



Third Quarter 2022 Financial Results Presentation

November 9, 2022

Disclaimers

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Desktop Metal, Inc.'s third 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 and Form 10-Q filed with the SEC, 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. Desktop Metal has not provided a reconciliation of its Adjusted EBITDA outlook to net income because estimates of all of the reconciling items cannot be provided without unreasonable efforts.

Executive Summary: Q3 2022

01

A challenging quarter, entering an industry recessionary cycle

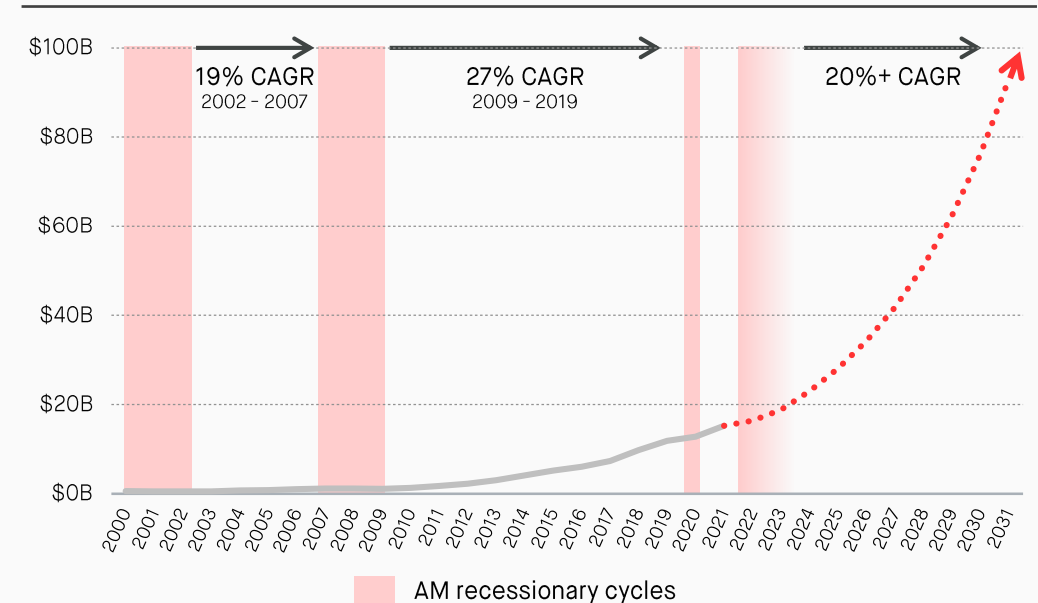
- Revenue – \$47.1 million
 - Growth of 85% from Q3 2021
- Non-GAAP Gross Margins – 19.9%
- Adj. EBITDA – \$(28.2) million

02

Long-term secular growth opportunity in additive still intact

- Additive manufacturing industry on track to be ~\$100 billion in next decade
- During recessions in '01-'02, '08-'09, and '20, growth impacted by reduction in capex spending
- Industry has emerged from each pullback with strong ~20%+ compound growth, and we expect trend to continue given compelling benefits supporting ongoing adoption of additive manufacturing

Additive manufacturing market growth⁽¹⁾



Executive Summary: Q3 2022 (cont.)

03

Strategic Cost Optimization Initiative update

- Strategic Cost Optimization Initiative announced in June has achieved \$40 million annualized cost savings
- Accelerating and expanding Cost Optimization Initiative to reduce expense structure faster and more aggressively to prioritize path to profitability

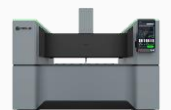
04

Key business highlights

- Announced strategic partnership with Align Technology to bring digital dentistry and workflows for Class II printed parts to the \$30 billion dental parts market⁽¹⁾
- Announced multi-faceted partnership with Siemens to accelerate adoption of AM 2.0 with large manufacturers for scalable production applications
- Expanded partnership with Henkel to qualify additional industrial photopolymer resins on the Xtreme 8K
- Actively engaged with some of the largest companies in the world on Production System™ P-50 – remain steadfast in plans to build a major business for hyperscalers on platform
- Expanded lineup for world’s best-selling metal binder jet system with Shop System+ and Shop System Pro
- Launched Figur G15, the first commercial platform of its kind to shape standard sheet metal on-demand using patent-pending Digital Sheet Forming (DSF) technology

align

SIEMENS



Desktop Labs + Align Technology strategic collaboration

Integrated technology partnership to accelerate adoption of digital dentistry in the \$30 billion dental parts market⁽¹⁾ by providing dynamic workflow directly from patient scan to final manufacturing solution

- **Align’s iTero intraoral scanners** will serve as the gateway for a connected suite of digital dentistry solutions backed by:
 - **Desktop Labs’** producing parts with industry leading Flexcera™ and SmileGuard™ Class II materials
 - **Desktop Health’s** 3D printers for chairside and lab production
- Integrated solution allows dentists to scan patients with an iTero scanner, directly connected to print-ready digital files from Desktop Labs that can be produced and shipped or printed chairside
- First of its kind partnership aims to reach thousands of general practices over next 12 months



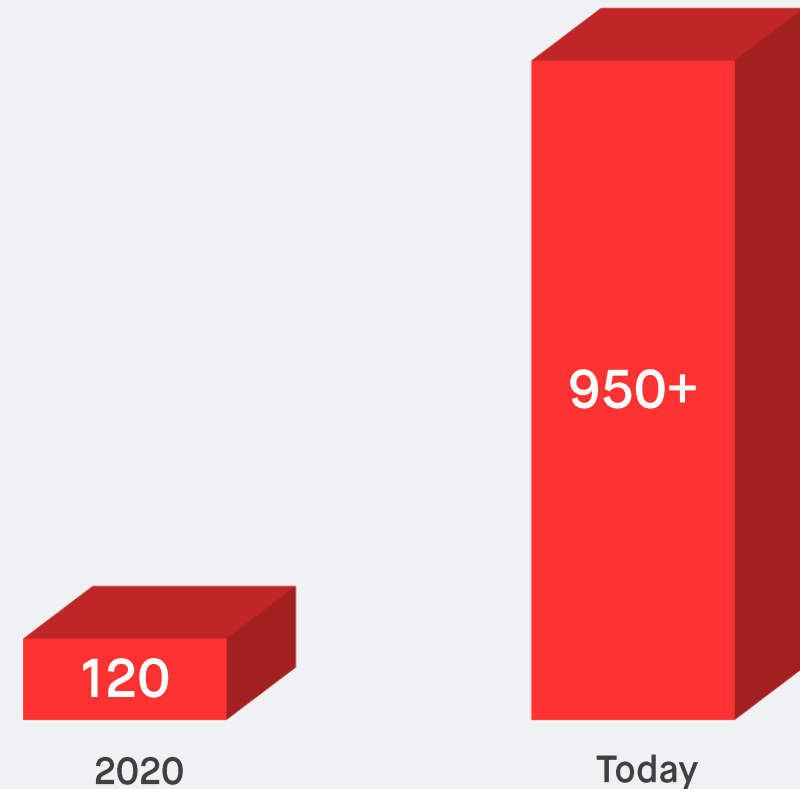
“We’re excited for the opportunity to bring the benefits of the iTero Element Flex scanner to Desktop Labs installed base of GP dentists across the U.S. Today’s announcement reflects our commitment to a relationship that we expect will evolve and broaden as we collaborate with Desktop Labs to bring advanced restorative workflows to market. We see great potential in enabling dentists to scan patients and then use the scan data to directly order restorative services or print-ready digital files from Desktop Labs that can be 3D printed in their offices. In addition to iTero scanners, we’re also excited about extending the benefits of the Align Digital Platform, including the Invisalign system and exocad software, to Desktop Labs customers. We look forward to sharing more details on our progress as the relationship grows.”

–**Joe Hogan, President and CEO, Align Technology**

Monetizing our dominant IP portfolio

- One of the largest and most valuable IP portfolios in Additive Manufacturing
 - 950+ patents and pending applications
- Focused around mass production and key technologies for area-wide binder jet and DLP benefiting from Moore's Law and becoming cost effective over time
- Demonstrated IP portfolio's blocking potential with recent successful injunctive action – successfully implementing a royalty-bearing licensing structure
- Intend to expand efforts – margins on additional activity tailwind to product mix

Desktop Metal IP portfolio⁽¹⁾



AM 2.0 adoption remains strong with continued customer traction

Select third quarter 2022 customers



Customer testimonial

Gullmolar ehf

- Sep. 2021: 2x Studio System Printer
1x DM Furnace
- Nov. 2021: 2x Studio System Printer
- Dec. 2021: 1x Envision One
1x DM Furnace
- Feb. 2022: 1x Envision One
- **TOTAL:** 4x Studio System Printers
2x DM Furnaces
2x Envision Ones



“Desktop Metal machines are speeding up development so much, rather than waiting for CNC machining or mold making. We 3D print plastic parts to handle it, see the size and fit to get the correct form, and then we can directly print a stainless part. It’s really difficult to be patient when you’ve made a new machine and need to wait a year to sell it so now we are able to make the first lot of the machine with printed parts without any dead time – we can push the machines into the market as soon as we are ready.”

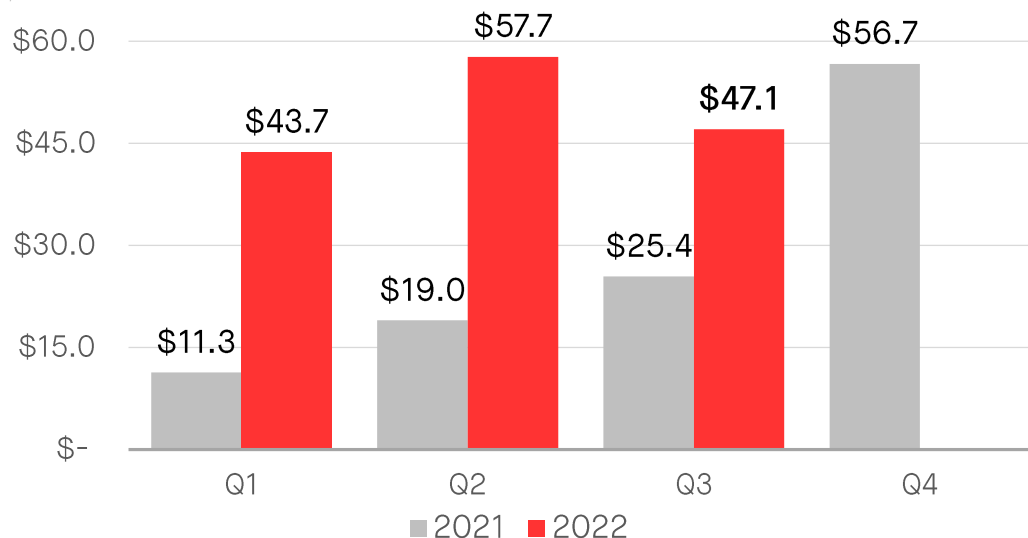
–
Elliði Hreinsson, Founder & Managing Director of Gullmolar, Iceland

Financial Summary

Financial review: Q3 2022

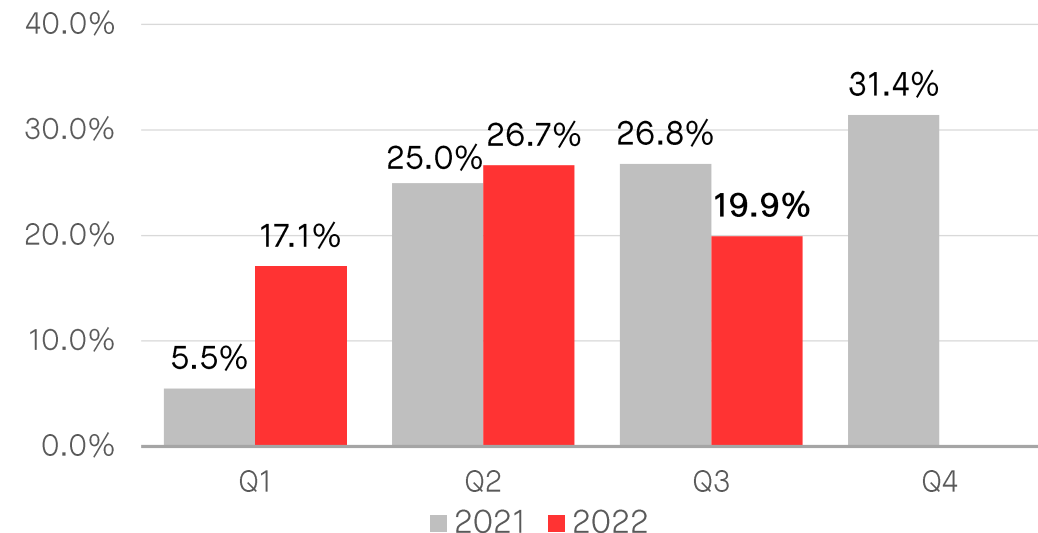
Revenue

\$s in millions



- Revenue of \$47.1 million
 - Up 85.1% from Q3'21
 - Significantly impacted by customers delaying purchase decisions amidst macroeconomic uncertainty

Non-GAAP Gross Margin

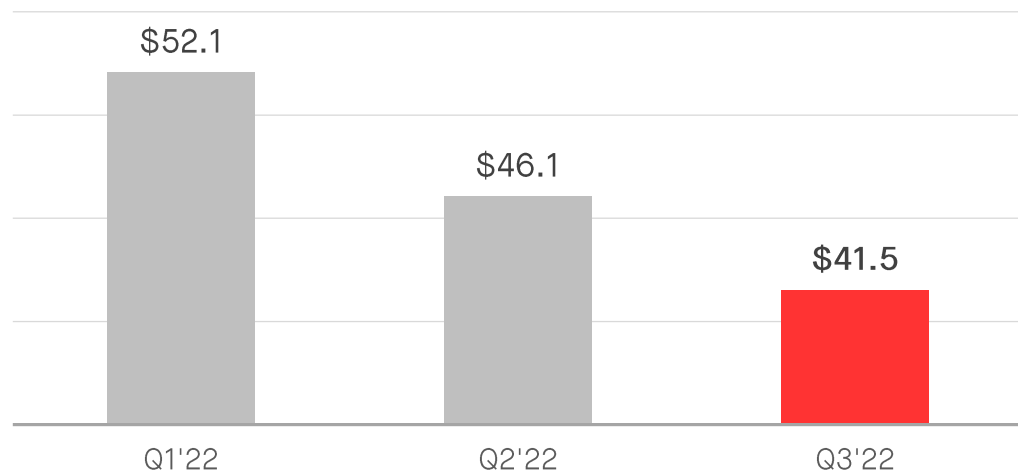


- Non-GAAP Gross Margin of 19.9%
 - Decline y/y primarily driven by lower-than-expected sales volumes and associated overhead absorption impacts
 - Also impacted negatively by product mix, and increased transportation and freight expense

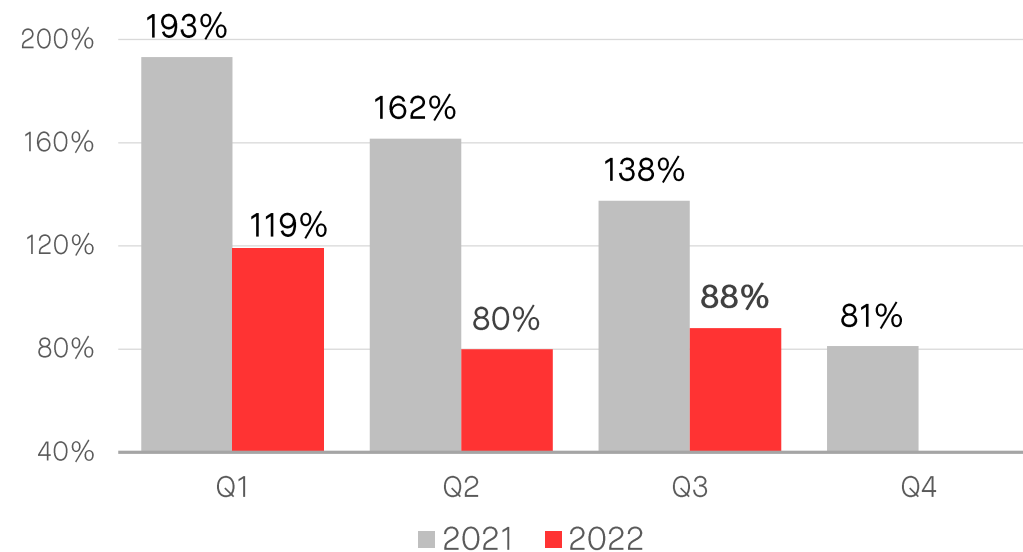
Financial review: Q3 2022 (cont.)

Non-GAAP Operating Expenses

\$s in millions



Non-GAAP Operating Expenses (% of Revenue)



- Non-GAAP Operating Expenses declined \$4.5 million sequentially from Q2'22 and \$10.5 million from Q1'22 driven by actions under Cost Optimization Initiative
- Non-GAAP Operating Expenses as a percentage of revenue 88% in Q3'22 vs. 138% in Q3'21
- Adj. EBITDA of \$(28.2) million
 - Acceleration and expansion of expense reduction efforts expected to drive significant improvement in adj. EBITDA in order to prioritize path to profitability

Financial review: Q3 2022 (cont.)

Balance Sheet Update

- Well-funded with \$217.3 million in cash, cash equivalents, and short-term investments as of September 30, 2022
- Inventory of \$91.2 million as of September 30, 2022
 - Inventory balance reflects multi-quarter focus on supply chain resiliency
 - Now in a position to release inventory over next several quarters

Revised Financial Outlook

- Q4'22 Revenue between \$51–\$62 million
 - Representing FY 2022 Revenue of \$200–\$210 million, or 78–87% growth from 2021
 - Current revenue guidance reflects near-term macroeconomic conditions
- Q4'22 adj. EBITDA between \$(20)–\$(26) million
 - Representing FY 2022 adj. EBITDA of \$(117)–\$(123) million

Q&A

Appendix

Reconciliation to non-GAAP measures

<i>(Dollars in thousands)</i>	<u>Three months ended</u>		
	Sept. 30, 2022	Jun. 30, 2022	Mar. 31, 2022
GAAP gross margin	\$ (309)	\$ 8,397	\$ (1,328)
Stock-based compensation in cost of sales ⁽¹⁾	734	671	487
Amortization of acquired intangible assets in cost of sales	5,877	5,950	5,990
Restructuring expense in cost of sales	3,085	41	–
Acquisition-related and other transactional charges in cost of sales	–	10	1,138
Inventory step-up adjustment	–	315	1,181
Non-GAAP gross margin	\$ 9,387	\$ 15,384	\$ 7,468

<i>(Dollars in thousands)</i>	<u>Three months ended</u>			
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
GAAP gross margin	\$ 12,554	\$ 3,955	\$ 2,372	\$ (587)
Stock-based compensation in cost of sales	431	341	128	117
Amortization of acquired intangible assets in cost of sales	2,626	2,515	2,235	1,091
Acquisition-related and other transactional charges in cost of sales	–	–	–	–
Inventory step-up adjustment	2,194	–	–	–
Non-GAAP gross margin	\$ 17,805	\$ 6,811	\$ 4,735	\$ 621

1. Includes \$0.1 million and \$0.1 million of liability-award stock-based compensation expense for the three months ended September 30, 2022 and June 30, 2022, respectively.

Reconciliation to non-GAAP measures (cont.)

(Dollars in thousands)	Three months ended		
	Sept. 30, 2022	Jun. 30, 2022	Mar. 31, 2022
GAAP operating expenses	\$ 57,510	\$ 300,967	\$ 68,151
Stock-based compensation in opex ⁽¹⁾⁽²⁾	(11,306)	(18,547)	(9,425)
Amortization of acquired intangible assets in opex	(3,192)	(3,719)	(3,794)
Restructuring expense in opex	–	(1,960)	–
Acquisition-related and other transactional charges in opex	(1,476)	(1,161)	(2,848)
Goodwill impairment	–	(229,500)	–
Non-GAAP operating expenses	\$ 41,536	\$ 46,080	\$ 52,084

(Dollars in thousands)	Three months ended			
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
GAAP operating expenses	\$ 71,959	\$ 67,549	\$ 50,087	\$ 30,153
Stock-based compensation in opex	(12,179)	(9,610)	(3,871)	(2,100)
Amortization of acquired intangible assets in opex	(3,784)	(2,089)	(2,033)	(1,208)
Acquisition-related and other transactional charges in opex	(10,002)	(5,675)	(3,127)	(4,984)
In-process research and development assets acquired	–	(15,181)	(10,400)	–
Non-GAAP operating expenses	\$ 45,994	\$ 34,994	\$ 30,656	\$ 21,861

1. Includes \$7.3 million of stock-based compensation expense associated with the cost optimization initiative for the three months ended June 30, 2022.

2. Includes \$1.1 million and \$2.1 million of liability-award stock-based compensation expense for the three months ended September 30, 2022 and June 30, 2022, respectively.

Reconciliation to non-GAAP measures (cont.)

<i>(Dollars in thousands)</i>	<u>Three months ended</u>	
	Sept. 30, 2022	Sept. 30, 2021
Net loss attributable to common stockholders	\$ (60,774)	\$ (66,879)
Interest (income) expense, net	680	(104)
Income tax benefit	598	(523)
Depreciation & amortization	12,692	6,488
In-process research and development assets acquired	–	15,181
EBITDA	(46,804)	(45,837)
Change in fair value of investments	2,052	4,204
Stock-based compensation ⁽¹⁾⁽²⁾	12,040	9,951
Restructuring expense	3,085	–
Acquisition-related and other transactional charges	1,476	5,675
Adjusted EBITDA	\$ (28,151)	\$ (26,007)

1. Includes \$7.3 million of stock-based compensation expense associated with the cost optimization initiative for the three months ended June 30, 2022.

2. Includes \$1.1 million and \$2.2 million of liability-award stock-based compensation expense for the three months ended September 30, 2022 and June 30, 2022, respectively.