

**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

August 11, 2021
Date of Report (Date of earliest event reported)

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 Number)

63 3rd Avenue
Burlington, Massachusetts 01803
(Address of principal executive offices) (Zip Code)

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

N/A
(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	The 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.

Item 1.01 Entry into a Material Definitive Agreement

Merger Agreement

On August 11, 2021, Desktop Metal, Inc., a Delaware corporation (the "Company" or "DM"), issued a press release announcing its entry into an Agreement and Plan of Merger, dated as of August 11, 2021 (the "Merger Agreement"), by and among the Company, Texas Merger Sub I, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub I"), Texas Merger Sub II, LLC., a Delaware limited liability company and wholly owned subsidiary of the Company ("Merger Sub II"), and The ExOne Company, a Delaware corporation ("ExOne"), pursuant to which, subject to the terms and conditions set forth therein, (i) Merger Sub I will merge with and into ExOne, with ExOne as the surviving corporation and (ii) Merger Sub II will merge with and into ExOne (the "Mergers"), with Merger Sub II surviving the Mergers as a wholly owned subsidiary of the Company.

The board of directors of each of DM and ExOne have unanimously approved the Merger Agreement and the transactions contemplated thereby.

Merger Consideration

At the effective time of the Merger (the "Effective Time"), each share of common stock, par value \$0.01 per share, of ExOne ("ExOne Shares") issued and outstanding immediately prior to the Effective Time (other than the shares that are owned by DM, ExOne, Merger Sub I or Merger Sub II) will be converted into the right to receive \$8.50 per ExOne Share and a number of shares of Class A common stock of DM, \$0.001 par value per share (a "DM Share") equal to an Exchange Ratio subject to adjustment to ensure that (i) the cash consideration in the Mergers does not exceed 45% of the total consideration in the Mergers and (ii) the number of DM Shares to be issued in the Mergers does not exceed 19.9% of the issued and outstanding DM Shares.

The "Exchange Ratio" means:

- If the Average Stock Price (as defined below) is greater than \$9.70, then the Exchange Ratio will be 1.7522;
- If the Average Stock Price (as defined below) is between (or equal to) \$9.70 and \$7.94 per share, the initial exchange ratio of 1.9274 will be modified by multiplying such exchange ratio by the quotient of \$8.82 divided by the Average Stock Price; or
- If the Average Stock Price (as defined below) is less than \$7.94, then the Exchange Ratio will be 2.1416.

“Average Stock Price” means the average of the volume weighted averages of the trading prices of DM Shares on the New York Stock Exchange on each of the twenty consecutive trading days ending on (and including) the trading day that is three trading days prior to the date of the effective time of the Mergers.

Treatment of Equity

The Merger Agreement provides that, at the Effective Time, each outstanding unvested option to purchase ExOne common stock (ExOne Unvested Option) shall be assumed by DM and converted into an option to purchase a number of DM Shares equal to the product obtained by multiplying the number of shares of ExOne common stock subject to such option by the Exchange Ratio. Each outstanding vested option to purchase ExOne common stock (ExOne Vested Option) shall be cancelled and the holder thereof shall be entitled to receive the consideration payable to holders of ExOne Shares, minus the relevant exercise price of such ExOne Vested Option (so long as such ExOne Vested Option’s exercise price is less than the consideration to be received). Each award of restricted shares of ExOne common stock subject to the ExOne Change of Control Severance Plan (ExOne COC RSAs) shall vest in accordance with the terms of such plan and (i) the shares subject to the vested portion of such ExOne COC RSA shall be cancelled and the holder of such ExOne COC RSA shall be entitled to receive the consideration payable to holders of ExOne Shares and (ii) any remaining unvested portion of the ExOne COC RSA shall be assumed by DM and converted into an award of restricted shares of DM Class A common stock consisting of a number of DM Shares equal to the product of the number of unvested shares of ExOne common stock subject to such ExOne COCR SA multiplied by the Exchange Ratio. Each award of restricted shares of ExOne common stock (ExOne RSAs) shall vest and the holder of such ExOne RSA shall be entitled to receive the consideration payable to holders of ExOne Shares. Each award granted under the 2021 Executive Stock Performance Program shall be converted into ExOne Shares (the “ESPP Award”), determined based on actual performance for the portion of the performance period through the Effective Time as determined by the ExOne compensation committee, and such ExOne Shares shall vest in accordance with the ExOne Change of Control Severance Plan and (a) the vested portion of such ExOne Shares shall be entitled to receive the consideration payable to holders of ExOne Shares and (b) the unvested portion of such ExOne Shares shall be subject to service-based vesting terms as provided under the ESPP Award and shall be assumed by DM and converted into an award of restricted shares of DM Class A common stock consisting of a number of DM Shares equal to the product of the number of unvested shares of ExOne Shares subject to the ESPP Award multiplied by the Exchange Ratio.

Conditions to the Merger

The consummation of the Mergers is subject to customary closing conditions, including (i) the adoption of the Merger Agreement by the affirmative vote of the holders of a majority of all outstanding shares of ExOne common stock entitled to vote thereon, (ii) expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (iii) the absence of any law or order by any governmental entity in effect that seeks to enjoin, make illegal, delay or otherwise restrain or prohibits the consummation of the Merger, (iv) NYSE’s approval of the DM Shares to be issued in the Merger being listed on the NYSE, (v) subject to certain materiality exceptions, the accuracy of certain representations and warranties of each of DM and ExOne contained in the Merger Agreement and the compliance by each party with the covenants contained in the Merger Agreement, (vi) delivery of a tax opinion by McGuireWoods LLP, or if McGuireWoods LLP is unable or unwilling to deliver such opinion, of Latham & Watkins LLP, to the effect that, on the basis of facts, representations and assumptions set forth in such opinion, for United States federal income tax purposes, the Mergers, taken together, will qualify as a “reorganization” under Section 368(a) of the Internal Revenue Code of 1986, as amended, (vii) the absence of a material adverse effect with respect to each of DM and ExOne and (viii) the registration statement registering the merger consideration becoming effective.

Certain Other Terms of the Merger Agreement

DM, ExOne, and Merger Sub each made certain representations, warranties and covenants in the Merger Agreement, including, among other things, covenants by DM and ExOne to conduct their businesses in the ordinary course during the period between the execution of the Merger Agreement and consummation of the Merger, to refrain from taking certain actions specified in the Merger Agreement and to use commercially reasonable efforts to cause the conditions of the Merger to be satisfied. Subject to certain exceptions, the Merger Agreement also requires ExOne to call and hold a stockholders’ meeting and requires the board of directors of each of ExOne and DM to approve, and recommend approval, as applicable, of the transactions contemplated by the Merger Agreement.

ExOne is restricted from soliciting any acquisition proposals, or engaging in any discussions related to such proposals, although ExOne may engage in discussions related to a superior proposal subject to certain conditions.

ExOne’s board of directors may change its recommendation to its stockholders in response to a superior proposal or an intervening event (each as defined in the Merger Agreement) (after giving DM at least four business days’ notice and an opportunity to negotiate an alternative transaction) or if the board of directors determines that the failure to take such action would constitute a breach of the directors’ fiduciary duties under applicable law.

The Merger Agreement provides for certain termination rights for both DM and ExOne. If either party terminates the Merger Agreement as a result of ExOne’s failure to obtain stockholder approval of the Mergers, or DM terminates the Merger Agreement as a result of ExOne’s breach of any of its representations, warranties, covenants or agreements in the Merger Agreement, which could not or is not cured within 30 days or the outside date specified in the Merger Agreement, then ExOne will be required to pay DM a termination fee of \$11,500,000 (the “Termination Fee”) upon the closing of an acquisition of ExOne that is signed within twelve months following such termination. If DM terminates the Merger Agreement as a result of a change in recommendation by the ExOne board of directors prior to the ExOne stockholder approval having been obtained, then ExOne will be required to pay DM the Termination Fee within 2 business days. If the Merger Agreement is terminated as a result of the uncured breach of certain of DM’s covenants, DM will be required to pay the Termination Fee to ExOne within 2 business days.

The foregoing summary does not purport to be a complete description and is qualified in its entirety by reference to the full text of the Merger Agreement.

The foregoing description has been included to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual information about DM or ExOne or to modify or supplement any factual disclosures about DM or ExOne in its public reports filed with the SEC. The Merger Agreement includes representations, warranties and covenants of DM and ExOne made solely for the purposes of the Merger Agreement and which may be subject to important qualifications and limitations agreed to by DM and ExOne in connection with the negotiated terms of the Merger Agreement. Moreover, some of those representations and warranties may not be accurate or complete as of any specified date, may be subject to certain disclosures between the parties and a contractual standard of materiality different from those generally applicable to DM’s or ExOne’s SEC filings. In addition, the representations and warranties were made for purposes of allocating risk among the parties to the Merger Agreement and should not be relied upon as establishing factual matters.

In connection with the Merger Agreement, each of Kent Rockwell, the Chairman of ExOne's Board of Directors, Rockwell Forest Products, Inc. and John Hartner, ExOne's Chief Executive Officer, entered into a Voting and Support Agreement with DM, Merger Sub I and Merger Sub II (the "Support Agreements"). The Support Agreements generally require that the stockholders party thereto vote in favor of approving the adoption of the Merger Agreement and the Mergers and against any actions that can impede, interfere with or adversely affect the consummation of the Mergers or the performance by ExOne of its obligations under the Merger Agreement. The Support Agreements will terminate upon the earliest to occur of (a) the termination of the Merger Agreement in accordance with its terms, (b) the delivery of written notice of termination by the stockholders to DM following any amendment, modification, change or waiver to any provision of the Merger Agreement that decreases the amount or changes the form of the Merger Consideration (other than adjustments in accordance with the terms of the Merger Agreement), (c) the Effective Time and (d) upon mutual written consent of the stockholder, DM and the other parties thereto.

The foregoing description of the Support Agreements does not purport to be complete and is qualified in its entirety by the full text of the Support Agreements.

Item 2.02. Results of Operations and Financial Condition

On August 11, 2021, Desktop Metal, Inc., a Delaware corporation (the "Company" or "DM") issued a press release announcing its financial results for the second quarter of fiscal year 2021. A copy of the press release is attached to this report as Exhibit 99.5.

Item 7.01 Regulation FD Disclosure

On August 11, 2021, Desktop Metal, Inc., a Delaware corporation (the "Company" or "DM"), issued a press release announcing its entry into an Agreement and Plan of Merger, dated as of August 11, 2021 (the "Merger Agreement"), by and among the Company, Texas Merger Sub I, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub I"), Texas Merger Sub II, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company ("Merger Sub II"), and The ExOne Company, a Delaware corporation ("ExOne"), pursuant to which, subject to the terms and conditions set forth therein, (i) Merger Sub I will merge with and into ExOne, with ExOne as the surviving corporation and (ii) Merger Sub II will merge with and into ExOne (the "Mergers"), with Merger Sub II surviving the Mergers as a wholly owned subsidiary of the Company.

On August 11, 2021, copies of the documents furnished as Exhibits 99.1, 99.2, 99.3, 99.4 and 99.5 were disseminated by the Company in connection with the announcement of the Merger.

The information in this report furnished pursuant to Items 2.02 and 7.01, including Exhibits 99.1, 99.2, 99.3, 99.4 and 99.5 attached hereto, shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or the Securities Act of 1933, as amended, if such subsequent filing specifically references such information.

Cautionary Note Regarding Forward Looking Statements

This communication relates to a proposed business combination transaction between Desktop Metal and ExOne. This communication includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this communication, including statements regarding the anticipated benefits of the proposed transaction, anticipated impact of the proposed transaction on Desktop Metal's and ExOne's future results of operations and financial position, the amount and timing of synergies from the proposed transaction, the anticipated closing date, and other aspects of Desktop Metal's and ExOne's operations or results, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this communication are only predictions. Each of Desktop Metal and ExOne has based these forward-looking statements on current information and their respective management's current expectations and beliefs. These forward-looking statements speak only as of the date of this communication and are subject to a number of risks and uncertainties, including, without limitation, the following: the impact of the COVID-19 pandemic on Desktop Metal's and ExOne's business, including their suppliers and customers; the effect of the transaction (or announcement thereof) on the ability of Desktop Metal or ExOne to retain and hire key personnel and maintain relationships with customers, suppliers and others with whom they do business; risks that the transaction disrupts current plans and operations; the ability of Desktop Metal and ExOne to consummate the proposed transaction in a timely manner or at all, including the ability to secure regulatory approvals; impact to Desktop Metal's business if the transaction is not consummated; successful integration of Desktop Metal's and ExOne's businesses and realization of synergies and benefits; the ability of Desktop Metal to implement business plans, forecasts and other expectations following the completion of the transaction; risk that actual performance and financial results following completion of the transaction differ from projected performance and results; and business disruption following the transaction. A more fulsome discussion of the risks related to the proposed transaction will be included in the proxy statement/prospectus. For additional information about other risks and uncertainties that could cause actual results of the transaction to differ materially from those described in the forward-looking statements in this communication of Desktop Metal's business, financial condition, results of operations and prospects generally, please refer to Desktop Metal's reports filed with the Securities Exchange Commission ("SEC"), including without limitation the "Risk Factors" and/or other information included in the Form 8-K to be filed by Desktop Metal in connection with the transaction, the Form 10-Q filed with the SEC on August 11, 2021 and such other reports as Desktop Metal has filed or may file with the SEC from time to time. For additional information about risks and uncertainties that may cause actual results of the transaction to differ materially from those described, please refer to ExOne's reports filed with the SEC, including without limitation the "Risk Factors" and/or other information included in such reports. While the list of factors presented here is, and the list of factors presented in the proxy statement/prospectus will be, considered representative, no such list should be considered to be a complete statement of all risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Except as required by applicable law, neither Desktop Metal nor ExOne will update any forward-looking statements to reflect new information, future events, changed circumstances or otherwise.

Additional Information and Where to Find It

In connection with the proposed transaction, Desktop Metal intends to file a registration statement on Form S-4 with the Securities and Exchange Commission (the "SEC"), which will include a preliminary proxy statement of ExOne and a prospectus with respect to shares of Desktop Metal's Class A common stock to be issued in the proposed transaction (the "proxy statement/prospectus"). INVESTORS AND SECURITY HOLDERS OF DESKTOP METAL AND EXONE ARE URGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. The final proxy statement/prospectus will be mailed to stockholders of ExOne in connection with meeting to be held to request approval of the proposed transaction. Investors and security holders will be able to obtain the documents free of charge at the SEC's website, www.sec.gov, from Desktop Metal at its website, ir.desktopmetal.com, or from ExOne at its website, investor.exone.com.

No Offer or Solicitation

This communication is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Participants in the Solicitation

Desktop Metal, ExOne and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information concerning Desktop Metal's participants is set forth in the proxy statement, filed June 17, 2021, for Desktop Metal's 2021 annual meeting of stockholders as filed with the SEC on Schedule 14A and on certain of its Current Reports on Form 8-K. Information concerning ExOne's participants is set forth in the proxy statement, filed April 1, 2021, for ExOne's 2021 annual meeting of stockholders as filed with the SEC on Schedule 14A and on certain of its Current Reports on Form 8-K. Additional information regarding the interests of such participants in the solicitation of proxies, including direct and indirect interests, in respect of the proposed transaction will be included in the registration statement and proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release entitled "Desktop Metal to Acquire ExOne, Cementing its Leadership in Additive Manufacturing for Mass Production" jointly issued by DM and ExOne on August 11, 2021
99.2	Joint Conference Call Script, dated August 11, 2021
99.3	Investor Presentation, dated August 11, 2021
99.4	Employee Email from Ric Fulop, Chief Executive Officer, dated August 11, 2021
99.5	Press release entitled "Desktop Metal Announces Second Quarter 2021 Financial Results" issued by DM on August 11, 2021
101.1	XBRL
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

Date: August 11, 2021

DESKTOP METAL, INC.

By: _____ /s/ **Meg Broderick**
Name: _____ Meg Broderick
Title: _____ General Counsel and Corporate Secretary

**DESKTOP METAL TO ACQUIRE EXONE, CEMENTING
ITS LEADERSHIP IN ADDITIVE MANUFACTURING
FOR MASS PRODUCTION**

August 11, 2021

***Acquisition Joins Two Additive Manufacturing Pioneers
and Complementary Technology Platforms to Further
Accelerate the Adoption of Additive Manufacturing 2.0***

BOSTON, MA and NORTH HUNTINGDON, PA – Desktop Metal, Inc. (NYSE: DM) (“Desktop Metal”) and The ExOne Company (NASDAQ: XONE) (“ExOne”) announced today they have entered into a definitive agreement pursuant to which Desktop Metal will acquire all of the issued and outstanding shares of ExOne common stock. Under the terms of the agreement, ExOne shareholders will receive \$8.50 in cash and \$17.00 in shares of Desktop Metal common stock for each share of ExOne common stock, for a total consideration of \$25.50 per share, representing a transaction value of \$575 million, subject to a collar mechanism as described below and implying a 47.6% premium to the closing price of ExOne’s common stock on August 11, 2021 and a 43.9% premium based on the 30-day average closing price of ExOne common stock. The transaction value also implies an acquisition multiple of 6.4x 2021 consensus revenue estimates for ExOne.

“We are thrilled to bring ExOne into the DM family to create the leading additive manufacturing portfolio for mass production,” said Ric Fulop, Founder and CEO of Desktop Metal. “We believe this acquisition will provide customers with more choice as we leverage our complementary technologies and go-to-market efforts to drive continued growth. This transaction is a big step in delivering on our vision of accelerating the adoption of additive manufacturing 2.0.”

“We are excited to join forces with Desktop Metal to deliver a more sustainable future through our shared vision of additive manufacturing at high production volumes,” said John Hartner, CEO of ExOne. “We believe our complementary platforms will better serve customers, accelerate adoption of green technologies, and drive increased shareholder value. Most importantly, our technologies will help drive important innovations at meaningful production volumes that can improve the world.”

More and more businesses turning to additive manufacturing expect solutions that address all of their requirements across speed, cost, resolution, and part size. The acquisition of ExOne extends Desktop Metal’s product platforms with complementary solutions to create a comprehensive portfolio combining throughput, flexibility, and materials breadth while allowing customers to optimize production based on their specific application needs. By combining ExOne’s direct sales force with Desktop Metal’s global distribution network of over 200 channel partners, the combined company will enable broader access to additive manufacturing solutions for businesses of all sizes while delivering increased materials innovation to provide customers with more choice and drive new application discovery.

“Today is a game-changing moment for the additive manufacturing community,” said Kent Rockwell, Chairman of ExOne. “I see incredible opportunity for our customers in working with Desktop Metal and look forward to supporting this new and combined business.”

Transaction Details:

Under the terms of the agreement, at closing, ExOne stockholders will receive total consideration of \$575 million, consisting of \$192 million in cash consideration and \$383 million in share consideration of Desktop Metal common stock, subject to a collar mechanism on the share consideration component described below.

The share consideration component is subject to an exchange ratio adjustment if Desktop Metal’s 20-day volume weighted average price (VWAP) 3 days prior to closing is between \$7.94 and \$9.70. If the 20-day VWAP exceeds the higher end of that range, the exchange ratio will be fixed at 1.7522 per share, and if the 20-day VWAP goes below the lower end of that range, the exchange ratio will be fixed at 2.1416 per share. The final number of Desktop Metal shares estimated to be issued on a fully diluted basis will range between approximately 39.5 million and 48.3 million shares at closing. Upon closing of the transaction, current Desktop Metal shareholders will own between 85 and 88% and current ExOne shareholders are expected to own between 12 and 15% of the combined company, respectively.

Kent Rockwell, ExOne’s Chairman of the Board of Directors and largest shareholder has entered into a Support Agreement in which he will vote his 4.2 million shares in favor of the transaction.

The transaction, which has been unanimously approved by the Board of Directors of ExOne, is expected to close in the fourth quarter of 2021, subject to the approval of ExOne shareholders and satisfaction of customary closing conditions, including applicable regulatory approvals.

Credit Suisse Securities (USA) LLC is acting as exclusive financial advisor and Latham & Watkins is acting as legal advisor to Desktop Metal. Stifel is acting as exclusive financial advisor and McGuireWoods LLP is acting as legal advisor to ExOne.

More information about this transaction is available in the presentation at the Events & Presentations section of Desktop Metal’s IR site at <https://ir.desktopmetal.com> and on ExOne’s website at www.investor.exone.com.

Conference Call Information:

Desktop Metal will host a conference call with ExOne at 4:30 p.m. EST today to discuss the transaction, following discussion of each company’s second quarter 2021 financial results. Participants may access the call at 1-877-300-8521, international callers may use 1-412-317-6026, and request to join the Desktop Metal conference call. A simultaneous webcast of the conference call and the accompanying presentation may be accessed online from a link in the Events & Presentations section of <https://ir.desktopmetal.com>. A replay will be available shortly after the conclusion of the conference call at the same website.

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.

About ExOne:

ExOne is the pioneer and global leader in binder jet 3D printing technology. Since 1995, we’ve been on a mission to deliver powerful 3D printers that solve our customers’ toughest problems and enable world-changing innovations. Our 3D printing systems quickly transform powder materials — including metals, ceramics, composites and sand —

into precision parts, metalcasting molds and cores, and innovative tooling solutions. Industrial customers use our technology to save time and money, reduce waste, increase their manufacturing flexibility, and deliver designs and products that were once impossible. As home to the world's leading team of binder jetting experts, ExOne also provides specialized 3D printing services, including on-demand production of mission-critical parts, as well as engineering and design consulting. Learn more about ExOne at www.exone.com or on Twitter at @ExOneCo.

Cautionary Note Regarding Forward Looking Statements:

This press release relates to a proposed business combination transaction between Desktop Metal and ExOne. This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this press release, including statements regarding the anticipated benefits of the proposed transaction, anticipated impact of the proposed transaction on Desktop Metal's and ExOne's future results of operations and financial position, the amount and timing of synergies from the proposed transaction, the anticipated closing date, and other aspects of Desktop Metal's and ExOne's operations or results, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this press release are only predictions. Each of Desktop Metal and ExOne has based these forward-looking statements on current information and their respective management's current expectations and beliefs. These forward-looking statements speak only as of the date of this press release and are subject to a number of risks and uncertainties, including, without limitation, the following: the impact of the COVID-19 pandemic on Desktop Metal's and ExOne's business, including their suppliers and customers; the effect of the transaction (or announcement thereof) on the ability of Desktop Metal or ExOne to retain and hire key personnel and maintain relationships with customers, suppliers and others with whom they do business; risks that the transaction disrupts current plans and operations; the ability of Desktop Metal and ExOne to consummate the proposed transaction in a timely manner or at all, including the ability to secure regulatory approvals; impact to Desktop Metal's business if the transaction is not consummated; successful integration of Desktop Metal's and ExOne's businesses and realization of synergies and benefits; the ability of Desktop Metal to implement business plans, forecasts and other expectations following the completion of the transaction; risk that actual performance and financial results following completion of the transaction differ from projected performance and results; and business disruption following the transaction. A more fulsome discussion of the risks related to the proposed transaction will be included in the proxy statement/prospectus. For additional information about other risks and uncertainties that could cause actual results of the transaction to differ materially from those described in the forward-looking statements in this press release of Desktop Metal's business, financial condition, results of operations and prospects generally, please refer to Desktop Metal's reports filed with the Securities Exchange Commission ("SEC"), including without limitation the "Risk Factors" and/or other information included in the Form 8-K to be filed by Desktop Metal in connection with the transaction, the Form 10-Q filed with the SEC on August 11, 2021 and such other reports as Desktop Metal has filed or may file with the SEC from time to time. For additional information about risks and uncertainties that may cause actual results of the transaction to differ materially from those described, please refer to ExOne's reports filed with the SEC, including without limitation the "Risk Factors" and/or other information included in such reports. While the list of factors presented here is, and the list of factors presented in the proxy statement/prospectus will be considered representative, no such list should be considered to be a complete statement of all risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Except as required by applicable law, neither Desktop Metal nor ExOne will update any forward-looking statements to reflect new information, future events, changed circumstances or otherwise.

No Offer or Solicitation:

This press release is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Additional Information and Where to Find It:

In connection with the proposed transaction, Desktop Metal intends to file a registration statement on Form S-4 with the Securities and Exchange Commission (the "SEC"), which will include a preliminary proxy statement of ExOne and a prospectus with respect to shares of Desktop Metal's common stock to be issued in the proposed transaction (the "proxy statement/prospectus"). INVESTORS AND SECURITY HOLDERS OF DESKTOP METAL AND EXONE ARE URGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. The final proxy statement/prospectus will be mailed to stockholders of ExOne in connection with meeting to be held to request approval of the proposed transaction. Investors and security holders will be able to obtain the documents free of charge at the SEC's website, www.sec.gov, from Desktop Metal at its website, ir.desktopmetal.com, or from ExOne at its website, investor.exone.com.

Participants in the Solicitation:

Desktop Metal, ExOne and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information concerning Desktop Metal's participants is set forth in the proxy statement, filed June 17, 2021, for Desktop Metal's 2021 annual meeting of stockholders as filed with the SEC on Schedule 14A and on certain of its Current Reports on Form 8-K. Information concerning ExOne's participants is set forth in the proxy statement, filed April 1, 2021, for ExOne's 2021 annual meeting of stockholders as filed with the SEC on Schedule 14A and on certain of its Current Reports on Form 8-K. Additional information regarding the interests of such participants in the solicitation of proxies, including direct and indirect interests, in respect of the proposed transaction will be included in the registration statement and proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

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**Q2 2021 DESKTOP METAL EARNINGS &
ACQUISITION OF EXONE CALLTRANSCRIPT**

August 11, 2021

Jay Gentzkow

Thank you, and thanks to everyone for joining this afternoon's call. With me today are Ric Fulop, CEO, Chairman, and Founder of Desktop Metal; James Haley, CFO of Desktop Metal; ExOne's CEO, John Hartner, and ExOne's CFO, Doug Zemba.

Please note that Desktop Metal's two press releases and two presentations referred to on this call are available under the Events & Presentations section of our Investor Relations website. This call is also being webcast live, with a link at the same Investor Relations website. The webcast and the accompanying slides will be available for replay for 12 months following this call. The content of today's call is the property of Desktop Metal. It cannot be reproduced or transcribed without our prior consent.

Before we begin, I would like to refer you to our Safe Harbor disclaimer on slide 2 of the Desktop Metal presentation and slide 2 of the acquisition presentation. Today's call will include forward-looking statements. These forward-looking statements reflect Desktop Metal's and ExOne's views and expectations only as of today, August 11, 2021, and actual results may vary materially based on a number of risks and uncertainties. For more information about the risks that may impact Desktop Metal's and ExOne's business, financial results, and the proposed acquisition discussed on this call, please refer to the risk factors section of the Form 8-Ks filed today with respect to the acquisition, each company's Form 10-Q filed today and their respective other filings with the SEC. Neither Desktop Metal nor ExOne assumes any obligation to update the forward-looking statements.

Additionally, during this presentation or the following Q&A session, both Desktop Metal and ExOne may refer to non-GAAP measures. These measures are intended to supplement, but not substitute, for performance measures calculated in accordance with GAAP. Each company's financial results release contains the financial and other quantitative information to be discussed today, as well as a reconciliation of the GAAP to non-GAAP measures.

With that, it's my pleasure to turn the call over to Ric Fulop, CEO and Founder of Desktop Metal.

Ric Fulop

Thank you, Jay. Good afternoon and thank you for joining Desktop Metal's second quarter 2021 financial results call.

As you may have seen, we announced a major transaction this afternoon for the additive manufacturing industry: Desktop Metal has entered into a definitive agreement to acquire ExOne. I'm here with ExOne's CEO, John Hartner, and before we discuss the transaction and the strategic rationale, we'll each briefly review our independent second quarter results, starting with Desktop Metal.



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I'm very proud of our team's efforts in the quarter -- the company is firing on all cylinders. We delivered strong revenue growth, meaningfully expanded gross margins, and executed on a number of exciting developments. And we've made rapid progress delivering on our vision to accelerate the adoption of AM 2.0.

I will start the quarterly review on slide 3 of the presentation with a few financial highlights. Revenue growth accelerated in the quarter to \$19 million, a sequential increase of 68% over first quarter 2021, and more than 750% over second quarter 2020. We also generated strong gross margin expansion as non-GAAP gross margins increased to 25% in the quarter, up from 5% in Q1, representing a 1,950 basis point sequential increase.

Moving to this quarter's business highlights, we saw another quarter of acceleration in our customer install base with new customer additions increasing 44% sequentially from the first quarter 2021. This included strong growth in our metals business with solid contributions from Production System P-1, Shop System, and Studio System 2. As a quick update, our team is hard at work putting the final touches on the Production System P-50 and we continue to track towards beginning shipments in the fourth quarter of this year. We also continue to grow our materials library to enable an expanding set of applications for our customers. A few additions to highlight include cobalt chrome, titanium Ti64, 4140 low-alloy steel, and 316L stainless steel in metals, and Flexcerca Base and Smile for our EnvisionTEC systems. Our Forust offering, which we announced last quarter, has exceeded all expectations and is experiencing overwhelming demand. We continue to develop and scale this solution to meet the opportunity, and we're thrilled by the early response. In July, we acquired two early stage companies we're very excited about -- Aerosint and Beacon Bio. I'll touch on each of these transactions in more detail later in the presentation. The Desktop Health team continues their strong momentum, with the dental business seeing another quarter of significant growth. And finally, we closed the acquisition of Adaptive3D this quarter, and we're seeing fantastic demand as we bring Adaptive's best-in-class elastomers to market alongside our EnvisionTEC platforms like the Xtreme 8K.

Moving to slide 4, our metals business had a fantastic quarter as new customer additions more-than-doubled from the first quarter of this year. That includes broad acceleration across Production System P-1, Shop System, and Studio System 2 shipments. The P-1 in particular was a standout with very strong quarter-over-quarter growth. We have our best people focused on deploying the Production System P-50, and we are on track to begin shipments in the fourth quarter of this year. We look forward to providing more color around customer response and use-cases once we get those systems out in the field.

We also continue to grow our metals materials library with multiple additions. We are the first to commercialize Titanium Ti64 for bound metal, making DM the only company to make Ti64 available in an accessible, turnkey printing form factor with fantastic mechanical properties, including better than wrought elongation. We also are the first and only company to qualify 4140 low-alloy steel for binder jetting -- this is a real workhorse material, one of the highest demand alloys with applications across consumer products, automotive, and other mechanical components. And we also qualified 316L stainless steel on the Production System, a material well-suited for demanding industrial applications.

As I mentioned earlier, on the M&A front, we acquired Aerosint -- an early-stage company that is pioneering multi-material printing for additive manufacturing. Today, businesses print individual parts or components out of single materials, but in the future, they will increasingly look to print full products that are composed of multiple materials. Aerosint's patented powder deposition process selectively deposits two or more powders to form a single, thin powder layer containing multiple materials. As the only high-throughput, multi-material powder recoating system in the market, Aerosint's technology unlocks an exciting range of new applications for AM, including local optimization of mechanical properties, such as wear resistance or vibration dampening, and improvement of chemical and physical properties, such as thermal and electrical conductivity, corrosion resistance, or aesthetics.

We look forward to partnering with our new colleagues at Aerosint to industrialize and mature this technology, and integrate it into upcoming Desktop Metal binder jetting products over the next several years. We are also excited to support Aerosint in their ongoing independent efforts with their existing partners, and to leverage DM's scale, distribution, and industry-leading technology portfolio to capture new market opportunities. The future of AM is going to be multi-material printing, and Aerosint is a great addition and core technology that will enable us to grow the capabilities of our AM 2.0 solutions over time.

Turning to slide 5 on the left side of the page, the Desktop Health business also continues to build positive momentum. Mike Jafar is putting together an extensive healthcare team that includes leaders across disciplines to progress a number of compelling products currently under development. We are continuing to experience positive traction in the dental business, with another quarter of rapid growth, giving us confidence this team can deliver additional solutions to supplement our industrial business and accelerate the growth of DM overall. We believe dental is beginning to enter the steep part of the adoption curve, and most parts used in dentistry should be printable this decade.

This week, Desktop Health also announced the expansion of their dental technology portfolio with the qualification of cobalt chrome on the Shop System. The dental community will now be able to leverage the full capabilities of high-speed metal binder jetting, including faster and more cost-effective production of bridges, crowns, partial dentures, and more.

Also in the quarter, Desktop Health completed CE certification for our Flexcera Base and Smile resins and received FDA clearance for Class II permanent indications with Flexcera Base. Together, Flexcera Base and Smile enable next-generation digital dentures and same day full arch implant procedures. Flexcera solutions sold out within the first four weeks of launch, and we're adding capacity to meet the robust demand.

We're highlighting another acquisition that we're very excited about on the right side of the page. This is a small company called Beacon Bio that was spun out of Harvard University. They have developed a promising new material that can be printed on our 3D Bioplotter systems and has the potential for use in repairing damaged eardrums. The Phonograft device printed using this material is analogous to Lasik vision correction, except it is intended for individuals who have hearing deficiencies and wear hearing aids, or who have experienced eardrum perforations, which occur in about 30 million people annually worldwide. Phonograft technology promotes eardrum repair while decreasing patient procedure times through a minimally invasive procedure. We expect Phonograft will improve patient hearing outcomes by leveraging the body's natural regenerative processes, as the biodegradable graft material is slowly replaced by native tissue over time. This exciting technology is in advanced-stage R&D, and the team at Desktop Health intends to conduct additional preclinical studies and pursue FDA review with the goal of delivering a solution to the market within 24 months.

We believe PhonoGraft and the associated biodegradable elastomer materials, coupled with our leading biofabrication 3D printing solutions, is a true platform technology with tremendous potential across a wider range of high-value healthcare applications in soft tissue – from cardiovascular to neuronal grafts to plastic surgery. Consistent with our broader strategy, we're excited to own the full value chain for these devices and bring them to the market. It's still early days for this technology, but this acquisition marks the beginning of our journey to advance patient-specific medicine through additive manufacturing.

Finally on slide 6, we saw another quarter of increasing customer adoption across materials as new customer additions increased 44% sequentially from first quarter 2021. The left side of this slide shows a number of our customers that range from large brands to small companies, with minimal account concentration. And highlighting two interesting customers on the right side of the slide, Christian Tse is a well-recognized jewelry designer and manufacturer using the Production System P-1 to develop several private-label products to supply a variety of the leading luxury and jewelry brands. Christian is leveraged the P-1 to print precious metal rings at rapid rates of up to 50-70 in under two hours, making it a game-changer for his manufacturing strategy. The second customer we are highlighting is Poral -- a precision metal parts manufacturer in Europe that utilizes Shop System to produce complex metal parts across a range of applications including automotive, aerospace, and more. The Shop System's binder jetting technology enables Poral to improve design flexibility and mass produce parts sustainability, while eliminating tooling costs.

With that, I would like to turn the call over to our CFO, James Haley for his review of the second quarter financial highlights. James?

James Haley, CFO of Desktop Metal

Thanks Ric.

Starting on slide 8, you will see a summary of our financial performance for the second quarter of 2021. Please note, we will be referring to several financial metrics on a Non-GAAP basis. Reconciliation to GAAP data is included in the filed appendix.

Consolidated revenue for the quarter was \$19 million, up 68% sequentially from \$11.3 million in the first quarter 2021, and also up 767% from the second quarter of 2020. The acceleration was due to an increase in our metal product shipments, specifically Production System P-1's, Shop Systems, and Studio System 2s, as well as strong contribution from EnvisionTEC photopolymer products and consumables.

Non-GAAP gross margin showed material improvement, increasing to 25% for the quarter, implying a 1,950 basis point improvement over first quarter 2021. Gross margin expansion in the quarter was primarily driven by operating leverage as revenue continued to scale across overhead costs, as well as product mix toward higher ASP sales, such as our metal systems.

Adjusted EBITDA for the second quarter of 2021 was negative \$24.5 million versus negative \$20.6 million in the second quarter of 2020. The year-over-year Adjusted EBITDA decline was primarily due to increased expenses related to operating as a public company, investments in our core business, and contributions from acquisitions.

We grew the Desktop Metal team to over 500 employees today, up from 171 in August of last year, as we build the company to execute on our strategic vision.

We ended the quarter well-capitalized, with \$515 million in cash, cash equivalents, and short-term investments as of June 30, 2021.

And finally, moving to our guidance.

We are reiterating our expectation to generate revenue in excess of \$100 million for the full year 2021, excluding the effects of acquiring ExOne, which we will discuss later in the call. We continue to plan to exit the year with an annualized run rate of approximately \$160 million, and expect to see continued sequential quarterly growth throughout 2021.

We are updating our adjusted EBITDA outlook to be in the range of negative \$70 to \$80 million, again excluding the effects of acquiring ExOne. This updated guidance primarily reflects expected 2021 operating losses from recent acquisitions.

With that, I will turn the call back over to Ric.

Ric Fulop

Thank you, James.

Overall, I'm very proud of the execution from the team in the first half of this year as we've meaningfully ramped the business from an operational perspective. And another quarter of outsized revenue growth and expanding gross margins validates the direction we are positioning Desktop Metal. We are building a great company focused on our vision of accelerating the adoption of AM 2.0 and capturing double digit share over the next decade, and I'm excited about the continued momentum and direction of the business.

At this time, I'd like to hand the call over to John to give him an opportunity to review ExOne's second quarter results prior to discussing the acquisition... John?

John Hartner

Thank you Ric.

Good afternoon everybody. I wanted to briefly share my overall views of this proposed merger as well as cover some of the highlights of an outstanding Q2 that ExOne just reported.

Firstly I am very excited for this combination which I believe will dramatically accelerate the adoption of production metal additive manufacturing. ExOne being the pioneer in binder jetting has always viewed it as the most scalable, flexible and cost-effective technology for metal whether it is printed or poured. Strong entrants like Desktop Metal have encouraged us all to get better, yet still mass adoption has lagged expectations. This combination brings together two of the industry's leaders that combined will solve customers' challenges faster and bring the reality of production metal additive forward by years. So I am excited for our customers, our investors, our team members, and the whole industry.

Now for ExOne's Q2 results.

We achieved record second quarter revenue - the highest level of recurring revenue and the largest backlog in the company's history. It was a great quarter and reflected the success of our strategy. I am proud of the team across the board and particularly excited about the continued growth in recurring revenues.

Our record second quarter revenue of \$18.8 million, reflects a 69% growth from our second quarter performance in 2020. The increase was driven by higher revenues from 3D printing machines and strong growth in recurring revenue, which was primarily from an increase in consumable materials. There was also a significant increase in revenue from funded research and development arrangements linked to our Production Adoption Model.

From a geographical perspective we grew in all regions but the Asian and Americas region really drove that growth with a combined 92% increase year on year.

Recurring revenue rose 2% sequentially and 34% year-on-year to \$8.3 million in Q2, demonstrating success from our strategic initiatives in this area.

Backlog of \$48.7 million increased 27% year over year and 2% sequentially. New orders remain strong while execution on installations continues to improve. During the second quarter, we progressed on both remote installations and getting people on the ground around the world. We are pleased to have executed well during the quarter and believe we continue to have a strong backlog and new orders which will support our future growth.

Shifting to margins – for the second quarter 2021, we recorded gross margins of 26%, a sequential increase, but compared to a 27.8% second quarter of 2020. The decrease was primarily due to the continued impact of operating inefficiencies and challenges driven by the COVID-19 operating environment and resulting higher input costs.

For the second quarter, our total operating expenses increased to \$10.2 million compared to \$6.9 million in the prior year period. This is consistent with our plan to support our growth.

Moving to the balance sheet. Cash, cash equivalents and restricted cash as of June 30, 2021, decreased to \$129.5 million from \$138.3 million at March 31, 2021. The decrease was driven by cash outflows from operations of \$7.3 million mostly due to our net loss and net cash outflows from working capital changes driven by increased inventories to support expanded contractual backlog.



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In conclusion, I am very proud of what ExOne has and will accomplish to move binder jetting ahead. We're very optimistic about our position in the market and believe this combination will truly accelerate additive manufacturing and transition of traditional manufacturing to a more sustainable future.

With that, I'll now turn the call back over to Ric who will share more of the details about this game changing merger.

Ric Fulop

Thanks John.

I'd now like to refer you to the separate set of slides we posted today referencing the acquisition under the Events & Presentations section of DM's Investor Relations website. In addition to a fantastic quarter, we are thrilled to discuss a landmark moment for Desktop Metal and the AM industry as a whole. We're announcing today that we have signed a definitive agreement to acquire ExOne.

This transaction cements Desktop Metal's leadership in additive manufacturing for mass production. We really believe this transaction will encourage and radically accelerate the adoption of AM for high-volume applications by offering our customers a more comprehensive and targeted set of solutions that combine the best of both companies, especially across the printing of end-use parts in metals and technical ceramics as well as cores and molds for digital castings.

For our shareholders who may not be aware of ExOne, ExOne was one of the first companies that developed and commercialized binder jet technology spun out of MIT that was originally invented by one of Desktop Metal's co-founders, Ely Sachs. Most of ExOne's products use sequential binder jetting compared to our Single Pass Jetting technology, which offers higher throughput. However, ExOne has a great portfolio and a number of assets that are attractive and complementary to our own product portfolio, and I'll talk about these in further detail as we go through the presentation. The Company is a leader in printing of digital castings, an opportunity with less than 5% penetration, and it holds a strong position in direct metal printing and ceramics printing. ExOne's installed base is now approaching 500 systems. These are used for volume production and an estimated 28 million parts were printed across ExOne's customer sites and adoption centers in the past year. They have more than 45 materials either qualified or in R&D. That includes single alloy metals, metal matrix composites, technical ceramics, and materials for digital castings such as printed molds and cores. The company has a strong and growing backlog that stands at \$49 million as of June, and as John just discussed, they did \$32 million of revenue in the first half of the year. That's 30% growth over the year, and 44% sequential growth from Q1 to Q2. And this is a company that grew about 11% amid COVID lockdowns in 2020, unlike many other companies in the 3D printing industry that flatlined or contracted during COVID.

Taking a step back, I'd like to remind everyone of how we think about acquisitions in the context of our growth strategy. We are focused on developing three primary areas of the business in order to reach a double digit share in additive over the next decade. Print platforms for mass production, recurring revenue via materials that enable key applications, and parts for killers apps for additive with high-margins. ExOne checks each of these boxes.



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Turning to slide 5, there are five key points that underpin this transaction, which we ultimately believe will accelerate the adoption of AM 2.0 for mass production.

First, this combination creates a leading metal additive manufacturing portfolio across speed, cost, resolution, and part size. Second, we believe this will accelerate the rate at which we can introduce new materials to the market to meet customer demand. Third, we see an opportunity to leverage ExOne sand 3D printing technologies in combination with DM's low-cost hardware to make digital casting more accessible and lower cost for our customers. Fourth, our complementary go-to-market and support efforts will enhance our combined ability to reach more customers and provide more effective global support. And finally, there are significant opportunities to optimize our combined manufacturing and supply chain efforts to yield margin improvements over time alongside product enhancements that will allow us to attract more customers.

Highlighting that first point on slide 6 - a key element of this transaction is the fact that overnight, we roughly doubled our IP portfolio to well over 600 patents issued or pending, including the largest portfolio of binder jetting IP in the market. We've highlighted some of those key patents and capabilities that I think are going to help drive adoption of AM by customers.

ExOne's technology also provides us with the ability to more effectively target our customers' specific use cases. On slide 7, starting with our core technologies in metal - we each leverage variations on binder jetting. Desktop Metal offers Single Pass Jetting (or SPJ) and ExOne offers a process they call Triple Advanced Compaction Technology (or Triple ACT), which is a sequential binder jetting technology that requires multiple passes over a bed to achieve equivalent resolution. As a result, SPJ is faster on a per layer basis, roughly 3 seconds per layer on our Production System P-50 vs. 30 seconds for Triple ACT on the X1 160Pro. The throughput of these technologies is primarily a function of layer thickness, so when you benchmark them on an apples-to-apples basis, SPJ can achieve several times the throughput of Triple ACT. However, ExOne's Triple ACT has several alternative benefits that customers may value for their applications. In particular, it is a very flexible technology and can easily be tuned to new materials. By placing both technologies under a single roof, we can more effectively provide the best solution to address each customers' specific needs. The reality is that not all customers need to produce hundreds or thousands of parts per hour at the lowest achievable part cost. In fact, to achieve these operating economics, systems with SPJ require more upfront capex than those using Triple ACT. So in some markets where customers may require a larger build bed or lower volumes, Triple ACT is a fantastic technology, and in other high-volume markets, like consumer electronics or automotive, SPJ may be the best option for the most cost-effective production. So they're really complementary technologies, and combining them into a single portfolio provides customers with the flexibility to optimize production based on their specific application needs and the ability to bring the strengths of each technology to meet their future demands. The bottom line is that with both of these technologies under the Desktop Metal umbrella, our portfolio as a whole is significantly more competitive within the broader metal AM industry and will allow us to attract more customers away from conventional manufacturing processes.

The breadth of our combined product portfolio in metals is illustrated well on this next slide, where you can see how our combined portfolio can take customers all the way from turnkey to mass production, providing anywhere from 4 liters of throughput per day to almost 250. One of the biggest benefits of this deal is that our product portfolios and go-to-market strategies are complementary, so ExOne's offerings will fill the gaps between Desktop Metal solutions. Even where the throughputs are similar, there are differences in build volumes and vice versa. This acquisition creates a product line-up that combines throughput and flexibility and allows us to address the full spectrum of applications across speed, cost, resolution, and part size. I'm also particularly excited about the opportunity to evolve ExOne's products into more turnkey solutions. At DM, we believe fragmentation between software, hardware, and materials has held back adoption of AM. This fragmentation has often resulted in an inability to achieve part success or high yields quickly without significant development cycles. With our world-class front-end software tools that include proprietary sinter simulation and build prep solutions as well as our proprietary and mass-produced furnace technology, which we have developed entirely in-house, we believe we can evolve a subset of ExOne's products into more turnkey solutions that will make them easier for customers to adopt and take into production. And while we will continue to focus on maturing and evolving our core SPJ and

Triple ACT technologies, this combination will allow us to focus more on the next frontiers of AM to make it more accessible to larger industrial customers, including full process automation, quality control, and additional scale.



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Turning to slide 10. In manufacturing, materials are what drive applications and the adoption of new technologies. So supporting more materials and better material properties are critical to driving adoption. To that end, we think this deal will be really great for both Desktop Metal customers and for the AM industry as it will increase customer choice and the number of applications enabled by our platforms. DM has a leading portfolio of over 225 materials across metals, ceramics, wood, elastomers and carbon fiber composites and we have an additional 25+ materials in R&D and on our roadmap. Of that list of qualified and R&D materials, just under 30 are metals and ceramics for binder jetting and the rest are in bound metal and photopolymers. As a result of decades-long investment at ExOne, they have an extensive list of more than 45 materials for binder jetting comprised of 23 qualified materials across metals, metal composites, ceramics, and sand and over 20 additional materials in various stages of R&D. Between our two companies, we have scientists working on qualifying related materials, so by joining these teams we will be able to nearly double our horsepower here and multiply the number of materials available for our product portfolios in a shorter time frame, in particular those specialty or proprietary alloys requested by customers, that we otherwise may not have approached independently due to lack of resources. We believe this transaction is going to increase the number of materials available to our customers, and that's really exciting. Even as currently constructed, acquiring ExOne will bring Desktop Metal's portfolio of qualified materials to nearly 250, and I think this will lead to significant value for our customers in the long run. The more materials available, the greater the adoption of AM.

Moving on to slide 12, ExOne has earned a leadership position in digital casting, also known as sand 3D printing. They've provided binder jetting solutions to casting businesses longer than anybody else and the adoption of their solutions continues to grow at a good clip. Overall though, additive manufacturing has achieved less than 5% penetration into the more than 45,000 foundries around the world. AM adoption has been limited by the cost of the equipment, and as casting has shifted overseas, there's been a huge push to develop more entry-level and cost-effective AM systems. Our new RAM systems acquired through EnvisionTEC address this need, however we are still in the process of maturing this unique, low-cost platform. In partnership with ExOne, which has mature, high-performance offerings in this space, we think we can work together to, on one hand, improve productivity through single pass technology, and on the other hand, develop our low-cost solutions through ExOne's proprietary binders and materials, making them more attractive to a broader set of customers for whom sand printing has mostly remained out of reach.



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Turning now to slide 13, we've spoken in the past about our software capabilities and our in-house sintering technology. Together these enable turnkey digital workflows for metal AM that takes customers all the way from initial design to final metal part, and we're excited to bring some of these capabilities to the ExOne platforms we will acquire. ExOne has similar, mature capabilities within sand 3D printing that enable full digital workflows for casting applications. This includes not only significant expertise in design and simulation from a software perspective, but also hardware innovations such as automated de-sanding equipment for large format sand printers. Their digital casting business is best-in-class and utilized at scale throughout the industry, and we look forward to leveraging these capabilities in conjunction with our RAM systems to make low-cost sand 3D printing more robust and accessible to help grow this market.

Moving to slide 14, we also see an interesting growth opportunity in new markets for large format tooling, where ExOne has the most advanced solutions in the market. In addition to their 420i tooling material, they have a low cost composite tooling technology enabled by proprietary binders. You can print large format sand tools at high-speeds, lay-up composite continuous carbon fiber prepreg or tape around the tool, and then dissolve the tool using only tap water to obtain your part. It's a fantastic technology with a lot of potential. We also see a huge opportunity around their new AMClad technologies which use a patented infiltration technique to create durable tools for processes such as vacuum forming. And this technology has applications for end-use parts as well, such as outdoor architectural and design elements where the durability and customizable surface finish are key.

Let me focus now on the go-to-market efforts for the combined company on slide 16. At DM we are a channel-first company. We utilize our unique distribution network to achieve broader access to the market at scale. It's provided us with installation capabilities in over 65 countries through our fantastic partners. They are excellent at uncovering sales opportunities, but their sweet spot is transactions under roughly 450,000 dollars, where the products are more turnkey and have a faster sales cycle. A lot of the products that ExOne currently sells are above this price range, as is our Production System P-50, which has a relatively high ASP. Through this transaction our channel partners will gain additional products to monetize from ExOne's more entry-level offerings, while we will add to our sales capacity on Production System offerings by leveraging ExOne's highly complementary direct sales team members. Combined, I think that there's a significant cross-selling synergy opportunity here. The combined company will also multiply the service capacity for our customers, including full-time and fully-trained reseller technicians, across the globe and across our product portfolio from entry-level to large format and mass production solutions.

Turning to slide 17, ExOne has a unique business around funded R&D contracts to develop high-value materials and applications for a variety of businesses, including the US government. For example, with the air force, they are developing a super high strength steel that is roughly 20% stronger than conventional AM alloys. They've also got a very good relationship with leading national labs including Lawrence Livermore and Oak Ridge. The team focused on creating these opportunities and developing special materials is world-class - in particular, because a lot of their developments have dual-use. While these projects help our nation solve strategic problems, they also open up frontiers for the industry and enable application discovery within commercial businesses that drive incremental AM system sales and additional funded R&D business. So we're very excited to bring this infrastructure in-house to Desktop Metal, where we can leverage their expertise across a wider product and technology portfolio to drive growth and create additional self-funded revenue streams. I want to recognize the team at ExOne that has led this effort, in particular Rick Lucas, who has done an incredible job driving the tip of the spear when it comes to materials for AM. This is a really unique asset and high-value team that we are bringing on as part of the transaction.



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That brings us to our final point on slide 19, which speaks to the financial and operational considerations of the transaction. We see a great opportunity through this combination to optimize our manufacturing and supply chain efforts. Desktop Metal has historically leveraged a third party contract manufacturing model which requires significant upfront engineering investment, but enables low-cost architectures for our high-volume turnkey solutions and quick turnaround times for shipping product to customers. It's a great model to help make AM systems more accessible to a wider set of customers. Conversely, ExOne's manufacturing model is quite complementary, where

they perform assembly and testing in-house, which is well-suited to the higher BOM and larger, more complex systems that make up a good portion of their revenue, including systems like the S-Max Pro. We plan to leverage each of these models where they are best suited on a product-by-product basis to improve cost structures for the overall portfolio of the combined company. The acquisition will also result in additional scale that can be leveraged to drive down costs across systems and materials as well as drive fixed overhead absorption as we grow. Together, these and other future synergy possibilities across the organization represent a meaningful opportunity to realize gross margin accretion for the company and get to our long-term margin targets faster.

Before finishing up, I'll provide a brief overview of the deal specifics on slide 20. Desktop Metal will acquire ExOne for \$8.50 in cash and \$17.00 in shares of Desktop Metal common stock, for a total consideration of \$25.50, per share of ExOne, representing a transaction value of \$575 million and an enterprise value of \$447 million net of ExOne's balance sheet cash. ExOne's Chairman and largest shareholder, Kent Rockwell, has stated his full support for the transaction, which the ExOne board recommended unanimously, and his intention to vote all his shares in accordance with the Board's recommendation. We expect this transaction to close in the fourth quarter of this year, subject ExOne shareholder approval and the satisfaction of regulatory approvals and other customer closing conditions.

For the sake of clarity on the transaction details, I did want to mention that the deal consideration is subject to the collar as described in the presentation on slide 20 and in the press release we issued regarding the transaction.

We strongly believe that Desktop Metal can increase choice and flexibility for AM customers through its acquisition of ExOne. We are excited to further cement our leadership in additive manufacturing for mass production, and we believe that ExOne's complementary technologies and go-to-market efforts will help us accelerate the adoption of AM 2.0 across industries and business of all sizes.

And with that, let's open it up for questions.

[Q&A Session]

Ric Fulop



I want to thank everyone for joining the call, as well as John and Doug for joining me today. We're very pleased with the momentum of DM in the quarter, and equally excited about our acquisition of ExOne. We are executing on our long-term vision to accelerate adoption of AM 2.0, and we look forward to updating you on our progress in upcoming calls.

Cautionary Note Regarding Forward Looking Statements:

This communication relates to a proposed business combination transaction between Desktop Metal, Inc. ("Desktop Metal") and The ExOne Company ("ExOne"). This communication includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this communication, including statements regarding the anticipated benefits of the proposed transaction, anticipated impact of the proposed transaction on Desktop Metal's and ExOne's future results of operations and financial position, the amount and timing of synergies from the proposed transaction, the anticipated closing date, and other aspects of Desktop Metal's and ExOne's operations or results, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this communication are only predictions. Each of Desktop Metal and ExOne has based these forward-looking statements on current information and their respective management's current expectations and beliefs. These forward-looking statements speak only as of the date of this communication and are subject to a number of risks and uncertainties, including, without limitation, the following: the impact of the COVID-19 pandemic on Desktop Metal's and ExOne's business, including their suppliers and customers; the effect of the transaction (or announcement thereof) on the ability of Desktop Metal or ExOne to retain and hire key personnel and maintain relationships with customers, suppliers and others with whom they do business; risks that the transaction disrupts current plans and operations; the ability of Desktop Metal and ExOne to consummate the proposed transaction in a timely manner or at all, including the ability to secure regulatory approvals; impact to Desktop Metal's business if the transaction is not consummated; successful integration of Desktop Metal's and ExOne's businesses and realization of synergies and benefits; the ability of Desktop Metal to implement business plans, forecasts and other expectations following the completion of the transaction; risk that actual performance and financial results following completion of the transaction differ from projected performance and results; and business disruption following the transaction. A more fulsome discussion of the risks related to the proposed transaction will be included in the proxy statement/prospectus. For additional information about other risks and uncertainties that could cause actual results of the transaction to differ materially from those described in the forward-looking statements in this communication of Desktop Metal's business, financial condition, results of operations and prospects generally, please refer to Desktop Metal's reports filed with the Securities Exchange Commission ("SEC"), including without limitation the "Risk Factors" and/or other information included in the Form 8-K to be filed by Desktop Metal in connection with the transaction, the Form 10-Q filed with the SEC on August 11, 2021 and such other reports as Desktop Metal has filed or may file with the SEC from time to time. For additional information about risks and uncertainties that may cause actual results of the transaction to differ materially from those described, please refer to ExOne's reports filed with the SEC, including without limitation the "Risk Factors" and/or other information included in such reports. While the list of factors presented here is, and the list of factors presented in the proxy statement/prospectus will be considered representative, no such list should be considered to be a complete statement of all risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Except as required by applicable law, neither Desktop Metal nor ExOne will update any forward-looking statements to reflect new information, future events, changed circumstances or otherwise.



No Offer or Solicitation:

This communication is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

In connection with the proposed transaction, Desktop Metal intends to file a registration statement on Form S-4 with the Securities and Exchange Commission (the “SEC”), which will include a preliminary proxy statement of ExOne and a prospectus with respect to shares of Desktop Metal’s common stock to be issued in the proposed transaction (the “proxy statement/prospectus”). INVESTORS AND SECURITY HOLDERS OF DESKTOP METAL AND EXONE ARE URGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. The final proxy statement/prospectus will be mailed to stockholders of ExOne in connection with meeting to be held to request approval of the proposed transaction. Investors and security holders will be able to obtain the documents free of charge at the SEC’s website, www.sec.gov, from Desktop Metal at its website, ir.desktopmetal.com, or from ExOne at its website, investor.exone.com.

Participants in the Solicitation:

Desktop Metal, ExOne and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information concerning Desktop Metal’s participants is set forth in the proxy statement, filed June 17, 2021, for Desktop Metal’s 2021 annual meeting of stockholders as filed with the SEC on Schedule 14A and on certain of its Current Reports on Form 8-K. Information concerning ExOne’s participants is set forth in the proxy statement, filed April 1, 2021, for ExOne’s 2021 annual meeting of stockholders as filed with the SEC on Schedule 14A and on certain of its Current Reports on Form 8-K. Additional information regarding the interests of such participants in the solicitation of proxies, including direct and indirect interests, in respect of the proposed transaction will be included in the registration statement and proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.



Confidential

[Q&A Session]

Ric Fulop

I want to thank everyone for joining the call, as well as John and Doug for joining me today. We’re very pleased with the momentum of DM in the quarter, and equally excited about our acquisition of ExOne. We are executing on our long-term vision to accelerate adoption of AM 2.0, and we look forward to updating you on our progress in upcoming calls.



Desktop Metal Announces Agreement to Acquire ExOne

Conference Call
August 11, 2021

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Cementing Desktop Metal's leadership in additive manufacturing for mass production

ExOne at a glance

Pioneer in binder jetting technology and a leader in sand 3D printing with a strong position in metal, metal composite, and ceramics 3D printing.

26

Years of experience as a global leader in binder jetting (founded in 1995).

438

Installed systems across Americas, EMEA, and Asia.

28M+

Estimated parts printed annually across ExOne customers and adoption centers⁽¹⁾.

45+

Materials third party or customer qualified and in R&D across metals, metal composites, ceramics, and sands.

\$49M

Backlog across direct and indirect metal printers and recurring revenue contracts.

44%

Sequential revenue growth in Q2-21 and 30% YoY revenue growth in 1H-21.

Accelerating the adoption of AM 2.0 for mass production

01

—
Combination creates a leading metal additive manufacturing portfolio across speed, cost, resolution, and part size.

02

—
Accelerate materials innovation by leveraging combined materials engineering resources more efficiently.

03

—
Leverage combined portfolio of sand printing technologies and binders to accelerate adoption in digital castings market.

04

—
Complementary go-to-market efforts enhance customer reach and global support operations.

05

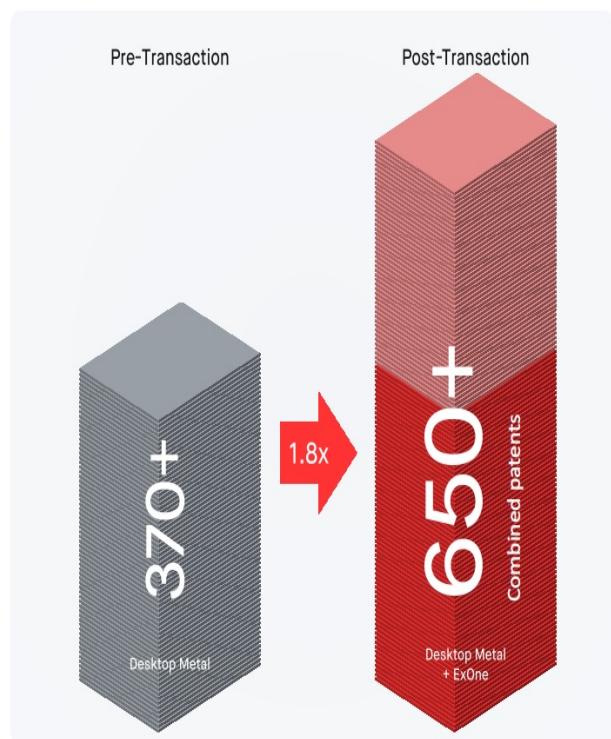
—
Margin accretion opportunity through optimization of manufacturing and supply chain efforts.

Acquisition nearly doubles IP portfolio to over 650 patents

Robust binder jetting IP portfolio, with more than 650 patents issued and pending overall as a result of the acquisition.

Highlights include:

- Contoured roller technology (Triple ACT)
- Ultrasonic powder dispensing (Triple ACT)
- Advanced recoater technology (Triple ACT)
- NanoFuse™ and CleanFuse™ binders
- Advanced depowdering
- Automated maintenance for sand printing
- AMClad composite tooling processes
- Printable ceramic inserts
- Select IP on binder jetting carbon materials
- Select IP on reactive material printing
- Select IP on binder jetting of superalloys and aluminum



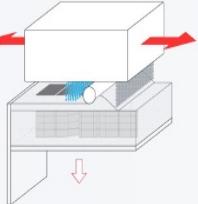
Customer segmentation through Single Pass Jetting & Triple ACT

Meeting customers' needs across speed, cost, resolution, and part size

Desktop Metal

Single Pass Jetting on P-50

- ~3 seconds per layer
- 490 x 380 x 260 mm
- 1200 native DPI



Sintered layer thickness

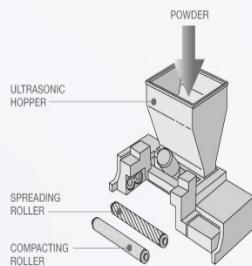
Throughput (e.g. volumetric output rate)

55 micron	12,000 cc/hr
...	...

ExOne

Triple ACT on X1 160Pro

- < 30 seconds per layer
- 800 x 500 x 400 mm
- 400 native DPI



Sintered layer thickness

Throughput (e.g. volumetric output rate)

50 micron	2,400 cc/hr
100 micron	4,800 cc/hr
200 micron	9,600 cc/hr

Key Benefits

- Lower part cost at mass production volumes
- > 4x throughput at equivalent sintered layer thickness

Key Benefits

- Customizable print parameters can be quickly tuned to new materials
- Larger build envelope offered

Leading metal AM portfolio across speed, cost, resolution, and part size

Turnkey Solutions		Mid-Volume Production Solutions		Mass Production Solutions	
ExOne InnoventPro	Desktop Metal Shop System™	ExOne X1 25Pro®	Desktop Metal Production System™ P-1	ExOne X1 160Pro™	Desktop Metal Production System™ P-50
					
+ DM Furnace + DM Software	+ DM Software	+ DM Software	+ DM Software	+ DM Software	
Throughput / Day ¹					
4 L/day	15 L/day	21 L/day	21 L/day	57 L/day	247 L/day
Build Box Size					
3 L or 5 L	4 L – 16 L	25 L	1 L	160 L	48 L

- Complementary technology portfolios fill in the gaps between turnkey solutions and high-performance, mass production offerings
- Product portfolio combines throughput and flexibility to address the full spectrum of applications across speed, cost, resolution, and part size

- Opportunity to evolve ExOne offerings into more turnkey solutions through the addition of Desktop Metal proprietary front-end software (e.g. sintering simulation) and furnace technology
- Portfolio enables combined company to focus more on next frontiers of AM, including full process automation, quality control, and additional scale



1. Assumes constant layer thickness of 50 microns (sintered) and 15 min turnaround time between prints.

Accelerating the adoption of AM 2.0 for mass production

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Accelerate materials innovation by leveraging combined materials engineering resources more efficiently.

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Leverage combined portfolio of sand printing technologies and binders to accelerate adoption in digital castings market.

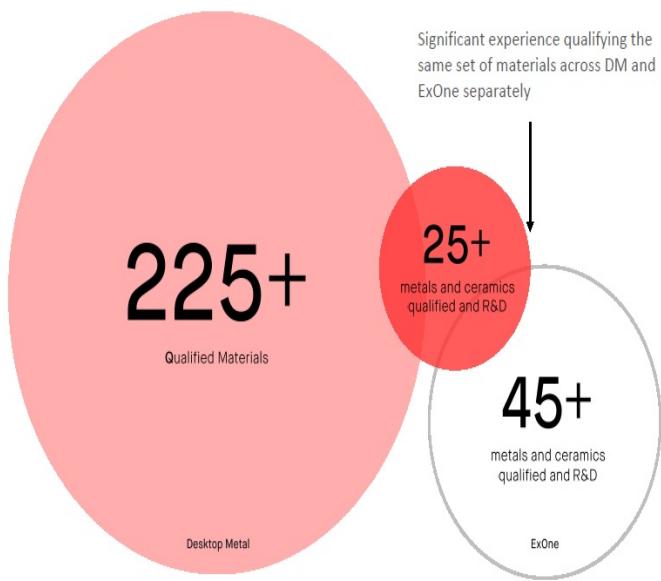
04

—
Complementary go-to-market efforts enhance customer reach and global support operations.

05

—
Margin accretion opportunity through optimization of manufacturing and supply chain efforts.

Increasing material choice for AM customers



Potential to leverage combined metal materials portfolio across all binder jetting platforms

- Opportunity to accelerate new material introductions by reducing redundant qualification efforts and leveraging the combined materials science expertise and binder technologies
 - Provide customers with more choice and address wider range of applications than on a standalone basis
 - Continue to grow combined materials science team and more efficiently collaborate for faster innovation
- ExOne adds 23 qualified materials to Desktop Metal's library, now approaching 250 materials
 - Additional 50+ materials under R&D across the combined companies

Accelerating the adoption of AM 2.0 for mass production

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05

—
Margin accretion opportunity through optimization of manufacturing and supply chain efforts.

Increasing customer choice and offering an unmatched product portfolio in casting

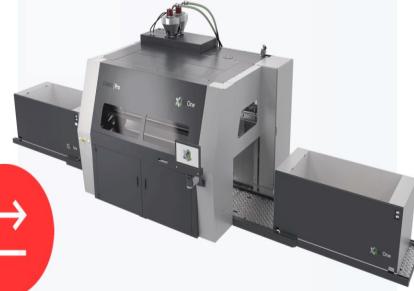
Fewer than 5% of the more than 45,000 foundries globally uses 3D printing⁽¹⁾, with adoption constrained by current technology that is either too slow or too expensive.

As a result of the transaction, ExOne binders and materials would be available in more cost-effective form factors and Desktop Metal single pass technology could be leveraged across ExOne frames to increase productivity.

EnvisionTEC RAM System



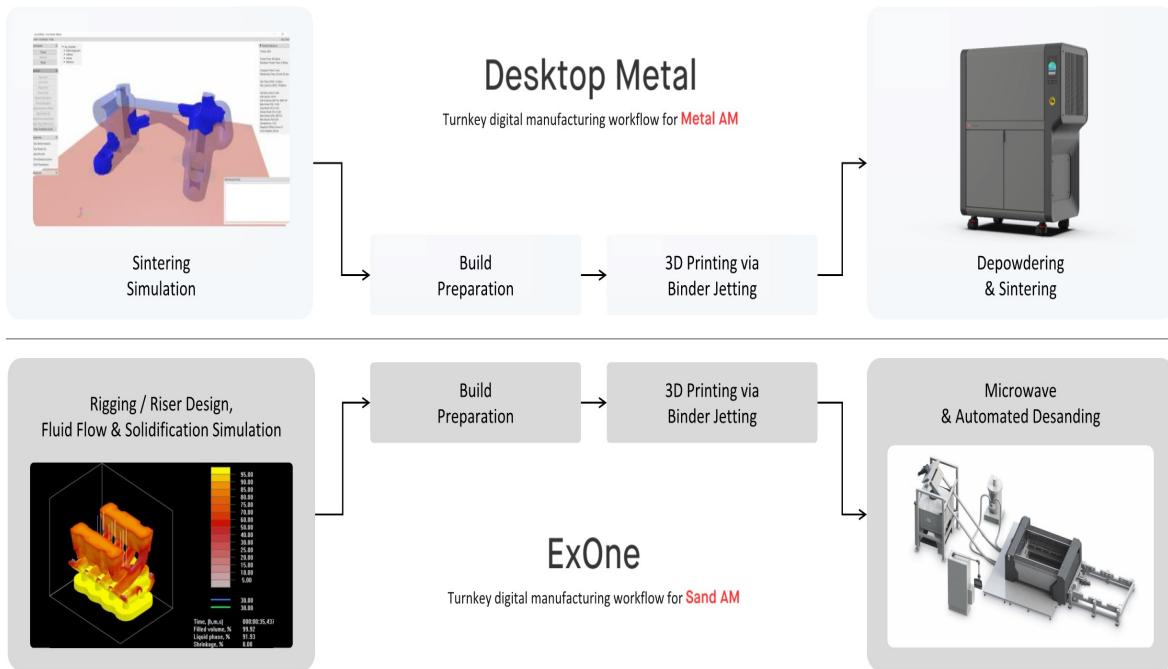
ExOne Sand Systems (S-Max Pro)



—
RAM systems offer the lowest rate of upfront capex per build volume among comparable systems, with speeds up to 3 vertical inches per hour

—
ExOne premium sand systems, including the S-Max Pro, offer strong part quality and a broad choice of binders and materials

ExOne adds full digital casting workflows to Desktop Metal sand printing solutions



Underserved opportunity in large format 3D printed tooling increases addressable market



Continuous fiber composites tooling

- Leverages ExOne proprietary binders that remain water soluble up to 180 °C
- 3D printed using inexpensive silica or ceramic sand on large format printers
- Easily removed from final components using only tap water – no chemicals necessary
- Sand can be reclaimed and recycled for sustainable re-use.



AM Clad® Tooling

- Leverage patented infiltration and coating processes for 3D printed sand components
- Withstand high temperatures for hundreds of cycles and reduce lead times with up to 30-50% cost savings
- Ideal for composite layup molding, vacuum forming, sheet metal stamping, and more
- End-use applications in affordable, durable and large designs for outdoor installation

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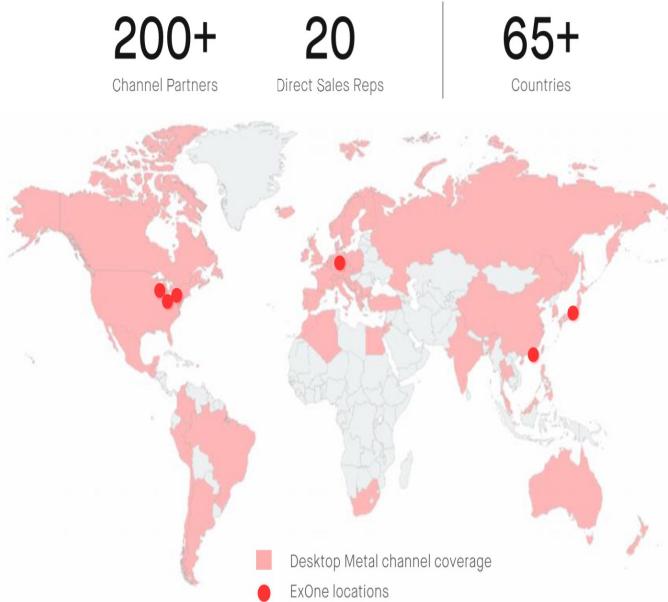
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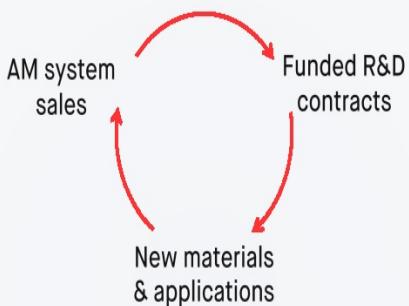
Complementary go-to-market efforts enhance customer reach

- ExOne's direct sales force supplements Desktop Metal's channel-first philosophy
- Combination yields wider array of products at ASPs below ~\$400K - \$500K to promote through distribution network
- Products at higher ASPs with longer sales cycles are well-suited to direct selling that leverages channel partners for lead generation
- More robust global installation & support services across portfolio from entry-level to mass production solutions
- Large existing install base of metal and sand printers for cross-sell and upsell opportunities (including Desktop Metal's photopolymer solutions)

Combined global distribution network & direct sales force



Growing, high-value funded R&D business drives new materials and applications



- Large growth opportunity for R&D contract business across commercial and government customer base
- Leverage world-class materials science and application development infrastructure across full product portfolio
- Drives development of new materials and array of applications
- Resource-efficient method for generating leads and expanding addressable market
- Diversification through additional revenue stream

Selected government R&D contracts



NCDMM
NATIONAL CENTER FOR DEFENSE
MANUFACTURING AND MACHINING

Digitally connected supply chain for 4130 steel alloy parts to accelerate on-demand production of critical parts



U.S. AIR FORCE

Qualify AF-9628, a high-strength steel developed by the Air Force for parts 20% stronger than conventional AM alloys at lower costs



**U.S. DEPARTMENT OF
ENERGY**

Multi-year contract to design and produce high-temperature ceramic heat exchanger with first-of-its-kind material and architecture

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Margin accretion opportunity through optimization of manufacturing and supply chain efforts.

Opportunity to realize significant cost savings through optimizing manufacturing & supply chain

Desktop Metal

Third-party manufacturing

- Enables low-cost architectures for turnkey solutions sold through distribution network
- Provides inventory for shipping products to customers with low lead-times

ExOne

In-house manufacturing

- World-class facilities in Germany with capacity and expertise to produce large frame systems
- Well-suited to more complex and higher BOM cost, multi-component systems

Driving Manufacturing Excellence

01

Optimize manufacturing across third-party and in-house resources to improve cost structures and realize gross margin accretion

02

Acquisition yields larger scale to drive down costs across systems and materials + improved fixed overhead absorption

03

Meaningful future synergy opportunities across the organization

Transaction overview

Transaction Consideration	<ul style="list-style-type: none">ExOne shareholders will receive \$8.50 in cash and \$17.00 in shares of Desktop Metal common stock for each ExOne share, for a total consideration of \$25.50, representing a transaction value of \$575 million, consisting of \$192 million in cash and \$383 million in shares of Desktop Metal common stock, subject to a collar mechanism on the stock componentThe collar mechanism on the stock consideration component will be based on Desktop Metal's 20-day volume-weighted average price three days prior to close. The stock consideration of \$17.00 per ExOne share will remain fixed within the exchange ratio collar band of 1.7522x to 2.1416x. Outside of that band, the exchange ratio is fixed at the maximum and minimum of the exchange ratio range. The final number of Desktop Metal shares to be issued on a fully diluted basis will range between approximately 39.5 million and 48.3 million shares at closing.
Transaction Support	<ul style="list-style-type: none">Kent Rockwell (ExOne's Chairman of the Board of Directors, former CEO, and largest shareholder) has stated his full support of the transaction, which ExOne's Board has recommended unanimously, and his intention to vote all of his shares in accordance with the Board's recommendation
Anticipated Transaction Close	<ul style="list-style-type: none">Anticipated to close in Q4 2021Subject to approval of ExOne shareholdersSubject to satisfaction of customary closing conditions, including applicable regulatory approvals

Q & A

Additional information and Where to Find It

In connection with the proposed transaction, Desktop Metal intends to file a registration statement on Form S-4 with the Securities and Exchange Commission (the "SEC"), which will include a preliminary proxy statement of ExOne and a prospectus with respect to shares of Desktop Metal's common stock to be issued in the proposed transaction (the "proxy statement/prospectus"). INVESTORS AND SECURITY HOLDERS OF DESKTOP METAL AND EXONE ARE URGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. The final proxy statement/prospectus will be mailed to stockholders of ExOne. Investors and security holders will be able to obtain the documents free of charge at the SEC's website, www.sec.gov, from Desktop Metal at its website, ir.desktopmetal.com, or from ExOne at its website, investor.exone.com.

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Subject: Desktop Metal to acquire ExOne

Dear DM Team,

I am excited to share with you that Desktop Metal has entered into a definitive agreement to acquire ExOne. As many of us know, ExOne is a pioneer in binder jetting technology, with systems spanning 3D printing in sand, metal, metal composite, and ceramics. I encourage you to read the press release and presentation discussing in detail the strategic rationale for the acquisition - they may be accessed online in the Events & Presentations section of the DM Investor Relations website: <https://ir.desktopmetal.com>.

This is a major move toward accelerating the adoption of AM 2.0 for mass production of end-use parts. We believe ExOne's products are complementary to the technologies we have developed here at DM and we are excited to further cement our leadership in additive manufacturing for mass production. Our combined product portfolio across materials will provide customers with choice and flexibility so they can optimize production based on their specific needs in terms of speed, part cost, resolution and part size. Working together, we can accelerate innovation in materials and systems, deliver more accessible solutions, expand our sales footprint, and enhance customer reach and support. At the end of the day, this acquisition will help us drive lifetime value for our customers and partners, and expand our business into new verticals.

We anticipate this transaction will take some time to close (likely in the fourth quarter of this year). During this interim period, both companies will continue to operate independently and "business as usual." At the risk of stating the obvious, it is absolutely critical that the DM team continues to focus and deliver on our own engineering and go-to-market plans, including delivering P-50 in the fourth quarter and hitting the revenue numbers that we've communicated with our shareholders.

A global Desktop Metal Town Hall meeting will be held tomorrow, August 12th at 11:00 AM EST, where we will discuss this transaction. Please look for a Zoom invite for the Town Hall to your email shortly.

Together, we have an incredible opportunity ahead of us to change the way parts are made around the world and build a once-in-a-generation company in the process. I am incredibly excited for what's ahead.

Onward!
Ric

Cautionary Note Regarding Forward Looking Statements:

This communication relates to a proposed business combination transaction between Desktop Metal and ExOne. This communication includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this communication, including statements regarding the anticipated benefits of the proposed transaction, anticipated impact of the proposed transaction on Desktop Metal's and ExOne's future results of operations and financial position, the amount and timing of synergies from the proposed transaction, the anticipated closing date, and other aspects of Desktop Metal's and ExOne's operations or results, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this communication are only predictions. Each of Desktop Metal and ExOne has based these forward-looking statements on current information and their respective management's current expectations and beliefs. These forward-looking statements speak only as of the date of this communication and are subject to a number of risks and uncertainties, including, without limitation, the following: the impact of the COVID-19 pandemic on Desktop Metal's and ExOne's business, including their suppliers and customers; the effect of the transaction (or announcement thereof) on the ability of Desktop Metal or ExOne to retain and hire key personnel and maintain relationships with customers, suppliers and others with whom they do business; risks that the transaction disrupts current plans and operations; the ability of Desktop Metal and ExOne to consummate the proposed transaction in a timely manner or at all, including the ability to secure regulatory approvals; impact to Desktop Metal's business if the transaction is not consummated; successful integration of Desktop Metal's and ExOne's businesses and realization of synergies and benefits; the ability of Desktop Metal to implement business plans, forecasts and other expectations following the completion of the transaction; risk that actual performance and financial results following completion of the transaction differ from projected performance and results; and business disruption following the transaction. A more fulsome discussion of the risks related to the proposed transaction will be included in the proxy statement/prospectus. For additional information about other risks and uncertainties that could cause actual results of the transaction to differ materially from those described in the forward-looking statements in this communication of Desktop Metal's business, financial condition, results of operations and prospects generally, please refer to Desktop Metal's reports filed with the Securities Exchange Commission ("SEC"), including without limitation the "Risk Factors" and/or other information included in the Form 8-K to be filed by Desktop Metal in connection with the transaction, the Form 10-Q filed with the SEC on August 11, 2021 and such other reports as Desktop Metal has filed or may file with the SEC from time to time. For additional information about risks and uncertainties that may cause actual results of the transaction to differ materially from those described, please refer to ExOne's reports filed with the SEC, including without limitation the "Risk Factors" and/or other information included in such reports. While the list of factors presented here is, and the list of factors presented in the proxy statement/prospectus will be considered representative, no such list should be considered to be a complete statement of all risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Except as required by applicable law, neither Desktop Metal nor ExOne will update any forward-looking statements to reflect new information, future events, changed circumstances or otherwise.

No Offer or Solicitation:

This communication is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Additional Information and Where to Find It:

In connection with the proposed transaction, Desktop Metal intends to file a registration statement on Form S-4 with the Securities and Exchange Commission (the "SEC"), which will include a preliminary proxy statement of ExOne and a prospectus with respect to shares of Desktop Metal's common stock to be issued in the proposed transaction (the "proxy statement/prospectus"). INVESTORS AND SECURITY HOLDERS OF DESKTOP METAL AND EXONE ARE URGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED

TRANSACTION AND RELATED MATTERS. The final proxy statement/prospectus will be mailed to stockholders of ExOne in connection with meeting to be held to request approval of the proposed transaction. Investors and security holders will be able to obtain the documents free of charge at the SEC's website, www.sec.gov, from Desktop Metal at its website, ir.desktopmetal.com, or from ExOne at its website, investor.exone.com.

Participants in the Solicitation:

Desktop Metal, ExOne and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information concerning Desktop Metal's participants is set forth in the proxy statement, filed June 17, 2021, for Desktop Metal's 2021 annual meeting of stockholders as filed with the SEC on Schedule 14A and on certain of its Current Reports on Form 8-K. Information concerning ExOne's participants is set forth in the proxy statement, filed April 1, 2021, for ExOne's 2021 annual meeting of stockholders as filed with the SEC on Schedule 14A and on certain of its Current Reports on Form 8-K. Additional information regarding the interests of such participants in the solicitation of proxies, including direct and indirect interests, in respect of the proposed transaction will be included in the registration statement and proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.



Desktop Metal Announces Second Quarter 2021 Financial Results

August 11, 2021

- Revenue up 68% from the first quarter of 2021 to \$19.0 million
- GAAP gross margin of 12%; non-GAAP gross margin of 25%
- Customer adoption momentum as new customers grew 44% sequentially from the first quarter of 2021
- Accelerating metal systems shipments, including strong growth across Production System P-1, Shop System, and Studio System 2
- Acquired Aerosint, adding multi-material capabilities to AM 2.0 portfolio
- Acquired Beacon Bio, adding PhonoGraft biofabrication platform to Desktop Health portfolio
- Robust liquidity position with cash, cash equivalents and short-term investments of \$514.5 million as of June 30, 2021
- Desktop Metal enters into definitive agreement to acquire The ExOne Company

BOSTON – Desktop Metal, Inc. (NYSE: DM) today announced its financial results for the second quarter ended June 30, 2021.

“I’m proud of the team’s performance in the quarter delivering strong revenue growth and meaningfully expanding gross margins as our customer install base continues to grow,” said Ric Fulop, Founder and CEO of Desktop Metal. “We continue to see significant opportunities to gain share in the additive manufacturing market by leveraging our industry leading product portfolio and diversified materials platform. The Company is firing on all cylinders as we make rapid progress delivering on our vision to accelerate the adoption of AM 2.0.”

Second Quarter 2021 and Recent Business Highlights:

- Customer adoption momentum as new customers grew 44% sequentially from the first quarter of 2021
- Accelerating metal systems shipments, including strong growth across Production System P-1, Shop System, and Studio System 2
- Production System P-50 on track to begin shipments in fourth quarter of 2021
- Continued material portfolio expansion including cobalt chrome on Shop System, titanium Ti64 on Studio System 2, 4140 low-alloy steel and 316L stainless steel on Production System, and Flexcera Smile and FDA-cleared Flexcera Base on EnvisionTEC platforms
- Forust product launch exceeded all expectations with overwhelming demand
- Acquired Aerosint, adding multi-material capabilities to AM 2.0 portfolio
- Acquired Beacon Bio, adding PhonoGraft biofabrication platform to Desktop Health portfolio
- Closed Adaptive3D acquisition, bringing best-in-class elastomers to market alongside our EnvisionTEC platforms like the Xtreme 8K

- Grew Desktop Metal team to over 500 employees today, up from 171 employees in August 2020

Second Quarter 2021 Financial Highlights:

- Revenue of \$19.0 million, up 68% from the first quarter of 2020, and up 767% from the second quarter of 2020
- Net loss of \$43.2 million, including in-process research and development assets acquired of \$10.4 million related to the Beacon Bio acquisition
- GAAP gross margin of 12%; non-GAAP gross margin of 25%, up from 5% in the first quarter of 2021
- Adjusted EBITDA of \$(24.5) million
- Strong liquidity position with cash, cash equivalents and short-term investments of \$514.5 million as of June 30, 2021

Outlook for Full Year 2021:

- Reiterating expectation of over \$100 million of revenue for 2021, exiting the year with an annualized revenue run rate of \$160 million, excluding the effects of acquiring ExOne
- Adjusted EBITDA in the range of \$(70)–\$(80) million, excluding the effects of acquiring ExOne

Desktop Metal to Acquire ExOne:

In a separate press release issued today, Desktop Metal announced it has entered into a definitive agreement to acquire The ExOne Company, cementing its leadership in additive manufacturing for mass production. Additional details on this acquisition can be found in the separate press release and corresponding presentation, accessible on the Investor Relations section of Desktop Metal’s website, <https://ir.desktopmetal.com>.

Conference Call Information:

Desktop Metal will host a joint conference call on August 11, 2021 at 4:30 p.m. EST to discuss second quarter 2021 results and the ExOne acquisition announcement. Participants may access the call at 1-877-300-8521, international callers may use 1-412-317-6026, and request to join the Desktop Metal financial results conference call. A simultaneous webcast of the conference call, financial results presentation, and transaction overview presentation may be accessed online from a link in the Events & Presentations section of <https://ir.desktopmetal.com>. A replay will be available shortly after the conclusion of the conference call at the same website.

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.

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

	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 188,199	\$ 483,525
Short-term investments	326,318	111,867
Accounts receivable	13,441	6,516
Inventory	25,407	9,708
Prepaid expenses and other current assets	7,078	976
Total current assets	560,443	612,592
Restricted cash	676	612
Property and equipment, net	13,228	12,160
Capitalized software, net	226	312
Goodwill	251,060	2,252
Intangible assets, net	178,860	9,102
Other noncurrent assets	12,210	4,879
Total Assets	<u>\$ 1,016,703</u>	<u>\$ 641,909</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 9,214	\$ 7,591
Customer deposits	2,829	1,480
Current portion of lease liability	1,983	868
Accrued expenses and other current liabilities	20,968	7,565
Deferred revenue	4,814	3,004
Current portion of contingent consideration	1,429	—
Current portion of long-term debt, net of deferred financing costs	311	9,991
Total current liabilities	41,548	30,499
Warrant liability	—	93,328
Subscription agreement	474	—
Contingent consideration, net of current portion	4,655	—
Lease liability, net of current portion	3,959	2,157
Deferred tax liability	8,723	—
Total liabilities	<u>59,359</u>	<u>125,984</u>
Commitments and Contingences (Note 15)		
Stockholders' Equity		
Preferred Stock, \$0.0001 par value—authorized, 50,000,000 shares; no shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	—	—
Common Stock, \$0.0001 par value—500,000,000 shares authorized; 259,712,899 and 226,756,733 shares issued at June 30, 2021 and December 31, 2020, respectively, 259,545,731 and 224,626,597 shares outstanding at June 30, 2021 and December 31, 2020, respectively	26	23
Additional paid-in capital	1,387,779	844,188
Accumulated deficit	(430,565)	(328,277)
Accumulated other comprehensive income (loss)	104	(9)
Total Stockholders' Equity	<u>957,344</u>	<u>515,925</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,016,703</u>	<u>\$ 641,909</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues				
Products	\$ 17,560	\$ 1,531	\$ 27,871	\$ 4,225
Services	1,417	658	2,419	1,349
Total revenues	18,977	2,189	30,290	5,574
Cost of sales				
Products	15,490	9,372	25,977	14,413
Services	1,115	1,106	2,528	2,269
Total cost of sales	16,605	10,478	28,505	16,682
Gross profit/(loss)	2,372	(8,289)	1,785	(11,108)
Operating expenses				
Research and development	15,651	9,827	26,509	22,167

Sales and marketing	10,894	2,958	16,343	7,452
General and administrative	13,142	2,964	26,988	5,589
In-process research and development assets acquired	10,400	—	10,400	—
Total operating expenses	50,087	15,749	80,240	35,208
Loss from operations	(47,715)	(24,038)	(78,455)	(46,316)
Change in fair value of warrant liability	—	—	(56,576)	—
Interest expense	(51)	(51)	(125)	(155)
Interest and other income, net	268	323	630	901
Loss before income taxes	(47,498)	(23,766)	(134,526)	(45,570)
Income tax benefit	4,318	—	32,238	—
Net loss	\$ (43,180)	\$ (23,766)	\$ (102,288)	\$ (45,570)
Net loss per share—basic and diluted	\$ (0.17)	\$ (0.15)	\$ (0.41)	\$ (0.29)
Weighted average shares outstanding, basic and diluted	255,097,905	158,124,160	246,717,400	157,186,939

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net loss	(43,180)	(23,766)	\$ (102,288)	\$ (45,570)
Other comprehensive (loss) income, net of taxes:				
Unrealized gain (loss) on available-for-sale marketable securities, net	(5)	132	(4)	(27)
Foreign currency translation adjustment	130	—	117	—
Total comprehensive loss, net of taxes of \$0	(43,055)	(23,634)	\$ (102,175)	\$ (45,597)

See notes to condensed consolidated financial statements.

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

	Three Months Ended June 30, 2021					
	Common Stock		Additional Paid-in Capital		Accumulated Deficit	
	Voting		Shares	Amount	Shares	Amount
	Shares	Amount				
BALANCE—April 1, 2021	252,436,919	\$ 25	\$ 1,326,945	\$ (387,385)	\$ (21)	\$ 939,564
Exercise of Common Stock options	2,683,506	—	3,485	—	—	3,485
Vesting of restricted Common Stock	56,015	—	—	—	—	—
Vesting of restricted stock units	28,656	—	—	—	—	—
Repurchase of shares for employee tax withholdings	(6,931)	—	(91)	—	—	(91)
Issuance of Common Stock for acquisitions	4,347,566	1	53,441	—	—	53,442
Stock-based compensation expense	—	—	3,999	—	—	3,999
Net loss	—	—	—	(43,180)	—	(43,180)
Other comprehensive income (loss)	—	—	—	—	125	125
BALANCE—June 30, 2021	259,545,731	\$ 26	\$ 1,387,779	\$ (430,565)	\$ 104	\$ 957,344

	Six Months Ended June 30, 2021					
	Common Stock		Additional Paid-in Capital		Accumulated Deficit	
	Voting		Shares	Amount	Shares	Amount
	Shares	Amount				
BALANCE—January 1, 2021	224,626,597	\$ 23	\$ 844,188	\$ (328,277)	\$ (9)	\$ 515,925
Exercise of Common Stock options	2,846,734	—	3,665	—	—	3,665
Vesting of restricted Common Stock	112,030	—	—	—	—	—
Vesting of restricted stock units	43,921	—	—	—	—	—
Repurchase of shares for employee tax withholdings	(9,172)	—	(145)	—	—	(145)
Issuance of Common Stock for acquisitions	9,383,708	1	213,288	—	—	213,289
Stock-based compensation expense	—	—	6,216	—	—	6,216
Vesting of Trine Founder shares	1,850,938	—	—	—	—	—
Exercise of warrants	20,690,975	2	320,567	—	—	320,569
Net loss	—	—	—	(102,288)	—	(102,288)
Other comprehensive income (loss)	—	—	—	—	113	113

BALANCE—June 30, 2021

<u>259,545,731</u>	<u>\$ 26</u>	<u>\$ 1,387,779</u>	<u>\$ (430,565)</u>	<u>\$ 104</u>	<u>\$ 957,344</u>
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Three Months Ended June 30, 2020

	Legacy Convertible Preferred Stock		Common Stock		Additional Paid-in Capital		Accumulated Deficit	Other Comprehensive Income	Comprehensive Income	Total Stockholders' Equity
	Shares	Amount	Voting		\$ 16,722	\$ (316,066)	\$ (84)	\$ (299,425)	\$ 438,050	
			Shares	Amount						
BALANCE—April 1, 2020	100,038,109	\$ 436,533	26,813,113	\$ 3						
Retroactive application of recapitalization (Note 1)	(100,038,109)	(436,533)	130,138,012	13	16,722	(316,066)	(84)	(299,425)	438,050	
Adjusted balance, beginning of period	—	—	156,951,125	16	454,759	(316,066)	(84)	(299,425)	138,625	
Exercise of Common Stock options	—	—	28,173	—	4	—	—	—	—	4
Vesting of restricted Common Stock	—	—	1,750,360	—	2	—	—	—	—	2
Stock-based compensation expense	—	—	—	—	1,074	—	—	—	—	1,074
Common Stock warrants issued	—	—	—	—	87	—	—	—	—	87
Net loss	—	—	—	—	—	(23,766)	—	—	—	(23,766)
Other comprehensive income (loss)	—	—	—	—	—	—	132	132	132	
BALANCE—June 30, 2020	—	—	158,729,658	\$ 16	\$ 455,926	\$ (339,832)	\$ 48	\$ 116,158	\$ 116,158	

Six Months Ended June 30, 2020

	Legacy Convertible Preferred Stock		Common Stock		Additional Paid-in Capital		Accumulated Deficit	Other Comprehensive Income	Comprehensive Income	Total Stockholders' Equity
	Shares	Amount	Voting		\$ 16,722	\$ (294,262)	\$ 75	\$ (277,462)	\$ 436,533	
			Shares	Amount						
BALANCE—January 1, 2020	100,038,109	\$ 436,533	26,813,113	\$ 3						
Retroactive application of recapitalization (Note 1)	(100,038,109)	(436,533)	128,100,821	13	16,722	(294,262)	75	75	436,533	
Adjusted balance, beginning of period	—	—	154,913,934	16	453,242	(294,262)	75	75	159,071	
Exercise of Common Stock options	—	—	314,809	—	136	—	—	—	—	136
Vesting of restricted Common Stock	—	—	3,500,915	—	4	—	—	—	—	4
Stock-based compensation expense	—	—	—	—	2,333	—	—	—	—	2,333
Common Stock warrants issued	—	—	—	—	211	—	—	—	—	211
Net loss	—	—	—	—	—	(45,570)	—	—	—	(45,570)
Other comprehensive income (loss)	—	—	—	—	—	—	(27)	(27)	(27)	
BALANCE—June 30, 2020	—	—	158,729,658	\$ 16	\$ 455,926	\$ (339,832)	\$ 48	\$ 116,158	\$ 116,158	

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

	Six Months Ended June 30,	
	2021	2020
Cash flows from operating activities:		
Net loss	\$ (102,288)	\$ (45,570)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	9,524	4,475
Stock-based compensation	6,216	2,333
Change in fair value of warrant liability	56,576	—
Change in fair value of subscription agreement	474	—
Expense related to Common Stock warrants issued	—	43
Amortization (accretion) of discount on investments	1,304	—
Amortization of debt financing cost	9	10
Provision for bad debt	164	285
Acquired in-process research and development	10,400	—
(Gain) loss on disposal of property and equipment	(7)	10
Gain on investment, related to Make Composites, Inc.	—	120
Net increase in accrued interest related to marketable securities	(1,062)	—
Net unrealized (gain) on marketable securities	32	—
Deferred tax benefit	(32,354)	—
Changes in operating assets and liabilities:		
Accounts receivable	(3,584)	1,562
Inventory	(6,635)	(1,378)
Prepaid expenses and other current assets	(3,692)	1,033
Other assets	(719)	—
Accounts payable	(278)	(1,178)
Accrued expenses and other current liabilities	(5,362)	(1,074)
Customer deposits	(1,372)	(57)
Deferred revenue	693	(756)
Change in right of use assets and lease liabilities, net	(92)	(162)
Net cash used in operating activities	(72,053)	(40,304)
Cash flows from investing activities:		
Purchases of property and equipment	(1,266)	(1,819)
Purchase of other investments	(3,710)	—

Purchase of marketable securities	(281,438)	(24,142)
Proceeds from sales and maturities of marketable securities	66,741	74,616
Cash paid to acquire in-process research and development	(6,050)	—
Cash paid for acquisitions, net of cash acquired	(161,837)	—
Net cash (used in) provided by investing activities	(387,560)	48,655
Cash flows from financing activities:		
Proceeds from the exercise of stock options	3,665	135
Proceeds from the exercise of stock warrants	170,665	—
Proceeds from PPP loan	—	5,379
Repayment of PPP loan	—	(5,379)
Repayment of term loan	(10,000)	—
Net cash provided by financing activities	164,330	135
Net (decrease) increase in cash, cash equivalents, and restricted cash	(295,283)	8,486
Effect of exchange rate changes	21	—
Cash and cash equivalents at beginning of period	483,525	66,161
Restricted cash at beginning of period	612	612
Cash and cash equivalents at end of period	\$ 188,199	\$ 74,647
Restricted cash at end of period	\$ 676	\$ 612
Supplemental cash flow information:		
Interest paid	\$ 125	182
Taxes paid	\$ 150	—
Non-cash investing and financing activities:		
Net unrealized loss on investments	\$ 4	\$ —
Exercise of private placement warrants	\$ 149,904	\$ —
Common Stock issued for acquisitions	\$ 213,289	\$ —
Cash held back in acquisitions	\$ 50	\$ —
Additions to right of use assets and lease liabilities	\$ 852	\$ —
Purchase of property and equipment included in accounts payable	\$ —	\$ —
Purchase of property and equipment included in accrued expense	\$ 33	\$ 139
Tax liabilities related to withholdings on Common Stock	\$ 145	\$ —
Contingent consideration in connection with acquisitions	\$ 6	\$ —

NON-GAAP FINANCIAL INFORMATION

This press release contains non-GAAP financial measures, including Non-GAAP gross margin, non-GAAP operating loss, non-GAAP net loss, EBITDA and Adjusted EBITDA.

- We define Non-GAAP gross margin as GAAP gross margin excluding the effect of stock-based compensation, amortization of acquired intangible assets, acquisition-related and other transactional charges included in general and administrative expenses and change in fair value of warrant liability
- We define Non-GAAP operating loss as GAAP operating loss excluding the effect of stock-based compensation, amortization of acquired intangible assets, acquisition-related and other transactional charges included in general and administrative expenses and change in fair value of warrant liability
- We define Non-GAAP net loss as GAAP net loss excluding the effect of stock-based compensation, amortization of acquired intangible assets, acquisition-related and other transactional charges included in general and administrative expenses and change in fair value of warrant liability
- We define EBITDA as GAAP net income (loss) excluding interest, income taxes and depreciation and amortization expense
- We define Adjusted EBITDA as EBITDA excluding stock based compensation, warrant expenses and transaction costs associated with acquisitions

In addition to Desktop Metal's results determined in accordance with GAAP, Desktop Metal's management uses this non-GAAP financial information to evaluate the Company's ongoing operations and for internal planning and forecasting purposes. We believe that this non-GAAP financial information, when taken collectively, may be helpful to investors in assessing Desktop Metal's operating performance.

We believe that the use of Non-GAAP gross margin, non-GAAP operating loss, non-GAAP net loss, 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 warrants, and provides investors with a means to compare Desktop Metal's financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, investors should be aware that when evaluating Non-GAAP gross margin, non-GAAP operating loss, non-GAAP net loss, 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 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, Non-GAAP gross margin, non-GAAP operating loss, non-GAAP net loss, 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 Non-GAAP gross margin, non-GAAP operating loss, non-GAAP net loss, EBITDA and Adjusted EBITDA on a supplemental basis. Management uses, and investors should consider, our non-GAAP financial measures only in conjunction with our GAAP results.

Set forth below is a reconciliation of each Non-GAAP financial measure used in this press release to its most directly comparable GAAP financial measure.

DESKTOP METAL, INC. NON-GAAP RECONCILIATION TABLE (in thousands)

(Dollars in thousands)	For the Three Months Ended		For the Six Months Ended	
	June 30,	2020	June 30,	2020
GAAP gross margin	\$ 2,372	\$ (8,289)	\$ 1,785	\$ (11,108)
Stock-based compensation included in cost of sales	128	52	246	152
Amortization of acquired intangible assets included in cost of sales	2,235	—	3,327	—
Non-GAAP gross margin	\$ 4,735	\$ (8,237)	\$ 5,358	\$ (10,956)
GAAP operating loss	\$ (47,715)	\$ (24,037)	\$ (78,455)	\$ (46,315)
Stock-based compensation	3,999	1,074	6,216	2,333
Amortization of acquired intangible assets included in cost of sales	2,235	—	3,327	—
Amortization of acquired intangibles assets	2,033	160	3,241	324
Acquisition-related and other transactional charges included in general and administrative expenses	3,329	—	8,313	—
In-process research and development assets acquired	10,198	—	10,198	—
Non-GAAP operating loss	\$ (25,921)	\$ (22,803)	\$ (47,160)	\$ (43,658)
GAAP net loss	\$ (43,180)	\$ (23,766)	\$ (102,288)	\$ (45,570)
Stock-based compensation	3,999	1,074	6,216	2,333
Amortization of acquired intangible assets included in cost of sales	2,235	—	3,327	—
Amortization of acquired intangibles assets	2,033	160	3,241	324
Acquisition-related and other transactional charges included in general and administrative expenses	3,329	—	8,313	—
In-process research and development assets acquired	10,198	—	10,198	—
Change in fair value of investments	(18)	—	(18)	—
Change in fair value of warrant liability	—	—	56,576	—
Non-GAAP net loss	\$ (21,404)	\$ (22,532)	\$ (14,435)	\$ (42,913)

DESKTOP METAL, INC.
ADJUSTED EBITDA RECONCILIATION TABLE
(in thousands)

(Dollars in thousands)	For the Three Months Ended		For the Six Months Ended	
	June 30,	2020	June 30,	2020
Net loss attributable to common stockholders	\$ (43,180)	\$ (23,766)	\$ (102,288)	\$ (45,570)
Interest (income) expense, net	(140)	(185)	(182)	(663)
Income tax benefit	(4,317)	—	(32,238)	—
Depreciation and amortization	5,679	2,154	9,571	4,475
In-process research and development assets acquired	10,198	—	10,198	—
EBITDA	(31,760)	(21,797)	(114,939)	(41,758)
Change in fair value of warrant liability	—	—	56,576	—
Change in fair value of investments	(18)	—	(18)	—
Stock compensation expense	3,999	1,074	6,216	2,333
Warrant expense	—	87	—	211
Transaction costs associated with acquisitions	3,329	—	8,313	—
Adjusted EBITDA	\$ (24,450)	\$ (20,636)	\$ (43,852)	\$ (39,214)