

Second Quarter 2021 Financial Results Presentation

August 11, 2021



Disclaimers

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Desktop Metal, Inc.'s second quarter 2021 financial results press release and schedules, financial results 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 and Exchange Commission ("SEC"), including without limitation the "Risk Factors" and/or other information included in the 10-Q filed with the SEC on August 11, 2021, the Form S-1/A Registration Statement filed with the SEC on July 12, 2021, 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 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: Q2 2021

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Financial summary

- Revenue growth accelerating — \$19.0 million in Q2 2021
 - Increase of 68% from Q1 2021
 - Increase of 767% from Q2 2020
- Non-GAAP Gross Margin expansion – 25% in Q2 2021
 - Non-GAAP Gross Margin increased 1,950 bps from Q1 2021

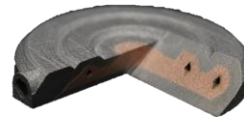
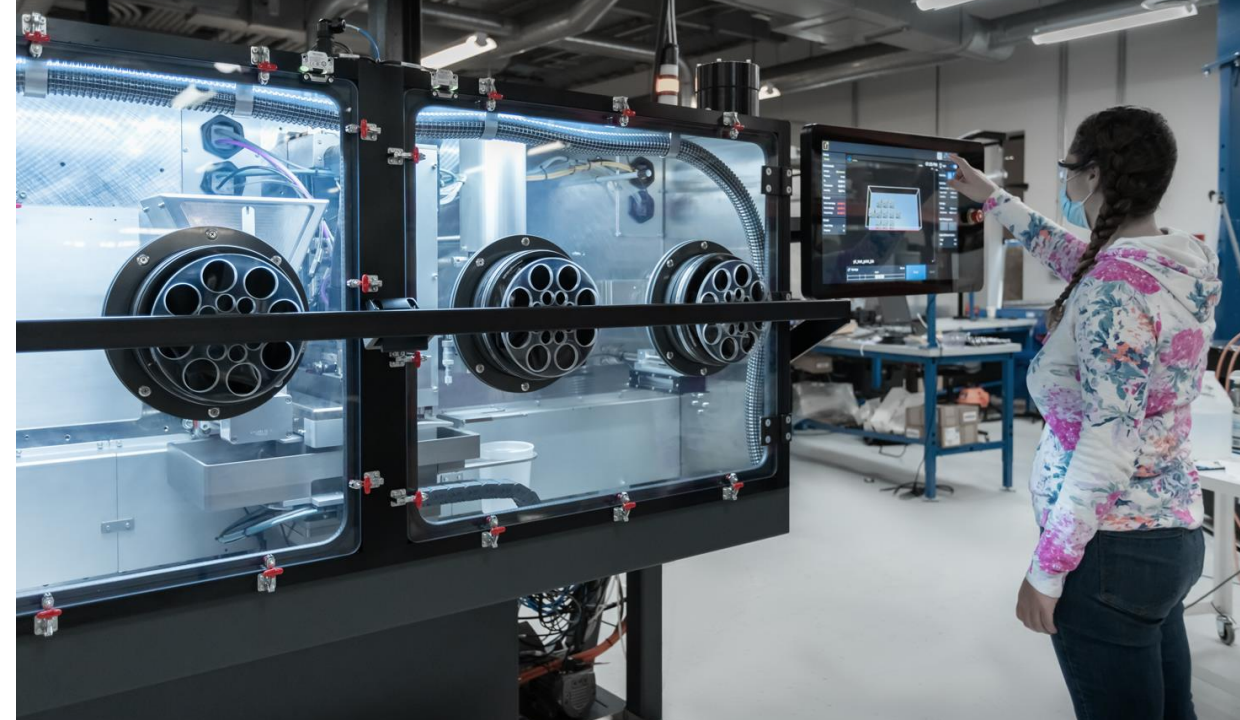
02

Business highlights

- Increasing customer install base – new customers grew 44% sequentially from Q1 2021
- Accelerating metal systems shipments, including strong growth across Production System™ P-1, Shop System™, and Studio System™ 2
- Production System™ P-50 on track to begin shipments in Q4 2021
- Continued material portfolio expansion including Cobalt Chrome, Titanium Ti64, 4140, and 316L in metals; Flexcera™ Smile and FDA Class II cleared Flexcera™ Base in photopolymers
- Forust product launch exceeded all expectations with overwhelming demand
- Acquired Aerosint, adding multi-material capabilities to AM 2.0 portfolio
- Acquired Beacon Bio, adding PhonoGraft™ biofabrication platform to Desktop Health portfolio
- Desktop Health's dental solutions continue strong momentum

Metals acceleration

- New metal customers grew over 100% from Q1 2021
 - Acceleration in metal systems sales, including strong growth across Production System™ P-1, Shop, and Studio shipments
 - Strong q/q growth in P-1 shipments
- Production System™ P-50 on track to begin shipments in Q4 2021
- Rapidly expanding fully-qualified, single-alloy metal materials library
 - Titanium Ti64 for Studio System™ 2
 - 4140 low-alloy steel for Production System™
 - 316L stainless steel for Production System™
 - Large library of additional metals under active development
- Acquired Aerosint, expanding future AM 2.0 applications through multi-material printing
 - Aerosint is the only high-throughput, multi-material powder recoating system in the market
 - Unlocks a range of new use cases for AM
 - Proprietary & patented technology

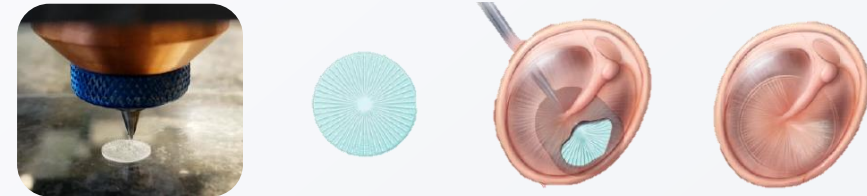


Business update

- Building a talented team of healthcare experts to support several compelling products under development
- Dental business continues to see significant growth
- Added Cobalt Chrome for Shop System™ to expanding dental technology portfolio
- Completed CE certification for Flexcera™ Base and Smile
- Received FDA Class II clearance for permanent indications with Flexcera™ Base

Beacon Bio acquisition

- Adds PhonoGraft™ biofabrication platform to growing healthcare and dental technology portfolio⁽¹⁾
- Technology developed at Harvard University
- Enables 3D printed grafts with potential to support the body's natural healing & regeneration process
- In advanced-stage R&D for an implantable device for eardrum repair and regeneration
- Platform technology may offer pathway for additional high-value healthcare applications



1. PhonoGraft™ technology is not currently available for sale; Desktop Health intends to conduct additional preclinical studies and pursue FDA review.

Increasing customer adoption at scale

Select customers



Customer testimonials

Customer **CHRISTIAN TSE®**

System **Production System™ P-1**

Application **Jewelry and watch designer & manufacturer**



“We chose Desktop Metal for their superior technology in software & hardware. The P-1 System had all the features we were looking for – inert chamber, multiple metals, user defined parameters, high quality build, and flexible load. Printing 50-70 rings under two hours is the tipping point. We are excited to continue our partnership with DM to pioneer precious metal printing.” –Christian Tse, CEO

Customer **PORAL**

System **Shop System™**

Application **Leading precision metal components supplier in France**



“With the Shop System, PORAL is able to deliver breakthrough productivity, precision, and surface quality by combining the flexibility of 3D printing (design freedom, elimination of tooling, and sustainability) with the advantages of powder metallurgy (quality, repeatability, and energy savings). Our products are engineered to withstand the harshest environments, and additive manufacturing via binder jetting is a critical step in advancing the state of the art.” –Denis Pugnet, CEO

Financial Summary

Second quarter 2021 financial highlights

Second quarter 2021 results

Second quarter

Ended June 30, 2021

- Revenue of \$19.0 million
 - Up 68% from Q1'21
 - Up 767% from Q2'20
- Non-GAAP Gross Margin of 25%
 - Non-GAAP Gross Margin up 1,950 bps from Q1'21
- Adj. EBITDA of \$(24.5) million
- Employee count grew to 500+ people, from 171 in August 2020

Liquidity highlights

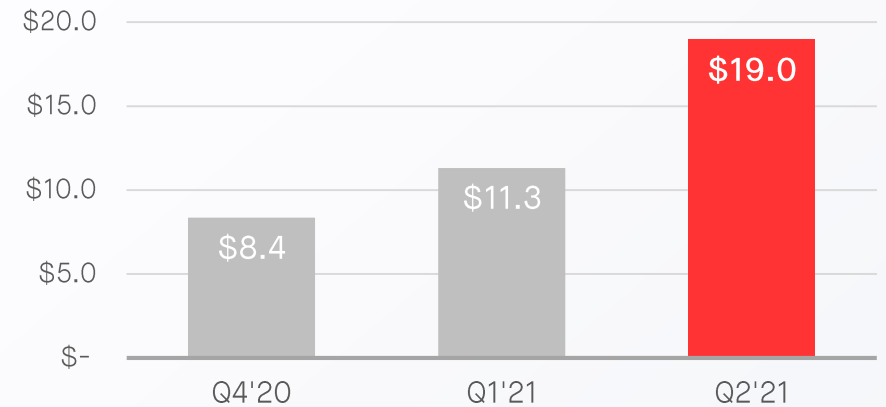
- Cash, cash equivalents and short-term investments of \$514.5 million as of June 30, 2021

Full year 2021 outlook

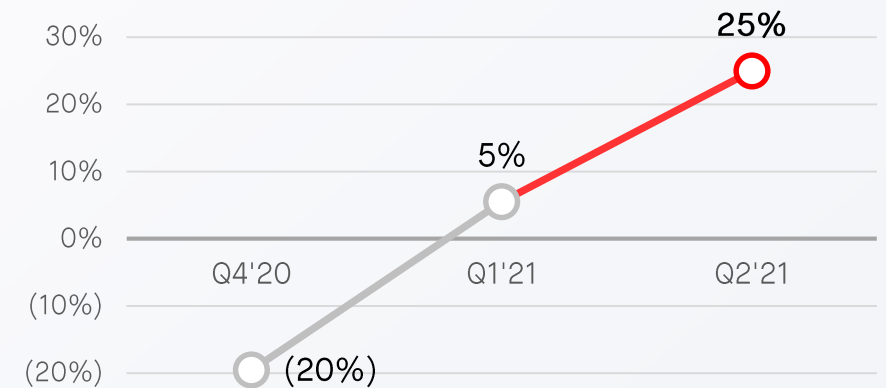
- Reiterating 2021 revenue in excess of \$100 million
- Exit 2021 with an annualized revenue run rate of \$160 million
- Adjusted EBITDA between \$(70) million to \$(80) million

Revenue

\$s in millions



Non-GAAP Gross Margin



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⁾
- Comprehensive and diverse materials library with 225+ qualified materials across metals, composites, polymers, ceramics, biocompatible materials, sand, wood, and elastomers
- 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 – consumables and services generate multiples 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 in addition to 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

<i>(Dollars in thousands)</i>	<u>Three months ended</u>	
	June 30, 2021	June 30, 2020
GAAP gross margin	\$ 2,372	\$ (8,289)
Stock-based compensation included in cost of sales	128	52
Amortization of acquired intangible assets included in cost of sales	2,235	—
Non-GAAP gross margin	\$ 4,735	\$ (8,237)

Reconciliation to non-GAAP measures (cont.)

<i>(Dollars in thousands)</i>	<u>Three months ended</u>	
	June 30, 2021	June 30, 2020
Net loss attributable to common stockholders	\$ (43,180)	\$ (23,766)
Interest (income) expense, net	(140)	(185)
Income tax benefit	(4,317)	–
Depreciation & amortization	5,679	2,154
In-process research and development assets acquired	10,198	–
EBITDA	(31,760)	(21,797)
Change in fair value of investments	(18)	–
Stock compensation expense	3,999	1,074
Warrant expense	–	87
Transaction costs associated with acquisitions	3,329	–
Adjusted EBITDA	\$ (24,450)	\$ (20,636)