

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 shape that tapers from the top right to the bottom left.

materialise
innovators you can count on

Q2 2021 Financial Results

Conference Call
July 29, 2021

www.materialise.com
NASDAQ: MTLA

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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

- Q2 2021 Highlights
- Capital Increase & Intended Use of Proceeds
- Q2 2021 Financial Results
- Fiscal 2021 Financial Guidance
- Q&A



Fried Vancraen
Founder & CEO



Peter Leys
Executive Chairman



Johan Albrecht
CFO

Q2 2021

Financial Highlights

- Q2 2021 revenue increased 33% YOY to 50,713 kEUR
 - Q2 2021 revenue increased 11% from Q1 2021, and was 5% above the pre-pandemic Q2 2019 level
- Q2 2021 Adjusted EBITDA rose 105% to 6,925 kEUR YOY; 37% above Q2 2019
 - Adjusted EBITDA margin increased to 13.7%
- Q2 2021 Operating profit grew to 2,421 kEUR from (1,865) in Q2 2020
- Q2 2021 Net result was 3,443 kEUR compared to (1,969) kEUR in Q2 2020
- Capital increased 74.3m EUR in June 2021 from issuance of 4 million new shares at 24 USD (not including 600,000 new shares issued through green-shoe in July)

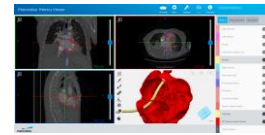
Strong recovery in all segments. Materialise back on growth path.

Capital Increase – Intended Use of Proceeds

- Continue investment in expansion and innovation of two market-leading horizontal software platforms
 - **Magics**
 - Adding new MES and QMS functionality
 - Making Magics functionalities accessible through the cloud
 - Acquisition of Link3D
 - **Mimics**
 - Develop additional AI functionality and introduce AR and VR functionality
- Invest in initiatives that accelerate growth of key 3D printing applications including
 - **CMF**
 - **Materialise Motion**
 - **Eyewear**



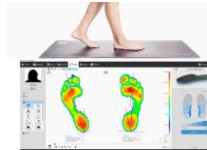
**Magics
Software
Platform**



**Mimics
Innovation
and Care
Suite**



Medical - CMF

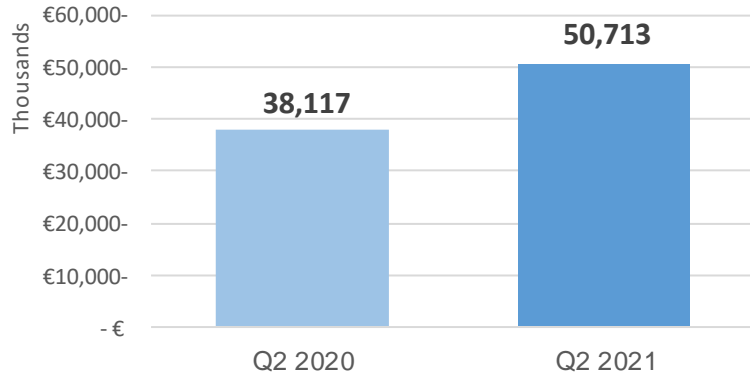


Materialise Motion

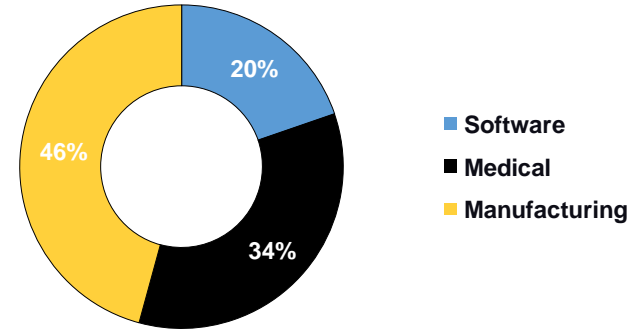


Eyewear

Q2 2021 Consolidated Revenue



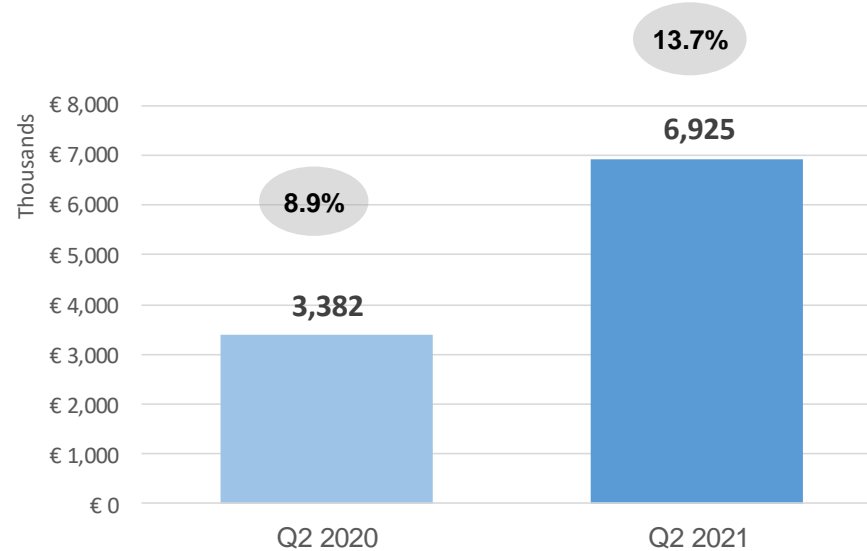
Q2 2021 Revenue by Segment



- Strong growth from all segments compared to Q2 2020
- Beat pre-corona revenue of Q2 2019 by 5%, driven by 21% growth of Materialise Medical
- Materialise Manufacturing revenue recovered 22% from Q1 2021
- Deferred revenues from software license and maintenance fees grew by 1.7 million EUR from year end 2020
- Cross-segment revenue from software products amounted to 31%

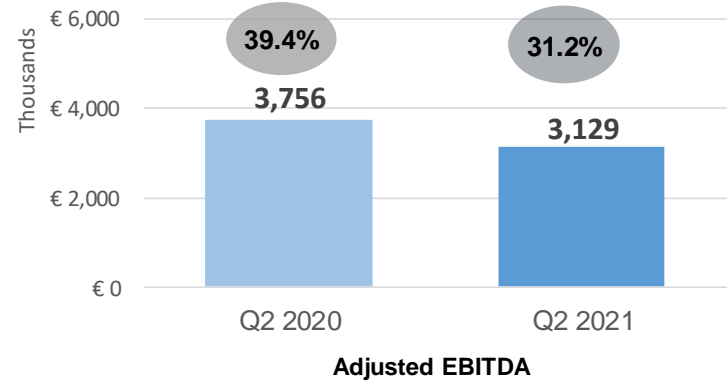
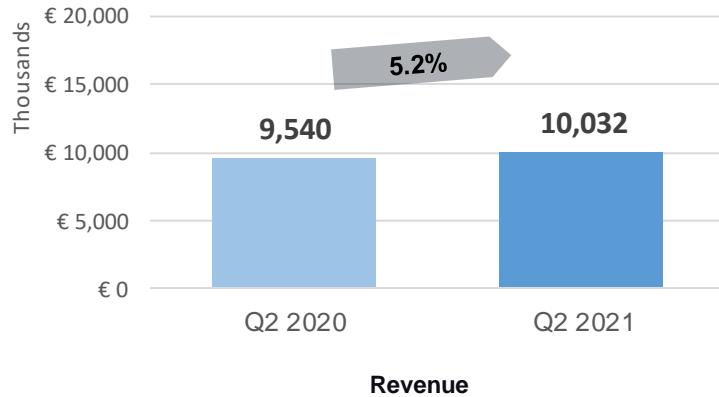
Q2 2021

Consolidated Adjusted EBITDA



- Q2 2021 consolidated Adjusted EBITDA increased by 105% from last year, and by 37% from Q2 2019
- Recovery of the markets, improved gross margin, continuous productivity improvements from our cost savings programs
- Accelerated expenditures in R&D, and continued roll-out of our internal digital transformation program

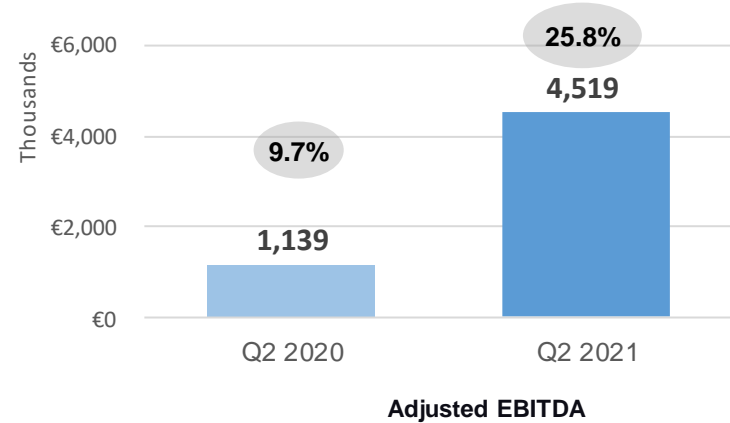
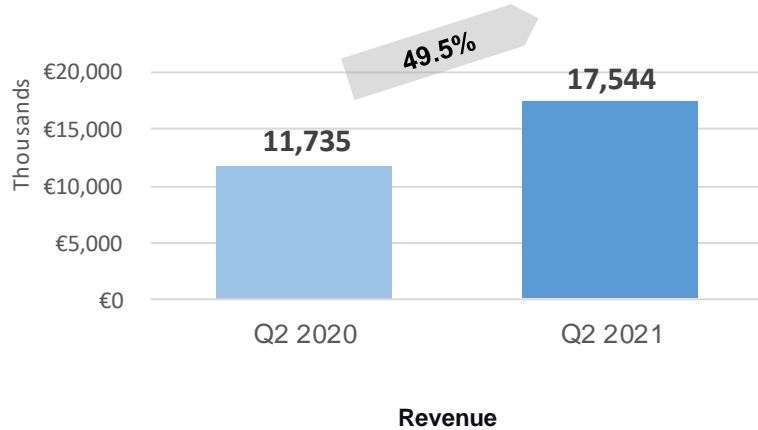
Q2 2021 Software Segment



- Q2 2021 revenue increased to 10,032 kEUR, growth of 5% YOY, and 8% compared to Q2 2019
- Q2 2021 recurrent sales grew 23.8%
- Q2 2021 non-recurrent revenue rose 15.4% versus Q2 2020
- Q2 2021 Adjusted EBITDA amounted to 3,129 kEUR, compared to 3,756 kEUR last year, and 2,055 kEUR in Q2 2019

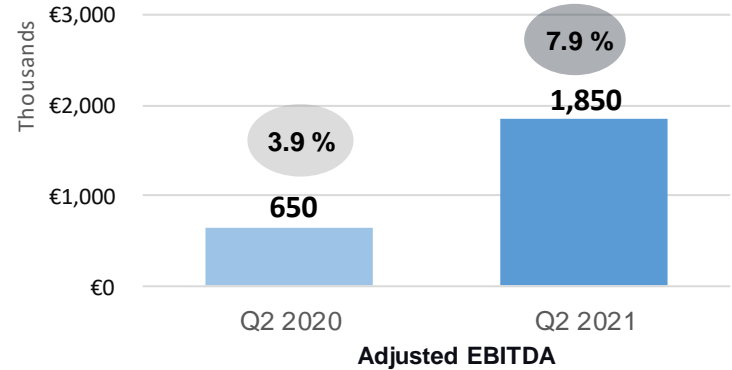
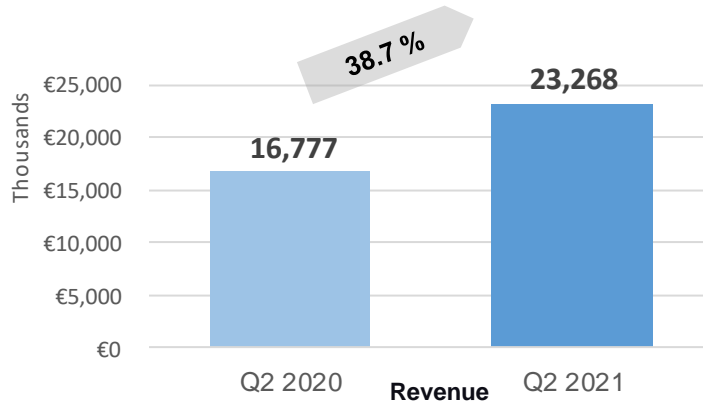
* Sales are defined in this presentation as revenue plus deferred revenue.

Q2 2021 Medical Segment



- Q2 2021 revenue rose to 17,544 kEUR, +20.7% compared to pre-pandemic Q2 2019 (+50%YOY)
- Revenue growth compared to Q2 2019 from both medical devices (+23%) and medical software sales (+16%)
- Q2 2021 Adjusted EBITDA almost x4 to 4,519 kEUR or 25.8% EBITDA margin; 65% above Q2 2019
 - Revenue growth, productivity improvements, and continued cost containment in SG&A expenses, all the while accelerating roll-out of R&D programs

Q2 2021 Manufacturing Segment



- Q2 2021 revenue increased 38.7% YOY to 23,268 kEUR, and increased 21.7% from Q1 2021
 - Recovery in automotive and industrial goods markets, confirmed initial signals in Q1 2021
- Q2 2021 Adjusted EBITDA amounted to 1,850 kEUR
 - Gross margin back to pre-pandemic level
 - Operating expenses remained below Q2 2019 level

Income Statement Highlights

(in thousands of euros, except where indicated)	Q2	
	2021	2020*
Revenue	50,713	38,117
Cost of sales	(22,272)	(18,168)
Gross profit	28,441	19,949
Research & development expenses	(6,844)	(6,045)
Sales & marketing expenses	(12,007)	(10,161)
General & administrative expenses	(8,012)	(6,499)
Other income/(expenses), net	843	892
Operating profit/(loss)	2,421	(1,865)
Financial income/(expenses), net	1,153	(295)
Share in gain/(loss) of joint venture	-	-
Taxes	(131)	191
Net profit/(loss)	3,443	(1,969)
Diluted EPS (in €)	0.06	(0.04)
(Diluted) weighted average shares (thousands)	55,115	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)	06/30/2021	12/31/2020
Cash and equivalents	182,816	111,538
Receivables	33,674	30,871
Inventories	11,219	10,043
Payables	21,649	17,698
Deferred income	37,214	34,881
Borrowings	106,849	115,110
Equity	208,755	133,104
Total balance sheet	398,090	327,667

(in thousands of euros)	Q2 2021	Q2 2020
Capital expenditures	2,003	3,459
Cash flow from operations	8,871	7,053

Outlook for 2021

- **Current revenue outlook for 2021**
 - Expect revenue to exceed 2019 level (197 mEUR)
 - Potential to come close to 200 mEUR
- **Current Adjusted EBITDA outlook for 2021**
 - Continuing to invest in our strategic business lines, R&D and digital transformation program
 - Adjusted EBITDA expected to reach up to 25 mEUR

APPENDIX

Adjusted EBITDA Reconciliation

	For the quarter ended June 30	
(in thousands of euros)	2021	2020*
Net profit/(loss)	3,443	(1,969)
Income taxes	131	(191)
Financial expenses	815	640
Financial income	(1,968)	(345)
Share of loss in a joint venture	-	-
Depreciation & amortization	4,845	5,017
EBITDA	7,266	3,152
Share-based compensation expenses	(358)	231
Acquisition-related expenses	17	
Impairments		
Adjusted EBITDA	6,925	3,382

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