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Velo3D Announces Key Strategic Priorities for Growth in 2024

Company Remains Committed to Its “Land-and-expand” Strategy, Shows Improvements in Printer Reliability and Customer Success

Secures \$12 Million in New Order Bookings Since Mid-December

FREMONT, Calif.--(BUSINESS WIRE)-- [Velo3D](#), Inc. ([NYSE: VLD](#)), a leading additive manufacturing technology company for mission-critical metal parts, today announced four key strategic priorities for growth in 2024 and beyond. The company also shared progress it has made across these priorities.

- **Enhance the quality of newly manufactured Sapphire printers:** Due to the success of its operational initiatives and product improvements, the company has significantly reduced the installation time of Sapphire printers over the last year. Additionally, the company has increased headcount of its Customer Service and Quality teams by approximately 40% to provide on-site support in all major metropolitan areas.
- **Ensure the success of customers in the field:** Through reliability improvements, system uptime for key customers has increased over the previous quarter and the company has reduced the time it takes to resolve customer issues by more than 45% over the past 6 months. Velo3D’s research and development priorities have been refocused on customer success and machine throughput, with innovations that the company expects will greatly increase customer available print time.
- **Increase revenue visibly through bookings growth:** The Velo3D Sales team has secured approximately \$12 million in new order bookings since mid-December, including more than 50% of bookings tied to key strategic accounts, which the company believes demonstrates increased customer satisfaction and confidence in its technology.
- **Improve margins and cash flow:** The company remains on track to reduce its operational expenses by 40% by the end of the first quarter of 2024, with a commitment to become cash flow positive in the second half of the year.

These four initiatives will be the foundation for Velo3D’s 5-year growth plan to support innovation and its customers’ growing demand for additive manufacturing solutions. By executing against these priorities, the company remains committed to its “land-and-expand” strategy, whereby satisfied customers continue to purchase Sapphire printers due to the significant capabilities the technology provides to operations, product, and engineering teams.

“Since meeting with customers in my new role as CEO, it’s clear that they need our technology and with improvements in these four key areas, we can realign as a company to make our customers more successful and return value to investors,” said Brad Kreger, CEO of Velo3D. “The value of our technology is largely driven by its ability to accelerate innovation for customers, meaningfully improve lead time for mission-critical parts, and

streamline the process of scaling to volume production when compared to conventional metal 3D printers.”

Kreger joined Velo3D in December 2022 as Executive Vice President of Operations and has since transformed Velo3D’s manufacturing facility to industrialize the production of the company’s family of Sapphire printers, which has contributed to the installation time reduction and positioned the company for margin expansion in 2024. This was achieved through improvements to the supply chain for Velo3D’s Sapphire printers and standardization of the manufacturing process to ensure consistency in quality.

“The entire Velo3D team is deeply focused on our four objectives and we’re beginning to see these changes yield results, including existing customers purchasing new systems. We believe this reflects their confidence in our technology as well as the success of our initiatives in improving customer satisfaction,” said Kreger. “We’re continuing to execute on our cost realignment programs to improve margins and cash flow, while prudently managing working capital. By doing so, we believe we are well positioned to profitably capitalize on the increasing industry demand for leading-edge additive manufacturing solutions.”

About Velo3D:

Velo3D is a metal 3D printing technology company. 3D printing—also known as additive manufacturing (AM)—has a unique ability to improve the way high-value metal parts are built. However, legacy metal AM has been greatly limited in its capabilities since its invention almost 30 years ago. This has prevented the technology from being used to create the most valuable and impactful parts, restricting its use to specific niches where the limitations were acceptable.

Velo3D has overcome these limitations so engineers can design and print the parts they want. The company’s solution unlocks a wide breadth of design freedom and enables customers in space exploration, aviation, power generation, energy, and semiconductor to innovate the future in their respective industries. Using Velo3D, these customers can now build mission-critical metal parts that were previously impossible to manufacture. The fully integrated solution includes the Flow print preparation software, the Sapphire family of printers, and the Assure quality control system—all of which are powered by Velo3D’s Intelligent Fusion manufacturing process. The company delivered its first Sapphire system in 2018 and has been a strategic partner to innovators such as SpaceX, Aerojet Rocketdyne, Lockheed Martin, Avio, and General Motors. Velo3D has been named as one of [Fast Company’s Most Innovative Companies for 2023](#). For more information, please visit Velo3D.com, or follow the company on [LinkedIn](#) or [Twitter](#).

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Words such as “expect”, “estimate”, “project”, “budget”, “forecast”, “anticipate”, “intend”, “plan”, “may”, “will”, “could”, “should”, “believes”, “predicts”, “potential”, “continue”, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, statements regarding the company’s bookings which may not lead to completed sales, anticipated reductions in the company’s operational expenses, the company’s expectations regarding its ability to be cash flow positive by the second half of 2024, and the company’s other expectations, hopes, beliefs, intentions or strategies for the future. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. You should carefully consider the risks and uncertainties described in the “Risk Factors” section of the company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the “FY 2022 10-K”), which was filed by the company with the SEC on March 20, 2023 and the other documents filed by the company from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Most of these factors are outside the company’s control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the inability of the company to execute its business plan, which may be affected by, among other things, competition, the ability of the company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its key employees; (2) the period over which the company anticipates its existing cash and cash equivalents will be sufficient to fund its operating expenses and capital expenditure requirements and the company’s ability to continue as a going concern; (3) the company’s ability to service and comply with its indebtedness; (4) the company’s ability to satisfy New York Stock Exchange Listing rules; (5) changes in the applicable laws or regulations; (6) the possibility that the company may be adversely affected by other economic, business, and/or competitive factors; (7) the lingering effects of the global COVID-19 pandemic; and (8) other risks and uncertainties indicated from time to time described in the FY 2022 10-K, including those under “Risk Factors” therein, and in the company’s other filings with the SEC. The company cautions that the foregoing list of factors is not exclusive and not to place undue reliance upon any forward-looking statements, including projections, which speak only as of the date made. The company does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

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