

## Materialise Reports First Quarter 2022 Results

LEUVEN, Belgium--(BUSINESS WIRE)—April 28, 2022 -- Materialise NV (NASDAQ:MTLS), a leading provider of additive manufacturing and medical software and of sophisticated 3D printing services, today announced its financial results for the first quarter ended March 31, 2022.

### Highlights - First Quarter 2022

- Total revenue increased 16.3% to 52,961 kEUR compared to 45,554 kEUR for the first quarter of 2021.
- Total deferred revenues from annual software sales and maintenance fees increased by 2,937 kEUR this quarter to 38,082 kEUR.
- Adjusted EBITDA increased to 5,443 kEUR for the first quarter of 2022 from 5,341 kEUR for the 2021 period.
- Net profit for the first quarter of 2022 was 127 kEUR, or 0.0 EUR per diluted share, compared to (3,642) kEUR, or (0.07) EUR per diluted share, for the 2021 period.

Executive Chairman Peter Leys commented, “While the global economy was negatively impacted by a combination of geopolitical instability and the COVID-19 pandemic, Materialise continued to perform well. After posting record numbers for 2021, all of our segments grew during the first quarter of 2022, with an aggregate revenue increase of 16% on a consolidated basis, driven by the continued recovery of Materialise Manufacturing. We are particularly pleased that our deferred revenue from annual software sales and maintenance fees increased significantly, underscoring the solid recurring sales performance of our Materialise Software and Materialise Medical segments. Moreover, our Adjusted EBITDA for the quarter was 5,443 kEUR, slightly above last year’s, and included the continued operational investments in Link3D, a developer of AM manufacturing execution systems that we acquired on January 4, 2022.”

### First Quarter 2022 Results

Total revenue for the first quarter of 2022 increased 16.3% to 52,961 kEUR from 45,554 kEUR for the first quarter of 2021. Adjusted EBITDA increased to 5,443 kEUR for the first quarter of 2022 from 5,341 kEUR for the 2021 period. The Adjusted EBITDA margin (Adjusted EBITDA divided by total revenue) for the first quarter of 2022 was 10.3%, compared to 11.7% for the first quarter of 2021.

The results of Link3D have been fully consolidated with the results of our Materialise Software segment as of the beginning of this year. Revenue from Materialise Software increased 2.6% to 10,483 kEUR for the first quarter of 2022 from 10,219 kEUR for the same quarter last year. Segment EBITDA decreased, including the effect of ongoing investments in Link3D, to 1,932 kEUR from 3,429 kEUR while the segment EBITDA margin was 18.4% compared to 33.6% for the prior-year period.

Revenue from our Materialise Medical segment increased 13.0% to 18,347 kEUR for the first quarter of 2022 compared to 16,231 kEUR for the same period in 2021. Segment EBITDA amounted to 3,227 kEUR for the first quarter of 2022 compared to 4,541 kEUR while the segment EBITDA margin was 17.6% compared to 28.0% for the first quarter of 2021.

Revenue from our Materialise Manufacturing segment increased 26.2% to 24,131

kEUR for the first quarter of 2022 from 19,114 kEUR for the first quarter of 2021. Segment EBITDA increased to 2,613 kEUR from (144) kEUR while the segment EBITDA margin grew to 10.8% compared to (0.8)% for the first quarter of 2021.

Gross profit grew to 28,884 kEUR compared to 24,568 kEUR for the same period last year, while gross profit as a percentage of revenue increased to 54.5% compared to 53.9% for the first quarter of 2021.

Research and development (“R&D”), sales and marketing (“S&M”) and general and administrative (“G&A”) expenses increased, in the aggregate, 17.2% to 29,773 kEUR for the first quarter of 2022 from 25,398 kEUR for the first quarter of 2021.

Net other operating income was 938 kEUR compared to 1,120 kEUR for the first quarter of 2021.

Operating result amounted to 49 kEUR compared to 290 kEUR for the first quarter of 2021.

Net financial result was 376 kEUR compared to (4,112) kEUR for the first quarter of 2021.

The first quarter of 2022 contained income tax expenses of (298) kEUR, compared to 181 kEUR income tax income in the first quarter of 2021.

As a result of the above, net profit for the first quarter of 2022 was 127 kEUR, compared to (3,642) kEUR for the same period in 2021. Total comprehensive income for the first quarter of 2022, which includes exchange differences on translation of foreign operations, was 1,543 kEUR compared to (3,150) kEUR for the 2021 period.

At March 31, 2022, we had cash and cash equivalents of 169,610 kEUR compared to 196,028 kEUR at December 31, 2021. Gross debt amounted to 93,583 kEUR, compared to 99,107 kEUR at December 31, 2021. As a result, our net cash position (gross debt less cash and cash equivalents) was 76,027 kEUR, a decrease of 20,894 kEUR, and included the effect of our call option exercise to acquire 100% of the shares of Link3D.

Cash flow from operating activities for the first quarter of 2022 increased to 11,111 kEUR from 4,231 kEUR for the same period in 2021. Total capital expenditures for the first quarter of 2022 amounted to 3,499 kEUR.

Net shareholders’ equity at March 31, 2022 was 234,121 kEUR compared to 232,577 kEUR at December 31, 2021.

## **Non-IFRS Measures**

Materialise uses EBITDA and Adjusted EBITDA as supplemental financial measures of its financial performance. EBITDA is calculated as net profit plus income taxes, financial expenses (less financial income), shares of profit or loss in a joint venture and depreciation and amortization. Adjusted EBITDA is determined by adding share-based compensation expenses, acquisition-related expenses of business combinations, impairments and revaluation of fair value due to business combinations to EBITDA. Management believes these non-IFRS measures to be important measures as they exclude the effects of items which primarily reflect the impact of long-term investment and financing decisions, rather than the performance of the company’s day-to-day operations. As compared to net

profit, these measures are limited in that they do not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in the company's business, or the charges associated with impairments. Management evaluates such items through other financial measures such as capital expenditures and cash flow provided by operating activities. The company believes that these measurements are useful to measure a company's ability to grow or as a valuation measurement. The company's calculation of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. EBITDA and Adjusted EBITDA should not be considered as alternatives to net profit or any other performance measure derived in accordance with IFRS. The company's presentation of EBITDA and Adjusted EBITDA should not be construed to imply that its future results will be unaffected by unusual or non-recurring items.

## **Exchange Rate**

This document contains translations of certain euro amounts into U.S. dollars at specified rates solely for the convenience of readers. Unless otherwise noted, all translations from euros to U.S. dollars in this document were made at a rate of EUR 1.00 to USD 1.1101, the reference rate of the European Central Bank on March 31, 2022.

## **Conference Call and Webcast**

Materialise will hold a conference call and simultaneous webcast to discuss its financial results for the first quarter of 2022 on Thursday, April 28, 2022, at 8:30 a.m. ET/2:30 p.m. CET. Company participants on the call will include Wilfried Vancraen, Founder and Chief Executive Officer; Peter Leys, Executive Chairman; and Johan Albrecht, Chief Financial Officer. A question-and-answer session will follow management's remarks.

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- To access the conference call, please dial 844-469-2530 (U.S.) or 765-507-2679 (international), passcode 2437458#.

The conference call will also be broadcast live over the Internet with an accompanying slide presentation, which can be accessed on the company's website at <http://investors.materialise.com>. A webcast of the conference call will be archived on the company's website for one year.

## **About Materialise**

Materialise incorporates 30 years of 3D printing experience into a range of software solutions and 3D printing services, which form the backbone of the 3D printing industry. Materialise's open and flexible solutions enable players in a wide variety of industries, including healthcare, automotive, aerospace, art and design, and consumer goods, to build innovative 3D printing applications that aim to make the world a better and healthier place. Headquartered in Belgium, with branches worldwide, Materialise combines one of the largest groups of software developers in the industry with one of the largest 3D printing facilities in the world. For additional information, please visit: [www.materialise.com](http://www.materialise.com).

## **Cautionary Statement on Forward-Looking Statements**

This press release 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, our results of operations, cash needs, capital expenditures, expenses, financial condition, liquidity, prospects, growth and strategies (including how our business, results of operations and financial condition could be impacted by the current armed conflict in Ukraine and the COVID-19 pandemic and related public health measures, as well as the related actions we are taking in response), 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 press release, 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 press release. 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 most recent actual results to differ materially from our expectations, including risk factors described in the company's most recent 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 press release.

The company is providing this information as of the date of this press release and does not undertake any obligation to update any forward-looking statements contained in this press release 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.

## Consolidated income statements (Unaudited)

| In '000   | for the three months ended |               |                |
|---|----------------------------|---------------|----------------|
|   | March 31,                  |               |                |
|   | 2022                       | 2022          | 2021*          |
|   | U.S.\$                     | €             | €              |
| Revenue   | 58,792                     | 52,961        | 45,554         |
| Cost of Sales   | (26,729)                   | (24,078)      | (20,986)       |
| <b>Gross Profit</b>   | <b>32,064</b>              | <b>28,884</b> | <b>24,568</b>  |
| Gross profit as % of revenue                                  | 54.5%                      | 54.5%         | 53.9%          |
| Research and development expenses                             | (8,675)                    | (7,814)       | (6,536)        |
| Sales and marketing expenses                                  | (15,003)                   | (13,515)      | (11,310)       |
| General and administrative expenses                           | (9,373)                    | (8,444)       | (7,552)        |
| Net other operating income (expenses)                         | 1,041                      | 938           | 1,120          |
| <b>Operating (loss) profit</b>                                | <b>54</b>                  | <b>49</b>     | <b>290</b>     |
| Financial expenses  | (1,431)                    | (1,289)       | (4,701)        |
| Financial income  | 1,849                      | 1,665         | 589            |
| Share in loss of joint venture                                | -                          | -             | -              |
| <b>(Loss) profit before taxes</b>                             | <b>472</b>                 | <b>425</b>    | <b>(3,822)</b> |
| Income Taxes (*)  | (331)                      | (298)         | 181            |
| <b>Net (loss) profit for the period (*)</b>                   | <b>141</b>                 | <b>127</b>    | <b>(3,642)</b> |
| Net (loss) profit attributable to:                            | -                          | -             | -              |
| The owners of the parent                                      | 148                        | 134           | (3,642)        |
| Non-controlling interest                                      | (7)                        | (7)           | -              |
| <b>Earning per share attributable to owners of the parent</b> |                            |               |                |
| Basic   | 0.00                       | 0.00          | (0.07)         |
| Diluted   | 0.00                       | 0.00          | (0.07)         |
| Weighted average basic shares outstanding                     | 59,064                     | 59,064        | 54,169         |
| Weighted average diluted shares outstanding                   | 59,102                     | 59,102        | 54,169         |

(\*) The year 2021 has been restated to reflect the final accounting of the business combination with RS Print.

Impact on Net profit for the period and on Income taxes is 26 k€.

## Consolidated statements of comprehensive income (Unaudited)

| In 000€   | for the three months ended |              |                |
|---|----------------------------|--------------|----------------|
|   | March 31,                  |              |                |
|   | 2022                       | 2022         | 2021(*)        |
|   | U.S.\$                     | €            | €              |
| <b>Net profit (loss) for the period (*)</b>                         | <b>141</b>                 | <b>127</b>   | <b>(3,642)</b> |
| <b>Other comprehensive income</b>                                   |                            |              |                |
| <b>Recycling</b>  |                            |              |                |
| Exchange difference on translation of foreign operations            | 1,572                      | 1,416        | 492            |
| <b>Non-recycling</b>  |                            |              |                |
| Fair value adjustments through OCI - Equity instruments             | -                          | -            | -              |
| <b>Other comprehensive income (loss), net of taxes</b>              | <b>1,572</b>               | <b>1,416</b> | <b>492</b>     |
| <b>Total comprehensive income (loss) for the year, net of taxes</b> | <b>1,713</b>               | <b>1,543</b> | <b>(3,150)</b> |
| Total comprehensive income (loss) attributable to:                  |                            |              |                |
| The owners of the parent  | <b>1,720</b>               | <b>1,549</b> | <b>(3,150)</b> |
| Non-controlling interests   | (7)                        | (7)          | -              |

(\*) The year 2021 has been restated to reflect the final accounting of the business combination with RS Print.

Impact on Net profit for the period is 26k€.

## Consolidated statement of financial position (Unaudited)

| In 000€                                      | As of          | As of          |
|--|----------------|----------------|
|  | March 31,      | December 31,   |
|  | 2022           | 2021           |
| <b>Assets</b>                                |                |                |
| <b>Non-current assets</b>                    |                |                |
| Goodwill                                     | 43,548         | 18,726         |
| Intangible assets                            | 38,075         | 31,668         |
| Property, plant & equipment                  | 84,329         | 84,451         |
| Right-of-Use assets                          | 9,270          | 9,054          |
| Investments in joint ventures                | -              | -              |
| Deferred tax assets                          | 393            | 227            |
| Investments in convertible loans             | 3,622          | 3,560          |
| Investments in non-listed equity instruments | 399            | 399            |
| Other non-current assets                     | 5,404          | 7,520          |
| <b>Total non-current assets</b>              | <b>185,040</b> | <b>155,605</b> |
| <b>Current assets</b>                        |                |                |
| Inventories                                  | 12,720         | 11,295         |
| Trade receivables                            | 38,575         | 41,541         |
| Other current assets                         | 8,169          | 8,940          |
| Cash and cash equivalents                    | 169,610        | 196,028        |
| <b>Total current assets</b>                  | <b>229,074</b> | <b>257,803</b> |
| <b>Total assets</b>                          | <b>414,115</b> | <b>413,408</b> |

| In 000€  | As of<br>March 31,<br>2022 | As of<br>December 31,<br>2021 |
|--|----------------------------|-------------------------------|
| <b>Equity and liabilities</b>                          |                            |                               |
| <b>Equity</b>  |                            |                               |
| Share capital  | 4,489                      | 4,489                         |
| Share premium  | 233,872                    | 233,872                       |
| Retained earnings and other reserves                   | (4,240)                    | (5,784)                       |
| <b>Equity attributable to the owners of the parent</b> | <b>234,121</b>             | <b>232,577</b>                |
| Non-controlling interest                               | (6)                        | 1                             |
| <b>Total equity</b>                                    | <b>234,115</b>             | <b>232,578</b>                |
| <b>Non-current liabilities</b>                         |                            |                               |
| Loans & borrowings                                     | 66,759                     | 72,637                        |
| Lease liabilities                                      | 5,670                      | 5,268                         |
| Deferred tax liabilities                               | 4,295                      | 4,371                         |
| Deferred income  | 5,555                      | 4,952                         |
| Other non-current liabilities                          | 2,681                      | 2,168                         |
| <b>Total non-current liabilities</b>                   | <b>84,960</b>              | <b>89,396</b>                 |
| <b>Current liabilities</b>                             |                            |                               |
| Loans & borrowings                                     | 17,882                     | 17,849                        |
| Lease liabilities                                      | 3,272                      | 3,353                         |
| Trade payables   | 20,202                     | 20,171                        |
| Tax payables   | 722                        | 783                           |
| Deferred income  | 37,226                     | 33,306                        |
| Other current liabilities                              | 15,736                     | 15,972                        |
| <b>Total current liabilities</b>                       | <b>95,040</b>              | <b>91,434</b>                 |
| <b>Total equity and liabilities</b>                    | <b>414,115</b>             | <b>413,408</b>                |

## Consolidated statement of cash flows (Unaudited)

| In 000€   | for the three months ended<br>March 31, |              |
|---|---|--------------|
|   | 2022                                    | 2021*        |
| <b>Operating activities</b>   |   |              |
| Net (loss) profit for the period (*)                                  | 127                                     | (3,642)      |
| <i>Non-cash and operational adjustments</i>                           |   |              |
| Depreciation of property plant & equipment                            | 3,840                                   | 3,803        |
| Amortization of intangible assets                                     | 1,602                                   | 1,277        |
| Impairment of goodwill and intangible assets                          | -                                       | -            |
| Share-based payment expense   | (48)                                    | (415)        |
| Loss (gain) on disposal of property, plant & equipment                | (18)                                    | (32)         |
| Movement in provisions  | 2                                       | -            |
| Movement reserve for bad debt and slow moving inventory               | 130                                     | (2)          |
| Financial income  | (1,618)                                 | (589)        |
| Financial expense   | 1,237                                   | 4,701        |
| Impact of foreign currencies  | (28)                                    | 18           |
| Share in loss (gain) of a joint venture (equity method)               | -                                       | -            |
| (Deferred) income taxes (*)   | 302                                     | (181)        |
| Other non-current liabilities   | -                                       | -            |
| Working capital adjustments   | 5,923                                   | (860)        |
| <i>Decrease (increase) in trade receivables and other receivables</i> | 4,506                                   | (931)        |
| <i>Decrease (increase) in inventories and contracts in progress</i>   | (1,357)                                 | (329)        |
| <i>Increase (decrease) in trade payables and other payables</i>       | 2,774                                   | 400          |
| Income tax paid & Interest received                                   | (341)                                   | 153          |
| <b>Net cash flow from operating activities</b>                        | <b>11,111</b>                           | <b>4,231</b> |

(\*) The year 2021 has been restated to reflect the final accounting of the business combination with RS Print.

Impact on Net profit for the period and on (Deferred) income taxes is 26 k€.

| In 000€   | for the three months ended<br>March 31, |                |
|---|---|----------------|
|   | 2022                                    | 2021           |
| <b>Investing activities</b>   |   |                |
| Purchase of property, plant & equipment   | (2,376)                                 | (1,242)        |
| Purchase of intangible assets   | (1,123)                                 | (768)          |
| Proceeds from the sale of property, plant & equipment & intangible assets (net) | 93                                      | 183            |
| Acquisition of subsidiary (net of cash)   | (27,414)                                | -              |
| (Convertible) Loans granted   | -                                       | (1,122)        |
| Other equity investments in non-listed entities                                 | -                                       | -              |
| <b>Net cash flow used in investing activities</b>                               | <b>(30,820)</b>                         | <b>(2,949)</b> |
| <b>Financing activities</b>   |   |                |
| Repayment of loans & borrowings   | (5,969)                                 | (3,918)        |
| Repayment of leases   | (881)                                   | (1,066)        |
| Capital increase  | -                                       | -              |
| Interest paid   | (515)                                   | (536)          |
| Other financial income (expense)  | (89)                                    | 136            |
| <b>Net cash flow from (used in) financing activities</b>                        | <b>(7,452)</b>                          | <b>(5,384)</b> |
| <b>Net increase/(decrease) of cash &amp; cash equivalents</b>                   | <b>(27,161)</b>                         | <b>(4,102)</b> |
| Cash & Cash equivalents at the beginning of the year                            | 196,028                                 | 111,538        |
| Exchange rate differences on cash & cash equivalents                            | 743                                     | 132            |
| <b>Cash &amp; cash equivalents at end of the period</b>                         | <b>169,610</b>                          | <b>107,568</b> |

## Reconciliation of Net Profit (Loss) to EBITDA and Adjusted EBITDA (Unaudited)



| In 000€   | for the three months ended<br>March 31, |                |
|---|---|----------------|
|   | 2022                                    | 2021 (*)       |
| <b>Net profit (loss) for the period (*)</b>               | <b>127</b>                              | <b>(3,642)</b> |
| Income taxes (*)  | 298                                     | (181)          |
| Financial expenses  | 1,289                                   | 4,701          |
| Financial income  | (1,665)                                 | (589)          |
| Depreciation and amortization                             | 5,442                                   | 5,081          |
| Share in loss of joint venture                            | -                                       | -              |
| <b>EBITDA</b>   | <b>5,491</b>                            | <b>5,371</b>   |
| Share-based compensation expense (1)                      | (48)                                    | (415)          |
| Acquisition-related expenses of business combinations (2) | -                                       | 385            |
| <b>Adjusted EBITDA</b>                                    | <b>5,443</b>                            | <b>5,341</b>   |

(1) Share-based compensation expense represents the cost of equity-settled and share-based payments to employees.

(2) Acquisition-related expenses of business combinations represents expenses incurred in connection with the acquisition of our option to buy Link3D.

(\*) The year 2021 has been restated to reflect the final accounting of the business combination with RS Print. Impact on Net profit for the period and Income taxes is 26 k€.

## Segment P&L (Unaudited)

| In 000€  | Materialise<br>Software | Materialise<br>Medical | Materialise<br>Manufacturing | Total<br>segments | Unallocated<br>(1) | Consolidated |
|--|-------------------------|------------------------|------------------------------|-------------------|--------------------|--------------|
| <b>For the three months ended March 31, 2022</b> |                         |                        |                              |                   |                    |              |
| Revenues   | 10,483                  | 18,347                 | 24,131                       | 52,961            | 0                  | 52,961       |
| Segment (adj) EBITDA                             | 1,932                   | 3,227                  | 2,613                        | 7,772             | (2,329)            | 5,443        |
| Segment (adj) EBITDA %                           | 18.4%                   | 17.6%                  | 10.8%                        | 14.7%             |                    | 10.3%        |
| <b>For the three months ended March 31, 2021</b> |                         |                        |                              |                   |                    |              |
| Revenues   | 10,219                  | 16,231                 | 19,114                       | 45,564            | (11)               | 45,553       |
| Segment (adj) EBITDA                             | 3,429                   | 4,541                  | (144)                        | 7,826             | (2,486)            | 5,341        |
| Segment (adj) EBITDA %                           | 33.6%                   | 28.0%                  | -0.8%                        | 17.2%             |                    | 11.7%        |

(1) Unallocated segment adjusted EBITDA consists of corporate research and development, corporate headquarter costs and corporate other operating income (expense), and the added share-based compensation expenses, acquisition related expenses of business combinations, impairments and fair value of business combinations that are included in Adjusted EBITDA.

## Reconciliation of Net Profit (Loss) to Segment adjusted EBITDA (Unaudited)

| In 000€                                     | for the three months ended |                |
|---|----------------------------|----------------|
|   | March 31,                  |                |
|   | 2022                       | 2021 (*)       |
| <b>Net profit (loss) for the period (*)</b> | <b>127</b>                 | <b>(3,642)</b> |
| Income taxes (*)                            | 298                        | (181)          |
| Financial cost                              | 1,289                      | 4,701          |
| Financial income                            | (1,665)                    | (589)          |
| Share in loss of joint venture              | -                          | -              |
| <b>Operating (loss) profit</b>              | <b>49</b>                  | <b>289</b>     |
| Depreciation and amortization               | 5,442                      | 5,081          |
| Corporate research and development          | 816                        | 692            |
| Corporate headquarter costs                 | 2,106                      | 2,648          |
| Other operating income (expense)            | (640)                      | (855)          |
| <b>Segment adjusted EBITDA</b>              | <b>7,772</b>               | <b>7,855</b>   |

(\*) The year 2021 has been restated to reflect the final accounting of the business combination with RS Print. Impact on Net profit for the period and Income taxes is 26 k€.