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2Q 2017 Financial Results Conference Call
August 8, 2017

www.materialise.com
NASDAQ: MTLS

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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 2017 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 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

- Q2 2017 Financial Highlights
- Significance of Materialise Manufacturing's Strong Performance
- Q2 2017 Financial Results
- 2017 Financial Guidance
- Q&A

Q2 2017 Financial Highlights

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- Total revenue increased almost 22% from Q2 2016 to 33,612 kEUR.
- All three business segments delivered solid revenue increases.
- Adjusted EBITDA rose 164%, increasing to 2,732 kEUR compared to 1,034 kEUR for Q2 2016.
- Total deferred revenue from annual software sales and maintenance contracts of 17,206 kEUR as June 30, 2017 vs. 16,799 kEUR as of Dec. 31, 2016.

Continued Strong Performance by Materialise in a More Robust Demand Environment

Significance of Materialise Manufacturing's Strong Performance

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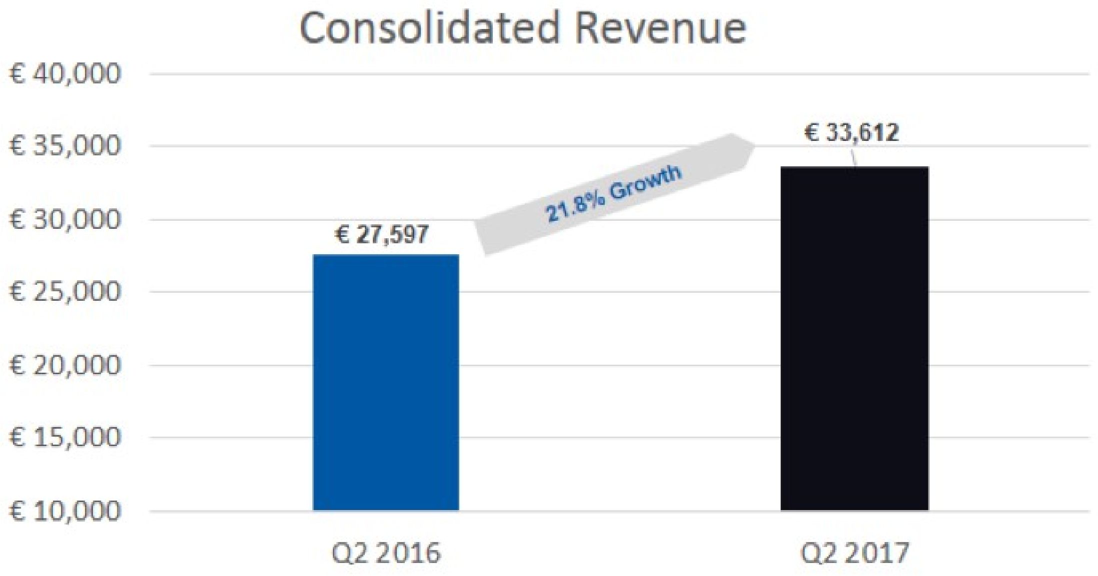
- Illustrates good – but still early stage – adoption of AM technology for end part production.
- Offers unique opportunity to build the Materialise backbone for end part manufacturing.
- End goal to build a neutral backbone – including production, software and services – that enables the entire industry.

New facility in Poland

Extension of facility in Belgium

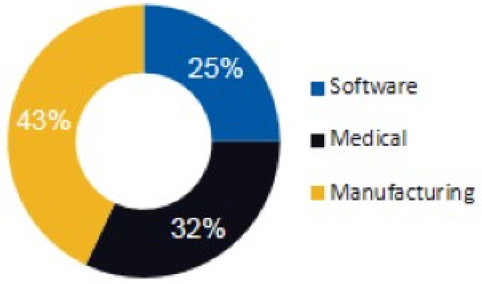
Manufacturing: an Integral and Crucial Part of the Materialise Backbone

Consolidated Revenue

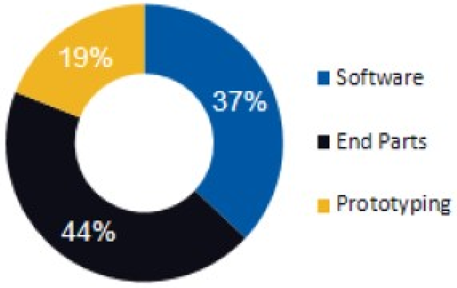


- Manufacturing led the gain with a 32.5% increase.
- 81% of Q2 2017 revenue from software sales and end parts.

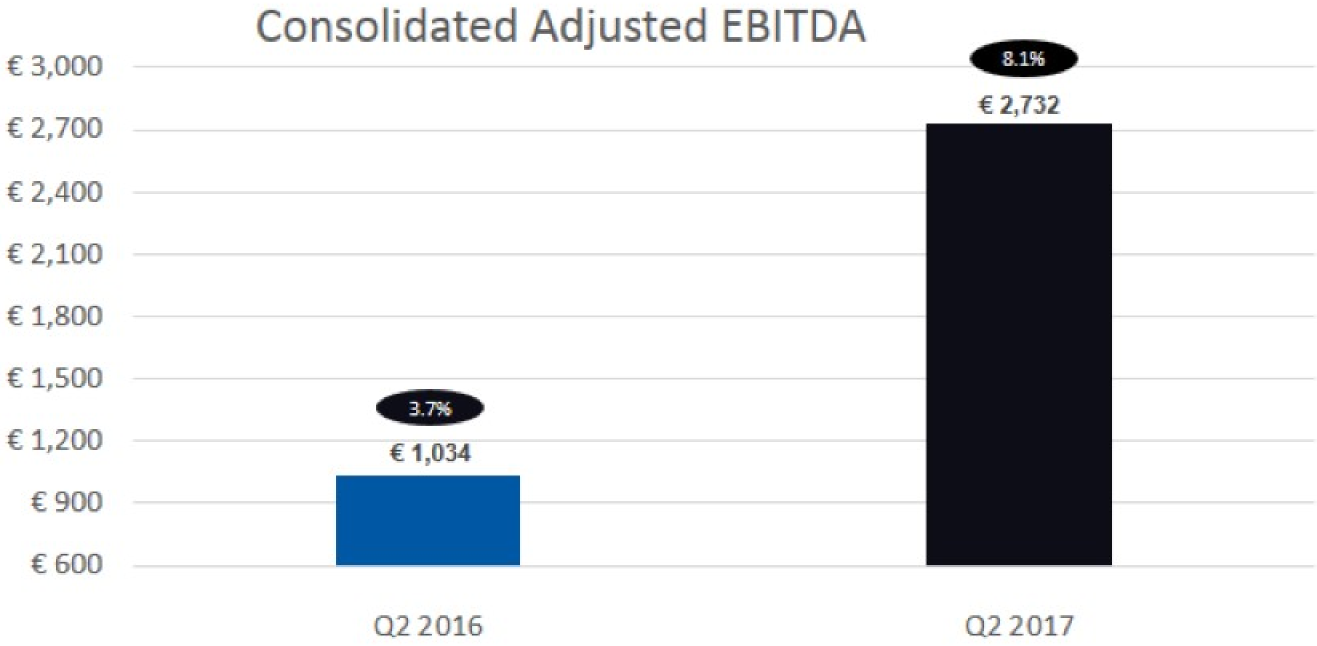
Q2 2017 Revenue by Segment



Q2 2017 Revenue by Product Type

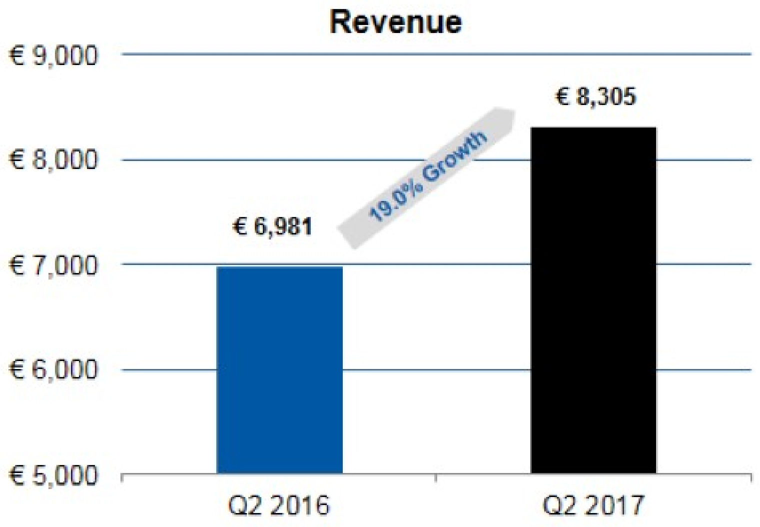


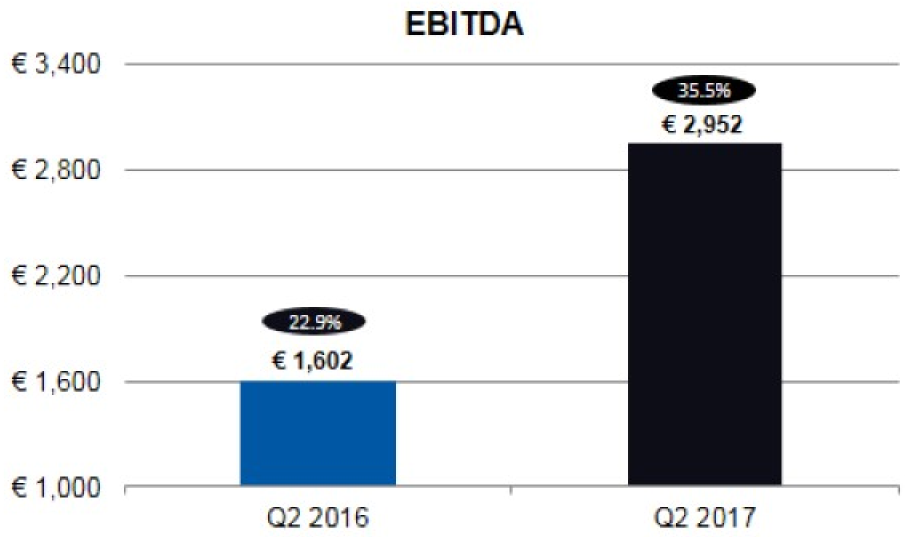
Consolidated Adjusted EBITDA



- Q2 2017 consolidated adjusted EBITDA increased from 1,034 kEUR to 2,732 kEUR.
- Q2 2017 consolidated adjusted EBITDA grew 440 basis points to 8.1%.
  - Improvement reflects 22% revenue growth and significantly lower rise of operational expenses
- Start-up process for new production facilities impacted growth of consolidated adjusted EBITDA.

Software Segment

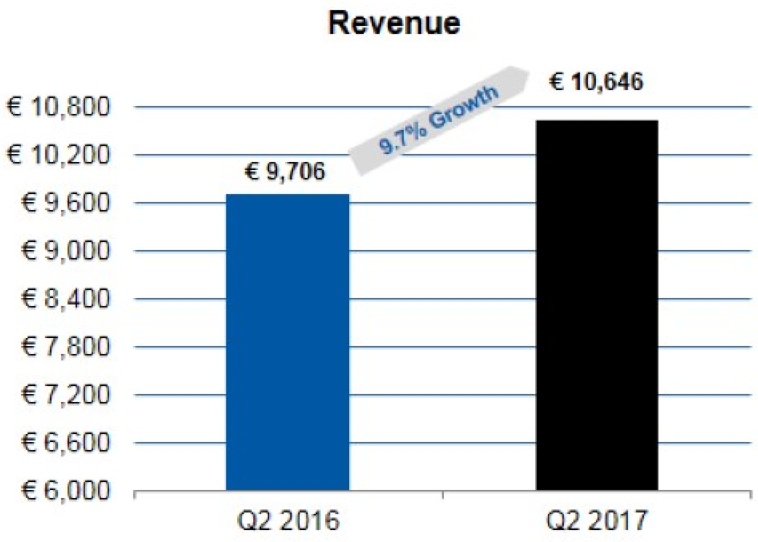


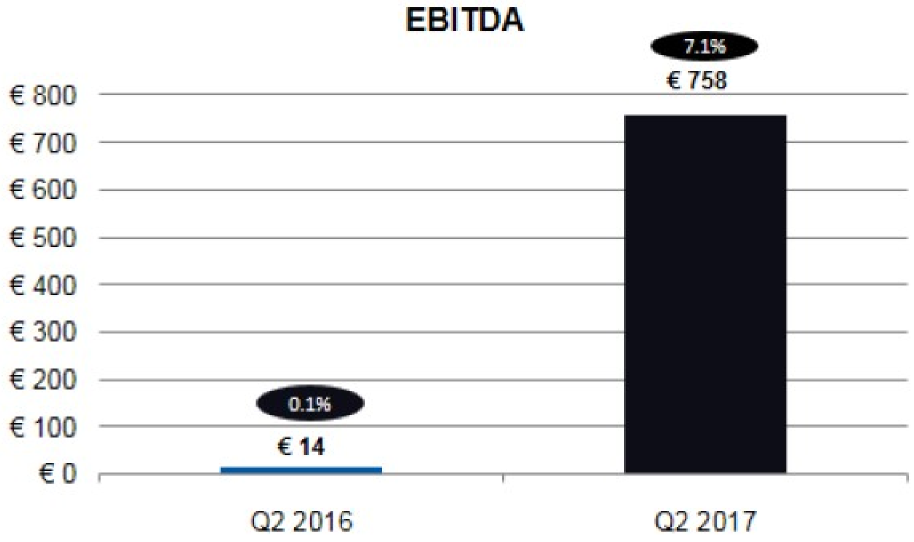


- 25% YOY growth in recurrent revenues from annual and renewed licenses and maintenance fees.
- Q2 2017 sales* generated from OEMs up 26% compared to Q2 2016.
- EBITDA margin up to 35.5%.

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

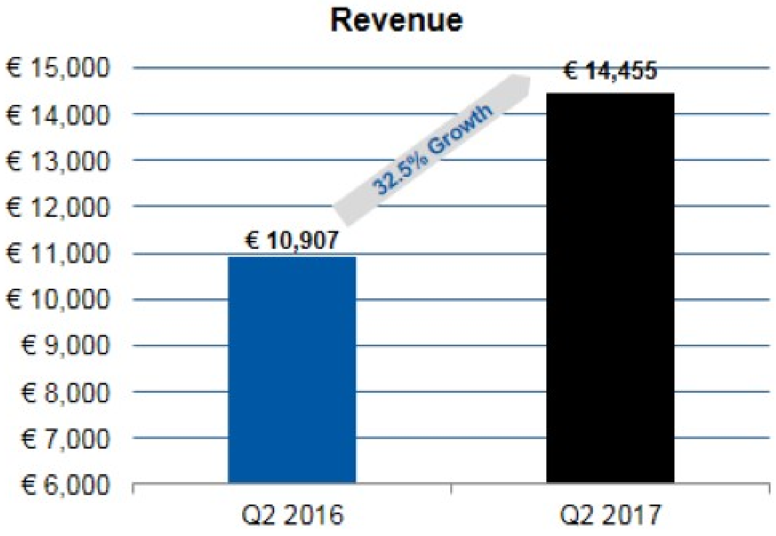
Medical Segment

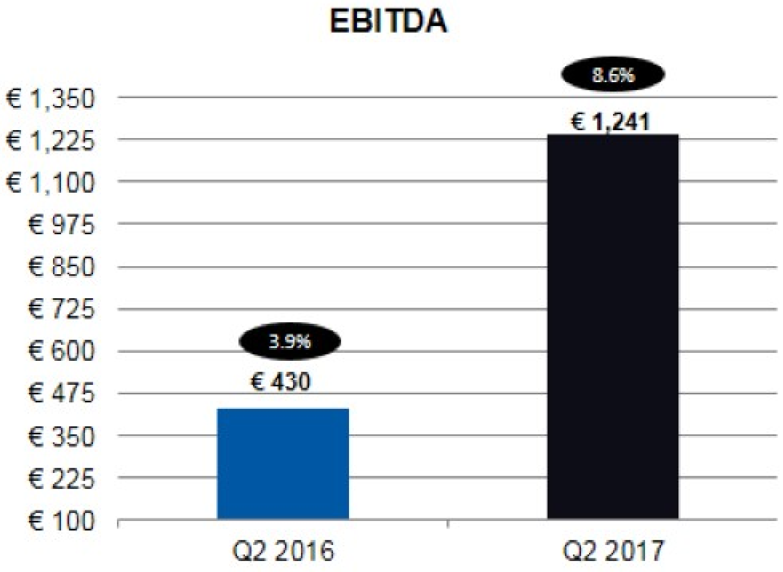




- Q2 2017 revenue from medical software sales increased 16% from prior-year period.
- Revenue from medical devices and services grew 7%.
- EBITDA margin rose from breakeven to 7%.

Manufacturing Segment





- End part manufacturing revenue grew 90% from Q2 2016.
  - Strong performance of core business combined with addition of metal sales and sales of scanners for Yuniku.
- EBITDA margin rose to up 8.6%.
- Total number of manufacturing and medical printers increased to 161 as of June 30, 2017.

Income Statement Highlights

(in thousands of euros, except where indicated)	Q2	
	2017	2016
Revenue	33,612	27,597
Cost of sales	(14,224)	(11,344)
Gross profit	19,388	16,253
Research & development expenses	(5,131)	(4,760)
Sales & marketing expenses	(10,009)	(9,533)
General & administrative expenses	(5,771)	(4,889)
Other income/(expenses), net	1,228	1,778
Operating profit/(loss)	(295)	(1,151)
Financial income/(expenses), net	(427)	207
Share in loss of joint venture	(42)	(131)
Taxes	(191)	639
Net profit/(loss)	(955)	(436)
Diluted EPS*	(0.02)	(0.01)
Diluted weighted average shares (thousands)	47,325	47,325

* Excludes non-controlling interest.

Other Financial Highlights

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(in thousands of euros)	06/30/2017	12/31/2016
Cash & equivalents	53,832	55,912
Receivables	29,383	27,479
Inventories	8,356	7,870
Payables	16,757	14,326
Total deferred income	23,033	21,410
Total borrowings	46,733	33,806
Total equity	77,419	79,033
Total liabilities and equity	176,975	161,920
(in thousands of euros)	**Q2 2017**	**Q2 2016**
Capital expenditures (incl. financial lease)	9,151	5,763
Cash flow from operations	5,188	5,781

Fiscal 2017 Guidance

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Expect Revenue and Adjusted EBITDA to be on High Side of Guidance Ranges Provided

Consolidated Revenue	**128 M to 134 M euros**
Consolidated Adj. EBITDA(1)	**10.5 M to 13.5 M euros**
Deferred Revenue Increase (from software licenses & maintenance only)	**4 M to 5 M 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), depreciation and amortization and stock-based compensation expense.

APPENDIX
Adjusted EBITDA Reconciliation

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	For the three months ended June 30	
(in thousands of euros)	2017	2016
Net profit/(loss)	(955)	(436)
Income taxes	191	(639)
Financial expense	1,317	609
Financial income	(890)	(816)
Share of loss in a joint venture	42	131
Depreciation & amortization	2,656	2,040
EBITDA	2,361	889
Non-cash stock-based compensation expenses	371	145
Adjusted EBITDA	2,732	1,034