

Fourth Quarter and Full Year 2020 Investor Presentation

March 15, 2021



Disclaimers

Cautionary Note Regarding Forward-Looking Statements

Desktop Metal, Inc.'s fourth quarter 2020 earnings press release and schedules, earnings presentation, conference call webcast and related communications contain 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 facts contained in these communications, including statements regarding Desktop Metal's future results of operations and financial position, financial targets, business strategy, plans and objectives for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this communication are only predictions. Desktop Metal has based these forward-looking statements on current information and management's current expectations and beliefs. These forward-looking statements speak only as of the date of this communication and are subject to a number of significant risks and uncertainties, including, without limitation, risks associated with our newly-launched Desktop Health business and the extensive regulatory schemes to which it may be subject. For additional information about other risks and uncertainties of Desktop Metal's business, financial condition, results of operations and prospects generally, please refer to Desktop Metal's reports filed with the Securities Exchange Commission ("SEC"), including without limitation the "Risk Factors" and/or other information included in the Forms 8-K and 10-K filed with the SEC on March 15, 2021, the S-1 Registration Statement filed with the SEC on December 23, 2020, as amended, and such other reports as Desktop Metal has filed or may file with the SEC from time to time. Although we believe that expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. The events and circumstances reflected in our forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. As a result of these factors, we cannot assure you that the forward-looking statements in these communications will prove to be accurate. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances, or otherwise. We qualify all of our forward-looking statements by these cautionary statements.

Non-GAAP Financial Information

This presentation contains non-GAAP financial measures, including EBITDA and Adjusted EBITDA. EBITDA is GAAP net income (loss) excluding interest, income taxes and depreciation and amortization expense. Adjusted EBITDA is EBITDA excluding stock-based compensation and warrant expenses. In addition to Desktop Metal's results determined in accordance with GAAP, Desktop Metal's management uses this non-GAAP financial information to evaluate the Company's ongoing operations and for internal planning and forecasting purposes. We believe that this non-GAAP financial information, when taken collectively, may be helpful to investors in assessing Desktop Metal's operating performance.

We believe that the use of EBITDA and Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends because it eliminates the effect of financing, capital expenditures, and non-cash expenses such as stock-based compensation and warrants and provides investors with a means to compare Desktop Metal's financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, investors should be aware that when evaluating EBITDA and Adjusted EBITDA, we may incur future expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of these measures, especially Adjusted EBITDA, may not be comparable to other similarly titled measures computed by other companies because not all companies calculate these measures in the same fashion.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA on a supplemental basis. Investors should review the reconciliation of net loss to EBITDA and Adjusted EBITDA and not rely on any single financial measure to evaluate our business.

Desktop Metal investment highlights

01 Large & expanding addressable market

- AM market estimated to grow > 11x from \$12B to \$146B by 2030⁽¹⁾, propelled by a shift from prototyping to mass production applications
- Strong, long-term secular tailwinds around onshoring and supply chain flexibility

02 Industry-leading AM 2.0 solutions:

- Mass production solutions with speeds up to 100x those of legacy technologies⁽²⁾ and a comprehensive product portfolio across polymers, metals, composites, and biocompatible resins including 190+ qualified materials
- Defensible, technology platform including printers, software, and materials with 260+ patents issued & pending

03 Global distribution capabilities:

- Prolific, global distribution in 68 countries with 200+ channel partners
- Combination of horizontal and vertical focus caters to array of industries – healthcare and dental, automotive, aerospace, consumer products, and oil & gas

04 Compelling economics & financial profile:

- High-margin recurring revenue streams including consumables and services drive multiple of revenue and gross profit after initial sale
- Gross margin improvements and operating leverage drive profitability over time

05 Inorganic growth Upside potential:

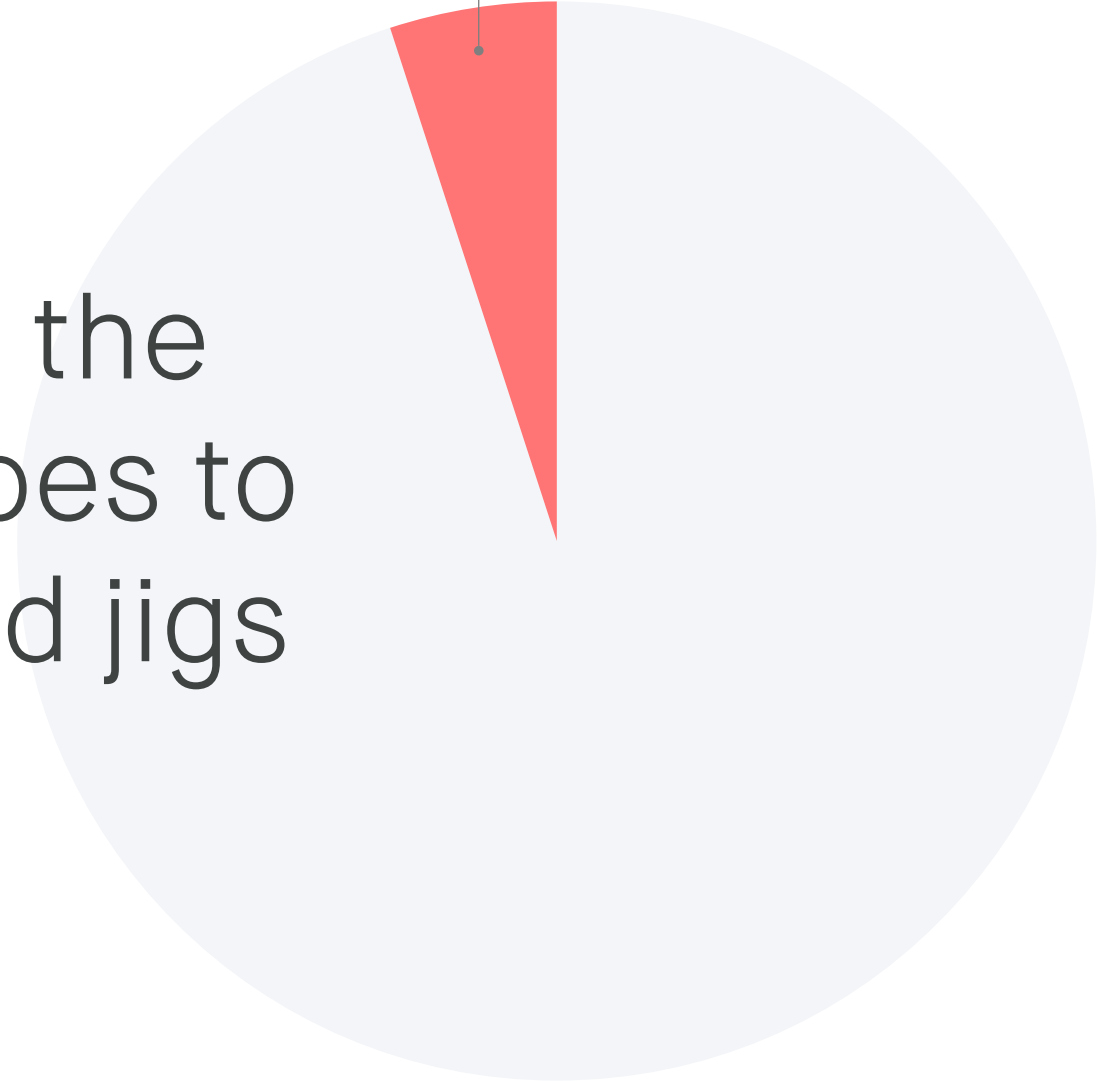
- Robust liquidity position provides opportunity to accelerate growth
- Capture growing share of final part value by focusing on building parts business focused on killer apps on top of a differentiated printers and materials technology infrastructure

1. Source: Wohlers Report 2020 (2000 actuals - 2029 forecast); 2030 figure based on management calculations.

2. Based on published speeds of binder jetting and laser powder bed fusion systems comparable to the Production System™ available as of August 25, 2020 and using comparable materials and processing parameters.

A small percentage of the spend in a program goes to prototypes, tooling and jigs & fixtures

Prototypes, tooling and jigs & fixtures



AM for end-use parts must clear a high bar

Requires printing at-scale with comparable quality and economics to conventional manufacturing processes

Speed

—
Throughput & part costs competitive with conventional manufacturing

Accuracy

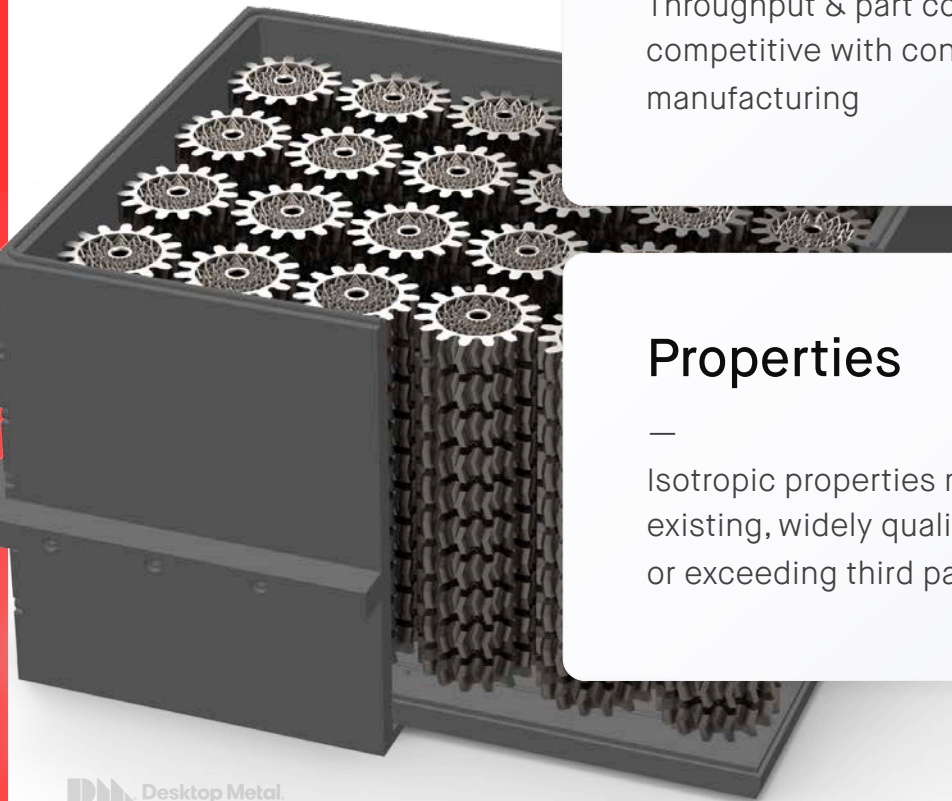
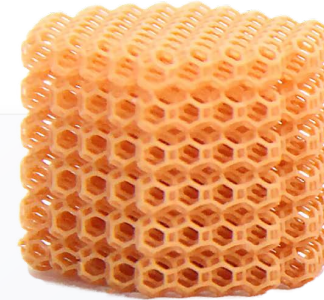
—
Repeatable, tight tolerances with fine feature detail over series of builds

Properties

—
Isotropic properties matching existing, widely qualified materials or exceeding third party standards

Finish

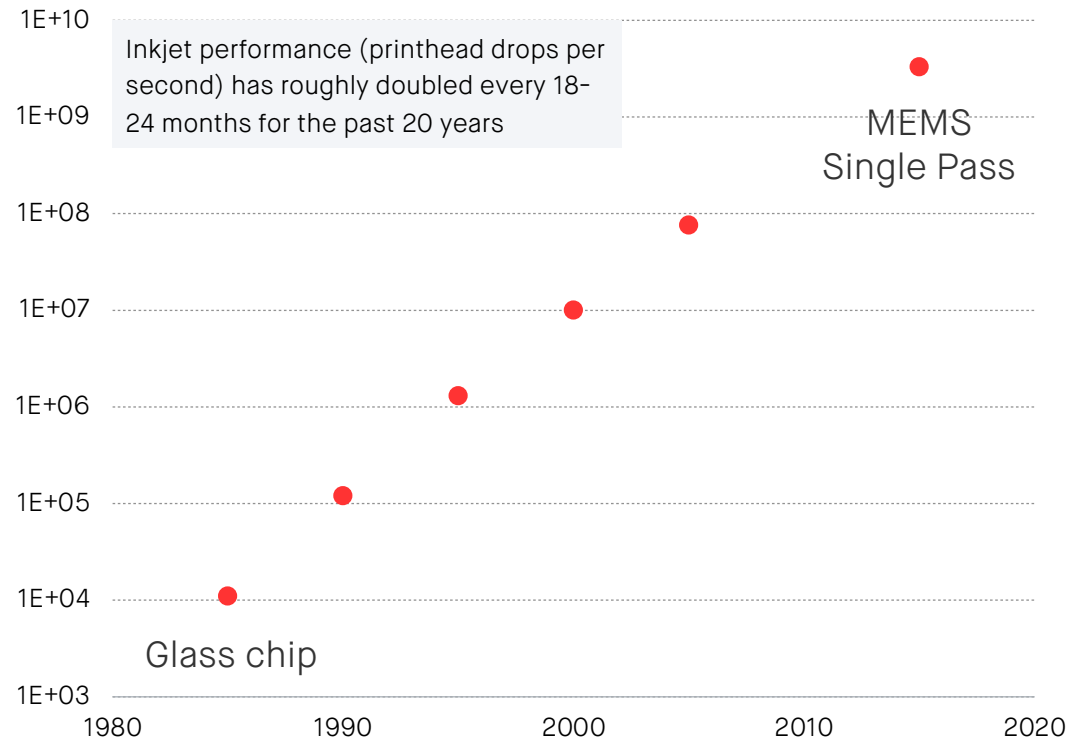
—
Improvements in surface roughness that reduce need for post-processing



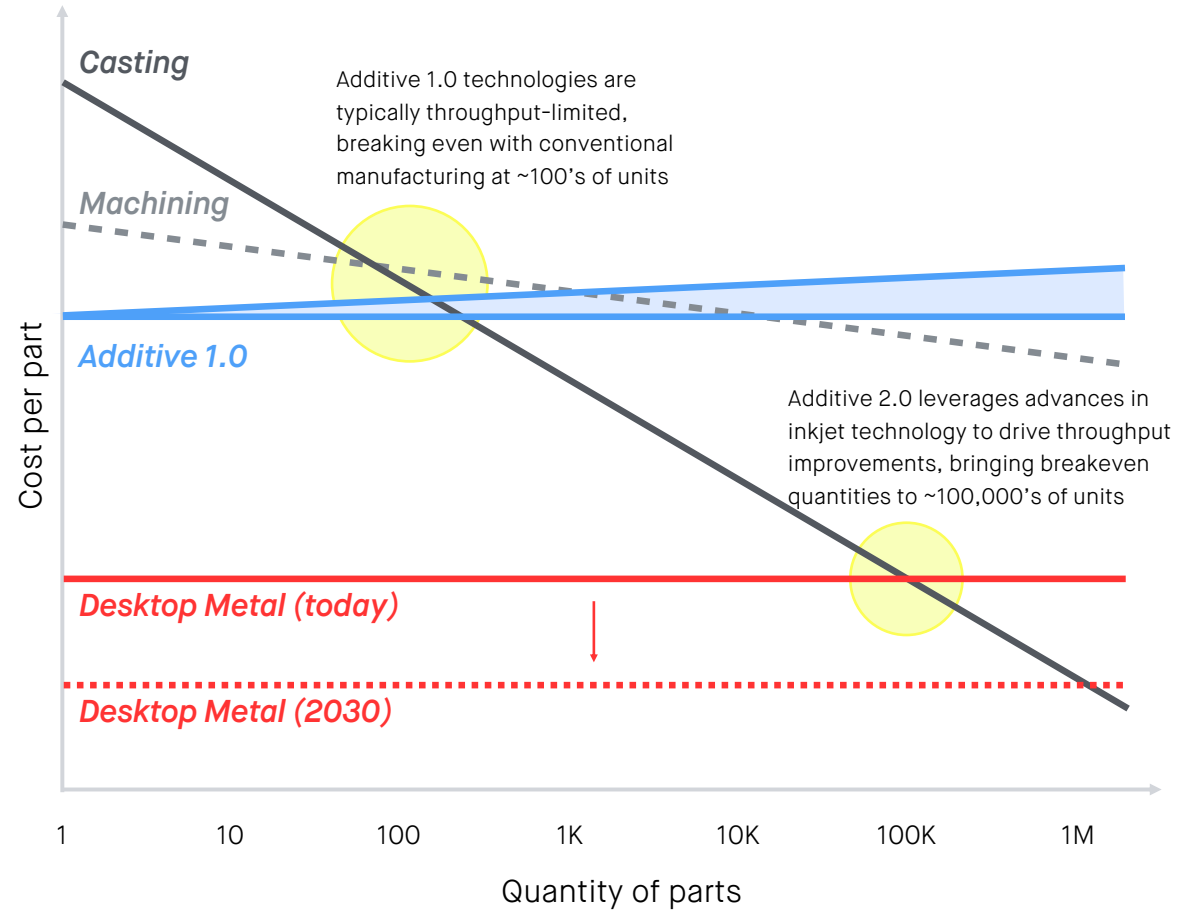
AM 2.0 technologies enable cost-competitive volume production in metals

Inkjet technology Moore's law⁽¹⁾

Printhead drops per second⁽²⁾



Illustrative breakeven analysis vs. tool-based manufacturing



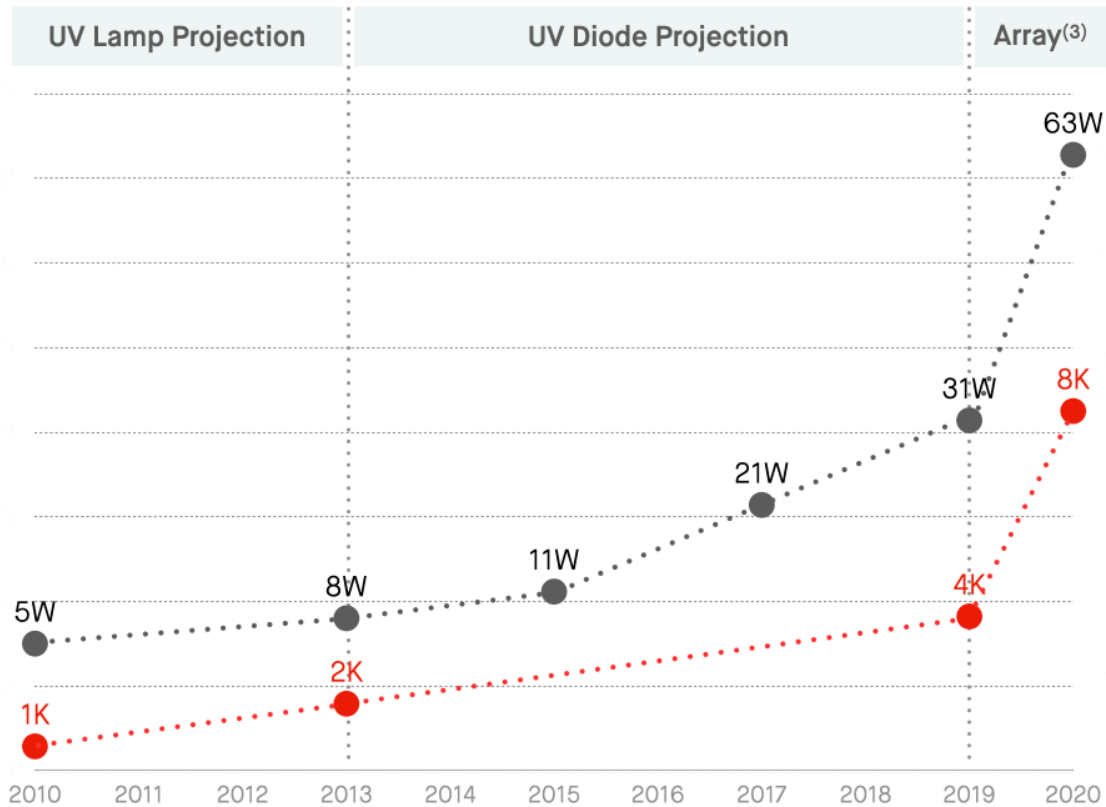
Desktop Metal's Single Pass Jetting™ print engine is designed to be the world's fastest and most advanced print engine implemented in additive manufacturing.

1. Source: Wijshoff, Herman, (2008), Structure and fluid-dynamics in piezo inkjet printheads, Integrated Assessment; management estimates.
 2. Printhead drops per second calculated as number of nozzles multiplied by maximum drop frequency.

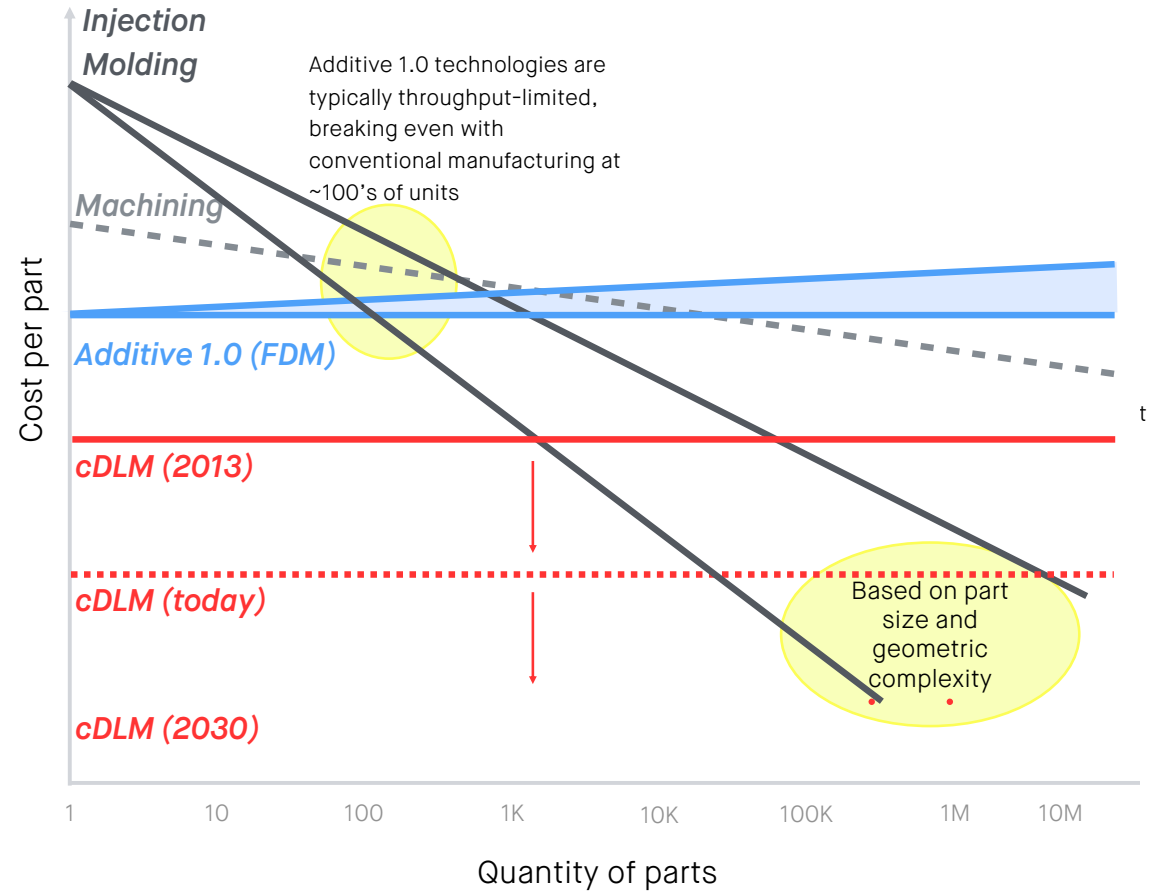
AM 2.0 technologies enable cost-competitive volume production in polymers

EnvisionTEC Module Power (Watts)
= Polymerization Speed⁽¹⁾

EnvisionTEC Resolution
= Build size⁽²⁾



Illustrative breakeven analysis vs. tool-based manufacturing



1. Increases in light source optical power correlate to increases in polymerization speed.
2. Increases in number of projection pixels enable larger build sizes without sacrificing resolution.
3. Projection arrays allow for native resolution and power as large as needed.

AM industry to grow > 11x over the next decade

Propelled by shift from prototyping to volume production of end-use parts

Evolution of the AM market

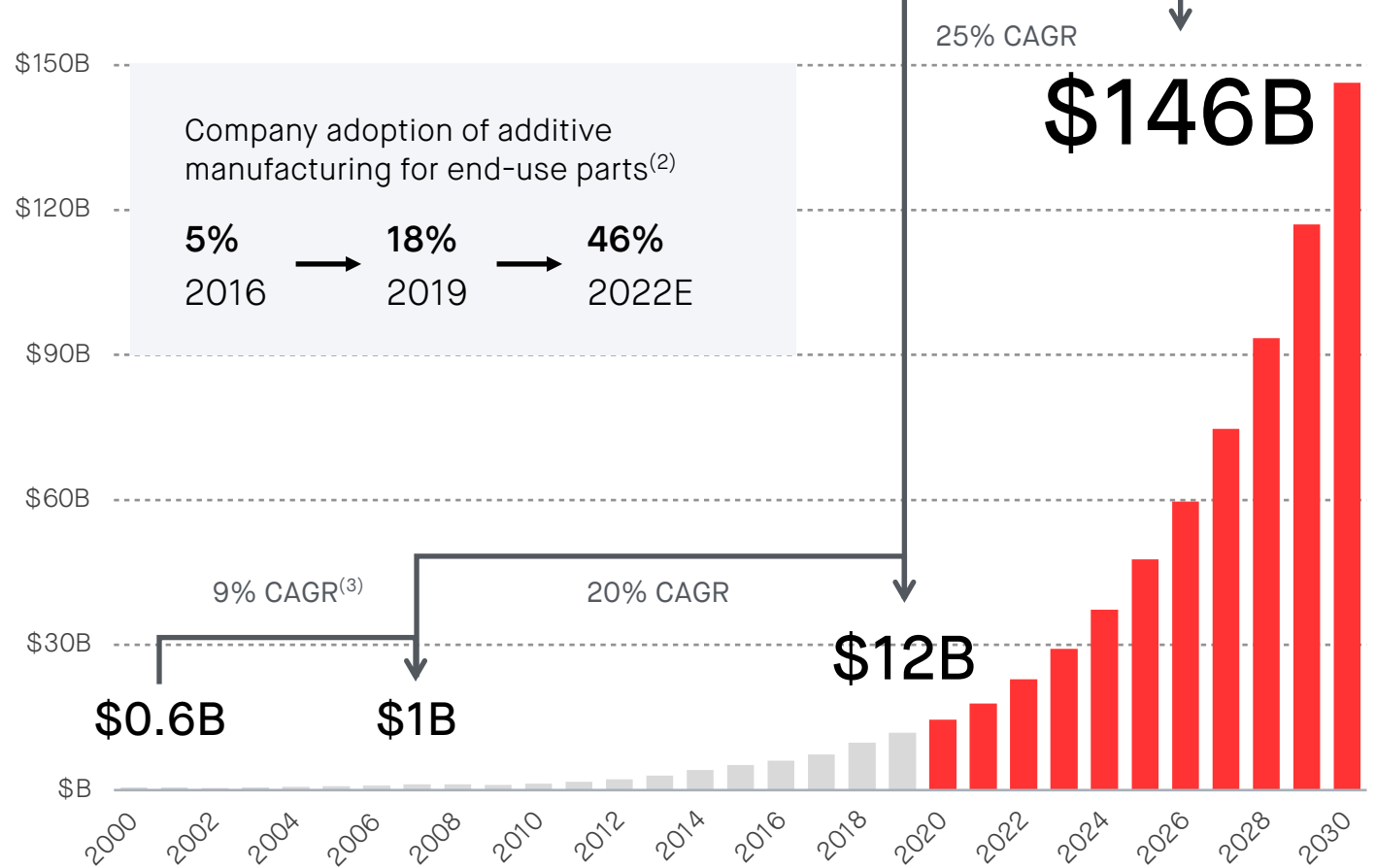
AM 1.0

- Technologies focus on design and prototyping
- Legacy players now commoditized and losing market share to low-cost and open-source competitors

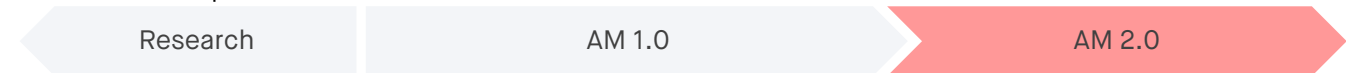
AM 2.0

- Next-generation technologies focused that enable volume production of end-use parts with finish, accuracy, properties, and economics competitive with conventional manufacturing
- New players driving advances in speed, accuracy, and material variety

Additive manufacturing market size⁽¹⁾



Source: Wohlers Report 2020



1. Source: Wohlers Report 2020 (2000 actuals - 2029 forecast); 2030 figure based on management calculations.

2. Source: "3D printing: hype or game changer?" Ernst & Young Global Report 2019.

3. Compound annual growth rate.

AM 2.0 is transformative for the manufacturing industry

Conventional manufacturing hurdles

Product innovation

- Geometry: machines & tooling encouraging simpler designs with reduced performance
- Lack of customization: tooling prevents producing products tailor to niche and local markets

Process innovation

- Time-to-market: lead-times associated with tooling slow down new product introductions
- Volumes: tooling is a fixed expense that must be amortized across large quantities of parts
- Inventory: tooling leads to minimum quantity builds, typically resulting in excess inventory
- Cost: machining is a time- and labor-intensive process that is costly at-scale
- Scrap: machining and casting have high levels of scrap, waste and pollution

Additive manufacturing benefits at-scale

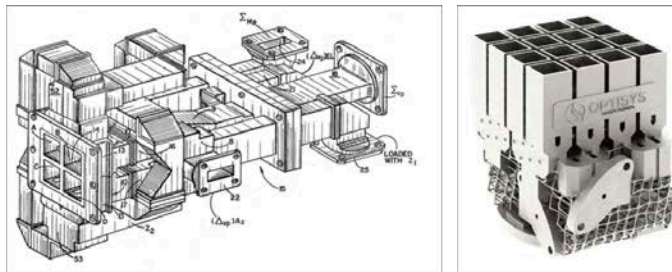
Complex & generative designs



Mass customization



Assembly consolidation

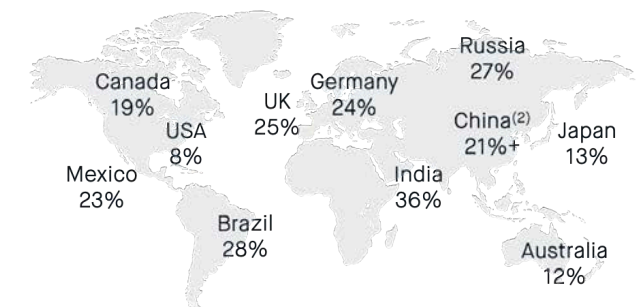


[a]
100 part antenna

95%
weight
reduction

[b]
1 part antenna

Supply chain re-engineering⁽¹⁾



Value-added tax (VAT) plus average country tariff

1. Source: VAT from Tax Foundation website (<https://taxfoundation.org/2020-sales-taxes/>) and PwC website (<https://taxsummaries.pwc.com/quick-charts/value-added-tax-vat-rates>) as of August 5, 2020; country tariff from World Trade Organization; management calculations.
2. Does not include the full effect of additional tariffs placed on US exports to China starting in 2018.

Shop System consumer products application case study

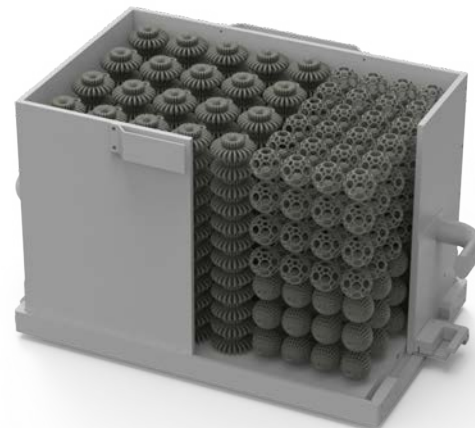
Customer	EAC Metal Ornaments
Location	Bourg-de-Péage, France
Application	Luxury goods products
Challenge	Reduce reliance on expensive and time-consuming custom tooling to reduce lead times and enable volume flexibility to keep part costs low.
Solution	
System	Shop System
Material	17-4 PH stainless steel
Benefits	<ul style="list-style-type: none"> • Increase leather hardware production from 10 000 pieces per week to more than 73,000 parts per week. • Create more than 110,600 apparel touches, such as ornaments on lingerie, can now be created in a week vs 2 weeks • Time needed to craft and assemble highly customized jewelry has been cut down by 250 hours to allow for 17,600 individual pieces to be created per week, with no assembly needed.

“We have been teasing the benefits of additive manufacturing for our customers, and with the Shop System, that is now a reality - we can partner with our customers and fulfill their designers’ dreams and most creative ideas” – Patrick Chouvet, CEO, EAC Metal Ornaments


 Supplier to:

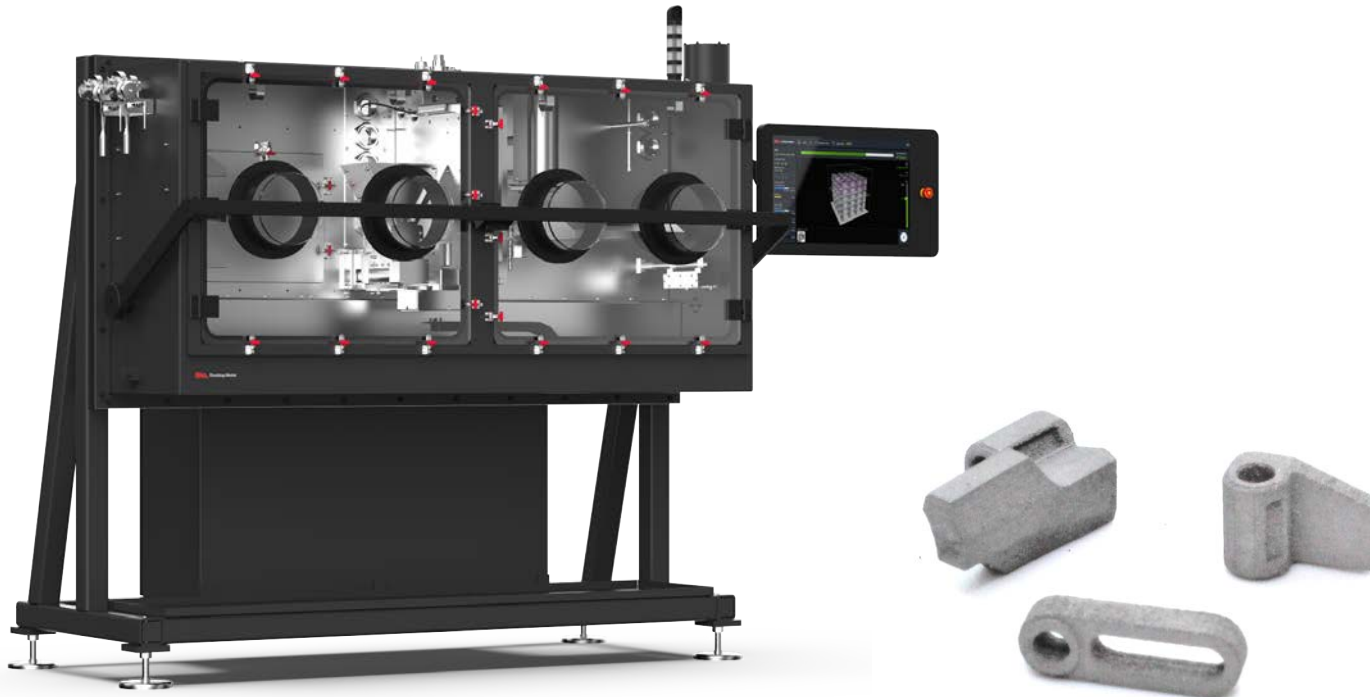






Production System P-1 diversified manufacturer case study

“With Desktop Metal’s Production System P-1, we were able to print 100 parts in a single build in less than an hour and fulfill a 5,000-part order within two weeks. With a throughput rate 20X faster than competing systems, the P-1 is a gamechanger for the flexible production of small, complex parts. Our P-1 offers incredible productivity, and we’re looking forward to the release of the P-50”
– Nate Higgins, President, FreeFORM Technologies



Customer	FreeFORM Technologies
Location	Saint Marys, PA
Application	Consumer products & medical devices
Challenge	Reduce reliance on long-lead time tooling to deliver volume quantities of parts to customers faster

Solution

System	Production System P-1
Material	17-4 PH stainless steel
Benefits	<ul style="list-style-type: none">• Print and fulfill customer orders for thousands of parts in weeks• 75% - 90% reduction in lead time due to the elimination of tooling, enabling part delivery in 10 business days versus a typical 12-week typical tooling process• Produce initial runs of parts cost effectively without tooling expense

Desktop Metal acquisition of EnvisionTEC (February 2021)

Shaping the future of AM 2.0

01

EnvisionTEC is the original inventor of DLP 3D printing technology and leader in area-wide photopolymer additive manufacturing for mass production applications

02

Combination enhances product portfolio, creating a one-stop shop across polymers and metals

03

Complementary channels yield cross selling opportunities in key verticals - dental, jewelry, medical

04

Leverage Desktop Metal's proven SPJ™ technology to advance Robotic Additive Manufacturing

Unified AM 2.0 product portfolio across materials

Fiber™



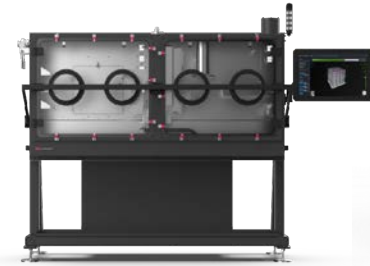
Studio System™ 2



Shop System™



Production System™ P-1



Production System™ P-50



Ease of use with automated workflows and turnkey solutions

Volume production with attractive part economics



3D-Bioplotter®



D4K™ Pro



Envision One™



Envision One HT™



Perfactory P4K™



Xtreme 8K™



Viridis3D™ RAM

Library of 190+ qualified materials across metals, polymers, ceramics, and composites

Pioneering disruptive technologies in metals

Single Pass Jetting™

Fastest metal 3D printing technology⁽¹⁾



Production System P-1 Production System P-50

- Key technology to bring metal AM to mass production of end-use parts
- Layers printed in **~3 seconds or less**
- **Up to 100x faster** than laser powder bed fusion technologies and significantly faster than conventional binder jetting⁽¹⁾
- Supports production of up to millions of parts annually at costs competitive with conventional manufacturing⁽²⁾
- Engineered to optimize repeatability, quality, and mechanical properties
- Production System P-50 scheduled to ship in 2H 2021

Advanced sintering technology

Vacuum-enabled, office-friendly sintering

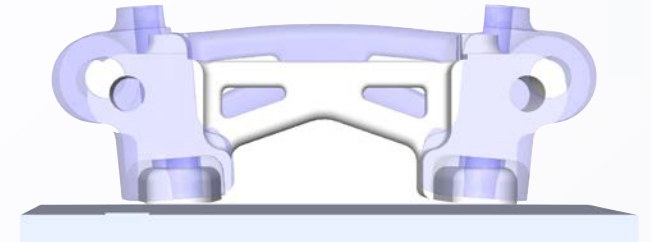


Shop System printer & Desktop Metal furnace

- Paired with Shop System and Studio System to provide **accessible, turnkey solutions enabling wide metal 3D printing adoption**
- Industrial-strength sintering, sized to fit through an office door — minimal to no facilities investment required
- Automated sintering cycles based on material — no user programming required
- Over-the-air (OTA) firmware updates for new features & enhancements
- Designed to achieve peak temperatures of 1400 °C under vacuum with high thermal uniformity — enabling high densities with low gas consumption

Sintering process simulation

Multi-physics & GPU-accelerated simulation



- Proprietary technology designed to improve part accuracy, reduce costs, and eliminate trial and error for powder metallurgy-based additive manufacturing
- Dynamically simulates the results of the sintering process by leveraging a GPU-accelerated, multi-physics engine & artificial intelligence
- Automates the compensation of geometries for distortion and shrinkage during sintering

1. Based on published speeds of binder jetting and laser powder bed fusion systems comparable to the Production System™ available as of August 25, 2020 and using comparable materials and processing parameters.
2. Management estimates.

Pioneering disruptive technologies in polymers

Continuous Digital Light Manufacturing (cDLM)

Cost-effective polymer AM production for end-use parts



Envision One

Envision One HT

- Up to 20% faster build speed and as little as 15% of the price of comparable systems⁽¹⁾
- Enables closed-loop, high-speed continuous printing of large parts up to 330mm tall
- Supported by a large material library that includes using high-temperature, high viscosity materials previously not possible
- Unique, domeless basement technology provides higher accuracy than membrane alternatives
- Envision One was one of the best-selling industrial printers among dental customers in 2020

Projection array technology

Most advanced polymer AM platform



Xtreme 8K

- **World's largest⁽²⁾ high-speed DLP printer**
- Build speeds up to 100x those of legacy thermoplastic printers⁽³⁾
- Multiple nested builds per day – massive 71L build volume
- As little as 20% of the price of comparable systems⁽⁴⁾, offering superior price performance
- Native 8K resolution and effective 16k resolution using patented pixel shift technology
- High-temperature closed-loop printing of high viscosity resins with desirable properties and minimal peeling forces

1. Speed comparison based on EnvisionTEC maximum build speeds (material dependent); price comparison based on MSRP or 3-year subscription price for comparable systems.

2. Xtreme 8K offers the largest build area among commercially available production-grade DLP printers.

3. Based on Xtreme 8K maximum build speeds (material dependent) and GrabCAD and Cura print time estimates for commercially available professional and industrial extrusion-based 3D printers and using comparable layer thickness and materials.

4. Price comparison based on MSRP or 3-year subscription price for comparable systems.

Broad adoption by blue chip customers across industries



MICRODENTAL LABORATORIES



EVONIK POWER TO CREATE



U.S. Department of Veterans Affairs



MITRE



SHINOLA

GRAFF



Cartier



amazon



Google



MOEN



High-margin product platforms with recurring revenue streams

Production System P-50 illustrative 10-year lifetime value

\$2.2M

—
Upfront system revenue⁽¹⁾
(printer + auxiliary equipment)

\$4.3M

—
10-year binder consumables &
extended warranty revenue⁽²⁾

\$6.5M

—
10-year lifetime total revenue –
3x upfront revenue

\$3.8M

—
10-year lifetime total
gross profit

> 55%

—
10-year cumulative
gross margin



Extreme 8K illustrative 7-year lifetime value⁽³⁾

\$112k

—
Upfront printer revenue
(net of channel margin)

\$1.5M

—
7-year resin consumables &
extended warranty revenue

\$1.6M

—
7-year lifetime total revenue –
14x upfront revenue

\$0.8M

—
7-year lifetime total
gross profit

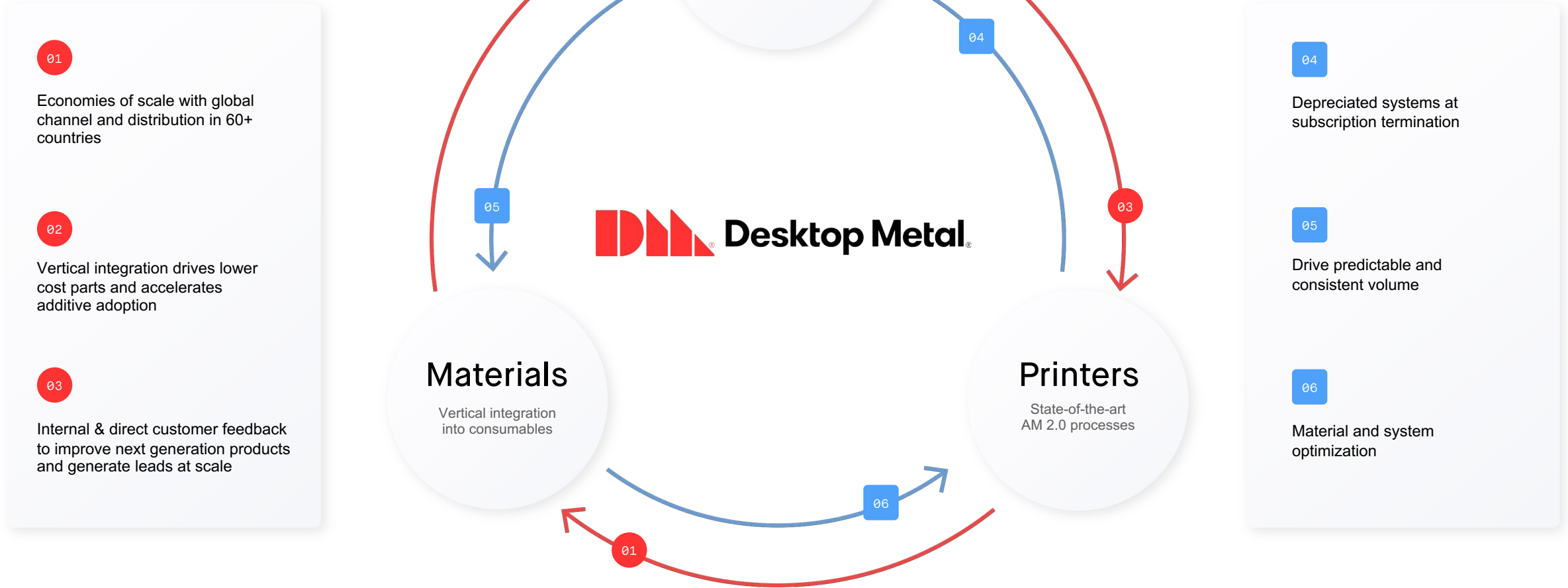
> 50%

—
7-year cumulative
gross margin



1. Assumes at-scale \$1.4M Production System P-50 Product COGS and indirect COGS as 5% of revenue.
2. Consumables & service annual revenue based on management estimates assuming 80% of 24 x 7 utilization, 20% bed packing density, decaying renewals on service to 25% of initial cohort in year 2 and 0% beyond, and at-scale indirect COGS as 5% of revenue. Includes only binder consumables.
3. Assumes indirect COGS as 5% of revenue. Consumables & extended warranty annual revenue based on management estimates assuming: 80% of 24 x 5 utilization, 20% bed packing density, 10% annual decay in extended warranty renewals.

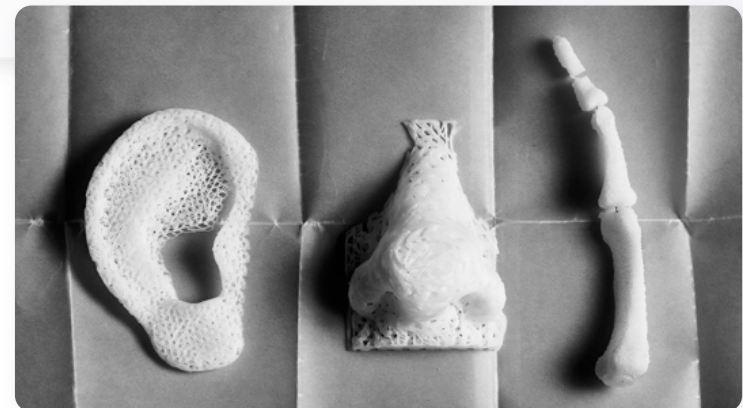
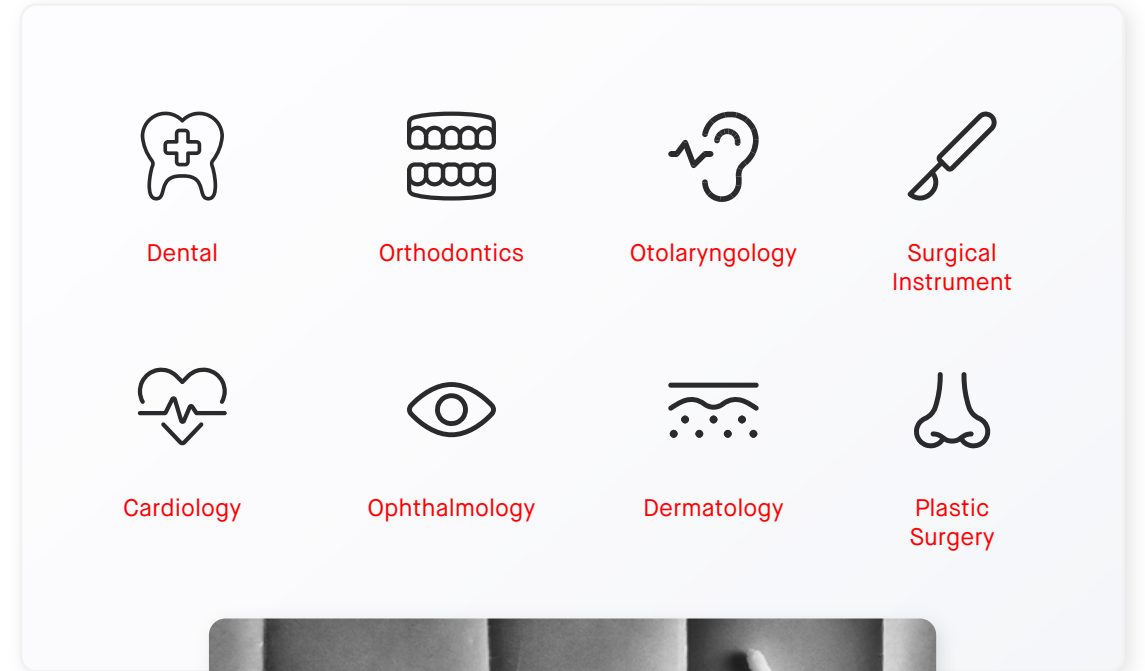
Inorganic growth strategy



Introducing Desktop Health

New business line focused on patient specific additive manufacturing solutions

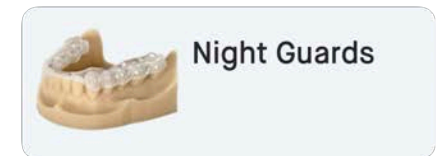
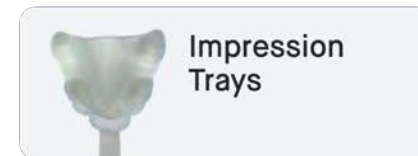
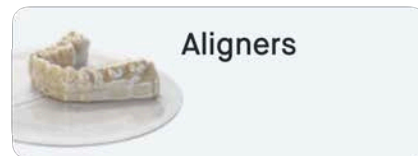
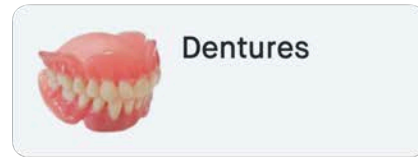
- Leveraging DM advanced materials library in combination with core AM 2.0 technology, including DLP, CDLM, high-speed metal binder jetting, and 3D Bioplotter®
- Michael Jafar – President & CEO, Desktop Health
 - Most recently Chief Commercial Officer, Evolus (NASDAQ: EOLS)
 - Prior to that, spent 15 years at Allergan in ophthalmology and medical aesthetics
 - Served as VP Marketing, U.S. Medical Aesthetics at Allergan (Zeltiq, Botox® Cosmetic, JUVEDERM® Collection, KYBELLA® & Natrelle® and Coolsculpting®)



Healthcare case study: dental as a killer app for AM 2.0

An industry with \$30B+ annual parts spend⁽¹⁾ that we anticipate will go digital this decade

- Based on market data, we estimate the ~10% penetration of AM in dental lab parts today will grow up to 75% by 2025 (across metal and polymers)
- New, advanced materials enable permanent crowns and full arch implant dentures
- Printers can process models, castables, restorations and appliances quickly and inexpensively, eliminating manual labor and time-consuming milling (CAD/CAM) processes



Same day, permanent full arch implant dentures

- New digital workflow reduces full arch implant denture process from 3 weeks to same day:
 - In 9 months, achieved over 900 clinical evaluation cases⁽¹⁾ for same day, full arch implant dentures with zero breakage in the mouth
- Enabled by new proprietary materials & Envision One cDLM technology:
 - **E-Dent 1000 and E-Denture Pro⁽²⁾**: superior materials for high-quality monolithic dentures and outstanding fully digital permanent premium dentures; biocompatible resins with incredible strength and aesthetics
- Multi-billion dollar opportunity being disrupted with new same-day digital AM workflow

Traditional method



3+ Weeks



Digital workflow



Same Day



Business highlights & financial summary

Fourth quarter 2020 business highlights

01

Global commercial shipments of Shop System
#1 selling binder jet system by units within first quarter in the market⁽¹⁾

02

Global commercial shipments of
Production System P-1

03

Commercial adoption across industries, including
Milwaukee Tool, Ford, Eaton, Pratt & Whitney,
and more

04

Launched Live Sinter simulation software alongside
Shop System and Production System P-1

05

Received multi-million dollar award
from the United States Department of Defense

06

Appointed Scott Dussault, veteran CFO, & Stephen
Nigro, former President of HP 3D Printing, to board of
directors

2020 financial highlights & looking ahead to 2021

Fourth quarter and full year 2020

Fourth quarter

Ended December 31,
2020

- Revenue of \$8.4 million (> 3x Q3 2020 revenue of \$2.5 million)
- Net loss of \$25.4 million

Full year

Ended December 31,
2020

- Revenue of \$16.5 million
- Net loss of \$90.4 million
- Adjusted EBITDA of \$(73.5) million

Liquidity Highlights

- Cash, cash equivalents and short-term investments of \$595.4 million as of December 31, 2020
- Exercise of public warrants contributed \$136.8 million through March 10, 2021

Full year 2021 outlook

Guidance

- Full year 2021 revenue in excess of \$100 million
- Exit 2021 with an annualized revenue run rate of \$160 million
- Modest sequential growth in the first quarter of 2021, with more substantial acceleration beginning in the second quarter of 2021
- Non-GAAP Adjusted EBITDA of \$(50) million to \$(60) million

Commentary

- Robust capital position with additional capital proceeds from warrant exercise
- Significant expansion in sales & marketing, engineering, and administrative functions for organic business
- Building out internal M&A capabilities to support multiple inorganic growth initiatives

Q&A

Appendix

Reconciliation to non-GAAP measures

(Dollars in thousands)	Twelve months ended December 31, 2020
Net loss attributable to common stockholders	\$ (90,432)
Interest (income) expense, net	(610)
Income tax expense	(940)
Depreciation and amortization	8,589
EBITDA	(83,393)
Stock compensation expense	8,006
Warrant expense	1,915
Adjusted EBITDA	\$ (73,472)