Desktop Metal

First Quarter 2021 Financial Results Presentation

May 17, 2021

Disclaimers

Cautionary Note Regarding Forward-Looking Statements

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Non-GAAP Financial Information

This presentation contains non-GAAP financial measures, including non-GAAP gross margin, EBITDA and Adjusted EBITDA. Non-GAAP gross margin is GAAP gross margin excluding stock-based compensation, amortization of acquired intangible assets, acquisition-related and other transactional charges and change in fair value of warrant liability. EBITDA is GAAP net income (loss) excluding interest, income taxes and depreciation and amortization expense. Adjusted EBITDA is EBITDA excluding stock-based compensation, warrant expenses, and transaction costs associated with acquisitions. 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 non-GAAP gross margin, 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 non-GAAP gross margin, 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, non-GAAP gross margin, 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.

Executive summary: Q1 2021

01

Financial summary

- Revenue growth execution — $11.3 million in Q1'21
  - Increase of 35% from fourth quarter 2020
  - Increase of 234% from first quarter 2020
- Strengthening Gross Margin contribution
  - Non-GAAP Gross Profit increased $3.3 million from first quarter 2020

02

Business highlights

- New binder jetting process for 6061 Aluminum
- Unmatched materials portfolio – expanded from 190 to 225+ qualified materials metals, composites, polymers, ceramics, biocompatible materials, and now wood and elastomers
- Accelerating customer adoption – added more customers in Q1'21 than all of 2020 combined
- Closed EnvisionTEC acquisition and began shipping Xtreme 8K and Envision One HT systems
- Introduced Forust process for high-volume, printed wood parts leveraging existing metal printer technology
- Launched Flexcera™ brand for Desktop Health – dental shipments grew 64% from Q1'20
- Acquired Adaptive3D, adding the world's best printable elastomers to materials portfolio
- Grew Desktop Metal team to over 470 employees today, up from 180 employees in May 2020

Additive Manufacturing industry to grow > 11x over the next decade

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

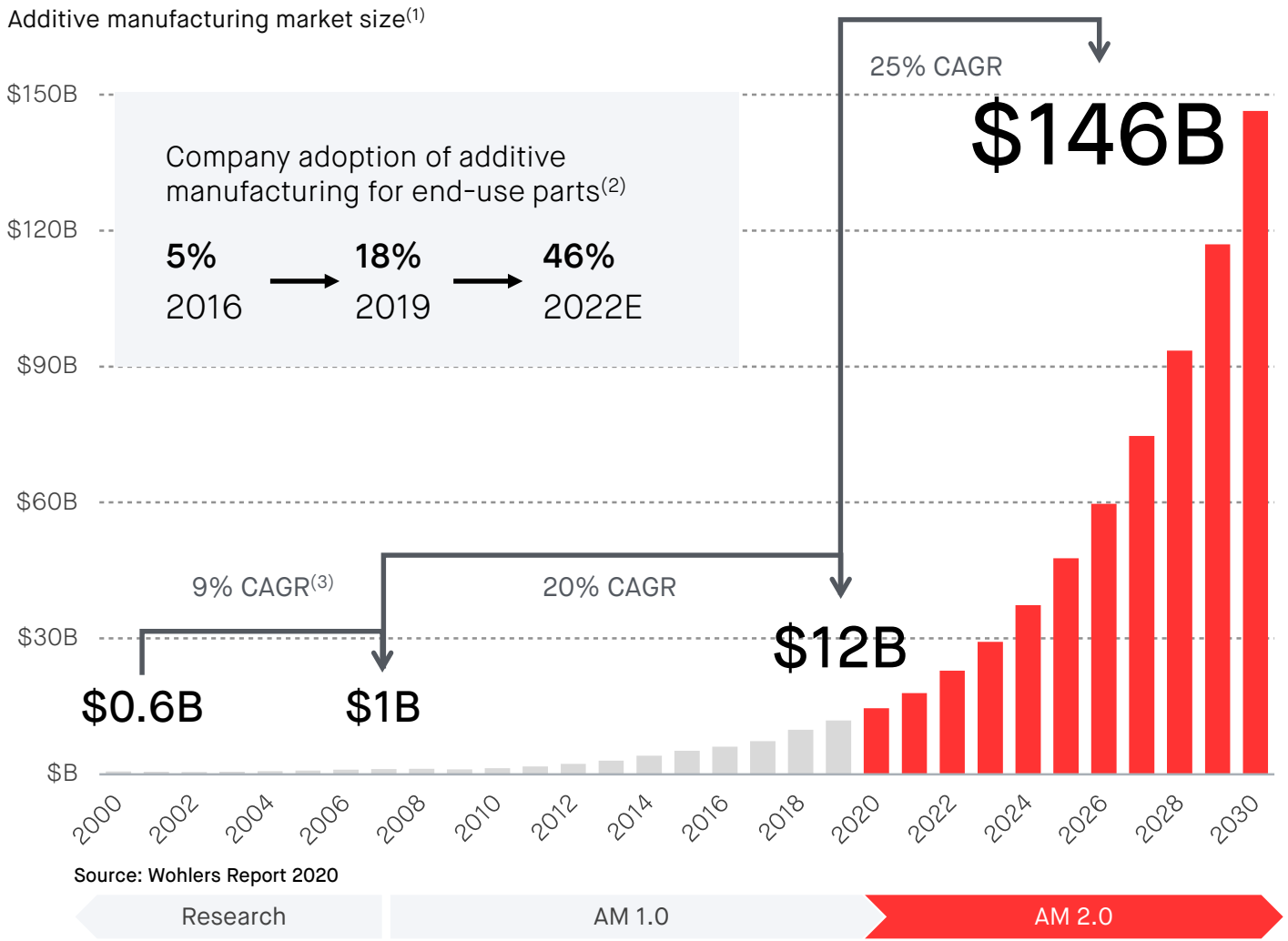
Evolution of the AM market

AM 1.0

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

AM 2.0

- Next-generation technologies focused on enabling 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



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.

Desktop Metal's AM 2.0 growth strategy

01

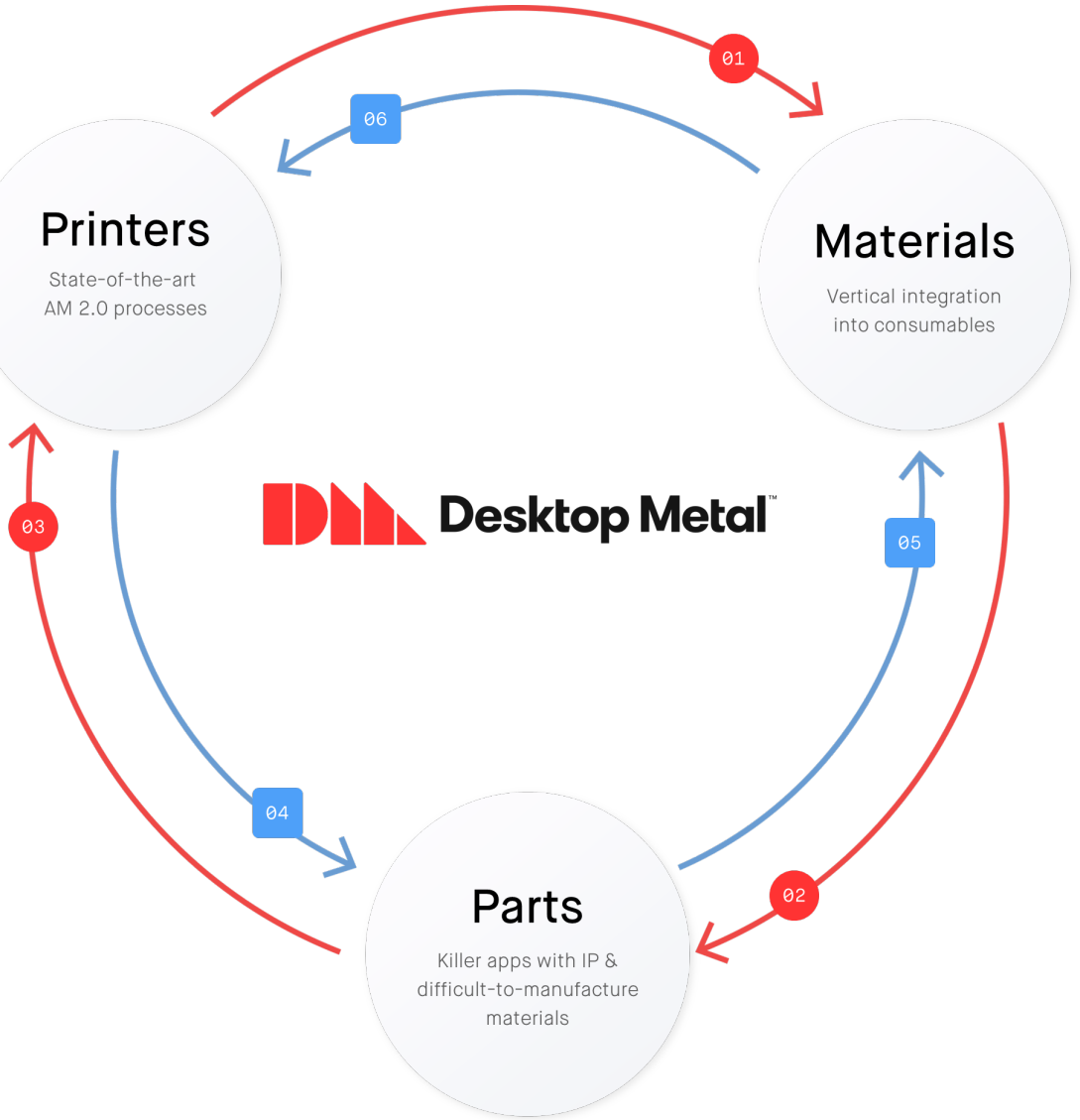
Economies of scale with global channel and distribution in 65+ countries

02

Vertical integration drives lower cost parts and accelerates additive adoption

03

Internal & direct customer feedback to improve next generation products and generate leads at scale



04

Depreciated systems at subscription termination

05

Drive predictable and consistent volume

06

Material and system optimization

Unmatched AM 2.0 product portfolio

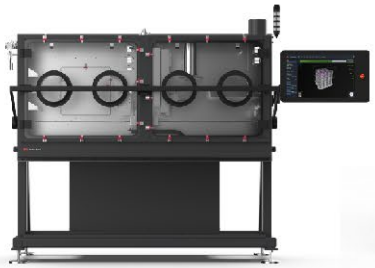
Positioned to capture the large and growing addressable market for high volume, end-use parts

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 225+ qualified materials across metals, composites, polymers, ceramics, biocompatible materials, wood, and elastomers

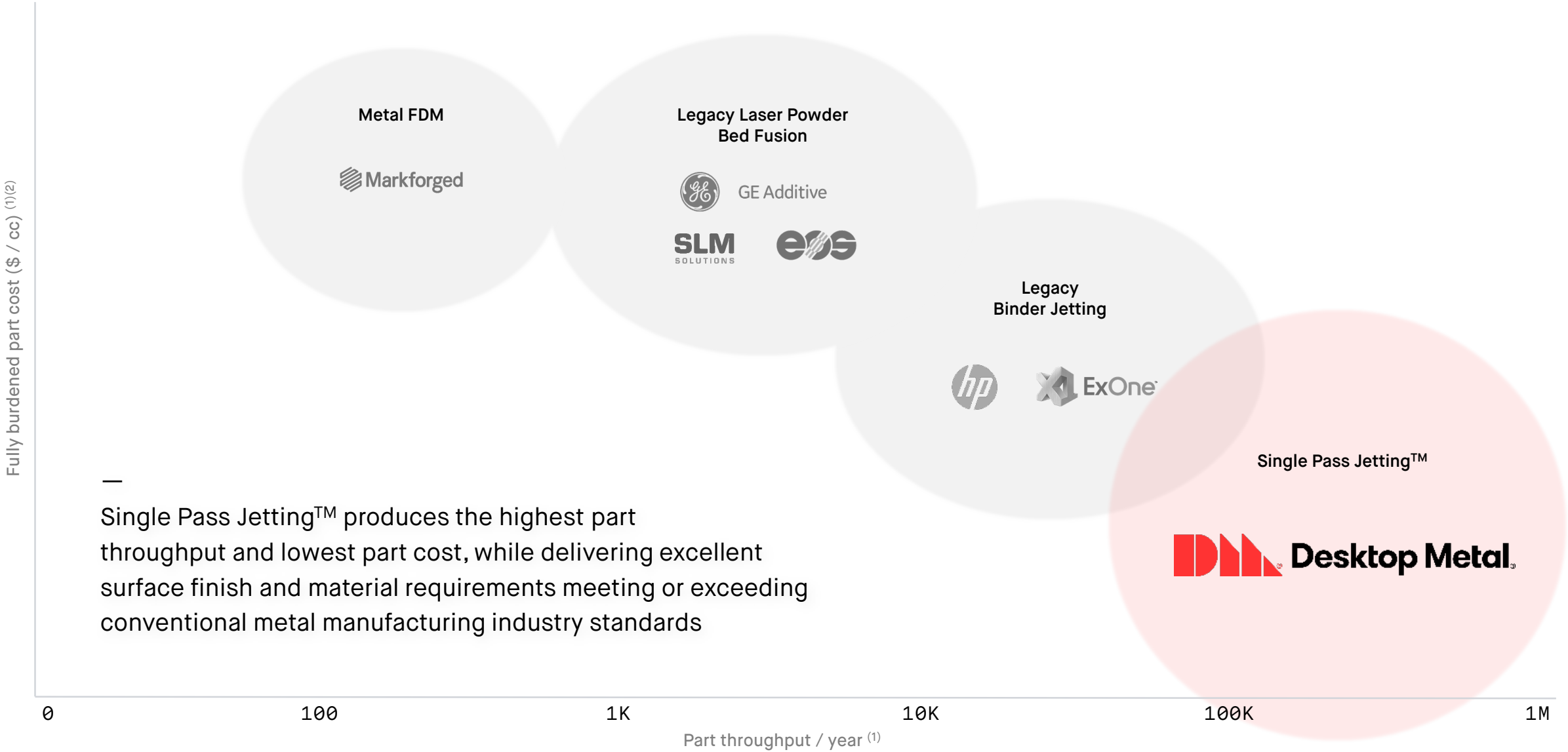
Metal AM technology comparisons

Single Pass Jetting™ is most suitable for true manufacturing environments with the highest throughput, lowest part costs & best-in-class part quality

	Metal FDM	Legacy Laser Powder Bed Fusion	Legacy Binder Jetting	Single Pass Jetting™
Representative companies	Markforged	GE Additive, SLM Solutions, EOS	HP, ExOne	Desktop Metal
Throughput (Parts / year) [1]	100's	100's – 1,000's	1,000's – 10,000's	Up to 100,000's
Print technology	Vector-based	Vector-based	Area-wide (sequential)	Area-wide (single pass)
Print speed [1]	Up to minutes per layer	Up to 1+ minute per layer	Up to 20+ seconds per layer	< 3 seconds per layer
Part density [2]	Up to 98%+ (infill)	Up to 99%+	Up to 99%+	Up to 99%+
Post-processing	Print and sinter supports	Print supports (welded to build plate)	No print supports	No print supports
Use case	Prototyping, tooling, jigs & fixtures, low volume production	Prototyping, tooling, jigs & fixtures, low and mid-volume production	Low and mid-volume production	Mass Production

1. Calculated using NIST Additive Manufacturing Test Artifact and print times from competitor build preparation software, published print speed data, and management estimates and using comparable processing parameters.
2. Based on published data.

Single Pass Jetting™ enables cost-effective, mass production



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Single Pass Jetting™ produces the highest part throughput and lowest part cost, while delivering excellent surface finish and material requirements meeting or exceeding conventional metal manufacturing industry standards

1. Calculated using NIST Additive Manufacturing Test Artifact and print times from competitor build preparation software, published print speed data, and management estimates and using comparable processing parameters.
2. Illustrative fully burdened part costs based on part throughput and material and printer equipment costs.

Increasing customer adoption at scale

Select customers

Celgene, Evonik, Mayo Clinic, Ford, 3M, Boeing, Nissan, Toyota, Cleveland Clinic, Goodyear, BMW, Maclean-Fogg, Continental, Hyundai, Dow, LG, Northwestern University, GE, adidas, Michelin, Oak Ridge National Laboratory, John Zink Hamworthy Combustion, Volkswagen, Saint-Gobain, MITRE, NC State University, Capture Dental Arts, QSR, Owens Corning, University of Maryland, Johns Hopkins University, Delta, Medtronic, America's Navy Forged by the Sea, U.S. Army, Wright-Patterson Air Force Base, ArcelorMittal, Bosch, Ocean Ceramics, Stanley Black & Decker, Renault, Purdue University, Hasbro, Moen, Ontario Power Generation, Weir, Google, APG Alpha Precision Group, Jade Groupe, Harvard University, Autodesk, U.S. Department of Veterans Affairs, Georgia-Pacific, Lockheed Martin, amazon, DG Dental Services Group, 64 Audio, kolb design technology, Shinola, Microdental Laboratories, smile Direct Club, cetim, Senhear, Mattel, Stuller, Cartier, Milwaukee, Indicate Technologies Metrology Driven, OralArts, Factory Solutions, MIT Lincoln Laboratory, Savage Arms, Graff, Atlas Copco

Customer testimonials

Customer	**PGV Industries**
System	Shop System™
Application	End-use components for downhole drilling

"In the energy sector, time is a critical resource. With the Shop System, we can produce complex parts with a much shorter lead time – without the costs and delays of custom fixtures, tooling or time-consuming machining operations. High speed binder jetting is a gamechanger for downhole tool components, delivering engineering design freedom and business agility." –Ramon Perales, President

Customer	3DComposites
System	Envision One
Application	Polymer end-use components for commercial aircraft

"EnvisionTEC enabled our company to produce very accurate, high quality parts with a speed that is unheard of. With a jig and fixture, we can make 10 flyaway parts – with the Envision One we can make 10,000 flyaway parts. We have been extremely happy with the quality of the finish as well as the accuracy. We're looking forward to EnvisionTEC helping us grow our business because it opens a lot more doors." –Kim Gustafson, Vice President

FORUST

Luxury interiors | Architecture | Consumer goods | Furniture

Forust was founded to make high-volume wood 3D printing affordable, reliable & sustainable

- Leverages a new, sustainable process for volume production of end-use wood parts via fully digital workflow and inventory
- Upcycles traditional wood byproducts – lignin and sawdust – from the 15 billion trees cut down each year[1]
- Targeting the $1.3 trillion global finished wood products market[2]
- Leverages Desktop Metal binder jetting solutions – Shop System and RAM

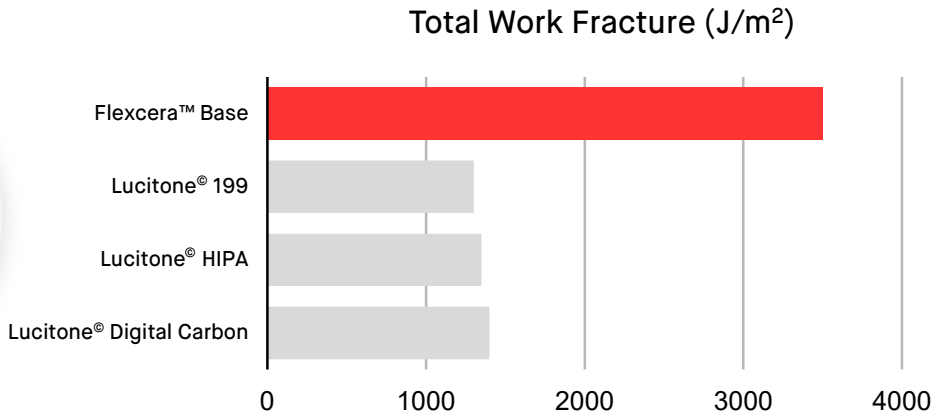
1. Nature; “Mapping Tree Density at a Global Scale” vol. 532, April 14, 2016.
2. Research and Markets; "Global Finished Wood Products Industry (2020 to 2027), Market Trajectory & Analytics", September 16, 2020.

Desktop Health: Dental growth & Flexcera™ launch

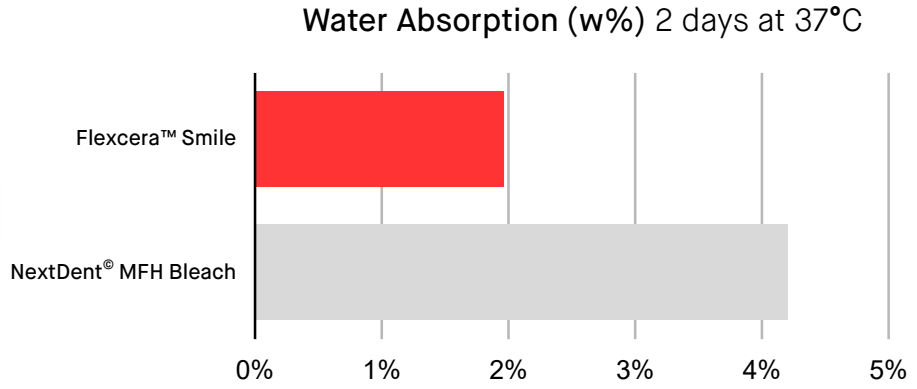
- Q1'21 dental shipments increased 64% y/y, with strong demand for D4K Pro & Envision One printer platforms
- Launched Flexcera™ as the first major product line from Desktop Health
  - Proprietary solution used to create 3D printed dental prosthetics and dentures
  - **Flexcera™ Smile** – FDA-cleared Class 1 medical device for the 3D fabrication of lifelike denture teeth with realistic translucency
  - **Flexcera™ Base** – FDA-cleared Class 2 medical device for the 3D fabrication of premium denture bases / gums
  - 6 colors each to ensure the most natural look for patients and their smile

Flexcera™ resists fracture & moisture 2-3x better than competition

~3x
More resistant to fracture



~2x
More resistant to water



1. Fracture resistance defined by Flexcera Base work of fracture (J/m2) vs. published work of fracture for comparable high-impact denture solutions (Lucitone Digital Carbon and Lucitone HIPA); Moisture resistance third party tested for Flexcera Smile vs. NextDent MFH Bleach, 2021 (results on file).

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

Desktop Metal + Adaptive3D

Accelerating high-volume, end-use parts for the rapidly expanding printed elastomer market

Desktop Metal

- Industry leading AM 2.0 printer solutions
- Speed & throughput
- Economics
- Accuracy & quality

ADAPTIVE 3D

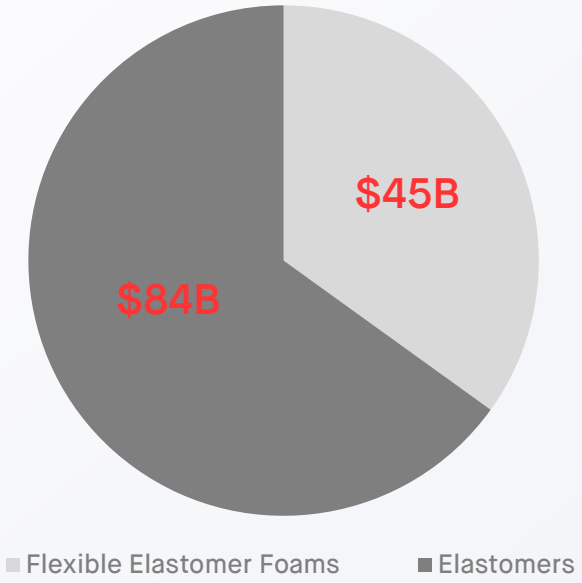
- World's best printed elastomers
- Rubbers, polyurethanes & silicones
- Superior toughness, tear strength & elongation
- Funded by DARPA, Covestro, Arkema, West, Applied Ventures, and Royal DSM

Industry applications with large addressable markets

Large and growing elastomer market[1]

$129B

Elastomer market opportunity



Representative customers

BOSE · Nike · oculus · Dustless Technologies · Honeywell · Weatherby · SHAPEWAYS · Baxter · UT Southwestern Medical Center · Serta Simmons Bedding · SAFRAN AEROSPACE·DEFENCE·SECURITY · RAMACO CARBON · HRL LABORATORIES · ROGERS™ · VA HEALTH CARE Defining EXCELLENCE in the 21st Century · HUTCHINSON®

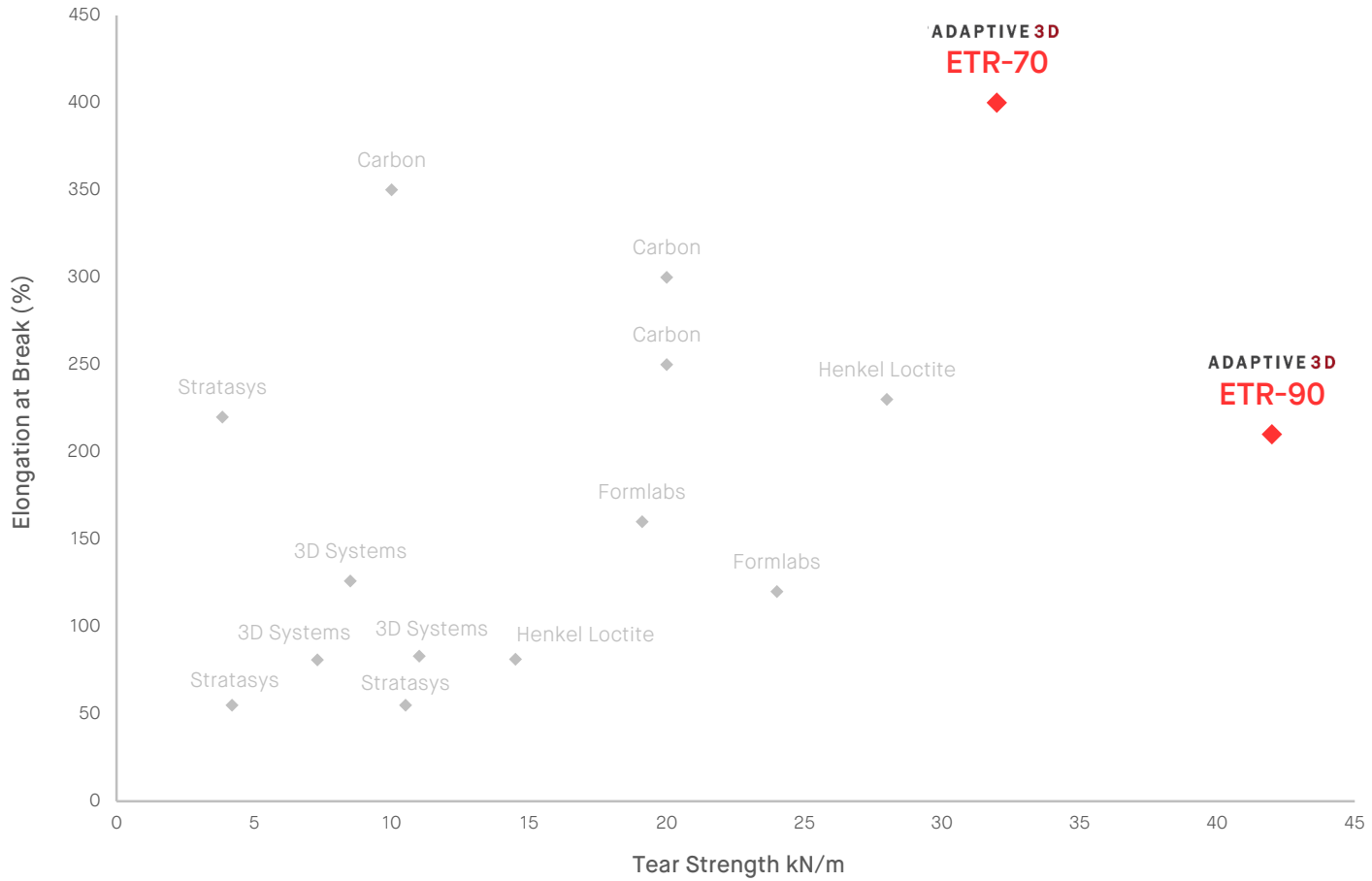
1. Source: Markets and Markets 2020; Allied Market Research 2020

Best-in-class elastomer materials performance

The world's best printed elastomers

- Industry-leading tear strength
- Flexible, tough, and odorless
- Superior elongation (up to 400%+)
- Broad range of Durometer (Shore A 20-90)
- One-part, one-pot system
- Rapid post-processing

Adaptive3D elastomers outperform the competition



Source: data derived from publicly available technical data sheets for commercially available comparable elastomer materials.

Elastic ToughRubber case study

Customer	**Dustless Technologies**
Location	Price, Utah
Applications	Dust collection & control products
Challenge	Reduce reliance on expensive and time-consuming custom tooling to improve lead times, increase ability to make quick adjustments to part design, and enable volume flexibility to keep part costs low

Solution

Solution	**Elastic ToughRubber 90**
Benefits	• Reduced time to modify and deliver parts design requests from months to just days, at no extra cost • Eliminated expensive tooling costs • Matched property requirements and performance of previously injection molded rubber parts • Customer was able to transition over 15,000 previously injection molded assemblies to ToughRubber

"This is a total market disruptor and it wouldn't have been possible without so many working together to supply great products at a mass scale."
– Spencer Loveless, CEO, Dustless Technologies

Financial Summary

First quarter 2021 financial highlights

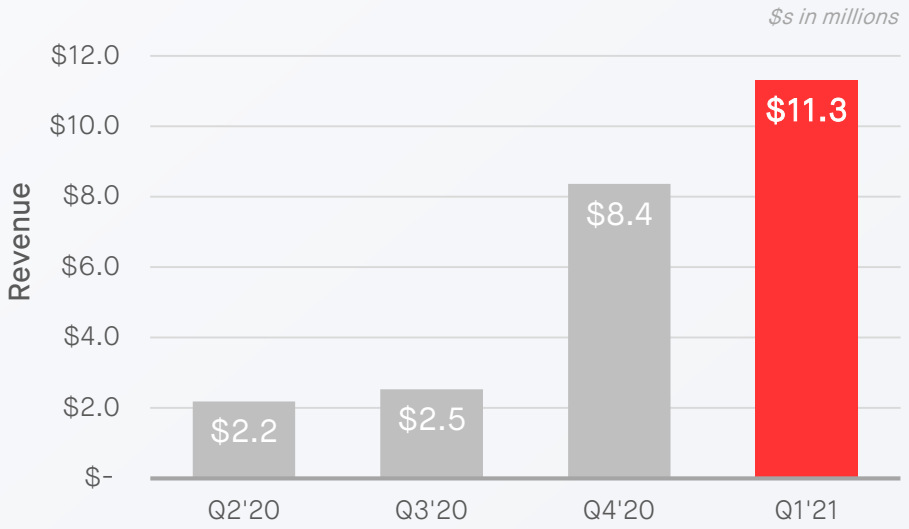
First quarter 2021 results

First quarter
Ended March 31, 2021

- Revenue of $11.3 million
  - Up 35% from fourth quarter 2020
  - Up 234% from prior year
- Strengthening Gross Margin contribution
  - Non-GAAP Gross Profit up $3.3 million from prior year
- Adj. EBITDA of ($19.4) million
- Employee count grew to 470+ people, from 180 in May 2020

Liquidity highlights

- Cash, cash equivalents and short-term investments of $572.2 million as of March 31, 2021
- Completed redemption of all outstanding public warrants, contributing $170.7 million



Full year 2021 outlook

- Full year 2021 revenue in excess of $100 million
- Exit 2021 with an annualized revenue run rate of $160 million
- Adjusted EBITDA of $(60) million to $(70) million

Q&A

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 metals, composites, polymers, ceramics, wood, and elastomers including 225+ qualified materials
- Defensible, technology platform including printers, software, and materials with 300+ patents issued & pending

03 Global distribution capabilities:

- Prolific, global distribution in 65+ 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.

Appendix

Reconciliation to non-GAAP measures

(Dollars in thousands)	Three months ended	
	March 31, 2021	March 31, 2020
GAAP gross margin	$ (587)	$ (2,819)
Stock-based compensation included in cost of sales	117	100
Amortization of acquired intangible assets included in cost of sales	1,091	–
Non-GAAP gross margin	**$ 621**	**$ (2,719)**

Reconciliation to non-GAAP measures

(Dollars in thousands)	Three months ended	
	March 31, 2021	March 31, 2020
Net loss attributable to common stockholders	$ (59,108)	$ (21,804)
Interest (income) expense, net	(42)	(478)
Income tax benefit	(27,920)	–
Depreciation & amortization	3,892	2,321
EBITDA	**(83,178)**	**(19,961)**
Change in fair value of warrant liability	56,576	–
Stock compensation expense	2,217	1,259
Warrant expense	–	139
Transaction costs associated with acquisitions	4,984	–
Adjusted EBITDA	**$ (19,401)**	**$ (18,563)**

