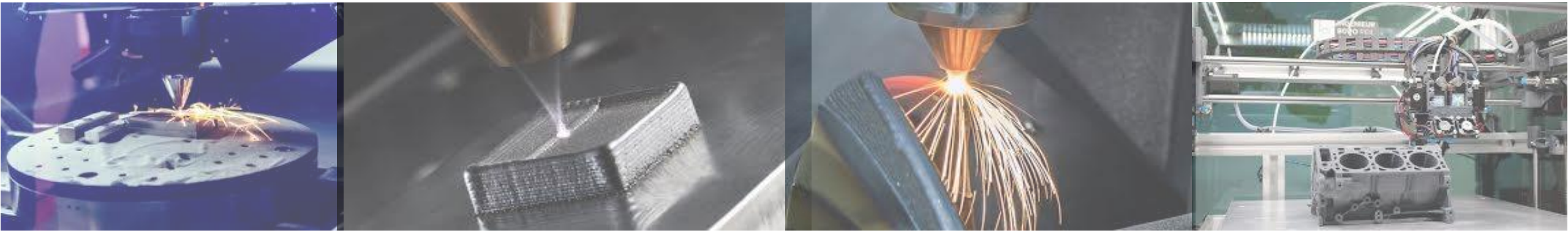
NASDAQ:SGLB

SIGMA LABS

Setting the Quality Standard for Additive Manufacturing



September 2020 Investor Presentation

Forward Looking Statement

SIGMA LABS
The QA Standard for Additive Manufacturing

This document including any documents which may be incorporated by reference into it, 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. All statements other than statements of historical fact are "Forward-Looking Statements" for purposes of these provisions, including any projections of revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. All Forward-Looking Statements included in this document are made as of the date hereof and are based on information available to us as of such date. We assume no obligation to update any Forward-Looking Statement. In some cases, Forward-Looking Statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "believes," "estimates," "potential," or "continue," or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the Forward-Looking Statements contained herein are reasonable, there can be no assurance that such expectations or any of the Forward-Looking Statements will prove to be correct, and actual results could differ materially from those projected or assumed in the Forward-Looking Statements. Future financial condition and results of operations, as well as any Forward-Looking Statements are subject to inherent risks and uncertainties, including any other factors referred to in our press releases and reports filed with the Securities and Exchange Commission ("SEC"). All subsequent Forward-Looking Statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

For more detailed information about the risks and uncertainties that could cause actual results to differ materially from those implied by, or anticipated in, these forward looking statements, please refer to the Risk Factors section of our Annual Report on Form 10-K and subsequent updates that may be contained in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K on file with the SEC. Forward looking statements speak only as to the date they are made. Except as required by law, we do not undertake to update forward looking statements to reflect circumstances or events that occur after the date the forward looking statements are made. This presentation does not constitute an offer to sell or buy securities, and no offer or sale will be made in any state or jurisdiction in which such offer or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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 accelerates both in revenue and profitability with the growth of the industry

Sigma Labs (NASDAQ: SGLB)	
Share Price[1]	$2.87
Market Cap[1]	$9.8M
Q2 2020 Revenues[2]	$168K
FY 2019 Revenues[3]	$402K
Net Debt[2]	$0
Cash[2,4]	$2.5M
Patent Portfolio[2]	35
Outstanding Shares[1]	3.93M

1) As of August 25, 2020
2) As of June 30, 2020
3) As of December 31, 2019
4) As of August 25, 2020 – The Company raised an additional $3.5M through the exercise of warrants from Series D Convertible Preferred Stock.

PrintRite3D®
In-Process Quality Assurance (IPQA®)

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

PrintRite3D®
In-Process Quality Assurance (IPQA®)

Shortening the Sales Cycle

SIGMA LABS
The QA Standard for Additive Manufacturing

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

PrintRite3D®
In-Process Quality Assurance (IPQA®)

Shortening the Sales Cycle

SIGMA LABS
The QA Standard for Additive Manufacturing

2019 RTE

Rapid Test & Evaluation

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

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

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




PrintRite3D®
In-Process Quality Assurance (IPQA®)

YouTube – IPQA® UNIVERSITY

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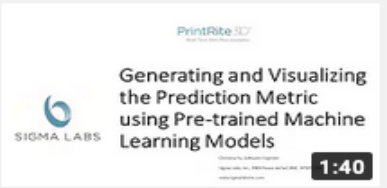
IPQA University - In-Process Quality Assurance ▶ PLAY ALL

Learn the techniques and technical solutions to achieve a high level in process quality assurance (IPQA) in additive manufacturing/3D metal printing.

How to Achieve In-Process Quality Assurance for...
Sigma Labs, Inc.
233 views • 1 month ago

PrintRite3D Software: Detecting and Visualizing...
Sigma Labs, Inc.
73 views • 1 month ago

Machine Learning in the PrintRite3D Quality Decisio...
Sigma Labs, Inc.
71 views • 3 weeks ago



Generating and visualizing the prediction metric using...
Sigma Labs, Inc.
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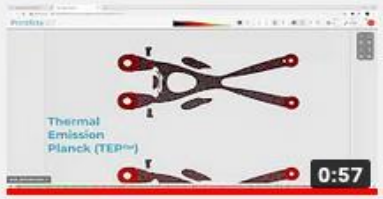
Detecting and Visualizing Lack Of Fusion Events usin...
Sigma Labs, Inc.
26 views • 1 week ago

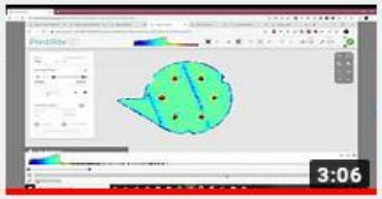
Recoater Event Visualization using the PrintRite3D...
Sigma Labs, Inc.
17 views • 3 days ago

Sigma Labs Overview ▶ PLAY ALL

Overview of Sigma Labs and it's quality assurance for the additive manufacturing/ 3D metal printing industry.



PrintRite3D Tutorial Production
Sigma Labs, Inc.
17 views • 3 months ago



PrintRite3D Region Analysis Research
Sigma Labs, Inc.
22 views • 3 months ago

PrintiRite3D® Software Demo from Sigma Labs.
Sigma Labs, Inc.
764 views • 9 months ago

Sigma Labs IPQA Solves Metal Parts 3DPrinting...
Sigma Labs, Inc.
2.2K views • 1 year ago

Sigma Labs Proprietary In-Process Quality Control...
Sigma Labs, Inc.
1.8K views • 1 year ago

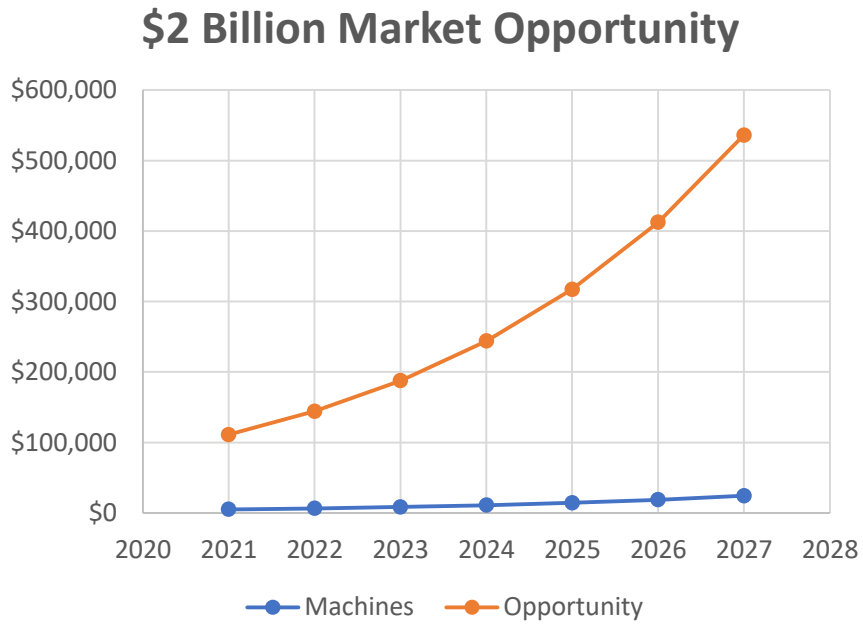
Sigma Labs Inc. Quality Control Technology for 3D...
Sigma Labs, Inc.
446 views • 1 year ago

Mission Statement and Market Opportunity

SIGMA LABS
The QA Standard for Additive Manufacturing

Mission Statement

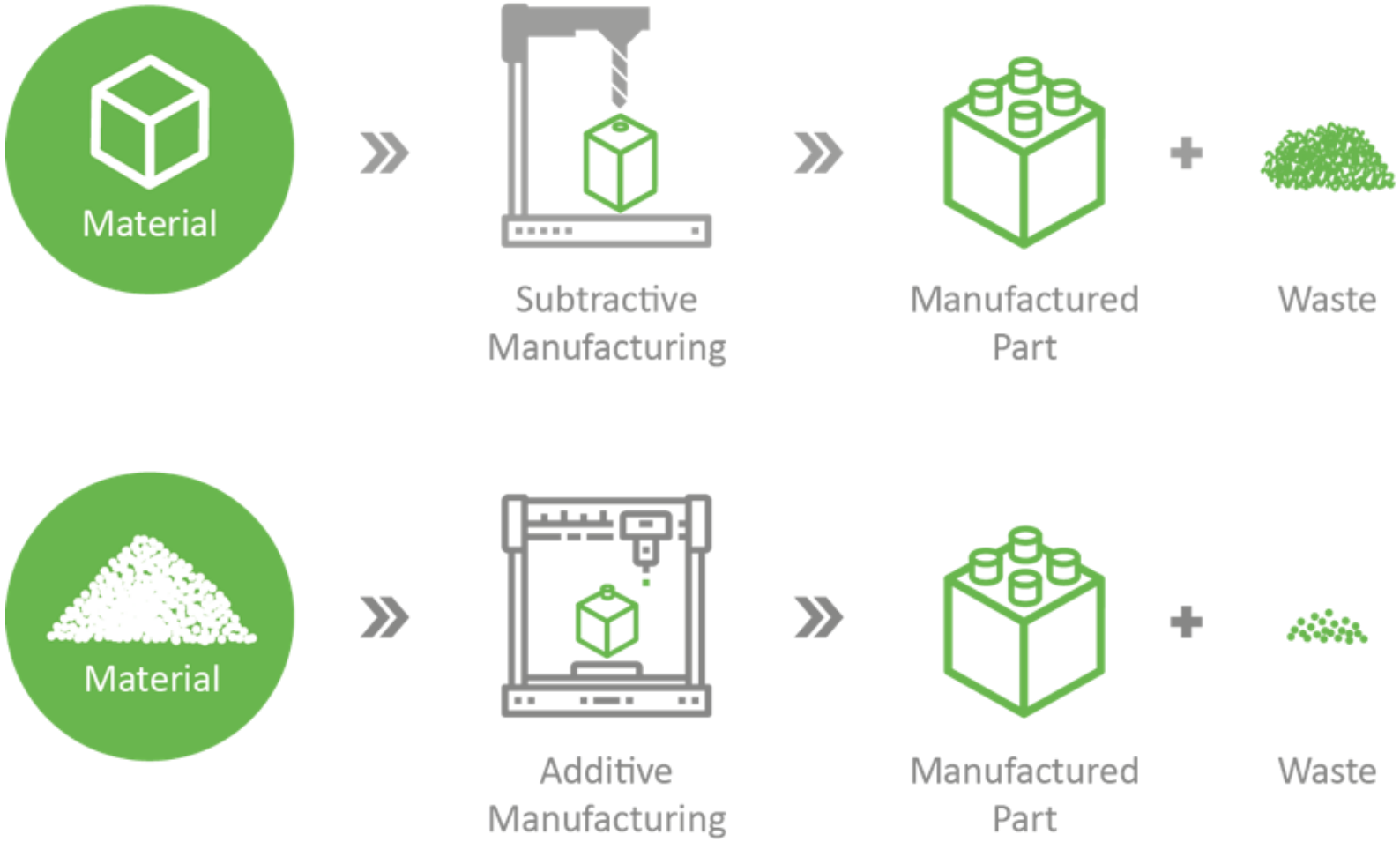
To accelerate the adoption of Additive Manufacturing by becoming the de facto standard for 3rd party, in-process Quality Assurance monitoring systems for the production of mission critical metal parts.



***Total addressable market** for Sigma's PrintRite3® software, based on estimated number of 3D metal printers shipped between 2021 – 20127, with a CAGR of 30%. Average 3D printer cost $442,000.*
Every 5% market share is equal to $100 million!

PrintRite3D®
In-Process Quality Assurance (IPQA®)

Additive Manufacturing - Subtractive Manufacturing



Subtractive Manufacturing

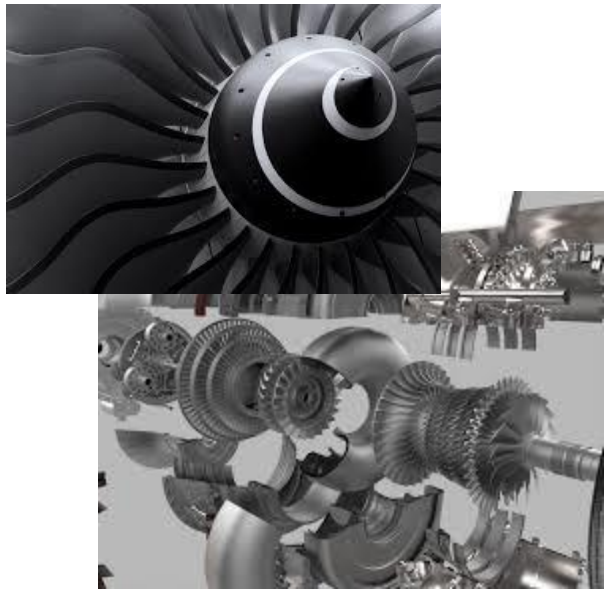
Additive Manufacturing

PrintRite3D®
In-Process Quality Assurance (IPQA®)

Benefits of 3D Metal Printing

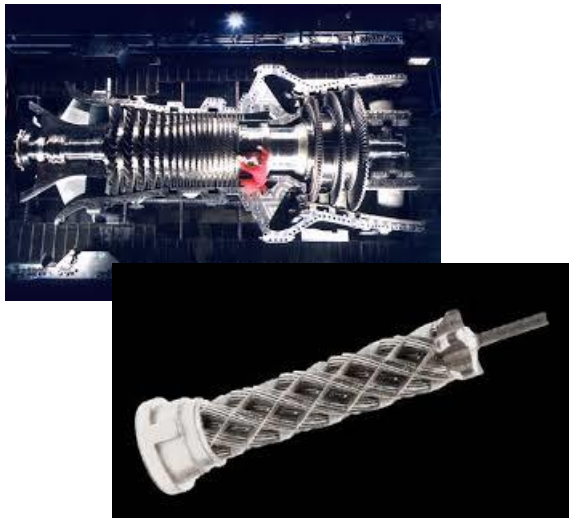
SIGMA LABS
The QA Standard for Additive Manufacturing

Automotive



Aerospace

Medical



Oil & Gas

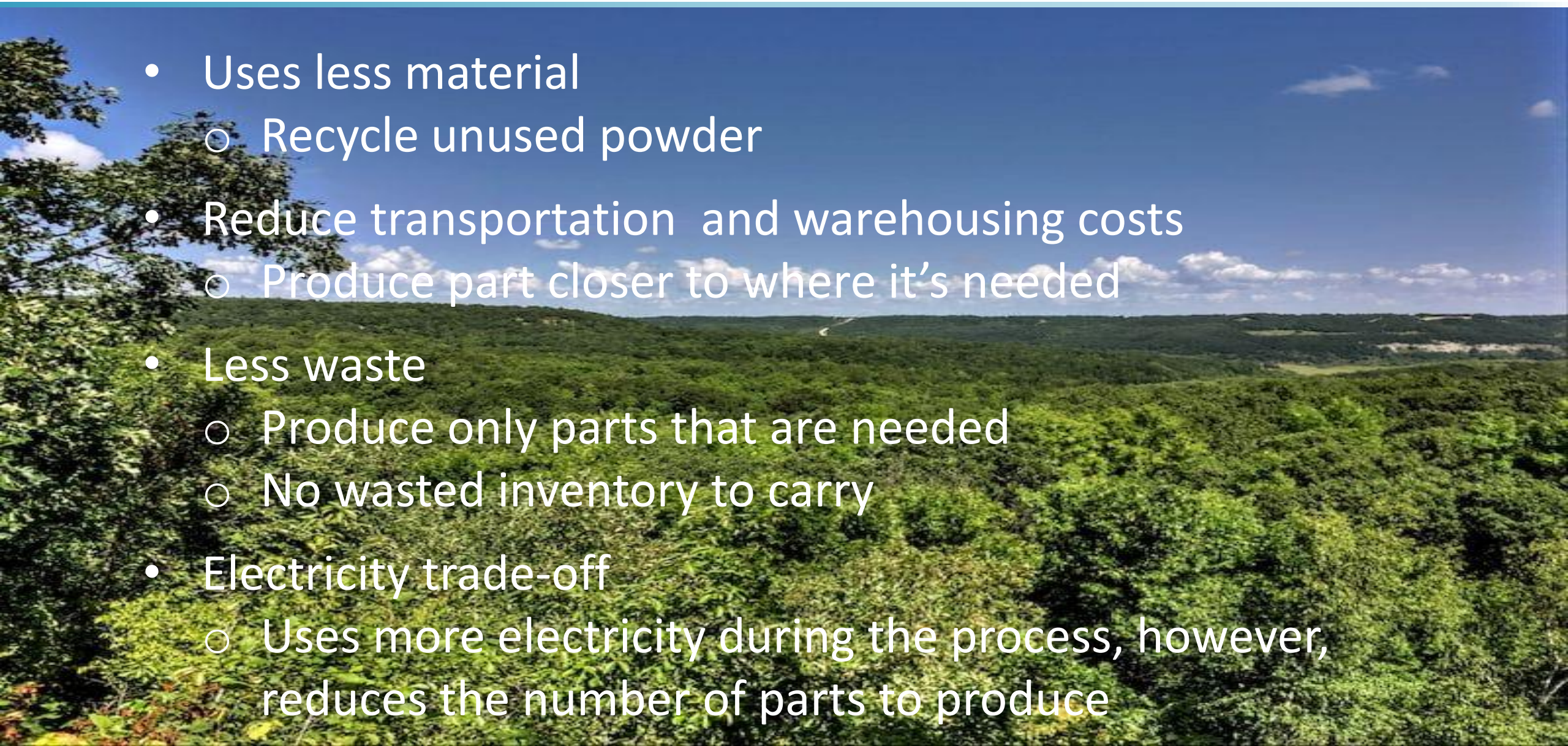
Benefits of Additive Manufacturing

- *Faster time-to-market of new ideas*
- *Speed production times*
- *Increased customization and personalization*
- *Design freedom*
- *Cost reduction*

PrintRite3D®
In-Process Quality Assurance (IPQA®)

ESG - Impact of 3D Metal Printing

SIGMA LABS
The QA Standard for Additive Manufacturing



- Uses less material
  - Recycle unused powder
- Reduce transportation and warehousing costs
  - Produce part closer to where it's needed
- Less waste
  - Produce only parts that are needed
  - No wasted inventory to carry
- Electricity trade-off
  - Uses more electricity during the process, however, reduces the number of parts to produce

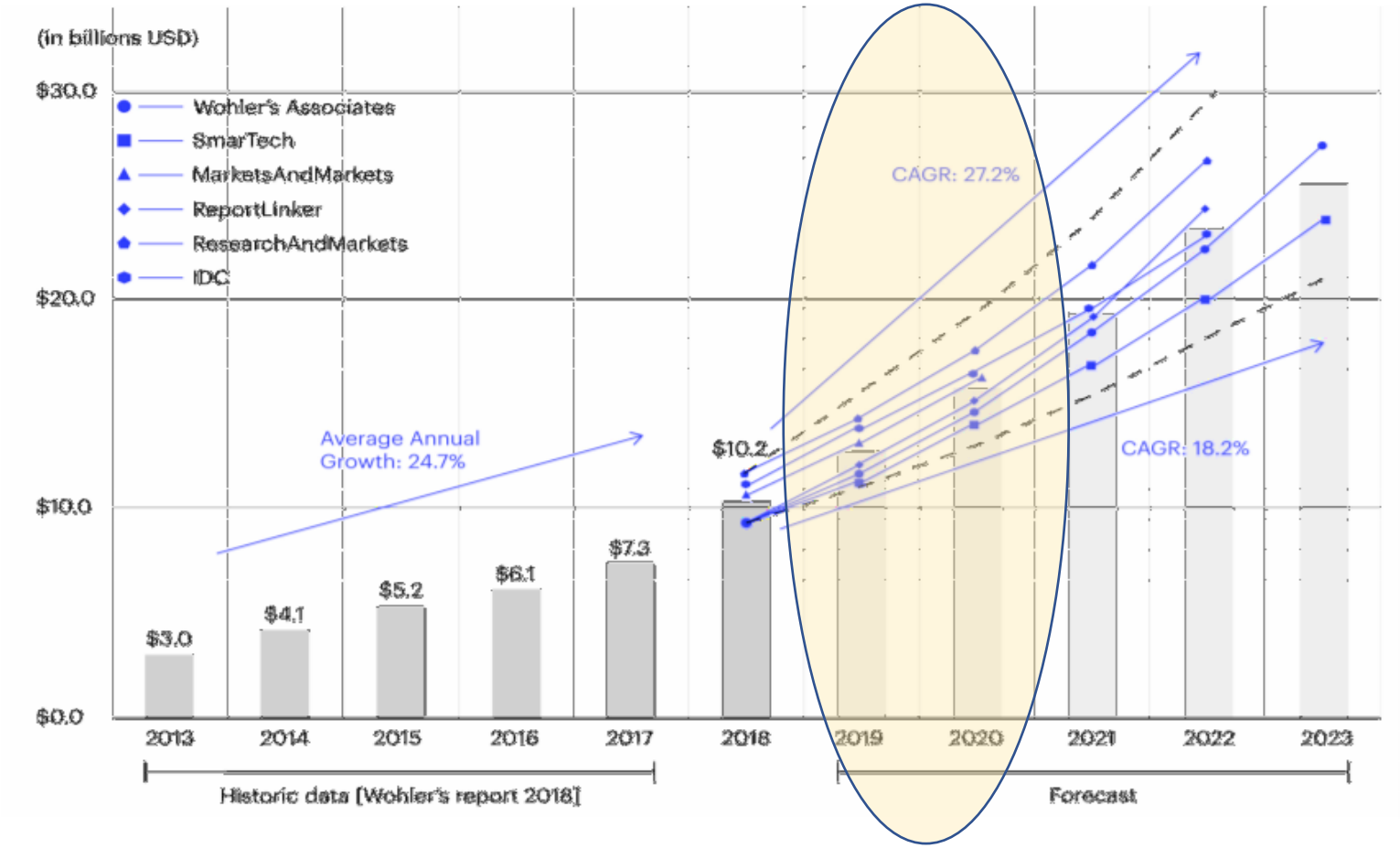
Additive Manufacturing Market and Growth

SIGMA LABS
The QA Standard for Additive Manufacturing

Adoption of 3D Printing in production environments is soaring, increasing 21% between 2017 and 2018. Proof of Concept has increased 18% in one year.

In 2018, VC funding exceeded $300 million in start-ups related to 3D printing. The common thread of all investment*: industrial solutions and applications*

(3D Hubs, The 3D Printing Trends Report 2019)



PrintRite3D®
In-Process Quality Assurance (IPQA®)

COVID-19 Macro Implications

- COVID, natural disasters, political unrest, regional wars, etc.
  - Mitigate risk of part shortages
    - Ventilators
    - Mission critical parts
  - Manufacturers rethink complex supply chains
  - Move of manufacturing source closer to where the part is needed
  - Build agility into their core strategies
  - 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

SIGMA LABS
The QA Standard for Additive Manufacturing

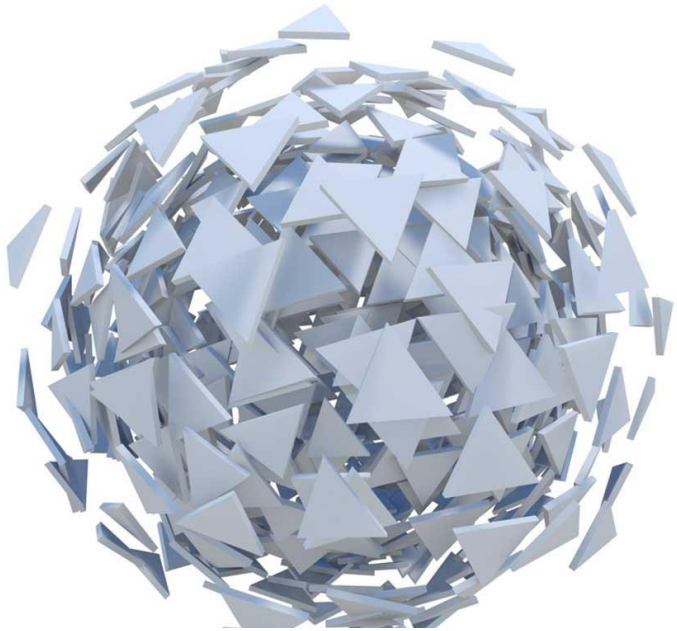
51 per cent of respondents, the challenge lies in a lack of consistency.

(*PostProcess Technologies, 3D Printing Trends Report: Additive Post-Printing Survey 2019)*

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



"Quality control, i.e. understanding the quality requirements and being able to validate your part is really going to make a difference going forward."

Doug Hedges, President of Sintavia

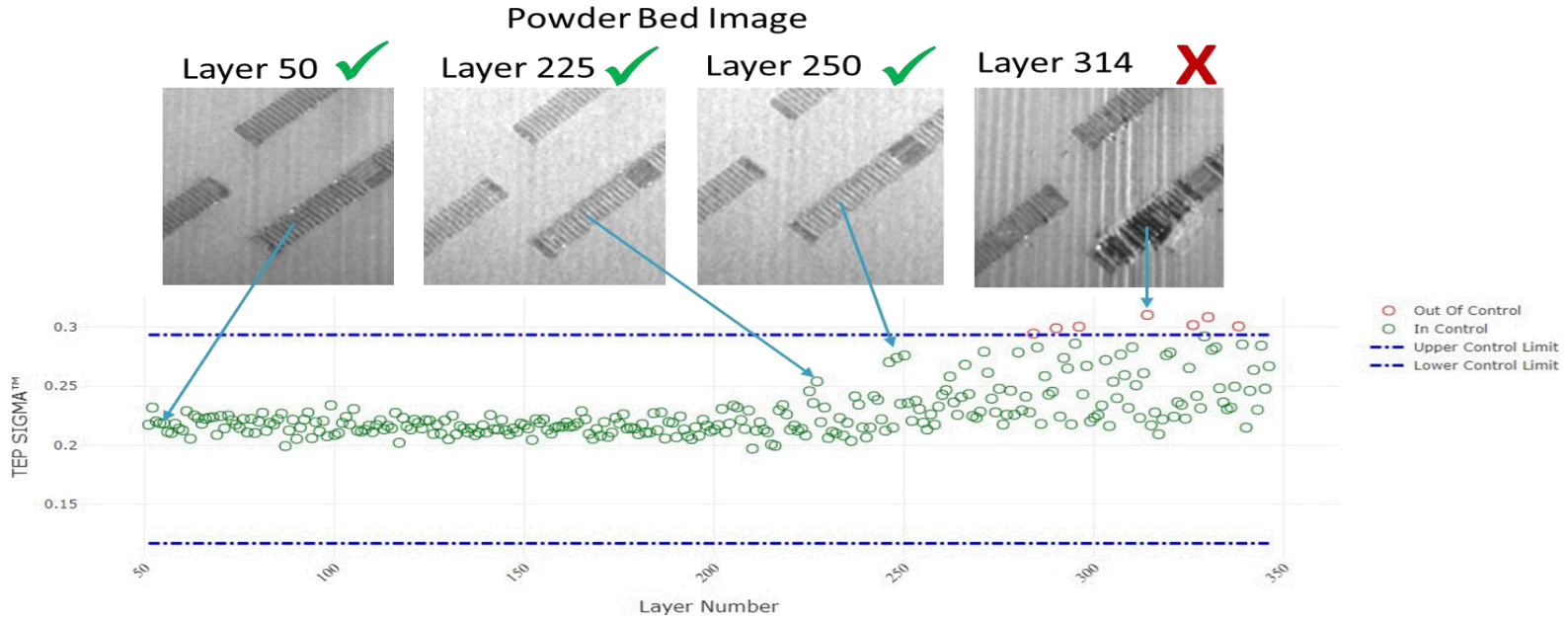
PrintRite3D®
In-Process Quality Assurance (IPQA®)

PrintRite3D® - Detects and Classifies Defects

SIGMA LABS
The QA Standard for Additive Manufacturing

End-User Retrofit Market

Software only model for 3D printer manufacturers and SW vendors that OEM our technology



- Lack of fusion
- Spherical porosity
- Key holing
- Inclusions
- Gas flow variation
- Re-coater interaction
- Short feed
- Insufficient support structure

PrintRite3D
In-Process Quality Assurance (IPQA®)

PrintRite3D® - Major 3D Metal Printers

SIGMA LABS
The QA Standard for Additive Manufacturing

IPQA®

Providing a consistent standard of quality across 3D printers

3D SYSTEMS

COHERENT

Additive Industries

Sodick

CONCEPT LASER

DMG MORI

RENISHAW

eos

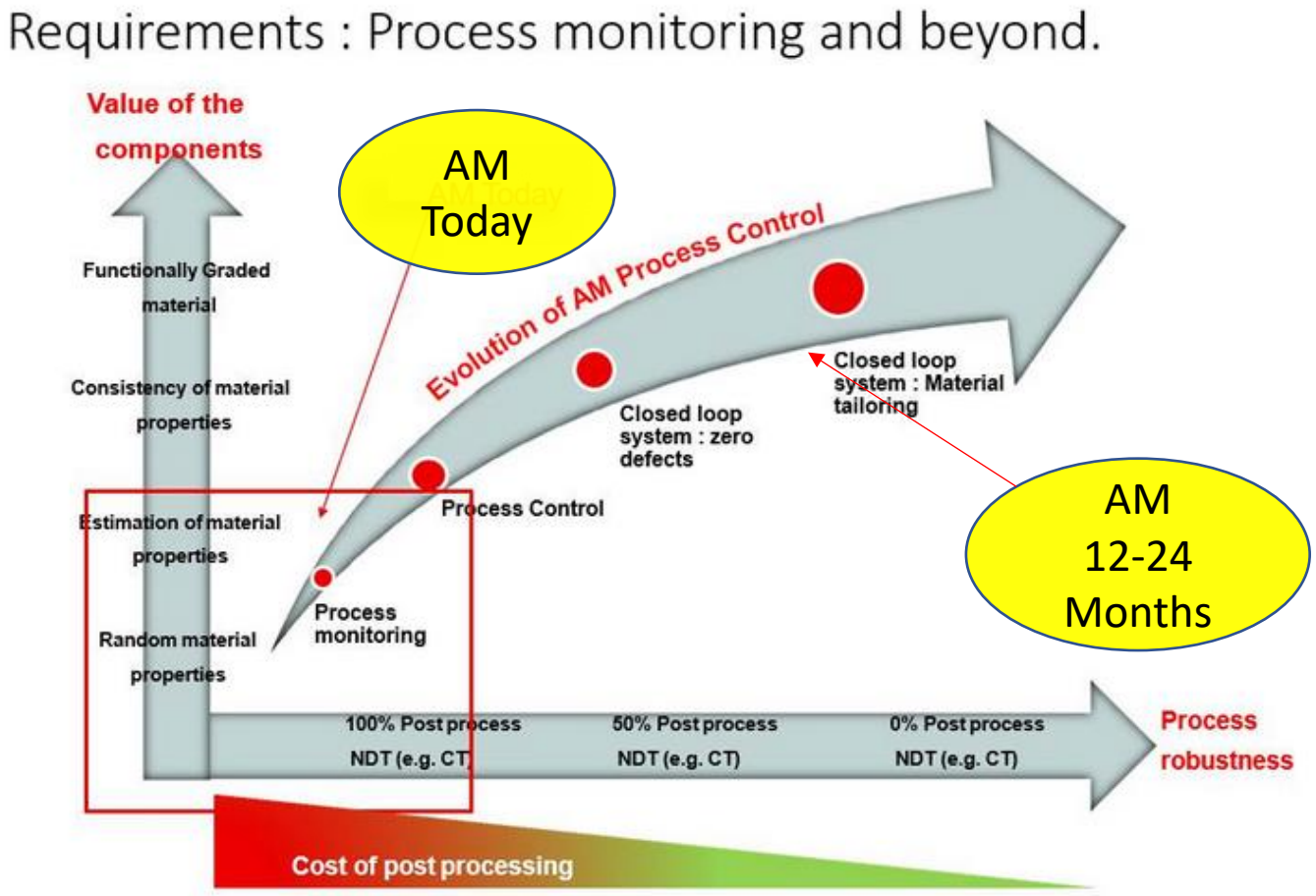
SLM SOLUTIONS

PrintRite3D
In-Process Quality Assurance (IPQA)

End User Benefits of PrintRide3D®

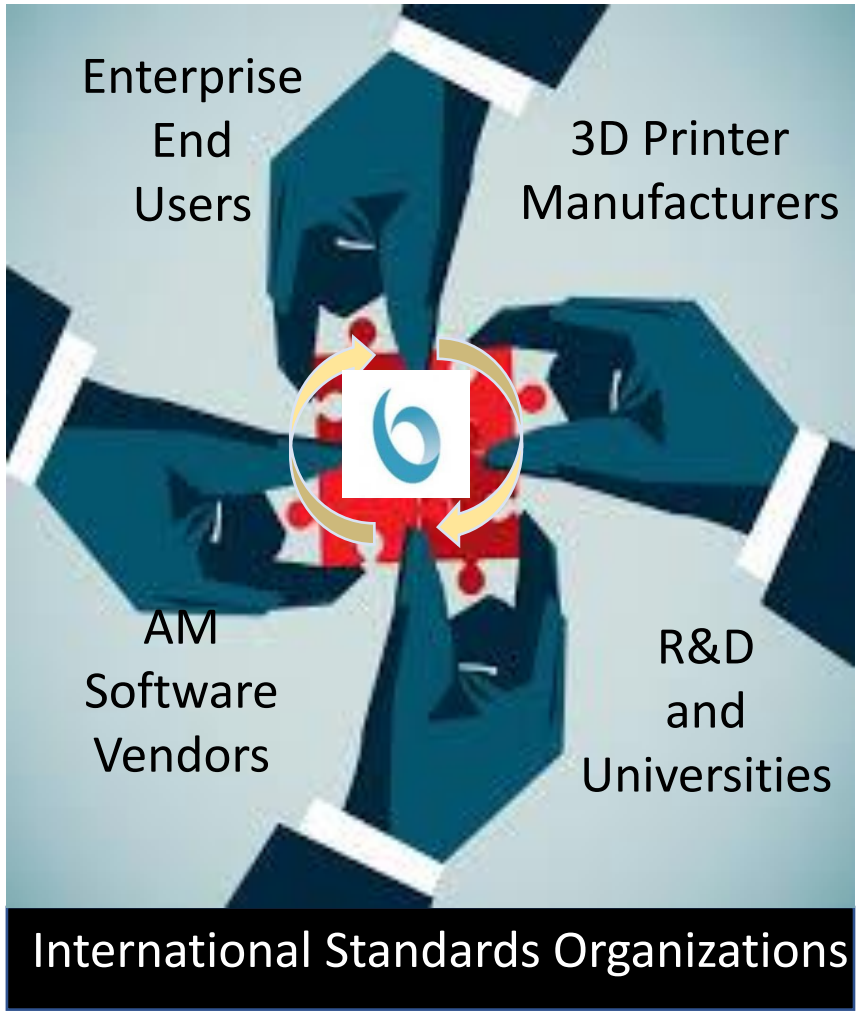
SIGMA LABS
The QA Standard for Additive Manufacturing

- Faster product development
  - Integration with simulation software
  - 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



PrintRite3D®
In-Process Quality Assurance (IPQA®)

Go To Market Strategy – Radical Collaboration



3D Printer Manufacturers

~50 metal printer manufacturers with new entrants in Asia and Latin America

Largest 250 Worldwide Manufacturers

Aerospace, Medical, Oil & Gas, Automotive, Contract Manufacturers

AM Software Vendors

Over 50 from design, simulation, AM digital threads

R&D Institutes and University Programs

Undergraduate and Graduate AM programs and industry research

International Standards Groups

Work closely with to establish best practices and standards


Enterprise End Users
3D Printer Manufacturers
AM Software Vendors
R&D and Universities

Protecting and Validating our IP

Jurisdiction	Granted	In Process	Total
US	11	11	22
PCT	-	2	2
EP	-	4	4
Germany	-	4	4
China	-	1	1
Japan	-	1	1
Korea	-	1	1
Total	**11**	**24**	**35**

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.

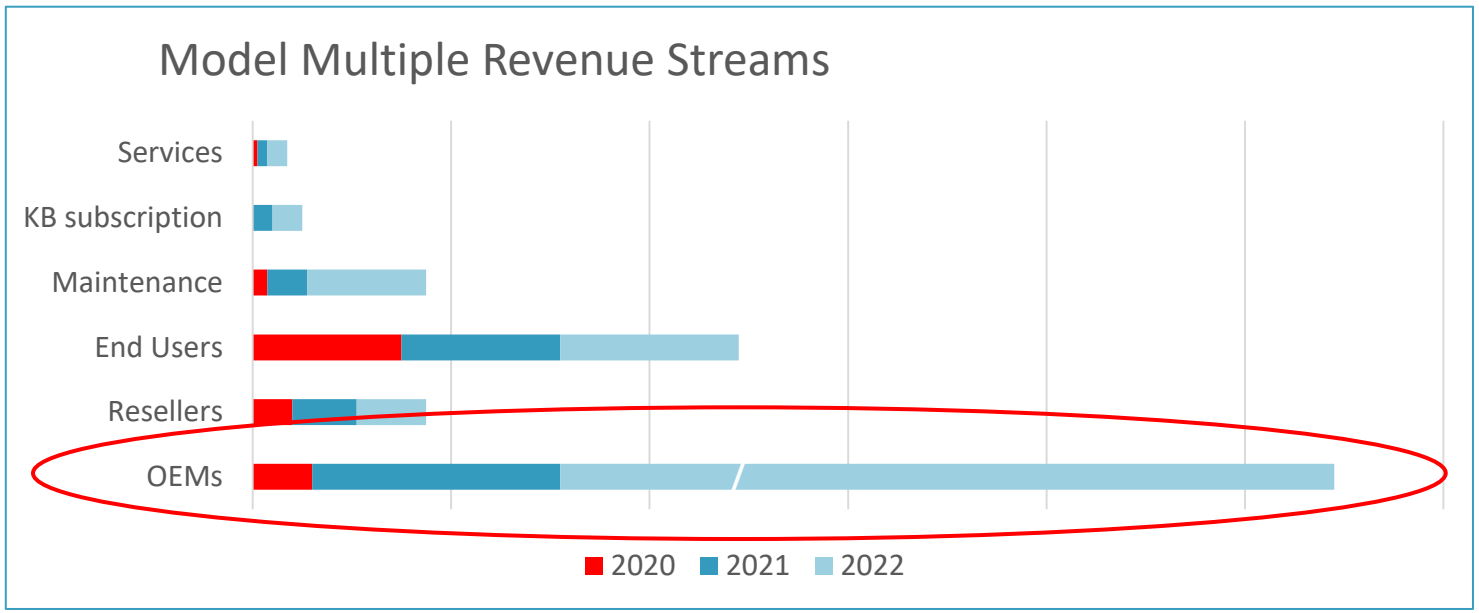
ANSYS: Combination of Modeling and Thermal Sensing to Understand Additive Manufacturing Processes

DARPA: Study Validates PrintRite3D® Quality Control Process for Certification of Metal Parts

Fraunhofer institute: In recent Barron's article, Klaus Emmelmann validates the need for in-process quality assurance and identifies Sigma Labs as a key component to accelerate the adoption and industrialization of Additive Manufacturing

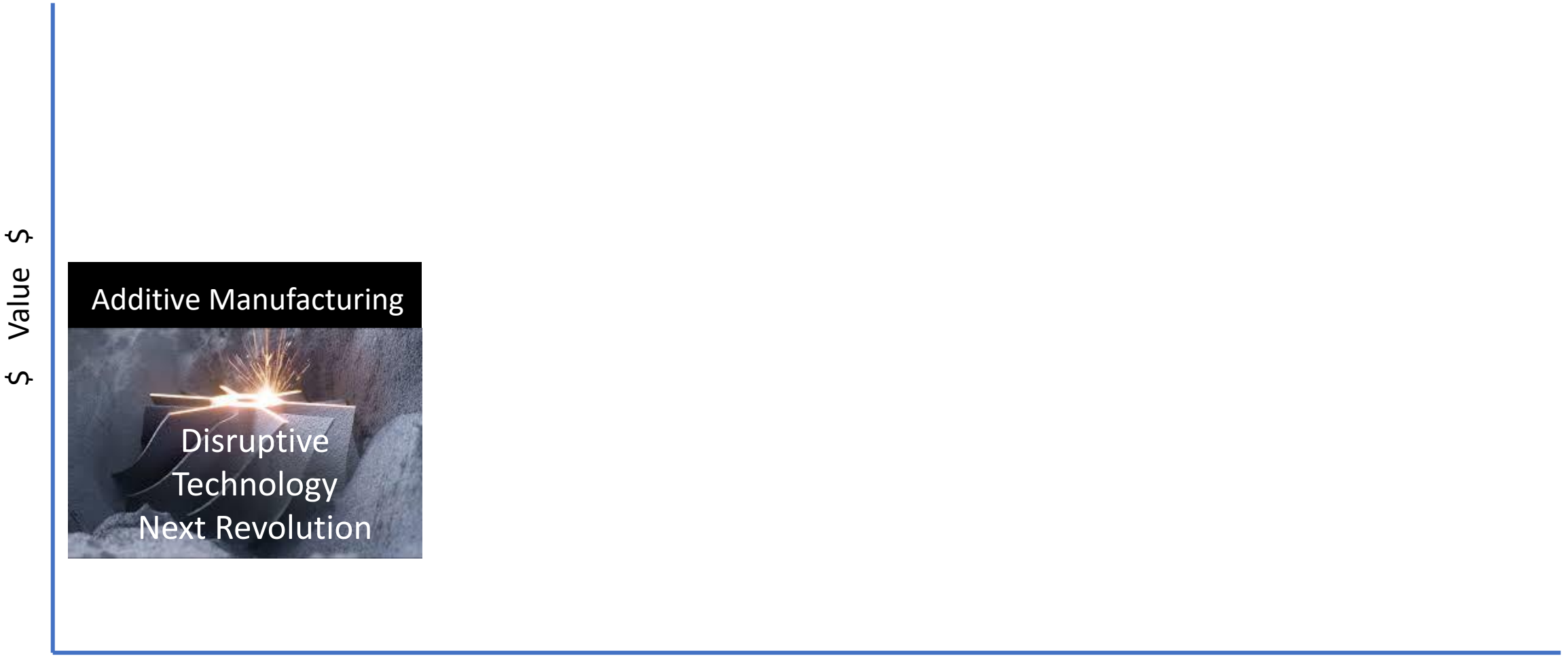
Leveraged Gross Margin Model

Revenue Mix	2020	2021	2022
Retro Fit – End User	75 %	45 %	20 %
Reseller	10%	15 %	15 %
OEM (HDWR & or SW	15%	40 %	65 %
Gross Margin	65 %	70 %	80 %



This slide does not represent financial guidance, it is a sample financial model for discussion purposes only.

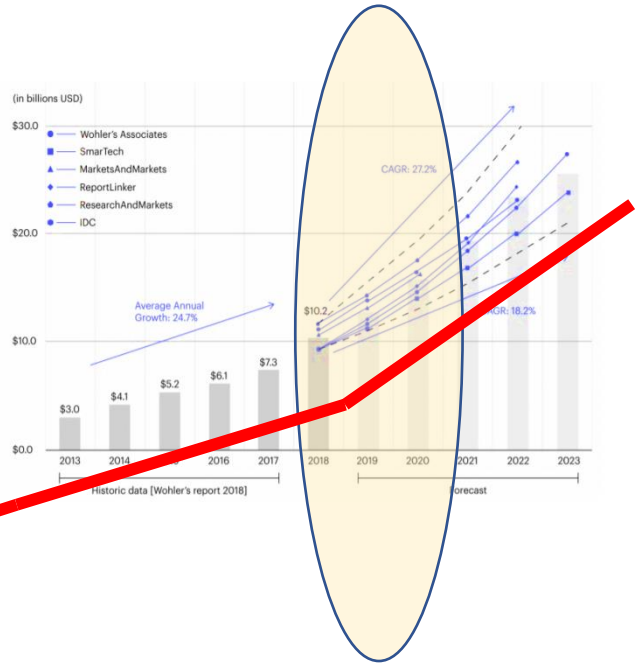
Summary


$ Value $
Additive Manufacturing
Disruptive
Technology
Next Revolution
Time

Summary

$ Value $

Additive Manufacturing



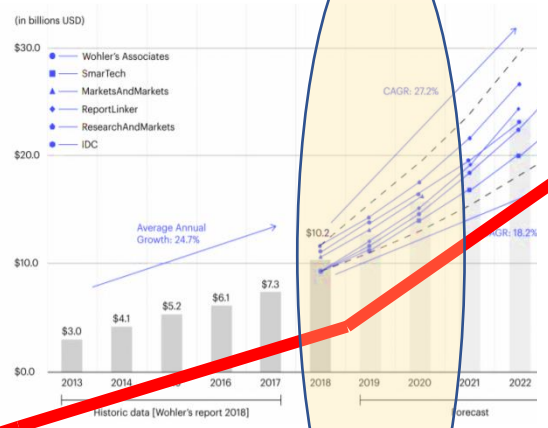
Time

PrintRite3D®
In-Process Quality Assurance (IPQA®)

Summary

$ Value $

Additive Manufacturing



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IPQA®

In-Process Quality Assurance

Time

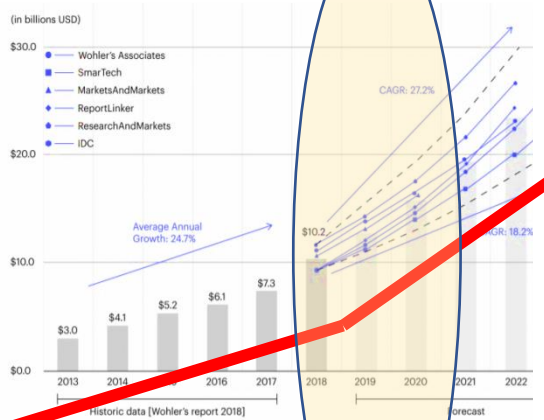
PrintRite3D®
In-Process Quality Assurance (IPQA®)

Summary

$ Value $

Time

Additive Manufacturing



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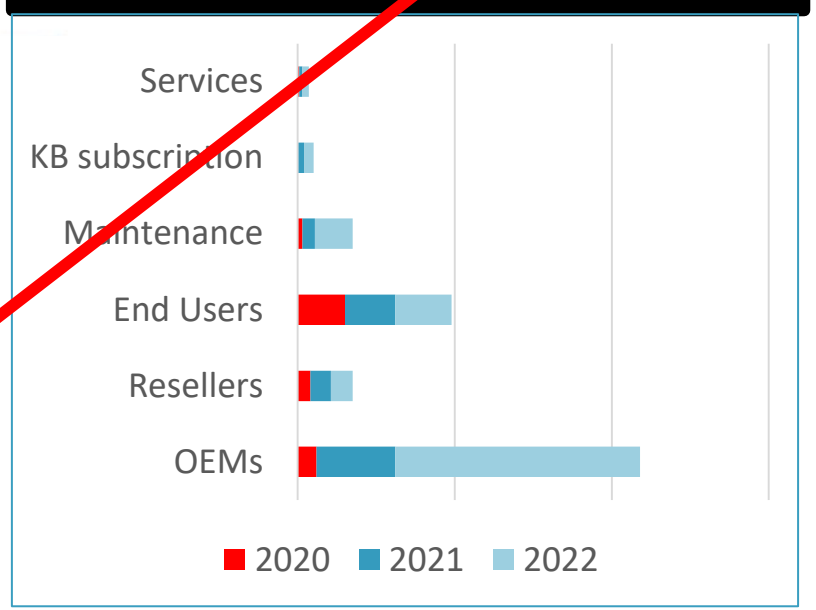
IPQA®
In-Process Quality Assurance

Leveraged Business Model



PrintRite3D®
In-Process Quality Assurance (IPQA®)


QUESTIONS
Turn on Original Sound
Speaker View
Mute
Stop Video
Invite
Manage Participants
57
Polls
Share Screen
Chat
Record
Closed Caption
Breakout Rooms
More
End Meeting