

Fourth Quarter & Full Year 2021 Financial Results Presentation

March 8, 2022

Disclaimers

Preliminary Unaudited Results

The financial data presented for the fourth quarter and year ended December 31, 2021 presented in this presentation are preliminary and unaudited and could be subject to change upon completion of the preparation and audit of the company's financial statements. The preliminary financial data has been prepared by management, and the Company's independent registered public accounting firm has not completed its audit or review of such financial information. The Company's independent registered public accounting firm does not express any opinion with respect to this preliminary financial data.

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Desktop Metal, Inc.'s fourth quarter preliminary unaudited 2021 financial results press release, presentation, conference call webcast and related communications contain forward-looking statements within the meaning of Section 27 A of the Securities Act of 1933, as amended, and Section 21 E 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. 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 the acquisition and integration of the business and operations of ExOne and other acquired businesses. 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 Form 10-Q filed with the SEC on November 15, 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, including the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, 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. 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. The presentation of these financial measures is not intended to be considered in isolation, or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We believe that this non-GAAP financial information, when taken collectively, may be helpful to investors in assessing Desktop Metal's operating performance; however, investors are cautioned that there are material limitations associated with the use of non-GAAP measures as an analytical tool. Our computation of these measures, especially Adjusted EBITDA, may be different from computations used by other companies, limiting their usefulness for comparative purposes. 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.



We are #TeamDM. We exist to make production 3D printing accessible to all engineers, designers, medical professionals, and manufacturers.



aidro



Desktop Health



Desktop Labs



#TeamDM Mission:

Enable mass production via AM 2.0 and achieve double digit share of the \$100B+ additive manufacturing market by the end of the decade⁽¹⁾

Financial highlights & outlook

01

Financial Performance

Fourth Quarter 2021

- Revenue – \$56.7 million⁽¹⁾
 - Sequential growth of 123% from Q3 2021
 - Growth of 577% from Q4 2020
 - Broad-based growth across all offerings including record revenue from metal platforms
- Revenue excl. ExOne – \$41.2 million
 - Sequential growth of 62% from Q3 2021
- Non-GAAP Gross Margin – 31%
 - Increased 460+ bps from Q3 2021
 - Sixth consecutive quarter of GM expansion

Full Year 2021

- Revenue – \$112.4 million⁽¹⁾
 - Growth of 583% from 2020
- Revenue excl. ExOne – \$96.9 million
 - Growth of 488% from 2020
- Organic revenue growth of 163% y/y from metal offerings
- Non-GAAP Gross Margin – 27%
- Strong cash balance to end year
 - \$271.7 million in cash

02

FY 2022 Financial Outlook

- Revenue expectation of ~\$260 million
 - Represents ~131% growth over 2021
- Adjusted EBITDA expectation of ~\$(90) million

2021 year in review – major milestones

Building the foundation to achieve double digit share in additive manufacturing

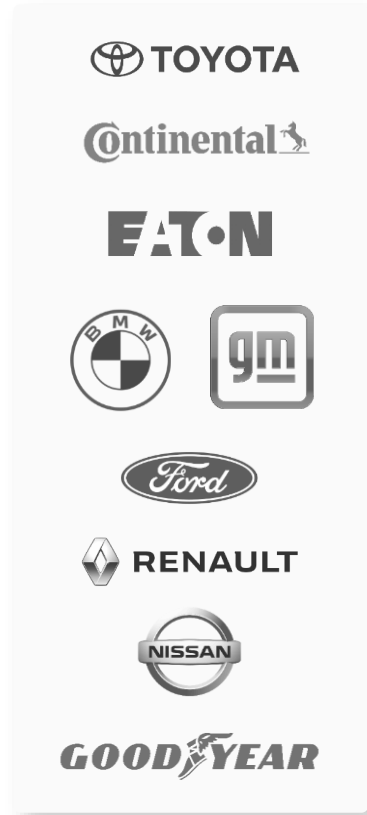
- Completed first year as a public company
- 20 print platforms focused primarily on end-use parts mass production – up from 3 print platforms in Q4'20
- Refreshed portfolio including 9 product launches in the past 5 quarters
- Industry's widest portfolio of end-use materials for mass production via Additive – up 12x from 2020
- Growing customer installed base at scale – up 14x from 2020
- Executed M&A strategy focused on increasing share of AM market and growing leadership in mass production of end-use parts
- Grew IP portfolio to 650+ patents issued and pending – up 5x from 2020
- Launched Desktop Health to focus on patient-specific AM solutions for healthcare and dental
- Launched Desktop Labs, a vertically integrated parts platform for dental & biofabrication
- Launched Forust, a sustainable AM process for volume production of end-use wood parts
- Grew Desktop Metal from 200 to 1,000+ global team members today

Growing customer installed base across the globe

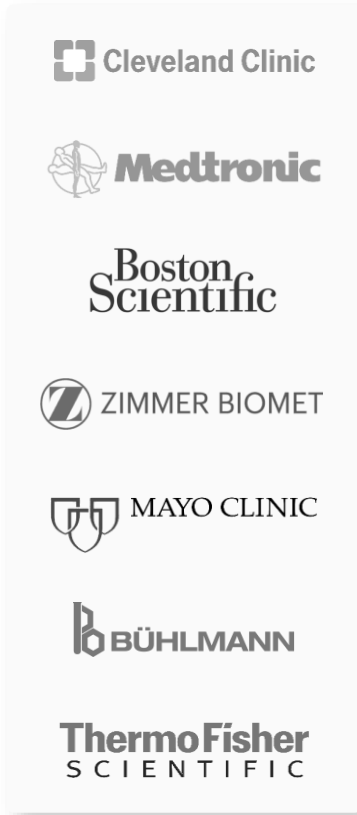
Selected customers across a range of industries



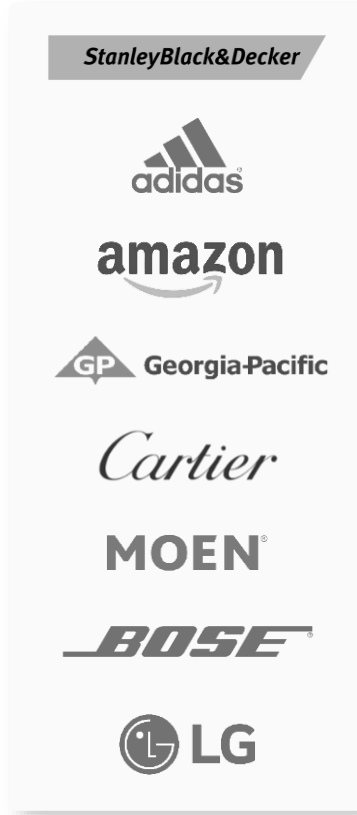
Automotive



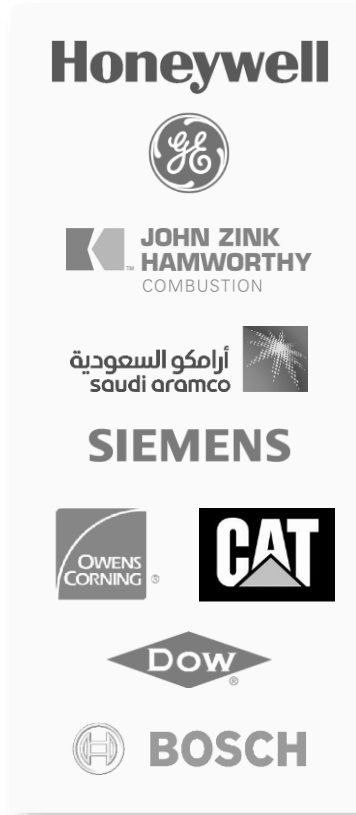
Healthcare & dental



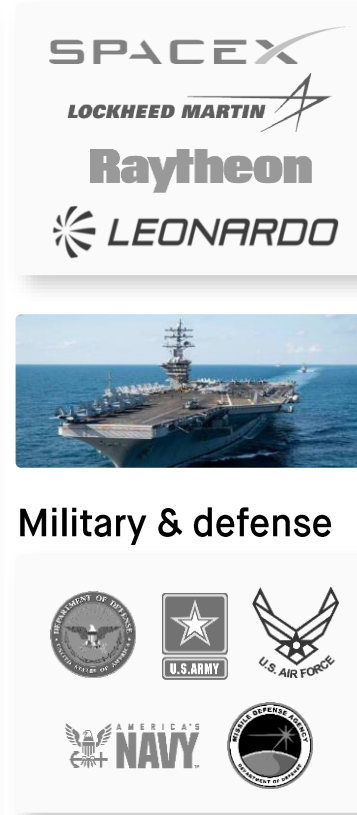
Consumer products



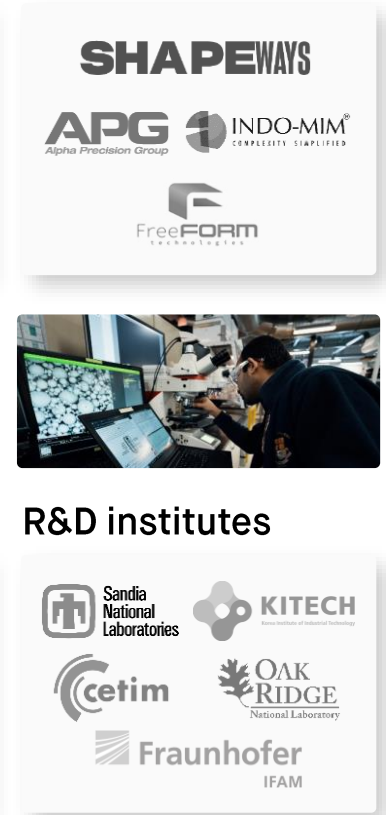
Heavy industry



Aerospace



Mfg services



Strategic priorities for 2022

01

Maintain pace of organic revenue growth, at scale

- Growth focused to capture market share, outpacing additive industry & peers

02

Grow market share across key verticals

- Specific focus in automotive, consumer electronics, and dental & healthcare

03

Land & expand focus on hyperscale customers

- Cultivate & mature applications with strategic accounts that have hyperscale potential within next 3-5 years

04

Demonstrate path to profitability

- Committed to exit 2023 adj. EBITDA breakeven
- Continue annual margin expansion
- Drive operational efficiencies and expense reductions:
 - Portfolio rationalization
 - Expense optimization
 - Consolidation of facilities

05

Focus on managing cash & working capital improvements

- Disciplined capital allocation
- Inventory reduction
- Supply chain synergies

Desktop Metal Industrial

Recent Highlights

- Strong, diversified customer demand across all print platforms
- Extended moat in binder jet, the fastest growing segment in production parts⁽¹⁾
 - #1 metal binder jetting company by market share⁽²⁾
 - Shop System is the #1 selling product in metal binder jetting⁽²⁾
 - Industry's largest portfolio of alloys – dozens of alloys across 7 different print platforms
- Entered industrial photopolymer space
 - Acquisitions of EnvisionTEC (ETEC) and Adaptive3D
 - Launched Xtreme 8K in conjunction with best-in-class portfolio of elastomers
- Acquired ExOne, cementing our leadership in area-wide AM technologies for mass production
 - Focused on integration execution to maximize near- and long-term value of the transaction

2022 Strategic Priorities

- Scale metal mass production solutions
- Continued expansion of Shop System platform across SMEs
- Grow market share of our industrial polymer platform
- Accelerate adoption in digital casting across both high performance and mass market applications
- Strengthen foothold in strategic industrial verticals focused on hyperscale opportunities

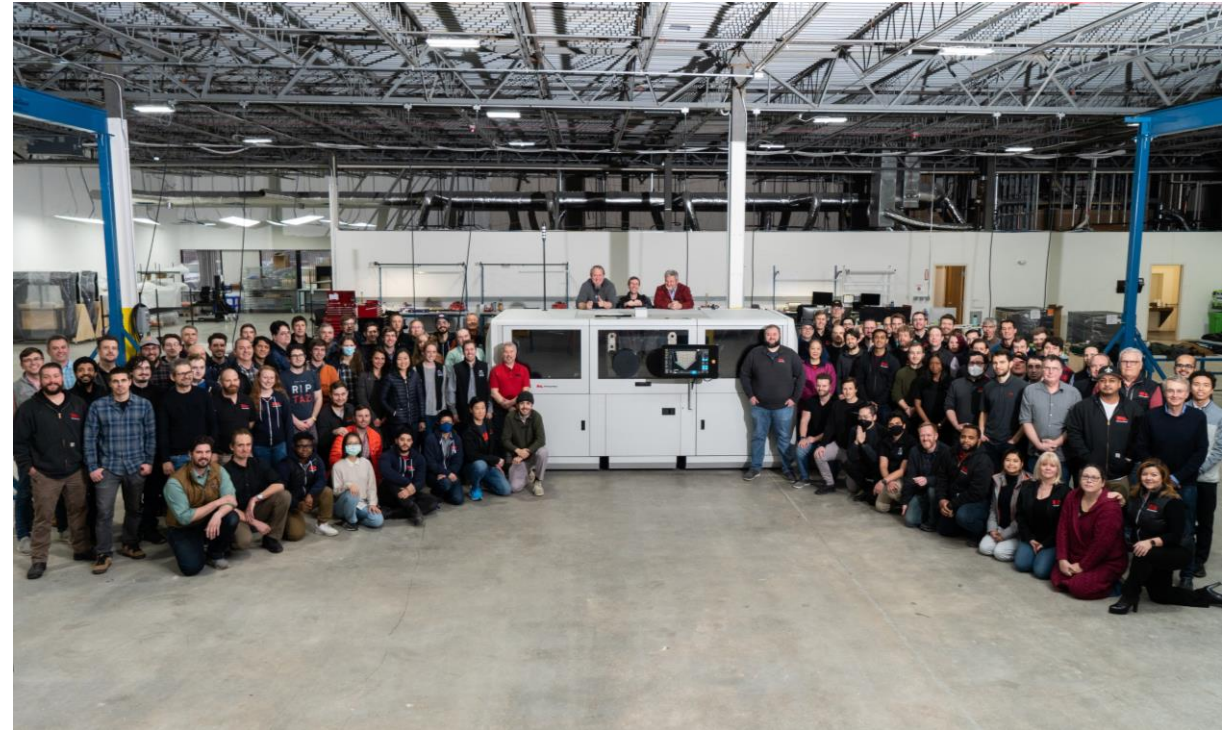


Production System P-50™ Now Shipping



StanleyBlack&Decker

- First Production System™ P-50 unit shipped to Stanley Black & Decker
- Major milestone for Desktop Metal and additive manufacturing industry
- Massive competitive moat
 - 4 year development program and nearly \$100 million total capital invested
 - ~3 seconds per layer and up to tens of thousands of printed parts per day
 - As low as 1/20th the cost and up to 100x the speed of laser powder bed fusion technologies⁽¹⁾
 - Supports a robust materials library including ten qualified metal alloys for metal binder jetting
 - Strong IP portfolio
- Scaling manufacturing to support growth opportunity



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.

Desktop Health

Recent Highlights

- Launched 3 new systems: Einstein™ series of high-precision 3D printers designed for production of end-use dental parts
 - Einstein delivers exceptional speeds and industry leading accuracy
- Launched Flexcera™ Smile Ultra+, an extremely strong hybrid nanoceramic resin for permanent restorations
 - One of the strongest dental resins on the market
 - Received FDA Class II clearance
- Expanded Desktop Labs platform – \$30 billion opportunity⁽¹⁾
 - Digitizing Desktop Lab properties is accretive to our overall margins and accelerates path to profitability
 - Catalyzes growth for chairside printing ecosystem
 - Digital-first and single-visit treatment options improve patient outcomes and dental practice economics

2022 Strategic Priorities

- Accelerate transition of dental industry to Additive leveraging our differentiated hardware & materials
- Focus on growing Desktop Labs platform
- Continue to launch hit products and killer applications in healthcare and dental



Financial Summary

Operating model review

Revenue growth drivers

- Drive accelerated adoption of our portfolio of technology solutions
 - Land customer with an initial 3D printing application and expand across materials or additional systems
 - Leverage cross-selling and upselling opportunities across wider customer base
- Hybrid sales distribution approach
 - Leading global reseller network, complementary direct sales force, and internal support team
- Accelerate sales cycles and expand deal capacity through supply chain rationalization
- Expand go-to-market infrastructure in EMEA and APAC regions

Margin expansion

- Scaling out of overhead costs through top line growth
- Enhance product mix through product rationalization and consolidation
- Grow contribution of high-margin consumables revenue as installed base grows
- Reduce product costs through design changes, multi-sourcing, and volume purchasing
- Optimize manufacturing and supply chains

Operating expense controls

- Greater emphasis on controlling costs to meaningfully decrease expenses as a percentage of revenue over time

Fourth quarter & full year 2021 financial highlights

Fourth quarter & full year 2021 results

Fourth quarter

Ended December 31, 2021

- Revenue of \$56.7 million⁽¹⁾
 - Sequential growth of 123% from Q3'21
 - Broad-based strength across all offerings
- Revenue excl. ExOne of \$41.2 million
 - Sequential growth of 62% from Q3'21
- Non-GAAP Gross Margin of 31%
 - Increased 460+ bps from Q3'21
 - Sixth consecutive quarter of GM expansion
- Adj. EBITDA of \$(25.7) million

Full year

Ended December 31, 2021

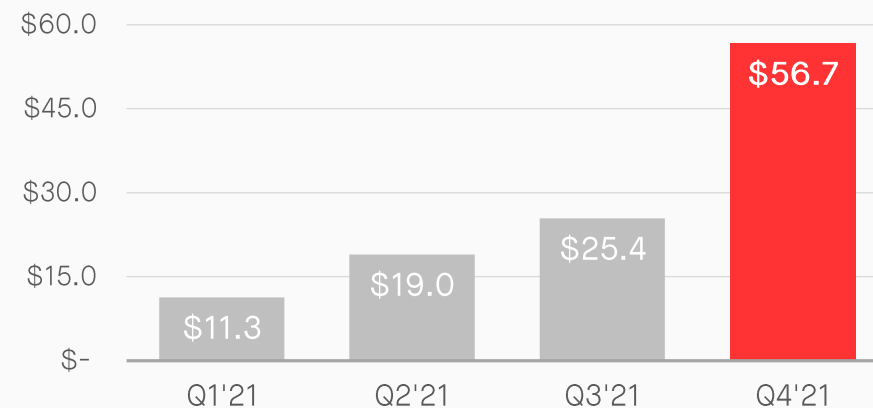
- Revenue of \$112.4 million⁽¹⁾
 - Revenue excl. ExOne of \$96.9 million
 - Organic revenue growth of 163% y/y from metal offerings
- Non-GAAP Gross Margin of 27%
- Adj. EBITDA of \$(96.1) million

Liquidity highlights

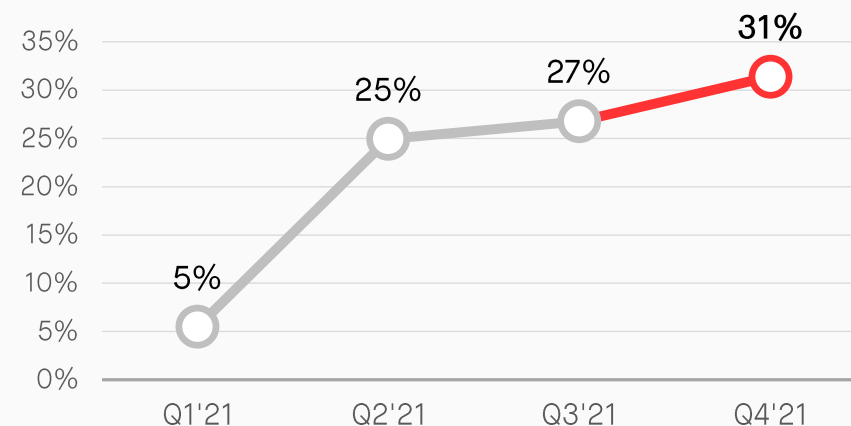
- Cash, cash equivalents, and short-term investments of \$271.7 million as of December 31, 2021

Revenue

\$s in millions

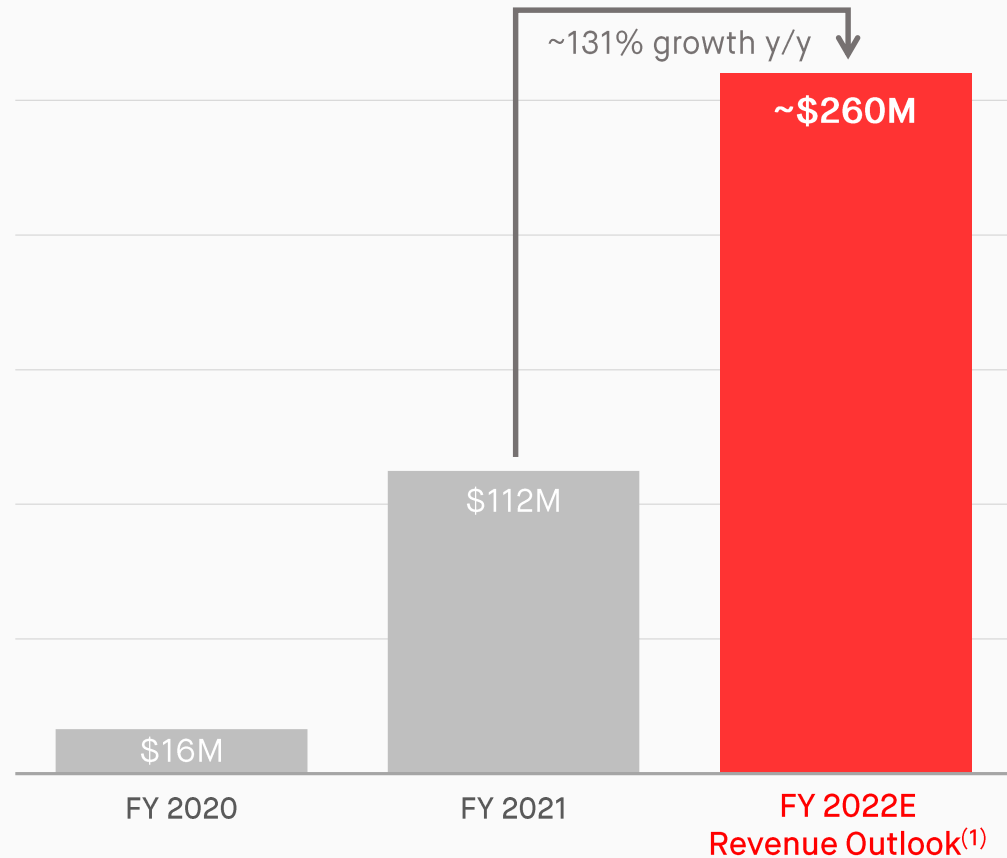


Non-GAAP Gross Margin



2022 financial outlook

Outsized growth at scale



2022 Guidance

- Revenue expectation of ~\$260 million
 - Represents ~131% growth y/y
- Adj. EBITDA expectation of ~\$(90) million

Long Term

- Achieve \$1 billion in revenue by 2025
- Exit 2023 adj. EBITDA breakeven
- Reach double digit share of the additive manufacturing industry by the end of the decade

Q&A

Appendix

Reconciliation to non-GAAP measures

<i>(Dollars in thousands)</i>	<u>Three months ended</u>	
	December 31, 2021	December 31, 2020
GAAP gross margin	\$ 12,554	\$ (1,640)
Stock-based compensation included in cost of sales	431	69
Amortization of acquired intangible assets included in cost of sales	2,626	–
Inventory step-up adjustment in cost of sales	2,194	–
Non-GAAP gross margin	\$ 17,805	\$ (1,571)

<i>(Dollars in thousands)</i>	<u>Fiscal year ended</u>	
	December 31, 2021	December 31, 2020
GAAP gross margin	\$ 18,293	\$ (15,049)
Stock-based compensation included in cost of sales	1,018	290
Amortization of acquired intangible assets included in cost of sales	8,467	–
Inventory step-up adjustment in cost of sales	2,194	–
Non-GAAP gross margin	\$ 29,972	\$ (14,759)

Reconciliation to non-GAAP measures (cont.)

<i>(Dollars in thousands)</i>	<u>Three months ended</u>	
	December 31, 2021	December 31, 2020
Net loss attributable to common stockholders	\$ (71,167)	\$ 31,012
Interest (income) expense, net	(49)	41
Income tax benefit	3,092	(940)
Depreciation & amortization	9,278	2,064
In-process research and development assets acquired	–	–
EBITDA	(58,846)	32,177
Change in fair value of warrant liability	–	(56,417)
Change in fair value of investments	8,289	–
Inventory step-up adjustment	2,194	–
Stock-based compensation expense	12,611	3,778
Warrant expense	–	1,915
Transaction costs associated with acquisitions	10,002	–
Adjusted EBITDA	\$ (25,750)	\$ (18,547)

Reconciliation to non-GAAP measures (cont.)

<i>(Dollars in thousands)</i>	<u>Fiscal year ended</u>	
	December 31, 2021	December 31, 2020
Net loss attributable to common stockholders	\$ (240,334)	\$ (34,015)
Interest (income) expense, net	(334)	(610)
Income tax benefit	(29,668)	(940)
Depreciation & amortization	24,854	8,589
In-process research & development assets acquired	25,581	–
EBITDA	(219,901)	(26,976)
Change in fair value of warrant liability	56,576	(56,417)
Change in fair value of investments	12,475	–
Inventory step-up adjustment	2,194	–
Stock-based compensation expense	28,778	8,006
Warrant expense	–	1,915
Transaction costs associated with acquisitions	23,788	–
Adjusted EBITDA	\$ (96,090)	\$ (73,472)