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1Q 2019 Financial Results Conference Call April 30, 2019

www.materialise.com
NASDAQ: MTLS

Safe Harbor Summary

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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 2019 revenues, deferred revenue from annual licenses and maintenance and Adjusted EBITDA, our expectations regarding fiscal 2019 sales, Adjusted EBITDA margin and investments, results of operations, cash needs, capital expenditures, expenses, financial condition, liquidity, prospects, growth and strategies (including our strategic priorities for 2019), 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 risk factors described in the company's annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. 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 the federal securities laws to update and disclose material developments related to previously disclosed information.

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

Fried Vancraen
Founder & CEO

Peter Leys
Executive Chairman

Johan Albrecht
CFO

- Q1 2019 Highlights
- Materialise Medical: Insights into New Growth Initiatives
- Q1 2019 Financial Results
- Reaffirming 2019 Financial Guidance
- Q&A

Q1 2019 Highlights

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- Total revenue increased 7% from Q1 2018 to 47,115 kEUR
- Double-digit revenue growth in Materialise Software and Materialise Medical
- Materialise Manufacturing EBITDA growth of 18%
- Adjusted EBITDA rose 12% to 5,829 kEUR
- Net result of (304) kEUR compared to (183) kEUR for last year's period

Solid performance by all three Materialise segments

Materialise Medical: Insights into New Growth Initiatives

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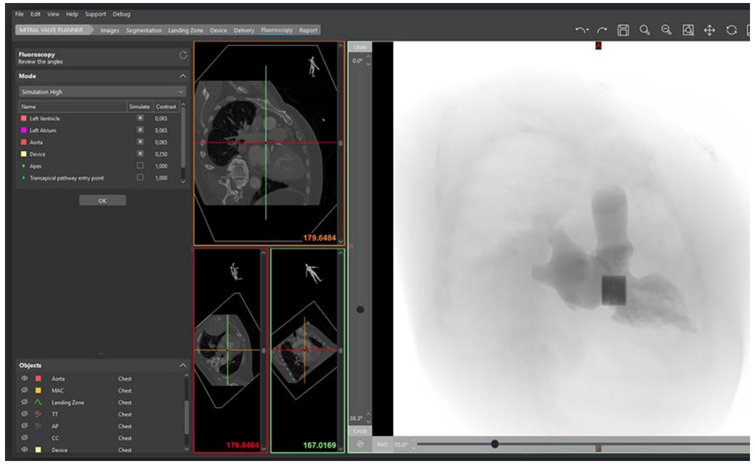
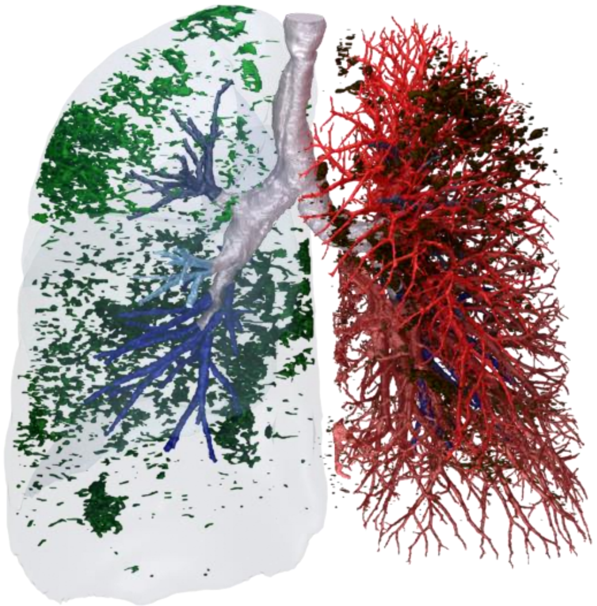
- Received renewed 510(k) clearance for Mimics Medical, expanding its scope significantly
- New growth areas for Materialise Medical include:
  - Mitral valve planning tools*
  - Visualization and possibly new patient specific treatment options in the respiratory market; collaboration with Fluidda

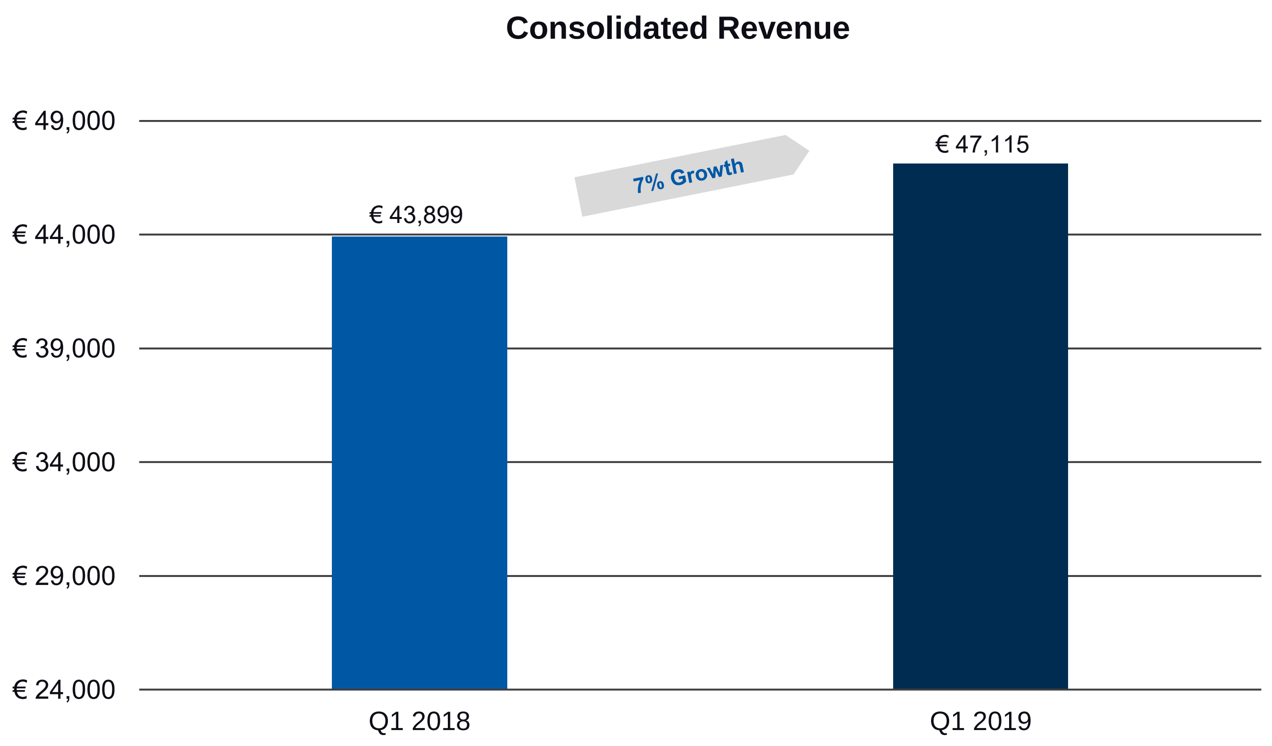


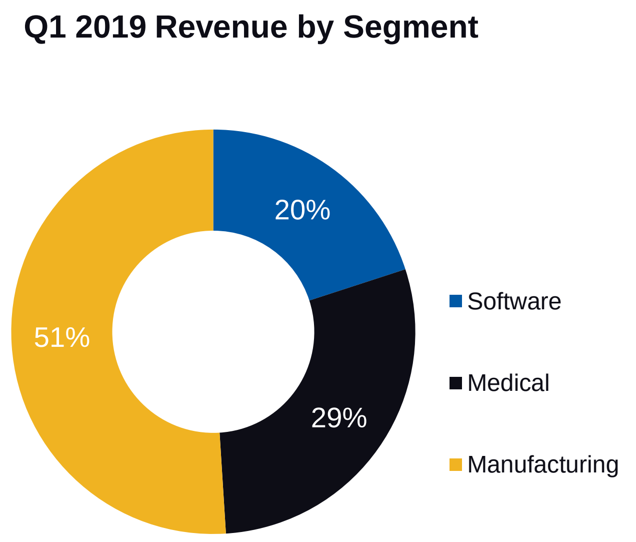


FLUIDDA

* 510(k) pending

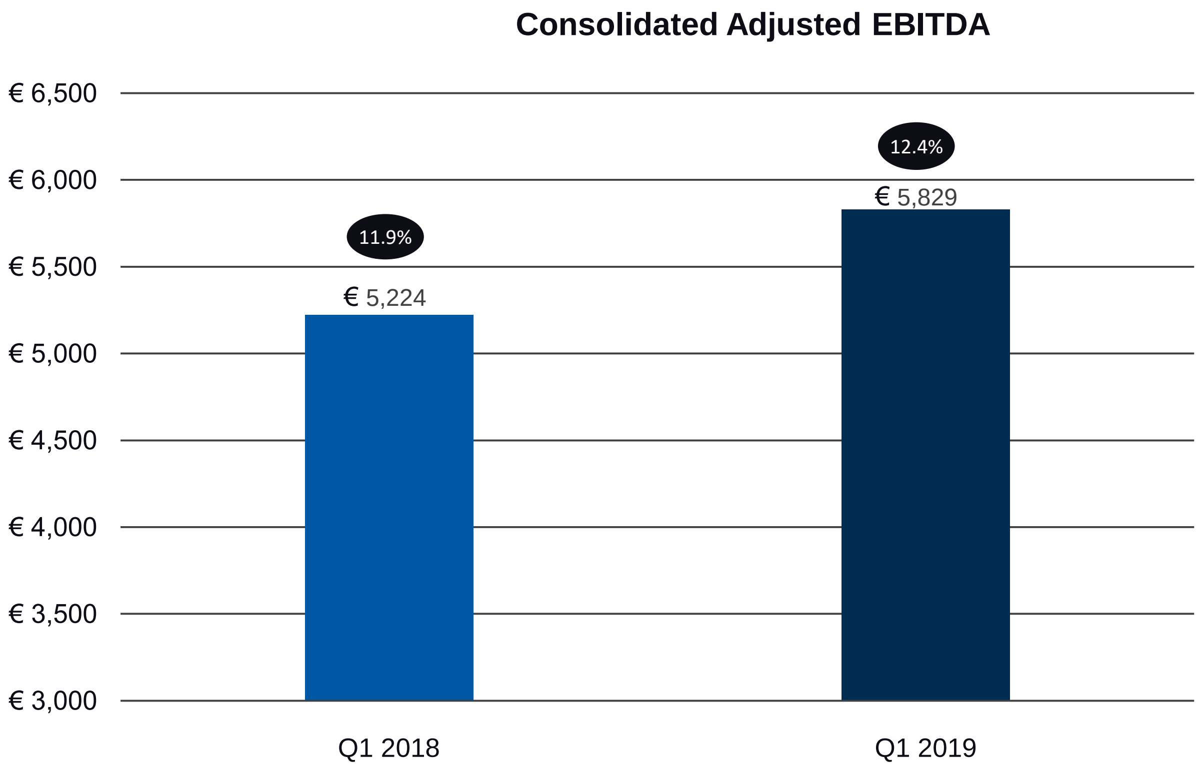
Q1 2019 - Consolidated Revenue





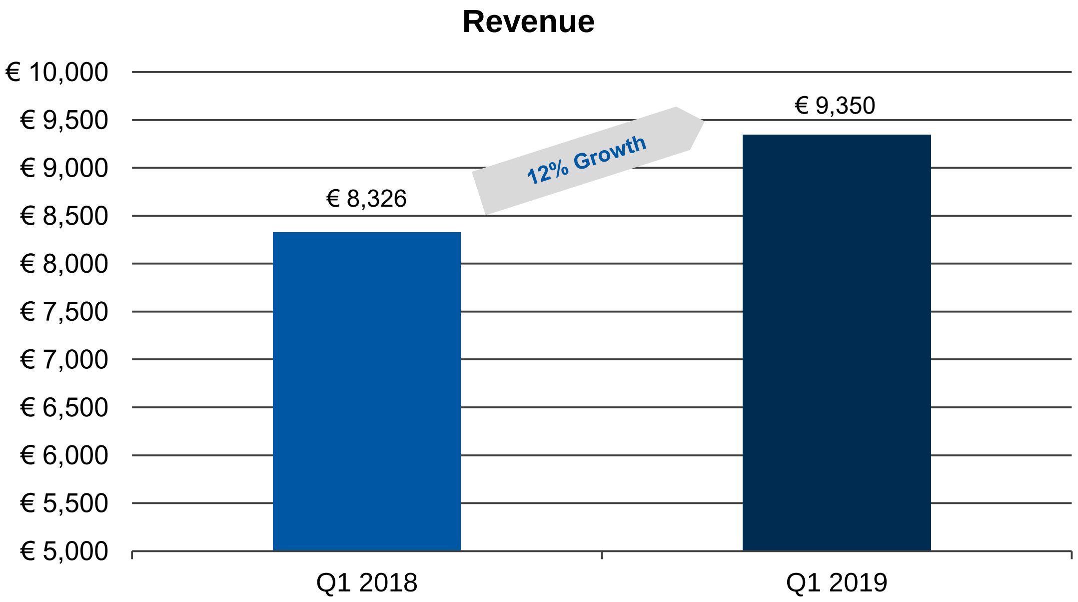
- Solid revenue increase in Software and Medical segments
- Deferred revenue from software licenses and maintenance fees increased 2,305 kEUR compared to year-end 2018
- Cross-segment revenue from software products amounted to 30% of total revenue

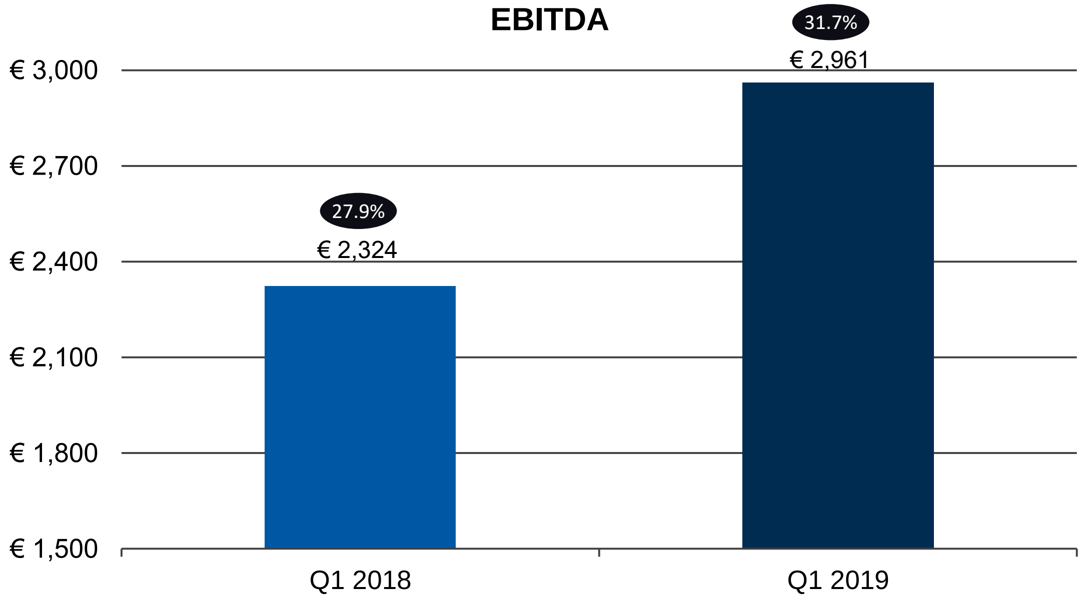
Q1 2019 - Consolidated Adjusted EBITDA



- Q1 2019 consolidated adjusted EBITDA increased 12%
- Q1 2019 consolidated adjusted EBITDA margin grew 50 basis points to 12.4%.

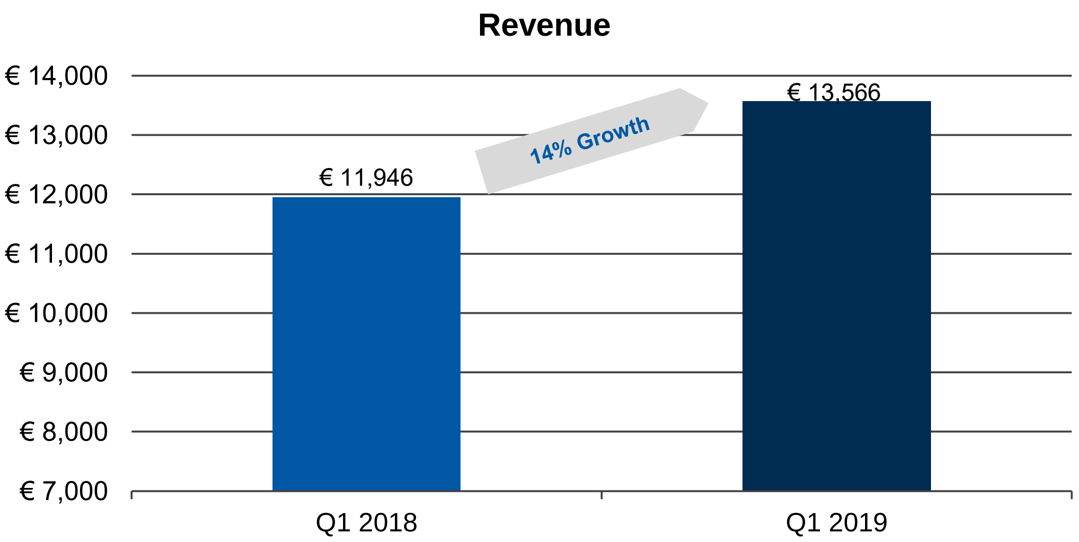
Software Segment

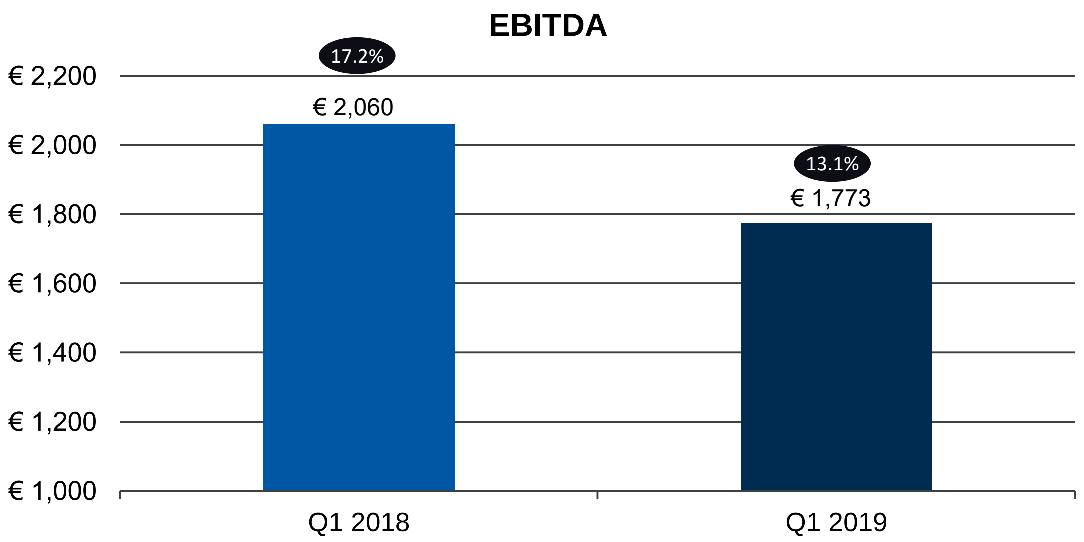




- Revenue increased 12%
- Q1 recurrent revenue up 28%
- Q1 non-recurrent revenue down 1%
- Q1 EBITDA increased 27%, EBITDA margin again above 30%

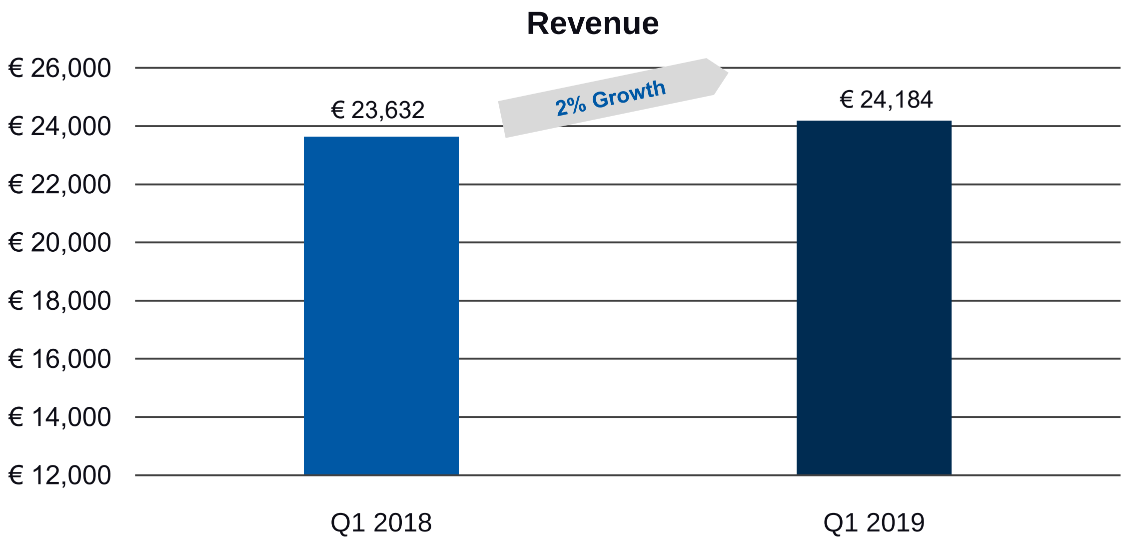
Medical Segment

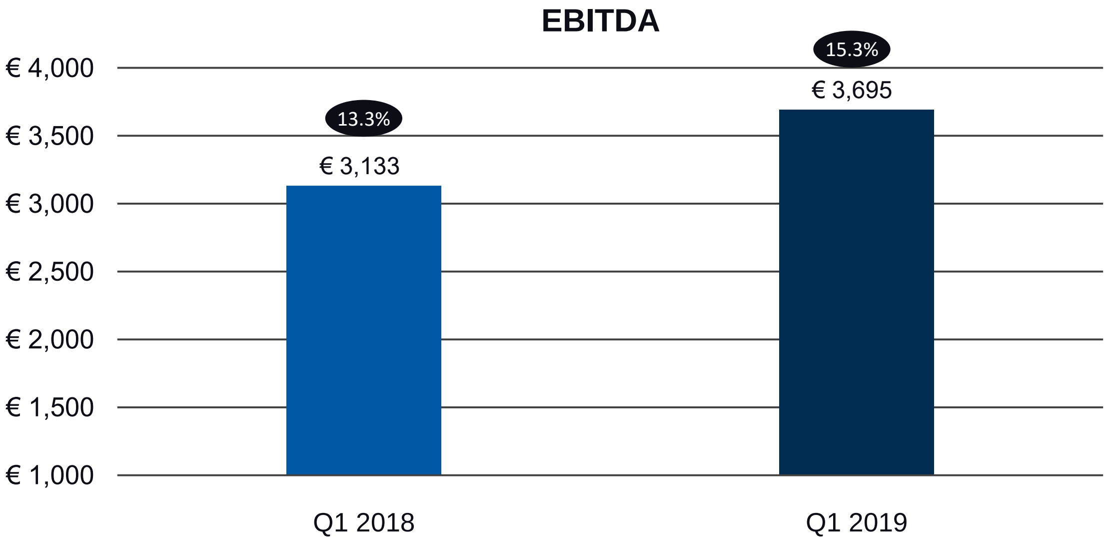




- Q1 2019 revenue from medical devices and services rose 16%
- Q1 2019 revenue from medical software increased 9%
- EBITDA amounted to 1,773 kEUR, resulting in a 13% EBITDA margin

Manufacturing Segment





- Q1 2019 revenue up 2%, driven by 6% revenue growth of our Manufacturing segment, excluding ACTech
- EBITDA increased 18% to 3,695 kEUR, resulting in an EBITDA margin of more than 15%
- 188 printers (Manufacturing + Medical) in production as of March 31, 2019

Income Statement Highlights

(in thousands of euros, except where indicated)	Q1	
	2019	2018
Revenue	47,115	43,899
Cost of sales	(21,536)	(19,944)
Gross profit	25,579	23,955
Research & development expenses	(5,686)	(5,615)
Sales & marketing expenses	(12,079)	(10,599)
General & administrative expenses	(7,596)	(7,160)
Other income/(expenses), net	1,258	549
Operating profit/(loss)	1,476	1,130
Financial income/(expenses), net	(592)	(710)
Share in loss of joint venture	(123)	(103)
Taxes	(1,065)	(500)
Net profit/(loss)	(304)	(183)
Diluted EPS	(0.01)	0.00
Diluted weighted average shares (thousands)	52,891	47,428

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Other Financial Highlights

(in thousands of euros)	03/31/2019	12/31/2018
Cash and equivalents	111,052	115,506
Receivables	39,397	36,891
Inventories	11,203	9,986
Payables	19,858	20,980
Total deferred income	31,289	27,782
Total borrowings	109,155	106,038
Total equity	136,377	135,589
Total liabilities and equity	319,458	313,225

(in thousands of euros)	Q1 2019	Q1 2018
Capital expenditures	3,701	4,680
Cash flow from operations	4,081	6,200

Reaffirming Fiscal 2019 Financial Guidance

Consolidated Revenue	**196M to 204M euros**
Consolidated Adj. EBITDA(1)	**29M to 33M euros**
Increased 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 the company's Form 20-F filed with the U.S. Securities and Exchange Commission. 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, stock-based compensation expense and acquisition-related expenses.

Adjusted EBITDA guidance for 2019 includes the positive impact, estimated at approximately 3,000 kEUR, of the application of the new IFRS16 Leases accounting standard, which requires leases to be recognized as an asset and depreciated over the lease term. As a result of the increased depreciation by approximately the same amount as the rental payments, our operating profit will not be impacted by this new standard.

APPENDIX
Adjusted EBITDA Reconciliation

	For the quarter ended March 31	
(in thousands of euros)	**2019**	**2018**
Net profit/(loss)	(304)	(183)
Income taxes	1,065	500
Financial expense	1,196	1,550
Financial income	(604)	(840)
Share of loss in a joint venture	123	103
Depreciation & amortization	4,530	4,006
EBITDA	6,006	5,136
Non-cash stock-based compensation expenses	(177)	88
Acquisition-related expenses	-	-
Adjusted EBITDA	5,829	5,224