



Investor Presentation August 2018

www.materialise.com
NASDAQ: MTLN

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, Materialise N.V. (the “Company”)’s 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 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 its 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. You are cautioned 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 expectations, including the risk factors described in its 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 U.S. Federal securities laws to update and disclose material developments related to previously disclosed information.

All information in this presentation is as of March 31, 2018 unless otherwise indicated.

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.

Investment Highlights



Central position in rapidly-growing additive manufacturing market



Leading independent 3D printing and medical software provider



Diverse, blue-chip customer base with ample white space



At the forefront of industrial and medical applications



Committed, visionary leadership team



Compelling financial profile

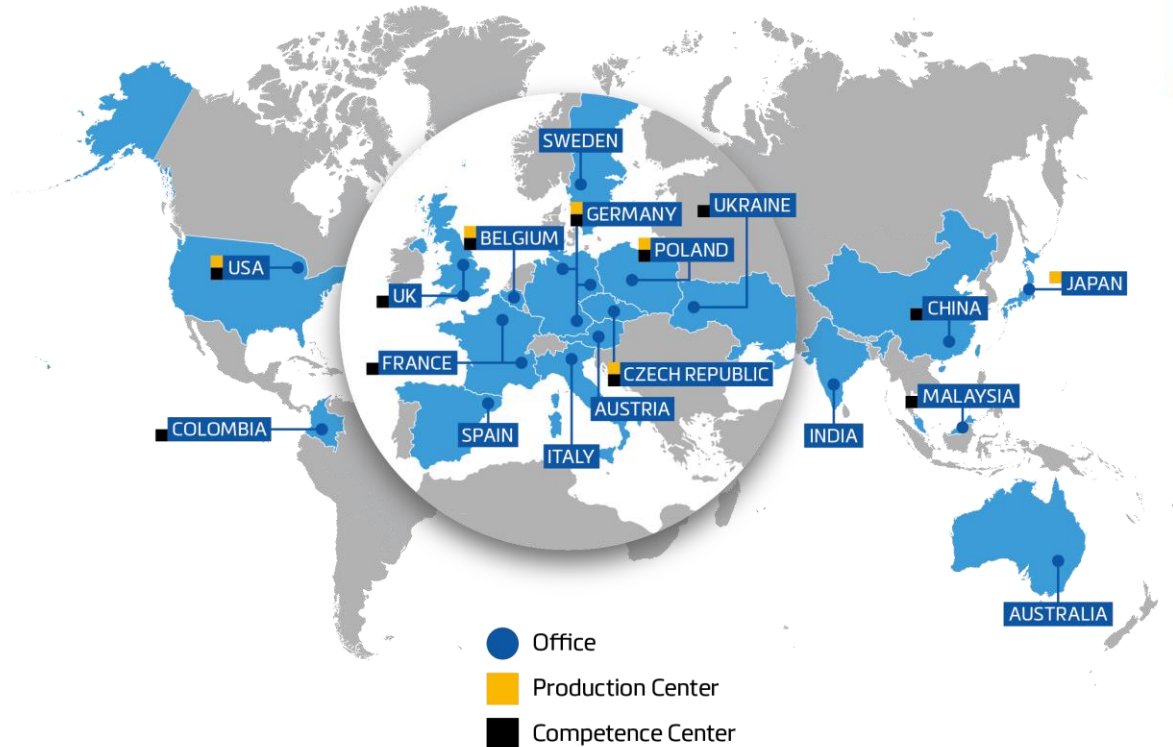


Mission Statement

Our mission is to innovate product development that results in **a better and healthier world**, through our software and hardware infrastructure, and an in-depth knowledge of additive manufacturing.

Materialise Today

materialise
innovators you can count on



Growing our
3D printing expertise

Speaking
your language

Passionate about
innovation



+1900 employees



offices
in 18 countries



248 patents granted

185 patents pending



176 3D Printers

The Traditional Manufacturing Paradigm...

Design
Constraints

Standard
Production

Long
Development
Cycle

Complex
Supply Chain

...Is Being Fundamentally Transformed By 3D Printing



Freedom of
Design

Mass
Customization

Short Time to
Market

Digital Supply
Chains

Illustrative Applications as End Products

- Architectural models
- Apparel
- Jewelry

- Hearing aids
- Eyewear
- Insoles
- Medical implants

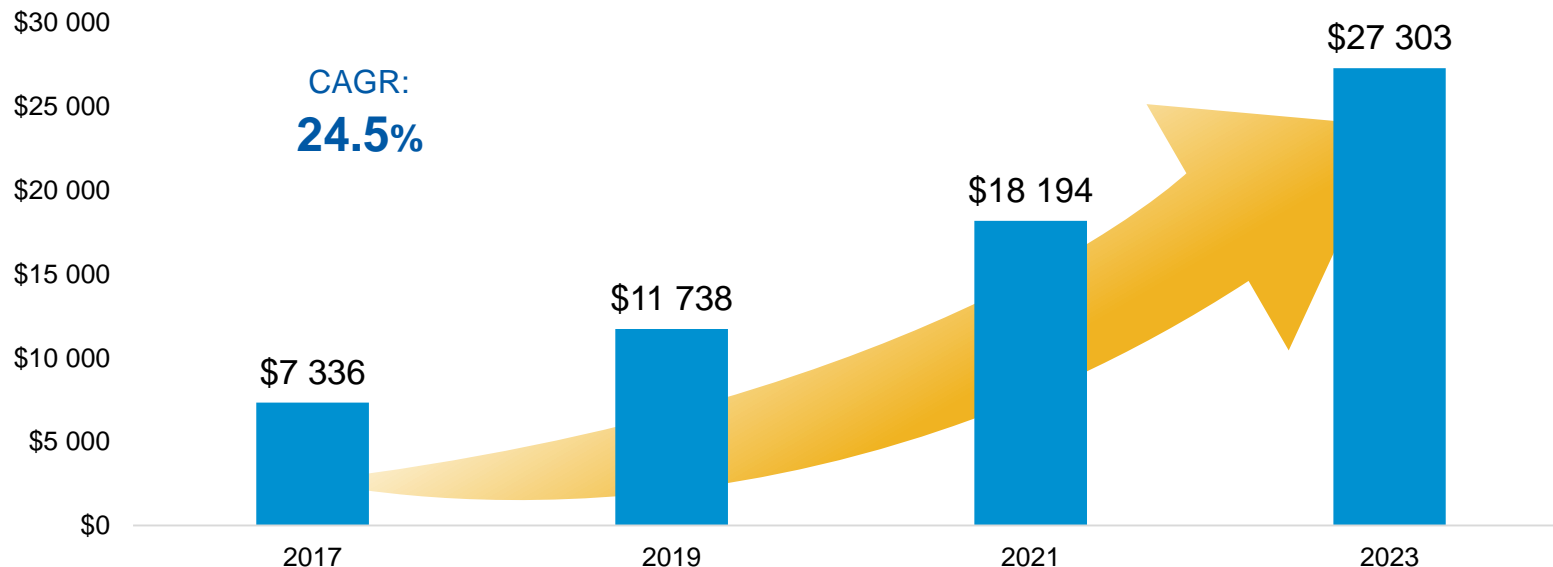
- Hardware-as-a-Service
on-site component
printing
- Aircraft spare parts

- Eyewear
- Ski boots

Large and Rapidly Growing Additive Manufacturing Market

AM currently represents less than 0.1% of the \$12.8 trillion global manufacturing market

Additive Manufacturing Market Forecast (\$M)



Source: Wohlers Report 2018

3D-Printing Disrupts Vertical Paradigms

	Healthcare	Aerospace	Consumer	Manufacturing	Automotive
Examples	Doctors and surgeons seek customized models and bespoke execution with made-to-fit devices (implants, guides, etc.)	Aerospace manufacturers with limited lines and complex, expensive parts desire cost savings in production	Mass consumer brands, starting to differentiate, personalize their brands to retain customers, while limiting costs (shoes, glasses, etc.)	Manufacturers with extended global supply chains can leverage localized centers of production to shorten time-to-fill and expense	Auto OEMs, seeking to reduce production cycles, utilize cost-effective and lightweight parts

Industrial applications are driving a universal paradigm shift toward 3D-enabled production

Healthcare	Aviation	Hearing Aids	Factories	Automotive
 <p>23% Growth of 3D-printing in the medical device vertical (2015-2025)¹</p>	 <p>75% New commercial & military aircraft with 3D-printed engine, airframe and other components by 2021²</p>	 <p>500 Days Time taken by U.S. hearing aid market to become 100% 3D-printed³</p>	 <p>40% Manufacturing enterprises with 3D printing center of excellence by 2021²</p>	 <p>34% CAGR of global 3D-printing revenues in the automotive sector (2015-2025)¹</p>

Sources: 1) Frost & Sullivan 2) Gartner 3) Harvard Business Review

Our Backbone Strategy: At the Crossroads between Printers and Applications

System-neutral fully compatible software platforms providing the backbone for today's 3D printing systems



Driving the market by building new strong verticals upon our own backbone services and software tools



Strong horizontal integration in the market by offering a wide array of services and software tools, allowing customers to use the full potential of 3D printing

The open backbone of software and services allows Materialise to grow together with the market. Materialise in some cases outpaces the market by creating new markets themselves in interesting verticals. We do this by co-creating together with other industry leaders.

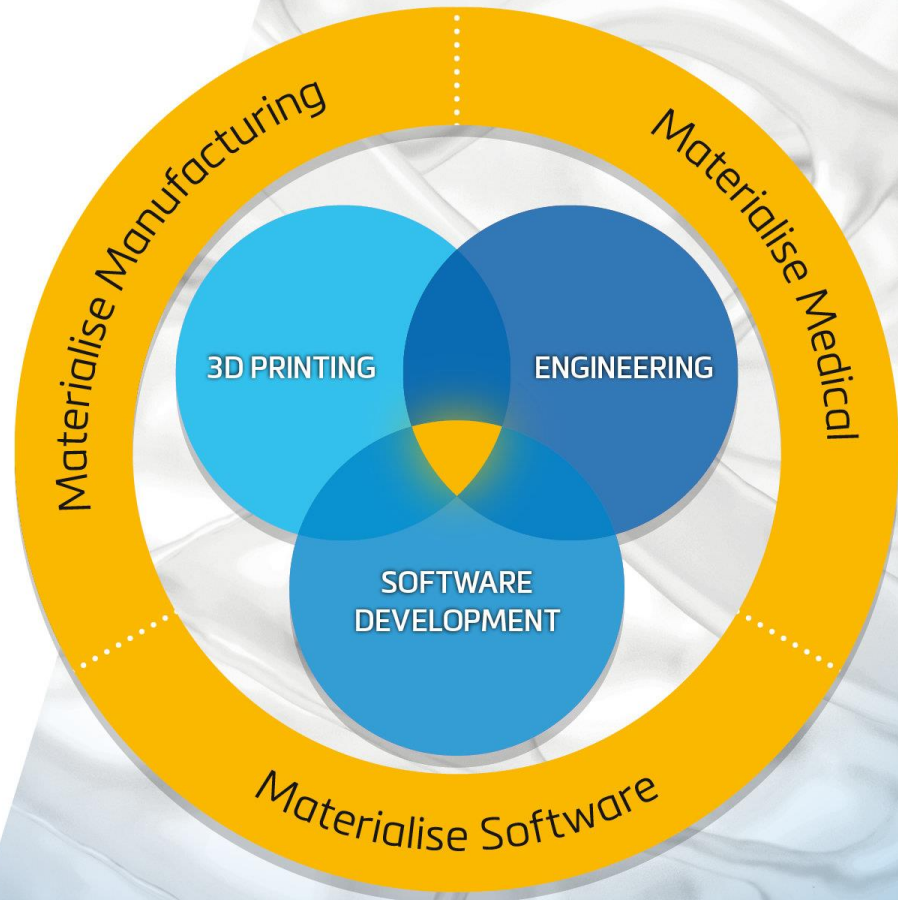
The Materialise Flywheel

Building on our core, building to last

At Materialise, we organize our people and systems in the Materialise Flywheel. By doing so, we align our activities in the same strategic direction and to build momentum, make an impact and deliver superior results, to become an organization “built to last”.

Our combination of core competences are unique and form the heart of our Flywheel, benefitting customers in three segments: Manufacturing, Software, and Medical.

Our teams of specialists act like gears in a clock, working together to move Materialise forward like a well-oiled machine.



Our Core Competencies

Software Development

- ✓ Product of more than 28 years of human, intellectual and economic capital investment
- ✓ 353 FTEs and consultants in six offices
- ✓ Industry-leading software portfolio, including Magics and Streamics
- ✓ Excellent relationships with major OEMs
- ✓ High-quality and independent developer; largely system OEM agnostic

3D Printing Services

- ✓ 3D printed millions of parts since inception
- ✓ 343 personnel spanning six countries
- ✓ 176 industrial 3D printers and six vacuum casting machines in-house
- ✓ Operate some of the most advanced printers in the market, including the proprietary stereolithography-based Mammoth printer
- ✓ Leader in medical device market

Engineering

- ✓ Expertise in industrial and medical applications
- ✓ 249 employees including quality controllers, development researchers and trainers
- ✓ Leader in patient-specific surgical guides, models and implants
- ✓ Able to leverage in-house 3D printing center so that new developments can be tested in a live production environment

Note: Personnel counts above are as of December, 31 2017

Our Software Forms a Backbone of 3D Printing

A comprehensive software suite that sits at the center of OEM innovation, product development, and manufacturing workflow of 3D objects

We Answer Market Needs

- ✓ Advanced CAD/CAM capabilities with broad and specific vertical applications
- ✓ Software functionality across major printing OEMs, an open ecosystem
- ✓ Integration within the product development cycle and manufacturing workflow
- ✓ Scalability and cost-efficiency via automation and cost reduction through the entire process



**Materialise
Magics**

Data and Build Preparation

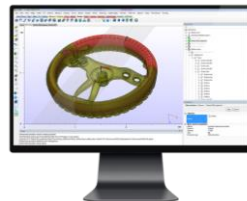


- Wide import, design, documenting and planning ability



**Materialise
3-matic**

Design Optimization



- A versatile application for design modification



**Materialise
Streamics**

Production Management



- Central control system for the printing process

Powerful Go-to-Market Engine

Business Overview

Go-to-Market Channels

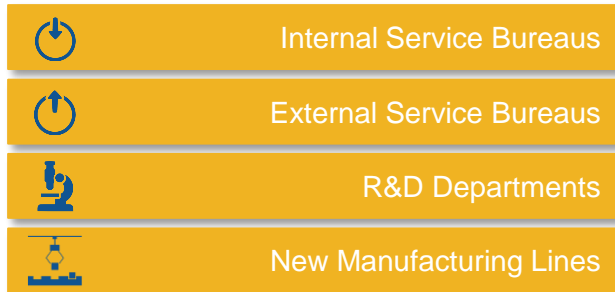


- **Strategy:** Offer proprietary software worldwide through programs and platforms that enable and enhance the functionality of 3D printers and 3D printing operations
- **Revenue Model:**
 - Generate revenue from software licenses, maintenance contracts and hardware controller sales for our Materialise Controllers and custom software development services
 - License software products on either 1) a time basis (often annual) or 2) perpetual basis with annual maintenance contracts that provide for software updates and support
- **Headcount:** Approximately 269 FTEs and fully dedicated consultants in business unit

Ecosystem Partners



Illustrative Customer Segments

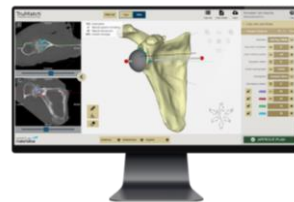
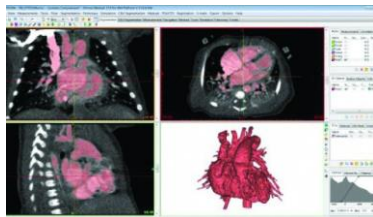


Proven Medical Vertical Leadership

A holistic suite of digital and physical solutions that is radically improving efficiency and outcomes within the medical industry

We Answer Market Needs

- ✓ Highly accurate models to help drive the understanding of patient prior to procedure
- ✓ Predictive planning of surgery to define best treatment approach prior to procedure
- ✓ Tools to execute surgical planning
- ✓ Patient Specific medical devices to fit the patient's anatomy



Planning & 3D Modeling*

- OrthoView, SurgiCase, ProPlan CMF, Mimics inPrint, HeartPrint, Mimics, 3-matic

High volume 3D Printing of Patient Specific Medical Guides and Devices*

- Shoulder, hip, knee, osteotomy, CMF guides, titanium implants

Advanced analytics packages

- ADaM

*All of these products have appropriate US Market Clearance

Proven Medical Vertical Leadership

Business Overview

Go-to-Market Channels



Direct
Sales



Partner
Sales



Imaging
Companies

- **Strategy:** Offer products and services that address long-term trends in the medical industry towards personalized, functional and evidence-based medicine
- **Revenue Model:**
 - Generate revenue through clinical services and medical software
 - Manufacture or sell medical devices (guides, models, implants, etc.)
 - Sell primarily annual licenses to our software packages and software maintenance contracts
 - Provide custom software development and engineering services, which are charged on either 1) time and material or 2) fixed cost basis
- **Headcount:** Approximately 559 FTEs in business unit

Ecosystem Partners



Illustrative Customer Segments



Medical Device Companies



Hospitals



Universities



Research Institutes

Diverse, Sophisticated 3D Printing Services

A versatile manufacturing platform informed by world-class facilities and deep knowledge of end market requirements

We Answer Market Needs

- ✓ Technology and materials agnostic manufacturing solutions
- ✓ Certified manufacturing environments
- ✓ Short lead times on highly customizable prototypes / production parts
- ✓ Limited-run serial productions of niche products
- ✓ 3D-printing expertise in execution and workflow



➤ Certified Manufacturing

- Certified lines for aerospace and automotive
- Capital efficient

➤ Rapid Prototyping

- Short lead times and accessible platforms

➤ Full-Service Metals Printing

- 3D capabilities bolstered by traditional capacity

➤ Digital Supply Chains

- Development of new verticals through co-creation sessions with industry leaders

Diverse, Sophisticated 3D Printing Services

Business Overview

Go-to-Market Channels

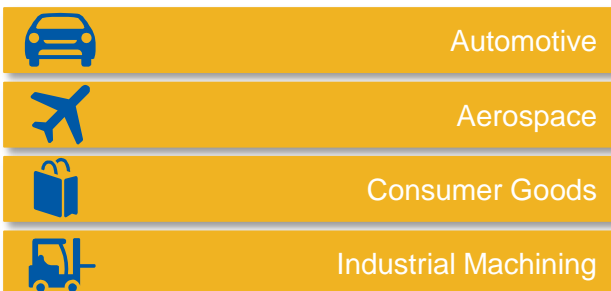


- **Strategy:** Printing on demand in what we believe is one of the world's largest 3D printing factories, using the knowledge to improve our software solutions and act as an incubator for new verticals
- **Revenue Model:**
 - Offering prototyping services through online portal for B2B and B2C market.
 - Printing End Products through what we believe is one of Europe's largest certified 3D printing factories with certified lines for eyewear, aviation and automotive quality control tools.
 - Provide engineering services, which are charged on either 1) time and material or 2) fixed cost basis
 - Host co-creation sessions with industry leaders to incubate new verticals, leveraging both our software products and licensing our patent portfolio.
- **Headcount:** Approximately 793 FTEs in business unit

Ecosystem Partners



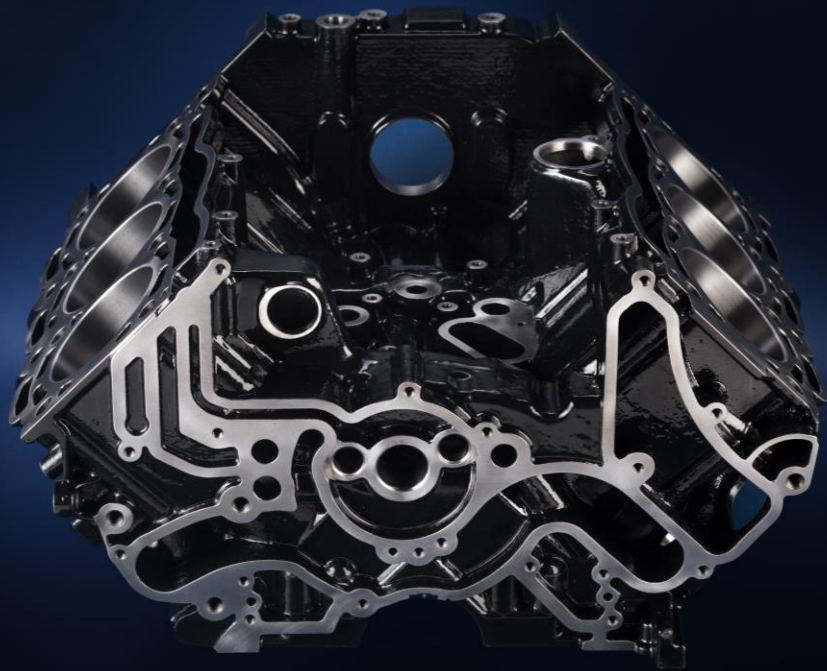
Illustrative Customer Segments






ACTech Acquisition

- ▶ A full service manufacturer of highly complex cast metal parts with a strong management team
- ▶ Smart positioning in preproduction prototyping market. ACTech customers gain immediate access to 3D printed parts
- ▶ Increases our ability to offer complete manufacturing solutions for unique or small batch 3D-printed metal parts, by using the ACTech post processing capability
- ▶ Same strategy we successfully used in industrial polymers printing



ACTech helps position Materialise to capitalize on the 3D printing needs of the auto and aerospace industries



Numerous Potential Opportunities for Growth

SOFTWARE 	Tiered market offering	Broaden technology suite into inspection	Invest further in functionality that focuses on automation and cost reduction	Utilize state-of-the-art simulation and AI technology
MEDICAL 	Increase sales mix in favor of recurrent software sales	Leverage portfolio of devices via partnerships	Innovate to reach new markets	Position in planning
MANUFACTURING 	Leverage shared ACTech resources	Expand RapidFit automotive fixtures	Develop new verticals through co-creation	Use online platforms for prototyping

Materialise-BASF Strategic Alliance

	Establishing an open ecosystem	Developing meaningful applications
Strategic 	✓ Both parties believe that the growth of the 3D printing market will be accelerated if the market for 3D printing software and materials is open and machine and data agnostic.	✓ Both parties acknowledge that the continued growth of the industrial 3D printing market will be driven by innovative applications.
Tactical 	✓ Parties will collaborate with a view to accelerate the development of new software tools & materials with a focus on interoperability and openness.	✓ The collaboration will focus on identifying and developing these applications and accelerating their time to market. Both companies will work together on R&D of new materials in strategic verticals. They will set up co-creation sessions with their customers to develop new verticals.



BASF subscribes to **1,953,125 new ordinary shares at \$12.80 per share** (total investment of approximately \$25 million)

Highly Experienced Leadership



Fried Vancraen

*Co-founder & Chief
Executive Officer*
With MTLS since inception (1990)



Peter Leys

Executive Chairman
With MTLS since 2013



Johan Albrecht

Chief Financial Officer
With MTLS since 2015



Hilde Ingelaere

*Co-founder & Executive
Vice President*
With MTLS since inception (1990)

Other Members of Executive Committee

Name	Title	Year Joined Materialise
Johan Pauwels	<i>Executive Vice President – International Sales</i>	1990
Bart Van der Schueren	<i>Chief Technology Officer</i>	1995
Carla Van Steenberghe	<i>Chief Legal Officer</i>	2003
Jurgen Laudus	<i>Vice President – Manufacturing Segment</i>	2001
Stefaan Motte	<i>Vice President – Software Segment</i>	2010
Brigitte de Vet-Veithen	<i>Vice President – Medical Segment</i>	2016
Sabine Demey	<i>Vice President – Software Development</i>	1997
Conny Hooghe	<i>Vice President – Human Resources</i>	2017

Financial Overview

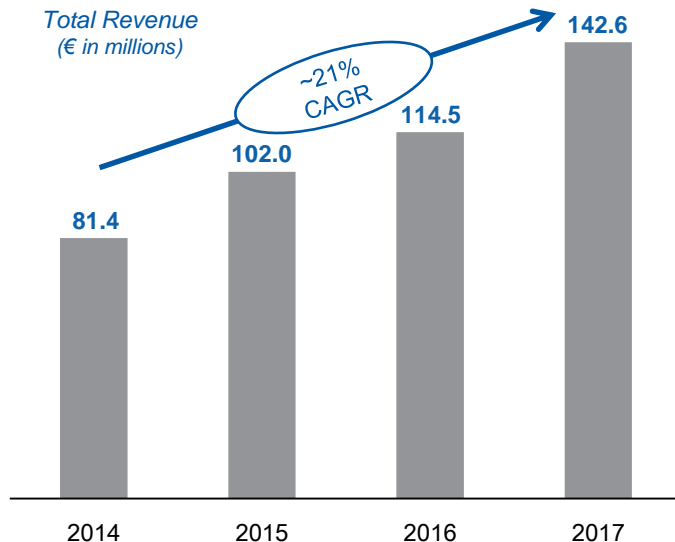
Financial Highlights

- Sustained track-record of top-line revenue growth and profitability
- Increasing operating leverage with a strong commitment to innovation and product development
- Balanced and diversified engines of growth across business segments
- Healthy balance sheet and well capitalized to achieve success

Continued Revenue and Adjusted EBITDA Growth and Adjusted EBITDA Margin Expansion

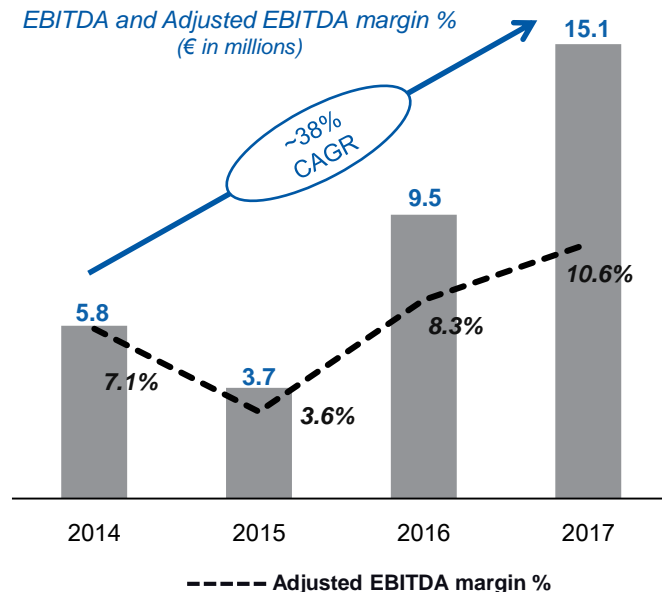
Consistent top-line growth...

Total Revenue
(€ in millions)



...with expanding Adjusted EBITDA margin

EBITDA and Adjusted EBITDA margin %
(€ in millions)



**A sustained
commitment
to innovation**

€15.1m

2014 R&D Spend

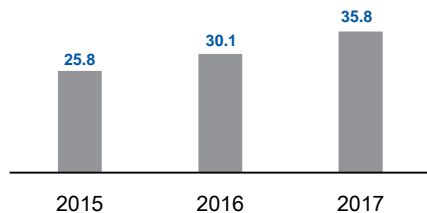
€20.0m

2017 R&D Spend

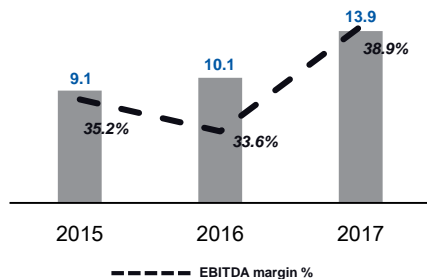
Diversified Growth Across Segments

Materialise Software

Total Revenue (€ in millions)

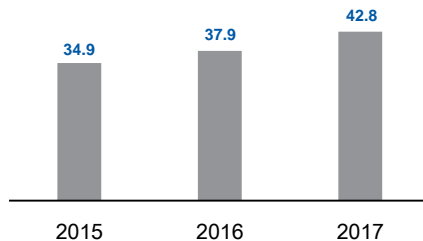


EBITDA and EBITDA margin % (€ in millions)

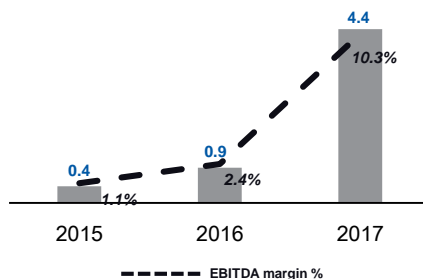


Materialise Medical

Total Revenue (€ in millions)

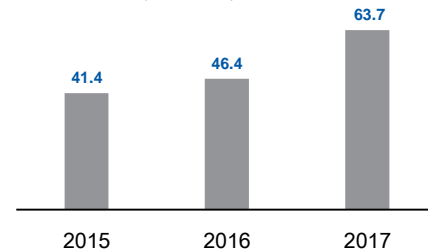


EBITDA and EBITDA margin % (€ in millions)

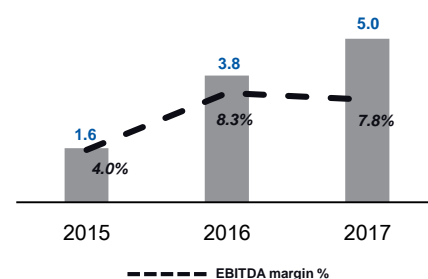


Materialise Manufacturing

Total Revenue (€ in millions)



EBITDA and EBITDA margin % (€ in millions)



Current Balance Sheet

(€ in 000s)	06/30/2018	12/31/2017	06/30/2018 Pro-forma*
Cash & equivalents	48,719	43,175	115,289
Trade receivables	38,408	35,582	38,408
Inventory and contracts in progress	10,794	11,594	10,794
Payables	29,201	19,230	19,725
Total deferred income	98,201	23,831	29,201
Total loans & 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 000s)	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.

Long Term Targets

**Annual Revenue
Growth**

20%+

**Adjusted EBITDA⁽¹⁾
Margin %**

20%+

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 consult the "Risk Factors" section of the preliminary prospectus supplement. 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.

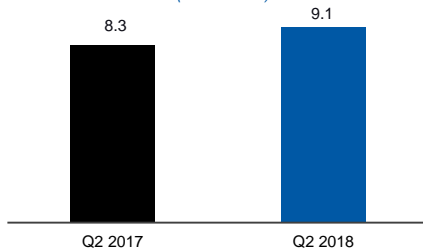
⁽¹⁾Adjusted EBITDA is a non-IFRS financial measure that the Company calculates as net profit plus income taxes, financial expenses (less financial income) and depreciation and amortization. For additional information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Financial Information" section of the preliminary prospectus supplement.

Appendix Q2 Results

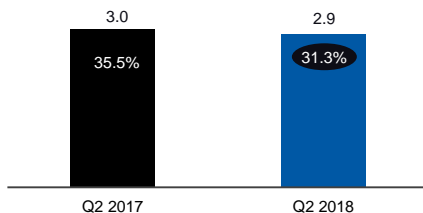
Q2 Financial Results

Materialise Software

Total Revenue (€ in millions)

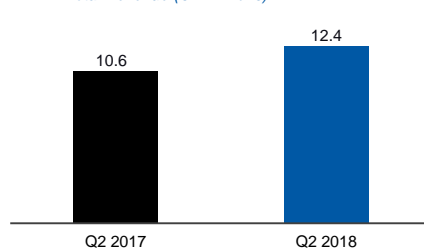


EBITDA & EBITDA margin % (€ in millions)

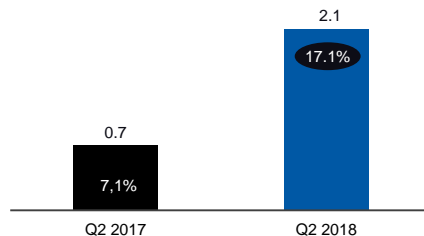


Materialise Medical

Total Revenue (€ in millions)

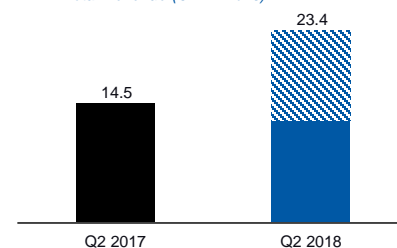


EBITDA & EBITDA margin % (€ in millions)

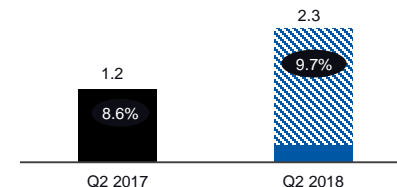


Materialise Manufacturing

Total Revenue (€ in millions)



EBITDA & EBITDA margin % (€ in millions)



 = Impact of ACTech Acquisition

Adjusted EBITDA Reconciliation

We calculate EBITDA as net profit plus income taxes, financial expenses (less financial income), depreciation and amortization, and share in loss of joint venture. We calculate Adjusted EBITDA by adding non-recurring initial public offering related expenses, non-cash stock-based compensation expenses and acquisition-related expenses of business combinations to EBITDA. Disclosure in this presentation of EBITDA and Adjusted EBITDA, which are non-IFRS financial measures, is intended as a supplemental measure of our performance that is not required by, or presented in accordance with, IFRS. EBITDA and Adjusted EBITDA should not be considered as alternatives to net profit or any other performance measure derived in accordance with IFRS. Our presentation of EBITDA and Adjusted EBITDA should not be construed to imply that our future results will be unaffected by unusual or non-recurring items.

	For the quarter ended June 30		For the year ended December 31	
(€ in 000s)	2018	2017	2017	2016
Net (loss)	369	(955)	(1,656)	(3,019)
Income taxes	43	191	534	1,710
Financial expense	967	1,317	4,728	2,437
Financial income	(591)	(890)	(3,210)	(2,039)
Share of loss in a joint venture	141	42	469	1,018
Depreciation & amortization	4,010	2,656	12,631	8,374
EBITDA	4,939	2,361	13,496	8,481
Non-cash stock-based compensation expenses	277	371	1,033	977
Acquisition-related expenses	--	--	609	--
Adjusted EBITDA	5,216	2,732	15,138	9,458