



# Desktop Metal Announces Agreement to Acquire ExOne

Conference Call

August 11, 2021

# Forward looking statements

This communication relates to a proposed business combination transaction between Desktop Metal and ExOne. This communication includes 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 this communication, including statements regarding the anticipated benefits of the proposed transaction, anticipated impact of the proposed transaction on Desktop Metal's and ExOne's future results of operations and financial position, the amount and timing of synergies from the proposed transaction, the anticipated closing date, and other aspects of Desktop Metal's and ExOne's operations or results, 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. Each of Desktop Metal and ExOne has based these forward-looking statements on current information and their respective 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 risks and uncertainties, including, without limitation, the following: the impact of the COVID-19 pandemic on Desktop Metal's and ExOne's business, including their suppliers and customers; the effect of the transaction (or announcement thereof) on the ability of Desktop Metal or ExOne to retain and hire key personnel and maintain relationships with customers, suppliers and others with whom they do business; risks that the transaction disrupts current plans and operations; the ability of Desktop Metal and ExOne to consummate the proposed transaction in a timely manner or at all, including the ability to secure regulatory approvals; impact to Desktop Metal's business if the transaction is not consummated; successful integration of Desktop Metal's and ExOne's businesses and realization of synergies and benefits; the ability of Desktop Metal to implement business plans, forecasts and other expectations following the completion of the transaction; risk that actual performance and financial results following completion of the transaction differ from projected performance and results; and business disruption following the transaction. A more fulsome discussion of the risks related to the proposed transaction will be included in the proxy statement/prospectus. For additional information about other risks and uncertainties that could cause actual results of the transaction to differ materially from those described in the forward-looking statements in this communication 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 Form 8-K to be filed by Desktop Metal in connection with the transaction, the Form 10-Q filed with the SEC on August 11, 2021 and such other reports as Desktop Metal has filed or may file with the SEC from time to time. For additional information about risks and uncertainties that may cause actual results of the transaction to differ materially from those described, please refer to ExOne's reports filed with the SEC, including without limitation the "Risk Factors" and/or other information included in such reports. While the list of factors presented here is, and the list of factors presented in the proxy statement/prospectus will be considered representative, no such list should be considered to be a complete statement of all risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Except as required by applicable law, neither Desktop Metal nor ExOne will update any forward-looking statements to reflect new information, future events, changed circumstances or otherwise.

## **No Offer or Solicitation:**

This communication is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.



# Cementing Desktop Metal's leadership in additive manufacturing for mass production

# ExOne at a glance

Pioneer in binder jetting technology and a leader in sand 3D printing with a strong position in metal, metal composite, and ceramics 3D printing.

**26**

—  
Years of experience as a global leader in binder jetting (founded in 1995).

**438**

—  
Installed systems across Americas, EMEA, and Asia.

**28M+**

—  
Estimated parts printed annually across ExOne customers and adoption centers<sup>(1)</sup>.

**45+**

—  
Materials third party or customer qualified and in R&D across metals, metal composites, ceramics, and sands.

**\$49M**

—  
Backlog across direct and indirect metal printers and recurring revenue contracts.

**44%**

—  
Sequential revenue growth in Q2-21 and 30% YoY revenue growth in 1H-21.

# Accelerating the adoption of AM 2.0 for mass production

01

—  
Combination creates a leading metal additive manufacturing portfolio across speed, cost, resolution, and part size.

02

—  
Accelerate materials innovation by leveraging combined materials engineering resources more efficiently.

03

—  
Leverage combined portfolio of sand printing technologies and binders to accelerate adoption in digital castings market.

04

—  
Complementary go-to-market efforts enhance customer reach and global support operations.

05

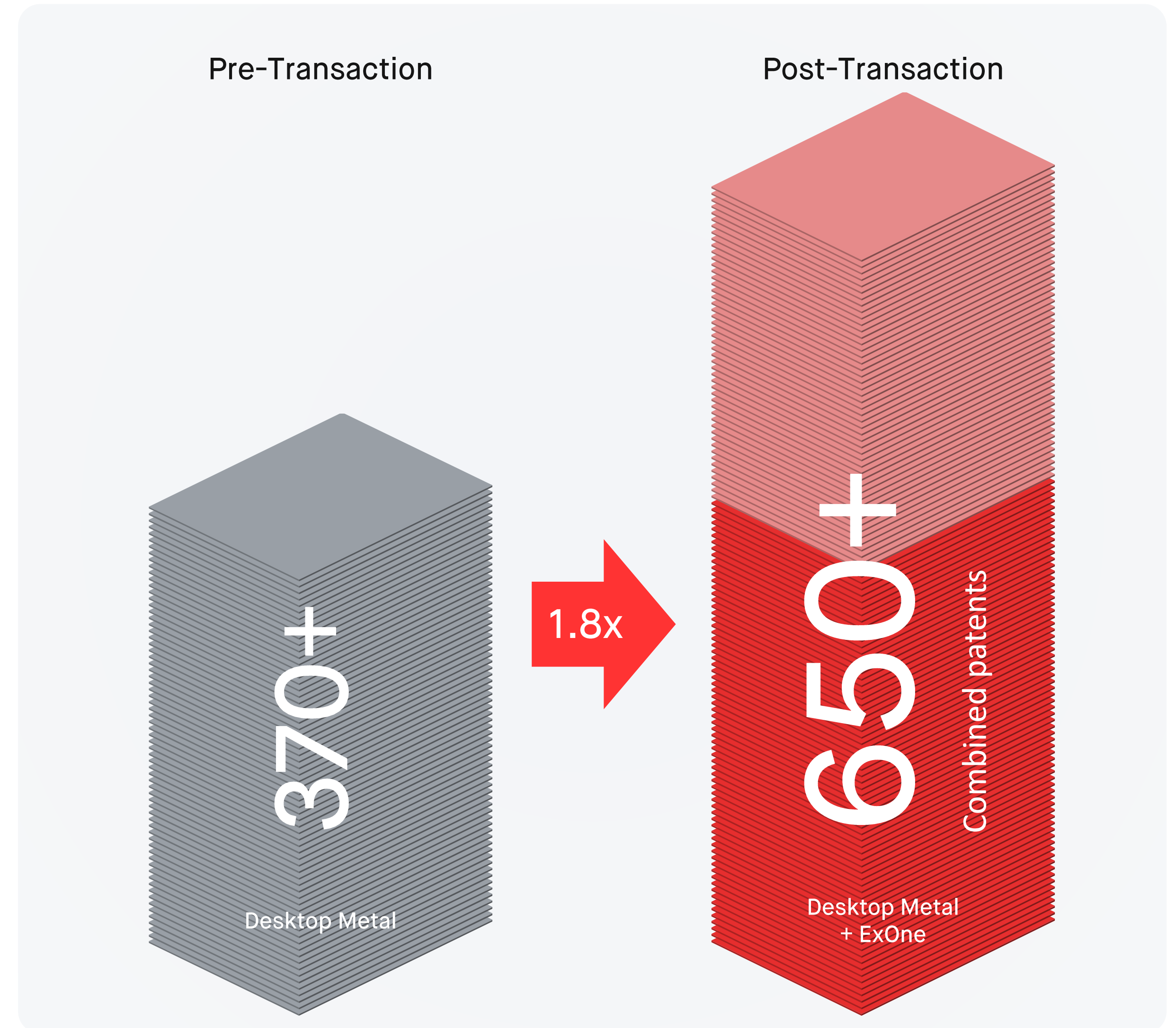
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Margin accretion opportunity through optimization of manufacturing and supply chain efforts.

# Acquisition nearly doubles IP portfolio to over 650 patents

Robust binder jetting IP portfolio, with more than 650 patents issued and pending overall as a result of the acquisition.

## Highlights include:

- Contoured roller technology (Triple ACT)
- Ultrasonic powder dispensing (Triple ACT)
- Advanced recoater technology (Triple ACT)
- NanoFuse™ and CleanFuse™ binders
- Advanced depowdering
- Automated maintenance for sand printing
- AMClad® composite tooling processes
- Printable ceramic inserts
- Select IP on binder jetting carbon materials
- Select IP on reactive material printing
- Select IP on binder jetting of superalloys and aluminum



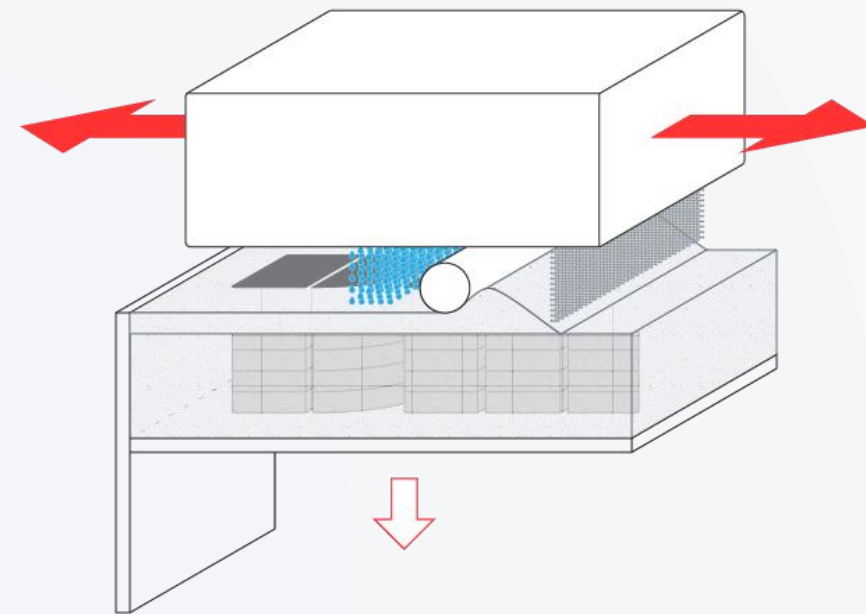
# Customer segmentation through Single Pass Jetting & Triple ACT

Meeting customers' needs across speed, cost, resolution, and part size

Desktop Metal

## Single Pass Jetting™ on P-50

- ~3 seconds per layer
- 490 x 380 x 260 mm
- 1200 native DPI



| Sintered layer thickness | Throughput (e.g. volumetric output rate) |
|--------------------------|--|
| 55 micron                | 12,000 cc/hr                             |
| ...                      | ...                                      |

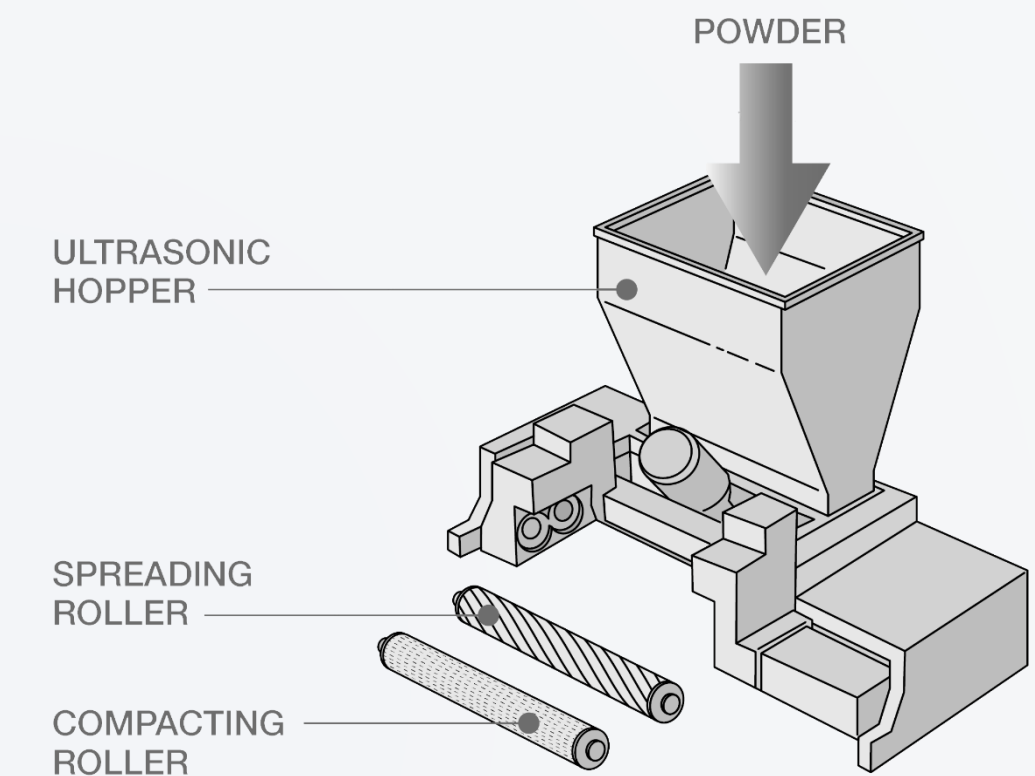
### Key Benefits

- Lower part cost at mass production volumes
- > 4x throughput at equivalent sintered layer thickness

ExOne

## Triple ACT on X1 160Pro

- < 30 seconds per layer
- 800 x 500 x 400 mm
- 400 native DPI

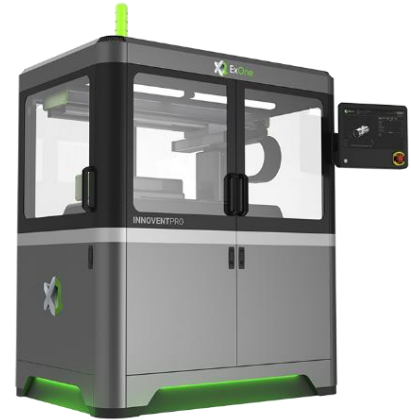


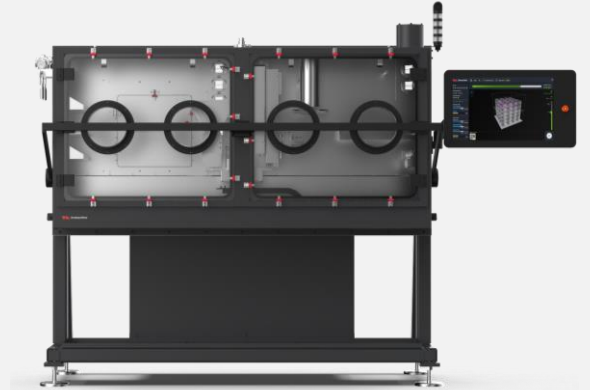
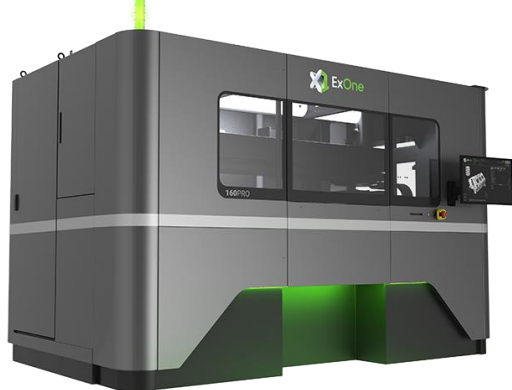



| Sintered layer thickness | Throughput (e.g. volumetric output rate) |
|--------------------------|--|
| 50 micron                | 2,400 cc/hr                              |
| 100 micron               | 4,800 cc/hr                              |
| 200 micron               | 9,600 cc/hr                              |

### Key Benefits

- Customizable print parameters can be quickly tuned to new materials
- Larger build envelope offered

# Leading metal AM portfolio across speed, cost, resolution, and part size

| Turnkey Solutions  |   | Mid-Volume Production Solutions   |   | Mass Production Solutions  |  |
|--|---|---|---|--|--|
| <p>ExOne InnoventPro</p>  <p>+ DM Furnace<br/>+ DM Software</p> | <p>Desktop Metal Shop System™</p>  | <p>ExOne X1 25Pro®</p>  <p>+ DM Software</p> | <p>Desktop Metal Production System™ P-1</p>  | <p>ExOne X1 160Pro™</p>  <p>+ DM Software</p> | <p>Desktop Metal Production System™ P-50</p>  |
| Throughput / Day <sup>1</sup>  |   |   |   |  |  |
| 4 L / day  |   | 15 L / Day  |   | 21 L / Day   |  |
| 21 L / Day   |   | 21 L / Day  |   | 57 L / Day   |  |
| 21 L / Day   |   | 57 L / Day  |   | 247 L / Day  |  |
| Build Box Size   |   |   |   |  |  |
| 3 L or 5 L   |   | 4 L – 16 L  |   | 25 L   |  |
| 4 L – 16 L   |   | 25 L  |   | 1 L  |  |
| 25 L   |   | 1 L   |   | 160 L  |  |
| 160 L  |   | 160 L   |   | 48 L   |  |
| 48 L   |   | 48 L  |   |  |  |

- Complementary technology portfolios fill in the gaps between turnkey solutions and high-performance, mass production offerings
- Product portfolio combines throughput and flexibility to address the full spectrum of applications across speed, cost, resolution, and part size

- Opportunity to evolve ExOne offerings into more turnkey solutions through the addition of Desktop Metal proprietary front-end software (e.g. sintering simulation) and furnace technology
- Portfolio enables combined company to focus more on next frontiers of AM, including full process automation, quality control, and additional scale



# Accelerating the adoption of AM 2.0 for mass production

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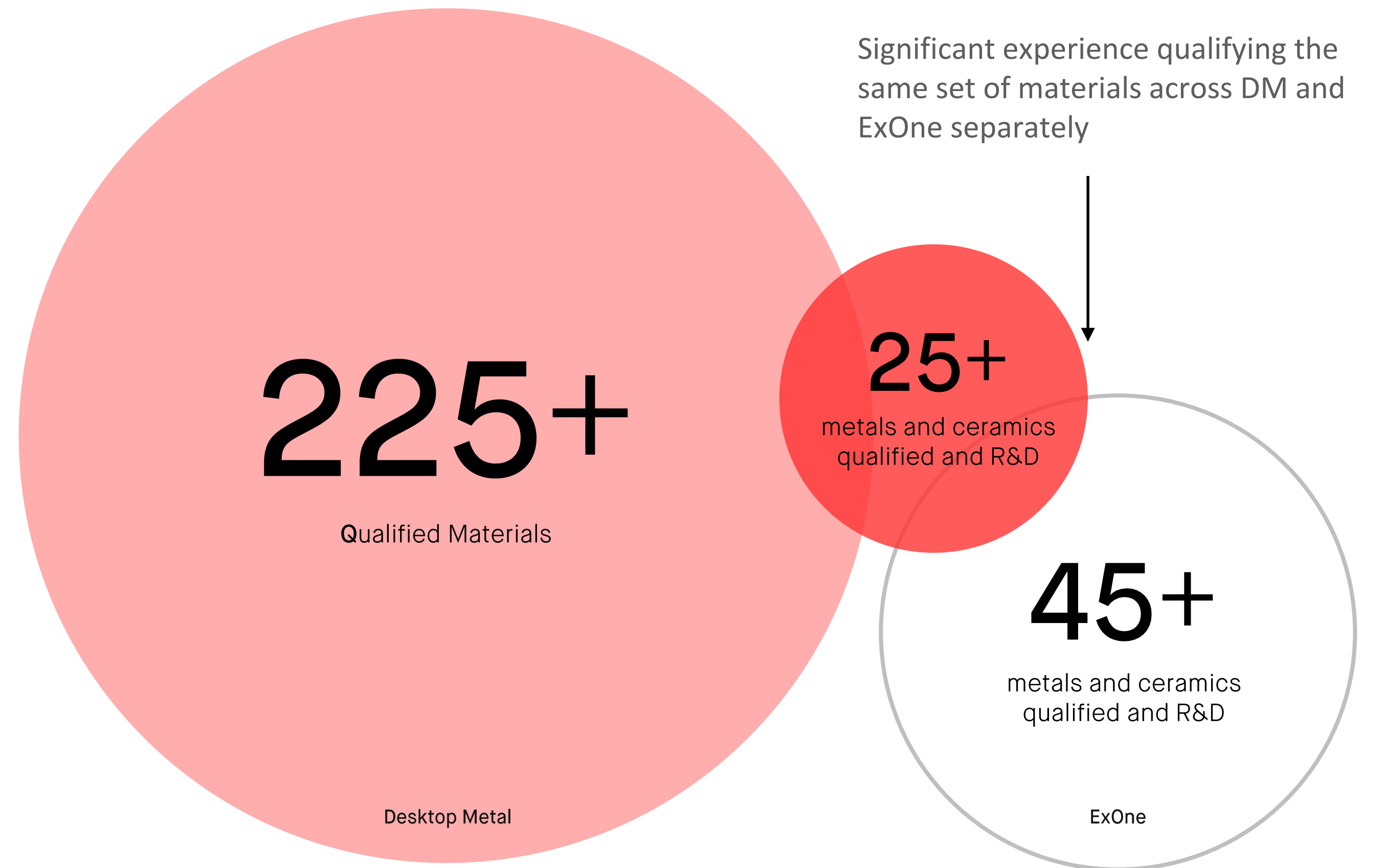
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Complementary go-to-market efforts enhance customer reach and global support operations.

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Margin accretion opportunity through optimization of manufacturing and supply chain efforts.

# Increasing material choice for AM customers



Potential to leverage combined metal materials portfolio across all binder jetting platforms

- Opportunity to accelerate new material introductions by reducing redundant qualification efforts and leveraging the combined materials science expertise and binder technologies
- Provide customers with more choice and address wider range of applications than on a standalone basis
- Continue to grow combined materials science team and more efficiently collaborate for faster innovation
- ExOne adds 23 qualified materials to Desktop Metal's library, now approaching 250 materials
- Additional 50+ materials under R&D across the combined companies

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# Increasing customer choice and offering an unmatched product portfolio in casting

Fewer than 5% of the more than 45,000 foundries globally uses 3D printing<sup>(1)</sup>, with adoption constrained by current technology that is either too slow or too expensive.

As a result of the transaction, ExOne binders and materials would be available in more cost-effective form factors and Desktop Metal single pass technology could be leveraged across ExOne frames to increase productivity.

EnvisionTEC RAM System



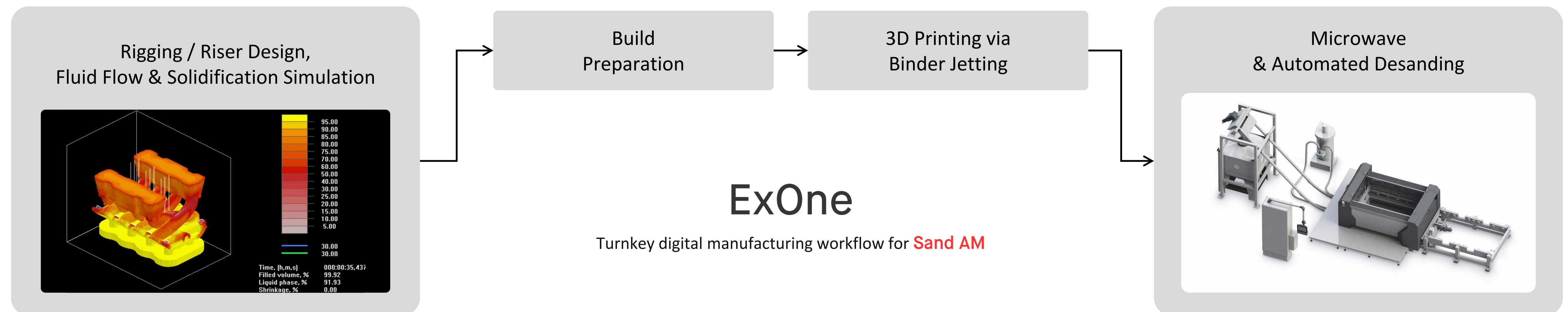
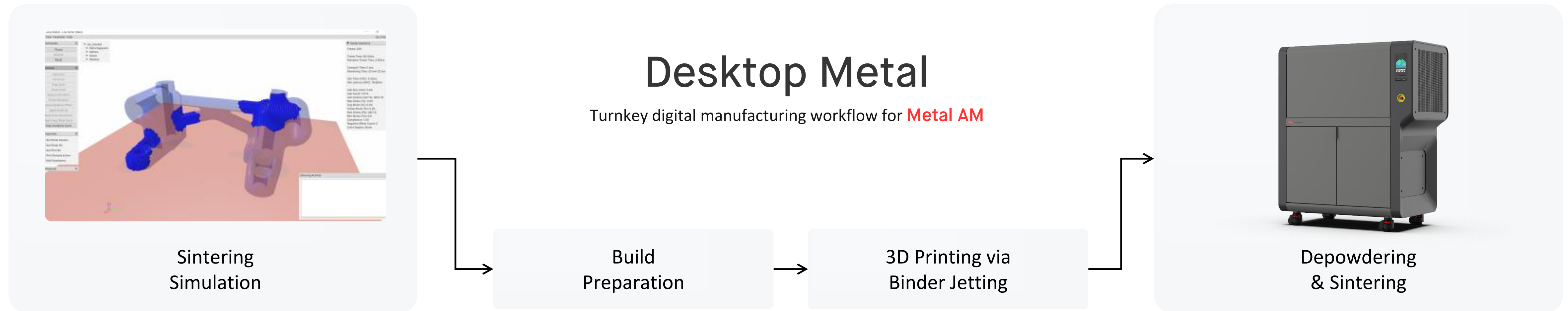
— RAM systems offer the lowest rate of upfront capex per build volume among comparable systems, with speeds up to 3 vertical inches per hour

ExOne Sand Systems (S-Max Pro)

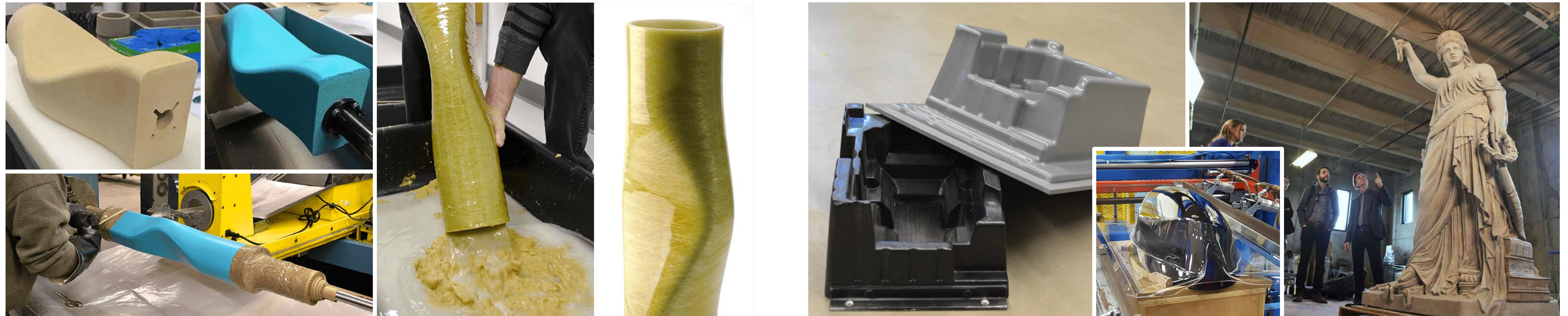


— ExOne premium sand systems, including the S-Max<sup>®</sup> Pro, offer strong part quality and a broad choice of binders and materials

# ExOne adds full digital casting workflows to Desktop Metal sand printing solutions



# Underserved opportunity in large format 3D printed tooling increases addressable market



## Continuous fiber composites tooling

- Leverages ExOne proprietary binders that remain water soluble up to 180 °C
- 3D printed using inexpensive silica or ceramic sand on large format printers
- Easily removed from final components using only tap water – no chemicals necessary
- Sand can be reclaimed and recycled for sustainable re-use.

## AM Clad® Tooling

- Leverage patented infiltration and coating processes for 3D printed sand components
- Withstand high temperatures for hundreds of cycles and reduce lead times with up to 30-50% cost savings
- Ideal for composite layup molding, vacuum forming, sheet metal stamping, and more
- End-use applications in affordable, durable and large designs for outdoor installation

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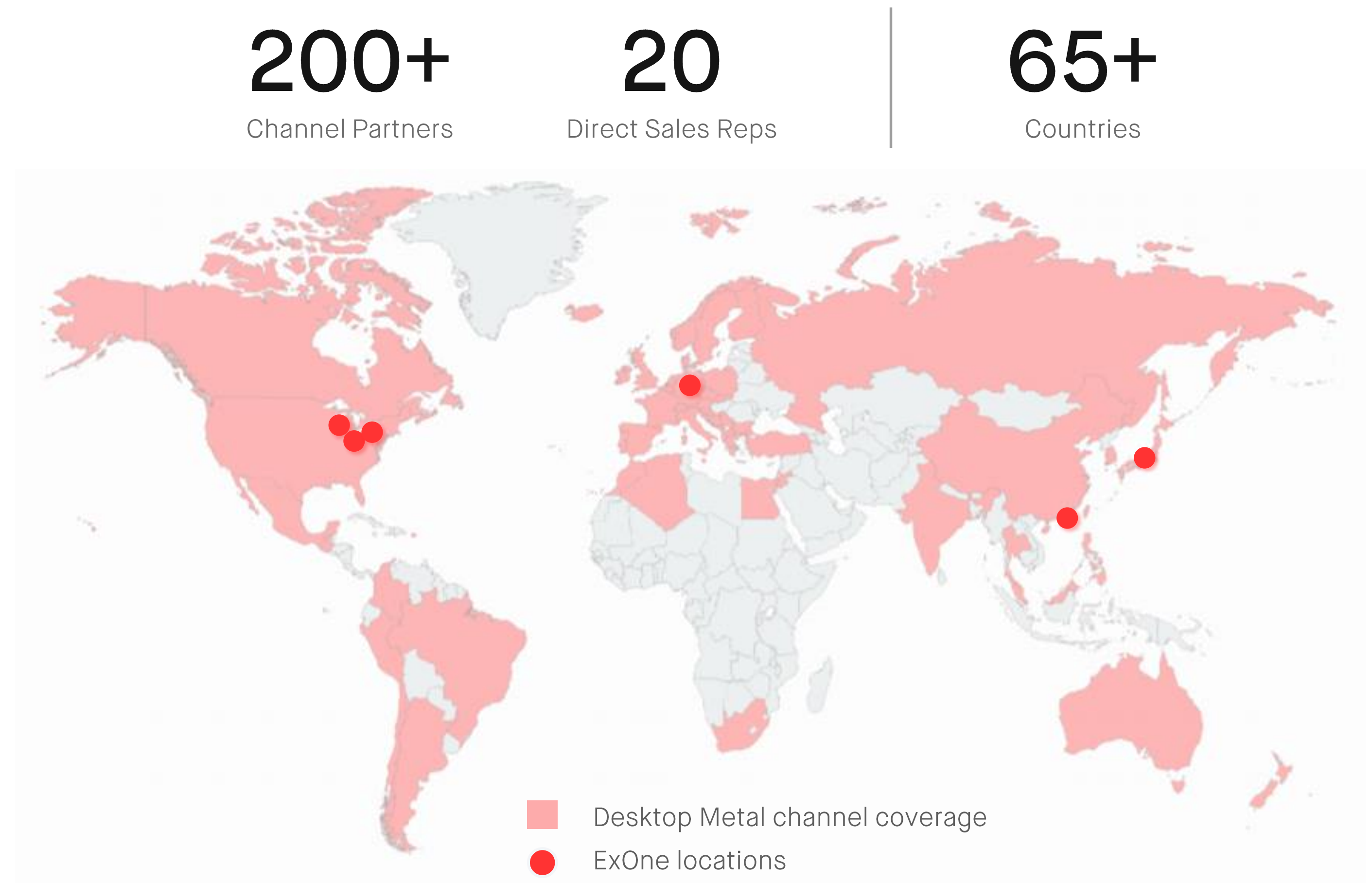
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# Complementary go-to-market efforts enhance customer reach

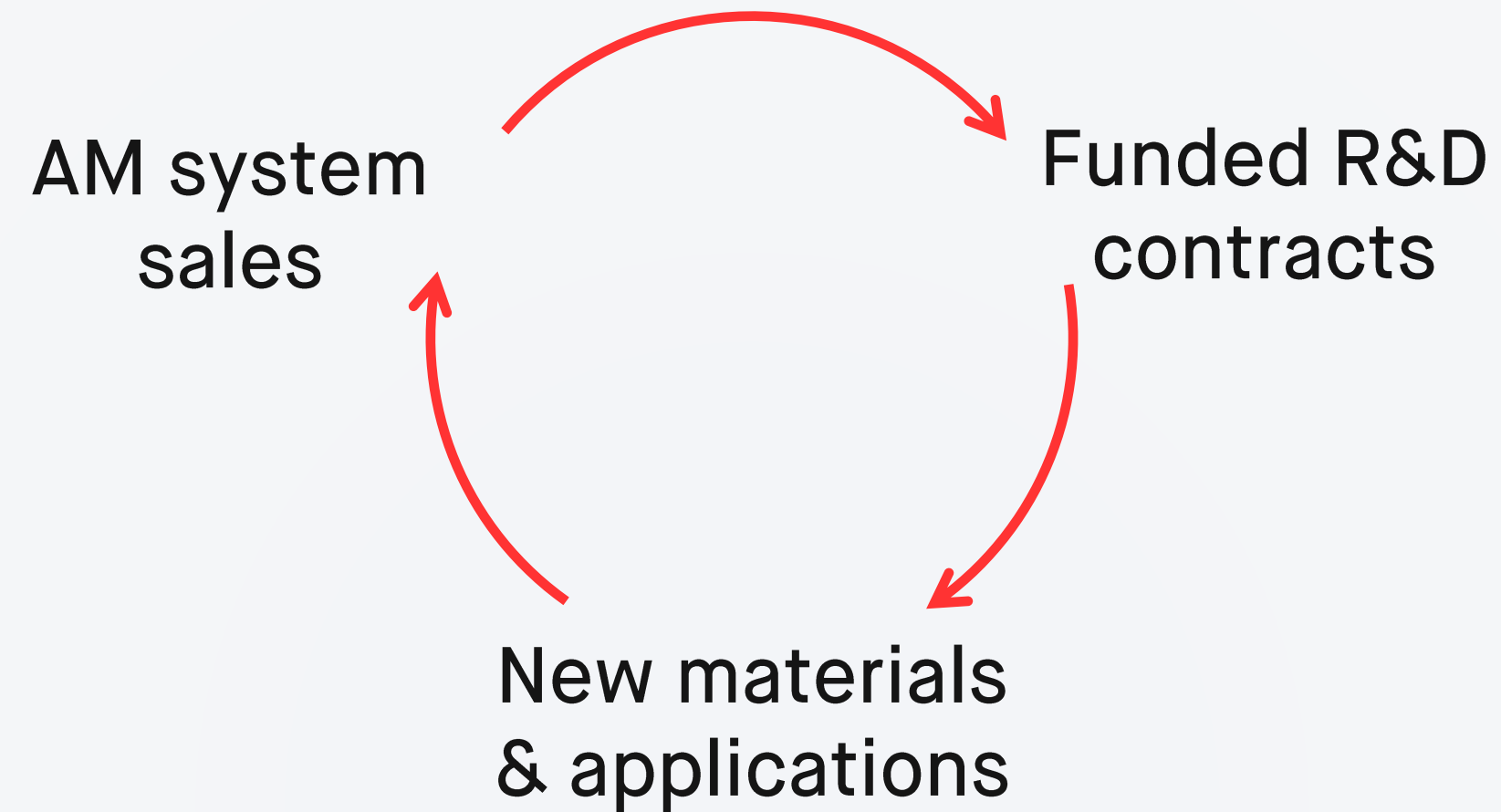
- ExOne's direct sales force supplements Desktop Metal's channel-first philosophy
  - Combination yields wider array of products at ASPs below ~\$400K - \$500K to promote through distribution network
  - Products at higher ASPs with longer sales cycles are well-suited to direct selling that leverages channel partners for lead generation
- More robust global installation & support services across portfolio from entry-level to mass production solutions
- Large existing install base of metal and sand printers for cross-sell and upsell opportunities (including Desktop Metal's photopolymer solutions)

## Combined global distribution network & direct sales force





# Growing, high-value funded R&D business drives new materials and applications



- Large growth opportunity for R&D contract business across commercial and government customer base
- Leverage world-class materials science and application development infrastructure across full product portfolio
- Drives development of new materials and array of applications
- Resource-efficient method for generating leads and expanding addressable market
- Diversification through additional revenue stream

## Selected government R&D contracts



Digitally connected supply chain for 4130 steel alloy parts to accelerate on-demand production of critical parts



**U.S. AIR FORCE**

Qualify AF-9628, a high-strength steel developed by the Air Force for parts 20% stronger than conventional AM alloys at lower costs



Multi-year contract to design and produce high-temperature ceramic heat exchanger with first-of-its-kind material and architecture

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# Opportunity to realize significant cost savings through optimizing manufacturing & supply chain

## Desktop Metal

### Third-party manufacturing

- Enables low-cost architectures for turnkey solutions sold through distribution network
- Provides inventory for shipping products to customers with low lead-times

## ExOne

### In-house manufacturing

- World-class facilities in Germany with capacity and expertise to produce large frame systems
- Well-suited to more complex and higher BOM cost, multi-component systems

**Driving  
Manufacturing  
Excellence**

## 01

Optimize manufacturing across third-party and in-house resources to improve cost structures and realize gross margin accretion

## 02

Acquisition yields larger scale to drive down costs across systems and materials + improved fixed overhead absorption

## 03

Meaningful future synergy opportunities across the organization

# Transaction overview

## Transaction Consideration

- ExOne shareholders will receive \$8.50 in cash consideration and \$17.00 in share consideration of Desktop Metal common stock for each ExOne share, for a total consideration of \$25.50, representing a transaction value of \$575 million, consisting of \$192 million in cash and \$383 million in shares of Desktop Metal common stock
- The share consideration component is subject to an exchange ratio adjustment if Desktop Metal's 20-day VWAP 3 days prior to closing is between \$7.94 and \$9.70. If the 20-day VWAP exceeds the higher end of that range, the exchange ratio will be fixed at 1.7522 per share, and if the 20-day VWAP goes below the lower end of that range, the exchange ratio will be fixed at 2.1416 per share

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## Transaction Support

- Kent Rockwell (ExOne's Chairman of the Board of Directors, former CEO, and largest shareholder) has stated his full support of the transaction, which ExOne's Board has recommended unanimously, and his intention to vote all of his shares in accordance with the Board's recommendation

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## Anticipated Transaction Close

- Anticipated to close in Q4 2021
- Subject to approval of ExOne shareholders
- Subject to satisfaction of customary closing conditions, including applicable regulatory approvals

# Q & A

# Additional information and Where to Find It

In connection with the proposed transaction, Desktop Metal intends to file a registration statement on Form S-4 with the Securities and Exchange Commission (the “SEC”), which will include a preliminary proxy statement of ExOne and a prospectus with respect to shares of Desktop Metal’s common stock to be issued in the proposed transaction (the “proxy statement/prospectus”). INVESTORS AND SECURITY HOLDERS OF DESKTOP METAL AND EXONE ARE URGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. The final proxy statement/prospectus will be mailed to stockholders of ExOne in connection with meeting to be held to request approval of the proposed transaction. Investors and security holders will be able to obtain the documents free of charge at the SEC’s website, [www.sec.gov](http://www.sec.gov), from Desktop Metal at its website, [ir.desktopmetal.com](http://ir.desktopmetal.com), or from ExOne at its website, [investor.exone.com](http://investor.exone.com).

## **Participants in the Solicitation:**

Desktop Metal, ExOne and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information concerning Desktop Metal’s participants is set forth in the proxy statement, filed June 17, 2021, for Desktop Metal’s 2021 annual meeting of stockholders as filed with the SEC on Schedule 14A and on certain of its Current Reports on Form 8-K. Information concerning ExOne’s participants is set forth in the proxy statement, filed April 1, 2021, for ExOne’s 2021 annual meeting of stockholders as filed with the SEC on Schedule 14A and on certain of its Current Reports on Form 8-K. Additional information regarding the interests of such participants in the solicitation of proxies, including direct and indirect interests, in respect of the proposed transaction will be included in the registration statement and proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

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