

Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
<u>Desktop Metal, Inc.</u>		<u>83-2044042</u>	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
<u>James Haley</u>	<u>781-730-2109</u>	<u>jameshaley@desktopmetal.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
<u>63 3rd Avenue</u>		<u>Burlington, MA 01803-4430</u>	
8 Date of action		9 Classification and description	
<u>November 12, 2021</u>		<u>See attached</u>	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
<u>See attached</u>		<u>See attached</u>	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attached

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attached

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attached

Part II **Organizational Action** *(continued)***17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► [See attached](#)**18** Can any resulting loss be recognized? ► [See attached](#)**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► [See attached](#)**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

DocuSigned by:

Signature ► James Haley
3CA153EA9C654D2...Date ► 12/4/2021Print your name ► **James Haley**Title ► **Chief Financial Officer****Paid
Preparer
Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►	Firm's EIN ►			
Firm's address ►	Phone no.			

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Desktop Metal, Inc.
EIN: 83-2044042
Attachment to Form 8937
(Merger of Desktop Metal and ExOne – November 12, 2021)

Form 8937, Part I, Box 8

Date of Action

November 12, 2021

Form 8937, Part I, Box 9

Classification and description

Class A Common Stock of Desktop Metal, Inc.
Common Stock of The ExOne Company

Form 8937, Part I, Box 10

CUSIP Number

Desktop Metal, Inc.	89628U108
The ExOne Company	302104104

Form 8937, Part I, Box 12

Ticker Symbol

Desktop Metal, Inc.	DM (New York Stock Exchange)
The ExOne Company	XONE (Nasdaq National Market)

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Form 9937, Part II, Box 14

Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action

On November 12, 2021 (“Effective Date”), pursuant to the Agreement and Plan of Merger dated as of August 11, 2021 (the “Merger Agreement”), by and among Desktop Metal, Inc., (“DM”), Texas Merger Sub I, Inc., a Delaware corporation and wholly owned subsidiary of DM (“Merger Sub I”), Texas Merger Sub II, LLC, a Delaware limited liability company and wholly owned subsidiary of the DM (“Merger Sub II”), and The ExOne Company, a Delaware corporation (“ExOne”), (i) Merger Sub I merged with and into ExOne, with ExOne as the surviving corporation and (ii) Merger Sub II merged with and into ExOne (the “Mergers”), with Merger Sub II surviving the Mergers as a wholly owned subsidiary of DM.

On the effective date of the Mergers (the “Effective Time”), each share of common stock, par value \$0.01 per share, of ExOne (“ExOne Shares”) issued and outstanding immediately prior to the Effective Time (other than the shares that are owned by DM, ExOne, Merger Sub I or Merger Sub II) were converted into the right to receive (a) \$8.50 in cash, without interest, and (b) 2.1416 shares of DM Class A common stock, par value \$0.0001 per share (“DM Class A common stock”).

At the Effective Time, (a) each outstanding unvested option to purchase ExOne Shares was converted into an option to acquire a number of DM Class A common stock equal to the product obtained by multiplying the number of shares of ExOne common stock subject to such option by 3.1416, with an exercise price per share of DM Class A common stock equal to the quotient obtained by dividing the exercise price per share of ExOne common stock by 3.1416; (b) each outstanding vested option to purchase ExOne common stock was cancelled and the holder thereof became entitled to receive the excess of the merger consideration over the aggregate exercise price of such ExOne vested option, so long as such ExOne vested option’s exercise price was less than the merger consideration; (c) each award of restricted shares of ExOne subject to the ExOne Change of Control Severance Plan (“ExOne COC RSAs”) vested and were cancelled and the holder of such ExOne COC RSA received the merger consideration; (d) each award of restricted shares of ExOne common stock not subject to the ExOne Change of Control Severance Plan (“ExOne RSAs”) vested and were cancelled and the holder of such ExOne RSA received the merger consideration; and (e) each award granted under the 2021 Executive Stock Performance Program was converted into ExOne Shares (the “ESPP Award”), with the shares subject to such ESPP Award becoming vested and such vested shares were cancelled and the holder received the merger consideration.

In connection with the closing of the Mergers, DM paid approximately \$191.4 million in cash and issued approximately 48.2 million shares of DM Class A common stock to former holders of ExOne Shares, including 0.6 million shares of DM Class A common stock to former holders of ExOne vested options, ExOne COC RSAs, ExOne RSAs and ExOne ESPP Awards.

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Immediately after the Mergers, Desktop Metal stockholders continued to own their existing shares of Desktop Metal common stock, the form of which was not changed by the Merger.

Form 9937, Part II, Box 15

Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders.

Further discussion of material U.S. federal income tax consequences of the Merger can be found in the Form S-4 for Desktop Metal, Inc. as filed with the Securities and Exchange Commission on August 11, 2021, under the heading “Material United States Federal Income Consequences” (available at:

<https://www.sec.gov/ix?doc=/Archives/edgar/data/1754820/000110465921115991/dm-20210915xs4a.htm> (the “Form S-4”).

It is the intention of DM and ExOne that the Mergers, taken together, will constitute a “reorganization” within the meaning of Section 368(a) of the Code.

Assuming that the Mergers, taken together, qualify as a “reorganization” within the meaning of Section 368(a) of the Code, the material U.S. federal income tax basis consequences to a U.S. holder whose shares of ExOne common stock are exchanged in the Mergers for merger consideration generally will be as follows:

- a U.S. holder will have an aggregate tax basis in the shares of DM Class A common stock received in the Mergers (including fractional shares of DM Class A common stock deemed received and redeemed for cash) equal to the U.S. holder’s aggregate tax basis in its shares of ExOne common stock surrendered, reduced by the amount of cash received in the Mergers (other than cash received in lieu of a fractional share of DM Class A common stock), and increased by the amount of any gain recognized, if any, by the U.S. holder in the Mergers (other than with respect to cash received in lieu of a fractional share of DM Class A common stock); and
- a U.S. holder’s holding period of the shares of DM Class A common stock received in the Mergers (including fractional shares of DM Class A common stock deemed received and redeemed) will include such U.S. holder’s holding period of the shares of ExOne common stock surrendered in exchange therefor.

If the Mergers, taken together, do not qualify as a reorganization within the meaning of Section 368(a) of the Code, a U.S. holder whose shares of ExOne common stock are exchanged in the Mergers for the merger consideration will generally equal the sum of the amount of cash and the

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fair market value of DM Class A common stock received by the U.S. holder in the exchange for the shares of ExOne common stock surrendered. The U.S. holder's holding period of the shares of DM Class A common stock received in the Mergers would begin on the day after the date of the Mergers.

If a U.S. holder acquired different blocks of ExOne common stock at different times or different prices, the foregoing rules generally will be applied separately with reference to each block of ExOne common stock.

Form 9937, Part II, Box 16

Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates

As noted above, assuming that the Mergers qualify as a reorganization under the meaning of Code Section 368(a), the aggregate tax basis of the DM Class A common stock received by a U.S. holder in the Mergers (including any fractional share of DM Class A common stock deemed received and exchanged for cash, as discussed above) will equal the aggregate adjusted tax basis of such U.S. holder's ExOne common stock exchanged therefor, reduced by the amount of cash received in the Mergers (other than cash received in lieu of a fractional share of DM Class A common stock), and increased by the amount of any gain recognized, if any, by the U.S. holder in the Mergers (other than with respect to cash received in lieu of a fractional share of DM Class A common stock).

Form 9937, Part II, Box 17

List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based

The tax treatment described herein is based (in part) on Sections 368(a), 354, 356, 358, and 1001 of the Code.

Form 9937, Part II, Box 18

Can any resulting loss be recognized?

Assuming that the Merger qualifies as a reorganization within the meaning of Code Section 368(a), a U.S. holder generally will not recognize any loss as a result of the receipt of DM Class common stock in the Merger (except for any loss recognized with respect to cash received in lieu of a fractional share of DM Class A common stock). As discussed above in the response to Box 15, a U.S. holder who receives cash in lieu of a fractional share of DM Class A common stock generally will be taxed as having sold such fractional share for cash and may recognize loss as a result of such sale.

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Form 8937, Part II, Box 19

Provide any other information necessary to implement the adjustment, such as the reportable tax year

The Mergers were consummated on November 12, 2021. Consequently, the reportable taxable year of the holders of ExOne common stock for reporting the tax effect of the Mergers is the taxable year that includes November 12, 2021.