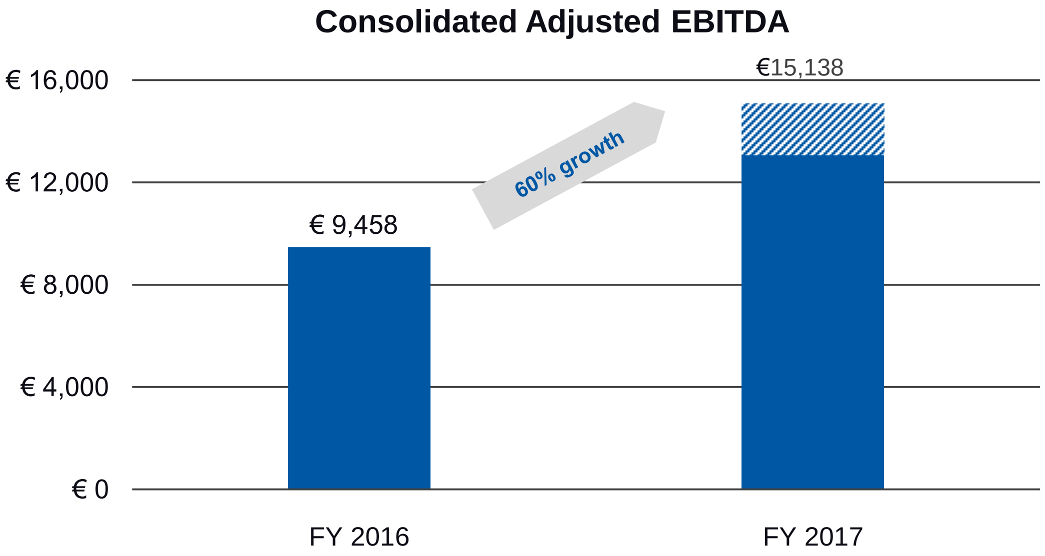
- Total revenue increased 42% from Q4 2016 to 44,733 kEUR
- Strong organic increases in Materialise Software and Materialise Medical
- Adjusted EBITDA was 6,334 kEUR compared to 4,455 kEUR for Q4 2016. Excluding ACTech, Adjusted EBITDA was 4,263 kEUR
- Net profit was 1,528 kEUR, or 0.03 EUR per diluted share

Robust Fourth Quarter Caps a Good Year for Materialise

FY 2017 Overview





- Revenue increase of 24.5% (16% without ACTech)
- Additional1,924 kEUR deferred revenue from software license and maintenance fees

- 18% improvement in gross profit (14% without ACTech)
- Gross profit margin of 56% compared to 59% in FY2016 (58% without ACTech)
- 15% increase in operating expenses (11% without ACTech)
- Adjusted EBITDA increase of 60% (38% without ACTech)

Financial and Strategic Accomplishments

- On track, both financially and strategically, with goals set at IPO in June 2014
- Total revenues grew at 21% CAGR, Adjusted EBITDA at 46% over last three years
  - Excluding impact of ACTech in Q417, revenue and Adjusted EBITDA grew at 18% and 39% CAGR, respectively
- Solid results for a company still in heavy investment mode and in a developing market
- Constantly innovating and enhancing our position as backbone of the industry

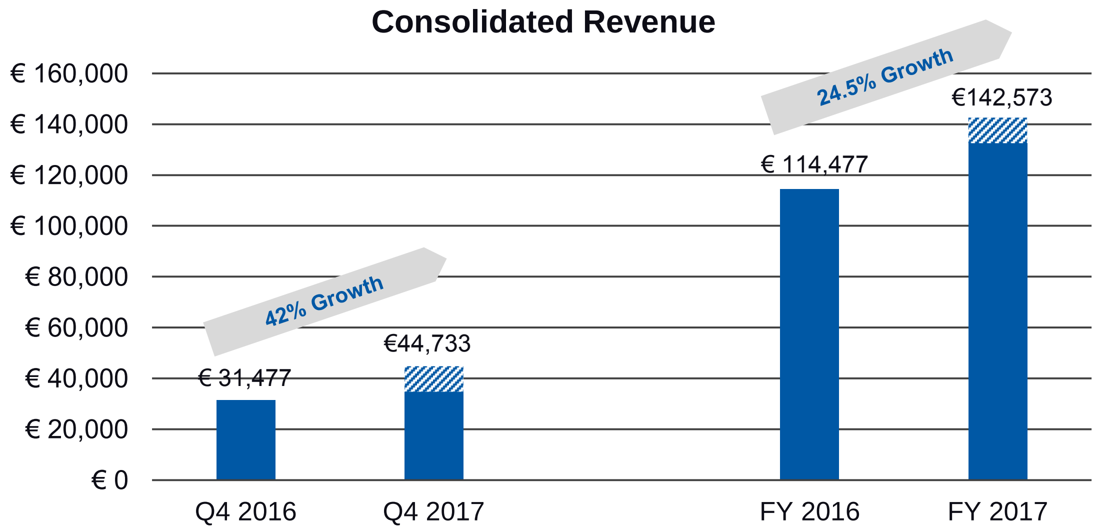
e-Stage for Metal

Cost reduction throughout the whole metal AM process

90%	20%	50%
Decrease in Data Preparation Time	**Decrease in Powder Consumption**	**Decrease in Support Removal Time**

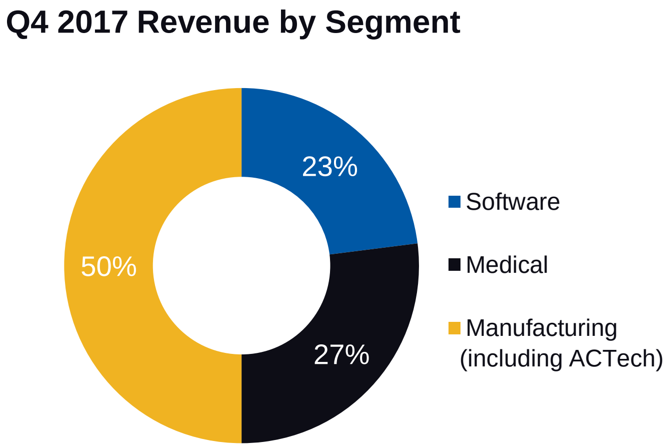
Maintaining leadership position as adoption of 3D printing for production of complex, customized end parts gains traction

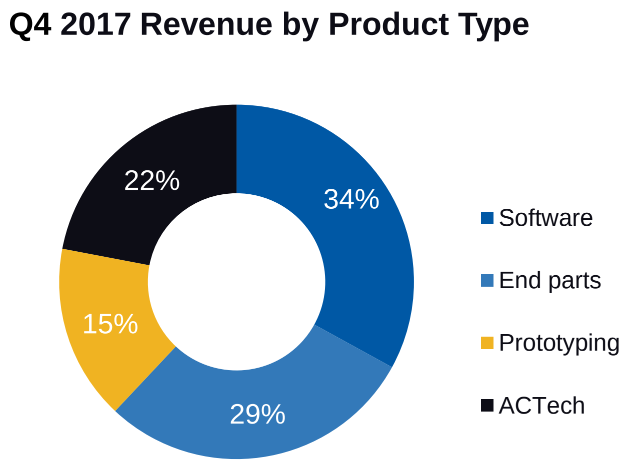
Q4 2017 - Consolidated Revenue



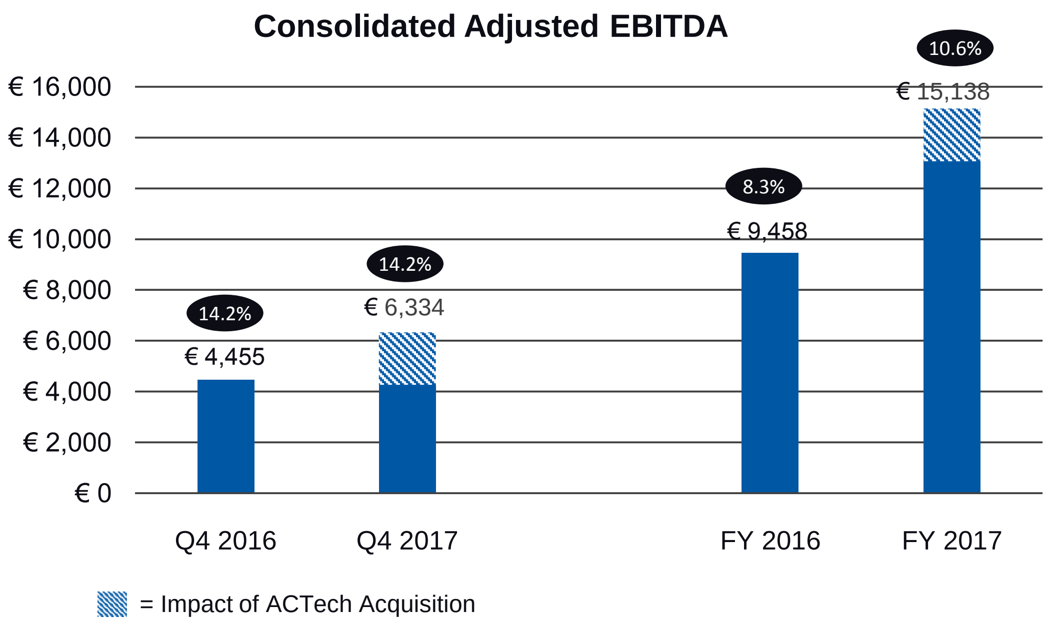
= Impact of ACTech Acquisition

- Organic growth led by strong increases in Software and Medical segments
- ACTech contributed revenue of 9,965 kEUR
- Q4 2017 revenue from software sales and end parts increased 17%



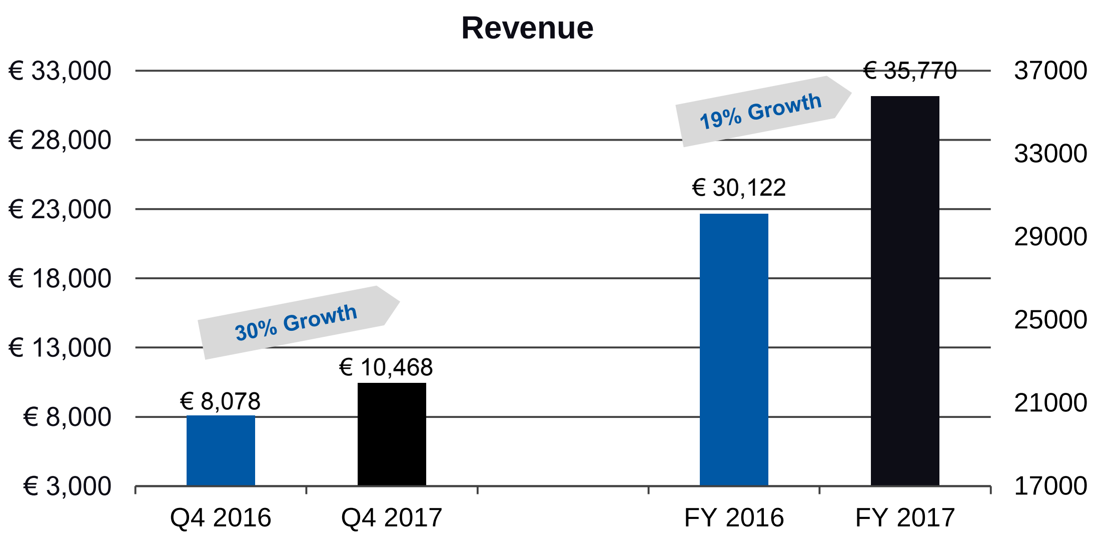


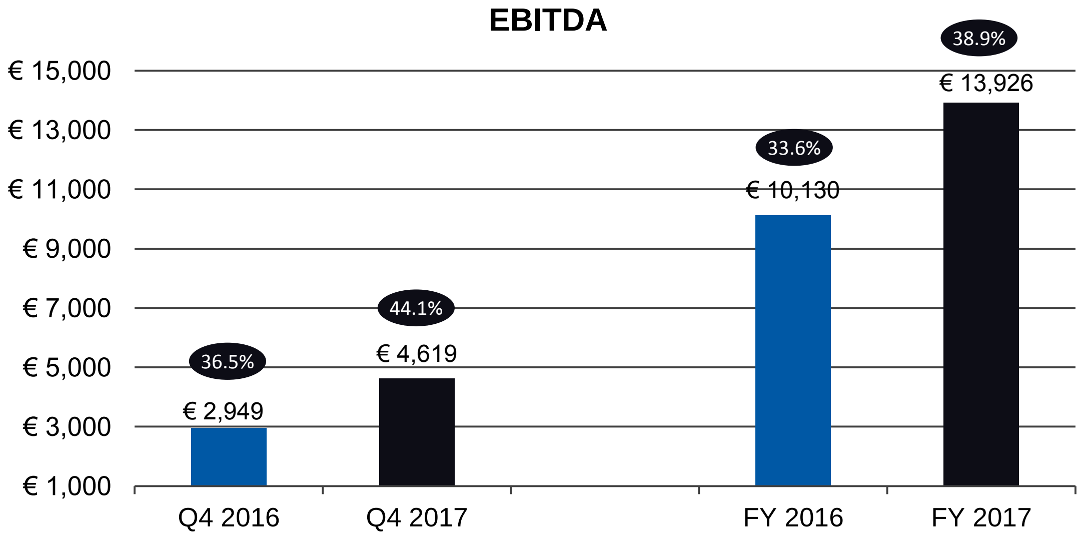
Q4 2017 - Consolidated Adjusted EBITDA



- Q4 2017 gross margin of 53.8%; 61.6% excluding ACTech
- Q4 2017 Consolidated Adjusted EBITDA was 6,334 kEUR compared to 4,455 kEUR for 4Q 2016
  - Reflects contribution by ACTech
  - Q4 2017 Consolidated Adjusted EBITDA excludes 343kEUR of non-recurring expenses related to ACTech acquisition
- Q4 2017 Consolidated Adjusted EBITDA margin remained constant at 14.2% compared to 4Q 2016

Software Segment

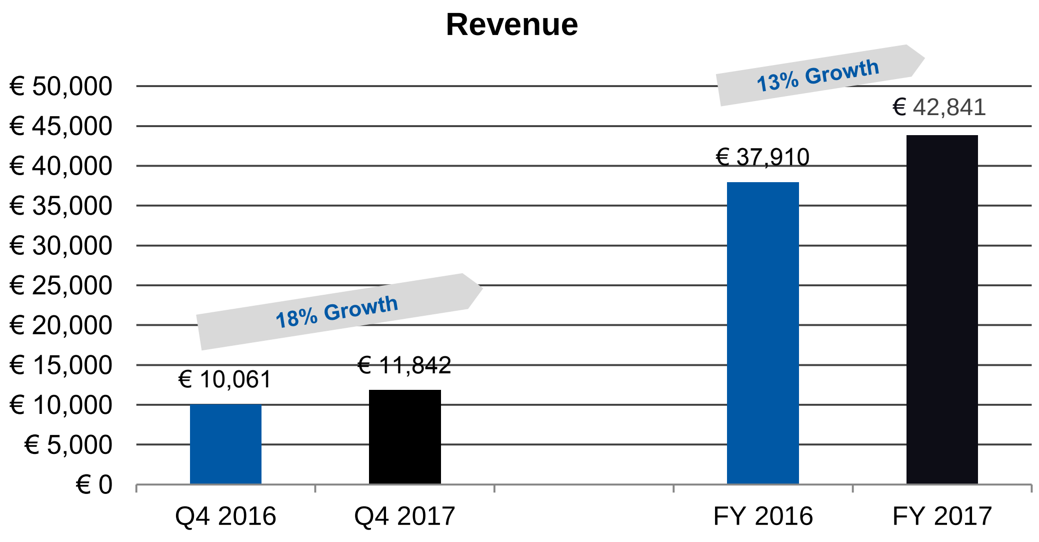


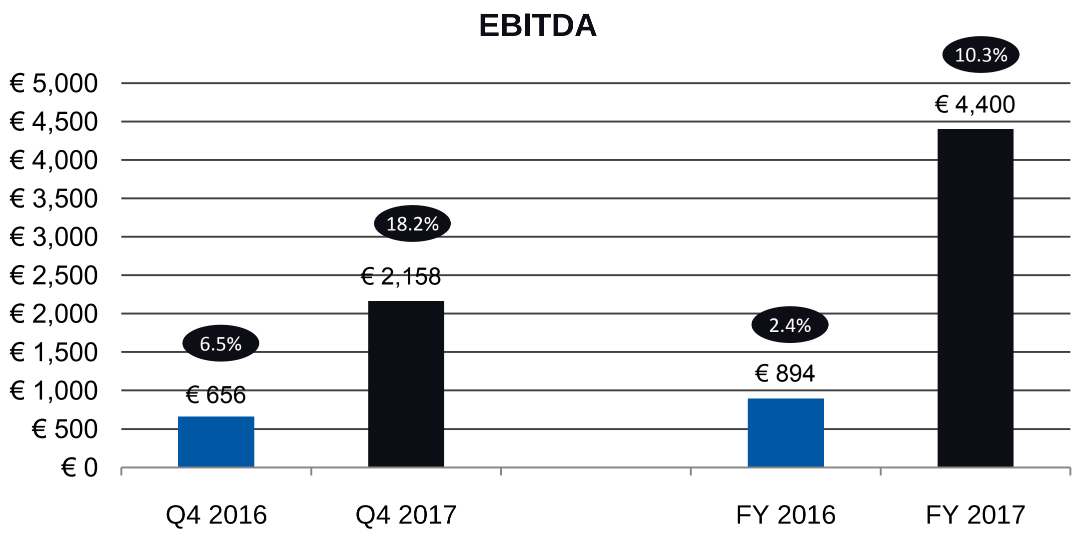


- Q4 2017 sales* generated from OEMs up 47% compared to Q4 2016
- 3% YOY growth in recurrent revenues; 50% growth in perpetual licenses and services and control platform
- EBITDA margin rose 760 basis points, mainly as a result of steep increase in revenues

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

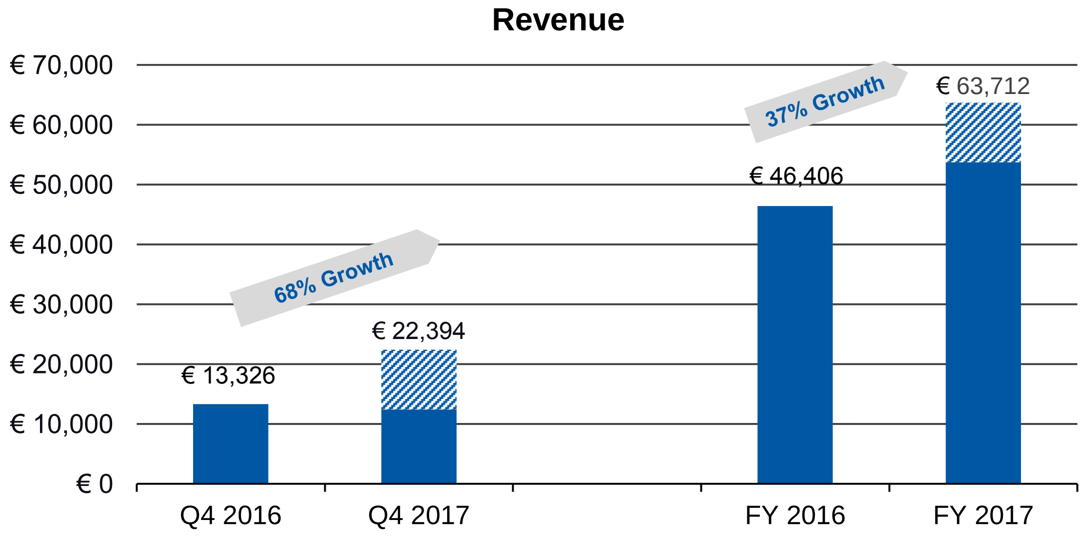
Medical Segment

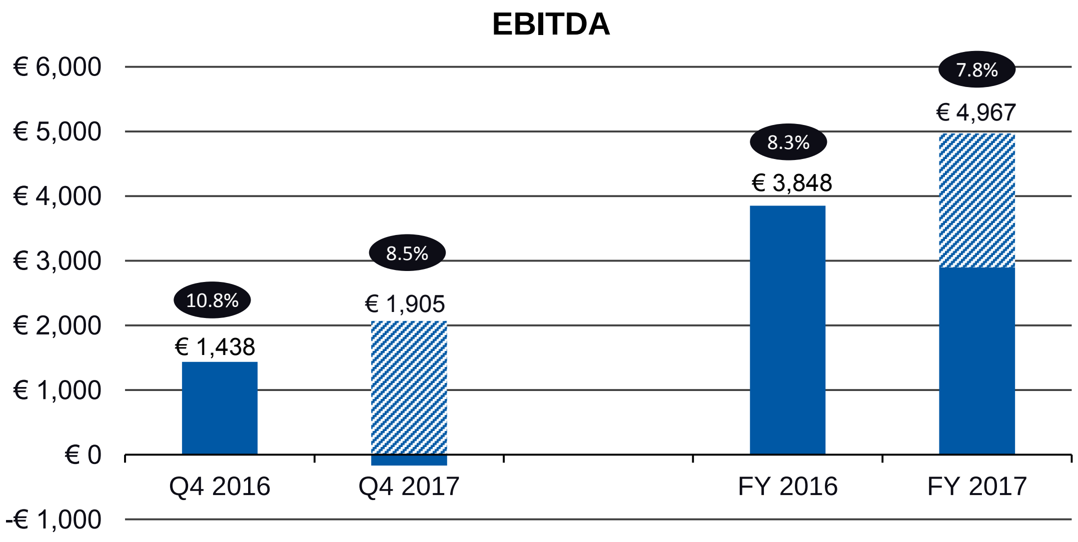




- Q4 2017 revenue from medical software increased 10% from Q4 2016
- Q4 2017 revenue from medical devices and services increased 23% from Q4 2016
- EBITDA margin rose 1,170 basis points

Manufacturing Segment





= Impact of ACTech Acquisition

- Slow dynamics in European market for prototyping led to (6.7)% negative organic revenue growth
- ACTech contributed 2,074 kEUR to the EBITDA
- EBITDA margin impacted by a lower organic top line, and increase in R&D and G&A expenses
- Number of printers increased to 185 as of December 31, 2017 – including 9 printers at ACTech

Income Statement Highlights

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(in thousands of euros, except where indicated)	Q4		Full Year	
	2017	2016	2017	2016
Revenue	44,733	31,477	142,573	114,477
Cost of sales	(20,685)	(12,858)	(62,787)	(46,706)
Gross profit	24,048	18,619	79,786	67,771
Research & development expenses	(5,535)	(4,161)	(19,959)	(17,682)
Sales & marketing expenses	(10,739)	(9,506)	(39,109)	(36,153)
General & administrative expenses	(8,279)	(4,816)	(25,484)[1]	(20,041)
Other income/(expenses), net	1,971	1,779	5,631	6,212
Operating profit/(loss)	1,466	1,915	865	107
Financial income/(expenses), net	(356)	253	(1,518)	(398)
Share in loss of joint venture	127	(650)	(469)	(1,018)
Taxes	291	(898)	(534)	(1,710)
Net profit/(loss)	1,528	620	(1,656)	(3,019)
Diluted EPS[1]	0.03	0.01	-0.03	-0.06
Diluted weighted average shares (thousands)	48,467	47,325	47,325	47,325

1. Excludes non-controlling interest

Other Financial Highlights

(in thousands of euros)	12/31/2017	12/31/2016
Cash & equivalents	43,175	55,912
Receivables	35,582	27,479
Inventory	11,594	7,870
Payables	19,230	14,326
Total deferred income	23,831	21,410
Total borrowings	94,557	33,806
Total equity	77,515	79,033
Total equity and liabilities	237,539	161,920

(in thousands of euros)	Q4 2017	Q4 2016
Capital expenditures	(7,174)	(6,892)
Cash flow from operations	7,368	4,180

2017 Achievements & 2018 Priorities

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2017 Achievements		2018 Priorities
Expanded position in end part manufacturing through structured partnerships, incl. PTC and Siemens Expanded technology platforms to meet high demands of end part manufacturing - Partnership with Simufact - Launch of e-Stage for metal Expanded distribution reach, including through collaboration with Synnex	**SOFTWARE**	Continue to strengthen our position as backbone for 3D printing industry - Strengthen network of partnerships - Continue to innovate technology platform
Expanded and strengthened partners' platform aimed at hospital market, incl. with Siemens, Healthineers and Formlabs Obtained 510(k) for CMF implants distributed by J&J in the US Increased sales reach of complex surgery solutions	**MEDICAL**	Continue to roll out backbone for 3D printing industry - Focus on bringing planning solutions to market - Address additional markets beyond orthopedics
Acquired ACTech, positioning us in market for complex and unique metal parts Continued to build presence in eyewear market Engaged in co-creation sessions with key players considering 3D printing for end parts, resulting in Tailored Fits platform for customized ski boots	**MANUFACTURING**	Strengthen involvement in AM of complex and unique parts, with a focus on wearables Continue role as incubation center for new vertical applications of 3D printing Build synergies with ACTech business

Consolidate Materialise's position as backbone of 3D printing industry, achieve efficiency gains and position company for next stage of growth

Fiscal 2018 Financial Guidance

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Consolidated Revenue	**180M to 185M euros**
Consolidated Adj. EBITDA(1)	**22M to 25M euros**
Deferred Revenue (from annual licenses and maintenance)	**2M to 4M 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 May 1, 2017. 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), shares of loss in a joint venture, depreciation and amortization, stock-based compensation expense and acquisition-related expenses of business combinations.

APPENDIX
Adjusted EBITDA Reconciliation

	For the quarter ended December 31		For the year ended December 31	
(in thousands of euros)	2017	2016	2017	2016
Net profit/(loss)	1,528	620	(1,656)	(3,019)
Income taxes	(291)	898	534	1,710
Financial expense	1,434	749	4,728	2,437
Financial income	(1,078)	(1,002)	(3,210)	(2,039)
Share of loss in a joint venture	(127)	650	469	1,018
Depreciation & amortization	4,489	2,280	12,631	8,374
EBITDA	5,955	4,195	13,496	8,481
Non-cash stock-based compensation expenses	36	260	1,033	977
Acquisition-related expenses	343	--	609	--
Adjusted EBITDA	6,334	4,455	15,138	9,458