Setting the Quality Standard for Additive Manufacturing

NASDAQ:SGLB
September 2020
Forward Looking Statement

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 (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Statements preceded by, followed by or that otherwise include the words “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “project,” “prospects,” “outlook,” and similar words or expressions, or future or conditional verbs such as “will,” “should,” “would,” “may,” and “could” are generally forward-looking in nature and not historical facts. These forward-looking statements involve known and unknown risks, uncertainties and other factors, including, but not limited to, the uncertain effect of the COVID-19 pandemic on Sigma Labs’ business, results of operations and financial condition, which may cause the Company’s actual results, performance or achievements to be materially different from any anticipated results, performance or achievements. The Company disclaims any intention to, and undertakes no obligation to, revise any forward-looking statements, whether as a result of new information, a future event, or otherwise. For additional risks and uncertainties that could impact the Company’s forward-looking statements, please see the Company’s Annual Report on Form 10-K (including but not limited to the discussion under “Risk Factors” therein) filed with the SEC on March 24, 2020 and which may be viewed at www.sec.gov.
Three Thoughts

Additive Manufacturing, or 3D Printing, is a disruptive technology that is revolutionizing manufacturing worldwide.

PrintRite3D® IPQA (In-process Quality Assurance) is a critical catalyst to crossing the chasm from prototyping to industrialization.

Sigma Labs has first mover advantage, significant barriers to entry, and leveraged business model.
Three Thoughts

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Sigma Labs Overview

- Software company that develops In-Process Quality Assurance solutions for the Additive Manufacturing industry
  - Disruptive, high-growth and exciting industry

- Headquartered in Santa Fe, N. M.
  - Roots of the company go back to Los Alamos Labs engineers, scientists, statisticians, etc. that did project and grant work

- Patented technology that detects and identifies defects and anomalies real-time during the 3D printing process of metal parts
  - 3rd party in-process quality assurance is critical to the adoption and acceleration of metal Additive Manufacturing

- Significant lead with formidable barriers of entry to impede competition pursuing us
  - Technology lead, strategic partnerships, patents and focus

- Business Model that we believe will accelerate both in revenue and profitability with the growth of the industry

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**Sigma Labs, Inc. (NASDAQ: SGLB)**

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<table>
<thead>
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<tbody>
<tr>
<td>Share Price¹</td>
<td>$2.08</td>
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<td>Market Cap¹</td>
<td>$12.1M</td>
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<tr>
<td>YTD Q2 2020 Revenue²</td>
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<td>FY 2019 Revenue³</td>
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<td>Patent Portfolio¹</td>
<td>43</td>
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<td>Outstanding Shares¹</td>
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¹ As of September 15, 2020
² As of June 30, 2020
³ As of December 31, 2019
Mitsubishi Heavy Industries

40th largest manufacturer in the world
Aggressive Additive Manufacturing initiatives
   Early Adopter of 3d printing
   Innovative in approach and use
   Launched a line of 3D Metal Printers in 2018

Sophisticated end-user with multiple years of experience
Shortening the Sales Cycle

2019 RTE
Rapid Test & Evaluation

Build PrintRite3D system
Ship to end User
Send engineers to install
Educate the customer on IPQA

Average cost ~ $75,000 to Sigma
Timeframe – 6 to 12 months

2020 @Sigma RTE
Rapid Test & Evaluation

Prospects send CAD file and powder
Build part on our 3D printer
Provide remote access for 2 weeks
Engineers engaged w/ customer

Average cost ~ $5,000 to Sigma
Timeframe – 2 to 4 weeks
Broader Market Reach

‘The integration of the PrintRite3D Melt-Pool Monitoring solution in our MetalFAB1 is an important addition to our product portfolio. The PrintRite3D solution matches very well with our focus on quality,’

Mark Vaes, CEO and CTO, Additive Industries
Validating our Technology

RTE1
• Single laser EOS printer
• 6 months

RTE2
• Dual Laser SLM printer
• 6 months
• Multiple parts on a single plate

Benefits
• Faster response time
• Less downtime
• Faster product development
• Less material waste
• Lower post-production costs

“I use and rely on PrintRite3D more now than ever because I am often working remote from the shop floor”.
Baker Hughes AM Engineer
Preferred Monitoring Solution

- Single and dual laser machines
- Certified by DMG MORI and Sigma Labs engineers
- DMG PrintRite3D interface
  - Sold and supported by DMG
  - Printer accommodates our optics
- Joint sales activities in process in USA and Europe
Mission Statement

To accelerate the adoption of Additive Manufacturing by setting the standard for In-process Quality Assurance for 3D Metal Printing
Additive Manufacturing - Subtractive Manufacturing

Material » Subtractive Manufacturing » Manufactured Part + Waste

Material » Additive Manufacturing » Manufactured Part + Waste
Benefits of 3D Metal Printing

- Faster time-to-market of new ideas
- Speed production times
- Increased customization and personalization
- Design freedom
- Cost reduction
ESG
Impact of 3D Metal Printing

• Uses less material
  o Recycle unused powder
• Reduce transportation and warehousing costs
  o Produce part closer to where it’s needed
• Less waste
  o Produce only parts that are needed
  o No wasted inventory to carry
COVID-19 Impact

Short-term, continued negative impact on capital budgets

Long-term, accelerate adoption of Additive Manufacturing

- Manufacturers rethink complex supply chains
- Mitigate risk of mission critical product or part shortages
- Move of manufacturing source closer to where the part is needed
- Lessen dependence on other countries

‘Use of 3D printing will explode.’
Thomas Friedman
Author, NY Times Columnist and Pulitzer Prize Winner
Throttling the Growth of 3D Metal Printing

51 per cent of respondents, the challenge lies in a lack of consistency.

Quality assurance (QA) is so crucial that it is largely considered as the biggest obstacle to the widespread adoption of AM technology, particularly for metallic materials.
*Smartech Publishing*

The industry needs to collaborate more vigorously on developing standards and best practices to ensure repeatable processes and high-quality results.
PrintRite3D® - Detects and Classifies Defects

- Lack of fusion
- Spherical porosity
- Key holing
- Inclusions

- Gas flow variation
- Re-coater interaction
- Short feed
- Insufficient support structure
PrintRite3D® - Major 3D Metal Printers

IPQA®
Providing a consistent standard of quality across 3D printers
- Faster product development cycle time
  - Less trial and error
- Faster part qualification
  - Saves time and money
- Minimizes waste
  - Non-destructive inspection
  - Stop bad builds in process
- Maximizes machine time
  - Stop processes when defect detected
  - Less trial and error builds
- Reduces post-production processing costs
  - Dramatically reduces need for CT scans of final parts
  - Non-destructive

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Protecting our IP

These patents encompass the fundamental technology underlying Sigma Lab’s melt pool process control, data analytics, anomaly detection, signature identification, & future “closed loop control” of 3D metal printing.

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<th>Jurisdiction</th>
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*As of September 15, 2020
Milestones - Validating our Technology

- Collaboration with Int’l. Standards Groups
- AM Software Vendors
- 3D Printer manufacturers
- Enterprise end users

Setting the Quality Standard for Additive Manufacturing
Milestones - Validating our Technology

Technology acquired by Major Universities and R&D institutes

Continued collaboration with Int'l. Standards Groups

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Strategic relationships with AM Software Vendors

Strategic Relationships with 3D Printer manufacturers. Integrate, resell or embed Sigma’s technology

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Enterprise end users part qualification and production systems

Setting the Quality Standard for Additive Manufacturing

In-Process Quality Assurance (IPQA)

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In-Process Quality Assurance (IPQA)
Summary

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