



VELO^{3D}

Fourth Quarter 2021 Supplementary Slides

Without Compromise

March 2, 2022

Disclaimer

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1996. The Company’s actual results may differ from its expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect”, “estimate”, “project”, “budget”, “forecast”, “anticipate”, “intend”, “plan”, “may”, “will”, “could”, “should”, “believes”, “predicts”, “potential”, “continue”, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the Company’s guidance for full year 2022 (including the Company’s estimates for new and total customers, bookings, Sapphire, Sapphire XC and total shipments, units operating, average existing customers’ purchases, revenue at year of sale, recurring revenue and total revenue, year of sale ASP and average ARR), the Company’s revenue forecast for 2022 and its ability to achieve such forecast, the Company’s expectations regarding its pricing, expenses and gross margin during 2022, the Company’s strategic priorities for 2022 (including the Company’s customer expansion plans), the timing and benefits of the Company’s manufacturing facility expansion, the expected benefits of the Company’s investments, the Company’s expectations regarding its capital requirements, and the Company’s other expectations, hopes, beliefs, intentions or strategies for the future. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. You should carefully consider the risks and uncertainties described in the “Risk Factors” section of the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2021 (the “Q3 2021 10-Q”), which was filed by the Company with the SEC on November 16, 2021 and the other documents filed by the Company from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Most of these factors are outside the Company’s control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the inability to recognize the anticipated benefits of the merger transaction, which may be affected by, among other things, competition, the ability of the Company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its key employees; (2) costs related to the merger transaction; (3) changes in the applicable laws or regulations; (4) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; (5) the impact of the global COVID-19 pandemic; and (6) other risks and uncertainties indicated from time to time described in the Q3 2021 10-Q, including those under “Risk Factors” therein, and in the Company’s other filings with the SEC. The Company cautions that the foregoing list of factors is not exclusive and not to place undue reliance upon any forward-looking statements, including projections, which speak only as of the date made. The Company does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

* Additional information on the use of Non-GAAP financial information, industry and market data and trademarks is included in the appendix of this presentation



Benny Buller CEO

March 2, 2022



Q4 / 2021 Highlights

- Exceeded Q421 revenue guidance – up 20% sequentially, 54% YoY
- 2021 revenue ahead of plan – 45% YoY growth to \$27m
- Shipped first Sapphire XC system – Q421
- Shipped 23 systems in 2021, up 77% YoY – record 8 shipments in Q421
- Surpassed Q4 / 2021 bookings target – 34 systems vs 24 goal for 2021
- Significant backlog – 23 firm orders vs plan of 20
- Maintained strong balance sheet – exited year with \$223m in cash
- Increasing confidence / visibility in achieving 2022 revenue forecast of \$89m



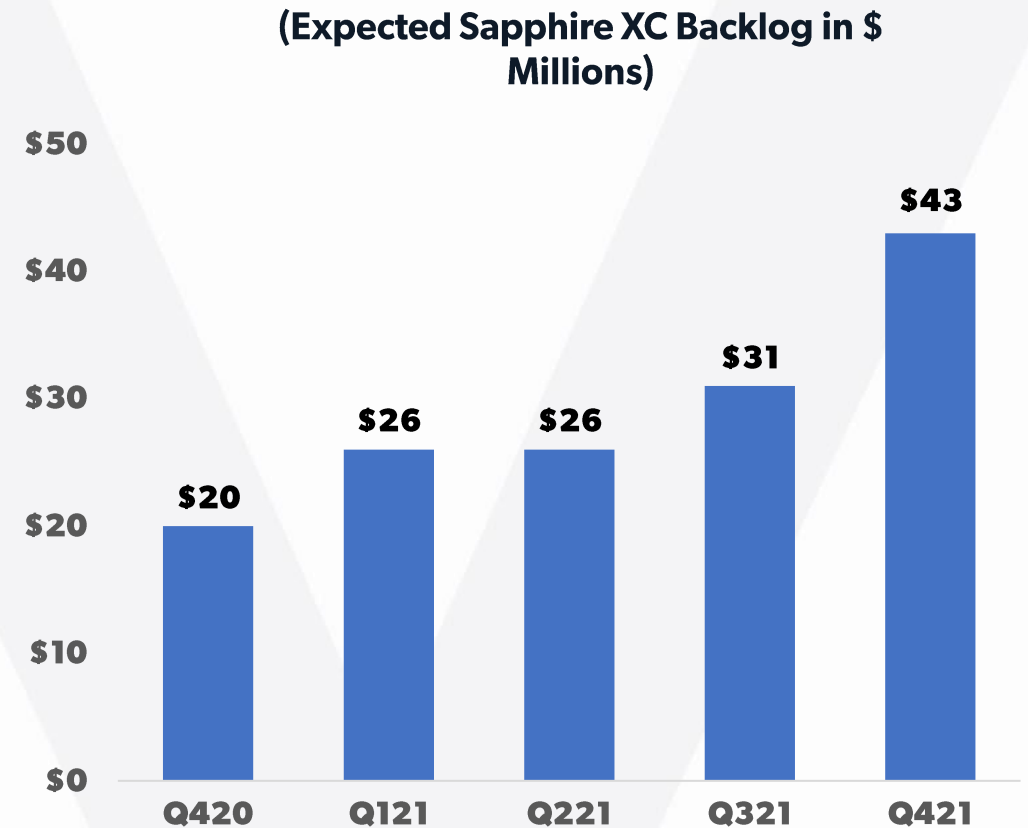
Delivering on 2021 Guidance

	Q421 Actual	Q421 Guidance	2021 Actual	2021 Guidance
Revenue (\$m)	\$10	\$9	\$27	\$26
Bookings	13	3	34	24
Total Shipments	8	7-9	23	22-24
New Customers	1	3-6	10	12-15
Avg. Existing Customer Purchases	0.8	0.4	1.3	0.9



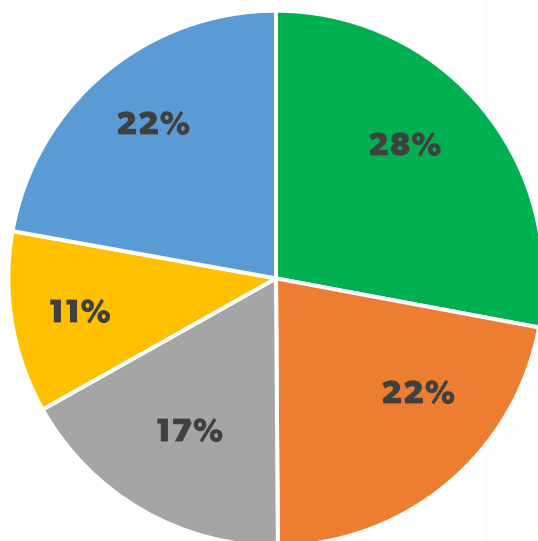
Strong Growth in Sapphire XC Backlog

- Delivered first Sapphire XC system in Q421
 - Increases throughput by up to 400%
 - Reduces part costs by up to 80%
 - Expands part size / capacity by up to 4x
- Continued strong OEM / CM customer demand for XC
- 18 Sapphire[®] XC systems in backlog exiting 2021
- Sapphire XC revenue backlog up >2x YoY
- New manufacturing facility ramp on track to support growth



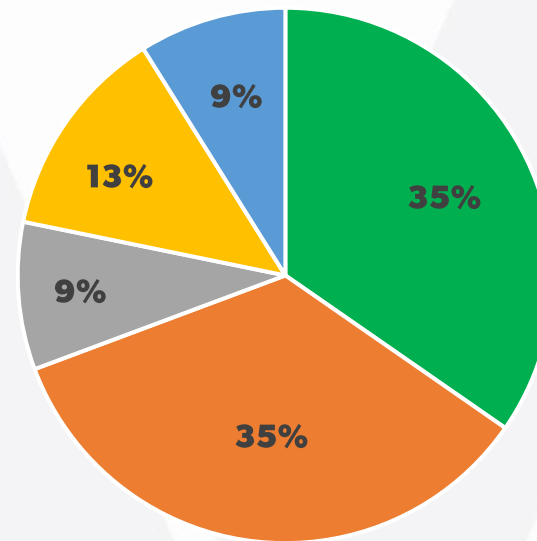
Broad Diversification Across Market Segments

By Customer Base*



■ CM ■ Space ■ Aviation / Defense ■ Energy ■ Industrial / Other

By 2021 Shipments

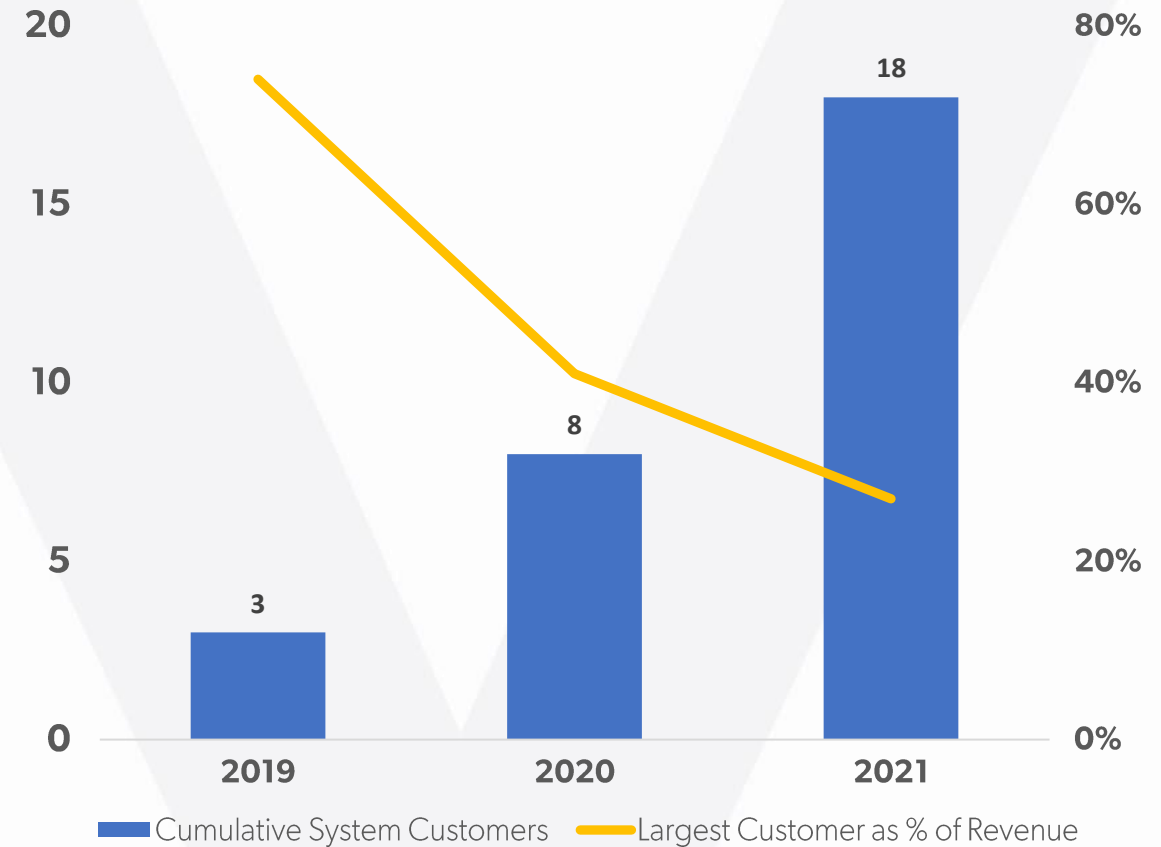


■ CM ■ Space ■ Aviation / Defense ■ Energy ■ Industrial / Other

*Cumulative customers as of the end of 2021

Continuing to Diversify Customer Base

- More than doubled customer base to 18 in 2021 – including 10 new customers
- Successful execution of “land and expand” strategy – repeat orders ~60% of shipments (2021)
- Largest customer – now at ~27% of 2021 revenue
- Driving new customer growth in 2022
 - Growing salesforce in North American market
 - Investing to capitalize on EU market opportunity



Confident 2021 Execution Will Drive 2022 Success

	2020A	2021A	2022 Current Guidance ⁴	2022 Prior Guidance ⁴
New Customers ¹	5	10	23-25	24
Total Customers ¹	8	18	41-43	47
Total Shipments	13	23	47-49 ²	48
Units Operating	23	46	93-95	95
Avg. Existing Customers' Purchases ³	1.3	1.3	1.2-1.4	1.0

1. Based on shipments / 2022 customer guidance dependent on existing customer purchasing pattern
2. Shipment mix expectations for FY 2022 – 23-25 Sapphire and 23-25 Sapphire XC
3. Average number of units purchased by each existing customer at end of year (by shipments)
4. Current and prior 2022 guidance assumes volume mix of 50% XC / 50% Sapphire; prior 2022 guidance provided at company's analyst day presentation – June 2021

Confident 2021 Execution Will Drive 2022 Success

	2020A	2021A	2022 Current Guidance ⁵	2022 Prior Guidance ⁵
Revenue at year of sale ¹	\$17	\$23	\$76-\$80	\$78
Recurring Revenue ²	\$2	\$4	\$11	\$11
Total Revenue (\$m)	\$19	\$27	\$87-\$91	\$89
Year of Sale ASP ³	\$1.3	\$1.0	\$1.5-1.7	\$1.6
Average ARR ⁴	\$0.20	\$0.19	\$0.24	\$0.24

1. Revenue from all units shipped within calendar year: Revenue from 3D printer sales and year 1 revenue from ARR transactions
2. Revenue from maintenance, support services and system leases attributed to systems delivered
3. Year of Sale - revenue/total shipments (sales +ARR)
4. Recurring revenue/operating systems at end of prior year
5. Current and prior 2022 guidance assumes volume mix of 50% XC / 50% Sapphire – prior 2022 guidance provided at company's analyst day presentation – June 2021

2022 Strategic Priorities



Continued growth of new customer base / increase existing customer footprint

- Execution of land and expand strategy / add ~24 new customers in 2022
- Doubled global sales force in last 12 months to grow global footprint
- EU expansion – established 12 person sales / tech service group, opened technology center in Germany
- CM customers focus – specific business dev team dedicated to design wins / increasing parts demand



Execution of Sapphire manufacturing expansion plan

- Continued build-out of new manufacturing facility – 400 system capacity when complete
- Capacity already in place to meet strong 2022 demand
- Double shipments to ~48 systems in 2022
- Significant success in managing supply chain challenges



Delivering industry leading customer service

- Continuous process and capability improvement
- Focus on partnering with customers to maximize utilization
- Further product and technology investment



Bill McCombe CFO

March 2, 2022



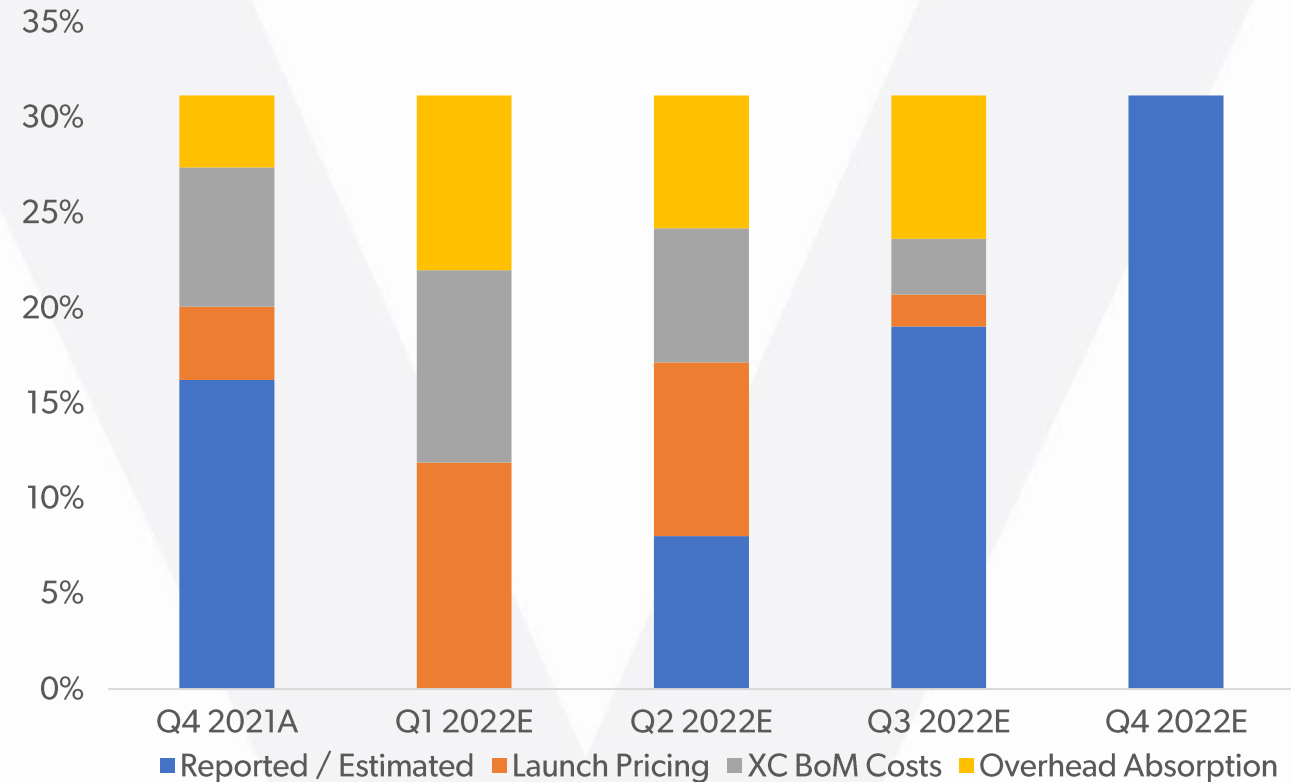
Financial Summary

	Q4 21	Q3 21	Q4 20	2021	2020
Total Revenue	\$10.4	\$8.7	\$6.7	\$27.4	\$19.0
Year of Sale	9.4	7.3	5.9	23.0	17.0
Annual Recurring	1.0	1.4	0.8	4.4	2.0
Cost of Goods sold	8.7	7.2	4.4	22.5	12.6
Gross Profit	1.7	1.5	2.4	5.0	6.4
% Gross Margin	16%	17%	35%	18%	34%
Total Operating Expenses	20.8	16.5	6.2	62.7	27.6
Adjusted Operating Expenses ¹	18.2	15.0	6.0	54.0	26.1
Adjusted EBITDA¹	(14.7)	(13.0)	(3.2)	(46.9)	(18.5)
Net Income (Loss)	(14.4)	(66.6)	(4.2)	(107.1)	(21.8)

1. Reconciliations to U.S. generally accepted accounting principles (GAAP) financial measures are presented under "Non-GAAP Financial Information." Adjusted Operating Expenses excludes stock-based compensation and merger expenses. Adjusted EBITDA excludes interest expense, tax expense, depreciation and amortization, stock-based compensation and fair value liabilities.

Rapid Sapphire XC Program Launch to Impact 1H22 GM

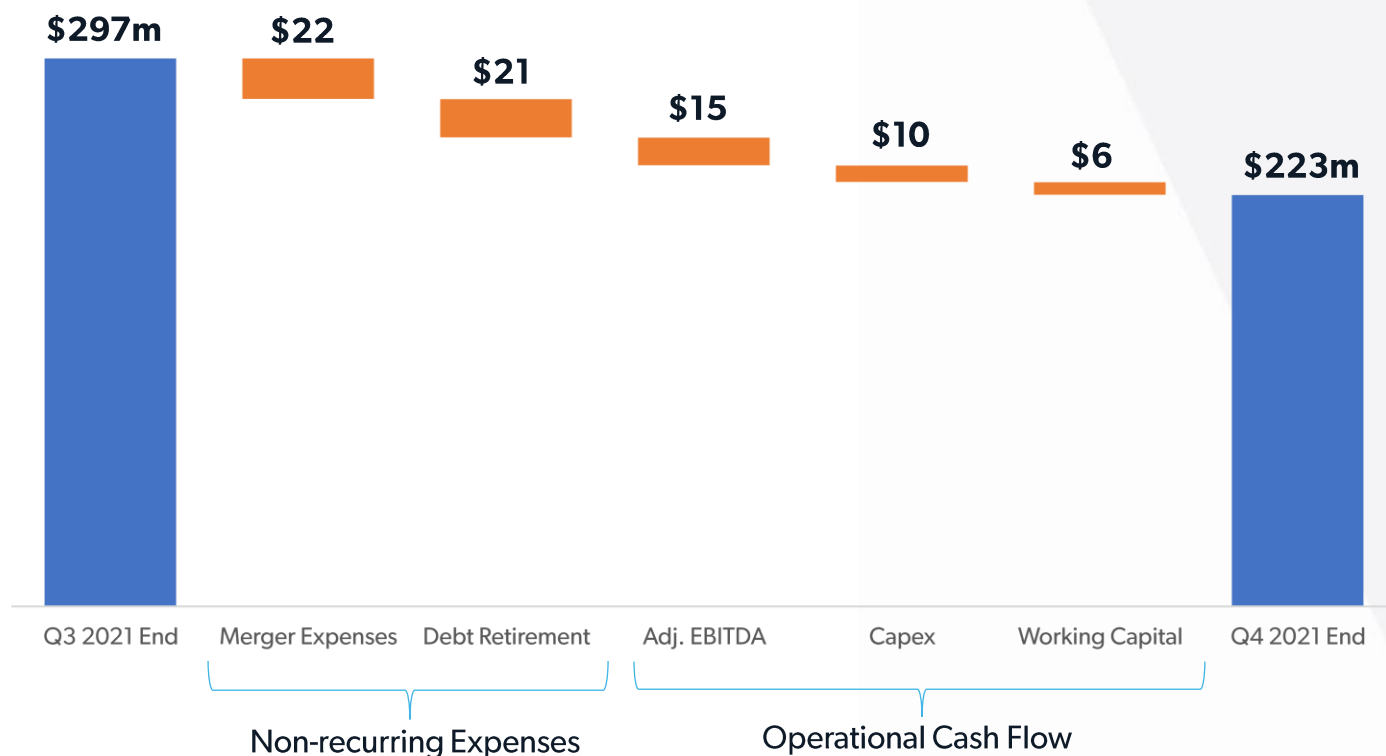
- Q4 GM reduced by XC launch customer pricing (4%)
- Expect larger impact from launch pricing in 1H 2022 (8 Sapphire XC systems)
- Sapphire XC BoM cost reduction – benefits in 2H22
- O/H cost declines from greater production volumes & experience
- Gross margin returning to >30% in Q422



*1H22 gross margin reduced by impact of lower than list ASPs resulting from early launch customer pricing, Sapphire XC BoM costs and overhead absorption - ~31% in Q1 and ~23% in Q2 respectively

Strong Balance Sheet Supports Growth Plan

Q4 2021 Cash Walk

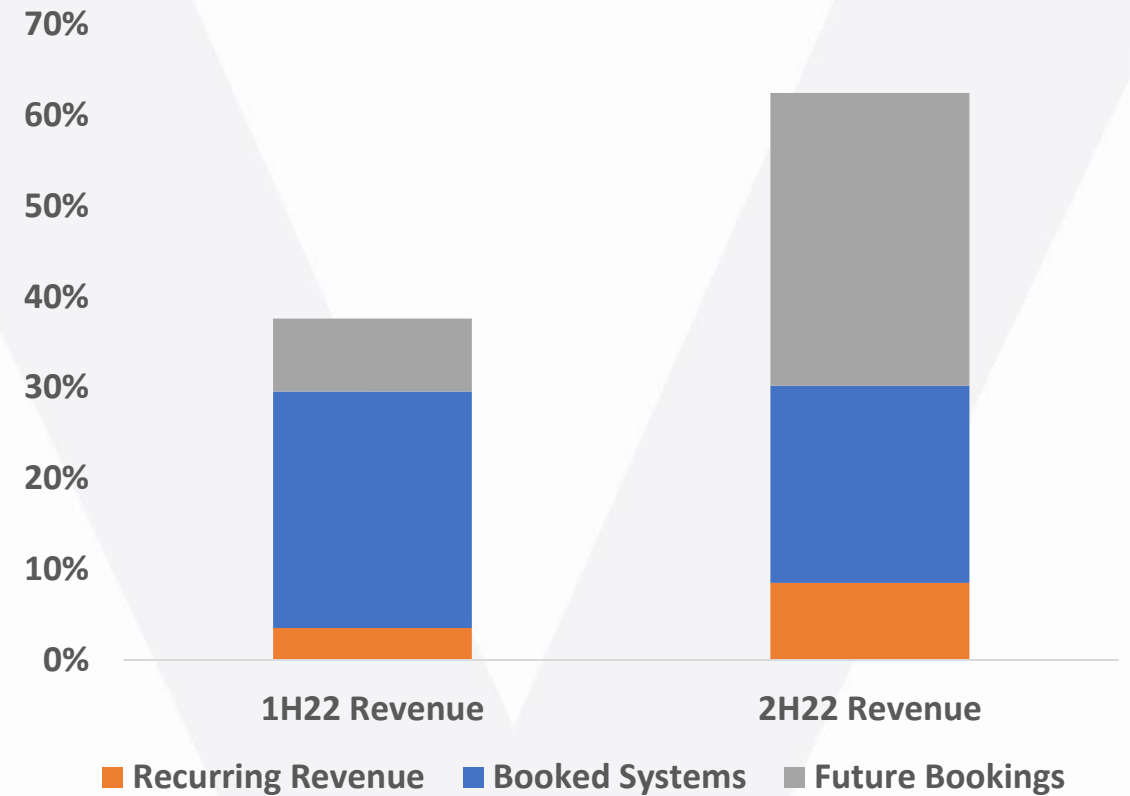


Balance Sheet – December 31, 2021 (\$m)

Cash and Investments	\$223
Other Current Assets	46
Long Term Assets	34
Total Assets	\$303
Current Liabilities	\$41
Total Debt	8
Long Term Liabilities	11
Earnout/Warrant Liability	133
Shareholders Equity	110
Total Liabilities and Equity	\$303

Significant Visibility into 2022 Revenue

- Strong confidence in achieving 2022 revenue target
 - >60% of 2022 revenue already booked
 - Recurring revenue – >10% of 2022 forecast
 - Backlog – 23 systems (18 XC / 5 Sapphire)
 - Record bookings entering 2022 (34)
- 1H vs 2H distribution
 - Revenue, shipments, bookings, new customers
 - 37-43% / 57-63%



FY 2022 Guidance Remains Unchanged

	2021A	2021 Plan	2022 Current Guidance ³	2022 Prior Guidance ³
Total Revenue	\$27	\$26	\$87-\$91	\$89
Bookings	34	24	47-49 ²	N/A
New Customers ¹	10	12-15	23-25	24
Total Shipments	23	22-24	47-49	48

1. By shipments

2. Bookings – systems expected to ship FY2022 through mid FY2023

3. Current and prior 2022 guidance assumes volume mix of 50% XC / 50% Sapphire; prior 2022 guidance provided at company's analyst day presentation – June 2021

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Q&A





Appendix

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Non-GAAP Reconciliation - Non-GAAP Net Income (Loss) (Unaudited)

	Three months ended						Year Ended December 31,			
	December 31, 2021		September 30, 2021		December 31, 2020		2021		2020	
(In thousands, except for percentages)										
Revenue	\$ 10,410	100.0 %	\$ 8,711	100.0 %	\$ 6,742	100.0 %	\$ 27,439	100.0 %	\$ 18,975	100.0 %
Gross Profit	\$ 1,690	16.2 %	\$ 1,474	16.9 %	\$ 2,374	35.2 %	\$ 4,958	18.1 %	\$ 6,367	33.6 %
Net Loss	\$ (14,428)	(138.6)%	\$ (66,578)	(764.3)%	\$ (4,216)	(62.5)%	\$ (107,091)	(390.3)%	\$ (21,807)	(114.9)%
Stock based compensation	2,617	25.1 %	676	7.8 %	212	3.1 %	4,368	15.9 %	1,455	7.7 %
Loss on convertible note modification	—	0.0 %	50,577	580.6 %	—	0.0 %	50,577	184.3 %	—	0.0 %
Loss/(gain) on fair value of warrant liabilities	\$ 1,569	15.1 %	\$ 1,892	21.7 %	\$ (1)	0.0 %	\$ 5,202	19.0 %	\$ (4)	— %
Gain on fair value of contingent earnout liabilities	(7,261)	(69.8)%	(2,014)	(23.1)%	—	0.0 %	(9,275)	(33.8)%	—	0.0 %
Merger related transactional costs	—	0.0 %	846	9.7 %	—	0.0 %	4,360	15.9 %	—	0.0 %
Non-GAAP Net Loss	\$ (17,503)	(168.1)%	\$ (14,601)	(167.6)%	\$ (4,005)	(59.4)%	\$ (51,859)	(189.0)%	\$ (20,356)	(107.3)%
Non-GAAP Net Loss per share, basic and diluted	\$ (0.10)		\$ (0.74)		\$ (0.25)		\$ (1.21)		\$ (1.30)	
Weighted-average shares used in computing Non-GAAP Net Loss per share , basic and diluted	183,177,088		19,832,992		16,003,558		42,684,938		15,629,179	

Non-GAAP Reconciliation - Adjusted EBITDA (Unaudited)

	Three months ended				Year Ended December 31,					
	December 31, 2021		September 30, 2021		December 31, 2020		2021		2020	
	(In thousands, except for percentages)									
Revenue	\$ 10,410	100.0 %	\$ 8,711	100.0 %	\$ 6,742	100.0 %	\$ 27,439	100.0 %	\$ 18,975	100.0 %
Net Loss	(14,428)	(138.6)%	(66,578)	(764.3)%	(4,216)	(62.5)%	(107,091)	(390.3)%	(21,807)	(114.9)%
Interest expense	\$ 1,110	10.7 %	\$ 986	11.3 %	\$ 440	6.5 %	\$ 2,740	10.0 %	\$ 639	3.4 %
Tax expense	—	0.0 %	—	0.0 %	—	0.0 %	—	0.0 %	—	0.0 %
Depreciation and amortization	1,731	16.6 %	584	6.7 %	389	5.8 %	2,170	7.9 %	1,240	6.5 %
EBITDA	(11,587)	(111.3)%	(65,008)	(746.3)%	(3,387)	(50.2)%	(102,181)	(372.4)%	(19,928)	(105.0)%
Stock-based compensation	2,617	25.1 %	676	7.8 %	212	3.1 %	4,368	15.9 %	1,455	7.7 %
Loss/(gain) on fair value of warrant liabilities	1,569	15.1 %	1,892	21.7 %	(1)	0.0 %	5,202	19.0 %	(4)	0.0 %
Gain on fair value of contingent earnout liabilities	\$ (7,261)	(69.8)%	\$ (2,014)	(23.1)%	\$ —	— %	\$ (9,275)	(33.8)%	\$ —	— %
Adjusted EBITDA	(14,662)	(53.4)%	(64,454)	(739.9)%	(3,176)	(47.1)%	(101,886)	(371.3)%	(18,477)	(67.3)%
Merger related transactional costs	—	0.0 %	846	9.7 %	—	0.0 %	4,360	15.9 %	—	0.0 %
Loss on fair value on the convertible note modification	—	0.0%	50,577	5.8%	—	0.0%	50,577	1.8%	—	0.0%
Adjusted EBITDA excluding merger related transactional costs and loss on fair value on the convertible note modification	\$ (14,662)	(140.8)%	\$ (13,031)	(149.6)%	\$ (3,176)	(47.1)%	\$ (46,949)	(171.1)%	\$ (18,477)	(97.4)%

Non-GAAP Reconciliation - Adjusted Operating Expenses (Unaudited)

	Three months ended						Year Ended December 31,			
	December 31, 2021		September 30, 2021		December 31, 2020		2021		2020	
	(In thousands, except for percentages)									
Revenue	\$ 10,410	100.0 %	\$ 8,711	100.0 %	\$ 6,742	100.0 %	\$ 27,439	100.0 %	\$ 18,975	100.0 %
Cost of revenue	8,720	83.8 %	7,237	83.1 %	4,368	64.8 %	\$ 22,481	81.9 %	12,608	45.9 %
Gross profit	\$ 1,690	16.2 %	\$ 1,474	16.9 %	\$ 2,374	35.2 %	\$ 4,958	18.1 %	\$ 6,367	23.2 %
Operating expenses										
Research and development	7,921	76.1 %	7,987	91.7 %	3,271	48.5 %	27,002	98.4 %	14,188	74.8 %
Selling and marketing	4,657	44.7 %	\$ 3,346	38.4 %	\$ 2,603	38.6 %	\$ 12,363	45.1 %	7,004	36.9 %
General and administrative	8,190	78.7 %	5,158	59.2 %	313	4.6 %	23,352	85.1 %	6,382	33.6 %
Total operating expenses	20,768	199.5 %	16,491	189.3 %	6,187	91.8 %	62,717	228.6 %	27,574	145.3 %
Stock-based compensation	\$ 2,617	25.1 %	\$ 676	7.8 %	\$ 212	3.1 %	\$ 4,368	15.9 %	\$ 1,455	7.7 %
Merger related transactional costs	\$ —	— %	\$ 846	9.7 %	\$ —	0.0 %	\$ 4,360	15.9 %	\$ —	— %
Adjusted operating expenses	18,151	174.4 %	14,969	171.8 %	5,975	88.6 %	53,989	196.8 %	26,119	137.6 %

Disclaimer

Industry and Market Data

In this presentation, the Company relies on and refers to publicly available information and statistics regarding the market in which the Company competes and other industry data. The Company obtained this information and statistics from third-party sources, including reports by market research firms and company filings. While the Company believes such third-party information is reliable, there can be no assurance as to the accuracy or completeness of the indicated information. The Company has not independently verified the information provided by third-party sources.

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Non-GAAP Financial Information

The Company uses non-GAAP financial measures, such as Adjusted operating expenses, EBITDA, Adjusted EBITDA, Adjusted EBITDA excluding merger costs and loss on convertible note extinguishment, and Non-GAAP net income (loss), to help it make strategic decisions, establish budgets and operational goals for managing its business, analyze its financial results and evaluate its performance. The Company also believes that the presentation of these non-GAAP financial measures in this presentation provides an additional tool for investors to use in comparing the Company's core business and results of operations over multiple periods. However, the non-GAAP financial measures presented in this presentation may not be comparable to similarly titled measures reported by other companies due to differences in the way that these measures are calculated. The non-GAAP financial measures presented in this presentation should not be considered as the sole measure of the Company's performance and should not be considered in isolation from, or as a substitute for, comparable financial measures calculated in accordance with generally accepted accounting principles accepted in the United States ("GAAP"). For reconciliations of these non-GAAP financial measures to the Company's GAAP financial measures, see the Appendix to this presentation. You should review these reconciliations and not rely on any single financial measure to evaluate the Company business.



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