

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) **December 9, 2020**

Desktop Metal, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-38835 (Commission File Number)	83-2044042 (IRS Employer Identification No.)
63 Third Avenue Burlington, Massachusetts (Address of principal executive offices)		01803 (Zip Code)

(978) 224-1244
Registrant's telephone number, including area code

Trine Acquisition Corp.
405 Lexington Avenue, 48th Floor
New York, NY 10174
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	DM	New York Stock Exchange
Warrants to purchase one share of Class A common stock	DM.WS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

INTRODUCTORY NOTE

Unless the context otherwise requires, "we," "us," "our," "Desktop Metal" and the "Company" refer to Desktop Metal, Inc., a Delaware corporation (f/k/a Trine Acquisition Corp., a Delaware corporation), and its consolidated subsidiaries following the Closing (as defined below). Unless the context otherwise requires, references to "Trine" refer to Trine Acquisition Corp., a Delaware corporation, prior to the Closing. All references herein to the "Board" refer to the board of directors of the Company.

Terms used in this Current Report on Form 8-K (this "Report") but not defined herein, or for which definitions are not otherwise incorporated by reference herein, shall have the meaning given to such terms in the Proxy Statement/Consent Solicitation Statement/Prospectus (as defined below) in the section entitled "Basis of Presentation and Glossary" beginning on page i thereof, and such definitions are incorporated herein by reference.

Item 1.01. Entry into a Material Definitive Agreement.

As disclosed under the sections entitled “Proposal No. 1—The Business Combination Proposal,” “The Business Combination” and “The Merger Agreement” beginning on pages 86, 180 and 206, respectively, of the proxy statement/consent solicitation statement/prospectus (the “Proxy Statement/Consent Solicitation Statement/Prospectus”) and filed with the Securities and Exchange Commission (the “SEC”) on November 10, 2020 by Trine, Trine entered into an Agreement and Plan of Merger, dated September 26, 2020, with Sparrow Merger Sub, Inc., a wholly-owned subsidiary of Trine (“Merger Sub”), and Desktop Metal, Inc., now known as Desktop Metal Operating, Inc. (“Legacy Desktop Metal”), as amended by Amendment No. 1 to the Agreement and Plan of Merger, dated as of September 11, 2020, by and among Trine, Merger Sub and Legacy Desktop Metal (the “Amendment” and as amended, the “Merger Agreement”). Pursuant to the Merger Agreement, Merger Sub was merged with and into Legacy Desktop Metal, with Legacy Desktop Metal surviving the merger as a wholly owned subsidiary of the Company (the “Business Combination” and, together with the other transactions contemplated by the Merger Agreement, the “Transactions”).

On December 8, 2020, Trine held a special meeting of stockholders (the “Special Meeting”), at which the Trine stockholders considered and adopted, among other matters, a proposal to approve the Business Combination, including (a) adopting the Merger Agreement and (b) approving the other transactions contemplated by the Merger Agreement and related agreements described in the Proxy Statement/Consent Solicitation Statement/Prospectus.

Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, following the Special Meeting, on December 9, 2020 (the “Closing Date”), the Transactions were consummated (the “Closing”).

Item 2.01 of this Report discusses the consummation of the Transactions and the entry into agreements relating thereto and is incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

As described above, on December 8, 2020, Trine held the Special Meeting, at which the Trine stockholders considered and adopted, among other matters, a proposal to approve the Merger Agreement and the Transactions. On December 9, 2020, the parties consummated the Business Combination. In connection with the Closing, the Company changed its name from Trine Acquisition Corp. to Desktop Metal, Inc.

Holders of 26,049 shares of Trine’s Class A common stock sold in its initial public offering (the “public shares”) properly exercised their right to have such shares redeemed for a full pro rata portion of the trust account holding the proceeds from Trine’s initial public offering, calculated as of two business days prior to the consummation of the business combination, which was approximately \$10.17 per share, or \$265,002.64 in the aggregate.

As a result of the Business Combination, each share of Legacy Desktop Metal preferred stock and common stock was converted into the right to receive approximately 1.221218442 shares of the Company’s Class A common stock.

Additionally, the shares of Trine Class B common stock held by Trine Sponsor IH, LLC (the “Sponsor”), automatically converted to 7,503,750 shares of the Company’s Class A common stock.

Pursuant to subscription agreements entered into in connection with the Merger Agreement (collectively, the “Subscription Agreements”), certain investors agreed to subscribe for an aggregate of 27,497,500 newly-issued shares of Class A common stock at a purchase price of \$10.00 per share for an aggregate purchase price of \$274,975,000 (the “PIPE Investment”). At the Closing, the Company consummated the PIPE Investment.

After giving effect to the Transactions, the redemption of public shares as described above, and the consummation of the PIPE Investment there are currently 226,704,981 shares of the Company’s Class A common stock issued and outstanding.

The Company’s Class A common stock and warrants commenced trading on the New York Stock Exchange (“NYSE”) under the symbols “DM” and “DM.WS,” respectively, on December 10, 2020, subject to ongoing review of the Company’s satisfaction of all listing criteria following the Business Combination.

As noted above, an aggregate of \$265,002.64 was paid from the Company’s trust account to holders that properly exercised their right to have public shares redeemed, and the remaining balance immediately prior to the Closing of approximately \$305.1 million remained in the trust account. The remaining amount in the trust account was used to fund the Business Combination.

FORM 10 INFORMATION

Item 2.01(f) of Form 8-K states that if the registrant was a shell company, as the Company was immediately before the Business Combination, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10. Accordingly, the Company is providing below the information that would be included in a Form 10 if it were to file a Form 10. Please note that the information provided below relates to the combined company after the consummation of the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

Cautionary Note Regarding Forward-Looking Statements

This report includes statements that express the Company’s opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, “forward-looking statements.” These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “seeks,” “projects,” “intends,” “plans,” “may,” “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report (including in information that is incorporated by reference into this report) and include statements regarding our intentions, beliefs or current expectations concerning, among other things, the Transactions and the benefits of the Transactions, including results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which the Company operates. Such forward-looking statements are based on available current market material and management’s expectations, beliefs and forecasts concerning future events impacting the Company. Factors that may impact such forward-looking statements include:

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- the impact of changes in consumer spending patterns, consumer preferences, local, regional and national economic conditions, crime, weather, demographic trends and employee availability;
 - the impact of the COVID-19 pandemic on the financial condition and results of operations of the Company;
 - the fluctuation of operating results from period to period due to a number of factors, including the pace of customer adoption of new products and services and any changes in product mix that shift too far into lower gross margin product;

- increasing competition in the additive manufacturing industry;
- any delays in the design, production or launch of our additive manufacturing systems;
- the failure to meet customers' expectations as to price or pricing structure;
- any defects in new products or enhancements to existing products; and
- disruption to the business due to the Company's dependency on its third-party resellers, contract manufacturers and suppliers.

The forward-looking statements contained in this report are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Transactions and the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described or incorporated by reference under the heading "Risk Factors" below. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. The Company will not and does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Business

The business of the Company is described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled "Information About Desktop Metal" beginning on page 126 thereof and that information is incorporated herein by reference.

Risk Factors

The risks associated with the Company's business are described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled "Risk Factors" beginning on page 28 thereof and are incorporated herein by reference. A summary of the risks associated with the Company's business are also described on page 14 of the Proxy Statement/Consent Solicitation Statement/Prospectus under the heading "Summary Risk Factors" and are incorporated herein by reference.

Financial Information

The financial information of the Company is described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the sections entitled "Selected Historical Consolidated Financial Information of Desktop Metal" and "Desktop Metal's Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 152 and 153 thereof, respectively, and are incorporated herein by reference.

The financial information of Trine is described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the sections entitled "Selected Historical Financial Information of Trine" and "Trine's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 115 and 116 thereof, respectively, and are incorporated herein by reference.

Reference is made to the disclosure set forth in Item 9.01 of this Report relating to the financial information of the Company and Trine, and to Exhibits 99.2, 99.3 and 99.4, all of which are incorporated herein by reference.

Properties

The properties of the Company are described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled "Information About Desktop Metal" beginning on page 126 thereof and that information is incorporated herein by reference.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information known to us regarding the beneficial ownership of our Common Stock immediately following consummation of the Transactions by:

- each person who is the beneficial owner of more than 5% of the outstanding shares of our Common Stock;
- each of our named executive officers and directors; and
- all of our executive officers and directors as a group

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days. Except as described in the footnotes below and subject to applicable community property laws and similar laws, we believe that each person listed above has sole voting and investment power with respect to such shares. Unless otherwise noted, the address of each beneficial owner is c/o Desktop Metal, Inc., 63 3rd Ave., Burlington, MA 01803.

The beneficial ownership of our Class A common stock is based on 226,704,981 shares of Common Stock issued and outstanding immediately following consummation of the Transactions, including the redemption of public shares as described above and the consummation of the PIPE Investment.

Beneficial Ownership Table

<u>Name of Beneficial Owners</u>	<u>Number of Shares of Common Stock Beneficially Owned</u>	<u>Percentage of Outstanding Common Stock</u>
5% Stockholders:		
KPCB Holdings, Inc., as nominee ⁽¹⁾	17,856,665	7.88%
Entities affiliated with Lux Ventures ⁽²⁾	18,651,974	8.23%
Entities affiliated with New Enterprise Associates ⁽³⁾	28,416,088	12.53%
Entities affiliated with GV 2016, L.P. ⁽⁴⁾	14,302,438	6.31%
Directors and Named Executive Officers:		

Ric Fulop ⁽⁵⁾	21,981,930	9.70%
Steve Billow ⁽⁶⁾	457,956	*
Michael Rubino ⁽⁷⁾	831,445	*
Vu Tuan Anh TranPham	-	-
Dayna Grayson ⁽⁸⁾	-	-
Leo Hindery, Jr. ⁽⁹⁾	7,403,750	3.27%
Wen Hsieh ⁽¹⁰⁾	17,856,665	7.88%
Jeff Immelt ⁽¹¹⁾	259,075	*
Byron Knight ⁽¹²⁾	9,384,282	4.14%
Stephen Nigro ⁽¹³⁾	-	-
Steve Papa ⁽¹⁴⁾	-	-
Andy Wheeler	-	-
Bilal Zuberi	-	-
Directors and executive officers as a group (15 individuals)⁽¹⁵⁾	60,497,272	26.50%

* Less than one percent.

(1) All shares are held for convenience in the name of "KPCB Holdings, Inc., as nominee" for the accounts of such entities. Consists of 17,134,580 shares held by Kleiner Perkins Caufield & Byers XVI, LLC ("KPCB XVI"), 586,570 shares held by KPCB XVI Founders Fund, LLC ("XVI Founders"), 131,219 shares held by Kleiner Perkins Caufield & Byers XVII, LLC ("KPCB XVII"), and 4,296 shares held by KPCB XVII Founders Fund, LLC ("XVII Founders"). The managing member of KPCB XVI and XVI Founders is KPCB XVI Associates, LLC ("KPCB XVI Associates"). Beth Seidenberg, L. John Doerr, Randy Komisar, Theodore E. Schlein and Wen Hsieh, the managing members of KPCB XVI Associates, exercise shared voting and dispositive control over the shares held by KPCB XVI and XVI Founders. Such managing members disclaim beneficial ownership of all shares held by KPCB XVI and XVI Founders except to the extent of their pecuniary interest therein. The managing member of KPCB XVII and XVII Founders is KPCB XVII Associates, LLC ("KPCB XVII Associates"). Beth Seidenberg, Ilya Fushman, Mamoon Hamid, Theodore E. Schlein and Wen Hsieh, the managing members of KPCB XVII Associates, exercise shared voting and dispositive control over the shares held by KPCB XVII and XVII Founders. Such managing members disclaim beneficial ownership of all shares held by KPCB XVII and XVII Founders except to the extent of their pecuniary interest therein. The principal business address for all entities and individuals affiliated with Kleiner Perkins Caufield & Byers is c/o Kleiner Perkins Caufield & Byers, LLC, 2750 Sand Hill Road, Menlo Park, CA 94025.

(2) Consists of (a) 193,592 shares of Class A common stock held by Lux Ventures V, L.P., (b) 16,630,411 shares of Class A common stock held by Lux Ventures IV, L.P., and (c) 1,827,971 shares of Class A common stock held by Lux Ventures V, L.P. Lux Venture Partners V, LLC is the general partner of Lux Ventures V, L.P. and exercises voting and dispositive power over the shares noted herein held by Lux Ventures V, L.P. Lux Venture Partners IV, LLC is the general partner of Lux Ventures IV, L.P. and exercises voting and dispositive power over the shares noted herein held by Lux Ventures IV, L.P. Lux Co-Invest Partners, LLC is the general partner of Lux Co-Invest Opportunities, L.P. and exercises voting and dispositive power over the shares noted herein held by Lux Co-Invest Opportunities, L.P. Peter Hebert and Josh Wolf are the individual managing members of Lux Venture Partners V, LLC, Lux Venture Partners IV, LLC and Lux Co-Invest Partners, LLC (the "Individual Managers"). The Individual Managers, as the sole managers of Lux Venture Partners V, LLC, Lux Venture Partners IV, LLC and Lux Co-Invest Partners, LLC, may be deemed to share voting and dispositive power for the shares noted herein held by Lux Ventures V, L.P., Lux Ventures IV, L.P. and Lux Co-Invest Opportunities, L.P. Each of Lux Venture Partners V, LLC, Lux Venture Partners IV, LLC, Lux Co-Invest Partners, LLC and the Individual Managers separately disclaim beneficial ownership over the shares noted herein except to the extent of their pecuniary interest therein. The address for these entities and individuals is c/o Lux Capital Management, 920 Broadway, 11th Floor, New York, NY 10010.

(3) Consists of (a) 135,514 shares of Class A common stock to be held by nea:seed IV, llc (Seed), (b) 17,161 shares of Class A common stock to be held by NEA Ventures 2015, L.P. (Ven 2015), and (c) 28,263,413 shares of Class A common stock held by New Enterprise Associates 15, L.P. (NEA 15). The securities directly held by NEA 15 are indirectly held by NEA Partners 15, L.P. (Partners 15), which is the sole general partner of NEA 15; NEA 15 GP, LLC (NEA 15 LLC), which is the sole general partner of Partners 15; and each of the individual managers of NEA 15 LLC. The individual Managers of NEA 15 LLC (the NEA 15 Managers) are Forest Baskett, Anthony A. Florence, Mohamad Makhzoumi, Joshua Makower, Scott D. Sandell, and Peter Sonsini. NEA Partners 15, NEA 15 LLC, and the NEA 15 Managers share voting and dispositive power with regard to the shares owned directly by NEA 15. The securities directly held by Seed are indirectly held by New Enterprise Associates 16, L.P. (NEA 16), which is the sole member of Seed; NEA Partners 16, L.P. (Partners 16), which is the sole general partner of NEA 16; NEA 16 GP, LLC (NEA 16 LLC), which is the sole general partner of Partners 16; and each of the individual managers of NEA 16 LLC. The individual Managers of NEA 16 LLC (the NEA 16 Managers) are Forest Baskett, Ali Behbahani, Carmen Chang, Anthony A. Florence, Mohamad Makhzoumi, Joshua Makower, Scott D. Sandell, Paul Walker, and Peter Sonsini. NEA 16, NEA Partners 16, NEA 16 LLC, and the NEA 16 Managers share voting and dispositive power with regard to the shares owned directly by Seed. Karen P. Welsh, the general partner of Ven 2015, shares voting and dispositive power with regard to the shares owned directly by Ven 2015. All indirect holders of the above referenced shares disclaim beneficial ownership of all applicable shares except to the extent of their actual pecuniary interest therein. The address for these entities and individuals is 1954 Greenspring Drive, Suite 600, Timonium, MD 21093.

(4) Consists of (a) 2,332,177 shares of Class A common stock held by GV 2017, L.P., (b) 8,923,643 shares of Class A common stock held by GV 2016, L.P., and (c) 3,046,618 shares of Class A common stock held by GV 2017, L.P. GV 2017 GP, L.P. (the general partner of GV 2017, L.P.), GV 2017 GP, L.L.C. (the general partner of GV 2017 GP, L.P.), Alphabet Holdings LLC (the sole member of GV 2017 GP, L.L.C.), XXVI Holdings Inc. (the managing member of Alphabet Holdings LLC), and Alphabet Inc. (the sole stockholder of XXVI Holdings Inc.) may each be deemed to have sole power to vote or dispose of the shares held directly by GV 2017, L.P. GV 2016 GP, L.P. (the general partner of GV 2016, L.P.), GV 2016 GP, L.L.C. (the general partner of GV 2016 GP, L.P.), Alphabet Holdings LLC (the sole member of GV 2016 GP, L.L.C.), XXVI Holdings Inc. (the managing member of Alphabet Holdings LLC), and Alphabet Inc. (the sole stockholder of XXVI Holdings Inc.) may each be deemed to have sole power to vote or dispose of the shares held directly by GV 2016, L.P. GV 2019 GP, L.P. (the general partner of GV 2019, L.P.), GV 2019 GP, L.L.C. (the general partner of GV 2019 GP, L.P.), Alphabet Holdings LLC (the sole member of GV 2019 GP, L.L.C.), XXVI Holdings Inc. (the managing member of Alphabet Holdings LLC), and Alphabet Inc. (the sole stockholder of XXVI Holdings Inc.) may each be deemed to have sole power to vote or dispose of the shares held directly by GV 2019, L.P. The principal mailing address for each of GV 2016, L.P., GV 2016 GP, L.P., GV 2016 GP, L.L.C., GV 2017, L.P., GV 2017 GP, L.P., GV 2017 GP, L.L.C., GV 2019, L.P., GV 2019 GP, L.P., GV 2019 GP, L.L.C., Alphabet Holdings LLC, XXVI Holdings Inc., and Alphabet Inc. is 1600 Amphitheatre Parkway, Mountain View, CA 94043.

- (5) Consists of (a) 20,095,149 shares of Class A common stock held directly by Mr. Fulop, (b) 628,927 shares of Class A common stock held by Bluebird Trust, (c) 628,927 shares of Class A common stock held by Khaki Campbell Trust, and (d) 628,927 shares of Class A common stock held by Red Tailed Hawk Trust. The trustee of the Bluebird Trust, Khaki Campbell Trust and Red Tailed Hawk Trust is Steven Papa. Voting and investment power over the shares held of record by the trusts is exercised by Mr. Fulop and his wife.
- (6) Consists of shares of Class A common stock subject to options held by Mr. Billow that are exercisable within 60 days of Closing.
- (7) Consists of shares of Class A common stock subject to options held by Mr. Rubino that are exercisable within 60 days of Closing.
- (8) None of the shares of Class A common stock subject to options to be held by Ms. Grayson are exercisable within 60 days of Closing.
- (9) Consists of shares of Class A common stock held by the Sponsor. Robin Trine Holdings, LLC (“RTH”) and HPS Investment Partners, LLC (“HPS”) are the members of the Sponsor, and as such each of HPS and RTH has appointed a member to the board of the Sponsor, which board has voting and investment discretion with respect to the shares of Class A common stock held of record by the Sponsor. Mr. Hindery is the managing member of RTH. Based on the foregoing, Mr. Hindery, RTH and HPS may be deemed to have shared beneficial ownership of shares held directly by the Sponsor. Each such entity or person disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest they may have therein, directly or indirectly. The business address of Mr. Hindery and RTH is 405 Lexington Avenue, 48th Floor, New York, New York 10174. The business address of HPS is 40 West 57th Street, 33rd Floor, New York, NY 10019.
- (10) Consists of the shares identified in footnote (1) above. Mr. Hsieh is a general partner at Kleiner Perkins Caufield & Byers and may be deemed to have beneficial ownership with respect to these shares.
- (11) Consists of (a) 39,256 shares of Class A common stock and (b) 219,819 shares of Class A common stock subject to options held by Mr. Immelt that are exercisable within 60 days of Closing.
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- (12) Consists of shares of Class A common stock held by KDT Desktop Metal Holdings, LLC. Byron Knight is a managing director at KDT Desktop Metal Holdings, LLC and may be deemed to share voting and dispositive power over the shares held by KDT Desktop Metal Holdings, Inc.
- (13) None of the shares of Class A common stock subject to restricted stock units to be held by Mr. Nigro are exercisable within 60 days of Closing.
- (14) None of the shares of Class A common stock subject to options to be held by Mr. Papa are exercisable within 60 days of Closing.
- (15) Consists of (i) 58,946,712 shares of Class A common stock held by all directors and executive officers of the Company as a group, and (ii) 1,550,560 shares of Class A common stock subject to options held by all directors and executive officers of the Post-Combination Company as a group and that are exercisable within 60 days of Closing.

Directors and Executive Officers

The Company’s directors and executive officers upon the Closing are described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled “Management of the Post-Combination Company Following the Business Combination” beginning on page 175 thereof and that information is incorporated herein by reference.

Directors

Pursuant to the approval of Trine stockholders from the Special Meeting, the following persons will constitute the Company’s Board effective upon the Closing: Ric Fulop, Dayna Grayson, Leo Hindery, Jr., Wen Hsieh, Jeff Immelt, Byron Knight, Stephen Nigro, Steve Papa, Andy Wheeler and Bilal Zuberi. M. Ian G. Gilchrist, Josephine Linden, Marc Nathanson, Kent R. Sander, Tom Wasserman and Abbas F. Zuaiteer resigned as directors of the Company. Ms. Grayson and Messrs. Knight and Wheeler were appointed to serve as Class I directors, with terms expiring at the Company’s first annual meeting of stockholders following the Closing; Messrs. Hsieh, Immelt, Papa and Zuberi were appointed to serve as Class II directors, with terms expiring at the Company’s second annual meeting of stockholders following the Closing; and Messrs. Fulop, Hindery and Nigro were appointed to serve as Class III directors, with terms expiring at the Company’s third annual meeting of stockholders following the Closing. Biographical information for these individuals, other than Messrs. Hindery and Nigro, is set forth in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section titled “Management of Desktop Metal” beginning on page 143, which is incorporated herein by reference. Biographical information for Mr. Hindery is set forth in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section titled “Management of Trine,” beginning on page 108, which is incorporated herein by reference. Biographical information for Mr. Nigro is set forth in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section titled “Management of Post-Combination Company Following the Business Combination,” beginning on page 175, which is incorporated herein by reference.

Independence of Directors

NYSE listing standards require that a majority of our board of directors be independent. An “independent director” is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which in the opinion of the company’s board of directors, would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director. Our board of directors has determined that Ms. Grayson and Messrs. Hsieh, Immelt, Knight, Papa, Wheeler and Zuberi are “independent directors” as defined in the NYSE listing standards and applicable SEC rules. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Committees of the Board of Directors

Effective as of the Closing, the standing committees of the Company’s Board consist of an audit committee (the “Audit Committee”), a compensation committee (the “Compensation Committee”) and a nominating and corporate governance committee (the “Nominating and Corporate Governance Committee”). Each of the committees reports to the Board.

Effective as of the Closing, the Board appointed Ms. Grayson and Messrs. Immelt and Zuberi to serve on the Audit Committee, with Mr. Immelt as chair. The Board appointed Ms. Grayson and Mr. Hsieh to serve on the Compensation Committee, with Ms. Grayson as chair. The Board appointed Messrs. Papa and Wheeler to serve on the Compensation Committee, with Mr. Papa as chair.

Executive Officers

Effective as of the Closing, each of M. Ian Gilchrist, Leo Hindery, Jr., Pierre M. Henry and Mark J. Coleman resigned as the President, Chairman and Chief Executive Officer, Chief Financial Officer and Executive Vice President, Development and Executive Vice President and General Counsel, respectively. Effective as of the Closing, the Board appointed Ric Fulop to serve as Chief Executive Officer and Chairman, Steve Billow to serve as President, Elizabeth Linardos to serve as Chief Financial Officer and Treasurer, Meg Broderick to serve as General Counsel and Secretary, Ilya Mirman to serve as Chief Marketing Officer and Jonah Myerberg to serve as Chief Technology Officer. Biographical information for these individuals is set forth in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section titled “Management of Desktop Metal” beginning on page 143, which is incorporated herein by reference.

Executive Compensation

Executive Compensation

The executive compensation of the Company’s named executive officers and directors is described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled “Management of Desktop Metal--Executive Compensation” beginning on page 145 thereof and that information is incorporated herein by reference.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Certain Relationships and Related Transactions, and Director Independence

Certain Relationships and Related Person Transactions

Certain relationships and related person transactions are described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled “Certain Relationships and Related Person Transactions” beginning on page 262 thereof and are incorporated herein by reference.

Director Independence

NYSE listing standards require that a majority of our board of directors be independent. An “independent director” is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which in the opinion of the company’s board of directors, would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director. Our board of directors has determined that Ms. Grayson and Messrs. Hsieh, Immelt, Knight, Papa, Wheeler and Zuberi are “independent directors” as defined in the NYSE listing standards and applicable SEC rules. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Risk Oversight

Our risk management oversight is described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled “Management of the Post-Combination Company Following the Business Combination—Risk Oversight” beginning on page 178 thereof and that information is incorporated herein by reference.

Committees of the Board of Directors

The committees of our board of directors are described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled “Management of the Post-Combination Company Following the Business Combination—Board Committees” beginning on page 176 thereof and that information is incorporated herein by reference.

Legal Proceedings

Reference is made to the disclosure regarding legal proceedings in the section of the Proxy Statement/Consent Solicitation Statement/Prospectus titled “Information About Desktop Metal—Legal Proceedings” beginning on page 142, which is incorporated herein by reference.

Market Price of and Dividends on the Registrant’s Common Equity and Related Stockholder Matters

Price Range of Securities and Dividends

The market price of and dividends on Trine’s common equity, warrants and units and related stockholder matters is described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the Section entitled “Price Range of Securities and Dividends” beginning on page 269 thereof and that information is incorporated herein by reference. In addition, the following table sets forth the high and low sales prices per share of Class A common stock, per public warrant and per unit as reported on the NYSE for the periods from May 2, 2019 through Closing.

Class A Common Stock			Warrants			Units		
High	Low		High	Low		High	Low	
\$ 25.42	\$ 9.40		\$ 4.01	\$ 0.35		\$ 14.90	\$ 9.38	

The Company’s Class A common stock and warrants commenced trading on the NYSE under the symbols “DM” and “DM.WS,” respectively, on December 10, 2020, subject to ongoing review of the Company’s satisfaction of all listing criteria following the Business Combination, in lieu of the Class A common stock and warrants of Trine. Trine’s units ceased trading separately on the NYSE on December 10, 2020.

Holders of Record

As of the Closing and following the completion of the Transactions, including the redemption of public shares as described above and the consummation of the PIPE Investment, the Company had 226,704,981 shares of Class A common stock outstanding held of record by 209 holders and no shares of preferred stock outstanding. Such amounts do not include DTC participants or beneficial owners holding shares through nominee names.

Securities Authorized for Issuance Under Equity Compensation Plans

Reference is made to the disclosure described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled “Proposal No. 8—The Incentive Plan Proposal” beginning on page 97 thereof, which is incorporated herein by reference. As described below, the Desktop Metal, Inc. 2020 Incentive Plan and the material terms thereunder, including the authorization of the initial share reserve thereunder, were approved by Trine’s stockholders at the Special Meeting.

Recent Sales of Unregistered Securities

Reference is made to the disclosure set forth under Item 3.02 of this report relating to the issuance of the Company's Class A common stock in connection with the Transactions, which is incorporated herein by reference.

Description of Registrant's Securities to be Registered

The Company's securities are described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled "Description of Capital Stock" beginning on page 257 thereof and that information is incorporated herein by reference. As described below, the Company's second amended and restated certificate of incorporation was approved by Trine's stockholders at the Special Meeting and became effective as of the Closing.

Indemnification of Directors and Officers

The indemnification of our directors and officers is described in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled "Certain Relationships and Related Party Transactions—Director and Officer Indemnification" beginning on page 266 thereof and that information is incorporated herein by reference.

Financial Statements and Supplementary Data

Reference is made to the disclosure set forth under Item 9.01 of this report relating to the financial information of the Company, and to Exhibits 99.2, 99.3 and 99.4, all of which are incorporated herein by reference.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Reference is made to the disclosure set forth under Item 4.01 of this report relating to the change in Trine's certifying accountant, which is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

At the Closing, the Company consummated the PIPE Investment. Additionally, the 7,503,750 shares of Trine's Class B common stock held by the Sponsor automatically converted to shares of Class A Common Stock as of the Closing. The disclosure under Item 2.01 of this Report is incorporated into this Item 3.02 by reference.

The Company issued the foregoing securities under Section 4(a)(2) of the Securities Act and/or Rule 506 of Regulation D promulgated under the Securities Act, as a transaction not requiring registration under Section 5 of the Securities Act. The parties receiving the securities represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution, and appropriate restrictive legends were affixed to the certificates representing the securities (or reflected in restricted book entry with the Company's transfer agent). The parties also had adequate access, through business or other relationships, to information about the Company.

Item 3.03. Material Modification to Rights of Security Holders

The information set forth in Item 5.03 to this Current Report on Form 8-K is incorporated herein by reference.

Item 4.01 Changes in Registrant's Certifying Accountant

On December 9, 2020, the Audit Committee of the Board approved the engagement of Deloitte & Touche LLP ("Deloitte") as the Company's independent registered public accounting firm to audit the Company's consolidated financial statements for the year ended December 31, 2020. Deloitte served as the independent registered public accounting firm of Legacy Desktop Metal prior to the Business Combination. Accordingly, Marcum LLP ("Marcum"), the Company's independent registered public accounting firm prior to the Business Combination, was informed that it would be replaced by Deloitte as the Company's independent registered public accounting firm.

Marcum's report on the Company's financial statements as of December 31, 2019 and 2018 and the related statements of operations, changes in shareholders' equity and cash flows for the year ended December 31, 2019 and the period from September 26, 2018 (inception) through December 31, 2018 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

During the period from September 26, 2018 (inception) through December 31, 2019 and the subsequent period through September 30, 2020, there were no: (i) disagreements with Marcum on any matter of accounting principles or practices, financial statement disclosures or audited scope or procedures, which disagreements if not resolved to Marcum's satisfaction would have caused Marcum to make reference to the subject matter of the disagreement in connection with its report or (ii) reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

During the year period from September 26, 2018 (inception) to December 31, 2018, the year ended December 31, 2019 and the interim period through September 30, 2020, the Company did not consult Deloitte with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's financial statements, and no written report or oral advice was provided to the Company by Deloitte that Deloitte concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is described in Item 304(a)(1)(iv) of Regulation S-K under the Exchange Act and the related instructions to Item 304 of Regulation S-K under the Exchange Act, or a reportable event, as that term is defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act.

The Company has provided Marcum with a copy of the disclosures made by the Company in response to this Item 4.01 and has requested that Marcum furnish the Company with a letter addressed to the SEC stating whether it agrees with the statements made by the registrant in response to this Item 304(a) and, if not, stating the respects in which it does not agree. A letter from Marcum is attached as Exhibit 16.1 to this Current Report on Form 8-K.

Item 5.01. Changes in Control of the Registrant.

The information set forth above under Item 1.01 and Item 2.01 of this Report is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth above in the sections titled "Directors and Officers," "Executive Compensation," "Certain Relationships and Related Transactions" and "Indemnification of Directors and Officers" in Item 2.01 to this report is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On December 9, 2020, in connection with the consummation of the Transactions, the Company amended its certificate of incorporation (the “Charter Amendment”) effective as of 12:01 A.M., amended and restated its certificate of incorporation, as amended, effective as of the Closing (as amended, the “A&R Charter”), and amended and restated its bylaws (as amended, the “A&R Bylaws”) effective as of the Closing.

Copies of the Charter Amendment, A&R Charter and the A&R Bylaws are attached as Exhibit 3.1, Exhibit 3.2 and Exhibit 3.3 to this report, respectively, and are incorporated herein by reference.

The material terms of each of the A&R Charter and the A&R Bylaws and the general effect upon the rights of holders of the Company’s capital stock are included in the Proxy Statement/Consent Solicitation Statement/Prospectus under the sections titled “Proposal No. 2—The Charter Amendment Proposal,” “Proposal No. 3—The Charter Approval Proposal,” “Proposal No. 4—The Governance Proposal,” “Comparison of Stockholders’ Rights” and “Description of Capital Stock of the Post-Combination Company” beginning on pages 87, 88, 91, 240 and 257 of the Proxy Statement/Consent Solicitation Statement/Prospectus, respectively, which are incorporated herein by reference.

Item 5.06 Change in Shell Company Status

As a result of the Business Combination, the Company ceased to be a shell company. Reference is made to the disclosure in the Proxy Statement/Consent Solicitation Statement/Prospectus in the sections entitled “Proposal No. 1—The Business Combination Proposal” beginning on page 86 thereof, which is incorporated herein by reference.

Item 8.01. Other Events.

On December 10, 2020, the parties issued a joint press release announcing the completion of the Business Combination, a copy of which is furnished as Exhibit 99.1 hereto.

Item 9.01. Financial Statement and Exhibits.

(a) Financial statements of businesses acquired.

The audited consolidated financial statements of Legacy Desktop Metal for the years ended December 31, 2019 and 2018 are included in the Proxy Statement/Consent Solicitation Statement/Prospectus beginning on page F-41 and are incorporated herein by reference.

The unaudited condensed consolidated financial statements of Legacy Desktop Metal for the nine months ended September 30, 2020 and 2019 are filed as Exhibit 99.2 and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information of the Company for the year ended December 31, 2019 is included in the Proxy Statement/Consent Solicitation Statement/Prospectus in the section entitled “Unaudited Pro Forma Condenses Combined Financial Information” beginning on page 64 and is incorporated herein by reference.

The unaudited pro forma condensed combined financial information of the Company for the nine months ended September 30, 2020 is filed as Exhibit 99.3 and is incorporated herein by reference.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>	<u>Incorporated by Reference</u>		
		<u>Form</u>	<u>Exhibit</u>	<u>Filing Date</u>
<u>2.1*</u>	<u>Agreement and Plan of Merger, dated as of August 26, 2020, by and among the Company, Sparrow Merger Sub, Inc. and Legacy Desktop Metal.</u>	<u>S-4</u>	<u>2.1</u>	<u>11/9/20</u>
<u>2.2</u>	<u>Amendment No. 1 to Agreement and Plan of Merger, dated as of September 11, 2020, by and among the Company, Sparrow Merger Sub, Inc. and Legacy Desktop Metal.</u>	<u>S-4</u>	<u>2.2</u>	<u>11/9/20</u>
<u>3.1</u>	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation.</u>			
<u>3.2</u>	<u>Second Amended and Restated Certificate of Incorporation.</u>			
<u>3.3</u>	<u>Amended and Restated By-Laws.</u>			
<u>4.1</u>	<u>Specimen Class A Common Stock Certificate.</u>	<u>S-1</u>	<u>4.2</u>	<u>3/8/19</u>
<u>4.2</u>	<u>Specimen Warrant Certificate.</u>	<u>S-1</u>	<u>4.3</u>	<u>3/8/19</u>
<u>4.3</u>	<u>Warrant Agreement, dated March 14, 2019, by and between the Company and Continental Stock Transfer & Trust Company, as warrant agent.</u>	<u>8-K</u>	<u>4.1</u>	<u>3/20/19</u>
<u>10.1</u>	<u>Confidentiality and Lockup Agreement, dated as of August 26, 2020, by and among the Company and the stockholder parties identified therein.</u>	<u>S-4</u>	<u>10.7</u>	<u>9/15/20</u>

<u>Exhibit Number</u>	<u>Description</u>	<u>Incorporated by Reference</u>		
		<u>Form</u>	<u>Exhibit</u>	<u>Filing Date</u>
<u>10.2</u>	<u>Amended and Restated Registration Rights Agreement, dated as of August 26, 2020, by and among the Company, certain equityholders of the Company named therein and certain equityholders of Legacy Desktop Metal named therein.</u>	<u>S-4</u>	<u>10.8</u>	<u>9/15/20</u>
<u>10.3</u>	<u>Sponsor Agreement, dated as of August 26, 2020, by and among the Company, its officers and directors, Legacy Desktop Metal and the Sponsor.</u>	<u>S-4</u>	<u>10.9</u>	<u>9/15/20</u>
<u>10.4</u>	<u>Stockholders Agreement, dated as of August 26, 2020, by and between the Company and the Sponsor.</u>	<u>S-4</u>	<u>10.10</u>	<u>9/15/20</u>
<u>10.5</u>	<u>Form of Subscription Agreement.</u>	<u>S-4</u>	<u>10.11</u>	<u>9/15/20</u>

<u>10.6</u>	<u>Form of Director and Officer Indemnification Agreement.</u>	<u>S-4</u>	<u>10.13</u>	<u>10/15/20</u>
<u>10.7</u>	<u>Restricted Stock Agreement, dated as of September 18, 2015, by and between Legacy Desktop Metal and Ric Fulop.</u>	<u>S-4</u>	<u>10.18</u>	<u>10/15/20</u>
<u>10.8</u>	<u>2020 Incentive Award Plan.</u>	<u>S-4</u>	<u>10.19</u>	<u>11/9/20</u>
<u>10.9</u>	<u>Form of Stock Option Agreement under the 2020 Incentive Award Plan.</u>	<u>S-4</u>	<u>10.20</u>	<u>9/15/20</u>
<u>10.10</u>	<u>Form of RSU Agreement under the 2020 Incentive Award Plan.</u>	<u>S-4</u>	<u>10.21</u>	<u>9/15/20</u>
<u>10.11</u>	<u>Form of Restricted Stock Agreement under the 2020 Incentive Award Plan.</u>	<u>S-4</u>	<u>10.22</u>	<u>9/15/20</u>
<u>10.12</u>	<u>Transition Service and Separation Agreement, dated October 29, 2019, by and between Legacy Desktop Metal and Tuan TranPham.</u>	<u>S-4</u>	<u>10.23</u>	<u>10/15/20</u>
<u>10.13</u>	<u>Offer Letter, dated as of November 18, 2018, by and between Legacy Desktop Metal and Tuan TranPham.</u>	<u>S-4</u>	<u>10.24</u>	<u>11/2/20</u>
<u>10.14</u>	<u>Offer Letter, dated as of September 11, 2020, by and between Legacy Desktop Metal and Michael Rubino.</u>	<u>S-4</u>	<u>10.25</u>	<u>11/2/20</u>
<u>10.15</u>	<u>Offer Letter, dated as of January 31, 2019, by and between Legacy Desktop Metal and Steve Billow.</u>	<u>S-4</u>	<u>10.26</u>	<u>11/2/20</u>
<u>10.16</u>	<u>Northwest Park Office Lease, dated as of August 23, 2016, by and between NWP Building 24 LLC and Legacy Desktop Metal.</u>	<u>S-4</u>	<u>10.27</u>	<u>10/15/20</u>
<u>10.17</u>	<u>Amendment to Northwest Park Office Lease, dated as of October 3, 2017, by and between NWP Building 24 LLC and Legacy Desktop Metal.</u>	<u>S-4</u>	<u>10.28</u>	<u>10/15/20</u>
<u>10.18</u>	<u>Offer Letter, dated as of September 28, 2020, by and between Legacy Desktop Metal and Elizabeth Linardos.</u>	<u>S-4</u>	<u>10.29</u>	<u>11/2/20</u>
<u>10.19</u>	<u>Amendment to Stock Option Agreement, dated as of October 29, 2020, by and between Michael Rubino and Legacy Desktop Metal.</u>	<u>S-4</u>	<u>10.30</u>	<u>11/2/20</u>
<u>10.20</u>	<u>Amendment to Stock Option Agreement, dated as of September 28, 2020, by and between Elizabeth Linardos and Legacy Desktop Metal.</u>	<u>S-4</u>	<u>10.31</u>	<u>11/2/20</u>
<u>16.1</u>	<u>Letter from Marcum LLP to the U.S. Securities and Exchange Commission dated December 14, 2020.</u>			
<u>21.1</u>	<u>Subsidiaries of the Company.</u>			
<u>99.1</u>	<u>Press release dated December 10, 2020.</u>			
<u>99.2</u>	<u>Unaudited condensed consolidated financial statements of Legacy Desktop Metal for the nine months ended September 30, 2020 and 2019.</u>			
<u>99.3</u>	<u>Unaudited pro forma condensed combined financial information of the Company for the nine months ended September 30, 2020.</u>			
<u>99.4</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company for the nine months ended September 30, 2020.</u>			

* Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Company agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Desktop Metal, Inc.

Date: December 14, 2020

By: /s/ Ric Fulop
Name: Ric Fulop
Title: Chief Executive Officer

CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
TRINE ACQUISITION CORP.

Trine Acquisition Corp. (the “**Corporation**”), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, as from time to time amended (the “**DGCL**”), hereby certifies as follows:

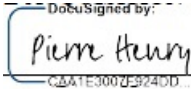
1. The Amended and Restated Certificate of Incorporation of the Corporation is hereby amended by deleting Section 4.1 and inserting the following in lieu thereof:

Section 4.1 Authorized Capital Stock. The total number of shares of all classes of capital stock, each with a par value of \$0.0001 per share, which the Corporation is authorized to issue is 511,000,000 shares, consisting of (a) 510,000,000 shares of common stock (the “**Common Stock**”), including (i) 500,000,000 shares of Class A Common Stock (the “**Class A Common Stock** ”), and (ii) 10,000,000 shares of Class B Common Stock (the “**Class B Common Stock**”), and (b) 1,000,000 shares of preferred stock (the “**Preferred Stock**”).

2. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the DGCL and shall become effective as of 12:01 A.M., Eastern time, on the date this Certificate of Amendment to the Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, Trine Acquisition Corp. has caused this Certificate of Amendment to be executed by a duly authorized officer on this 9th day of December, 2020.

TRINE ACQUISITION CORP.

By:  DoNotSignHere
DATE: 3002592400

Name: Pierre Henry
Title: Chief Financial Officer

**SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
TRINE ACQUISITION CORPORATION**

Trine Acquisition Corp. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), does hereby certify as follows:

1. The present name of the Corporation is Trine Acquisition Corp. The Corporation was incorporated under the name Trine Acquisition Corp. by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on September 26, 2018 (the "Original Certificate").
2. An Amended and Restated Certificate of Incorporation, which amended and restated the Original Certificate in its entirety, was filed with the Secretary of State of the State of Delaware on March 14, 2019, as amended by that certain Amendment No. 1 to the Amended and Restated Certificate of Incorporation, dated December 9, 2020 (as so amended, the "Existing Certificate").
3. This Second Amended and Restated Certificate of Incorporation (the "Second Amended and Restated Certificate"), which amends and restates the Existing Certificate in its entirety, has been approved by the Board of Directors of the Corporation (the "Board of Directors") in accordance with Sections 242 and 245 of the DGCL and has been adopted by the stockholders of the Corporation at a meeting of the stockholders of the Corporation in accordance with the provisions of Section 211 of the DGCL.
4. The text of the Existing Certificate is hereby amended and restated by this Second Amended and Restated Certificate to read in its entirety as set forth in EXHIBIT A attached hereto.
5. This Second Amended and Restated Certificate shall become effective at 4:15 p.m. Eastern Time on December 9, 2020.

IN WITNESS WHEREOF, this Second Amended and Restated Certificate has been executed by a duly authorized officer of the Corporation on this 9th day of December, 2020.

By: /s/ Elizabeth Linardos
Name: Elizabeth Linardos
Title: Chief Financial Officer and Treasurer

[Signature Page to Second Amended and Restated Certificate of Incorporation]

EXHIBIT A

**SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
DESKTOP METAL, INC.**

**ARTICLE I
NAME**

The name of the corporation is Desktop Metal, Inc. (the "Corporation").

**ARTICLE II
REGISTERED OFFICE AND AGENT**

The address of the Corporation's registered office in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808, and the name of its registered agent at such address is Corporation Service Company.

**ARTICLE III
PURPOSE**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL") as it now exists or may hereafter be amended and supplemented.

**ARTICLE IV
CAPITAL STOCK**

The Corporation is authorized to issue two classes of stock to be designated, respectively, "Class A Common Stock" and "Preferred Stock." The total number of shares of capital stock which the Corporation shall have authority to issue is 550,000,000. The total number of shares of Class A Common Stock that the Corporation is authorized to issue is 500,000,000, having a par value of \$0.0001 per share, and the total number of shares of Preferred Stock that the Corporation is authorized to issue is 50,000,000, having a par value of \$0.0001 per share.

The designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation are as follows:

A. CLASS A COMMON STOCK.

1. General. The voting, dividend, liquidation, and other rights and powers of the Class A Common Stock are subject to and qualified by the rights, powers and preferences of any series of Preferred Stock as may be designated by the Board of Directors of the Corporation (the "Board of Directors") and outstanding from time to time.

2. **Voting.** Except as otherwise provided herein or expressly required by law, each holder of Class A Common Stock, as such, shall be entitled to vote on each matter submitted to a vote of stockholders and shall be entitled to one (1) vote for each share of Class A Common Stock held of record by such holder as of the record date for determining stockholders entitled to vote on such matter. Except as otherwise required by law, holders of Class A Common Stock, as such, shall not be entitled to vote on any amendment to this Second Amended and Restated Certificate (including any Certificate of Designation (as defined below)) that relates solely to the rights, powers, preferences (or the qualifications, limitations or restrictions thereof) or other terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Second Amended and Restated Certificate (including any Certificate of Designation) or pursuant to the DGCL.

Subject to the rights of any holders of any outstanding series of Preferred Stock, the number of authorized shares of Class A Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

3. **Dividends.** Subject to applicable law and the rights and preferences of any holders of any outstanding series of Preferred Stock, the holders of Class A Common Stock, as such, shall be entitled to the payment of dividends on the Class A Common Stock when, as and if declared by the Board of Directors in accordance with applicable law.

4. **Liquidation.** Subject to the rights and preferences of any holders of any shares of any outstanding series of Preferred Stock, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the funds and assets of the Corporation that may be legally distributed to the Corporation's stockholders shall be distributed among the holders of the then outstanding Class A Common Stock *pro rata* in accordance with the number of shares of Class A Common Stock held by each such holder.

B. PREFERRED STOCK

Shares of Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the creation and issuance of such series adopted by the Board of Directors as hereinafter provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by adopting a resolution or resolutions providing for the issuance of the shares thereof and by filing a certificate of designation relating thereto in accordance with the DGCL (a "**Certificate of Designation**"), to determine and fix the number of shares of such series and such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, and to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series as shall be stated and expressed in such resolutions, all to the fullest extent now or hereafter permitted by the DGCL. Without limiting the generality of the foregoing, the resolution or resolutions providing for the creation and issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to any other series of Preferred Stock to the extent permitted by law and this Second Amended and Restated Certificate (including any Certificate of Designation). Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled only to such voting rights, if any, as shall expressly be granted thereto by this Second Amended and Restated Certificate (including any Certificate of Designation).

The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE V **BOARD OF DIRECTORS**

For the management of the business and for the conduct of the affairs of the Corporation it is further provided that:

A. Subject to that certain Stockholders Agreement, dated as of August 26, 2020, by and among Trine Acquisition Corp. (now known as Desktop Metal, Inc.) and Trine Sponsor IH, LLC (as such agreement may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Stockholders Agreement**") and the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the directors of the Corporation shall be classified with respect to the time for which they severally hold office into three classes, designated as Class I, Class II and Class III. The initial Class I directors shall serve for a term expiring at the first annual meeting of the stockholders following the date of this Second Amended and Restated Certificate; the initial Class II directors shall serve for a term expiring at the second annual meeting of the stockholders following the date of this Second Amended and Restated Certificate; and the initial Class III directors shall serve for a term expiring at the third annual meeting following the date of this Second Amended and Restated Certificate. At each annual meeting of the stockholders of the Corporation beginning with the first annual meeting of the stockholders following the date of this Second Amended and Restated Certificate, subject to the Stockholders Agreement (as defined below) and the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of the stockholders held in the third year following the year of their election. Each director shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation, disqualification or removal. No decrease in the number of directors shall shorten the term of any incumbent director. Subject to the Stockholders Agreement, the Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II and Class III.

B. Except as otherwise expressly provided by the DGCL or this Second Amended and Restated Certificate, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted from time to time by the Board of Directors.

C. Subject to the Stockholders Agreement and the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the Board of Directors or any individual director may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least two-thirds (66 and 2/3%) of the voting power of all of the then outstanding shares of voting stock of the Corporation entitled to vote at an election of directors.

D. Subject to the Stockholders Agreement and the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, except as otherwise provided by law, any vacancies on the Board of Directors resulting from death, resignation, disqualification, retirement, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall be filled exclusively by the affirmative vote of a majority of the directors then in office, even though less than a quorum, or by a sole remaining director (other than any directors elected by the separate vote of one or more outstanding series of Preferred Stock), and shall not be filled by the stockholders. Subject to the Stockholders Agreement, any director appointed in accordance with the preceding sentence shall hold office until the expiration of the term of the class to which such director shall have been appointed or until his or her earlier death, resignation, retirement, disqualification, or removal.

E. Whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal and other features of such directorships shall be governed by the terms of this Second Amended and Restated Certificate (including any Certificate of Designation). Notwithstanding anything to the contrary in this Article V, the number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the number fixed pursuant to paragraph B of this Article V, and the total number of directors constituting the whole Board of Directors shall be automatically adjusted accordingly. Except as otherwise provided in the Certificate of Designation(s) in respect of one or more series of Preferred Stock, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such Certificate of Designation(s), the terms of office of all such additional directors elected by the holders of such series of Preferred Stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

F. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Amended and Restated Bylaws of the Corporation (as amended and/or restated from time to time, the “Bylaws”). In addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Second Amended and Restated Certificate (including any Certificate of Designation in respect of one or more series of Preferred Stock) or the Bylaws of the Corporation, the adoption, amendment or repeal of the Bylaws of the Corporation by the stockholders of the Corporation shall require the affirmative vote of the holders of at least two-thirds (66 and 2/3%) of the voting power of all of the then outstanding shares of voting stock of the Corporation entitled to vote generally in an election of directors.

G. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

ARTICLE VI **STOCKHOLDERS**

A. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of the stockholders of the Corporation, and shall not be taken by written consent in lieu of a meeting. Notwithstanding the foregoing, any action required or permitted to be taken by the holders of any series of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable Certificate of Designation relating to such series of Preferred Stock, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares of the relevant series of Preferred Stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation in accordance with the applicable provisions of the DGCL.

B. Subject to the special rights of the holders of one or more series of Preferred Stock, special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, at any time only by or at the direction of the Board of Directors, the Chairperson of the Board of Directors, the Chief Executive Officer or the President, and shall not be called by any other person or persons.

C. Advance notice of stockholder nominations for the election of directors and of other business proposed to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

ARTICLE VII **LIABILITY**

No director of the Corporation shall have any personal liability to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or hereafter may be amended. Any amendment, repeal or modification of this Article VII, or the adoption of any provision of the Second Amended and Restated Certificate inconsistent with this Article VII, shall not adversely affect any right or protection of a director of the Corporation with respect to any act or omission occurring prior to such amendment, repeal, modification or adoption. If the DGCL is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

ARTICLE VIII **INDEMNIFICATION**

The Corporation shall have the power to provide rights to indemnification and advancement of expenses to its current and former officers, directors, employees and agents and to any person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

ARTICLE IX **FORUM SELECTION**

Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Court of Chancery (the “Chancery Court”) of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action, suit or proceeding brought on behalf of the Corporation, (ii) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder of the Corporation to the Corporation or to the Corporation’s stockholders, (iii) any action, suit or proceeding arising pursuant to any provision of the DGCL or the bylaws of the Corporation or this Second Amended and Restated Certificate (as either may be amended from time to time) or (iv) any action, suit or proceeding asserting a claim against the Corporation governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article IX, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. If any action the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a “Foreign Action”) in the name of any stockholder, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder’s counsel in the Foreign Action as agent for such stockholder.

Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this Article IX. Notwithstanding the foregoing, the provisions of this Article IX shall not apply to suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts of the United States have exclusive jurisdiction.

ARTICLE X
AMENDMENTS

A. Notwithstanding anything contained in this Second Amended and Restated Certificate to the contrary, in addition to any vote required by applicable law, the following provisions in this Second Amended and Restated Certificate may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least two-thirds (66 and 2/3%) of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class: Part B of Article IV, Article V, Article VI, Article VII, Article VIII, Article IX, and this Article X.

B. If any provision or provisions of this Second Amended and Restated Certificate shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Second Amended and Restated Certificate (including, without limitation, each portion of any paragraph of this Second Amended and Restated Certificate containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by applicable law, in any way be affected or impaired thereby and (ii) to the fullest extent permitted by applicable law, the provisions of this Second Amended and Restated Certificate (including, without limitation, each such portion of any paragraph of this Second Amended and Restated Certificate containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

Amended and Restated Bylaws of
Desktop Metal, Inc.
(a Delaware corporation)

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**Amended and Restated Bylaws of
Desktop Metal, Inc.**

Article I - Corporate Offices

1.1 Registered Office.

The address of the registered office of Desktop Metal, Inc. (the "Corporation") in the State of Delaware, and the name of its registered agent at such address, shall be as set forth in the Corporation's certificate of incorporation, as the same may be amended and/or restated from time to time (the "Certificate of Incorporation").

1.2 Other Offices.

The Corporation may have additional offices at any place or places, within or outside the State of Delaware, as the Corporation's board of directors (the "Board") may from time to time establish or as the business of the Corporation may require.

Article II - Meetings of Stockholders

2.1 Place of Meetings.

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board. The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the General Corporation Law of the State of Delaware (the "DGCL"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive office.

2.2 Annual Meeting.

The Board shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and other proper business properly brought before the meeting in accordance with Section 2.4 may be transacted. The Board may postpone, reschedule or cancel any previously scheduled annual meeting of stockholders.

2.3 Special Meeting.

Special meetings of the stockholders may be called only by such persons and only in such manner as set forth in the Certificate of Incorporation.

No business may be transacted at any special meeting of stockholders other than the business specified in the notice of such meeting. The Board may postpone, reschedule or cancel any previously scheduled special meeting of stockholders.

2.4 Notice of Business to be Brought before a Meeting

(a) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in a notice of meeting given by or at the direction of the Board, (ii) if not specified in a notice of meeting, otherwise brought before the meeting by the Board or the Chairman of the Board or (iii) otherwise properly brought before the meeting by a stockholder present in person who (A) (1) was a record owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.4 and at the time of the meeting, (2) is entitled to vote at the meeting and (3) has complied with this Section 2.4 in all applicable respects or (B) properly made such proposal in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (as so amended and inclusive of such rules and regulations, the “Exchange Act”). The foregoing clause (iii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. The only matters that may be brought before a special meeting are the matters specified in the notice of meeting given by or at the direction of the person calling the meeting pursuant to Section 2.3, and stockholders shall not be permitted to propose business to be brought before a special meeting of the stockholders. For purposes of this Section 2.4, “present in person” shall mean that the stockholder proposing that the business be brought before the annual meeting of the Corporation, or a qualified representative of such proposing stockholder, appear at such annual meeting. A “qualified representative” of such proposing stockholder shall be a duly authorized officer, manager or partner of such stockholder or any other person authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders. Stockholders seeking to nominate persons for election to the Board must comply with Section 2.5, and this Section 2.4 shall not be applicable to nominations except as expressly provided in Section 2.5.

(b) For business to be properly brought before an annual meeting by a stockholder, the stockholder must (i) provide Timely Notice (as defined below) thereof in writing and in proper form to the Secretary of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.4. To be timely, a stockholder’s notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year’s annual meeting; *provided, however*, that if no annual meeting was held in the preceding year, to be timely, a stockholder’s notice must be so delivered, or mailed and received, not earlier than the close of business on the one hundred and twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or, if later, the tenth (10th) day following the day on which public disclosure of the date of such annual meeting was first made by the Corporation; *provided, further*, that if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, to be timely, a stockholder’s notice must be so delivered, or mailed and received, not later than the ninetieth (90th) day prior to such annual meeting or, if later, the tenth (10th) day following the day on which public disclosure of the date of such annual meeting was first made by the Corporation (such notice within such time periods, “Timely Notice”). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of Timely Notice as described above.

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(c) To be in proper form for purposes of this Section 2.4, a stockholder’s notice to the Secretary of the Corporation shall set forth:

(i) As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation’s books and records); and (B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (A) and (B) are referred to as “Stockholder Information”);

(ii) As to each Proposing Person, (A) the full notional amount of any securities that, directly or indirectly, underlie any “derivative security” (as such term is defined in Rule 16a-1(c) under the Exchange Act) that constitutes a “call equivalent position” (as such term is defined in Rule 16a-1(b) under the Exchange Act) (“Synthetic Equity Position”) and that is, directly or indirectly, held or maintained by such Proposing Person with respect to any shares of any class or series of shares of the Corporation; *provided* that, for the purposes of the definition of “Synthetic Equity Position,” the term “derivative security” shall also include any security or instrument that would not otherwise constitute a “derivative security” as a result of any feature that would make any conversion, exercise or similar right or privilege of such security or instrument becoming determinable only at some future date or upon the happening of a future occurrence, in which case the determination of the amount of securities into which such security or instrument would be convertible or exercisable shall be made assuming that such security or instrument is immediately convertible or exercisable at the time of such determination; and, *provided, further*, that any Proposing Person satisfying the requirements of Rule 13d-1(b)(1) under the Exchange Act (other than a Proposing Person that so satisfies Rule 13d-1(b)(1) under the Exchange Act solely by reason of Rule 13d-1(b)(1)(ii)(E)) shall not be deemed to hold or maintain the notional amount of any securities that underlie a Synthetic Equity Position held by such Proposing Person as a hedge with respect to a bona fide derivatives trade or position of such Proposing Person arising in the ordinary course of such Proposing Person’s business as a derivatives dealer, (B) any rights to dividends on the shares of any class or series of shares of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (C) any material pending or threatened legal proceeding in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (D) any other material relationship between such Proposing Person, on the one hand, and the Corporation or any affiliate of the Corporation, on the other hand, (E) any direct or indirect material interest in any material contract or agreement of such Proposing Person with the Corporation or any affiliate of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (F) a representation that such Proposing Person intends or is part of a group that intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the Corporation’s outstanding capital stock required to approve or adopt the proposal or otherwise solicit proxies from stockholders in support of such proposal and (G) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (G) are referred to as “Disclosable Interests”); *provided, however*, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner; and

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(iii) As to each item of business that the stockholder proposes to bring before the annual meeting, (A) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the bylaws, the language of the proposed amendment), and (C) a reasonably detailed description of all agreements, arrangements and understandings (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other person or entity (including their names) in connection with the proposal of such business by such stockholder; and (D) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to

Section 14(a) of the Exchange Act; *provided, however*, that the disclosures required by this Section 2.4(c)(iii) shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner.

For purposes of this Section 2.4, the term “Proposing Person” shall mean (i) the stockholder providing the notice of business proposed to be brought before an annual meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, and (iii) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation.

(d) A Proposing Person shall update and supplement its notice to the Corporation of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.4 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these bylaws shall not limit the Corporation’s rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding matters, business or resolutions proposed to be brought before a meeting of the stockholders.

(e) Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at an annual meeting that is not properly brought before the meeting in accordance with this Section 2.4. The presiding officer of the meeting shall, if the facts warrant, determine that the business was not properly brought before the meeting in accordance with this Section 2.4, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

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(f) This Section 2.4 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders other than any proposal made in accordance with Rule 14a-8 under the Exchange Act and included in the Corporation’s proxy statement. In addition to the requirements of this Section 2.4 with respect to any business proposed to be brought before an annual meeting, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Section 2.4 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation’s proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(g) For purposes of these bylaws, “public disclosure” shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

2.5 Notice of Nominations for Election to the Board

(a) Nominations of any person for election to the Board at an annual meeting or at a special meeting (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting) may be made at such meeting only (i) as provided in that certain Stockholders Agreement, dated as of August 26, 2020, by and among Trine Acquisition Corp. (now known as Desktop Metal, Inc.) and Trine Sponsor 1H, LLC (“Trine Sponsor”) (as such agreement may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Stockholders Agreement”), (ii), by or at the direction of the Board, including by any committee or persons authorized to do so by the Board or these bylaws, or (iii) by a stockholder present in person (A) who was a record owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.5 and at the time of the meeting, (B) is entitled to vote at the meeting, and (C) has complied with this Section 2.5 as to such notice and nomination. For purposes of this Section 2.5, “present in person” shall mean that the stockholder proposing that the business be brought before the meeting of the Corporation, or a qualified representative of such stockholder, appear at such meeting. A “qualified representative” of such proposing stockholder shall be a duly authorized officer, manager or partner of such stockholder or any other person authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders. Other than as provided in the Stockholders Agreement, the foregoing clause (iii) shall be the exclusive means for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting or special meeting.

(b) (i) Without qualification, for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting, the stockholder must (1) provide Timely Notice (as defined in Section 2.4) thereof in writing and in proper form to the Secretary of the Corporation, (2) provide the information, agreements and questionnaires with respect to such stockholder and its candidate for nomination as required to be set forth by this Section 2.5 and (3) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5.

(ii) Without qualification, if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling a special meeting, then for a stockholder to make any nomination of a person or persons for election to the Board at a special meeting, the stockholder must (i) provide Timely Notice thereof in writing and in proper form to the Secretary of the Corporation at the principal executive offices of the Corporation, (ii) provide the information with respect to such stockholder and its candidate for nomination as required by this Section 2.5 and (iii) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. To be timely, a stockholder’s notice for nominations to be made at a special meeting must be delivered to, or mailed and received at, the principal executive offices of the Corporation not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than the ninetieth (90th) day prior to such special meeting or, if later, the tenth (10th) day following the day on which public disclosure (as defined in Section 2.4) of the date of such special meeting was first made.

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(iii) In no event shall any adjournment or postponement of an annual meeting or special meeting or the announcement thereof commence a new time period for the giving of a stockholder’s notice as described above.

(iv) In no event may a Nominating Person provide Timely Notice with respect to a greater number of director candidates than are subject to election by shareholders at the applicable meeting. If the Corporation shall, subsequent to such notice, increase the number of directors subject to election at the meeting, such notice as to any additional nominees shall be due on the later of (i) the conclusion of the time period for Timely Notice, (ii) the date set forth in Section 2.5(b)(ii) or (iii) the tenth day following the date of public disclosure (as defined in Section 2.4) of such increase.

(c) To be in proper form for purposes of this Section 2.5, a stockholder’s notice to the Secretary of the Corporation shall set forth:

(i) As to each Nominating Person (as defined below), the Stockholder Information (as defined in Section 2.4(c)(i)), except that for purposes of this Section 2.5, the term “Nominating Person” shall be substituted for the term “Proposing Person” in all places it appears in Section 2.4(c)(i);

(ii) As to each Nominating Person, any Disclosable Interests (as defined in Section 2.4(c)(ii)), except that for purposes of this Section 2.5, the term “Nominating Person” shall be substituted for the term “Proposing Person” in all places it appears in Section 2.4(c)(ii) and the disclosure with respect to the business to be brought before the meeting in Section 2.4(c)(ii) shall be made with respect to the election of directors at the meeting); and

(iii) As to each candidate whom a Nominating Person proposes to nominate for election as a director, (A) all information with respect to such candidate for nomination that would be required to be set forth in a stockholder’s notice pursuant to this Section 2.5 if such candidate for nomination were a Nominating Person, (B) all information relating to such candidate for nomination that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14(a) under the Exchange Act (including such candidate’s written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (C) a description of any direct or indirect material interest in any material contract or agreement between or among any Nominating Person, on the one hand, and each candidate for nomination or his or her respective associates or any other participants in such solicitation, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such Nominating Person were the “registrant” for purposes of such rule and the candidate for nomination were a director or executive officer of such registrant and (D) a completed and signed questionnaire, representation and agreement as provided in Section 2.5(f).

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For purposes of this Section 2.5, the term “Nominating Person” shall mean (i) the stockholder providing the notice of the nomination proposed to be made at the meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made, and (iii) any other participant in such solicitation.

(d) A stockholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.5 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these bylaws shall not limit the Corporation’s rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any nomination or to submit any new nomination.

(e) In addition to the requirements of this Section 2.5 with respect to any nomination proposed to be made at a meeting, each Nominating Person shall comply with all applicable requirements of the Exchange Act with respect to any such nominations.

(f) To be eligible to be a candidate for election as a director of the Corporation at an annual or special meeting, a candidate must be nominated in the manner prescribed in Section 2.5 and the candidate for nomination, whether nominated by the Board or by a stockholder of record, must have previously delivered (in accordance with the time period prescribed for delivery in a notice to such candidate given by or on behalf of the Board), to the Secretary of the Corporation at the principal executive offices of the Corporation, (i) a completed written questionnaire (in a form provided by the Corporation) with respect to the background, qualifications, stock ownership and independence of such proposed nominee and (ii) a written representation and agreement (in form provided by the Corporation) that such candidate for nomination (A) is not and, if elected as a director during his or her term of office, will not become a party to (1) any agreement, arrangement or understanding with, and has not given and will not give any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a “Voting Commitment”) or (2) any Voting Commitment that could limit or interfere with such proposed nominee’s ability to comply, if elected as a director of the Corporation, with such proposed nominee’s fiduciary duties under applicable law, (B) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation or reimbursement for service as a director that has not been disclosed to the Corporation and (C) if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, stock ownership and trading and other policies and guidelines of the Corporation applicable to directors and in effect during such person’s term in office as a director (and, if requested by any candidate for nomination, the Secretary of the Corporation shall provide to such candidate for nomination all such policies and guidelines then in effect).

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(g) The Board may also require any proposed candidate for nomination as a Director to furnish such other information as may reasonably be requested by the Board in writing prior to the meeting of stockholders at which such candidate’s nomination is to be acted upon in order for the Board to determine the eligibility of such candidate for nomination to be an independent director of the Corporation in accordance with the Corporation’s corporate governance guidelines.

(h) A candidate for nomination as a director shall further update and supplement the materials delivered pursuant to this Section 2.5, if necessary, so that the information provided or required to be provided pursuant to this Section 2.5 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation (or any other office specified by the Corporation in any public announcement) not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these bylaws shall not limit the Corporation’s rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business or resolutions proposed to be brought before a meeting of the stockholders.

(i) No candidate shall be eligible for nomination as a director of the Corporation unless such candidate for nomination and the Nominating Person seeking to place such candidate’s name in nomination has complied with this Section 2.5. The presiding officer at the meeting shall, if the facts warrant, determine that a nomination was not properly made in accordance with Section 2.5, and if he or she should so determine, he or she shall so declare such determination to the meeting, the defective nomination shall be disregarded and any ballots cast for the candidate in question (but in the case of any form of ballot listing other qualified nominees, only the ballots cast for the nominee in question) shall be void and of no force or effect.

(j) Notwithstanding anything in these bylaws to the contrary, no candidate for nomination shall be eligible to be seated as a director of the Corporation unless

nominated and elected in accordance with Section 2.5.

(k) Notwithstanding anything in these bylaws to the contrary, for so long as Trine Sponsor is entitled to nominate a Director pursuant to the Stockholders Agreement, Trine Sponsor shall not be subject to the notice procedures set forth in this Section 2.5.

2.6 Notice of Stockholders' Meetings.

Unless otherwise provided by law, the Certificate of Incorporation or these bylaws, the notice of any meeting of stockholders shall be sent or otherwise given in accordance with Section 8.1 not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. The notice shall specify the place, if any, date and time of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

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2.7 Quorum.

Unless otherwise provided by law, the Certificate of Incorporation or these bylaws, the holders of a majority in voting power of the stock issued and outstanding and entitled to vote, present in person, or by remote communication, if applicable, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If, however, a quorum is not present or represented at any meeting of the stockholders, then either (i) the person presiding over the meeting or (ii) a majority in voting power of the stockholders entitled to vote at the meeting, present in person, or by remote communication, if applicable, or represented by proxy, shall have power to recess the meeting or adjourn the meeting from time to time in the manner provided in Section 2.8 until a quorum is present or represented. At any recessed or adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

2.8 Adjourned Meeting; Notice.

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At any adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such meeting as of the record date so fixed for notice of such adjourned meeting.

2.9 Conduct of Business.

The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures (which need not be in writing) and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the person presiding over the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present (including, without limitation, rules and procedures for removal of disruptive persons from the meeting); (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the person presiding over the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting (including, without limitation, determinations with respect to the administration and/or interpretation of any of the rules, regulations or procedures of the meeting, whether adopted by the Board or prescribed by the person presiding over the meeting), shall, if the facts warrant, determine and declare to the meeting that a matter of business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

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2.10 Voting.

Except as may be otherwise provided in the Certificate of Incorporation, these bylaws or the DGCL, each stockholder shall be entitled to one (1) vote for each share of capital stock held by such stockholder.

Except as otherwise provided by the Certificate of Incorporation, at all duly called or convened meetings of stockholders at which a quorum is present, for the election of directors, a plurality of the votes cast shall be sufficient to elect a director. Except as otherwise provided by the Certificate of Incorporation, these bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, each other matter presented to the stockholders at a duly called or convened meeting at which a quorum is present shall be decided by the affirmative vote of the holders of a majority in voting power of the votes cast (excluding abstentions and broker non-votes) on such matter.

2.11 Record Date for Stockholder Meetings and Other Purposes.

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) days nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is first given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting; and

in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of capital stock, or for the purposes of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

2.12 Proxies.

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A proxy may be in the form of an electronic transmission which sets forth or is submitted with information from which it can be determined that the transmission was authorized by the stockholder.

2.13 List of Stockholders Entitled to Vote

The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting *provided, however*, that if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least ten (10) days prior to the meeting: (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the Corporation's principal executive office. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 2.13 or to vote in person or by proxy at any meeting of stockholders.

2.14 Inspectors of Election.

Before any meeting of stockholders, the Corporation shall appoint an inspector or inspectors of election to act at the meeting or its adjournment and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If any person appointed as inspector or any alternate fails to appear or fails or refuses to act, then the person presiding over the meeting shall appoint a person to fill that vacancy.

Such inspectors shall:

- (i) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting and the validity of any proxies and ballots;
- (ii) count all votes or ballots;
- (iii) count and tabulate all votes;
- (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspector(s); and
- (v) certify its or their determination of the number of shares represented at the meeting and its or their count of all votes and ballots.

Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspection with strict impartiality and according to the best of such inspector's ability. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein. The inspectors of election may appoint such persons to assist them in performing their duties as they determine.

2.15 Delivery to the Corporation.

Whenever this Article II requires one or more persons (including a record or beneficial owner of stock) to deliver a document or information to the Corporation or any officer, employee or agent thereof (including any notice, request, questionnaire, revocation, representation or other document or agreement), such document or information shall be in writing exclusively (and not in an electronic transmission) and shall be delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested, and the Corporation shall not be required to accept delivery of any document not in such written form or so delivered. For the avoidance of doubt, the Corporation expressly opts out of Section 116 of the DGCL with respect to the delivery of information and documents to the Corporation required by this Article II.

Article III - Directors

3.1 Powers.

Except as otherwise provided by the Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board.

3.2 Number of Directors.

Subject to the Certificate of Incorporation, the total number of directors constituting the Board shall be determined from time to time by resolution of the Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 Election, Qualification and Term of Office of Directors.

Except as provided in Section 3.4, and subject to the Certificate of Incorporation and the Stockholders Agreement, each director, including a director elected to fill a vacancy or newly created directorship, shall hold office until the expiration of the term of the class, if any, for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation, disqualification or removal. Directors need not be stockholders. The Certificate of Incorporation or these bylaws may prescribe qualifications for directors.

3.4 Resignation and Vacancies.

Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. The resignation shall take effect at the time specified therein or upon the happening of an event specified therein, and if no time or event is specified, at the time of its receipt. Subject to the Stockholders Agreement, when one or more directors so resigns and the resignation is effective at a future date or upon the happening of an event to occur on a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in Section 3.3.

Subject to the Stockholders Agreement, and unless otherwise provided in the Certificate of Incorporation or these bylaws, vacancies resulting from the death, resignation, disqualification or removal of any director, and newly created directorships resulting from any increase in the authorized number of directors shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

3.5 Place of Meetings: Meetings by Telephone.

The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation or these bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting pursuant to this bylaw shall constitute presence in person at the meeting.

3.6 Regular Meetings.

Regular meetings of the Board may be held within or outside the State of Delaware and at such time and at such place as which has been designated by the Board and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other means of electronic transmission. No further notice shall be required for regular meetings of the Board.

3.7 Special Meetings: Notice.

Special meetings of the Board for any purpose or purposes may be called at any time by the chairperson of the Board, the Chief Executive Officer, the President or the Secretary of the Corporation or a majority of the total number of directors constituting the Board.

Notice of the time and place of special meetings shall be:

- (i) delivered personally by hand, by courier or by telephone;
- (ii) sent by United States first-class mail, postage prepaid;
- (iii) sent by facsimile or electronic mail; or
- (iv) sent by other means of electronic transmission,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, or other address for electronic transmission, as the case may be, as shown on the Corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or electronic mail, or (iii) sent by other means of electronic transmission, it shall be delivered or sent at least twenty-four (24) hours before the time of the holding of the meeting. If the notice is sent by U.S. mail, it shall be deposited in the U.S. mail at least four (4) days before the time of the holding of the meeting. The notice need not specify the place of the meeting (if the meeting is to be held at the Corporation's principal executive office) nor the purpose of the meeting.

3.8 Quorum.

At all meetings of the Board, unless otherwise provided by the Certificate of Incorporation, a majority of the total number of directors shall constitute a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the Certificate of Incorporation or these bylaws. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.9 Board Action without a Meeting.

Unless otherwise restricted by the Certificate of Incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents relating thereto shall be filed with the minutes of the proceedings of the Board, or the committee thereof, in the same paper or electronic form as the minutes are maintained. Such action by written consent or consent by electronic transmission shall have the same force and effect as a unanimous vote of

3.10 Fees and Compensation of Directors.

Unless otherwise restricted by the Certificate of Incorporation or these bylaws, the Board shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

Article IV - Committees

4.1 Committees of Directors.

The Board may designate one (1) or more committees, each committee to consist, of one (1) or more of the directors of the Corporation. The Board may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Corporation.

4.2 Committee Minutes.

Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

4.3 Meetings and Actions of Committees.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

- (i) Section 3.5 (place of meetings; meetings by telephone);
- (ii) Section 3.6 (regular meetings);
- (iii) Section 3.7 (special meetings; notice);
- (iv) Section 3.9 (board action without a meeting); and
- (v) Section 7.13 (waiver of notice),

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members *provided, however*, that:

- (i) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;
- (ii) special meetings of committees may also be called by resolution of the Board or the chairperson of the applicable committee; and
- (iii) the Board may adopt rules for the governance of any committee to override the provisions that would otherwise apply to the committee pursuant to this Section 4.3, *provided* that such rules do not violate the provisions of the Certificate of Incorporation or applicable law.

4.4 Subcommittees.

Unless otherwise provided in the Certificate of Incorporation, these bylaws or the resolutions of the Board designating the committee, a committee may create one (1) or more subcommittees, each subcommittee to consist of one (1) or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

Article V - Officers

5.1 Officers.

The officers of the Corporation shall include a Chief Executive Officer, a President and a Secretary. The Corporation may also have, at the discretion of the Board, a Chairperson of the Board, a Vice Chairperson of the Board, a Chief Financial Officer, a Treasurer, one (1) or more Vice Presidents, one (1) or more Assistant Vice Presidents, one (1) or more Assistant Treasurers, one (1) or more Assistant Secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person. No officer need be a stockholder or director of the Corporation.

5.2 Appointment of Officers.

The Board shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3.

5.3 Subordinate Officers.

The Board may appoint, or empower the Chief Executive Officer or, in the absence of a Chief Executive Officer, the President, to appoint, such other officers and agents as the business of the Corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine.

5.4 Removal and Resignation of Officers.

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 Vacancies in Offices.

Any vacancy occurring in any office of the Corporation shall be filled by the Board or as provided in Section 5.2.

5.6 Representation of Shares of Other Corporations.

The Chairperson of the Board, the Chief Executive Officer, or the President of this Corporation, or any other person authorized by the Board, the Chief Executive Officer or the President, is authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all shares or voting securities of any other corporation or other person standing in the name of this Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 Authority and Duties of Officers.

All officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be provided herein or designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

5.8 Compensation.

The compensation of the officers of the Corporation for their services as such shall be fixed from time to time by or at the direction of the Board. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that he or she is also a director of the Corporation.

Article VI - Records

A stock ledger consisting of one or more records in which the names of all of the Corporation's stockholders of record, the address and number of shares registered in the name of each such stockholder, and all issuances and transfers of stock of the corporation are recorded in accordance with Section 224 of the DGCL shall be administered by or on behalf of the Corporation. Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device, or method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases), *provided* that the records so kept can be converted into clearly legible paper form within a reasonable time and, with respect to the stock ledger, that the records so kept (i) can be used to prepare the list of stockholders specified in Sections 219 and 220 of the DGCL, (ii) record the information specified in Sections 156, 159, 217(a) and 218 of the DGCL, and (iii) record transfers of stock as governed by Article 8 of the Uniform Commercial Code as adopted in the State of Delaware.

Article VII - General Matters

7.1 Execution of Corporate Contracts and Instruments.

The Board, except as otherwise provided in these bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances.

7.2 Stock Certificates.

The shares of the Corporation shall be represented by certificates or shall be uncertificated. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by a certificate shall be entitled to have a certificate signed by, or in the name of the Corporation by, any two officers authorized to sign stock certificates representing the number of shares registered in certificate form. The Chairperson or Vice Chairperson of the Board, the Chief Executive Officer, the President, Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Corporation shall be specifically authorized to sign stock certificates. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

The Corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, or upon the books and records of the Corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

7.3 Special Designation of Certificates.

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or on the back of the certificate that the Corporation shall issue to represent such class or series of stock (or, in the case of uncertificated shares, set forth in a notice provided pursuant to Section 151 of the DGCL); *provided, however*, that except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock (or, in the case of any uncertificated shares, included in the aforementioned notice) a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

7.4 Lost Certificates.

Except as provided in this Section 7.4, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and cancelled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

7.5 Shares Without Certificates

The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates, provided the use of such system by the Corporation is permitted in accordance with applicable law.

7.6 Construction: Definitions.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural and the plural number includes the singular.

7.7 Dividends.

The Board, subject to any restrictions contained in either (i) the DGCL or (ii) the Certificate of Incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock.

The Board may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

7.8 Fiscal Year.

The fiscal year of the Corporation shall be fixed by resolution of the Board and may be changed by the Board.

7.9 Seal.

The Corporation may adopt a corporate seal, which shall be adopted and which may be altered by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

7.10 Transfer of Stock.

Shares of the stock of the Corporation shall be transferable in the manner prescribed by law and in these bylaws. Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the Corporation of the certificate or certificates representing such shares endorsed by the appropriate person or persons (or by delivery of duly executed instructions with respect to uncertificated shares), with such evidence of the authenticity of such endorsement or execution, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing the names of the persons from and to whom it was transferred.

7.11 Stock Transfer Agreements.

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes or series of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

7.12 Registered Stockholders.

The Corporation:

- (i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner; and
- (ii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

7.13 Waiver of Notice.

Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these bylaws.

Article VIII - Notice

8.1 Delivery of Notice: Notice by Electronic Transmission

Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provisions of the DGCL, the Certificate of Incorporation, or these bylaws may be given in writing directed to the stockholder's mailing address (or by electronic transmission directed to the stockholder's electronic mail address, as applicable) as it appears on the records of the Corporation and shall be given (1) if mailed, when the notice is deposited in the U.S. mail, postage prepaid, (2) if delivered by courier service, the earlier of when the notice is received or left at such stockholder's address or (3) if given by electronic mail, when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail. A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation.

Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice or electronic transmission to the Corporation. Notwithstanding the provisions of this paragraph, the Corporation may give a notice by electronic mail in accordance with the first paragraph of this section without obtaining the consent required by this paragraph.

Any notice given pursuant to the preceding paragraph shall be deemed given:

- (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;
- (ii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and
- (iii) if by any other form of electronic transmission, when directed to the stockholder.

Notwithstanding the foregoing, a notice may not be given by an electronic transmission from and after the time that (1) the Corporation is unable to deliver by such electronic transmission two (2) consecutive notices given by the Corporation and (2) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice; *provided, however*, that the inadvertent failure to discover such inability shall not invalidate any meeting or other action.

An affidavit of the Secretary or an Assistant Secretary of the Corporation or of the transfer agent or other agent of the Corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

Article IX - Indemnification

9.1 Indemnification of Directors and Officers.

The Corporation shall indemnify and hold harmless, to the fullest extent permitted by the DGCL as it presently exists or may hereafter be amended, any director or officer of the Corporation who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership (a "covered person"), joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees, judgments, fines ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred by such person in connection with any such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 9.4, the Corporation shall be required to indemnify a person in connection with a Proceeding initiated by such person only if the Proceeding was authorized in the specific case by the Board.

9.2 Indemnification of Others.

The Corporation shall have the power to indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any employee or agent of the Corporation who was or is made or is threatened to be made a party or is otherwise involved in any Proceeding by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such Proceeding.

9.3 Prepayment of Expenses.

The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by any covered person, and may pay the expenses incurred by any employee or agent of the Corporation, in defending any Proceeding in advance of its final disposition; *provided, however*, that such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the person to repay all amounts advanced if it should be ultimately determined that the person is not entitled to be indemnified under this Article IX- or otherwise.

9.4 Determination; Claim.

If a claim for indemnification (following the final disposition of such Proceeding) under this Article IX- is not paid in full within sixty (60) days, or a claim for advancement of expenses under this Article IX- is not paid in full within thirty (30) days, after a written claim therefor has been received by the Corporation the claimant may thereafter (but not before) file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

9.5 Non-Exclusivity of Rights.

The rights conferred on any person by this Article IX- shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

9.6 Insurance.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust enterprise or non-profit entity against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the DGCL.

9.7 Other Indemnification.

The Corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

9.8 Continuation of Indemnification.

The rights to indemnification and to prepayment of expenses provided by, or granted pursuant to, this Article IX- shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

9.9 Amendment or Repeal: Interpretation.

The provisions of this Article IX- shall constitute a contract between the Corporation, on the one hand, and, on the other hand, each individual who serves or has served as a director or officer of the Corporation (whether before or after the adoption of these bylaws), in consideration of such person's performance of such services, and pursuant to this Article IX- the Corporation intends to be legally bound to each such current or former director or officer of the Corporation. With respect to current and former directors and officers of the Corporation, the rights conferred under this Article IX- are present contractual rights and such rights are fully vested, and shall be deemed to have vested fully, immediately upon adoption of these bylaws. With respect to any directors or officers of the Corporation who commence service following adoption of these bylaws, the rights conferred under this provision shall be present contractual rights and such rights shall fully vest, and be deemed to have vested fully, immediately upon such director or officer commencing service as a director or officer of the Corporation. Any repeal or modification of the foregoing provisions of this Article IX- shall not adversely affect any right or protection (i) hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification or (ii) under any agreement providing for indemnification or advancement of expenses to an officer or director of the Corporation in effect prior to the time of such repeal or modification.

Any reference to an officer of the Corporation in this Article IX- shall be deemed to refer exclusively to the Chief Executive Officer, the President and the Secretary of the Corporation, or other officer of the Corporation appointed by (x) the Board pursuant to Article V- or (y) an officer to whom the Board has delegated the power to appoint officers pursuant to Article V-, and any reference to an officer of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors (or equivalent governing body) of such other entity pursuant to the certificate of incorporation and bylaws (or equivalent organizational documents) of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The fact that any person who is or was an employee of the Corporation or an employee of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise has been given or has used the title of "Vice President" or any other title that could be construed to suggest or imply that such person is or may be an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall not result in such person being constituted as, or being deemed to be, an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise for purposes of this Article IX-.

Article X - Amendments

The Board is expressly empowered to adopt, amend or repeal the bylaws of the Corporation. The stockholders also shall have power to adopt, amend or repeal the bylaws of the Corporation; *provided, however*, that such action by stockholders shall require, in addition to any other vote required by the Certificate of Incorporation or applicable law, the affirmative vote of the holders of at least two-thirds of the voting power of all the then-outstanding shares of voting stock of the Corporation with the power to vote generally in an election of directors, voting together as a single class.

Article XI - Forum Selection

Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Court of Chancery (the "Chancery Court") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative Proceeding brought on behalf of the Corporation, (ii) any Proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder of the Corporation to the Corporation or to the Corporation's stockholders, (iii) any Proceeding arising pursuant to any provision of the DGCL or the Certificate of Incorporation or these bylaws (as either may be amended from time to time) or (iv) any Proceeding asserting a claim against the Corporation governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article XI-, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. If any action the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this Article XI-. Notwithstanding the foregoing, the provisions of this Article XI- shall not apply to suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts of the United States have exclusive jurisdiction.

Article XII - Definitions

As used in these bylaws, unless the context otherwise requires, the following terms shall have the following meanings:

An “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

An “electronic mail” means an electronic transmission directed to a unique electronic mail address (which electronic mail shall be deemed to include any files attached thereto and any information hyperlinked to a website if such electronic mail includes the contact information of an officer or agent of the Corporation who is available to assist with accessing such files and information).

An “electronic mail address” means a destination, commonly expressed as a string of characters, consisting of a unique user name or mailbox (commonly referred to as the “local part” of the address) and a reference to an internet domain (commonly referred to as the “domain part” of the address), whether or not displayed, to which electronic mail can be sent or delivered.

The term “person” means any individual, general partnership, limited partnership, limited liability company, corporation, trust, business trust, joint stock company, joint venture, unincorporated association, cooperative or association or any other legal entity or organization of whatever nature, and shall include any successor (by merger or otherwise) of such entity.

Desktop Metal, Inc.

Certificate of Amendment and Restatement of Bylaws

The undersigned hereby certifies that she is the duly elected, qualified, and acting Secretary of Desktop Metal, Inc., a Delaware corporation (the “Corporation”), and that the foregoing bylaws were approved on December 9, 2020, effective as of December 9, 2020, by the Corporation’s board of directors.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 9th day of December, 2020.

/s/ Meg Broderick
Meg Broderick
General Counsel and Secretary

[Signature Page to Certificate of Amendment and Restatement of Bylaws]

December 14, 2020

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We have read the statements made by Desktop Metal, Inc. (formerly known as Trine Acquisition Corp.) under Item 4.01 of its Form 8-K filed December 14, 2020. We agree with the statements concerning our Firm in such Form 8-K; we are not in a position to agree or disagree with other statements of Desktop Metal, Inc. contained therein.

Very truly yours,

/s/ Marcum llp

Marcum llp

Subsidiaries

Desktop Metal GMBH
Desktop Metal Operating, Inc.
Desktop Metal Securities Corporation

Jurisdiction of Incorporation

Germany
Delaware
Massachusetts



**DESKTOP METAL BECOMES THE WORLD'S ONLY PUBLICLY TRADED
PURE-PLAY ADDITIVE MANUFACTURING 2.0 COMPANY**

Desktop Metal Completes Its Business Combination with Trine Acquisition Corp. as Trading Begins Today on the NYSE under the Ticker Symbol "DM"

- *Desktop Metal and Trine Acquisition Corp. (NYSE: TRNE), a special purpose acquisition company, today announced they have completed their business combination; the combined company begins trading on the NYSE under the ticker symbol "DM" on December 10, 2020*
- *Desktop Metal is now the only publicly traded pure-play Additive Manufacturing 2.0 company, offering the fastest metal 3D printing technology in the market, up to 100 times the speed of legacy technologies⁽¹⁾*
- *The additive manufacturing industry is estimated to grow from \$12 billion to \$146 billion this decade as it shifts from prototyping to mass production⁽²⁾*
- *Leo Hindery, Jr., legendary technology investor and operator, joins Desktop Metal's board*

BURLINGTON, MA (December 10, 2020) – Desktop Metal, Inc. ("Desktop Metal" or the "Company") a leader in mass production and turnkey additive manufacturing solutions, and Trine Acquisition Corp. (NYSE: TRNE), ("Trine") a special purpose acquisition company led by Leo Hindery, Jr. and HPS Investment Partners, a global credit investment firm with over \$60 billion in assets under management, today announced the completion of their previously announced business combination. The resulting company is named Desktop Metal, Inc. and its common stock and warrants are expected to commence trading on the New York Stock Exchange under the new ticker symbol "DM" and "DM.WT" on December 10, 2020.

The transaction was unanimously approved by the board of directors of Trine and was also approved at a special meeting of Trine's stockholders on December 8, 2020. As a result of this transaction, Desktop Metal has received approximately \$580 million of gross proceeds from Trine's trust account and concurrent equity private placements.

"Today is an exciting moment and major milestone for our company and for the additive manufacturing (AM) industry at large," said Ric Fulop, Co-founder and Chief Executive Officer of Desktop Metal. "With a broad portfolio of solutions offering revolutionary ease-of-use and productivity for the AM industry, Desktop Metal is uniquely positioned to disrupt how parts are made across a wide range of industries. The capital raised through our transition to a publicly traded company will accelerate our global go-to-market efforts, enhance our relentless efforts in R&D, and allow us to capitalize on the tremendous growth opportunities we see over the next decade as we integrate industry-leading technology and intellectual property with strong secular growth trends around AM. We are excited to bring Desktop Metal to the public markets as the only pure play Additive Manufacturing 2.0 (AM 2.0) company and offer everyone the opportunity to invest in a company aiming to transform the manufacturing industry."

Founded in 2015 with a vision to pioneer technology that changes the way parts are produced through AM, Desktop Metal has quickly grown to become a global enterprise offering a diverse suite of AM solutions. Led by an experienced team with deep operational and scientific pedigree, Desktop Metal has distribution in more than 60 countries around the world and adoption from leading companies spanning a broad array of industries, including automotive, consumer products, industrial automation, medical devices, aerospace and defense.

The Company's product portfolio is anchored by its flagship Production System™ P-50, which is scheduled to begin volume commercial shipments in the second half of 2021. The P-50 is designed to achieve print speeds up to 100 times those of legacy technologies⁽¹⁾, delivering thousands of parts per day at costs competitive with conventional manufacturing. The recently revealed Production System P-1 leverages the same patent-pending Single Pass Jetting™ technology as the P-50 and begins initial shipments to customers in Q4 2020. Desktop Metal's AM 2.0 portfolio also includes Shop System™, a mid-volume, flexible manufacturing solution designed for machine shops which began volume manufacturing and global shipments in Q4 2020; Studio System™, an office-friendly metal 3D printing system for low-volume production which has been shipping in volume globally since 2018; and Fiber™, a continuous fiber composite printer, scheduled to begin volume commercial shipments in Q4 2020.

The AM 2.0 Revolution and Its Impact to Industry 4.0

The AM industry grew at a 20 percent annual compound rate between 2006 and 2016 before accelerating to 25 percent compound annual growth over the last three years, a rate that is expected to continue over the next decade as the market grows from \$12 billion in 2019 to an estimated \$146 billion in 2030⁽²⁾.

"We believe the AM industry is at a major inflection point and that Desktop Metal is at the forefront of this transformation," said Fulop. "This market inflection is being driven by the emergence of AM 2.0 a wave of next-generation AM technologies that unlocks throughput, repeatability, and competitive part costs with a focus on making AM an easy to use, economic solution for mass production. These solutions feature key innovations across printers, materials, and software to pull AM into direct competition with conventional processes used to manufacture \$12 trillion in goods annually⁽³⁾."

"Desktop Metal is poised to revolutionize the manufacturing industry by applying transformative AM 2.0 technologies to the products and industries that will drive the economy in the 21st century," said Leo Hindery, Jr., Desktop Metal board member and Chairman and CEO of Trine Acquisition Corp. "The company has a distinct first-mover advantage over competitors and the injection of capital from this transaction, a large portion of which will be dedicated to continuous product innovation, will protect and extend this first-mover advantage."

About the Transaction

Credit Suisse Securities LLC and Stifel Financial Corp. are serving as capital markets advisors to Desktop Metal, and Credit Suisse as sole private placement agent to Trine. BTIG, LLC is serving as financial and capital markets advisor to Trine. Latham & Watkins LLP is serving as legal advisor to Desktop Metal, and Paul, Weiss, Rifkind, Wharton & Garrison LLP is serving as legal advisor to Trine. ICR is serving as investor relations and communications advisor to Desktop Metal.

About Desktop Metal

Desktop Metal, Inc., based in Burlington, Massachusetts, is accelerating the transformation of manufacturing with an expansive portfolio of 3D printing solutions, from rapid prototyping to mass production. Founded in 2015 by leaders in advanced manufacturing, metallurgy, and robotics, the company is addressing the unmet challenges of speed, cost, and quality to make additive manufacturing an essential tool for engineers and manufacturers around the world. Desktop Metal was selected as one of the world's 30 most promising Technology Pioneers by the World Economic Forum and named to MIT Technology Review's list of 50 Smartest Companies.

For more information, visit www.desktopmetal.com.

Forward Looking Statements

This document contains certain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements generally relate to the Company's future financial or operating performance, such as statements regarding the expected benefits of the business combination and the transaction related thereto (the "Transactions"), the services offered by Desktop Metal and the markets in which it operates, and Desktop Metal's projected future results. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks, uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including but not limited to: (i) the ability to maintain the listing of the Company's securities on the New York Stock Exchange, (ii) the risk that the Transactions disrupt current plans and operations of the Company as a result of the announcement and consummation of the Transactions; (iii) the ability to recognize the anticipated benefits of the Transactions, 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 management and key employees; (iv) costs related to the Transactions; (v) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors, including downturns in the highly competitive additive manufacturing industry; (vi) the ability to implement business plans, forecasts, and other expectations after the completion of the proposed transaction, and identify and realize additional opportunities; and (vii) other risks and uncertainties set forth in the section entitled "Risk Factors" and "Forward-Looking Statements; Market, Ranking and Other Industry Data" in the registration statement on Form S-4 initially filed by Trine with the SEC on September 15, 2020, as amended, and the Trine's and the Company's other filings with the U.S. Securities and Exchange Commission. 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. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. The Company does not give any assurance that it will achieve its expectations.

Press Contacts

For Desktop Metal Investor / Media Relations

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Investor Relations

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- (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.
(2) Wohlers Report 2020 (2020 - 2029 forecast); 2030 figure based on management calculations.
(3) 3D Printing: Disrupting the \$12 Trillion Manufacturing Sector, A.T. Kearney, Inc. (2017).
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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements
DESKTOP METAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except share and per share amounts)

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 37,356	\$ 66,161
Short-term investments	53,180	84,754
Accounts receivable, net of allowance for doubtful accounts \$0.5 million and \$0.2 million	1,642	4,523
Inventory	10,363	8,405
Prepaid expenses and other current assets	806	1,888
Total current assets	103,347	165,731
Restricted cash	612	612
Property and equipment, net	13,601	18,387
Capitalized software, net	357	446
Right-of-use assets	1,935	2,289
Goodwill	2,252	2,252
Acquired technology, net	2,453	2,994
Deferred transaction costs	2,741	—
Total Assets	\$ 127,298	\$ 192,711
Liabilities, Convertible Preferred Stock and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 6,604	\$ 10,228
Customer deposits	1,778	2,325
Current portion of operating lease liability	858	806
Accrued expenses and other current liabilities	6,055	5,053
Deferred revenue	1,136	2,230
Current portion of long-term debt, net of deferred financing costs	9,986	—
Total current liabilities	26,417	20,642
Long-term debt, net of deferred financing costs	—	9,972
Lease liability, net of current portion	2,375	3,026
Total liabilities	28,792	33,640
Commitments and Contingences (Note 9)		
Convertible Preferred Stock (Note 11)		
	436,533	436,533
Stockholders' Equity:		
Common Stock, \$0.0001 par value—authorized, 156,000,000 shares; issued and outstanding, 31,797,295 and 31,388,426 shares at September 30, 2020 and December 31, 2019, respectively (includes unvested 274,467 and 4,575,313 shares of restricted stock)	3	3
Additional paid-in capital	21,254	16,722
Accumulated deficit	(359,289)	(294,262)
Accumulated other comprehensive income	5	75
Total Stockholders' Equity	(338,027)	(277,462)
Total Liabilities, Convertible Preferred Stock and Stockholders' Equity	\$ 127,298	\$ 192,711

See notes to unaudited condensed consolidated financial statements.

DESKTOP METAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share amounts)

	Nine Months Ended September 30,	
	2020	2019
Revenues		
Products	\$ 6,113	\$ 18,655
Services	1,988	2,221
Total revenues	8,101	20,876
Cost of sales		
Products	18,145	35,218
Services	3,365	3,300
Total cost of sales	21,510	38,518
Gross margin	(13,409)	(17,642)
Operating expenses:		
Research and development	31,362	40,623
Sales and marketing	9,994	13,927
General and administrative	11,004	8,290
Total operating expenses	52,360	62,840
Loss from operations	(65,769)	(80,482)
Interest expense	(253)	(389)
Interest and other income, net	995	5,102

Loss before income taxes	(65,027)	(75,769)
Provision for income taxes	—	—
Net loss	\$ (65,027)	\$ (75,769)
Net loss per share—basic and diluted	\$ (2.21)	\$ (3.38)

See notes to unaudited condensed consolidated financial statements.

2

DESKTOP METAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)
(in thousands)

	Nine Months Ended	
	September 30,	
	2020	2019
Net loss	\$ (65,027)	\$ (75,769)
Other comprehensive income, net of taxes:		
Unrealized (loss) gain on available-for-sale marketable securities, net	(70)	227
Total comprehensive loss, net of taxes of \$0	\$ (65,097)	\$ (75,542)

See notes to unaudited condensed consolidated financial statements.

3

DESKTOP METAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND
STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands, except share amounts)

	Convertible Preferred Stock		Common Stock Voting		Additional Paid-in Capital	Notes Receivable	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
BALANCE—									
December 31, 2019	100,038,109	\$ 436,533	26,813,113	\$ 3	\$ 16,722	\$ —	\$ (294,262)	\$ 75	\$ (277,462)
Exercise of Common Stock options	—	—	408,869	—	255	—	—	—	255
Vesting of restricted Common Stock	—	—	4,300,846	—	6	—	—	—	6
Stock-based compensation expense	—	—	—	—	4,228	—	—	—	4,228
Common Stock warrants issued	—	—	—	—	43	—	—	—	43
Net loss	—	—	—	—	—	—	(65,027)	—	(65,027)
Other comprehensive income (loss)	—	—	—	—	—	—	—	(70)	(70)
BALANCE—									
September 30, 2020	<u>100,038,109</u>	<u>\$ 436,533</u>	<u>31,522,828</u>	<u>\$ 3</u>	<u>\$ 21,254</u>	<u>\$ —</u>	<u>\$ (359,289)</u>	<u>\$ 5</u>	<u>\$ (338,027)</u>

	Convertible Preferred Stock		Common Stock Voting		Additional Paid-in Capital	Notes Receivable	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
BALANCE—									
December 31, 2018	84,092,669	\$ 276,889	19,352,255	\$ 2	\$ 6,440	\$ (249)	\$ (190,666)	\$ (96)	\$ (184,569)
Issuance of Series E Preferred Stock—net of issuance costs (\$124)	13,450,703	134,667	—	—	—	—	—	—	—
Issuance of Series E-1 Preferred Stock—net of issuance costs (\$22)	2,494,737	24,977	—	—	—	—	—	—	—
Exercise of Common Stock options	—	—	902,175	—	606	—	—	—	606
Vesting of restricted Common Stock	—	—	4,221,144	—	6	—	—	—	6
Stock-based compensation expense	—	—	—	—	3,430	—	—	—	3,430
Common Stock warrants issued	—	—	—	—	905	—	—	—	905
Issuance of Common Stock for acquisitions	—	—	873,203	—	3,563	—	—	—	3,563

Repayment of notes receivable			(62,610)	—	(249)	249	—	—	—
Net loss	—	—	—	—	—	—	(75,769)	—	(75,769)
Other comprehensive income (loss)	—	—	—	—	—	—	—	227	227
BALANCE—									
September 30, 2019	<u>100,038,109</u>	<u>\$ 436,533</u>	<u>25,286,167</u>	<u>\$ 2</u>	<u>\$ 14,701</u>	<u>\$ —</u>	<u>\$ (266,435)</u>	<u>\$ 131</u>	<u>\$ (251,601)</u>

See notes to unaudited condensed consolidated financial statements.

4

DESKTOP METAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Nine Months Ended September 30,	
	2020	2019
Cash Flows from Operating Activities:		
Net loss	\$ (65,027)	\$ (75,769)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,525	5,754
Stock-based compensation	4,228	3,430
Expense related to Common Stock warrants issued	43	905
Loss (gain) on disposal of property and equipment	10	(6)
Gain on investment, related to Make Composites, Inc.	—	(1,427)
Accretion of discount on investments	34	(1,443)
Net decrease (increase) in accrued interest related to marketable securities	162	(175)
Changes in operating assets and liabilities:		
Accounts receivable	2,881	(7,258)
Inventory	(1,958)	(962)
Prepaid expenses and other current assets	1,082	1,418
Accounts payable	(5,467)	(2,503)
Accrued expenses and other current liabilities	444	2,588
Customer deposits	(547)	1,383
Deferred revenue	(1,094)	(253)
Change in right of use assets and lease liabilities, net	(243)	(222)
Net cash used in operating activities	<u>(58,927)</u>	<u>(74,540)</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(1,039)	(7,030)
Purchase of marketable securities	(62,810)	(215,584)
Proceeds from sales and maturities of marketable securities	94,116	174,025
Cash paid for acquisition, net of cash acquired	—	(96)
Net cash provided by (used in) investing activities	<u>30,267</u>	<u>(48,685)</u>
Cash Flows from Financing Activities		
Proceeds from Preferred Stock issuances, net of issuance cost	—	159,644
Proceeds from exercise of stock options	255	606
Proceeds from PPP loan	5,379	—
Repayment of PPP loan	(5,379)	—
Deferred financing costs paid	(400)	—
Net cash (used in) provided by financing activities	<u>(145)</u>	<u>160,250</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(28,805)	37,025
Cash and cash equivalents at beginning of year	66,161	29,043
Restricted cash	612	612
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 37,968</u>	<u>\$ 66,680</u>
Supplemental cash flow information:		
Interest paid	\$ 253	\$ 377
Non-cash investing and financing activities:		
Common Stock issued for acquisitions	\$ —	\$ 3,563
Additions to right of use assets and lease liabilities	\$ —	\$ 86
Purchase of property and equipment included in accrued expenses and other current liabilities	\$ 79	\$ 867
Common Stock forfeited in satisfaction of note receivable	\$ —	\$ 249
Deferred transaction costs not yet paid included in accounts payable and accrued expenses and other current liabilities	<u>\$ 2,341</u>	<u>\$ —</u>

See notes to unaudited condensed consolidated financial statements.

5

1. Organization, Nature of Business, and Risk and Uncertainties

Organization and Nature of Business

References to “Desktop Metal” and the “Company” in the financial results of the nine months ended September 30, 2020 refer to Desktop Metal, Inc., a Delaware corporation, together with its subsidiaries, prior to the closing of the transactions contemplated by the Agreement and Plan of Merger, dated September 26, 2020, by and among Trine Acquisition Corp., a Delaware corporation, Sparrow Merger Sub, Inc., a wholly-owned subsidiary of Trine, and the Company (as amended, the “Merger Agreement”). The transactions contemplated by the Merger Agreement closed on December 9, 2020, at which time the Company was renamed Desktop Metal Operating, Inc. and became a wholly-owned subsidiary of Trine Acquisition Corp. These financial results for the nine months ended September 30, 2020 reflect only the financial results of the Company prior to the closing of the transactions contemplated by the Merger Agreement.

Desktop Metal, Inc. and subsidiaries (“the “Company”, “Desktop Metal”) is a Delaware corporation headquartered in Burlington, Massachusetts. The Company was founded in 2015 and is accelerating the transformation of manufacturing with 3D printing solutions for engineers, designers, and manufacturers. The Company designs, produces and markets 3D printing products to a variety of end customers.

Risks and Uncertainties

The Company is subject to a number of risks similar to those of other companies of similar size in its industry, including, but not limited to, the need for successful development of products, the need for additional funding, competition from substitute products and services from larger companies, protection of proprietary technology, patent litigation, dependence on key individuals, and risks associated with changes in information technology. The Company has financed its operations to date primarily with proceeds from the sale of preferred stock. The Company’s long-term success is dependent upon its ability to successfully market its products and services; generate revenue; maintain or reduce its operating costs and expenses; meet its obligations; obtain additional capital when needed; and, ultimately, achieve profitable operations. Management believes that existing cash and investments as of September 30, 2020, when coupled with the cash raised through the merger, will be sufficient to fund operating and capital expenditure requirements through at least twelve months from the date of issuance of these condensed consolidated financial statements.

2. Basis of Presentation and Summary of Significant Accounting Policies

Unaudited Interim Financial Statements

The unaudited condensed consolidated financial statements include the accounts of Desktop Metal, Inc. and wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain information and footnote disclosures normally included in condensed consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to such rules and regulations. The information as of December 31, 2019 included in the unaudited condensed consolidated balance sheets was derived from the Company’s audited consolidated financial statements. The unaudited condensed consolidated financial statements included in this Current Report on Form 8-K were prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments (all of which are considered of a normal recurring nature) considered necessary to present fairly the Company’s financial position, results of operations and cash flows for the periods and dates presented. The results of operations for the nine months ended September 30, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020.

These unaudited condensed consolidated financial statements and notes should be read in conjunction with the Company’s audited consolidated financial statements and related notes included elsewhere in this Current Report on Form 8-K.

DESKTOP METAL, INC. Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Basis of Presentation

The unaudited condensed consolidated financial statements of the Company are presented for Desktop Metal, Inc. (“Parent”) and its wholly-owned subsidiaries. The Company has prepared the accompanying unaudited condensed consolidated financial statements pursuant to GAAP. Preparing financial statements requires the Company to make estimates and assumptions that affect the amounts that are reported in the condensed consolidated financial statements and accompanying disclosures. Although these estimates are based on the Company’s best knowledge of current events and actions that the Company may undertake in the future, actual results may be different from the Company’s estimates. The results of operations presented herein are not necessarily indicative of the Company’s results for any future period.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires the Company’s management to make judgements, estimates and assumptions regarding uncertainties that affect the reported amounts of assets, liabilities and related disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances available at the time estimates are made, including the Company’s expectation at the time regarding the duration, scope and severity of the ongoing COVID-19 pandemic and the potential continued disruption of global economic conditions due to the pandemic. Actual results may differ from management’s estimates if these results differ from historical experience or other assumptions prove not to be substantially accurate, even if such assumptions are reasonable when made.

Cash and Cash Equivalents

Cash equivalents include all highly liquid investments maturing within 90 days or less from the date of purchase. Cash equivalents consist of money market funds, totaling \$33.9 million and \$40.5 million as of September 30, 2020 and December 31, 2019, respectively, as well as other highly liquid cash equivalents totaling \$0.0 million and \$25.0 million as of September 30, 2020 and December 31, 2019, respectively.

Short-Term Investments

All of the Company’s investments, which consist of debt securities, are classified as available for sale and are carried at fair value. Unrealized gains and losses considered to be temporary in nature are recorded as a component of accumulated other comprehensive loss, net of related income taxes. The Company reviews all investments for reductions in fair value that are other than temporary. When such reductions occur, the cost of the investment is adjusted to fair value through recording a loss on investments in the condensed consolidated statements of operations. Gains and losses on investments are calculated on the basis of specific identification.

Revenue

Product Revenue and Service Revenue

Product revenue include sales of the Company's 3-D metal systems, which consist of modular printers furnaces, and debinders as well as sales of accessories and consumables. These consumables are primarily comprised of materials used by the printers during the printing process to produce parts and other wear items or components in the products that must be replaced after certain amounts of use.

DESKTOP METAL, INC. Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Certain on-premises software that is embedded with the hardware and sold with the product bundle and is included within product revenue. Revenue from products is recognized upon transfer of control, which is generally at the point of shipment. The Company typically recognizes revenue on embedded software once the customer has been given access to the software.

Services revenue includes revenue from various cloud-based software solutions the Company offers to facilitate the design of parts and operation of the Company's products. The Company offers multiple software products, which are licensed through either a cloud-based solution and/or an on-premises software subscription, depending on the product. For the cloud-based solution, the Company typically provides an annual subscription that the customer does not have the right to take possession of and is renewed at expiration. The revenue from the cloud-based solution is recognized ratably over the annual term as the Company considers the services provided under the cloud-based solution to be a series of distinct performance obligations, as the Company provides continuous daily access to the cloud solution. For on-premises software subscriptions, the Company typically recognizes revenue once the customer has been given access to the software. Service revenue also consists of installation, training, and post-installation customer support. When the Company enters into development contracts, control of the development service is transferred over time, and the related revenue is recognized over time.

Revenue Recognition

The Company adopted Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, on January 1, 2018, using the full retrospective method. Revenue is measured as the amount of consideration expected to be received in exchange for transferring goods or providing services. The amount of consideration is typically a fixed price at the contract inception. Consideration from shipping and handling is recorded on a gross basis within product revenue.

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

Nature of Products and Services

The Company sells its products primarily through authorized resellers, independent sales agents, and its own internal sales team. Revenue from hardware and consumables is recognized upon transfer of control, which is generally at the point of shipment.

The cloud-based software solution is typically provided as an annual license that the customer does not have the right to take possession of and is renewed each year. The revenue from the cloud-based solution is recognized ratably over the annual term as the Company considers the services provided under the licenses to be a series of distinct performance obligations. For the on-premise software, the Company typically recognizes revenue once the customer has been given access to the software.

DESKTOP METAL, INC. Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

The Company's post-installation customer support is primarily sold through one-year annual contracts and such revenue is recognized ratably over the term of the agreement. Service Revenue from installation and training is recognized as performed.

The Company's terms of sale generally provide payment terms that are customary in the countries where the Company transacts business. To reduce credit risk in connection with certain sales, the Company may, depending upon the circumstances, require significant deposits or payment in full prior to shipment.

Due to the short-term nature of the Company's contracts substantially all of the outstanding performance obligations are recognized within one year.

Shipping and handling activities that occur after control over a product has transferred to a customer are accounted for as fulfillment activities rather than performance obligations, as allowed under a practical expedient provided by ASC 606. The shipping and handling fees charged to customers are recognized as revenue and the related costs are included in the cost of sales at the point in time when ownership of the product is transferred to the customer. Sales taxes and value added taxes collected concurrently with revenue generating activities are excluded from revenue.

Significant Judgements

The Company enters into contracts with customers that can include hardware products and cloud-based software, which are determined to be distinct and accounted for as separate performance obligations. Products or services that are promised to a customer can be considered distinct if both of the following criteria are met: (i) the customer can benefit from the products or services either on its own or together with other readily available resources and (ii) the Company's promise to transfer the products, software, or services to the customer is separately identifiable from other promises in the contract. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment.

Judgement is required to determine the standalone selling price (SSP). The transaction price is allocated to each distinct performance obligation on a relative standalone selling price basis and revenue is recognized for each performance obligation when control has passed. In most cases, the Company is able to establish SSP based on historical transaction data of the observable prices of hardware products sold separately in comparable circumstances to similar customers, observable renewal rates for software and post-installation support, and the Company's best estimates selling price at which the Company would have sold the product regularly on a stand-alone basis for training and installation. The Company reassesses the SSP on a periodic basis or when facts and circumstances change.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, customer deposits and deferred revenues (contract liabilities) on the condensed consolidated balance sheets. Timing of revenue recognition may differ from the timing of invoicing to customers. The Company records a receivable at the time of invoicing. For most of the Company's contracts, customers are invoiced when products are shipped or when services are performed. The Company typically bills in advance for post-installation support and cloud-based software licenses, resulting in deferred revenue.

The Company's deferred revenue balance was \$1.1 million and \$2.2 million as of September 30, 2020 and December 31, 2019, respectively. The deferred revenue consists primarily of billed post-installation customer support and cloud-based software licenses that are recognized ratably over the term of the agreement, and to a lesser extent related to contracts that have outstanding performance obligations, and contracts that have acceptance terms that have not yet been fulfilled.

DESKTOP METAL, INC. Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

When products have been delivered, but the product revenue associated with the arrangement has been deferred as described above, the Company includes the costs for the delivered items in prepaid expenses and other current assets on the condensed consolidated balance sheets until recognition of the related revenue occurs, at which time it is recognized in cost of sales. The Company's deferred cost of sales balance was \$0 and \$0.3 million as of September 30, 2020 and December 31, 2019, respectively.

As the Company's contracts are primarily one year or less, substantially all deferred revenue outstanding at the end of the fiscal year is recognized during the following year.

For the periods ended September 30, 2020 and 2019, the Company paid commissions to its external partners and internal sales team. The Company acts as a principal in the contracts with its partners as the Company controls the product, establishes the price, and bears the risk of nonperformance. The Company records the revenue on a gross basis and commissions are recorded as a sales and marketing expense. The Company recognizes its commission expense as a point-in-time expense as contract obligations are primarily completed within a one-year contract period.

See Note 12 for additional information related to disaggregation of revenue.

Allowance for Doubtful Accounts

In evaluating the collectability of accounts receivable, the Company assesses a number of factors, including specific customers' abilities to meet their financial obligations, the length of time receivables are past due, and historical collection experience. If circumstances related to specific customers change, or economic conditions deteriorate such that past collection experience is no longer relevant, the Company's estimate of the recoverability of accounts receivable could be further reduced from the levels provided for in the condensed consolidated financial statements.

The Company evaluates specific accounts for which the Company believes a customer may have an inability to meet their financial obligations. In these cases, the Company uses judgment, based on available facts and circumstances, and records a specific reserve for that customer to reduce the receivable to an amount the Company expects to collect. These specific reserves are reevaluated and adjusted as additional information is received that impacts the amount reserved.

As of September 30, 2020, and December 31, 2019, the Company has recorded \$0.5 million and \$0.2 million respectively, in allowance for doubtful accounts. Bad debt expense was \$0.3 million and \$0 million for the nine months ended September 30, 2020 and September 30, 2019, respectively.

As of September 30, 2020, the Company had one customer that represented 10% or more of accounts receivables, which accounted for 10% of total accounts receivable. As of December 31, 2019, no single customer accounted for more than 10% of total accounts receivables.

Net Loss Per Share

The Company presents basic and diluted loss per common share amounts. Basic loss per common share is calculated by dividing net loss by the weighted average number of common shares outstanding during the applicable period.

The denominator for diluted net loss per share is a computation of the weighted-average number of ordinary shares and the potential dilutive ordinary shares outstanding during the period. Potential dilutive shares outstanding include the dilutive effect of in-the-money options, unvested Restricted Stock Agreements ("RSAs"), and unvested Restricted Stock Units ("RSUs") using the treasury stock method. In periods in which the Company reports a net loss, diluted net loss per share is generally the same as basic net loss per share since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

DESKTOP METAL, INC. Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

See Note 14 for further information.

Warranty Reserve

Substantially all of the Company's products, including hardware, and software are covered by a standard assurance warranty of one year. In the event of a failure of a hardware or software product covered by this warranty, the Company may repair or replace the software or hardware product at its option. The Company's warranty reserve reflects estimated material and labor costs for potential or actual product issues in its installed base for which the Company expects to incur an obligation. The Company periodically assesses the adequacy of the warranty reserve and adjusts the amount as necessary. If the data used to calculate the adequacy of the warranty reserve are not

indicative of future requirements, additional or reduced warranty reserves may be required.

As of September 30, 2020 and December 31, 2019, the Company has recorded \$1.7 million and \$1.5 million, respectively, of warranty reserve within accrued expenses and other current liabilities on the condensed consolidated balance sheets. Accrued warranty at each balance sheet date consisted of the following (in thousands):

	September 30, 2020	December 31, 2019
Warranty reserve, at the beginning of the year	\$ 1,491	\$ 116
Additions to warranty reserve	375	2,352
Claims fulfilled	(132)	(977)
Warranty reserve, at the end of the period	<u>\$ 1,734</u>	<u>\$ 1,491</u>

Warranty reserve is recorded in cost of sales in the condensed consolidated statement of operations.

Inventory

Inventory is stated at the lower of cost or net realizable value, determined on a first-in, first-out basis, and consists of the following (in thousands):

	September 30, 2020	December 31, 2019
Work in process	\$ 3,062	\$ 1,081
Finished goods	7,301	7,324
	<u>\$ 10,363</u>	<u>\$ 8,405</u>

The Company provides for inventory losses based on obsolescence and levels in excess of forecasted demand. In these cases, inventory is reduced to the estimated net realizable value based on historical usage and expected demand.

Inventory provisions based on obsolescence and inventory in excess of forecasted demand are recorded in cost of sales in the condensed consolidated statement of operations.

Concentrations of Credit Risk and Off-Balance-Sheet Risk

The Company has no significant off-balance-sheet risk, such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially expose the Company to concentrations of credit risk consist mainly of cash and cash equivalents. The Company maintains its cash and cash equivalents principally with accredited financial institutions of high-credit standing.

DESKTOP METAL, INC.

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Property and Equipment

Property and equipment are stated at cost. Expenditures for repairs and maintenance are expensed as incurred. When assets are retired or disposed of, the assets and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included in the determination of net income or loss. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets.

Business Combinations

The Company allocates the purchase price of acquired companies to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. The estimates used to value the net assets acquired are based in part on historical experience and information obtained from the management of the acquired company. The Company generally values the identifiable intangible assets acquired using a discounted cash flow model. The significant estimates used in valuing certain of the intangible assets, include, but are not limited to future expected cash flows of the asset, discount rates to determine the present value of the future cash flows and expected technology life cycles. Intangible assets are amortized over their estimated useful life; the period over which the Company anticipates generating economic benefit from the asset. Fair value adjustments subsequent to the acquisition date, that are not measurement period adjustments, are recognized in earnings.

Deferred Transaction Costs and Transaction Costs Payable

As part of the contemplated reverse recapitalization transaction with Trine Acquisition Corp. (“Trine”) the details of which are discussed in an initial S-4 filed with the SEC by on September 15, 2020 and subsequent amendments, the Company has accrued direct and incremental transaction costs related to the merger which will be deducted from the combined entity’s additional paid-in capital at the closing of the transaction when the proceeds are received.

As of September 30, 2020, the Company had recorded \$2.3 million of transaction costs payable to advisers, which \$1.7 million is included in accounts payable and \$0.6 million is included in accrued expenses and other current liabilities in the condensed consolidated balance sheets.

Goodwill and Intangible Assets

The Company has recorded \$2.3 million of goodwill and \$3.3 million of acquired technology as a result of two business combinations completed during the year ended December 31, 2019. As of September 30, 2020, the Company has recorded \$0.8 million of accumulated amortization on the acquired technology.

Goodwill represents the future economic benefits arising from other assets acquired in a business combination or an acquisition that is not individually identified and separately recorded. The excess of the purchase price over the estimated fair value of net assets of businesses acquired in a business combination is recognized as goodwill. Intangible assets consist of identifiable intangible assets, including developed technology, resulting from the Company’s acquisitions.

Goodwill is not amortized but is tested for impairment at least annually (as of the first day of the fourth quarter) or as circumstances indicate the value may no longer be recoverable. To assess if goodwill is impaired, the Company performs a qualitative assessment to determine whether further impairment testing is necessary. The Company then compares the carrying amount of the single reporting unit to the fair value of the reporting unit. An excess carrying value over fair value would indicate that goodwill may be impaired.

The Company evaluates definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If indicators of impairment are present, the Company then compares the estimated undiscounted cash flows that the specific asset is expected to generate to its carrying value. If such assets are impaired, the impairment recognized is measured as the amount by which the carrying amount of the asset exceeds its fair value.

DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

To date, there have been no impairments of goodwill or intangible assets. Intangible assets are amortized over their useful lives.

Impairment of Long-Lived Assets

The Company evaluates whether events or circumstances have occurred that indicate that the estimated remaining useful life of its long-lived assets may warrant revision or that the carrying value of these assets may be impaired. The Company does not believe that any events have occurred through September 30, 2020, that would indicate its long-lived assets are impaired.

Stock-Based Compensation

The Company accounts for all stock options granted to employees and nonemployees using a fair value method. Stock-based compensation is measured at the grant-date fair value of the award and is then recognized as the related services are rendered, typically over the vesting period. The measurement date for employee awards is generally the date of the grant and the measurement date for nonemployee awards is generally the date the performance of services is completed. The Company estimates forfeitures that will occur in their determination of the expense recorded.

Income Taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Company's condensed consolidated financial statements and tax returns. Deferred tax assets and liabilities are determined based upon the differences between the condensed consolidated financial statements carrying amounts and the tax bases of existing assets and liabilities and for loss and credit carryforwards, using enacted tax rates expected to be in effect in the years in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that these assets may not be realized.

The Company provides reserves for potential payments of taxes to various tax authorities related to uncertain tax positions. Amounts recognized are based on a determination of whether a tax benefit taken by the Company in its tax filings or positions is "more likely than not" to be sustained on audit. The amount recognized is equal to the largest amount that is more than 50% likely to be sustained. Interest and penalties associated with uncertain tax positions are recorded as a component of income tax expense. As of September 30, 2020 and December 31, 2019, the Company has not identified any uncertain tax positions for which reserves would be required.

Recently Issued Accounting Standards

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740)—Simplifying the Accounting for Income Taxes*, which simplifies the accounting for income taxes by eliminating some exceptions to the general approach in Accounting Standards Codification 740, Income Taxes. It also clarifies certain aspects of the existing guidance to promote more consistent application. This standard is effective for calendar-year public business entities in 2021 and interim periods within that year, and early adoption is permitted. The Company is currently in the process of evaluating the impact the new standard will have on the consolidated financial statements.

DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

In June 2018, the FASB issued ASU No. 2018-07, *Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* which substantially aligns the measurement and classification guidance for share-based payments to nonemployees with the guidance for share-based payments to employees. The ASU also clarifies that any share-based payment issued to a customer should be evaluated by the new revenue recognition standard. The new ASU requires a modified retrospective transition approach. The ASU is effective for the Company for the year ending December 31, 2020. Due to the Company's Emerging Growth Company (EGC) status, the Company is permitted to defer adoption of ASU 2018-07 in interim periods and adopt for its annual financial statements. Refer to Note 11 for discussion on stock-compensation expense.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"), which eliminates the performance of Step 2 from the goodwill impairment test. In performing its annual or interim impairment testing, an entity will instead compare the fair value of the reporting unit with its carrying amount and recognize any impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Additionally, an entity should consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss. As a smaller reporting company pursuant to Rule 12b-2 of the Securities Exchange Act of 1934, as amended, these changes become effective for the Company on January 1, 2023. The Company is currently evaluating the potential impact of these changes on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses.* This ASU added a new impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses. The CECL model applies to most debt instruments, trade receivables, lease receivables, financial guarantee contracts, and other loan commitments. The CECL model does not have a minimum threshold for recognition of impairment losses and entities will need to measure expected credit losses on assets that have a low risk of loss. As a smaller reporting company pursuant to Rule 12b-2 of the Securities Exchange Act of 1934, as amended, these changes become effective for the Company on January 1, 2023. The Company is currently evaluating the potential impact of these changes on its consolidated financial statements.

3. Property and Equipment

Depreciation is expensed using the straight-line method over the estimated useful lives of the assets as follows:

Asset Classification	Useful Life
Equipment	3-5 years
Furniture and fixtures	3 years
Computer equipment	3 years
Tooling	3 years
Software	3 years

DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Property and equipment—net consisted of the following at September 30, 2020 and December 31, 2019 (in thousands):

	September 30, 2020	December 31, 2019
Equipment	\$ 13,502	\$ 13,358
Furniture and fixtures	895	895
Computer equipment	1,089	1,089
Tooling	1,823	1,823
Software	1,235	954
Leasehold improvements	13,870	13,880
Construction in process	845	170
Property and equipment—gross	33,259	32,169
Less: accumulated depreciation	(19,658)	(13,782)
Property and equipment—net	<u>\$ 13,601</u>	<u>\$ 18,387</u>

Depreciation and amortization expense was \$5.9 million and \$5.3 million for the nine months ended September 30, 2020 and September 30, 2019 respectively.

4. Acquired Technology

Acquired technology consisted of the following (in thousands):

	Gross Value	Estimated Life	Accumulated Amortization	Balance September 30, 2020
Total acquired technology	<u>\$ 3,270</u>	5 years	<u>\$ 817</u>	<u>\$ 2,453</u>

The Company recognized amortization expense of \$0.5 million and \$0.1 million for the nine months ended September 30, 2020 and 2019, respectively. The Company expects to recognize \$0.2 million of amortization expense for the remaining three months of 2020, \$0.6 million annually in the years ended December 31, 2021 through 2023, and \$0.4 million in 2024. The weighted-average remaining amortization period is 3.8 years.

5. Capitalized Software, net

The Company capitalizes certain costs related to the development and implementation of cloud computing software. Costs incurred during the application development phase are capitalized only when the Company believes it is probable the development will result in new or additional functionality. The types of costs capitalized during the application development phase include employee compensation, as well as consulting fees for third-party developers working on these projects. The capitalized costs are amortized on a straight-line basis over the estimated useful life of the asset, which is typically 3 years.

The Company incurred \$0.1 million in amortization expense in each of the nine month periods ended September 30, 2020 and 2019.

Capitalized software, net at the each balance sheet date consists of the following (in thousands):

	September 30, 2020	December 31, 2019
Capitalized software development costs	\$ 1,127	\$ 1,127
Accumulated amortization	(770)	(237)
Impairment	—	(444)
Total capitalized software costs	<u>\$ 357</u>	<u>\$ 446</u>

DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

The Company expects to incur amortization expense of \$0.1 million for the remaining three months of 2020, and \$0.1 million in each of the years ending 2021, and 2022.

6. Fair Value Measurements

The Company uses the following three-tier fair value hierarchy, which prioritizes the inputs used in measuring the fair values for certain of its assets and liabilities:

Level 1 is based on observable inputs, such as quoted prices in active markets;

Level 2 is based on inputs other than the quoted prices in active markets that are observable either directly or indirectly; and

Level 3 is based on unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. Items measured at fair value on a recurring basis include money market funds.

The following fair value hierarchy table presents information about the Company's financial assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the inputs the Company utilized to determine such fair value at September 30, 2020 and December 31, 2019 (in thousands):

	September 30, 2020			
	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Money market funds	\$ 33,858	\$ —	\$ —	\$ 33,858
Asset-backed securities	—	3,105	—	3,105
Corporate bonds	—	30,084	—	30,084
Government bonds	19,991	—	—	19,991
Total assets	<u>\$ 53,849</u>	<u>\$ 33,189</u>	<u>\$ —</u>	<u>\$ 87,038</u>

	December 31, 2019			
	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Money market funds	\$ 40,454	\$ —	\$ —	\$ 40,454
Asset-backed securities	—	16,806	—	16,806
Corporate bonds	—	67,948	—	67,948
Repurchase agreements	—	25,001	—	25,001
Total assets	<u>\$ 40,454</u>	<u>\$ 109,755</u>	<u>\$ —</u>	<u>\$ 150,209</u>

All investments mature within one year.

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DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

7. Accrued Expenses and Other Current Liabilities

The following table summarizes the Company's components of accrued expenses and other current liabilities (in thousands):

	September 30, 2020	December 31, 2019
Warranty reserve	\$ 1,734	\$ 1,491
Compensation and benefits related	657	897
Professional services	2,043	780
Inventory purchases	86	620
Accrued sales and use tax	470	578
Transaction costs payable	577	—
Other	488	687
	<u>\$ 6,055</u>	<u>\$ 5,053</u>

8. Debt

Term Loan—In June 2018, the Company entered into a \$20 million term loan for 36 months. The loan provided \$10 million immediately funded with the additional \$10 million available to be drawn in up to three draws of not less than \$2 million for 12 months from close of the facility. The loan is interest-only for the full 36 months with the principal due at maturity in June 2021. Interest is calculated using the Wall Street Journal Prime rate minus 0.5%, payable monthly in arrears (4.75% at December 31, 2019 and 3.25% at September 30, 2020). The loan contains a cash trigger. If the Company's cash and investments fall below \$30 million, cash equal to the total amount of the outstanding debt is required to be placed in a restricted money market account. The loan also contains reporting requirements and gives the lender first priority lien on all assets.

The outstanding amount as of September 30, 2020 and December 31, 2019 was \$10 million and \$10 million, respectively. The \$10 million is due to be paid in June 2021.

Deferred Financing Costs—In connection with the above borrowings, the Company incurred \$0.06 million of expenses, which have been recorded as deferred financing costs. The Company amortizes these costs over the life of the borrowing. During the nine months ended September 30, 2020 and 2019, the Company recorded \$0.01 million and \$0.01 million respectively, of interest expense related to the amortization of the financing costs. As of September 30, 2020 and December 31, 2019, the remaining unamortized balance of deferred financing costs totaled \$0.01 million and \$0.03 million, respectively, and is included in long term debt, net of deferred financing costs in the condensed consolidated balance sheets.

9. Commitments and Contingencies

Upon adoption of ASC 842, the Company identified real estate and equipment leases and recorded right of use assets of \$3.4 million and lease liabilities of \$4.7 million. The difference between the value of the right of use assets and lease liabilities is due to the reclassification of existing deferred rent, prepaid rent, and unamortized lease incentives as of January 1, 2018 totaling \$1.3 million. At September 30, 2020, the Company recorded \$1.9 million as a right of use asset and \$3.2 million as an operating lease liability. At December 31, 2019, the Company recorded \$2.3 million as a right of use asset and \$3.8 million as a right of use liability. The Company assesses its right of use asset and other lease related assets for impairment. There were no impairments recorded related to these assets during the nine months ended September 30, 2020 and the year ended December 31, 2019.

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DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

The Company identified one service agreement that contained an embedded lease. The agreement does not contain fixed or minimum payments, but the Company has concluded that the variable lease expense totaled \$0.03 million for the nine months ended September 30, 2020 and \$0.03 million for the nine months ended September 30, 2019.

Information about other lease-related balances is as follows (in thousands):

	September 30,	
	2020	2019
Lease cost		
Operating lease cost	\$ 561	\$ 479
Short-term lease cost	—	24
Variable lease cost	30	30
Total lease cost	\$ 591	\$ 533
Other Information		
Operating cash flows from operating leases	\$ 805	\$ 701
Weighted-average remaining lease term—operating leases (years)	3.5	4.5
Weighted-average discount rate—operating leases	7.6%	7.6%

The rate implicit in the lease is not readily determinable in most of the Company's leases, and therefore the Company uses its incremental borrowing rate as the discount rate when measuring operating lease liabilities. The incremental borrowing rate represents an estimate of the interest rate the Company would incur at lease commencement to borrow an amount equal to the lease payments on a collateralized basis over the term of the lease.

As of September 30, 2020, the Company does not have material operating leases that have not commenced.

Future minimum lease payments under noncancelable operating leases at September 30, 2020, are as follows (in thousands):

2020 (remaining 3 months)	\$ 268
2021	1,071
2022	1,070
2023	1,028
2024	258
Total lease payments	3,695
Less amount representing interest	(462)
Total lease liability	3,233
Less current portion of lease liability	(858)
Lease liability, net of current portion	\$ 2,375

Legal Proceedings—From time to time, the Company may face legal claims or actions in the normal course of business. At each reporting date, the Company evaluates whether a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies.

The Company is presently a respondent in a Judicial Arbitration and Mediation Services (JAMS) arbitration brought against it by a competitor. The basis for the claim is the alleged violation of a provision of a 2018 settlement agreement between the two companies, which provided that neither company could make statements that misrepresented the functionality of the other company's products.

DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

The arbitration is currently set to commence in late 2020. Critical phases of the arbitration remain and therefore any loss cannot be estimated at this time.

10. Income Taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Company's consolidated financial statements and tax returns. Deferred tax assets and liabilities are determined based upon the differences between the consolidated financial statements carrying amounts and the tax bases of existing assets and liabilities and for loss and credit carryforwards, using enacted tax rates expected to be in effect in the years in which the differences are expected to reverse. The Company has provided a full valuation allowance against the net deferred tax assets as the Company has determined that it was more likely than not that the Company would not realize the benefits of federal and state net deferred tax assets.

The Company provides reserves for potential payments of taxes to various tax authorities related to uncertain tax positions. Amounts recognized are based on a determination of whether a tax benefit taken by the Company in its tax filings or positions is "more likely than not" to be sustained on audit. The amount recognized is equal to the largest amount that is more than 50% likely to be sustained. Interest and penalties associated with uncertain tax positions are recorded as a component of income tax expense. As of September 30, 2020 and December 31, 2019, the Company has not identified any uncertain tax positions for which reserves would be required.

11. Convertible Preferred Stock and Stockholders' Equity

Authorized Shares—At September 30, 2020 and December 31, 2019 the Company's authorized shares consisted of 156,000,000 shares of Common Stock, \$0.0001 par value (the "Common Stock") and 100,038,109 shares of Preferred Stock, respectively, par value of \$0.0001 per share; 26,189,545 of which are designated as Series A Convertible Preferred Stock ("Series A Preferred Stock"), 23,675,035 of which are designated as Series B Convertible Preferred Stock ("Series B Preferred Stock"), 13,152,896 shares are designated as Series C Convertible Preferred Stock ("Series C Preferred Stock"), 21,075,193 shares are designated as Series D Convertible Preferred Stock ("Series D Preferred Stock"), 13,450,703 shares are designated as Series E Convertible Preferred Stock ("Series E Preferred Stock"), and 2,494,737 shares are designated as Series E-1 Convertible Preferred Stock ("Series E-1 Preferred Stock") (collectively, the "Series Preferred Stock").

Preferred Stock

On January 29, 2018 and June 29, 2018, the Company issued 4,086,111 and 11,674 shares of Series D Preferred Stock, respectively, at a purchase price of \$8.5656 per share.

On January 14, 2019 the Company issued 13,450,703 shares of Series E Preferred Stock at a purchase price of \$10.0211 per share. The issuance costs for Series E Preferred Stock were \$0.1 million.

On January 14, 2019 the Company issued 2,494,737 shares of Series E-1 Preferred Stock at a purchase price of \$10.0211 per share. The issuance costs for Series E-1 Preferred Stock were \$0.02 million.

DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

The following table summarizes details of Preferred Stock authorized, issued and outstanding as of September 30, 2020 and December 31, 2019 (\$ in thousands):

Convertible Preferred Stock Classes	September 30, 2020	December 31, 2019
Series A Convertible Preferred Stock, \$0.0001 par value—authorized, issued, and outstanding, 26,189,545 and 26,189,545 shares, (liquidation preference of \$255,348 and \$106,853 at September 30, 2020 and December 31, 2019, respectively)	\$ 13,878	\$ 13,878
Series B Convertible Preferred Stock, \$0.0001 par value—authorized, issued, and outstanding, 23,675,035 and 23,675,035 shares (liquidation preference of \$230,832 and \$96,594 at September 30, 2020 and December 31, 2019, respectively)	37,806	37,806
Series C Convertible Preferred Stock, \$0.0001 par value—authorized, issued, and outstanding, 13,152,896 and 13,152,896 shares (liquidation preference of \$128,241 and \$53,664 at September 30, 2020 and December 31, 2019, respectively)	44,852	44,852
Series D Convertible Preferred Stock, \$0.0001 par value—authorized, issued, and outstanding, 21,075,193 and 21,075,193 shares (liquidation preference of \$205,483 and \$180,522 at September 30, 2020 and December 31, 2019, respectively)	180,353	180,353
Series E Convertible Preferred Stock, \$0.0001 par value—authorized, issued, and outstanding 13,450,703 and 13,450,703 shares (liquidation preference of \$134,791 and \$134,791 at September 30, 2020 and December 31, 2019, respectively)	134,667	134,667
Series E-1 Convertible Preferred Stock, \$0.0001 par value—authorized, issued, and outstanding 2,494,737 and 2,494,737 shares (liquidation preference of \$25,000 and \$25,000 at September 30, 2020 and December 31, 2019, respectively)	24,977	24,977
Total	\$ 436,533	\$ 436,533

The following describes the rights and preferences of the Company's Series Preferred Stock:

Voting—The holders of Series Preferred Stock vote together with all other classes and series of stock as a single class on an as-converted basis. Each share of Series Preferred Stock entitles the holder to such number of votes per share as shall equal the whole number of shares of Common Stock into which such share of Series Preferred Stock is then convertible. The holders of the Series A Preferred Stock are entitled to elect one director to the Company's board of directors, the holders of the Series B Preferred Stock are entitled to elect two directors to the Company's board of directors, and the holders of Series C Preferred Stock are entitled to elect one director to the Company's board of directors. The holders of the Series E Preferred Stock are entitled to elect one director to the Company's board of directors, and the holders of the Common Stock are entitled to elect two directors to the Company's board of directors. The holders of Series Preferred Stock retain rights to vote on certain specified matters as set forth in the Company's certificate of incorporation. The holders of Series E-1 Preferred Stock are not entitled to vote on election of a director.

Dividends—The Series Preferred Stock are entitled to receive dividends at the rate of 8% of the original issue price for each series of Series Preferred Stock payable only when, as and if, declared by the Company's board of directors. Through September 30, 2020, no dividends have been declared.

Liquidation—Upon any liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, the holders of the Series Preferred Stock are entitled to first be paid out of assets available for distribution, on a pari passu basis, prior and in preference to any distribution to the holders of the Company's Common Stock, the greater of (a) an amount equal to \$0.53372 per share for the Series A Preferred Stock, \$1.6013 per share for Series B Preferred Stock, \$3.4213 per share for the Series C Preferred Stock, \$8.5656 per share for the Series D Preferred Stock, and \$10.0211 per share for the Series E and Series E-1 Preferred Stock, plus declared but unpaid dividends and (b) an amount per share that would have been payable had all shares of the Series Preferred Stock been converted to shares of Common Stock immediately prior to any liquidation, dissolution, or winding-up of the Company. After payment of all preferential amounts required to be paid to the holders of Series Preferred Stock, the remaining assets of the Company available for distribution to the stockholders shall be distributed among the holders of shares of Common Stock pro rata based on the number of shares held by each such holder.

DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Conversion—Each holder of Series Preferred Stock has the right, at their option at any time, to convert any such shares of Series Preferred Stock into fully paid and nonassessable shares of Common Stock. The conversion ratio is determined by dividing the original issue price of such share of Series Preferred Stock by the conversion price then in effect, which is initially equal to \$0.53372 per share for the Series A Preferred Stock, \$1.6013 per share for Series B Preferred Stock, \$3.4213 per share for the Series C Preferred Stock, \$8.5656 per share for the Series D Preferred Stock, and \$10.0211 per share for the Series E and Series E-1 Preferred Stock. The conversion price is subject to adjustment if certain dilutive events occur. Conversion is mandatory in the event of a firm-commitment underwritten initial public offering of the Company's Common Stock with a value of at least \$5.13 per common share and \$50 million in proceeds to the Company or upon the election of a majority of the holders of Series Preferred Stock, voting as a single class on an as-converted basis.

Redemption—The Series Preferred Stock is not subject to mandatory or optional redemption other than in connection with a liquidation, dissolution, or winding-up of the Company.

Common Stock

Restricted Stock Agreements—During 2015, the Company issued 27,850,000 shares of Common Stock to the initial founders and certain employees of the Company at a purchase price of \$0.0001 per share. The shares issued to the founders are subject to the Company's right to repurchase at the original purchase price and such right to repurchase generally lapses at the rate of 20% of the shares upon the first anniversary of the grant date and at the rate of 1.67% per month thereafter over four years. The refundable purchase price related to the shares is reported as current liabilities until the shares are vested.

During the year ended December 31, 2019, as part of the Company's acquisitions, the Company issued 497,290 shares of restricted stock with a value of \$2.0 million which are considered post-combination consideration and accounted for as stock-based compensation as the shares vest. The shares vest over a four-year service period.

The activity for stock subject to vesting for the nine-month period ended September 30, 2020 is as follows (shares in thousands):

	Shares subject to Vesting	Weighted Average Purchase Price
Balance of unvested shares as of January 1, 2020	4,575	\$ 0.001
Issuance of additional shares	—	—
Vested	(4,301)	0.001
Balance of unvested shares as of September 30, 2020	274	\$ 0.001

At September 30, 2020, the remaining weighted-average vesting period for the stock subject to vesting was 0.7 years.

DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Stock Incentive Plan—In 2015, the board of directors approved the adoption of the 2015 stock incentive plan (the “Plan”). The Plan allows for the award of incentive and nonqualified stock options, restricted stock, and other stock-based awards to employees, officers, directors, consultants, and advisers of the Company. Awards may be made under the Plan for up to 21,522,567 shares of Common Stock. The Board of Directors administers the Plan and determines the exercise price of options, purchase price for restricted stock, the rates at which awards vest, and the other terms and conditions of the awards. Options and restricted stock generally vest 25% of the shares upon the first anniversary of the grant date and at the rate of 2.0833% per month thereafter over a three-year period for employees or over the service period for nonemployees and expire 10 years from the date of grant. No tax benefits were realized from options and other share-based payment arrangements during the year.

As part of an acquisition completed in July 2019, the Company assumed the 2018 equity incentive plan of Make Composites, Inc. (the “Make Plan”). The Make Plan allows for the award of incentive and nonqualified stock options and warrants for those employees and contractors that were hired as part of the acquisition. The plan allows for 193,223 options and warrants to be issued, which were issued in 2019, with no additional options to be issued in the future. The Board of Directors administers the Make Plan and determines the exercise price of options, purchase price for restricted stock, the rates at which awards vest, and the other terms and conditions of the awards. Options and restricted stock generally vest 25% of the shares upon the first anniversary of the grant date and at the rate of 2.0833% per month thereafter over a three-year period for employees or over the service period for nonemployees and expire 10 years from the date of grant. No tax benefits were realized from options and other share-based payment arrangements during the year.

The Company grants stock options at exercise prices deemed by the Board of Directors to be equal to the fair value of the Common Stock at the time of grant. The fair value of Common Stock has been determined by the Board of Directors of the Company at each stock option measurement date based on a variety of different factors, including the results obtained from independent third-party appraisals, the Company’s consolidated financial position and historical financial performance, the status of technological development within the Company, the composition and ability of the current engineering and management team, an evaluation and benchmark of the Company’s competition, the current climate in the marketplace, the illiquid nature of the Common Stock, arm’s-length sales of the Company’s capital stock (including convertible preferred stock), the effect of the rights and preferences of the Series Preferred Stock, and the prospects of a liquidity event, among others.

During the nine months ended September 30, 2020 and 2019, the Company granted options to purchase 6,925,144 and 4,107,709 shares of Common Stock to employees with a fair value of \$29.8 million and \$8.9 million, respectively, calculated using the Black-Scholes option-pricing model with the following assumptions:

	September 30, 2020	September 30, 2019
Risk-free interest rate	0.3 % – 1.7%	1.9 % – 2.6%
Expected volatility	52.7 % – 54.2%	53.3 % – 53.6%
Expected life (in years)	5.9 – 6.3	5.6 – 6.1
Expected dividend yield	—	—
Fair value of Common Stock	\$ 1.71 – \$ 9.75	\$ 4.08

During the nine months ended September 30, 2020 and September 30, 2019 the Company issued options to purchase 10,000 and 97,919 shares of Common Stock to consultants with a fair value of \$0.1 million and \$0.3 million, respectively, calculated using the Black Scholes option pricing model with the following assumptions

DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

	September 30, 2020	September 30, 2019
Risk-free interest rate	0.6 % – 0.8%	1.5 % – 2.5%
Expected volatility	54.3 % – 54.8%	54.4 % – 54.9%
Expected life (in years)	9.4 – 10.0	9.4 – 10.0
Expected dividend yield	—	—
Fair value of Common Stock	\$ 1.71 – \$ 9.75	\$ 4.08

The risk-free interest rate assumption is based upon observed interest rates appropriate for the term of the related stock options. The expected life of employee stock options was calculated using the average of the contractual term of the option and the weighted-average vesting period of the option, as the Company does not have sufficient history to use an alternative method to the simplified method to calculate an expected life for employees. For grants where the simplified method is precluded, the Company’s estimate of expected term is based forecasted exercises. For nonemployee grants, the Company uses the contractual term of the options. The Company has not paid a dividend and is not expected to pay a dividend in the foreseeable future. Expected volatility for the Company’s common stock was determined based on an average of the historical volatility of a peer group of similar public companies.

At September 30, 2020, the total unrecognized stock-based compensation expense related to unvested stock options aggregated \$16.5 million. The costs are expected to be recognized over a weighted-average period of 3.8 years.

Total stock-based compensation expense related to all of the Company’s stock-based awards granted is reported in the consolidated statements of operations as follows (in thousands):

September 30,

	2020	2019
Research and development	\$ 2,176	\$ 1,501
Sales and marketing expense	715	1,020
General and administrative expense	1,070	668
Cost of sales	267	241
Total stock-based compensation expenses	<u>\$ 4,228</u>	<u>\$ 3,430</u>

There were 1,960,118 shares available for award under the Plan at September 30, 2020. The option activity of the Plan and Make Plan for the nine months ended September 30, 2020 is as follows:

	Number of Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (in years)
Outstanding at January 1, 2020	14,792	\$ 2.45	7.84
Granted	6,935	1.85	
Exercised	(409)	0.65	
Forfeited/expired	(5,287)	3.57	
Outstanding at September 30, 2020	<u>16,031</u>	1.87	7.85
Options vested at September 30, 2020	<u>8,167</u>	1.83	6.38
Options vested or expected to vest at September 30, 2020	<u>15,384</u>	\$ 1.87	7.78

The aggregate intrinsic value of options outstanding at September 30, 2020 is \$126.3 million. The weighted average grant date fair value for options granted during the nine months ended September 30, 2020 and the nine months ended September 30, 2019 was approximately \$4.30 and \$2.11, respectively. The aggregate intrinsic value of options exercised during the nine months ended September 30, 2020 and the nine months ended September 30, 2019 was \$1.7 million and \$3.0 million, respectively.

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DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

In July 2020, in order to incentivize and retain personnel, the Company repriced employee unvested stock option grants to the most recent common stock valuation. Vested awards were not eligible for repricing. Employees were allowed to opt out of the repricing of the unvested stock option grants by providing notice to the Company within a short period of time following the repricing. If an employee did not opt out of the repricing, all unvested options held by such employee were repriced and subject a new vesting schedule. Repriced options vest over a period of four years from the date of the repricing, with one-year cliff vesting and monthly vesting thereafter. The repricing affected 116 employees, at an incremental compensation cost of \$3.6 million to the Company.

Restricted Stock Units – RSUs awarded to employees generally vest over four years from the anniversary of the date of grant, with 1-year cliff vesting and monthly vesting thereafter, provided the employee remains continuously employed with the Company. Shares of the Company's stock are delivered to the employee upon vesting, subject to payment of applicable withholding taxes. The fair value of RSUs is equal to the estimated fair market value of the Company's common stock on the date of grant. Total unrecognized compensation costs related to non-vested RSUs at September 30, 2020 was approximately \$4.1 million and is expected to be recognized over a period of 3.9 years. The total expense recognized during the nine months ended September 30, 2020 was \$0.2 million.

RSU activity under the Plan for the nine months ended September 30, 2020 is as follows:

	Shares subject to Vesting	Weighted Average Grant Date Fair Value
Balance of unvested shares as of January 1, 2020	—	—
Issuance of additional shares	459	\$ 9.75
Vested	—	—
Balance of unvested shares as of September 30, 2020	<u>459</u>	<u>\$ 9.75</u>

Common Stock Reserved for Future Issuance—As of September 30, 2020 and 2019, the Company has reserved the following shares of Common Stock for future issuance (in thousands):

	September 30, 2020	September 30, 2019
Common Stock options outstanding	16,031	14,490
Restricted Stock units outstanding	459	—
Shares available for issuance under the Plan	1,960	4,463
Convertible Preferred Stock outstanding	100,038	100,038
Common Stock warrants outstanding	919	464
Total shares of authorized Common Stock reserved for future issuance	<u>119,407</u>	<u>119,455</u>

In May 2017, the Company entered into a strategic collaboration agreement with an investor, pursuant to which such investor would sell and distribute the Company's products. In connection with this agreement, the Company agreed to issue warrants purchase up to 2,000,000 shares of Common Stock. The investor is eligible to receive a warrant to purchase one share of Common Stock for every \$35.00 in revenue generated by the Company from the investor's resellers. Each warrant is issued at an exercise price equal to \$5.00 per share (subject to appropriate adjustment in the event of a stock dividend, stock split, combination, or other similar recapitalization) and expires on December 31, 2027. The Company issued warrants for the purchase of 399,960 and 477,629 shares of its common stock during the nine months ended September 30, 2020 and 2019, respectively. The Company recorded \$0.04 million and \$0.9 million related to the fair value of the warrants during the nine months ended September 30, 2020 and 2019, respectively. The assumptions used in the Black Scholes pricing model are the same as those used for nonemployee options.

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DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

12. Segment Information

In its operation of the business, management, including the Company's chief operating decision maker, who is also Chief Executive Officer, reviews the business as one segment. The Company currently ships its product to markets in the Americas, Europe, Middle East and Africa ("EMEA"), and Asia Pacific ("APAC"). The Company anticipates additional products launching in the near term future, across those same markets. Disaggregated revenue data for those markets is as follows (in thousands):

Revenue during nine months ended September 30, 2020

	Americas	EMEA	APAC	Total
Product	\$ 2,372	\$ 2,411	\$ 1,330	\$ 6,113
Services	962	888	138	1,988
Total	\$ 3,334	\$ 3,299	\$ 1,468	\$ 8,101

Revenue during nine months ended September 30, 2019

	Americas	EMEA	APAC	Total
Product	\$ 11,561	\$ 5,909	\$ 1,185	\$ 18,655
Services	1,851	341	29	2,221
Total	\$ 13,412	\$ 6,250	\$ 1,214	\$ 20,876

During the nine months ended September 30, 2020 and 2019, the Company recognized the following revenue from service contracts and cloud-based software licenses over time, and hardware and consumable product shipments and subscription software at a point in time (in thousands):

	Nine Months Ended September 30,	
	2020	2019
Revenue recognized at a point in time	\$ 6,113	\$ 18,655
Revenue recognized over time	1,988	2,221
Total	\$ 8,101	\$ 20,876

For the nine months ended September 30, 2020 and 2019, no single customer accounted for more than 10% of the Company's consolidated revenue.

The Company's long-lived assets are substantially all located in the United States where the Company's primary operations are located.

13. Related-Party Transactions

In 2017, the Company issued warrants related to the strategic collaboration agreement (Note 11). The investor was no longer considered a related party in the nine months ended September 30, 2020 and the year ended December 31, 2019.

14. Net Loss Per Share

The Company computes basic loss per share using net loss attributable to Desktop Metal, Inc. Common Stockholders and the weighted-average number of common shares outstanding during each period. Diluted earnings per share include shares issuable upon exercise of outstanding stock options and stock-based awards where the conversion of such instruments would be dilutive.

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DESKTOP METAL, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

(in thousands, except per share amounts)	September 30,	
	2020	2019
Numerator for basic and diluted net loss per share:		
Net loss attributable to Desktop Metal, Inc Common Stockholders	\$ (65,027)	\$ (75,769)
Denominator for basic and diluted net loss per share:		
Weighted average shares	29,457	22,395
Net loss per share—Basic and Diluted	\$ (2.21)	\$ (3.38)

For the nine months ended September 30, 2020 and 2019 the effect of dilutive securities, including non-vested stock options restricted stock awards, warrants, and Convertible Preferred Stock, was excluded from the denominator for the calculation of diluted net loss per share because the Company recognized a net loss for the period and their inclusion would be antidilutive. Dilutive securities excluded were 117,722,359 and 121,001,479 shares for the nine months ended September 30, 2020 and 2019, respectively.

15. Subsequent Events

As described in Note 1, the Company completed the Business Combination on December 9, 2020.

Management has evaluated subsequent events occurring through December 14, 2020, the date that these condensed consolidated financial statements were available to be issued and determined that no additional subsequent events occurred that would require recognition or disclosure in these condensed consolidated financial statements other than those in this note.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Defined terms included below have the same meaning as terms defined and included elsewhere in this Current Report on Form 8-K and, if not defined in the Form 8-K, the Proxy Statement. Unless the context otherwise requires, the “Company” refers to Desktop Metal, Inc. after the Closing, and Trine Acquisition Corp. prior to the Closing.

Introduction

The following unaudited pro forma condensed combined financial statements of Trine present the combination of the financial information of Trine and Desktop Metal, adjusted to give effect to the Business Combination and consummation of the transactions contemplated by the Subscription Agreements (collectively, the “Transactions”). The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X.

Trine is a blank check company incorporated in Delaware on September 26, 2018. Trine was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, recapitalization, reorganization or similar business combination with one or more businesses. At September 30, 2020, there was \$305.4 million held in the trust account.

Desktop Metal, Inc and subsidiaries was incorporated in the state of Delaware on August 25, 2015. Desktop Metal is pioneering a new generation of additive manufacturing technologies focused on the production of end-use parts. It offers a portfolio of integrated additive manufacturing solutions for engineers, designers, and manufacturers comprised of hardware, software, materials and services. Desktop Metal is headquartered in Burlington, Massachusetts.

The following unaudited pro forma condensed combined balance sheet as of September 30, 2020 assumes that the Transactions occurred on September 30, 2020. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2019 and for the nine months ended September 30, 2020 present pro forma effect to the Transactions as if they had been completed on January 1, 2019.

The unaudited pro forma combined financial statements do not necessarily reflect what Trine’s financial condition or results of operations would have been had the Transactions occurred on the dates indicated. The unaudited pro forma combined financial information also may not be useful in predicting the future financial condition and results of operations of Trine. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

This information should be read together with Trine’s and Desktop Metal’s audited and unaudited financial statements and related notes, the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Trine,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Desktop Metal” and other financial information included elsewhere in this Form 8-K.

The Business Combination was accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP. Desktop Metal has been determined to be the accounting acquirer based on evaluation of the following facts and circumstances:

- Desktop Metal’s shareholders have majority of the voting power in the Post-Combination Company;
- Desktop Metal has the ability to appoint a majority of the board of directors of the Post-Combination Company;
- Desktop Metal’s existing management comprises the management of the Post-Combination Company;
- Desktop Metal comprises the ongoing operations of the Post-Combination Company;
- Desktop Metal is the larger entity based on historical revenues and business operations; and
- The Post-Combination Company assumed Desktop Metal’s name.

Under this method of accounting, Trine is treated as the “acquired” company for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination is treated as the equivalent of Desktop Metal issuing stock for the net assets of Trine, accompanied by a recapitalization. The net assets of Trine are stated at historical cost, with no goodwill or other intangible assets recorded.

Description of the Transactions

The aggregate consideration for the Business Combination was \$1.83 billion, paid in the form of shares of Class A common stock. The following summarizes the consideration:

(in thousands, except for value per share)

Total shares transferred at Closing (a)	183,000
Value per share (b)	\$ 10.00
Total Share Consideration	\$ 1,830,000

(a) The total 183.0 million consideration shares include 161.7 million shares to be issued for all issued and outstanding Desktop common, preferred, and restricted stock plus 21.3 million shares underlying unvested, unissued, and/or unexercised options.

(b) Share consideration is calculated using a \$10.00 reference price. The closing share price on the date of the consummation of the Merger Transaction was \$24.77. As the Merger Transaction was accounted for as a reverse recapitalization, the value per share is disclosed for informational purposes only in order to indicate the fair value of shares transferred.

The following summarizes the unaudited pro forma common stock shares outstanding at Closing:

Ownership

<i>in thousands</i>	Shares Outstanding	%
Trine Public Shareholders	29,989	13.3%
Trine Founders (A)	5,553	2.5%
Trine Independent Directors	100	0.0%

Total Trine	35,642	15.9%
Desktop Metal (B)	161,715	71.9%
PIPE Shares	27,498	12.2%
Total Shares at Closing (excluding unvested Desktop Metal and earn out shares)	224,855	100%
Desktop Metal - Remaining Consideration Shares (B)	21,285	
Other - Earn Out Shares (A)	1,851	
Total Shares at Closing (including unvested Desktop Metal and earn out shares)	247,990	

(A) Excludes 1,851 shares placed into escrow at the closing date. Pursuant to the Sponsor Agreement, 75% of the Founder Shares shall vest at the closing of the Business Combination. 25% of the Founder Shares shall vest if the combined company trades at \$12.50 per share or higher for any 20 trading days within a 30 day window by the fifth anniversary of the Business Combination. In the event Trine enters into a binding agreement on or before the fifth anniversary of the closing of the Business Combination related to certain sale transactions involving the shares of common stock or all or substantially all the assets of Trine (a "Trine Sale"), all unvested Founder Shares shall vest on the day prior to the closing of such Trine Sale if the per share price implied in such Trine Sale meets or exceeds \$12.50.

(B) Total consideration issued to Desktop Metal is \$1.8 billion or 183.0 million shares (\$10 per share price). The total share consideration includes 161.7 million Desktop Metal common, preferred, and restricted stock and 21.3 million shares underlying unvested/unexercised options. Accordingly, the consideration shares outstanding has been adjusted to exclude 21.3 million consideration shares for unvested, unissued, and/or unexercised options at the closing of the Business Combination.

The following unaudited pro forma condensed combined balance sheet as of September 30, 2020, the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2019, and the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2020 are based on the historical financial statements of Trine and Desktop Metal. The unaudited pro forma adjustments are based on information currently available, assumptions, and estimates underlying the pro forma adjustments and are described in the accompanying notes. Actual results may differ materially from the assumptions used to present the accompanying unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF September 30, 2020
(in thousands)

	As of September 30, 2020		Merger Related Pro Forma Adjustments	As of September 30, 2020	
	Trine (Historical) (US GAAP)	Desktop Metal (Historical) (US GAAP)		Pro Forma Combined	
ASSETS					
Cash and cash equivalents	\$ 88	\$ 37,356	\$ 305,350 (A)	(10,130) (B)	\$ 566,731
			(40,681) (B)	274,975 (C)	
			215 (D)	(140) (M)	
			(265) (N)	(37) (E)	
Short-term investments	-	53,180			53,180
Accounts receivable, net	-	1,642			1,642
Inventory	-	10,363			10,363
Prepaid expenses and other current assets	81	806	243 (F)		1,130
Prepaid income taxes	243	-	(243) (F)		-
Total current assets	412	103,347	529,287		633,046
Restricted cash	-	612			612
Property and equipment—net	-	13,601			13,601
Capitalized software, net	-	357			357
Right-Of-use assets	-	1,935			1,935
Security deposit	24	-			24
Goodwill	-	2,252			2,252
Acquired technology, net	-	2,453			2,453
Deferred transaction costs	-	2,741	(2,741) (B)		-
Marketable securities held in Trust Account	305,410	-	(305,350) (A)		-
			(60) (E)		
Total assets	\$ 305,846	\$ 127,298	\$ 221,136		\$ 654,280
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable	-	6,604	3 (F)	(1) (E)	3,360
			(3,246) (B)		
Accounts payable and accrued expenses	2,676	-	(2,676) (F)		-
Customer deposits	-	1,778			1,778
Convertible promissory note - related party	1,285	-	215 (D)	(1,500) (D)	-
Current portion of operating lease liability	-	858			858
Accrued expenses and other current liabilities	-	6,055	2,673 (F)	(2,788) (B)	5,563
			(96) (E)	(281) (G)	
Deferred revenue	-	1,136			1,136
Current portion of long-term debt, net of deferred financing costs	-	9,986			9,986
Total current liabilities	3,961	26,417	(7,697)		22,681
Lease liability, net of current portion	-	2,375			2,375
Deferred underwriting fee payable	10,505	-	(10,505) (B)		-

Total liabilities	<u>14,466</u>	<u>28,792</u>	<u>(18,202)</u>	<u>25,056</u>
Commitments and Contingences				
Common stock subject to possible redemption	286,380	-	(286,380) (H)	-
Convertible Preferred Stock	-	436,533	(436,533) (I)	-
Stockholders' Equity				
Common Stock	-	3	(3) (I)	-
Class A Common Stock (includes unvested 328,910 shares of restricted stock)	-	-	3 (H)	22
			16 (I)	
			3 (C)	
			1 (J)	
			(1) (J)	
			- (N)	
Class B Common Stock	1	-	(1) (J)	-
Additional paid in capital	5,215	21,254	286,377 (H)	995,751
			274,972 (C)	
			(29,828) (B)	
			436,520 (I)	
			(216) (K)	
			1 (J)	
			221 (L)	
			1,500 (D)	
			(265) (N)	
Retained earnings (deficit)	(216)	(359,289)	(7,185) (B)	(366,554)
			281 (G)	
			216 (K)	
			(221) (L)	
			(140) (M)	
Accumulated other comprehensive gain	-	5		5
Total Stockholders' Equity	<u>5,000</u>	<u>(338,027)</u>	<u>962,251</u>	<u>629,224</u>
Total Liabilities, Convertible Preferred Stock and Stockholders' Equity	<u>\$ 305,846</u>	<u>\$ 127,298</u>	<u>\$ 221,136</u>	<u>\$ 654,280</u>

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**
(in thousands, except share and per share data)

	For the Nine Months Ended September 30, 2020			For the Nine Months Ended September 30, 2020
	Trine (Historical) (US GAAP)	Desktop Metal (Historical) (US GAAP)	Pro Forma Adjustments	Pro Forma Combined
	-	-	-	-
Revenue	\$ -	\$ 8,101		\$ 8,101
Cost of sales	-	21,510		21,510
Gross Margin	-	(13,409)	-	(13,409)
Operating costs	4,048	-	(315) (AA)	3,733
Research and development	-	31,362		31,362
Sales and marketing	-	9,994		9,994
General and administration	-	11,004		11,004
Total operating expenses	4,048	52,360	(315)	56,093
Loss from operations	(4,048)	(65,769)	315	(69,502)
Interest (expense)	-	(253)		(253)
Interest and other income, net	-	995		995
Interest Income	1,110	-	(1,110) (BB)	-
Income (loss) before income taxes	(2,938)	(65,027)	(795)	(68,760)
Provision for income taxes	36	-	(36) (CC)	-
Net Income (loss)	\$ (2,902)	\$ (65,027)	\$ (831)	\$ (68,760)
Basic and diluted net loss per common share	\$ (0.42)			\$ (0.31)
Weighted average shares outstanding, basic and diluted	9,054,242			224,525,194

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**
(in thousands, except share and per share data)

For the Year Ended December 31, 2019	For the Year Ended December 31, 2019
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	Trine (Historical) (US GAAP)	Desktop Metal (Historical) (US GAAP)	Pro Forma Adjustments	Pro Forma Combined
Revenue	\$ -	\$ 26,439		\$ 26,439
Cost of sales	-	50,796		50,796
Gross Margin	-	(24,357)	-	(24,357)
Operating costs	1,857	-	(333) (AA)	1,524
Research and development	-	54,656		54,656
Sales and marketing	-	18,749		18,749
General and administration	-	11,283		11,283
Total operating expenses	1,857	84,688	(333)	86,212
Loss from operations	(1,857)	(109,045)	333	(110,569)
Interest expense	-	(503)		(503)
Interest and other income, net	-	5,952	-	5,952
Interest income	5,142	-	(5,142) (BB)	-
Unrealized gain on marketable securities held in Trust Account	170	-	(170) (BB)	-
Income (loss) before income taxes	3,455	(103,596)	(4,979)	(105,120)
Provision for income taxes	(726)	-	726 (CC)	-
Net Income (loss)	\$ 2,729	\$ (103,596)	\$ (4,253)	\$ (105,120)
Basic and diluted net loss per common share	\$ (0.18)			\$ (0.47)
Weighted average shares outstanding, basic and diluted	8,348,930			224,525,194

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The Business Combination was accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP. Under this method of accounting, Trine was treated as the “acquired” company for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination is treated as the equivalent of Desktop Metal issuing stock for the net assets of Trine, accompanied by a recapitalization. The net assets of Trine are stated at historical cost, with no goodwill or other intangible assets recorded.

The unaudited pro forma condensed combined balance sheet as of September 30, 2020 assumes that the Transactions occurred on September 30, 2020. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2019 and for the nine months ended September 30, 2020 presents pro forma effect to the Transactions as if they had been completed on January 1, 2019.

The unaudited pro forma condensed combined balance sheet as of September 30, 2020 has been prepared using, and should be read in conjunction with, the following:

- Trine’s unaudited condensed balance sheet as of September 30, 2020 and the related notes for the nine months ended September 30, 2020, incorporated by reference in this Form 8-K; and
- Desktop Metal’s unaudited condensed consolidated balance sheet as of September 30, 2020 and the related notes for the nine months ended September 30, 2020, included in this Form 8-K.

The unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2020 has been prepared using, and should be read in conjunction with, the following:

- Trine’s unaudited condensed statement of operations for the nine months ended September 30, 2020 and the related notes, incorporated by reference in this Form 8-K; and
- Desktop Metal’s unaudited condensed consolidated statements of operations for the nine months ended September 30, 2020 and the related notes, included in this Form 8-K.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2019 has been prepared using, and should be read in conjunction with, the following:

- Trine’s audited statement of operations for the year ended December 31, 2019 and the related notes, incorporated by reference in this Form 8-K; and
- Desktop Metal’s audited consolidated statements of operations for the year ended December 31, 2019 and the related notes, included in this Form 8-K.

Management has made significant estimates and assumptions in its determination of the pro forma adjustments. As the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings, or cost savings that may be associated with the Transactions.

The pro forma adjustments reflecting the consummation of the Transactions are based on certain currently available information and certain assumptions and methodologies that Trine believes are reasonable under the circumstances. The unaudited condensed pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the difference may be material. Trine believes that these assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the Transactions based on information available to management at the time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the Transactions taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the Post-Combination Company. They should be read in conjunction with the historical financial statements and notes thereto of Trine and Desktop Metal.

2. Accounting Policies

As part of the preparation of these unaudited pro forma condensed combined financial statements, certain reclassifications were made to align Trine's and Desktop Metal's financial statement presentation. Upon completion of the Transactions, management will perform a comprehensive review of Trine's and Desktop Metal's accounting policies. As a result of the review, management may identify differences between the accounting policies of the two entities which, when conformed, could have a material impact on the financial statements of the Post-Combination Company. Based on its initial analysis, Trine has identified the presentation differences that would have an impact on the unaudited pro forma condensed combined financial information and recorded the necessary adjustments.

3. Adjustments to Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the Transactions and has been prepared for informational purposes only. The historical financial statements have been adjusted in the unaudited pro forma condensed combined financial information to give pro forma effect to events that are (1) directly attributable to the Transactions, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact on the results of the Post-Combination Company. Trine and Desktop Metal have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The unaudited pro forma combined provision for income taxes does not necessarily reflect the amounts that would have resulted had the Post-Combination Company filed consolidated income tax returns during the periods presented.

The unaudited pro forma basic and diluted earnings per share amounts presented in the unaudited pro forma condensed combined statements of operations are based upon the number of Post-Combination Company's shares outstanding, assuming the Transactions occurred on January 1, 2019.

Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

The adjustments included in the unaudited pro forma condensed combined balance sheet as of September 30, 2020 are as follows:

- (A) Reflects the reclassification of \$305.4 million of cash held in the Trine trust account that becomes available at closing of the Business Combination. This is after the paydown discussed in tickmark (E) below.
- (B) Reflects the settlement of \$51.5 million of transaction costs at close in connection with the Business Combination. Of the total, \$29.8 million is adjusted against additional paid in capital (inclusive of the PIPE fee and change in deferred underwriting fee), \$7.2 million is adjusted against retained earnings, \$10.5 million is adjusted against the deferred underwriting, and remaining amount being adjusted against the existing accounts payable and accrued liabilities balances or paid in cash as of September 30, 2020.
- (C) Reflects the proceeds of \$274,975,000 from the issuance of 27,497,500 shares of Class A common stock with par value of \$0.0001 in the PIPE based on commitments received which was offset by the PIPE fee included in tickmark (B).

(D) Reflects the settlement of the Trine related party convertible promissory note at close into warrants. On February 24, 2020, Trine issued an unsecured promissory note in the principal amount of \$1.5 million to the Sponsor, of which \$1.3 million is outstanding at September 30, 2020 (the "2020 Note") with the remaining \$0.2 million drawn prior to Closing to fund transaction expenses. The 2020 Note is non-interest bearing and was converted into warrants at close, at a price of \$1.00 per warrant.

(E) Reflects the paydown of Trine accrued expenses and current liabilities at Close.

(F) Reflects the reclassification of Trine's accounts payable and accrued expenses and prepaid income taxes to align with the balance sheet presentation of Desktop Metal.

(G) Reflects the non-cash settlement of amounts owed to the Sponsor under Trine's administrative support agreement which ceased upon the close of the Business Combination.

(H) Reflects the reclassification of common stock subject to possible redemption to permanent equity at \$0.0001 par value.

(I) Reflects the recapitalization of Desktop Metal's equity and issuance of 183.0 million shares of Class A common stock at \$0.0001 par value as consideration for the reverse recapitalization. Total consideration issued to Desktop Metal is \$1.8 billion or 183.0 million shares (\$10.00 per share price). The total 183.0 million consideration shares include 161.7 million shares issued for all issued and outstanding Desktop common and preferred stock and restricted stock, as reflected in the pro forma balance sheet, plus 21.3 million shares underlying unvested, unissued, and/or unexercised options, which are excluded from the pro forma balance sheet adjustment since the shares are subject to further vesting or exercise at close.

(J) Reflects the reclassification of the Founder Shares from Class B common stock to Class A common stock at close and the reclassification of the par value related to the 25% Founder Shares that remain unvested at close pursuant to the Sponsor Agreement from Class A par value to additional paid in capital.

(K) Reflects the reclassification of Trine's historical retained earnings to additional paid in capital as part of the reverse recapitalization.

(L) Reflects the amount of compensation cost related to the acceleration of the vesting for certain existing Desktop Metal stock options.

(M) Reflects the one-time bonus payments on November 30, 2020 to Desktop Metal executives as a part of the Business Combination.

(N) Reflects the actual redemption of 26,049 Trine Public Shares outstanding for the \$0.3 million held in trust, which is allocated to Class A common stock and additional paid-in capital using \$0.0001 par value per share.

Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations

The pro forma adjustments included in the unaudited pro forma condensed combined statements of operations for the year ended December 31, 2019 and for the nine months ended September 30, 2020 are as follows:

- (AA) Reflects the elimination of the Trine administrative service fee paid to the Sponsor that will cease upon the close of the Business Combination.

(BB) Reflects the elimination of interest income and unrealized gain earned on the Trine trust account.

(CC) Reflects the income tax effect of pro forma adjustments using the estimated effective tax rate of 0%. In its historical periods, Desktop Metal concluded that it is more likely than not that it will not recognize the benefits of federal and state net deferred tax assets and as a result established a valuation allowance. For pro forma purposes, it is assumed that this conclusion will continue at the close date of the Business Combination and as such, a 0% effective tax rate is reflected.

4. Loss per Share

Net loss per share calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the Transactions, assuming the shares were outstanding since January 1, 2019. As the Transactions are being reflected as if they had occurred at the beginning of the periods presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Transactions have been outstanding for the entire periods presented.

The unaudited pro forma condensed combined financial information has been prepared for the year ended December 31, 2019 and for the nine months ended September 30, 2020:

(in thousands, except share and per share data)	Nine Months Ended September 30, 2020	Year Ended December 31, 2019
Pro forma net loss	\$ (68,760)	\$ (105,120)
Pro forma weighted average shares outstanding - basic and diluted	224,525,194	224,525,194
Pro forma net loss per share - basic and diluted	\$ (0.31)	\$ (0.47)
Pro forma weighted average shares outstanding - basic and diluted		
SPAC Public Shareholders	29,988,951	29,988,951
SPAC Founders	5,552,813	5,552,813
SPAC Independent Directors	100,000	100,000
Total Trine	35,641,764	35,641,764
Desktop Metal (1)	161,385,931	161,385,931
PIPE share holders	27,497,500	27,497,500
Pro forma weighted average shares outstanding - basic and diluted (2)	224,525,194	224,525,194

(1) Excludes 21.6 million Desktop Metal consideration shares that will be issued upon the occurrence of future events (i.e. vesting of restricted stock or exercise of stock options). Total consideration to be issued to Desktop Metal is \$1.8 billion or 183.0 million shares (\$10 per share price). The total shares issued includes all issued and outstanding Desktop common and preferred stock plus shares underlying unvested restricted stock and options. Accordingly, the weighted average pro forma shares outstanding at close has been adjusted to exclude the portion of consideration shares that was restricted, unvested, unissued, and/or unexercised at the closing of the Business Combination.

(2) For the purposes of applying the if converted method for calculating diluted earnings per share, it was assumed that all outstanding warrants sold in the IPO, warrants sold in the private placement, Desktop Metal unvested restricted stock, and Desktop Metal options are exchanged for Class A common stock. However, since this results in anti-dilution, the effect of such exchange was not included in calculation of diluted loss per share. Shares underlying these instruments are as follows: (a) 23.5 million shares of Trine Class A common stock underlying the warrants sold in the Trine IPO and private placement, (b) 21.6 million Desktop Metal consideration shares for restricted, unvested, unissued, and/or unexercised restricted stock and stock options.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of Desktop Metal's consolidated results of operations and financial condition. The discussion should be read in conjunction with Desktop Metal's consolidated financial statements and notes thereto included in and incorporated by reference elsewhere in this Current Report on Form 8-K. This discussion contains forward looking statements and involves numerous risks and uncertainties. Actual results may differ materially from those contained in any forward looking statements.

Business Overview

Desktop Metal is pioneering a new generation of additive manufacturing technologies focused on the production of end-use parts. We offer a portfolio of integrated additive manufacturing solutions for engineers, designers and manufacturers comprised of hardware, software, materials, and services. Our solutions span use cases across the product life cycle, from product development to mass production and aftermarket operations, and they address an array of industries, including automotive, aerospace, healthcare, consumer products, heavy industry, machine design and research and development.

At Desktop Metal, we believe additive manufacturing, commonly referred to as 3D printing, is one of the most exciting and transformational technology innovations of our time. It has the capacity to change the way parts of all materials are designed, manufactured, and sold around the world, as well as empowers businesses of all sizes to make high-performance products faster, more sustainably and at costs and volumes competitive with conventional manufacturing solutions. The additive manufacturing industry is now at a major inflection point, poised for accelerated growth driven by a new generation of technologies that enable high-volume and end-use parts production. We believe Desktop Metal is at the forefront of this transformation, and our mission is to make additive manufacturing accessible to all engineers, designers and manufacturers. In doing so, we believe we will empower businesses to adopt radical, new approaches to design and production and enable businesses to realize the promise of additive manufacturing across a breadth of vertical markets.

Our growth strategy begins with a commitment to research and development. Since our founding in 2015, we have invested significant resources in research and development, including \$145.5 million since 2018, towards building an extensive portfolio of proprietary and differentiated technologies with a focus on making additive manufacturing an easy-to-use, economic and scalable solution. Our additive manufacturing products, which incorporate these technologies, offer several key advantages over competitive additive manufacturing technologies and provide our customers with several price points depending on their desired features and applications. Our announced additive manufacturing solutions are as follows:

- **Production System** is an industrial manufacturing solution powered by our proprietary SPJ technology and designed to achieve speeds up to 100 times those of legacy PBF additive manufacturing technologies and enable production quantities of up to millions of parts per year at part costs competitive with conventional mass production techniques. Production System is scheduled to begin volume commercial shipments in 2021.
- **Shop System** is an affordable, turnkey binder jetting solution designed to bring metal 3D printing to machine and job shops, leveraging build rates up to 10 times those of legacy PBF additive manufacturing technologies in combination with our proprietary sintering technology to enable serial production of dense metal parts with exceptional surface finish and rich feature detail. Shop System initial shipments have occurred in the third quarter 2020 and is scheduled to begin volume commercial shipments in late 2020.

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- **Studio System** is designed for office-friendly metal 3D printing and leverages our proprietary BMD technology to minimize requirements for special facilities as compared to legacy PBF additive manufacturing technologies and simplify the production of low-volumes of complex, high quality metal parts in-house. Studio System has been shipping in volume since the fourth quarter of 2018.
- **Fiber** is a desktop 3D printer that incorporates our proprietary Micro AFP technology and is designed to produce high-resolution composite parts reinforced with aerospace- and industrial-grade continuous fiber tape, unlocking superior part strength with high-performance materials starting at an affordable annual subscription price. Fiber is scheduled to begin volume commercial shipments in late 2020.

Software is a critical component of our additive manufacturing solutions and is at the core of their accessibility and ease-of-use. Built on cloud, desktop and mobile technologies, our build preparation software, Fabricate, streamlines the process of setting up prints and works alongside touchscreen controls onboard our products to provide a cohesive, modern user interface and experience across our product portfolio. We also sell an array of consumables, including composite, metal and ceramic materials, which are engineered for use with several of our additive manufacturing products. The sales of these materials provide us with a recurring revenue stream from customers of our additive manufacturing solutions.

We began shipping our first product, the Studio System, in the fourth quarter of 2018. Since then, we have shipped hundreds of units and generated cumulative revenue of over \$36.0 million. As of September 30, 2020, we are in the late stages of development for our remaining three additive manufacturing solutions, Shop System, Fiber and Production System, the last of which has already been installed and is operational at early customers prior to commercialization.

At our core, we are a tech company. Our strengths are in technology innovation and product development. Both as a result of this focus and to reach a broad audience, we market and sell our additive manufacturing solutions through a leading global distribution network, managed and augmented by our own internal sales and marketing teams. This distribution network covers over 60 countries around the world and is composed of sales and distribution professionals with decades of experience in digital manufacturing technologies. Similarly, we leverage third-party contract manufacturers to produce our additive manufacturing products. Our internal manufacturing and supply chain teams work collaboratively with both our internal engineering department and these third-party contract manufacturers to scale up initial prototypes for commercialization and volume commercial shipments. Together, our distribution network and manufacturing approach allow us to produce, sell and service our products at-scale in global markets and creates substantial operating leverage as we execute our strategy.

We are led by visionary technologists and a team of proven leaders with experience bringing emerging technologies to market across the hardware, materials and software sectors. Our technologies have the potential to empower engineers and designers to easily access additive manufacturing and drive new application discovery as well as provide manufacturers with reliable and high-performance solutions that facilitate the production innovative designs in high volumes. We believe that, taken together, these core competencies will propel us towards helping businesses realize the true promise of additive manufacturing.

Recent Developments

Merger Agreement

On August 26, 2020, we entered into the Merger Agreement with Trine, a special purpose acquisition company, and Merger Sub, a wholly-owned subsidiary of Trine. The terms of the Merger Agreement provided that effective at the time of the Business Combination, Merger Sub merged with and into Desktop Metal and Desktop Metal survived the merger as a wholly-owned subsidiary of Trine. Upon the closing of the Business Combination, the combined operating company is named Desktop Metal, Inc. and will continue to be listed on the NYSE and trade under the ticker symbol "DM." Cash proceeds of the Business Combination were funded through a combination of Trine's \$305 million of cash held in trust, net of redemptions, and an aggregate of \$275 million in fully committed common stock transactions at \$10.00 per share. Desktop Metal's

cash on hand after giving effect to these transactions will be used for general corporate purposes, including advancement of our product development efforts. We also intend to use the proceeds to acquire other companies or technologies in the additive manufacturing industry.

COVID-19

In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. It is not possible to accurately predict the full impact of the COVID-19 pandemic on our business, financial condition and results of operations due to the evolving nature of the COVID-19 pandemic and the extent of its impact across industries and geographies and numerous other uncertainties. For example, we face uncertainties about the duration and spread of the outbreak, additional actions that may be taken by governmental entities, and the impact it may have on the ability of us, our customers, our suppliers, our manufacturers and our other business partners to conduct business. Governments in affected regions have implemented, and may continue to implement, safety precautions which include quarantines, travel restrictions, business closures, cancellations of public gatherings and other measures as they deem necessary. Many organizations and individuals, including our company and employees, are taking additional steps to avoid or reduce infections, including limiting travel and staying home from work. These measures are disrupting normal business operations and have had significant negative impacts on businesses and financial markets worldwide. We continue to monitor our operations and government recommendations and have made modifications to our normal operations because of the COVID-19 pandemic, including requiring most non-engineering or operations-related team members to work remotely, utilizing heightened cleaning and sanitization procedures, implementing new health and safety protocols and reducing non-essential travel.

The COVID-19 pandemic has caused us to experience several adverse impacts, including extended sales cycles to close new orders for our products, delays in shipping and installing orders due to closed facilities and travel limitations and delays in collecting accounts receivable. The rapid development and uncertainty of the impacts of the COVID-19 pandemic precludes any prediction as to the ultimate adverse impact of the COVID-19 pandemic on our business. However, the COVID-19 pandemic, and the measures taken to contain it, present material uncertainty and risk with respect to our performance and financial results. In particular, businesses across an array of vertical markets are temporarily reducing capital expenditure budgets globally as they seek to preserve liquidity to ensure the longevity of their own operations, which in turn may lead to reductions in purchases of our additive manufacturing solutions. Further, office closures may prevent organizations from reaching typical utilizations of our additive manufacturing solutions, resulting in reductions in purchases of consumable materials. Additionally, the COVID-19 pandemic may contribute to facility closures at our third-party contract manufacturers and key suppliers, causing delays and disruptions in product manufacturing, which could affect our ability to ship products purchased by our customers in a timely manner. Disruptions in the capital markets as a result of the COVID-19 pandemic may also adversely affect our business if these impacts continue for a prolonged period and we need additional liquidity.

In the short-term, we have taken, and will continue to take, actions to mitigate the impact of the COVID-19 pandemic on our cash flow and results of operations and financial condition. We are managing the variable portion of our cost structure to better align with revenue, including external marketing spend, which will be significantly reduced during this period of disruption. Similarly, we have reduced discretionary research and development spending and plan to continue to closely manage additional spend. Additionally, we have reduced staffing across the organization by 30% across all departments. In the long-term, we believe that the COVID-19 pandemic will encourage organizations to reassess their supply chain structure and may accelerate their adoption of solutions such as additive manufacturing, which could allow for greater flexibility and a reduced reliance on overseas manufacturing.

Key Factors Affecting Operating Results

We believe that our performance and future success depend on many factors that present significant opportunities for us but also pose risks and challenges, including the following:

Commercial Launch of Products

Several of our products are in the late stages of development and are scheduled to begin volume commercial shipments in late 2020 and 2021. Prior to commercialization, we must complete final testing and manufacturing ramp-up of these products at our third-party contract manufacturers. Any delays in successful completion of these steps may impact our ability to generate revenue from these products.

Adoption of our Additive Manufacturing Solutions

We believe the world is at an inflection point in the adoption of additive manufacturing solutions and that we are well-positioned to take advantage of this opportunity across an array of industries due to our proprietary technologies and global distribution capabilities. We expect that our results of operations, including revenue and gross margins, will fluctuate for the foreseeable future as businesses continue to shift away from conventional manufacturing processes towards additive manufacturing for end-use parts. Our turnkey and volume production solutions are designed to empower businesses to realize the full benefits of additive manufacturing at-scale, including geometric and design flexibility, mass customization and supply chain engineering, among others. The degree to which potential and current customers recognize these benefits and invest in our solutions will affect our financial results.

Pricing, Product Cost and Margins

To date, most of our revenue has been generated by sales of our Studio System. Revenue generated from our Studio product line represented 96% and 73% of total revenue in the years ended December 31, 2019 and 2018, respectively, and represented 96% and 98% of total revenue in the nine months ended September 30, 2020 and 2019, respectively. Revenue not generated from the Studio product line was attributed to development contracts during 2018 and 2019 and a small amount of sales generated by our Shop System during the third quarter of 2020. Going forward, we expect to commercialize our entire product portfolio, which offers customers a range of additive manufacturing solutions spanning multiple price points, materials, throughput levels, operating environments and technologies to enable them to find the solution that achieves their specific goals. Pricing may vary by region due to market-specific supply and demand dynamics and product lifecycles, and sales of certain products have, or are expected to have, higher gross margins than others. As a result, our financial performance depends, in part, on the mix of products we sell during a given period. In addition, we are subject to price competition, and our ability to compete in key markets will depend on the success of our investments in new technologies and cost improvements as well as our ability to efficiently and reliably introduce cost-effective additive manufacturing solutions for our customers.

Continued Investment and Innovation

We believe that we are a leader in mass production and turnkey additive manufacturing solutions, offering breakthrough technologies that enable high throughput and ease-of-use through our broad product portfolio. Our performance is significantly dependent on the investment we make in our research and development efforts and on our ability to be at the forefront of the additive manufacturing industry. It is essential that we continually identify and respond to rapidly evolving customer requirements, develop and introduce innovative new products, enhance existing products and generate customer demand for our solutions. We believe that investment in our additive manufacturing solutions will contribute to long-term revenue growth, but it may adversely affect our near-term profitability.

Components of Results of Operations

Revenue

The majority of our revenue results from the sales of products, including our additive manufacturing products and embedded on-device software and related consumables. Product revenue is recognized upon transfer of control to the customer, which generally takes place at the point of shipment. We also generate a portion of our revenue from software and support services. Software revenue is recognized (i) in the case of on-premises software, upon transfer of control to the customer, which generally takes place upon shipment, and (ii) in the case of cloud-based software, which is primarily sold through one-year annual contracts, ratably over the term of the agreement. Revenue from support services for our additive manufacturing products is primarily generated through one-year annual contracts and is recognized ratably over the term of the agreement.

We generate revenue and deliver products and services principally through sales to resellers, who purchase and resell our products and also provide installation and support services for our additive manufacturing solutions to customers. Occasionally and for certain products (and all related consumables, software and support services), we also generate revenue from and deliver services to our customers directly.

Cost of Sales

Our cost of sales consists of the cost of products and cost of services. Cost of products includes the manufacturing cost of our additive manufacturing products and consumables, which primarily consists of amounts paid to our third-party contract manufacturers and suppliers and personnel-related costs directly associated with manufacturing operations. Cost of services includes personnel-related costs directly associated with the provision of support services to our customers, which include engineers dedicated to remote support as well as, training, support and the associated travel costs. Our cost of sales also includes depreciation and amortization, cost of spare or replacement parts, warranty costs, excess and obsolete inventory and shipping costs, and an allocated portion of overhead costs. We expect cost of sales to increase in absolute dollars in future periods as we expect our revenues to continue to grow.

Gross Profit and Gross Margin

Our gross profit is calculated based on the difference between our revenues and cost of sales. Gross margin is the percentage obtained by dividing gross profit by our revenue. Our gross profit and gross margin are, or may be, influenced by a number of factors, including:

- Market conditions that may impact our pricing;
- Product mix changes between established products and new products;
- Growth in our installed customer base or changes in customer utilization of our additive manufacturing products, which affects sales of our consumable materials and may result in excess or obsolete inventories; and
- Our cost structure for manufacturing operations, including contract manufacturers, relative to volume, and our product support obligations.

We expect our gross margins to fluctuate over time, depending on the factors described above.

Research and Development

Our research and development expenses represent costs incurred to support activities that advance the development of innovative additive manufacturing technologies, new product platforms and consumables, as well as activities that enhance the capabilities of our existing product platforms. Our research and development expenses consist primarily of employee-related personnel expenses, prototypes, design expenses, consulting and contractor costs and an allocated portion of overhead costs. We expect research and development costs will increase on an absolute dollar basis over time as we continue to invest in our advancing our portfolio of additive manufacturing solutions.

Sales and Marketing

Sales and marketing expenses consist primarily of employee-related costs for individuals working in our sales and marketing departments, third party commissions, costs related to trade shows and events and an allocated portion of overhead costs. We expect our sales and marketing costs will increase on an absolute dollar basis as we expand our headcount, initiate new marketing campaigns and launch new product platforms.

General and Administrative

General and administrative expenses consist primarily of personnel-related expenses associated with our executive, finance, legal, information technology and human resources functions, as well as professional fees for legal, audit, accounting and other consulting services, and an allocated portion of overhead costs. We expect our general and administrative expenses will increase on an absolute dollar basis as a result of operating as a public company, including expenses necessary to comply with the rules and regulations applicable to companies listed on a national securities exchange and related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, as well as increased expenses for general and director and officer insurance, investor relations, and other administrative and professional services. In addition, we expect to incur additional costs as we hire additional personnel and enhance our infrastructure to support the anticipated growth of the business.

Interest Expense

Interest expense includes cash interest paid on our term loan as well as amortization of deferred financing fees and costs.

Interest and Other Income, Net

Interest and other income, net includes interest earned on deposits and short-term investments, gains and losses on investments as well as sales and disposals of fixed assets.

Income Taxes

Our income tax provision consists of an estimate for U.S. federal and state income taxes based on enacted rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities and changes in tax law. Due to cumulative losses, we maintain a valuation allowance against our U.S. and state deferred tax assets.

Results of Operations

Comparison of the Nine Months Ended September 30, 2020 and 2019

Revenue

The following table presents the revenue of each of our revenue streams, as well as the percentage of total revenue and change from the prior period.

(Dollars in thousands)	For the Nine Months Ended September 30,				Change in Revenues	
	2020		2019		\$	%
	Revenue	% of Total	Revenue	% of Total		
Product Revenue	\$ 6,113	75%	\$ 18,655	89%	\$ (12,542)	(67)%
Service Revenue	1,988	25%	2,221	11%	(233)	(10)%
Total Revenue	\$ 8,101	100%	\$ 20,876	100%	\$ (12,775)	(61)%

Total revenue for the nine months ended September 30, 2020 and 2019, was \$8.1 million and \$20.9 million, respectively, representing a decrease of \$12.8 million, or 61%. The decrease in total revenue was attributable to a decrease in revenue from both products and services. Additionally, revenue was negatively impacted by \$0.9 million as a result of our transitioning from a sales agent model to a reseller model.

We sold fewer products during the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019, leading to an approximately 67% decrease in product revenue. This was primarily due to decreased customer demand and longer sales cycles resulting from the COVID-19 pandemic. Additionally, as a result of customer facilities closures associated with the COVID-19 pandemic, we experienced delays in shipments and installation as well as decreased utilization of our installed products, leading to a decrease in sales of consumables materials.

Service revenue decreased during the nine months ended September 30, 2020, as compared to the nine months ended September 30, 2019, primarily due to a decrease in support and installation revenue resulting from decreased shipments during the period.

The following table presents revenue by geographic region, as well as the percentage of total revenue and change from the prior period.

(Dollars in thousands)	For the Nine Months Ended September 30,				Change in Revenues	
	2020		2019		\$	%
	Revenue	% of Total	Revenue	% of Total		
Americas	\$ 3,334	41%	\$ 13,412	64%	\$ (10,078)	(74)%
EMEA (Europe, the Middle East and Africa)	3,299	41%	6,250	30%	(2,951)	(47)%
APAC (Asia-Pacific)	1,468	18%	1,214	6%	254	21%
Total Revenue	\$ 8,101	100%	\$ 20,876	100%	\$ (12,775)	(61)%

Total revenue decreased due to fewer product sales in the Americas and EMEA regions driven by decreased customer demand resulting from the COVID-19 pandemic. This decrease was partially offset by increased sales in the APAC region, driven primarily by an improvement in hardware product volume sold in the region during the nine months ended September 30, 2020.

Cost of Sales

Total cost of sales during the nine months ended September 30, 2020 and 2019 was \$21.5 million and \$38.5 million, respectively, a decrease of \$17.0 million, or 44%.

The decrease in total cost of sales was driven primarily by the decrease in product cost of sales, which resulted from fewer product sales. This decrease was partially offset by an increase to our inventory reserves. We recognized a \$2.9 million obsolescence inventory charge related to product redesigns implemented to reduce costs and enhance performance and functionality.

Gross Profit (Loss) and Gross Margin

The following table presents gross profit by revenue stream, as well as change in gross profit (loss) dollars from the prior period.

(Dollars in thousands)	For the Nine Months Ended September 30,		Change in Gross Profit	
	2020	2019	\$	%
	Gross Profit (Loss)			
Products	\$ (12,032)	\$ (16,563)	\$ 4,531	27%
Services	(1,377)	(1,079)	(298)	(28)%
Total	\$ (13,409)	\$ (17,642)	\$ 4,233	24%

Total gross profit (loss) during the nine months ended September 30, 2020 and 2019 was \$(13.4) million and \$(17.6) million, respectively. The change in total gross profit (loss) of \$4.2 million is driven by the fact that we sold fewer products in the nine months ended September 30, 2020, as compared to the nine months ended September 30, 2019. Negative gross profit during each of these periods was a result of higher product costs than selling price primarily driven by a combination of small purchase quantities for products and consumables from our third-party contract manufacturers, resulting in higher costs, and the selection of suppliers influenced by time-to-market considerations instead of solely cost considerations.

The following table presents gross margin by revenue stream, as well as the change in gross margin from the prior period.

	For the Nine Months Ended September 30,		Change in Gross Margin	

	2020	2019	Percentage	
	Gross Margin		Points	%
Products	(197)%	(89)%	(1.08)	(121.69)%
Services	(69)%	(49)%	(0.21)	(42.58)%
Total	(166)%	(85)%	(0.81)	(95.87)%

Total gross margin during the nine months ended September 30, 2020 and 2019 was (166)% and (85)%, respectively. The decrease in total gross margin was primarily due to the decrease in gross margin from our product revenue, which resulted mainly from an obsolescence inventory charge related to product redesigns implemented to reduce costs and enhance performance and functionality. This was partially offset by a lower product cost for units shipped in the first nine months of 2020 as compared to the first nine months of 2019. Additionally, during the nine months ended September 30, 2020 we expanded our manufacturing operations team and associated costs to accommodate our expected increase in sales volumes in future periods and the manufacturing ramp-up and initial commercialization of new products scheduled to ship in late 2020 and 2021.

Research and Development

Research and development expenses for the nine months ended September 30, 2020 and 2019 were \$31.4 million and \$40.6 million, respectively, a decrease of \$9.2 million, or 23%. The decrease in research and development expenses was primarily due to a \$3.9 million decrease in prototyping costs incurred during the nine months ended September 30, 2020 resulting from the maturation of our product development efforts. Additionally, during the nine months ended September 30, 2020, we reduced engineering consulting expenses and headcount to mitigate the impacts of and uncertainties around COVID-19 as described in the “Recent Developments” section above, resulting in savings of \$3.6 million and \$1.7 million, respectively. These decreases were partially offset by other individually insignificant variations between the periods.

Sales and Marketing

Sales and marketing expenses for the nine months ended September 30, 2020 and 2019 were \$10.0 million and \$13.9 million, respectively, a decrease of \$3.9 million, or 28%. The decrease in sales and marketing expenses was primarily due to a decrease in third party commissions of \$0.9 million resulting from our shift towards a reseller model for our distribution network during the nine months ended September 30, 2020, as compared to the prior sales agent model. During the nine months ended September 30, 2020, we reduced tradeshow and related travel expenses and marketing headcount to mitigate the impacts of and uncertainties around the COVID-19 pandemic as described in the “Recent Developments” section above, resulting in savings of \$1.4 million and \$0.4 million, respectively. These decreases were partially offset by an increase in sales headcount, resulting in \$0.1 million of additional employee-related costs during the nine months ended September 30, 2020. These changes included other individually insignificant variations between the periods.

General and Administrative

General and administrative expenses for the nine months ended September 30, 2020 and 2019 were \$11.0 million and \$8.3 million, respectively, an increase of \$2.7 million, or 33%. The increase in general and administrative expenses was primarily due to an increase in \$1.8 million of professional fees incurred as a result of the merger, \$0.4 million increase in compensation costs, related to the modification of certain equity based awards, \$0.3 million increase in legal expenses related to maintaining our intellectual property.

Interest Expense

Interest expense for the nine months ended September 30, 2020 and 2019 was \$0.3 million and \$0.4 million, respectively, a decrease of \$0.1 million, or 25%. The decrease resulted from a decrease in the variable interest rate paid on our term loan.

Interest and Other Income, Net

Interest and other income, net during the nine months ended September 30, 2020 and 2019 was \$1.0 million and \$5.1 million, respectively, a decrease of \$4.1 million, or 80%. Interest income decreased \$2.8 million, from \$3.7 million during the nine months ended September 30, 2019 to \$0.9 million during the nine months ended September 30, 2020, resulting from a decrease in cash available for investment. The change in net other income from September 30, 2019 to September 30, 2020 was immaterial.

Income Taxes

No provision for federal, foreign or state income taxes has been recorded because we incurred losses during the nine months ended September 30, 2020 and 2019.

We have provided a valuation allowance for all of our deferred tax assets as a result of our historical net losses in the jurisdictions in which we operate. We continue to assess our future taxable income by jurisdiction based on our recent historical operating results, the expected timing of reversal of temporary differences, various tax planning strategies that we may be able to enact in future periods, the impact of potential operating changes on our business and our forecast results from operations in future periods based on available information at the end of each reporting period. To the extent that we are able to reach the conclusion that deferred tax assets are realizable based on any combination of the above factors in a single, or multiple, taxing jurisdictions, a reversal of the related portion of our existing valuation allowances may occur.

Non-GAAP Financial Information

In addition to our results determined in accordance with GAAP, we believe that EBITDA and Adjusted EBITDA, each non-GAAP financial measures, are useful in evaluating our operational performance. We use this non-GAAP financial information to evaluate our 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 our operating performance.

We define “EBITDA” as net loss plus net interest income, provision for income taxes, depreciation and amortization expense.

We define “Adjusted EBITDA” as EBITDA adjusted for stock-based compensation.

We believe that the use of 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 provides investors with a means to compare our financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, you should be aware that when evaluating 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, 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. You should review the reconciliation of net loss to EBITDA and Adjusted EBITDA below and not rely on any single financial measure to evaluate our business.

The following table reconciles net loss to EBITDA and Adjusted EBITDA during the nine months ended September 30, 2020 and 2019:

(Dollars in thousands)	For the Nine Months Ended September 30,	
	2020	2019
Net loss attributable to common stockholders	\$ (65,027)	\$ (75,769)
Interest (income) expense, net	(651)	(3,284)
Income tax expense (benefit)	—	—
Depreciation and amortization	6,525	5,754
EBITDA	(59,153)	(73,299)
Stock compensation expense	4,228	3,430
Adjusted EBITDA	\$ (54,925)	\$ (69,869)

Liquidity and Capital Resources

We have incurred a net loss in each of our annual periods since our inception. We incurred net losses of \$103.6 million and \$121.3 million during the years ended December 31, 2019 and 2018, respectively. As of September 30, 2020, we had \$90.5 million in cash, cash equivalents and short-term investments. As an early stage company, we have primarily obtained cash to fund our operations through preferred stock offerings and debt instruments. We expect we will continue to need investments to support the growth of the business, continue research and development in our product platforms, and support our operations.

Since inception, we have received cumulative net proceeds from the sale of our preferred and common stock of \$438.8 million to fund our operations. As of September 30, 2020, our principal sources of liquidity were our cash, cash equivalents and short-term investments of \$90.5 million which are principally invested in money market funds and fixed income instruments.

In June 2018, we entered into a three-year, \$20.0 million term loan, which provided \$10.0 million immediately with the remaining principal balance available to be drawn in up to three draws of not less than \$2.0 million for 12 months from close of the facility. We entered into this loan to fund capital expenditures associated with our corporate office. Interest is calculated using the Wall Street Journal Prime rate less 50 basis points, payable monthly in arrears. If our cash and investments fall below \$30.0 million, cash equal to the total outstanding amount of the debt is required to be placed in a money market account. In connection with this loan, we are also subject to periodic reporting requirements, and the lender has a first priority lien on all assets. Repayment terms include interest only payments for 36 months, with the principal coming due in June 2021.

In April 2020, we received loan proceeds in the amount of approximately \$5.4 million under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying businesses. We repaid the loan in its entirety on May 13, 2020.

We believe that our existing capital resources will be sufficient to support our operating plan and cash commitments for the next 12 months. As of September 30, 2020, we had \$37.3 million in cash and cash equivalents, and \$53.2 million in short-term liquid investments. This liquid asset balance significantly exceeds our current liabilities of \$26.4 million as of the same date. If we anticipate that our actual results will differ from our operating plan, we believe we have sufficient capabilities to enact cost savings measures to preserve capital.

We expect net losses to continue in connection with our ongoing activities, particularly as we continue to invest in commercialization and new product development. Additionally, we may engage in future acquisitions which may require additional capital. As noted in the "Recent Developments" section above, we entered into a Merger Agreement with Trine. On a gross basis, we received \$580 million in cash as a result of the transaction, which we expect to support our operations and investments in the near term.

Cash Flows

Since inception, we have primarily used proceeds from issuances of preferred stock and debt instruments to fund our operations. The following table sets forth a summary of cash flows for the periods presented:

(Dollars in thousands)	For the Nine Months Ended September 30,	
	2020	2019
Net cash used in operating activities	\$ (58,927)	\$ (74,540)
Net cash provided by (used in) investing activities	30,267	(48,685)
Net cash (used in) provided by financing activities	(145)	160,250
Net change in cash, cash equivalents, and restricted cash	\$ (28,805)	\$ 37,025

Cash Flows for the Nine months Ended September 30, 2020 and 2019

Operating Activities

Net cash used for operating activities during the nine months ended September 30, 2020 and 2019 was \$(58.9) million and \$(74.5) million, respectively. The decrease in cash used in operating activities of \$15.6 million was primarily driven by a decrease in net loss of \$10.7 million, decrease in non-cash gain on investment of \$1.4 million and a decrease in the accretion of discount on investments of \$1.5 million from the current period results. This was impacted by a reduction of net cash outflows from operating assets and liabilities of \$0.9 million, as follows: increase in net cash inflows from accounts receivable of \$10.1 million; increase in net cash outflows from inventory of \$(1.0) million; decrease in the net cash inflow from prepaid expense and other current assets of \$(0.3) million; increase in net cash outflows related accounts payable of \$3.0 million; decrease in net cash inflow from accrued expense of \$2.1 million; decrease in customer deposits inflow of \$1.9 million. The majority of our inventory consists of finished goods. Inventory balances may fluctuate during cycles of new product launch, commercialization and planned growth of production and sales of products. We expect inventory levels to continue to increase as we launch our additional product lines in the near future.

Investing Activities

Net cash provided by (used in) investing activities during the nine months ended September 30, 2020 and 2019 was \$30.3 million and \$(48.7) million, respectively. The increase of \$79 million in cash provided by investing activities was primarily due to \$41 million in purchases of marketable securities, net of maturities, for the nine months ended September 30, 2019 as compared with \$31 million in proceeds of marketable securities, net of purchases, for the nine months ended September 30, 2020. Purchases of

fixed assets decreased from \$7 million for the nine months ended September 30, 2019 to \$1 million for the nine months ended September 30, 2020. Additionally, during the nine months ended September 30, 2019 we paid \$0.1 million for the acquisition of addLEAP AB, and did not make a similar investment during the nine months ended September 30, 2020.

We expect our capital expenditures in 2020 to be limited to spending associated with sustaining our existing operations and supporting our current development programs (estimated spending of approximately \$1.5 million to \$2.0 million). We may revise our capital expenditures budget to reflect cash provided by the Business Combination in order to meet strategic objectives, including potentially acquiring companies or technologies in the additive manufacturing industry.

Financing Activities

Net cash (used in) provided by financing activities during the nine months ended September 30, 2020 and 2019 was \$(0.1) million and \$160.2 million, respectively. The decrease of \$160.3 million in cash provided by financing activities resulted primarily from our Series E Preferred Stock offering in January of 2019, with no similar financing occurring during the nine months ended September 30, 2020.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements and do not utilize any “structured debt,” “special purpose” or similar unconsolidated entities for liquidity or financing purposes.

Critical Accounting Policies and Significant Estimates

Our discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. Certain of our accounting policies require the application of judgment in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. We periodically evaluate the judgments and estimates used for our critical accounting policies to ensure that such judgments and estimates are reasonable for our interim and year-end reporting requirements. These judgments and estimates are based on our historical experience (where available), current trends and information available from other sources, as appropriate. If different conditions result from those assumptions used in our judgments, the results could be materially different from our estimates. We believe the following critical accounting policy requires significant judgments and estimates in the preparation of our consolidated financial statements:

Revenue Recognition

We recognize revenue from sale of products upon transfer of control, which is generally at the point of shipment. Revenue from sale of services may be recognized over the life of the associated service contract or as services are performed, depending on the nature of the services being provided.

Our contracts with customers often include promises to transfer multiple products and services to the customer. Judgment is required to determine the separate performance obligations present in a given contract, which we have concluded are generally capable of being distinct and accounted for as separate performance obligations. We use standalone selling price (SSP) to allocate revenue to each performance obligation. Significant judgment is required to determine the SSP for each distinct performance obligation in a contract.

We began generating revenue in the fourth quarter of 2018, and as such, we have had limited standalone sales of our products and services. The absence of observable prices resulting from our relatively short period of revenue generation requires us to estimate the SSPs of distinct performance obligations in a given contract.

We determine SSP using market conditions and other observable inputs. We typically have more than one SSP for individual products and services due to the stratification of our customers. The SSP generally varies by size of the customer. Our determination of SSP may change in the future as standalone sales of products and services occur, providing observable prices.

Stock-Based Compensation

We have applied the fair value recognition provisions of Financial Accounting Standards Board Accounting Standards Codification, or ASC, Topic 718 *Compensation-Stock Compensation* to account for the stock-based compensation for employees and non-employees. We recognize compensation costs related to stock options granted to employees and non-employees based on estimated fair value of the award on the date of grant. Described below is the methodology we have utilized in measuring stock-based compensation expense.

Determining the amount of stock-based compensation to be recorded requires us to develop estimates of the fair value of stock-based awards as of their measurement date. We recognize stock-based compensation expense over the requisite service period, which is the vesting period of the award. Calculating the fair value of stock-based awards requires that we make highly subjective assumptions. We use the Black-Scholes option pricing model to value our stock option awards. Use of this valuation methodology requires that we make assumptions as to the volatility of our common stock, the fair value of our common stock on the measurement date, the expected term of our stock options, the risk free interest rate for a period that approximates the expected term of our stock options and our expected dividend yield. Because we are a privately held company with a limited operating history, we utilize data from a representative group of publicly traded companies to estimate the expected stock price volatility. We selected representative companies from the additive manufacturing industry with characteristics similar to us. We use the simplified method as prescribed by the SEC Staff Accounting Bulletin No. 107, *Share-Based Payment* as we do not have sufficient historical stock option activity data to provide a reasonable basis upon which to estimate the expected term of stock options granted to employees and non employees. We were precluded from using the simplified method for our August 5, 2020 grant therefore expected term for this grant was based on forecasted exercises. We utilize a dividend yield of zero based on the fact that we have never paid and are not expected to pay cash dividends. The risk-free interest rate used for each grant is an interpolated rate to match the term assumption based on the U.S. Treasury yield curve as of the valuation date.

The following table presents the dates of stock options that we granted or modified from the earliest presented period in these financial statements through September 30, 2020 with the corresponding exercise price for each option grant or modifications and our current estimate of the fair value per option on each grant or modification date, which we utilize to calculate stock-based compensation expense.

Grant Date	Number of	Weighted-Average	Weighted-Average	Weighted-Average
	Share Options	Exercise Price	Estimated Fair	Estimated Fair
	Granted	per Share	Value per Share	Value per Share
February 27, 2018	976,200	\$ 3.00	\$ 3.00	\$ 1.59
May 11, 2018	589,925	\$ 3.00	\$ 3.00	\$ 1.59

September 7, 2018	221,600	\$	3.39	\$	3.39	\$	1.79
November 13, 2018	227,000	\$	3.39	\$	3.39	\$	1.82
March 1, 2019	1,273,495	\$	4.08	\$	4.08	\$	2.15
May 8, 2019	931,415	\$	4.08	\$	4.08	\$	2.14
September 18, 2019	592,115	\$	4.08	\$	4.08	\$	2.08
November 13, 2019	574,800	\$	4.08	\$	4.08	\$	2.08
March 12, 2020	387,829	\$	4.08	\$	4.08	\$	2.01
June 11, 2020	3,419,763	\$	1.71	\$	1.71	\$	0.86
July 14, 2020	2,528,052	\$	1.71	\$	9.75	\$	8.39
August 5, 2020	584,500	\$	1.71	\$	9.75	\$	8.27

Determination of the fair value of Common Stock on Grant Dates

There has been no public market for our equity instruments to date, as a result, the estimated fair value of our common shares has historically been determined by our board of directors as of the grant date with input from management, considering our most recently available third-party valuations of common shares and our board of directors' assessment of additional objective and subjective factors that the board believed were relevant and which may have changed from the date of the most recent valuation through the date of grant. Following the consummation of the merger with Trine, the fair value of the combined entity's common stock will be determined based on the quoted market price of the entity's common stock. We engaged an independent third-party valuation specialist to perform contemporaneous valuations of our common shares in connection with each of our convertible preferred stock issuances and as of June 30, 2019, December 31, 2019, March 31, 2020, and August 20, 2020. The valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants ("AICPA") Practice Aid, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*. The independent third-party valuation specialist considered all objective and subjective factors that it believed to be relevant for each valuation conducted in accordance with AICPA's Practice Aid, including our best estimate of our business condition, prospects, and operating performance at each valuation date. Other significant factors included:

- The rights and preferences of our preferred stock as compared to those of our common stock, including liquidation preferences of preferred stock;
- Our results of operations and financial position;
- Our stage of development and business strategy and the material risks related to our business and industry;
- The composition of, and changes to, our management team and board of directors;
- The lack of liquidity of our common stock;
- The valuation of publicly traded peer companies; and
- The likelihood of achieving a liquidity event for the holders of our common stock and stock options, given prevailing market conditions.

The dates of our contemporaneous valuations have not always coincided with the date of our stock option grants. In determining the exercise prices of the stock options set forth in the table above, our board of directors considered, among other things, the most recent contemporaneous valuation of our common stock and their assessment of additional objective and subjective factors that were relevant as of the grant dates. These factors include the current operating performance of the company, assumptions regarding the future operating performance of the company, and the likelihood of achieving a liquidity event in the capital markets. If we had made different assumptions, our stock-based compensation expense, net loss, and net loss per share applicable to common stockholders could have been materially different.

Recent Accounting Pronouncements

Refer to Note 2 of Desktop Metal's condensed consolidated financial statements found elsewhere in this Current Report on Form 8-K.

Internal Control Over Financial Reporting

In the course of preparing the financial statements that are included in this Current Report on Form 8-K, our management has determined that we have material weaknesses in our internal control over financial reporting. These material weaknesses primarily pertain to timely reconciliation and analysis of certain key accounts and the ability to produce financial statements on a public company timeline. We have concluded that these material weaknesses in our internal control over financial reporting occurred because, prior to this offering, we were a private company and did not have the necessary business processes, personnel and related internal controls to operate in a manner to satisfy the accounting and financial reporting timeline requirements of a public company.

In order to remediate these material weaknesses, we have taken and plan to take the following actions:

- the hiring and continued hiring of additional accounting, finance and legal resources with public company experience; and
- implementation of additional review controls and processes and requiring timely account reconciliations and analyses.

In accordance with the provisions of the JOBS Act, we and our independent registered public accounting firm were not required to, and did not, perform an evaluation of our internal control over financial reporting as of September 30, 2020 nor any period subsequent in accordance with the provisions of the Sarbanes-Oxley Act. Accordingly, we cannot assure you that we have identified all, or that we will not in the future have additional, material weaknesses. Material weaknesses may still exist when we report on the effectiveness of our internal control over financial reporting as required under Section 404 of the Sarbanes-Oxley Act after the completion of this offering.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks from fluctuations in interest rates, which may adversely affect our results of operations and financial condition. We seek to minimize these risks through regular operating and financing activities and, if we consider it to be appropriate, through the use of derivative financial instruments. We do not purchase, hold or sell derivative financial instruments for trading or speculative purposes. For additional information on our variable rate debt, refer to the Notes to Unaudited Condensed Consolidated Financial Statements are set forth in Exhibit 99.2 hereto and incorporated by reference herein.

Interest Rate Risk

We have exposure to interest rate risk from our variable rate debt. We do not hedge our exposure to changes in interest rates. At September 30, 2020, we had \$10 million in variable rate debt outstanding. A 10% change in interest rates would have an immaterial impact on annualized interest expense.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are from time to time subject to various claims, lawsuits and other legal and administrative proceedings arising in the ordinary course of business. Some of these claims, lawsuits and other proceedings may involve highly complex issues that are subject to substantial uncertainties, and could result in damages, fines, penalties, non-monetary sanctions or relief. We recognize provisions for claims or pending litigation when we determine that an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates.

We are currently engaged in arbitration with Markforged, Inc., a competitor in the 3D printing industry, regarding claims against us alleging false and misleading statements about their products in violation of a settlement agreement that we entered into with Markforged, Inc. to settle a prior dispute regarding patent infringement and trade secret misappropriation. Markforged, Inc. initiated this proceeding by filing a complaint in federal court in Boston on July 30, 2019. The Company successfully compelled the case to arbitration. Markforged, Inc. filed its demand for arbitration with JAMS on October 21, 2019. The demand seeks damages based on an alleged breach of the settlement agreement. One provision of that agreement prohibits either party from making statements that misrepresent the functionality of the other party's products and further provides for liquidated damages of \$100,000 for each occurrence. In anticipation of the arbitration hearing, the parties have exchanged expert reports, including reports on possible damage calculations. The arbitration is scheduled to be heard by the end of 2020, however, subsequent proceedings in connection therewith may continue into 2021. See Note 9 to the condensed consolidated financial statements which are set forth in Exhibit 99.2 hereto and incorporated by reference herein.
