

First Quarter 2022 Financial Results Presentation

May 10, 2022

Disclaimers

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Desktop Metal, Inc.'s first quarter 2022 financial results press release and schedules, financial results 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. 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-K filed with the SEC on March 15, 2022, 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, non-GAAP operating expenses, 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.

Executive Summary: Q1 2022

01

Financial Performance

- Revenue – \$43.7 million
 - Growth of 286% from Q1 2021
- Non-GAAP Gross Margin – 17.1%
 - Increased 1,150+ bps from Q1 2021
 - Maintaining expectation of non-GAAP gross margin expansion on a full year basis from 2021
- Reaffirming 2022 revenue of ~\$260 million and adj. EBITDA of ~\$(90) million
 - Revenue represents ~131% growth from 2021

02

Business Highlights

- Strong continued progress on Production System™ platform featuring Desktop Metal's Single Pass Jetting™
 - Commenced shipments of Production System™ P-50
 - Installed initial Production System™ P-1 in China at a hyperscale account with technical and commercial developments across multiple sizable opportunities
- Launched all-new S-Max® Flex for affordable and scalable digital sand casting
 - Exciting initial reception and traction on orders
- Strong demand for recently launched Einstein™ series of high-precision dental & healthcare 3D printers

Desktop Metal is a pure-play on supply chain disruption

Our unique mass production capabilities unlock the ability to drive cost-effective flexibility in global supply chains



Decentralized borderless production



On-demand inventory resiliency



Onshoring & localized production



Reduced supply chain complexity

Key Recent Case Studies

—

CASE 01

Department of Defense recently awarded a major sub-contract to Desktop Metal through the Defense Logistics Agency (DLA)

CASE 02

Customers experiencing significant disruption in overseas foundries reshoring parts production to US through cost-effective digital casting

CASE 03

Order increases for 3D-printed hydraulic components via Aidro business due to challenges and delays in customer's current supplier network

CASE 04

Desktop Labs platform expanding capacity as many US dental practices face disruptions and supply chain challenges with traditional network of international dental part suppliers

Introducing the all-new S-Max Flex

Scalable & affordable digital sand casting for AM 2.0

- First product of its kind to cost-effectively enable every foundry to enter 3D-printed digital sand casting
- Scalable, large-format binder jetting system with large print envelope and better tolerances
- Combines ExOne's leading sand printing expertise in process and materials with Desktop Metal's patent-pending Single Pass Jetting™ (SPJ) technology
- Foundries leverage digital casting to quickly cast complex metal designs for the aerospace, automotive, and energy industries, among others
- Over 40,000⁽¹⁾ foundries globally can cost-effectively benefit from digital casting
- S-Max Flex® commercially available now with initial units already installed with customers




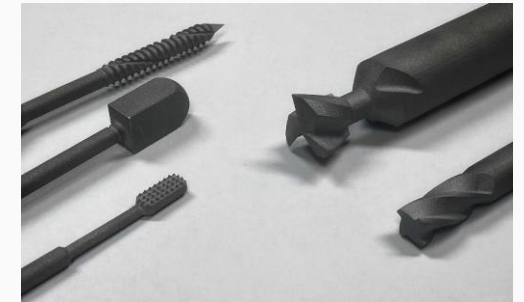
Continued market expansion with marquee customers

Select first quarter 2022 customers



Customer testimonial

Customer	 printerprezz
System	Shop System™
Material	17-4 PH Stainless Steel
Application	Medical device market



- Benefits
- 17-4 PH has proven itself in binder jetting and can produce instruments & trials at a fraction of the cost of Laser Powder Bed Fusion (LPBF)
 - Binder jetting produces hundreds of instruments and trial sizes per day allowing for higher volumes than what's possible with LPBF
 - Speed and low cost allow for recyclable single-use instruments & trials that are desired for their increased performance and sanitation

“Using the Shop System, PrinterPrezz is able to produce high-quality metal parts with exceptional surface finish at a fraction of the cost of traditional additive manufacturing technologies. Ideal for delivering high quality parts with a short production cycle, the Shop System offers us a pathway to new applications such as disposable medical instruments.”

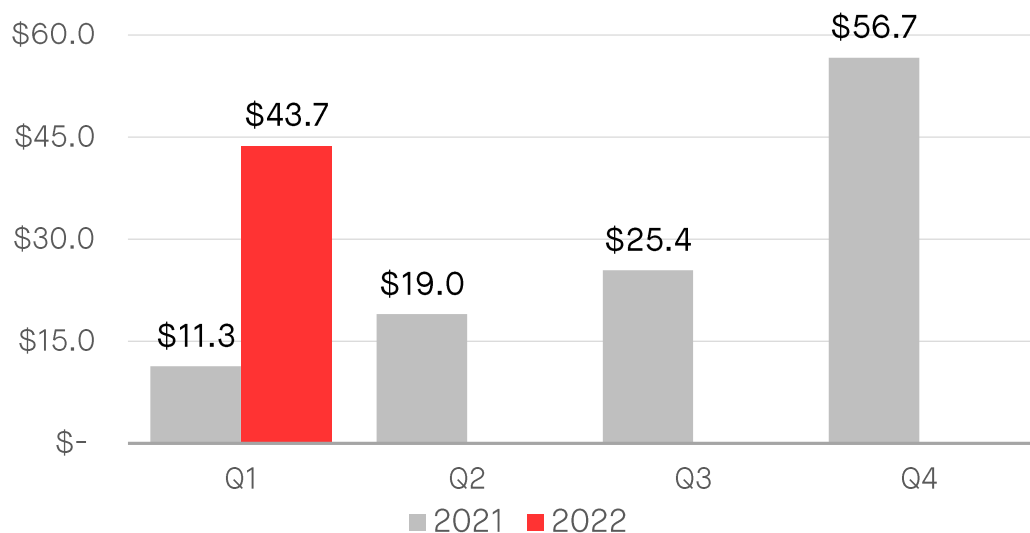
—
Brad Coale, Head of Product Development and Commercialization

Financial Summary

Financial review: Q1 2022

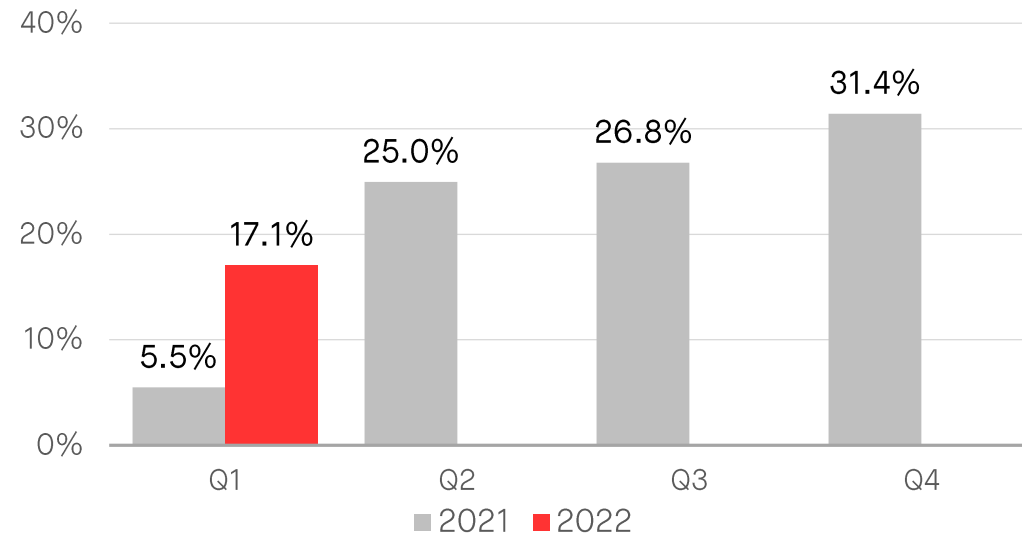
Revenue

\$s in millions



- Revenue of \$43.7 million
 - Up 286% from Q1'21
 - Broad-based growth and contributions from acquisitions
 - Particular strength in metal and dental offerings

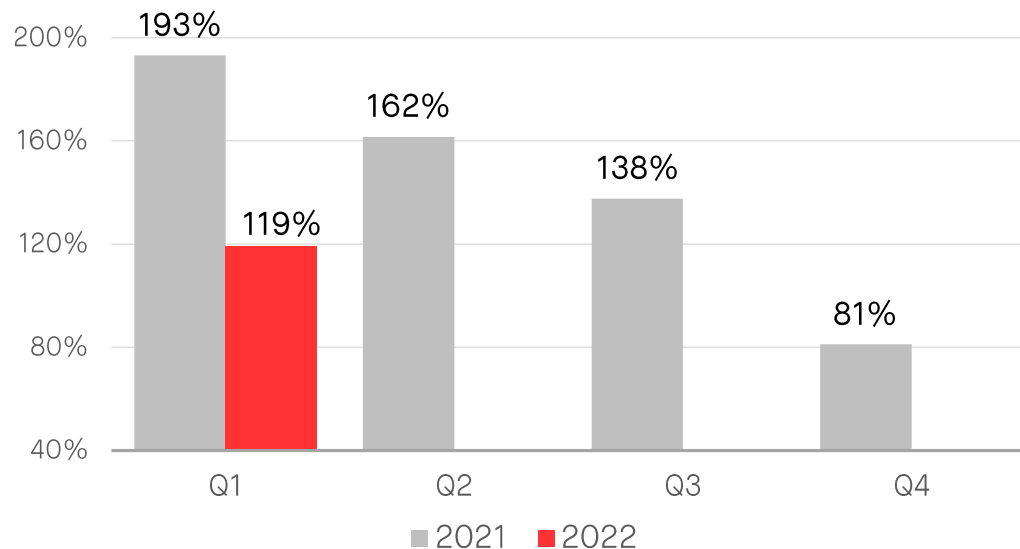
Non-GAAP Gross Margin



- Non-GAAP Gross Margin of 17.1%
 - Increased 1,150+ bps from Q1'21
- Maintaining expectation of non-GAAP gross margin expansion on a full year basis from 2021

Financial review: Q1 2022 (cont.)

Non-GAAP Operating Expenses (% of Revenue)



- Non-GAAP Operating Expenses as a percentage of revenue 119% in Q1'22 vs. 193% in Q1'21
 - Ongoing efforts to moderate expense structure:
 - Expense optimization
 - Portfolio rationalization
 - Manufacturing & supply chain efficiencies
 - Consolidating global facilities footprint
 - Cost synergies from recent acquisitions
- Adj. EBITDA of \$(41.6) million

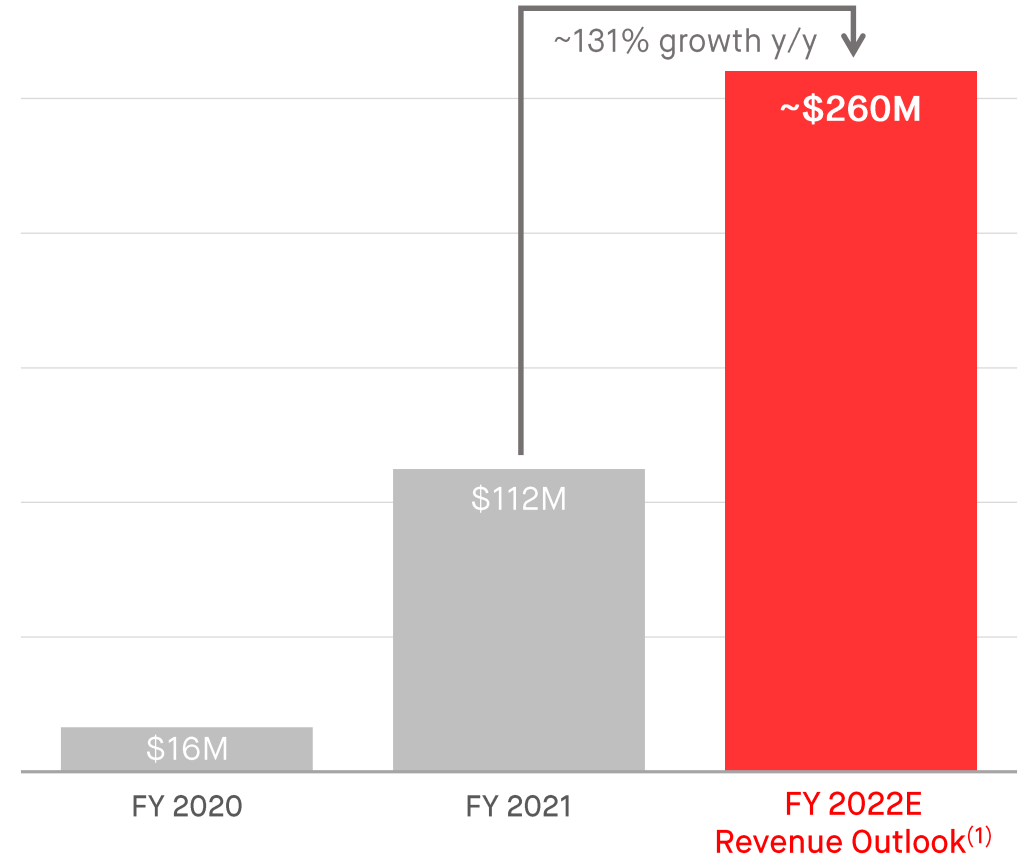
Liquidity Review

- Cash, cash equivalents, and short-term investments of \$206.5 million as of March 31, 2022
- Inventory balance increased to \$81.9 million in Q1'22 from \$65.4 million in Q4'21 to minimize supply chain disruption on certain products

FY 2022 financial outlook

Maintaining full year 2022 guidance

- Reaffirming revenue expectation of ~\$260 million
 - Represents ~131% growth y/y
- Reaffirming adj. EBITDA expectation of ~\$(90) million



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 management
- Supply chain synergies

Q&A

Appendix

Reconciliation to non-GAAP measures

<i>(Dollars in thousands)</i>	<u>Three months ended</u>	
	March 31, 2022	December 31, 2021
GAAP gross margin	\$ (1,328)	\$ 12,554
Stock-based compensation in cost of sales	487	431
Amortization of acquired intangible assets in cost of sales	5,990	2,626
Acquisition-related and other transactional charges in cost of sales	1,138	–
Inventory step-up adjustment	1,181	2,194
Non-GAAP gross margin	\$ 7,468	\$ 17,805

<i>(Dollars in thousands)</i>	<u>Three months ended</u>		
	September 30, 2021	June 30, 2021	March 31, 2021
GAAP gross margin	\$ 3,955	\$ 2,372	\$ (587)
Stock-based compensation in cost of sales	341	128	117
Amortization of acquired intangible assets in cost of sales	2,515	2,235	1,091
Acquisition-related and other transactional charges in cost of sales	–	–	–
Inventory step-up adjustment	–	–	–
Non-GAAP gross margin	\$ 6,811	\$ 4,735	\$ 621

Reconciliation to non-GAAP measures (cont.)

<i>(Dollars in thousands)</i>	<u>Three months ended</u>	
	March 31, 2022	December 31, 2021
GAAP operating expenses	\$ 68,151	\$ 71,959
Stock-based compensation in opex	(9,425)	(12,179)
Amortization of acquired intangible assets in opex	(3,794)	(3,784)
Acquisition-related and other transactional charges in opex	(2,848)	(10,002)
In-process research and development assets acquired	—	—
Non-GAAP operating expenses	\$ 52,084	\$ 45,994

<i>(Dollars in thousands)</i>	<u>Three months ended</u>		
	September 30, 2021	June 30, 2021	March 31, 2021
GAAP operating expenses	\$ 67,549	\$ 50,087	\$ 30,153
Stock-based compensation in opex	(9,610)	(3,871)	(2,100)
Amortization of acquired intangible assets in opex	(2,089)	(2,033)	(1,208)
Acquisition-related and other transactional charges in opex	(5,675)	(3,127)	(4,984)
In-process research and development assets acquired	(15,181)	(10,400)	—
Non-GAAP operating expenses	\$ 34,994	\$ 30,656	\$ 21,861

Reconciliation to non-GAAP measures (cont.)

<i>(Dollars in thousands)</i>	<u>Three months ended</u>	
	March 31, 2022	March 31, 2021
Net loss attributable to common stockholders	\$ (69,944)	\$ (59,108)
Interest (income) expense, net	(32)	(42)
Income tax benefit	(1,256)	(27,920)
Depreciation & amortization	12,883	3,892
EBITDA	(58,349)	(83,178)
Change in fair value of warrant liability	–	56,576
Change in fair value of investments	1,700	–
Inventory step-up adjustment	1,181	–
Stock-based compensation	9,912	2,217
Transaction costs associated with acquisitions	3,986	4,984
Adjusted EBITDA	\$ (41,570)	\$ (19,401)