UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024
OR

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

For the transition period from ____ to ____
Commission File Number: 001-39757

Velo3D, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**98-1556965**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2710 Lakeview Court, Fremont, CA	**94538**
(Address of Principal Executive Offices)	(Zip Code)

(408) 610-3915
Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.00001 per share	VLD	New York Stock Exchange
Warrants to purchase one share of common stock, each at an exercise price of $11.50 per share	VLD WS	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer ☐
Non-accelerated filer	☒	Smaller reporting company ☒
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of May 10, 2024, the registrant had 296,188,417 shares of common stock, $0.00001 per share outstanding.

TABLE OF CONTENTS

Explanatory Note

Unless otherwise stated in this Quarterly Report or the context otherwise requires, references to:

- "*Legacy Velo3D*" refer to Velo3D, Inc., a Delaware corporation, prior to the closing of the Merger;
- "*Merger*" refer to the merger pursuant to that certain Business Combination Agreement, dated as of March 22, 2021, by and among JAWS Spitfire Acquisition Corporation, a Cayman Islands exempted company ("*JAWS Spitfire*"), Legacy Velo3D and Spitfire Merger Sub, Inc., a Delaware corporation ("*Merger Sub*"), as amended by Amendment No. 1 to the Business Combination Agreement, dated as of July 20, 2021 (the "*Business Combination Agreement*"), whereby Merger Sub merged with and into Legacy Velo3D, with Legacy Velo3D surviving the merger as a wholly-owned subsidiary of the Company, on September 29, 2021;
- "*Velo3D*" refer to Velo3D, Inc., a Delaware corporation (f/k/a JAWS Spitfire Acquisition Corporation, prior to its domestication), and its consolidated subsidiaries following the closing of the Merger;
- "*we*," "*us*," and "*our*" or the "*Company*" refer to Velo3D following the closing of the Merger and to Legacy Velo3D prior to the closing of the Merger; and
- "*2023 Form 10-K*" refer to our Annual Report on Form 10-K for the year-ended December 31, 2023, filed with the Securities and Exchange Commission (the "*SEC*") on April 3, 2024.

"*Velo*", "*Velo3D*", "*Sapphire*" and "*Intelligent Fusion*" are registered trademarks of Velo3D, Inc; and "*Without Compromise*", "*Flow*" and "*Assure*" are trademarks of Velo3D, Inc.

Cautionary Note Regarding Forward-looking Statements

Certain statements in this Quarterly Report may constitute "forward-looking statements" for purposes of the federal securities laws. Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "can," "contemplate," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "seek," "should," "target," "will," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Quarterly Report may include, for example, statements about:

- our market opportunity;
- the ability to maintain the listing of our common stock and our public warrants on the New York Stock Exchange (the "NYSE"), and the potential liquidity and trading of such securities;
- our ability to execute our business plan, which may be affected by, among other things, competition and our ability to grow and manage growth profitably, maintain relationships with customers and retain our key employees;
- changes in applicable laws or regulations;
- the inability to develop and maintain effective internal control over financial reporting;
- our ability to service and comply with our indebtedness;
- our ability to raise financing in the future;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors;
- the period over which we anticipate our existing cash and cash equivalents will be sufficient to fund our operating expenses and capital expenditure requirements and our ability to continue as a going concern;

- the potential for our business development efforts to maximize the potential value of our portfolio;
- regulatory developments in the United States and foreign countries;
- the impact of laws and regulations;
- our expectations regarding our strategic realignment and related initiatives;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our financial performance;
- macroeconomic conditions, including economic downturns or recessions, inflation, interest rate fluctuations, supply chain shortages and any lingering effects of the COVID-19 pandemic on the foregoing; and
- other factors detailed under the section entitled “Risk Factors” herein and in Item 1A of our 2023 Form 10-K.

The forward-looking statements contained in this Quarterly Report are based on current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described herein under the section entitled “*Risk Factors*” and in Item 1A of our 2023 Form 10-K. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Some of these risks and uncertainties may in the future be amplified by the impact of other macroeconomic factors and there may be additional risks that we consider immaterial or which are unknown. It is not possible to predict or identify all such risks. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Velo3D, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share and per share data)

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 7,754	$ 24,494
Short-term investments	3,151	6,621
Accounts receivable, net	11,653	9,583
Inventories	62,799	60,816
Contract assets	9,906	7,510
Prepaid expenses and other current assets	3,082	4,000
Total current assets	98,345	113,024
Property and equipment, net	15,253	16,326
Equipment on lease, net	5,482	6,667
Other assets	17,068	17,782
Total assets	$ 136,148	$ 153,799
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 15,595	$ 15,854
Accrued expenses and other current liabilities	6,244	6,491
Debt – current portion	34,300	21,191
Contract liabilities	4,719	5,135
Total current liabilities	60,858	48,671
Long-term debt – less current portion	2,003	11,941
Contingent earnout liabilities	1,893	1,456
Warrant liabilities	14,455	11,835
Other noncurrent liabilities	11,489	11,556
Total liabilities	90,698	85,459
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, $0.00001 par value - 500,000,000 shares authorized at March 31, 2024 and December 31, 2023, 261,704,589 and 258,418,695 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	2	2
Additional paid-in capital	430,843	425,471
Accumulated other comprehensive loss	(44)	(96)
Accumulated deficit	(385,351)	(357,037)
Total stockholders' equity	45,450	68,340
Total liabilities and stockholders' equity	$ 136,148	$ 153,799

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Velo3D, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(In thousands, except share and per share data)

	Three Months Ended March 31,	
	2024	**2023**
Revenue		
3D Printer	$ 7,660	$ 24,448
Recurring payment	470	575
Support services	1,656	1,664
Total Revenue	9,786	26,687
Cost of revenue		
3D Printer	9,394	22,168
Recurring payment	315	447
Support services	2,892	1,540
Total cost of revenue	12,601	24,155
Gross profit (loss)	(2,815)	2,532
Operating expenses		
Research and development	5,043	10,417
Selling and marketing	4,809	6,174
General and administrative	8,783	10,191
Total operating expenses	18,635	26,782
Loss from operations	(21,450)	(24,250)
Interest expense	(3,897)	(220)
Gain (loss) on fair value of warrants	(2,620)	(2,553)
Gain (loss) on fair value of contingent earnout liabilities	(437)	(9,653)
Other income, net	94	351
Loss before provision for income taxes	(28,310)	(36,325)
Provision for income taxes	(4)	—
Net loss	$ (28,314)	$ (36,325)
Net loss per share:		
Basic	$ (0.11)	$ (0.19)
Diluted	$ (0.11)	$ (0.19)
Shares used in computing net loss per share:		
Basic	260,294,161	189,609,021
Diluted	260,294,161	189,609,021
Net loss	$ (28,314)	$ (36,325)
Net unrealized holding gain (loss) on available-for-sale investments	52	288
Total comprehensive loss	$ (28,262)	$ (36,037)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Velo3D, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three months ended March 31,	
	2024	**2023**
Cash flows from operating activities		
Net loss	$ (28,314)	$ (36,325)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	4,567	1,560
Stock-based compensation	5,087	6,236
Loss on fair value of warrants	2,620	2,553
Loss on fair value of contingent earnout liabilities	437	9,653
Changes in assets and liabilities		
Accounts receivable	(2,070)	(5,162)
Inventories	2,645	(1,425)
Contract assets	(2,118)	(1,124)
Prepaid expenses and other current assets	1,078	2,776
Other assets	396	247
Accounts payable	(4,199)	(2,694)
Accrued expenses and other liabilities	(218)	(1,848)
Contract liabilities	(416)	(4,583)
Other noncurrent liabilities	(18)	(698)
Net cash used in operating activities	(20,523)	(30,834)
Cash flows from investing activities		
Purchase of property and equipment	(6)	(403)
Production of equipment for lease to customers	(1)	(135)
Proceeds from maturity of available-for-sale investments	3,500	21,500
Net cash provided by investing activities	3,493	20,962
Cash flows from financing activities		
Proceeds from ATM offering, net of issuance costs	—	10,458
Proceeds from revolver facility	—	5,000
Repayment of equipment loans	—	(734)
Issuance of common stock upon exercise of stock options	285	310
Net cash provided by financing activities	285	15,034
Effect of exchange rate changes on cash and cash equivalents	5	(6)
Net change in cash and cash equivalents	(16,740)	5,156
Cash and cash equivalents and restricted cash at beginning of period	25,294	32,783
Cash and cash equivalents and restricted cash at end of period	$ 8,554	$ 37,939
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 556	$ 220
Supplemental disclosure of non-cash information		
Unpaid liabilities related to property and equipment	(59)	(16)
Equipment for lease to customers returned to inventory	912	—

The following table provides a reconciliation of cash, cash equivalents, and restricted cash shown on the condensed consolidated statements of cash flows:

	March 31, 2024	March 31, 2023
	(In thousands)	
Cash and cash equivalents	$ 7,754	$ 37,139
Restricted cash (Other assets)	800	800
Total cash and cash equivalents and restricted cash	$ 8,554	$ 37,939

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Velo3D, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2022	**187,561,368**	**$ 2**	**$ 361,528**	**$ (837)**	**$ (221,898)**	**$ 138,795**
Issuance of common stock upon exercise of stock options and release of restricted stock units	1,585,950	—	310	—	—	310
Stock-based compensation	—	—	6,236	—	—	6,236
Issuance of common stock warrants in connection with financing	3,332,479	—	10,458	—	—	10,458
Net loss	—	—	—	—	(36,325)	(36,325)
Other comprehensive loss	—	—	—	288	—	288
Balance as of March 31, 2023	**192,479,797**	**$ 2**	**$ 378,532**	**$ (549)**	**$ (258,223)**	**$ 119,762**
Balance as of December 31, 2023	**258,418,695**	**$ 2**	**$ 425,471**	**$ (96)**	**$ (357,037)**	**$ 68,340**
Issuance of common stock upon exercise of stock options and release of restricted stock units	3,285,894	—	285	—	—	285
Stock-based compensation	—	—	5,087	—	—	5,087
Net loss	—	—	—	—	(28,314)	(28,314)
Other comprehensive income	—	—	—	52	—	52
Balance as of March 31, 2024	**261,704,589**	**$ 2**	**$ 430,843**	**$ (44)**	**$ (385,351)**	**$ 45,450**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Velo3D, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Description of Business and Basis of Presentation

Velo3D, Inc., a Delaware corporation ("*Velo3D*"), formerly known as JAWS Spitfire Acquisition Corporation ("*JAWS Spitfire*"), produces metal additive three dimensional printers ("*3D Printers*") which enable the production of components for space rockets, jet engines, fuel delivery systems and other high value metal parts, which it sells or leases to customers for use in their businesses. The Company also provides support services ("*Support Services*") for an incremental fee.

Velo3D's subsidiaries are Velo3D US, Inc., (formerly known as Velo3D, Inc. ("*Legacy Velo3D*"), founded in June 2014 as a Delaware corporation headquartered in Campbell, California), Velo3D, B.V., (a sales and marketing office located in the Netherlands) and Velo3D, GmbH, (a sales and marketing office located in Germany). The first commercially developed 3D Printer was delivered in the fourth quarter of 2018.

On September 29, 2021 (the "*Closing Date*" or the "*Reverse Recapitalization Date*"), JAWS Spitfire completed the previously announced merger with Legacy Velo3D, with Legacy Velo3D surviving as a wholly-owned subsidiary of JAWS Spitfire (the "*Merger*" or the "*Reverse Recapitalization*"). In connection with the Merger, JAWS Spitfire was renamed "Velo3D, Inc.", and Legacy Velo3D was renamed "Velo3D US, Inc."

The shares and Net loss per share attributable to common stockholders, basic and diluted, prior to the Merger, have been retroactively restated as shares reflecting the exchange ratio (the "*Exchange Ratio*") established in the Merger (0.8149 shares of Velo3D common stock for 1 share of Legacy Velo3D common stock, par value $0.00001 (the "*Common Stock*")). All fractional shares were rounded.

Unless otherwise stated herein or unless the context otherwise requires, references in these notes to the "Company" refer to (i) Legacy Velo3D prior to the consummation of the Merger; and (ii) Velo3D and its consolidated subsidiaries following the consummation of the Merger.

Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the requirements of the U.S. Securities and Exchange Commission (the "SEC") for interim financial reporting. Intercompany balances and transactions have been eliminated in consolidation. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. GAAP can be condensed or omitted. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K") and the related notes, which provide a more complete discussion of the Company's accounting policies and certain other information. The condensed consolidated balance sheet as of December 31, 2023 has been derived from the audited financial statements of the Company. These unaudited condensed consolidated financial statements have been prepared on the same basis as the Company's annual financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for the fair statement of the Company's financial information. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2024, or for any other interim period or for any other future year.

Revision of Previously Issued Condensed Consolidated Financial Statements

During the fourth quarter of 2023, the Company identified a formula error and an incorrect hourly rate used in its calculation of variable consideration and the calculation of sales type leases related to revenue for the year ended

December 31, 2022. The Company concluded that the errors were not material, either individually or in the aggregate, to its previously issued consolidated financial statements. Additionally, the Company has revised its previously issued interim condensed consolidated financial statements for the period ended March 31, 2023. Refer to Note 16 for further discussion on the revision of the previously issued condensed consolidated financial statements.

Notice of Delisting

On December 28, 2023, the Company received written notice (the "*Notice*") from the New York Stock Exchange ("*NYSE*") that the Company was not in compliance criteria pursuant to the continued listing standards set forth in Section 802.01C of the NYSE Listed Company Manual because the average closing price of the Common Stock was less than $1.00 per share over a consecutive 30 trading-day period (the "Minimum Share Price Requirement").

Pursuant to Section 802.01C of the NYSE Listed Company Manual, the Company will have until June 28, 2024 to regain compliance with the Minimum Share Price Requirement.

The Notice has no immediate impact on the listing of the Common Stock, which will continue to be listed and traded on the NYSE during the applicable cure period, subject to the Company's compliance with the other continued listing requirements of the NYSE and will not affect the ongoing business operations of the Company or its reporting requirements with the Securities and Exchange Commission. However, failure to satisfy the conditions of the cure period or to maintain other NYSE listing requirements could lead to a delisting.

Going Concern, Financial Condition and Liquidity and Capital Resources

The unaudited condensed consolidated financial statements have been prepared on the basis of continuity of operations, the realization of assets and satisfaction of liabilities in the ordinary course of business. The Company has incurred losses from operations and negative cash flows from operations in every year since inception and expects this to continue for the foreseeable future. As of March 31, 2024, the Company had an accumulated deficit of $385.4 million and cash and investments on hand of approximately $10.9 million.

Management believes that there is a substantial doubt concerning the Company's ability to continue as a going concern. As of the date of the issuance of these financial statements, the Company does not have sufficient liquidity to meet its operating needs and satisfy its obligations for at least 12 months from the date of issuance of the unaudited condensed consolidated financial statements.

On April 1, 2024, the Company entered into a second note amendment (the "Second Note Amendment") to its Secured Notes (as defined below) held with the Investors (as defined below). Pursuant to the Second Note Amendment, the Company agreed and made a cash payment of $5.5 million on April 1, 2024 to redeem approximately $4.2 million of aggregate principal amount of the Notes, together with accrued and unpaid interest, and a cash payment of $5.5 million on April 15, 2024 to repay approximately $4.6 million of principal of the Notes, together with accrued and unpaid interest. In connection with the Second Note Amendment, the Company issued to the Investors warrants to purchase 21,949,079 shares of the Company's common stock that become exercisable 45 days after the original issuance date at an exercise price of $0.4556 per share. The Investors may exercise the Warrants by paying the exercise in cash or by reducing the outstanding principal amount under the Notes by an amount equal to the quotient of (A) the amount of the exercise price divided by (B) 1.20.

On April 10, 2024, the Company sold (such sale and issuance, the "Offering") an aggregate of: (i)34,285,715 shares of common stock and (ii) immediately exercisable warrants to purchase up to 34,285,715 shares of common stock at $0.35 per share. The offering price per share of common stock and accompanying warrant was $0.35 and resulted in gross proceeds to the Company of approximately $12 million. The Company intends to use the net proceeds from the Offering primarily for funding working capital and capital expenditures and other general corporate purposes, including repayment of the Company's Secured Notes. As of May 9, 2024, the Company had approximately $11.1 million in accounts receivable and $5.7 million in cash and investments.

See Note 17, *Subsequent Events* for further information regarding the Second Note Amendment and the Offering.

Further, the Company expects that it will need to engage in additional financings to fund its operations and satisfy its obligations in the near-term, through at-the-market sales under the ATM Agreement or other financings. The Company is in discussions with multiple financing sources to attempt to secure additional financing. There are no assurances that the Company will be able to obtain financing on acceptable terms, or at all, to provide the necessary interim funding to continue its operations and satisfy its obligations for at least 12 months from the date of issuance of the unaudited condensed consolidated financial statements.

In December 2023, the Board of Directors commenced a strategic business review process to explore alternatives in order to maximize stockholder value. Potential strategic alternatives actively being explored or evaluated currently include a potential merger, business combination or sale. There can be no assurance that the Company's strategic review process will result in any transaction or other strategic outcome on acceptable terms, or at all, to provide the necessary funding to continue its operations and satisfy its obligations and if not, the Company may be required to sell assets, liquidate and/or file for bankruptcy. The Company's strategic review remains ongoing, with the Board of Directors in discussions with multiple parties.

The Company's operational priorities include reliability improvements and system uptime for the products previously sold to its key customers. If the Company is unable to maintain system reliability and uptime consistent with the expectations of key customers the Company will not be able to collect outstanding receivables, which a significant portion are currently past due with customers, or variable consideration contingent on the future usage of 3D Printer systems and it will not be able to collect on contractual amounts owed which are contingent upon successful completion of site acceptance tests.

Note 2. Summary of Significant Accounting Policies

For a detailed discussion about the Company's significant accounting policies and for further information on significant accounting updates adopted in the prior year, see Note 2, *Summary of Significant Accounting Policies*, to the audited consolidated financial statements in the 2023 Form 10-K. During the three months ended March 31, 2024, there were no significant updates to the Company's significant accounting policies other than as described below.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), Income Taxes (Topic 740): Improvement to Income Tax Disclosures to enhance the transparency and decision usefulness of income tax disclosures. Two primary enhancements related to this ASU include disaggregating existing income tax disclosures relating to the effective tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. The Company is currently evaluating the impact of this accounting standard update on the Company's condensed consolidated financial statements and related disclosures.

Note 3. Basic and Diluted Net Loss per Share

The following table sets forth the computation of the Company's basic and diluted net loss per share attributable to common stockholders:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(In thousands, except share and per share data)	
Numerator:		
Net loss	$ (28,314)	$ (36,325)
Denominator:		
Weighted average shares outstanding–basic and diluted	260,294,161	189,609,021
Net loss per share–basic and diluted	$ (0.11)	$ (0.19)

The following potentially dilutive shares of common stock equivalents "on an as-converted basis" were excluded from the computation of diluted net loss per share for the periods presented because including them would have had an antidilutive effect:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Common stock options	11,394,757	15,388,946
Common stock warrants	50,945,000	13,145,000
Restricted stock units	18,260,514	12,455,651
Total potentially dilutive common share equivalents	80,600,271	40,989,597

Total potentially dilutive common share equivalents for the three months ended March 31, 2024 and 2023 excludes 21,265,936 and 21,758,148, respectively, shares related to the earnout liability as these shares are contingently issuable upon meeting certain triggering events.

Note 4. Fair Value Measurements

The Company’s assets and liabilities that were measured at fair value on a recurring basis were as follows:

	Fair Value Measured as of March 31, 2024			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets				
Money market funds (i)	$ 6,732	$ —	$ —	$ 6,732
Corporate bonds (ii)	—	3,151	—	3,151
Total financial assets	$ 6,732	$ 3,151	$ —	$ 9,883
Liabilities				
Common stock warrant liabilities (Public Warrants) (iii)	$ 489	$ —	$ —	$ 489
Common stock warrant liabilities (Private Placement Warrants) (iii)	—	—	241	241
Common stock warrant liabilities (2022 Private Warrant) (iii)	—	—	28	28
Common stock warrant liabilities (RDO Warrants) (iii)	—	—	13,053	13,053
Common stock warrant liabilities (Placement Agent Warrants) (iii)	—	—	644	644
Contingent earnout liabilities	—	—	1,893	1,893
Total financial liabilities	$ 489	$ —	$ 15,859	$ 16,348

	Fair Value Measured as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets				
Money market funds (i)	$ 3,422	$ —	$ —	$ 3,422
Corporate bonds (ii)	—	6,621	—	6,621
Total financial assets	$ 3,422	$ 6,621	$ —	$ 10,043
Liabilities				
Common stock warrant liabilities (Public Warrants) (iii)	$ 258	$ —	$ —	$ 258
Common stock warrant liabilities (Private Placement Warrants) (iii)	—	—	127	127
Common stock warrant liabilities (2022 Private Warrant) (iii)	—	—	23	23
Common stock warrant liabilities (RDO Warrants) (iii)	—	—	10,891	10,891
Common stock warrant liabilities (Placement Agent Warrants) (iii)	—	—	536	536
Contingent earnout liabilities	—	—	1,456	1,456
Total financial liabilities	$ 258	$ —	$ 13,033	$ 13,291

(i) Included in cash and cash equivalents on the condensed consolidated balance sheets.
(ii) Included in short-term investments on the condensed consolidated balance sheets.
(iii) Included in warrant liabilities on the condensed consolidated balance sheets.

For more information regarding the Public Warrants, Private Placement Warrants, the 2022 Private Warrant, the RDO Warrants, the Placement Agent Warrants, and the Contingent earnout liabilities, see Note 10, *Equity Instruments.*

The aggregate fair value of the Company's money market funds approximated amortized cost and, as such, there were no unrealized gains or losses on money market funds as of March 31, 2024 and December 31, 2023. Realized gains and losses, net of tax, were not material for any of the periods presented.

The following table presents a summary of the changes in the fair value of the Company's Level 3 financial instruments:

	Private placement warrant liabilities	2022 Private Warrant	Contingent earnout liabilities	RDO Warrants	Placement Agent Warrants
			(In thousands)		
Fair value as of January 1, 2024	$ 127	$ 23	$ 1,456	$ 10,891	$ 536
Change in fair value	114	5	437	2,162	108
Fair value as of March 31, 2024	$ 241	$ 28	$ 1,893	$ 13,053	$ 644

	Private placement warrant liabilities	2022 Private Warrant	Contingent earnout liabilities	RDO Warrants	Placement Agent Warrants
			(In thousands)		
Fair value as of January 1, 2023	888	109	17,414	—	—
Change in fair value	869	37	9,653	—	—
Fair value as of March 31, 2023	$ 1,757	$ 146	$ 27,067	$ —	$ —

The fair value of the private placement warrant liability, the 2022 Private Warrant, Contingent earnout liability, RDO Warrants, and Placement Agent Warrants are based on significant unobservable inputs, which represent Level 3 measurements within the fair value hierarchy.

In determining the fair value of the Private Placement Warrant liability, Contingent earnout liability, and Debt derivatives, the Company used the Monte Carlo simulation model using a distribution of potential outcomes on a weekly basis over the applicable periods that assumes optimal exercise of the Company's redemption option at the earliest possible date (see Note 10, *Equity Instruments).*

In determining the fair value of the 2022 Private Warrant, RDO Warrants, and Placement Agent Warrants, the Company used the Black-Scholes option pricing model to estimate the fair value using unobservable inputs including the expected term, expected volatility, risk-free interest rate and dividend yield (see Note 10, *Equity Instruments*).

Note 5. Investments

Available-for-sale Investments

The following table summarizes the Company's available-for-sale ("AFS") investments. These are classified as "Short-term investments" on the condensed consolidated balance sheets.

	March 31, 2024			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
	(In thousands)			
Corporate bonds	$ 3,195	$ —	$ (44)	$ 3,151
Total available-for-sale investments	$ 3,195	$ —	$ (44)	$ 3,151

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
	(In thousands)			
Corporate bonds	$ 6,717	$ —	$ (96)	$ 6,621
Total available-for-sale investments	$ 6,717	$ —	$ (96)	$ 6,621

The following table presents the breakdown of the AFS investments in an unrealized loss position as of March 31, 2024 and December 31, 2023, respectively.

	March 31, 2024		December 31, 2023	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
	(In thousands)			
Corporate bonds				
Less than 12 months	$ —	$ —	$ —	$ —
12 months or longer	3,151	(44)	6,621	(96)
Total	$ 3,151	$ (44)	$ 6,621	$ (96)

There were no material realized gains or losses on AFS investments during the three months ended March 31, 2024 and March 31, 2023.

All remaining contractual maturities of AFS investments held at March 31, 2024 are as follows:

	Less than 12 months		Greater than 12 months	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
	(In thousands)			
Corporate bonds	$ 3,151	$ (44)	$ —	$ —
Total	$ 3,151	$ (44)	$ —	$ —

Actual maturities may differ from the contractual maturities because the Company may sell these investments prior to their contractual maturities.

Note 6. Balance Sheet Components

Accounts Receivable, Net

Accounts receivable, net consisted of the following:

	March 31, 2024	December 31, 2023
	(In thousands)	
Trade receivables	$ 12,376	$ 10,203
Less: Allowances for credit losses	(723)	(620)
Total	$ 11,653	$ 9,583

Inventories

Inventories consisted of the following:

	March 31, 2024	December 31, 2023
	(In thousands)	
Raw materials	$ 45,634	$ 48,488
Work-in-progress	15,486	9,922
Finished goods	1,679	2,406
Total	$ 62,799	$ 60,816

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	March 31, 2024	December 31, 2023
	(In thousands)	
Prepaid insurance and other	$ 2,922	$ 2,738
Vendor prepayments	160	1,262
Total	$ 3,082	$ 4,000

Property and Equipment, Net

Property and equipment, net consisted of the following:

	March 31, 2024	December 31, 2023
	(In thousands)	
Computers and software	$ 2,526	$ 2,549
Lab equipment and other equipment	8,019	8,075
Furniture and fixtures	206	206
Leasehold improvements	14,471	14,406
Total property, plant and equipment	25,222	25,236
Less accumulated depreciation and amortization	(9,969)	(8,910)
Property, plant and equipment, net	$ 15,253	$ 16,326

Depreciation expense for the three months ended March 31, 2024 and 2023 was $1.1 million and $1.2 million, respectively.

The manufacturing facility operating lease at Campbell (McGlincy) was terminated on March 31, 2023, and is no longer in use. There were no significant asset retirement obligations for McGlincy. The Company's right-of-use assets and lease liabilities related to McGlincy were amortized in full over the life of the lease. Additionally, the Company exited from its two facilities at Campbell (Division) on December 31, 2023, which are no longer in use, however the lease agreement was not terminated.

Other Assets

Other assets consisted of the following:

	March 31, 2024	December 31, 2023
	(In thousands)	
Right of use assets	$ 10,237	$ 10,672
Non-current contract assets	4,839	5,117
Non-current prepaid expenses and other assets	1,992	1,993
Total Other assets	$ 17,068	$ 17,782

Certain balances included in contract assets for prior periods have been reclassified to conform to the current period presentation.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	March 31, 2024	December 31, 2023
	(In thousands)	
Accrued expenses	$ 1,862	$ 1,948
Accrued salaries and benefits	2,263	2,277
Lease liability – current portion	2,119	2,266
Total Accrued expenses and other current liabilities	$ 6,244	$ 6,491

Other Noncurrent Liabilities

Other noncurrent liabilities consisted of the following:

	March 31, 2024	December 31, 2023
	(In thousands)	
Lease liabilities – noncurrent portion	$ 9,779	$ 10,176
Other noncurrent liabilities	1,710	1,380
Total other noncurrent liabilities	$ 11,489	$ 11,556

Note 7. Equipment on Lease, Net

The equipment leased to customers had a cost basis of $6.2 million and accumulated depreciation of $0.7 million as of March 31, 2024. The equipment leased to customers had a cost basis of $7.4 million and accumulated depreciation of $0.8 million as of December 31, 2023.

The total depreciation expense was $0.3 million and $0.3 million included in cost of revenue for the three months ended March 31, 2024 and 2023, respectively.

Lease payments from customers consisted of the following:

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Equipment on lease payments	$ 470	$ 575
Equipment on lease variable payments	—	—
Total lease payments	$ 470	$ 575

Note 8. Leases

The Company leases its office and manufacturing facilities under four non-cancellable operating leases, including options to extend, which expire between 2024 to 2032. The agreements include a provision for renewal at the then prevailing market rate for terms specified in each lease.

As noted above in Note 6, Balance Sheet Components, the manufacturing facility operating lease at Campbell (McGlincy) was terminated on March 31, 2023, and is no longer in use. The Company's right-of-use assets and lease liabilities related to McGlincy were amortized in full over the life of the lease. Additionally, the Company exited from its two facilities at Campbell (Division) on December 31, 2023, which are no longer in use, however the lease agreement has not been terminated as of March 31, 2024.

Total right-of-use ("ROU") assets and lease liabilities are as follows:

	March 31, 2024	December 31, 2023
	(In thousands)	
Right-of-use assets:		
Net book value (Other assets)	$ 10,237	$ 10,672
Operating lease liabilities:		
Current (Accrued expense and other current liabilities)	$ 1,986	$ 2,153
Noncurrent (Other noncurrent liabilities)	9,558	9,973
	11,544	12,126
Financing lease liabilities:		
Current (Accrued expense and other current liabilities)	$ 133	$ 113
Noncurrent (Other noncurrent liabilities)	221	203
	$ 354	$ 316
Total lease liabilities	$ 11,898	$ 12,442

There were no impairments recorded related to these assets as of March 31, 2024 and December 31, 2023.

Information about lease-related balances were as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(In thousands, except years and percentages)	
Operating lease expense	$ 733	$ 764
Financing lease expense	49	9
Short-term lease expense	68	84
Total lease expense	$ 850	$ 857
Cash paid for leases	$ 746	$ 706
Weighted – average remaining lease term – operating leases (years)	7.6	3.8
Weighted – average discount rate – operating leases	8.9%	8.7%

Maturity of operating lease liabilities as of March 31, 2024 are as follows:

	(In thousands)
Remainder of 2024	$ 2,091
2025	2,390
2026	2,430
2027	2,400
2028	2,490
Thereafter	8,779
Total operating lease payments	$ 20,580
Less portion representing imputed interest	(9,036)
Total operating lease liabilities	$ 11,544
Less current portion	1,986
Long-term portion	$ 9,558

Note 9. Long-Term Debt

Long-term debt consisted of the following:

	March 31, 2024	December 31, 2023
	(In thousands)	
Secured notes	$ 36,791	$ 33,516
Deferred financing costs	(488)	(384)
Total	$ 36,303	$ 33,132
Debt – current portion	34,300	21,191
Long-term debt – less current portion	$ 2,003	$ 11,941

The Company’s debt consists of Secured Notes entered into with High Trail Investments ON LLC and an affiliated institutional investor (together, the "Investors"). The Secured Notes contain customary affirmative and negative covenants (including covenants that limit the Company’s ability to incur debt, make investments, transfer assets, engage in certain transactions with affiliates and merge with other companies). For a full description of the debt arrangement, see Note 9, *Long-Term Debt*, in the audited consolidated financial statements included in the 2023 Form 10-K.

On April 1, 2024, the Company entered into the Second Note Amendment, to its Secured Notes with the Investors. For further information on the Second Note Amendment, see Note 17, *Subsequent Events*.

Secured Notes —

The Secured Notes bear interest at6.00% per annum, payable quarterly in cash on January 1, April 1, July 1 and October 1 of each year, commencing on January 1, 2024, and will mature on August 1, 2026. When the Company repays principal on the Secured Notes pursuant to the terms of the Secured Notes, it will be required to pay 120% of the principal amount repaid (the “Repayment Price”) plus accrued and unpaid interest.

On the first day of each three-month period beginning on April 1, 2024 (a “Partial Redemption Date”), the Company will redeem a portion of the principal amount of the Secured Notes at the Repayment Price plus accrued and unpaid interest, unless the Investors cancel such redemption. The aggregate principal amount of the Secured

Notes that will be redeemable on a Partial Redemption Date will be $8,750,000 for a Repayment Price of $10,500,000.

The Secured Notes include terms that provide the Investors seniority over other unsecured obligations in any settlement negotiations in the event of liquidation. Additionally, the Secured Notes contain redemption features in the event of default or a fundamental change in control that would make the Secured Notes immediately callable at a predetermined rate as described in the Secured Notes. The redemption features are settled in cash. As of March 31, 2024, the Company has not included the effect of an event of default or the effect of a fundamental change in control in the valuation of the Secured Notes, as the Company believes the likelihood of these occurring to be remote. The Company will continue to monitor the likelihood of these events in future reporting periods.

The Company incurred deferred financing costs of $0.4 million related to the Secured Notes, which were capitalized upon issuance and are being accreted over the term of the Secured Notes using the effective interest rate method with $0.1 million amortized to interest expense for the three months ended March 31, 2024. As of March 31, 2024, the remaining unamortized balance of deferred financing costs was $0.3 million and were included in Debt — current portion on the balance sheets.

Additionally, the Company is accreting discounts of $11.5 million and capitalizing to the carrying value of the Secured Notes over the term of the Secured Notes using the effective interest rate method with $3.1 million amortized to interest expense for the three months ended March 31, 2024. As of March 31, 2024, the unamortized discount was $7.2 million, which includes the difference between the principal and the Repayment Price, and capitalized deferred financing costs. For the three months ended March 31, 2024, the Company incurred and paid $0.6 million in interest expense related to the Secured Notes. The effective interest rate was 45.1% for the three months ended March 31, 2024.

The future minimum aggregate payments for the above borrowings are equal to the quarterly payments made using the Repayment Price, are as follows as of March 31, 2024:

	(In thousands)
2024	$ 42,000
2025	2,000
	$ 44,000

Note 10. Equity Instruments

Common stock

The total amount of our authorized share capital consists of 500,000,000 shares of common stock, par value $0.00001 per share, and 10,000,000 shares of preferred stock, par value $0.00001 per share. As of March 31, 2024, we had 261,704,589 shares of common stock outstanding. The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders but are not entitled to cumulative voting rights, are entitled to receive ratably such dividends as may be declared by the Company's Board of Directors out of funds legally available therefor subject to preferences that may be applicable to any shares of redeemable convertible preferred stock currently outstanding or issued in the future, are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any then outstanding redeemable convertible preferred stock in the event of the Company's liquidation, dissolution, or winding up, have no preemptive rights and no right to convert their common stock into any other securities, and have no redemption or sinking fund provisions applicable to the common stock.

Common Stock Reserved for Future Issuance

Shares of common stock reserved for future issuance on an “as if converted” basis were as follows:

	March 31, 2024	December 31, 2023
	(share data)	
Common stock warrants	50,945,000	50,945,000
Shares available for future grant under 2021 Equity Incentive Plan	29,230,966	16,041,013
Reserved for At-the-Market offering	2,825,941	2,825,941
Reserved for employee stock purchase plan	9,955,400	7,371,214
Total shares of common stock reserved	**92,957,307**	**77,183,168**

In February 2023, the Company entered into a sales agreement (the "ATM Sales Agreement") with Needham & Company, LLC ("Needham"), as agent, pursuant to which the Company may offer and sell, from time to time through Needham, up to $40.0 million shares of its common stock pursuant to a shelf registration statement on Form S-3 (the "Shelf Registration Statement") and the related prospectus supplement and accompanying base prospectus, and in connection therewith, the Company reserved 20,000,000 shares of common stock for issuance under the ATM Sales Agreement. On January 31, 2024, the Company filed an amendment to the prospectus supplement increasing the aggregate dollar amount of shares available to be sold from time to time pursuant to the ATM Sales Agreement to $75 million. During the three months ended March 31, 2024, the Company sold no shares pursuant to the ATM sales agreement.

Effective January 1, 2024, pursuant to the evergreen provisions of the Company’s 2021 Equity Incentive Plan (the “2021 EIP”), the Company added an additional 12,920,934 shares of common stock for issuance under the 2021 EIP and2,584,186 shares of common stock for issuance under the 2021 ESPP.

The shares available for future grant under the 2021 EIP are net of any un-exercised stock options (vested and unvested) and unvested restricted stock units (“RSUs”) outstanding that may convert to common stock in the future upon exercise or vesting as of March 31, 2024 and December 31, 2023.

Common Stock Warrant Liabilities

50,945,000 warrants to purchase an equal number of shares of common stock of were exercisable as of March 31, 2024 and December 31, 2023. The Private Placement Warrants, the 2022 Private Warrant, the RDO Warrants, the Placement Agent Warrants, and the Public Warrants to purchase shares of common stock (each as defined below) are liability classified and recorded at fair value on the issue date with periodic remeasurement. Warrants for shares of common stock consisted of the following:

	March 31, 2024 and December 31, 2023				
	Issue Date	Expiration Date	Number of Warrants	Exercise Price per warrant	Fair Value on Issue Date per warrant
Private placement warrants - Common Stock	12/02/2020	09/29/2026	4,450,000	$11.50	$2.00
2022 Private Warrant – Common Stock	07/25/2022	07/24/2034	70,000	$2.56	$2.43
Public warrants – Common Stock	12/02/2020	09/29/2026	8,625,000	$11.50	$3.30
RDO Warrants - Common Stock	12/29/2023	12/29/2028	36,000,000	$0.57	$0.30
Placement Agent Warrants - Common Stock	12/29/2023	12/29/2028	1,800,000	$0.62	$0.30
			50,945,000		

Warrant Liabilities – Fair Value

The issuance of the Private Placement Warrant and Public Warrant liabilities were accounted for as a reverse recapitalization. The 2022 Private Warrant was issued in connection with the Company's entry into the joinder and fourth loan modification with SVB. See Note 9, *Long-Term Debt,* in the consolidated financial statements included in the 2023 Form 10-K. The liability for warrants on common stock carried at fair value was as follows:

	Fair Value on December 31, 2023	Gain (loss) on fair value of warrants	Fair Value on March 31, 2024
		(In thousands)	
Private placement warrants – Common Stock	$ 127	$ 114	$ 241
2022 Private Warrant – Common Stock	23	5	28
Public warrants – Common Stock	258	231	489
RDO Warrants - Common Stock	10,891	2,162	13,053
Placement Agent Warrants - Common Stock	536	108	644
	$ 11,835	$ 2,620	$ 14,455

The liabilities associated with the Private Placement Warrants, 2022 Private Warrant, RDO Warrants, and Placement Agent Warrants were subject to remeasurement at each balance sheet date using the Level 3 fair value inputs and the Public Warrants were subject to remeasurement at each balance sheet date using Level 1 fair value inputs for the three months ended March 31, 2024 and March 31, 2023.

Each Private Placement Warrant is exercisable to purchase one share of common stock at a price of $11.50 per share. Subject to certain exceptions, the Private Placement Warrants have terms and provisions that are identical to those of the Public Warrants. The 2022 Private Warrant is exercisable to purchase one share of common stock at a price of $2.56 per share and allows cashless exercise in whole or part. The Public Warrants may only be exercised for a whole number of shares. The Public Warrants became exercisable on December 7, 2021. The RDO Warrants are exercisable to purchase one share of common stock at a price of $0.57 per warrant share. The Placement Agent Warrants are exercisable to purchase one share of common stock at a price of $0.62 per warrant share . The RDO Warrants and Placement Agent Warrants are exercisable until December 29, 2028 and allows cashless exercise in whole or part.

Private Placement Warrant – Fair Value Assumptions

The fair value assumptions used in the Monte Carlo simulation model for the recurring valuation of the private placement common stock warrant liability were as follows:

	As of March 31, 2024	As of December 31, 2023
Current stock price	$ 0.46	$ 0.40
Expected volatility	115.0 %	105.0 %
Risk-free interest rate	4.5 %	4.1 %
Dividend rate	— %	— %
Expected Term (years)	2.50	2.75

Expected volatility: The volatility is determined iteratively, such that the concluded value of the Public Warrant is equal to the traded price.

Risk-free interest rate: The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities corresponding to the expected term of the common stock warrants.

Expected dividend yield: The expected dividend rate is zero as the Company currently has no history or expectation of declaring dividends on its common stock.

Expected term: The expected term represents the period that the warrants are expected to be outstanding and is determined using the simplified method, which deems the term to be the average of the time to vesting and the contractual life of the common stock warrants.

2022 Private Warrant, RDO Warrants, Placement Agent Warrants - Fair Value Assumptions

The fair value assumptions used in the Black-Scholes simulation model for the recurring valuation of the 2022 Private Warrant, the RDO Warrants, and the Placement Agent Warrants liabilities were as follows:

	As of March 31, 2024	As of December 31, 2023
Current stock price	$ 0.46	$0.40
Expected volatility	114.7 %	108.3%
Risk-free interest rate	4.2% - 5.4%	3.8% - 3.9%
Dividend rate	— %	—%
Expected Term (years)	4.75 - 10.32	5 - 10.57

Expected volatility: The expected volatility was derived from the implied volatility of the Company’s publicly traded common stock.

Risk-free interest rate: The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities corresponding to the expected term of the common stock warrants.

Expected dividend yield: The expected dividend rate is zero as the Company currently has no history or expectation of declaring dividends on its common stock.

Expected term: The expected term represents the period that the warrant is expected to be outstanding and is determined using the simplified method, which deems the term to be the average of the time to vesting and the contractual life of the warrant.

Contingent Earnout Liabilities

The contingent earnout liability is for Earnout Shares (as defined below) for pre-closing Legacy Velo3D equity holders ("Eligible Legacy Velo3D Equityholders"). During the time period between September 29, 2021 (the "Closing Date") and the five-year anniversary of the Closing Date, Eligible Legacy Velo3D Equityholders may receive up to 21,758,148 shares of common stock (the "Earnout Shares"), which is based on two tranches of10,879,074 per tranche. The Earnout Shares issuable to holders of employee stock options are accounted as stock-based compensation expense as they are subject to forfeiture based on the satisfaction of certain employment conditions. See Note 11, *Equity Incentive Plans & Stock Based Compensation*, for further discussion.

The rollforward for the contingent earnout liabilities for the three months ended March 31, 2024 and 2023, was as follows:

	March 31,	
	2024	2023
	(In thousands)	
Beginning Balance	$ 1,456	$ 17,414
Gain on fair value of contingent earnout liabilities	$ 437	$ 9,653
Ending Balance	$ 1,893	$ 27,067

Fair Value Assumptions – Contingent Earnout Liabilities

Assumptions used in the fair value of the contingent earnout liabilities are described below.

	As of March 31, 2024	As of December 31, 2023
Current stock price	$0.46	$0.40
Expected volatility	115.0%	105.0%
Risk-free interest rate	4.5%	4.1%
Dividend yield	—%	—%
Expected Term (years)	2.50	2.75

Expected volatility: The expected volatility was derived from the implied volatility of the Company's publicly traded common stock.

Risk-free interest rate: The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities corresponding to the expected term of the Earnout Shares.

Expected dividend yield: The expected dividend rate is zero as the Company currently has no history or expectation of declaring dividends on its common stock.

Expected term: The expected term represents the period that the Company's stock-based awards are expected to be outstanding and is determined using the simplified method, which deems the term to be the average of the time to vesting and the contractual life of the Earnout Shares.

Note 11. Equity Incentive Plans and Stock-Based Compensation

As of March 31, 2024, the Company had a remaining allocated reserve of29,230,966 shares of its common stock for issuance under its 2021 Equity Incentive Plan (the "2021 EIP"), which provides for the granting of stock options, restricted stock units ("RSUs") and stock appreciation rights to employees, directors, and consultants of the Company. As of March 31, 2024, the Company had an allocated reserve of 9,955,400 shares of its common stock for issuance under its 2021 Employee Stock Purchase Plan ("2021 ESPP"). As of March 31, 2024, the Company had not begun any offering periods for the 2021 ESPP.

Stock options

Activity under the 2021 EIP is set forth below:

	Options		Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term in years
	(In thousands)		(Per share data)	(Years)
Outstanding as of December 31, 2022	16,960	$	0.54	7.3
Granted	—	$	—	
Exercised	(1,186)	$	0.26	
Forfeited or expired	(385)	$	0.63	
Outstanding as of March 31, 2023	15,389	$	0.56	7.0
Options vested and expected to vest as of March 31, 2023	15,389	$	0.56	
Vested and exercisable as of March 31, 2023	10,800	$	0.67	
Outstanding as of December 31, 2023	13,152	$	0.61	6.2
Granted	—	$	—	
Exercised	(1,614)	$	0.18	
Forfeited or expired	(144)	$	0.81	
Outstanding as of March 31, 2024	11,394	$	0.67	5.9
Options vested and expected to vest as of March 31, 2024	11,394	$	0.67	
Vested and exercisable as of March 31, 2024	10,897	$	0.68	

The aggregate intrinsic value of options outstanding was $2.4 million and $2.3 million, respectively, as of March 31, 2024 and December 31, 2023. Intrinsic value of options exercised for the three months ended March 31, 2024 and 2023 was $0.2 million and $3.5 million, respectively. The total grant date fair value of options vested was $0.1 million and $0.3 million for the three months ended March 31, 2024 and 2023, respectively.

As of March 31, 2024, total unrecognized compensation cost related to options was $0.1 million related to 0.5 million unvested options and is expected to be recognized over a weighted-average period of 0.8 years.

For the three months ended March 31, 2024, there wereno options granted.

Restricted Stock Units

The fair value of RSUs under the Company's 2021 EIP is estimated using the value of the Company's common stock on the date of grant.

The following table summarizes outstanding and expected to vest RSUs as of March 31, 2024 and 2023 and their activity during the three months ended March 31, 2024 and 2023:

	Number of Shares	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
	(In thousands)	(Per share data)	(In thousands)
Balance as of December 31, 2022	9,623	$ 4.47	$ 17,225
Granted	4,180	2.11	8,819
Released	(400)	5.55	1,300
Cancelled	(948)	4.37	2,520
Balance as of March 31, 2023	12,455	$ 3.65	$ 28,274
Expected to vest as of March 31, 2023	12,455	$ 3.65	$ 28,274
Balance as of December 31, 2023	20,066	$ 1.94	$ 7,978
Granted	1,133	0.35	393
Released	(1,668)	2.41	444
Cancelled	(1,271)	1.92	480
Balance as of March 31, 2024	18,260	$ 1.80	$ 8,319
Expected to vest as of March 31, 2024	18,260	$ 1.80	$ 8,319

The aggregate intrinsic value of outstanding RSUs is calculated based on the closing price of the Company's common stock as of the date outstanding. As of March 31, 2024, there was $29.9 million of unrecognized compensation cost related to 18.3 million unvested RSUs, which is expected to be recognized over a weighted average period of approximately 2.9 years. As of March 31, 2023, there was $40.9 million of unrecognized compensation cost related to 12.5 million unvested RSUs, which is expected to be recognized over a weighted average period of approximately 2.9 years.

Earnout Shares—Employees

The Earnout Shares issuable to holders of employee stock options are accounted as stock-based compensation expense as they are subject to forfeiture based on the satisfaction of certain employment conditions. The estimated fair values of the Earnout Shares associated with vested stock options are recognized as an expense and determined by the Monte Carlo simulation valuation model using a distribution of potential outcomes on a monthly basis over the five-year earnout period. The portion of the Earnout Shares associated with unvested stock options are recognized as an expense and considers the vesting continuing employment requirements.

Stock-based Compensation Expense

The following sets forth the total stock-based compensation expense by type of award included in operating expenses on the statements of operations:

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Restricted stock units	$ 3,829	$ 4,058
Stock options	60	750
Earnout shares–employees	1,198	1,428
	$ 5,087	$ 6,236

The following sets forth the total stock-based compensation expense for the stock options, RSUs, and earnout shares - employees included in cost of revenue and operating expenses on the statements of operations:

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Cost of 3D Printer	$ 389	$ 194
Cost of Support services	195	72
Research and development	1,550	2,803
Selling and marketing	1,054	1,495
General and administrative	1,899	1,672
	$ 5,087	$ 6,236

Note 12. Income Taxes

The income tax provision is calculated for an interim period by distinguishing between elements recognized in the income tax provision through applying an estimated annual effective tax rate (the "ETR") to a measure of year-to-date operating results referred to as "ordinary income (or loss)," and discretely recognizing specific events referred to as "discrete items" as they occur. The income tax provision or benefit for each interim period is the difference between the year-to-date amount for the current period and the year-to date amount for the period prior. Under ASC 740-270-30-36, entities subject to income taxes in multiple jurisdictions should apply one overall ETR instead of separate ETRs for each jurisdiction when calculating the interim-period income tax or benefit related to ordinary income (or loss) for the year-to-date interim period, except in certain circumstances. The Company's effective tax rates for the three and three months ended March 31, 2024 and 2023 differ from the federal statutory rate principally as a result of valuation allowances expected to be applied to net operating loss carry-forwards which will not meet the threshold for recognition as deferred tax assets.

Note 13. Commitments and Contingencies

The Company may be involved in various lawsuits, claims, and proceedings, including intellectual property, commercial, securities, and employment matters that arise in the normal course of business. The Company accrues a liability when management believes information available prior to the issuance of the condensed consolidated financial statements indicates it is probable a loss has been incurred as of the date of the condensed consolidated financial statements and the amount of loss can be reasonably estimated. The Company adjusts its accruals to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Legal costs are expensed as incurred. As of March 31, 2024 , the Company is not aware of any litigation, claim or assessment in which the outcome, individually or in the aggregate, would have a material adverse effect on its financial positions, results of operations, cash flows or future earnings.

The Company's purchase obligations per terms and conditions with suppliers and vendors are cancellable in whole or in part prior to shipment. Non-cancellable purchase commitments (purchase orders) of $21.5 million for parts and assemblies are due upon receipts and will primarily be delivered throughout 2024. If inventory is shipped, the Company will accrue a liability under accrued expenses. The Company has no other commitment and contingencies, except for the operating leases. See Note 8, *Leases*, for further discussion.

Note 14. Employee Defined-Contribution Plans

The Company has a defined-contribution plan intended to qualify under Section 401 of the Internal Revenue Code (the "401(k) Plan"). The Company contracted with a third-party provider to act as a custodian and trustee, and to process and maintain the records of participant data. Substantially all of the expenses incurred for administering the 401(k) Plan are paid by the Company. Accrued salaries and benefits included accruals related to the 401(k) plans the Company offers to its employees. In order to qualify for these plans, employees must meet the minimum age requirement (21 years) and begin participating on their entry date which is the first paycheck date in the month following the month of eligibility described above. Employee and employer contributions are immediately 100% fully vested. The plans offer employer contributions of3.0% of an employee's eligible compensation following safe-harbor rules. The Company's contribution to the 401(k) plan was $0.3 million and $0.4 million for the three months ended March 31, 2024 and 2023, respectively. The Company has paid all matching contributions as of March 31, 2024.

Note 15. Revenue

Customer Concentration

The customer concentration for balances greater than 10% of revenues and 10% of accounts receivables, net, respectively, are presented below:

	Total Revenue		Accounts Receivable, Net	
	Three Months Ended March 31,		March 31,	December 31,
	2024	2023	2024	2023
	(as a percentage)			
Customer 1	26.8 %	— %	<10 %	— %
Customer 2	13.5 %	16.6 %	<10 %	<10 %
Customer 3	<10 %	17.6 %	<10 %	<10 %
Customer 4	<10 %	10.7 %	— %	— %
Customer 5	<10 %	10.6 %	<10 %	<10 %
Customer 6	— %	10.6 %	<10 %	<10 %

Revenue by Geographic Area

The Company currently sells its products in the geographic regions as follows:

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Americas	$ 9,373	$ 22,163
Europe	325	4,425
Other	88	99
Total	$ 9,786	$ 26,687

Contract Assets and Liabilities

There was $0.9 million of revenue recognized during the three months ended March 31, 2024, included in contract liabilities as of December 31, 2023. The amount of revenue recognized during the three months ended March 31, 2023 included in contract liabilities as of December 31, 2022 was $0.9 million. The change in contract assets reflects the difference in timing between the Company's satisfaction of remaining performance obligations and the Company's contractual right to bill its customers. The Company had no material asset impairment charges related to contract assets in the periods presented.

Variable Consideration

The Company estimates its variable consideration on a quarterly basis based on the latest data available, and adjust the transaction price accordingly by recording an adjustment to net revenue and contract assets. The Company has recognized the estimate of variable consideration to the extent that it is probable that a significant reversal will not occur as a result from a change in estimation. There was no revenue related to variable consideration during the three months ended March 31, 2024 and 2023.

Note 16. Revision of Previously Issued Condensed Consolidated Financial Statements

As discussed in Note 1, during the fourth quarter of 2023, the Company identified errors related to revenue, other assets and contract assets which also impacted the interim periods in 2023 as originally presented in the Company's quarterly reports on Form 10-Q. Additionally, the Company has made adjustments to correct for other previously identified immaterial errors including the classification of stock-based compensation as cost of revenue for the three months ended March 31, 2023. The Company concluded that these errors were not material, either individually or in the aggregate, to its previously issued interim condensed consolidated financial statements. There were no changes to previously issued total cash flows generated from (used by) operating, investing, or financing activities for any of the impacted periods. The Company revised the Condensed Consolidated Statements of Operations and Comprehensive Income for the three months ended March 31, 2023 to reflect the corrections of these immaterial errors presented in this Quarterly Report.

The impact of the revision is as follows:

	For the Three Months Ended March 31, 2023		
	As Previously Reported	Adjustment	As Revised
Revenue			
3D Printer	$ 24,575	$ (127)	$ 24,448
Recurring payment	575	—	575
Support services	1,664	—	1,664
Total Revenue	26,814	(127)	26,687
Cost of revenue			
3D Printer	21,974	194	22,168
Recurring payment	447	—	447
Support services	1,468	72	1,540
Total cost of revenue	23,889	266	24,155
Gross profit	2,925	(393)	2,532
Operating expenses			
Research and development	10,547	(130)	10,417
Selling and marketing	6,174	—	6,174
General and administrative	10,327	(136)	10,191
Total operating expenses	27,048	(266)	26,782
Loss from operations	(24,123)	(127)	(24,250)
Interest expense	(220)	—	(220)
Gain (loss) on fair value of warrants	(2,553)	—	(2,553)
Gain (loss) on fair value of contingent earnout liabilities	(9,653)	—	(9,653)
Other income, net	351	—	351
Gain (loss) before provision for income taxes	(36,198)	(127)	(36,325)
Provision for income taxes	—	—	—
Net income (loss)	(36,198)	(127)	(36,325)
Net income (loss) per share:			
Basic	$ (0.19)	$ —	$ (0.19)
Diluted	$ (0.19)	$ —	$ (0.19)
Shares used in computing net income (loss) per share:			
Basic	189,609,021	—	189,609,021
Diluted	189,609,021	—	189,609,021
Net income (loss)	$ (36,198)	$ (127)	$ (36,325)
Net unrealized holding gain (loss) on available-for-sale investments	288	—	288
Total comprehensive income (loss)	$ (35,910)	$ (127)	$ (36,037)

Note 17. Subsequent Events

Second Amendment to Notes

On April 1, 2024, the Company entered into the Second Note Amendment. Pursuant to the Second Note Amendment, the Company agreed to (A) make a cash payment of $5.5 million on April 1, 2024 to redeem approximately $4.2 million of aggregate principal amount of the Secured Notes, together with accrued and unpaid interest, and (B) a cash payment of $5.5 million on April 15, 2024 to repay approximately $4.6 million of principal of the Secured Notes, together with accrued and unpaid interest.

In connection with the Second Note Amendment, on April 1, 2024, the Company also entered into a letter agreement (the “Letter Agreement”) with the Investors pursuant to which the Company issued to the Investors warrants (the “2024 Private Warrants”) to purchase up to an aggregate of 21,949,079 shares of Common Stock. The 2024 Private Warrants will become exercisable 45 days after the original issuance date (the “Initial Exercise Date”), will be exercisable at an exercise price of $0.4556 per share and will expire on the one year anniversary of the later of (i) the Initial Exercise Date and (ii) the date on which the Resale Registration Statement (as defined in the Letter Agreement) is declared effective by the SEC. The Investors may exercise the 2024 Private Warrants by paying the exercise in cash or by reducing the outstanding principal amount under the Secured Notes by an amount equal to the quotient of (A) the amount of the exercise price divided by (B) 1.20. The 2024 Private Warrants may also be exercised on a cashless basis under certain circumstances.

Securities Purchase Agreement

On April 10, 2024, the “Company entered into securities purchase agreements (the “Purchase Agreements”) with certain investors (collectively, the “Purchasers”). The Purchase Agreements relate to the sale and issuance, on a reasonable best efforts basis (such sale and issuance, the “Offering”), by the Company of an aggregate of: (i) 34,285,715 shares of the Company’s common stock and (ii) warrants to purchase up to34,285,715 shares of common stock (the “warrants”). The offering price per share of common stock and accompanying warrant is $0.35.

The warrants are immediately exercisable at an exercise price of $0.35 per share and will expire on the 5 year anniversary of the date of issuance.

The closing of the Offering resulted in gross proceeds to the Company of approximately $12 million. The Company used the net proceeds from the Offering primarily for funding working capital and capital expenditures and other general corporate purposes, including repayment of the Company’s senior secured notes due 2026.

The Purchase Agreements contain customary representations, warranties and agreements by the Company, customary conditions to closing, indemnification obligations of the Company, other obligations of the parties, and termination provisions. In the Purchase Agreements, the Company has agreed not to issue, enter into any agreement to issue or announce the issuance or proposed issuance of, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock or file any registration statement or prospectus, or any amendment or supplement thereto for 60 days after the closing date of the Offering, subject to certain exceptions. In addition, the Company has agreed not to effect or enter into an agreement to effect any issuance of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock involving a variable rate transaction (as defined in the Purchase Agreements) until 180 days after the closing date of the Offering, subject to certain exceptions. Additionally, each of the directors and officers of the Company, pursuant to lock-up agreements, agreed not to sell or transfer any of the Company securities which they hold, subject to certain exceptions, during the 90-day period following the closing of the Offering.

In connection with the Offering, on April 10, 2024, the Company entered into a placement agency agreement (the “Placement Agency Agreement”) with A.G.P./Alliance Global Partners (the “Placement Agent”). Pursuant to the terms of the Placement Agency Agreement, the Placement Agent agreed to arrange for the sale of the shares of common stock and the warrants. The Company paid the Placement Agent a cash fee equal to 7.0% of the aggregate purchase price paid by any and all Purchasers in connection with sales and will reimburse the Placement Agent for certain of its expenses in an aggregate amount up to $150,000. In addition, the Placement Agent will receive warrants (the "Placement Agent warrants") to purchase such number of shares of common stock equal to 5.0% of the aggregate number of shares of common stock sold in the Offering, or an aggregate of1,714,286 shares of common stock. The Placement Agent warrants will be exercisable immediately upon issuance and will have substantially the same terms as the warrants, except that the Placement Agent warrants will have an exercise price of $0.385 per share (representing 110% of the offering price per share of common stock and accompanying warrant) and will expire five years from the commencement of the sales pursuant to the Offering.

The Placement Agency Agreement contains customary representations, warranties and agreements by the Company, customary conditions to closing, indemnification obligations of the Company, including for liabilities under the Securities Act of 1933, as amended (the "Securities Act"), other obligations of the parties, and termination provisions.

The common stock and warrants were offered by the Company pursuant to the Company's Registration Statement on Form S-3 (Registration Statement No. 333-268346) (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") under the Securities Act on November 14, 2022 and declared effective by the Commission on November 21, 2022, including the prospectus supplement filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act dated April 10, 2024 to the prospectus contained in the Registration Statement dated November 21, 2022.

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

The following discussion and analysis provides information which our management believes is relevant to an assessment and understanding of our results of operations and financial condition. This discussion should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023 and our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report. This discussion contains forward-looking statements based upon our current expectations, estimates and projections, and involves numerous risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements due to, among other considerations, the matters discussed in the sections titled “Risk Factors” and “Forward-looking Statements” herein. During the year ended December 31, 2023, we identified immaterial errors in our previously issued financial statements. We have corrected the amounts as presented in this Item 7 accordingly. Refer to Notes 1 and 16 to the condensed consolidated financial statements included in Part 1 of this Quarterly Report on Form 10-Q for additional information.

Overview

We seek to fulfill the promise of additive manufacturing, also referred to as 3D printing ("*AM*"), to deliver breakthroughs in performance, cost, and lead time in the production of high-value metal parts.

We produce a fully integrated hardware and software solution based on our proprietary laser powder bed fusion ("*L-PBF*") technology, which greatly reduces and often eliminates the need for support structures. Our technology enables the production of highly complex, mission-critical parts that existing AM solutions cannot produce without the need for redesign or additional assembly.

Our Sapphire Family of Printers give our customers who are in space, aviation, defense, automotive, energy and industrial markets the freedom to design and produce metal parts with complex internal features and geometries that had previously been considered impossible for AM. We believe our technology is years ahead of competitors.

Our technology is novel compared to other AM technologies based on its ability to deliver high-value metal parts that have complex internal channels, structures, and geometries. This affords a wide breadth of design freedom for creating new metal parts and it enables replication of existing parts without the need to redesign the part to be manufacturable with AM. Because of these features, we believe our technology and product capabilities are highly valued by our customers. Our customers are primarily original equipment manufacturers ("*OEMs*") and contract manufacturers ("*CMs*") who look to AM to solve issues with traditional metal parts manufacturing technologies. Those traditional manufacturing technologies rely on processes, including casting, stamping and forging, that typically require high volumes to drive competitive costs and have long lead times for production. Our customers look to AM solutions to produce assemblies that are lighter, stronger, and more reliable than those manufactured with traditional technologies. Our customers also expect AM solutions to drive lower costs for low-volume parts and substantially shorter lead times. However, many of our customers have found that other legacy AM technologies failed to produce the required designs for the high-value metal parts and assemblies that our customers wanted to produce with AM. As a result, other AM solutions often require that parts be redesigned so that they can be produced and frequently incur performance losses for high-value applications.

In contrast, our technology can deliver complex high value metal parts with the design advantages, lower costs and faster lead times associated with AM, and generally avoids the need to redesign the parts. As a result, our customers have increasingly adopted our technology into their design and production processes. We believe our value is reflected in our sales patterns, as most customers purchase a single machine to validate our technology and purchase additional systems over time as they embed our technology in their product roadmap and manufacturing infrastructure. We consider this approach a “land and expand” strategy, oriented around a demonstration of our value proposition followed by increasing penetration with key customers.

Recent Trends and Strategic Realignment

During the second half of 2023, we experienced delayed shipments and customer order delays, resulting in an overall decrease in system sales and backlog in the fourth quarter of 2023 and, as a result, lower annual revenue growth than expected. As a result, we believe that our historical focus on revenue growth came at the expense of our cash flow and profitability and our commitment to the highest level of customer service.

Accordingly, in October 2023, we made a strategic decision to realign our operations to pivot from emphasizing revenue growth to optimizing our free cash flow, maximizing customer success, reducing expenditures, and improving our operational efficiency. Since then, we have been undertaking expense reduction and cash savings initiatives as part of a company-wide restructuring and strategic realignment plan (the "*Strategic Realignment*") to help conserve working capital. The expense reduction and cash saving initiatives included an October 2023 reduction in force, as well as ongoing efforts to streamline facilities, manage working capital, reduce capital expenditures, and reduce overall selling, general and administrative expenses. In addition, we also implemented new go-to-market and service strategies to rebuild our bookings and backlog pipeline.

Notwithstanding these efforts, due to the continuing impact of customer order delays and based our bookings to date, we expect revenue growth to continue to recover in the second half of 2024 and thereafter.

Recent Debt and Equity Transactions

As of September 30, 2023, we did not satisfy the minimum revenue covenant for the quarter ended September 30, 2023 in our then outstanding $70.0 million aggregate principal amount of senior secured convertible notes due 2026 (the "*Secured Convertible Notes*"). Since September 30, 2023 through April 30, 2024, we took the following steps to repay and restructure our indebtedness and raise additional capital:

- On November 28, 2023, we (i) made a $15.0 million cash payment, together with accrued and unpaid interest, to the holders of the Secured Convertible Notes to repay $12.5 million of aggregate principal amount thereof, (ii) exchanged the remaining Secured Convertible Notes for (A) $57.5 million aggregate principal amount of senior secured notes due 2026 (the "*Secured Notes*") and (B) 10,000,000 shares of common stock, and (iii) made a cash payment of accrued and unpaid interest on the remaining Secured Convertible Notes that were exchanged;

- During December 2023, we offered and sold approximately 8,941,494 shares of our common stock for gross proceeds of approximately $5.0 million pursuant to our "at-the-market" offering sales agreement (the "*ATM Sales Agreement*") with Needham & Company, LLC ("*Needham*"), as agent;

- On December 29, 2023, we issued 36,000,000 shares of common stock and warrants to purchase 36,000,000 shares of common stock (the*RDO warrants*") for gross proceeds of $18.0 million in a registered direct offering (our "*Registered Direct Offering*"); and

- On December 29, 2023, we made a $25.0 million cash payment, together with accrued and unpaid interest, to the holders of the Secured Notes to repay approximately $20.8 million of aggregate principal amount thereof, and (ii) amended certain terms of the Secured Notes

On April 1, 2024, we made a cash payment of $5.5 million to redeem approximately $4.2 million of aggregate principal amount of the Secured Notes, together with accrued and unpaid interest, we made a cash payment of $5.5 million on April 15, 2024 to repay approximately $4.6 million of principal of the Secured Notes, together with accrued and unpaid interest, we amended certain other terms of the Secured Notes, and we issued the holders of the Secured Notes warrants to purchase up to an aggregate of 21,949,079 shares of common stock. On April 10, 2024, we sold (such sale and issuance, the "Offering") an aggregate of: (i) 34,285,715 shares of common stock and (ii) immediately exercisable warrants to purchase up to 34,285,715 shares of common stock at $0.35 per share. The offering price per share of common stock and accompanying warrant was $0.35 and resulted in gross proceeds to us of approximately $12 million. We intend to use the net proceeds from the Offering primarily for funding working capital and capital expenditures and other general corporate purposes, including repayment of our Secured Notes. See Note 17*Subsequent Events* in the notes to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report for additional information. As of May 9, 2024, the Company had approximately $11.1 million in accounts receivable and $5.7 million in cash and investments.

Notwithstanding the recent debt and equity transactions, as described in "*—Liquidity and Capital Resources*" and in Note 1 *Description of Business and Basis of Presentation—Going Concern, Financial Condition and Liquidity and Capital Resources* in the notes to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report, there continues to be a substantial doubt about our ability to continue as a going concern. We do not have sufficient liquidity to meet our operating needs and satisfy our debt obligations for at least the next 12 months. We expect that we will need to engage in additional financings to fund our operations and satisfy our obligations in the near-term. Without such additional funding, we will not be able to continue operations and may be required to sell assets, liquidate and/or file for bankruptcy.

Key Financial and Operational Metrics

We believe that our performance and future success depend on many factors that present significant opportunities for us but also pose risks and challenges, including those discussed herein and in the section of the 2023 Form 10-K titled "*Risk Factors*."

We regularly evaluate several metrics, including the metrics presented in the table below, to measure our performance, identify trends affecting our business, prepare financial projections, make strategic decisions, and establish performance goals for compensation and we periodically review and revise these metrics to reflect changes in our business.

	As of and for the Three Months Ended March 31,			
	2024		2023	
Revenue ($ in millions)	$	10	$	27
Bookings ($ in millions)	$	17	$	20
Backlog ($ in millions)	$	22	$	24

Bookings ($ in millions): Bookings ($ in millions) are defined as a confirmed order for a 3D printer system in contracted dollars.

Backlog ($ in millions): Backlog ($ in millions) is defined as the unfulfilled 3D printer systems to be delivered to customers in contracted dollars as of period end.

Customer Concentration

Our operating results for the foreseeable future will continue to depend on sales to a small group of customers. For the three months ended March 31, 2024 and 2023, sales to the top three customers accounted for 49.9% and 44.9%, respectively, of our revenue. Of the top three customers for the three months ended March 31, 2024, one customer was different from the top three customers for the comparable period in 2023.

While our objective is to diversify our customer base, we could continue to be susceptible to risks associated with customer concentration.

Continued Investment and Innovation

We continue to be a customer-focused company working to develop innovative solutions to address customers' needs and focus on our customers to identify the most impactful areas for research and development as we seek to further improve the capabilities of our AM solutions. We believe this process has contributed significantly to our development of the most advanced metal AM systems in the world. We believe that continued investments in our products are important to our future growth and, as a result, we will invest in enhancing our portfolio of AM solutions through certain research and development projects based on customer demand.

Macroeconomic Conditions and Other World Events

General economic and political conditions such as recessions, interest rates, fuel prices, inflation, foreign currency fluctuations, international tariffs, social, political and economic risks and acts of war or terrorism (including, for example, the ongoing military conflicts in Israel and in Ukraine and the economic sanctions related thereto), have added uncertainty in timing of customer orders and supply chain constraints. In 2022, supply chain challenges increased our material and shipping costs, resulted in shipping delays and impacted our gross margins. In 2023, we implemented a number of supply chain and manufacturing improvements in response and intend to continue to focus on driving further operational improvements during 2024 as well as our Strategic Realignment to reduce operating costs.

Climate Change

Material pending or existing climate change-related legislation, regulations, and international accords could have an adverse effect on our business, financial condition, and results of operations, including: (1) material past and/or future capital expenditures for climate-related projects, (2) material indirect consequences of climate-related regulation or business trends, such as the following: decreased/increased demand for goods or services that produce significant greenhouse gas emissions or are related to carbon-based energy sources; increased competition to develop innovative new products that result in lower emissions; increased demand for generation and transmission of energy from alternative energy sources; and any anticipated reputational risks resulting from operations or products that produce material greenhouse gas emissions and (3) material increased compliance costs related to climate change. In addition, extreme weather and other natural disasters may become more intense or more frequent, which may disrupt our operations or the operations of our suppliers and customers.

Components of Results of Operations

Revenue

Our revenue is primarily derived from our AM fully integrated hardware and software solution based on our proprietary L-PBF technology. Sapphire, Sapphire 1MZ, Sapphire XC and Sapphire XC 1MZ metal AM printer using our L-PBF technology and Assure quality validation software (collectively referred to as the “3D Printer”). Contracts for 3D Printers also include post-sale customer support services (“Support Services”), except for our distributor partners, which are qualified to perform support services.

We sell our fully integrated hardware and software AM solutions through two types of transaction models: a 3D Printer sale transaction and a recurring payment transaction (“Recurring Payment”). Support services are included with a 3D Printer sale transaction and a recurring payment transaction. For 3D Printer sale transactions where the support service period has expired, customers may purchase extended support service contracts.

3D Printer sale transactions - can be divided into two categories: structured fixed purchase price and sale and utilization (variable consideration) fee model. In the sale and utilization fee model, customers pay a partial amount upfront to acquire the system, which is less than the full purchase price. This amount is then complemented by an hourly usage fee for the duration of the system's life. The variable payments are recognized when there is an event that determines the amount of variable consideration to be paid. There was no revenue related to variable consideration during the three months ended March 31, 2024 and 2023.

The timeframe from order to completion of the site acceptance test usually occurs over three to six months. As we scale our production, we expect to reduce this timeframe. Contract consideration allocated to the 3D Printer is recognized at a point in time, which occurs upon transfer of control to the customer at shipment.

The initial sales of 3D Printers and Support Services are included in one contract and are invoiced together. Contract consideration is allocated between the two performance obligations based on relative fair value. This allocation involves judgement and is periodically updated as new relevant information becomes available.

Recurring payment transactions - are our leased 3D Printer transactions. We define our Recurring Payment transactions as operating leases. Under the leased 3D Printer transaction, the customer typically pays an amount for a lease which entitles the customer to a base number of hours of usage. For usage above that level, the customer typically pays an hourly usage fee. Most of our leases have a 12-month term, though in some instances the lease term is longer.

The Recurring Payment transactions, structured as operating leases, were 4.8% and 2.2% of revenue for the three months ended March 31, 2024 and 2023, respectively. Under this model, the customer typically pays a base rent and variable payments based on usage in excess of a defined threshold. Most of our leases have a 12-month term, though in certain cases the lease term is longer.

Support Services - are included with most 3D Printer sale transactions and Recurring Payment transactions. Support services consist of field service engineering, phone and email support, preventative maintenance, and limited on and off-site consulting support. A subsequent Extended Support Agreement is available for renewal after the initial contract period based on the then-fair value of the service, which is paid for separately. Support Service revenue is recognized over the contract period beginning with customer performance test acceptance.

Other revenue included under 3D Printer sales includes parts and consumables, such as filters, powder or build plates, that are sold to customers and recognized upon transfer of control to the customer at shipment. Other revenue was not material for the three months ended March 31, 2024 and 2023, respectively.

Cost of Revenue

Our cost of revenue includes the "*Cost of 3D Printers*," "*Cost of Recurring Payment*" and "*Cost of Support Services*."

Cost of 3D Printers includes the manufacturing cost of our components and subassemblies purchased from vendors for the assembly, as well as raw materials and assemblies, shipping costs and other directly associated costs. Cost of 3D Printers also includes allocated overhead costs from headcount-related costs, such as salaries, stock-based compensation, depreciation of manufacturing related equipment and facilities, and information technology costs.

Cost of Recurring Payment includes depreciation of the leased equipment over the useful life of five years less the residual value, and an allocated portion of Cost of Support Services.

Cost of Support Services includes the cost of spare or replacement parts for preventive maintenance, installation costs, headcount-related costs such as salaries, stock-based compensation, depreciation of manufacturing related equipment and facilities, and information technology costs. The headcount-related costs are directly associated with the engineers dedicated to remote and on-site support, training, travel costs and other services costs.

Gross Profit and Gross Margin

Our gross profit is revenue less cost of revenue and our gross margin is gross profit as a percentage of revenue. The gross profit and gross margin for our products are varied and are expected to continue to vary from period to period due to the mix of products sold through either a 3D Printer sale transaction or a Recurring Payment transaction, new product introductions and efforts to optimize our operational costs. Other factors affecting our gross profit include changes to our material costs, assembly costs that are themselves dependent upon improvements to yield, and any increase in assembly overhead to support a greater number of 3D Printers sold and markets served.

Research and Development Expenses

Our research and development expenses represent costs incurred to support activities that advance the development of innovative AM technologies, new product platforms and consumables, as well as activities that enhance the capabilities of our existing product platforms. Our research and development expenses consist primarily of salaries and related personnel costs for individuals working in our research and development departments, including stock-based compensation, prototypes, design expenses, information technology costs and software license amortization, consulting and contractor costs, and an allocated portion of overhead costs, including depreciation of property and equipment used in research and development activities.

Selling and Marketing Expenses

Sales and marketing expenses consist primarily of salaries and related personnel costs for individuals working in our sales and marketing departments, including stock-based compensation, costs related to trade shows and events, advertising, marketing promotions, travel costs and an allocated portion of overhead costs, including information technology costs and costs for customer validation.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related personnel costs for individuals associated with our executive, administrative, finance, legal, information technology and human resources functions, including stock-based compensation, professional fees for legal, audit and compliance, accounting and consulting services, general corporate costs, facilities, rent, information technology costs, insurance, bad debt expenses and an allocated portion of overhead costs, including equipment and depreciation and other general and administrative expenses.

Interest Expense

Interest expense primarily consists of interest incurred under our outstanding debt and finance leases.

Gain (Loss) on Fair Value of Warrants

Gain (loss) on valuation of warrant liabilities relates to the changes in the fair value of warrant liabilities, including liabilities related to the public warrants and private placement warrants, which are subject to remeasurement at each balance sheet date.

Gain (Loss) on Fair value of Contingent Earnout Liabilities

Gain (loss) on valuation of contingent earnout liabilities relates to the changes in fair value of the contingent earnout liabilities in connection with the earnout shares, which are subject to remeasurement at each balance sheet date. See Note 10, *Equity Instruments—Contingent Earnout Liabilities*, in the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

Other Income (Expense), Net

Other income (expense), net includes interest earned on our bank sweep account, gains and losses on disposals of fixed assets and other miscellaneous income/expenses.

Income Taxes

No provision for federal and state income taxes was recorded for any periods presented due to projected losses, and we maintained a full valuation allowance on the deferred tax assets as of March 31, 2024 and 2023.

We will continue to review our conclusions about the appropriate amount of the valuation allowance on a quarterly basis. If we were to generate profits, the U.S. valuation allowance position could be reversed in the foreseeable future. We expect a benefit to be recorded in the period the valuation allowance reversal is recorded and a higher effective tax rate in periods following the valuation allowance reversal.

Results of Operations

Comparison of the Three Months Ended March 31, 2024 and 2023:

The following table summarizes our historical results of operations for the periods presented:

	Three Months Ended March 31,			
	2024	2023	Change	%
	(In thousands, except for percentages)			
Revenue				
3D Printer	$ 7,660	$ 24,448	$ (16,788)	(68.7)%
Recurring payment	470	575	(105)	(18.3)%
Support services	1,656	1,664	(8)	(0.5)%
Total Revenue	9,786	26,687	(16,901)	(63.3)%
Cost of revenue				
3D Printer	9,394	22,168	(12,774)	(57.6)%
Recurring payment	315	447	(132)	(29.5)%
Support services	2,892	1,540	1,352	87.8 %
Total cost of revenue	12,601	24,155	(11,554)	(47.8)%
Gross profit	(2,815)	2,532	(5,347)	(211.2)%
Operating expenses				
Research and development	5,043	10,417	(5,374)	(51.6)%
Selling and marketing	4,809	6,174	(1,365)	(22.1)%
General and administrative	8,783	10,191	(1,408)	(13.8)%
Total operating expenses	18,635	26,782	(8,147)	(30.4)%
Loss from operations	(21,450)	(24,250)	2,800	(11.5)%
Interest expense	(3,897)	(220)	(3,677)	1671.4 %
Loss on fair value of warrants	(2,620)	(2,553)	(67)	2.6 %
Loss on fair value of contingent earnout liabilities	(437)	(9,653)	9,216	(95.5)%
Other income, net	94	351	(257)	(73.2)%
Income (loss) before provision for income taxes	(28,310)	(36,325)	8,015	(22.1)%
Provision for income taxes	(4)	—	(4)	— %
Net income (loss)	$ (28,314)	$ (36,325)	$ 8,011	(22.1)%

Revenue

The following table presents the revenue disaggregated by products and service type, as well as the percentage of total revenue.

	Three Months Ended March 31,					
	2024		2023		Change	%
	(In thousands, except for percentages)					
3D Printer sales	$ 7,660	78.3 %	$ 24,448	91.6 %	$ (16,788)	(68.7)%
Recurring payment	470	4.8 %	575	2.2 %	(105)	(18.3)%
Support services	1,656	16.9 %	1,664	6.2 %	(8)	(0.5)%
Total Revenue	$ 9,786	100.0 %	$ 26,687	100.0 %	$ (16,901)	(63.3)%

Total revenue for the three months ended March 31, 2024 and 2023 was $9.8 million and $26.7 million, respectively, a decrease of $16.9 million, or 63.3%.

3D Printer sales were $7.7 million and $24.4 million for the three months ended March 31, 2024 and 2023, respectively, a decrease of $16.8 million. The decrease in revenue was primarily attributed to a fewer number of systems sold, mix of lower production volumes and discounted system pricing offset by our change in product mix to include more lower priced systems, resulting in a decrease in the average selling price. The 3D Printer sales also included parts and consumables revenue.

Recurring Payment, structured as an operating lease, was $0.5 million and $0.6 million for the three months ended March 31, 2024 and 2023, respectively. The decrease was primarily attributable to a decrease in the number of 3D Printer systems in service generating Recurring Payment revenue as of March 31, 2024, compared to the number of 3D Printer systems in service as of March 31, 2023.

Our Support Service revenue was flat with $1.7 million and $1.7 million for the three months ended March 31, 2024 and 2023, respectively.

As discussed above, due to the impact of customer order delays in the fourth quarter of 2023 and our bookings to date, we expect additional contraction of revenue growth in the near term, as we focus on the implementation of our operational realignment initiatives and go-to-market and service strategies. In addition, we believe customers may be hesitant to do business with us because of the uncertainty regarding our financial situation as a result of the Secured Notes. In the medium term, we expect the demand for the Sapphire family of systems, primarily the Sapphire XC to drive future revenue growth. We also expect our Recurring Payment and Support Service revenue to increase as the number of systems we have in the field increases. As of March 31, 2024, our backlog for firm orders was $22 million for 3D Printers compared to $13 million as of December 31, 2023. We expect our new sales strategy, especially in the defense and aerospace industries, will yield positive results for the rest of the year 2024.

In connection with our realignment strategy, we are taking a strategic approach to our marketing and selling efforts to provide an improved customer experience, which we expect will enhance our efforts to introduce our technology to new customers and expand our existing customer network to increase demand.

Cost of Revenue

The following table presents the Cost of Revenue disaggregated by product and service type, as well as the percentage of total cost of revenue.

	Three Months Ended March 31,					
	2024		2023		Change	%
	(In thousands, except for percentages)					
Cost of Revenue						
Cost of 3D Printers	$ 9,394	74.5 %	$ 22,168	91.8 %	$ (12,774)	(57.6)%
Cost of Recurring Payment	315	2.5 %	447	1.8 %	(132)	(29.5)%
Cost of Support Services	2,892	23.0 %	1,540	6.4 %	1,352	87.8 %
Total Cost of Revenue	$ 12,601	100.0 %	$ 24,155	100.0 %	$ (11,554)	(47.8)%

Total cost of revenue for the three months ended March 31, 2024 and 2023 was $12.6 million and $24.2 million, respectively, a decrease of $11.6 million, or 47.8%.

Cost of 3D Printers was $9.4 million and $22.2 million for the three months ended March 31, 2024 and 2023, respectively. The decrease of $12.8 million was due to a decrease in number of systems sold for the three months ended March 31, 2024, compared to 2023 and due to a change in our product mix towards more Sapphire XC systems, which have a higher total per system cost compared to the Sapphire, for the three months ended March 31, 2024 compared to 2023.

Cost of Recurring Payment was $0.3 million and $0.4 million for the three months ended March 31, 2024 and 2023, respectively. This decrease of $0.1 million was due to a decrease in depreciation of the equipment on lease and allocable Cost of Support Services as a result of fewer 3D Printers in service in March 31, 2024, compared to March 31, 2023.

Cost of Support Services was $2.9 million and $1.5 million for the three months ended March 31, 2024 and 2023, respectively. Cost of Support Services increase by $1.4 million, was primarily attributable to the costs for preventative maintenance, costs incurred to enhance system reliability performance, and field service engineering labor costs due to more 3D Printers in service in March 31, 2024, compared to March 31, 2023.

In addition, field service engineering support cost has increased specifically with the ramp of Sapphire XC systems and introduction of the Sapphire 1MZ and Sapphire XC 1MZ systems in the field. We expect this to decrease on a per unit basis as the Sapphire XC, Sapphire 1MZ and Sapphire XC 1MZ system performance improves. We also expect our Cost of Support Services will increase with the delivery of more 3D Printer systems to customers.

Cost of revenue as a percentage of revenue was 128.8% and 90.5% for the three months ended March 31, 2024 and 2023, respectively. The increase in the cost of revenue as a percentage was primarily due to the change in our product mix towards more Sapphire 1MZ, Sapphire XC, and Sapphire XC 1MZ systems compared to Sapphire systems, and the impact of launch customer pricing for Sapphire XC.

We continue to focus on reducing our material costs through improved purchasing and inventory planning, accelerating production cycle times and improving efficiencies on the production floor to lower our cost of revenue.

Gross Profit and Gross Margin

Total gross profit (loss) was $(2.8) million and $2.5 million for the three months ended March 31, 2024 and 2023, respectively. As a percentage of revenue, the gross margin was (28.8)% and 9.5% for the three months ended March 31, 2024 and 2023, respectively. The lower gross profit for the three months ended March 31, 2024 was primarily attributable to the change in the mix of Sapphire and Sapphire XC system sales, the impact of launch customer pricing for Sapphire XC, the higher than expected costs associated with the production of the Sapphire XC, Sapphire 1MZ and Sapphire XC 1MZ systems, and higher material, labor and overhead costs, during the three months ended March 31, 2024, as compared to the three months ended March 31, 2023.

Our gross profit and gross margin are influenced by a number of factors, including:

- Product mix of Sapphire, and Sapphire XC systems;
- Average selling prices for our systems;
- Trends in materials and shipping costs;
- Production volumes that may impact factory overhead absorption;
- System reliability performance; and
- Impact of product mix changes, including new product introductions, and other factors, on our Cost of Support Services

We expect to accelerate production cycle times and improving efficiencies on the production floor to lower our cost of revenue, which we expect will improve our gross profit and gross margins in the second half of 2024.

Research and Development Expenses

Research and development expenses were $5.0 million and $10.4 million for the three months ended March 31, 2024 and 2023, respectively, a decrease of $5.4 million. The decrease in research and development expenses in 2024 was driven by a $1.4 million decrease in purchased materials, a $2.4 million decrease in headcount, salaries and employee-related expenses, a decrease of $0.3 million in miscellaneous expenses, and a decrease of $1.4 million in stock-based compensation .

We expect research and development costs to continue to decrease in 2024 due to the maturation of our Sapphire family of systems and reduction in research and development projects due to our Strategic Realignment and to increase in the long term as we continue to invest in enhancing and advancing our portfolio of AM solutions.

Selling and Marketing Expenses

Selling and marketing expenses were $4.8 million and $6.2 million for the three months ended March 31, 2024 and 2023, respectively, a decrease of $1.4 million. The decrease was attributable to a decrease of $0.5 million in stock-based compensation, an $1.0 million decrease in European marketing costs, and a $0.6 million decrease in general marketing initiatives, offset by a $0.7 million increase in headcount, salaries and employee-related expenses.

We expect selling and marketing expenses to continue to decrease during 2024 as we continue to implement our realignment strategy. During 2024, we intend to continue our focus on certain markets that show strong attendance at additive manufacturing conferences to build product awareness.

General and Administrative Expenses

General and administrative expenses were $8.8 million and $10.2 million for the three months ended March 31, 2024 and 2023, respectively, a decrease of $1.4 million. The decrease was attributable to a $0.8 million decrease in facilities expenses, a $0.9 million decrease in headcount, salaries and employee-related expenses, offset by a $0.8 million increase in public company-related expenses in advisory, legal and accounting fees and insurance, and a $0.1 million increase in stock-based compensation.

We expect general and administrative expenses to decrease as a result of savings from our reduction in force and consolidation of our facilities in late 2023. We continue to focus on our company-wide initiatives to reduce operating costs for 2024 as we continue to implement our Strategic Realignment by reducing our general and administrative expenses through reducing our reliance on outside consultants, managing facility costs and negotiating with vendors for improved pricing.

Interest Expense

Interest expense was $3.9 million and $0.2 million for the three months ended March 31, 2024 and 2023, respectively.

We expect our interest expense will increase as a result of our Secured Notes.

Gain (loss) on Fair Value of Warrants

The change in fair value of warrants resulted in a loss of $2.6 million and $2.6 million for the three months ended March 31, 2024 and 2023, respectively, and was related to the non-cash fair value change of the warrant liabilities driven by the change in our stock price.

Gain (loss) on Fair value of Contingent Earnout Liabilities

The change in fair value of the contingent earnout liability was a loss of $0.4 million and $9.7 million for the three months ended March 31, 2024 and 2023, respectively, and was related to the non-cash fair value change of the contingent earnout liabilities driven by the change in our stock price.

Other Income, Net

Other income, net was $0.1 million and $0.4 million for the three months ended March 31, 2024 and 2023, respectively.

Income Taxes

No provision for federal and state income taxes was recorded for both the three months ended March 31, 2024 and 2023 due to projected losses, and we maintained a full valuation allowance on the deferred tax assets as of March 31, 2024 and December 31, 2023.

We will continue to review our conclusions about the appropriate amount of the valuation allowance on a quarterly basis. If we were to generate profits in 2024 and beyond, the U.S. valuation allowance position could be reversed in the foreseeable future. We expect a benefit to be recorded in the period the valuation allowance reversal is recorded and a higher effective tax rate in periods following the valuation allowance reversal.

Liquidity and Capital Resources

As of March 31, 2024, we had raised net proceeds of $517.1 million, comprised of approximately $18 million from the Registered Direct Offering, which closed on December 28, 2023, approximately $66 million from the offering of $70.0 million aggregate principal amount of Notes (the "Initial Notes"), which closed on August 10, 2023, $22.8 million from the ATM Offering (described below), $278.3 million from the Merger and related private placement of shares of our common stock (the "PIPE Financing"), which closed on September 29, 2021, and $150.0 million from the issuance of redeemable convertible preferred stock (series A to series D), third-party financing and convertible notes. We have incurred net losses of $28.3 million and $36.3 million for the three months ended March 31, 2024 and 2023, respectively. As of March 31, 2024 and December 31, 2023, we had $10.9 million and $31.1 million in cash, cash equivalents and short-term investments, respectively, and an accumulated deficit of $385.4 million and $357.0 million, respectively. Our business requires substantial amounts of cash for operating activities, including salaries and wages paid to our employees, component and sub-assembly purchases, general and administrative expenses, and others.

Our purchase commitments per terms and conditions with suppliers and vendors are cancellable in whole or in part prior to shipment. Non-cancellable purchase commitments (purchase orders) of $21.5 million for parts and assemblies are due upon receipt and will primarily be delivered in the first half of 2024. If inventory is shipped, we will accrue a liability under accrued expenses. We have no other commitment and contingencies, except for the operating leases and Secured Notes. See Note 8, *Leases*, in the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report for further discussion.

During the three months ended March 31, 2024, we experienced less revenue growth than expected due to the impact of delayed shipments and customer order delays, resulting in an overall decrease in system sales in the first quarter of 2024, however, our backlog has begun to recover with $22 million as of March 31, 2024 compared to $13 million as of December 31, 2023. As such, based our bookings to date, we expect revenue growth to continue in the second half of 2024 and thereafter. Although we expect revenue to continue to recover, we do not have sufficient working capital to meet our financial needs for the twelve-month period following the filing date of this unaudited condensed consolidated financial statements. As such, we believe that there is substantial doubt about our ability to continue as a going concern for the twelve-month period following the issuance of these condensed consolidated financial statements. See Note 1 *Description of Business and Basis of Presentation—Going Concern, Financial Condition and Liquidity and Capital Resources* in the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

On the first day of each three-month period beginning on April 1, 2024 (a "Partial Redemption Date"), we will redeem a portion of the principal amount of the Secured Notes at the Repayment Price plus accrued and unpaid interest, unless the investors cancel such redemption. The aggregate principal amount of the Secured Notes that will be redeemable on a Partial Redemption Date will be $8,750,000 for a Repayment Price of $10,500,000.

We expect that we will need to engage in additional financings to fund our operations and satisfy our debt obligations in the near-term as well as to respond to business challenges and opportunities, including the need to repay the Secured Notes, provide working capital, develop new features or enhance our products, expand our manufacturing capacity, improve our operating infrastructure, or acquire complementary businesses and technologies. Accordingly, subject to our compliance with the covenants in the Secured Notes, we expect we will need to engage in equity or debt financings to secure additional funds, including seeking additional capital from public or private offerings of our equity or debt securities, electing to repay, restructure or refinance our existing indebtedness, or electing to borrow additional amounts under new credit lines or from other sources. We may also seek to raise additional capital, including from offerings of our equity or debt securities, on an opportunistic basis when we believe there are suitable opportunities for doing so. For example, on November 14, 2022, we filed with the SEC a shelf registration statement (the "*Shelf Registration Statement*") that was subsequently declared effective on November 21, 2022, and permits us to sell from time-to-time additional shares of our common stock or other securities in one or more offerings in amounts, at prices and on the terms that we will determine at the time of offering for aggregate gross sale proceeds of up to $300.0 million, of which we may offer and sell up to $75.0

million shares of our common stock from time to time pursuant to the ATM Sales Agreement, subject to the terms and conditions described in the ATM Sales Agreement and SEC rules and regulations.

On April 1, 2024, we entered into the Second Note Amendment to our Secured Notes and agreed to make a cash payment of $5.5 million on April 1, 2024 to redeem approximately $4.2 million of aggregate principal amount of the Notes, together with accrued and unpaid interest, and a cash payment of $5.5 million on April 15, 2024 to repay approximately $4.6 million of principal of the Secured Notes, together with accrued and unpaid interest. In connection with the Second Note Amendment, we issued warrants to purchase 21,949,079 shares of our common stock that become exercisable 45 days after the original issuance date at an exercise price of $0.4556 per share. The investors may exercise the warrants by paying the exercise in cash or by reducing the outstanding principal amount under the Notes by an amount equal to the quotient of (A) the amount of the exercise price divided by (B) 1.20.

On April 10, 2024, we sold an aggregate of: (i) 34,285,715 shares of common stock and (ii) immediately exercisable warrants to purchase up to 34,285,715 shares of common stock at $0.35 per share. The offering price per share of common stock and accompanying warrant was $0.35 and resulted in gross proceeds of approximately $12 million. We intend to use the net proceeds from the offering primarily for funding working capital and capital expenditures and other general corporate purposes, including repayment of the Secured Notes.

See Note 17, *Subsequent Events* for further information regarding the Second Note Amendment and the offering.

Additionally, our recent and projected financial results, and the related conditions that raise substantial doubt about our ability to continue as a going concern, and general concerns among potential investors and creditors about our financial well-being, may make taking such actions on commercially reasonable terms especially difficult.

More generally, our ability to meet our cash requirements depends on, among other things, our operating performance, competitive and industry developments, and financial market conditions, all of which are significantly affected by business, financial, economic, political, and other factors, many of which we may not be able to control or influence. To the extent that our actual operating results or other developments differ from our expectations, our liquidity could be adversely affected.

As described above, we are undertaking expense reduction and cash savings initiatives as part of a company-wide restructuring and strategic realignment plan to help conserve working capital. The expense reduction and cash saving initiatives include streamlining facilities, managing working capital, reducing capital expenditures, and reducing overall selling, general and administrative expenses.

Even with the April 2024 offering, we require additional funding to continue operations and satisfy our obligations under our Secured Notes. Without such additional funding, we will not be able to continue operations and may be required to sell assets, liquidate and/or file for bankruptcy.

Debt Facilities

As of March 31, 2024, our debt arrangements comprised the Secured Notes, of which we had approximately $36.8 million aggregate principal amount outstanding as of March 31, 2024. The Secured Notes bear interest at 6.00% per annum, payable quarterly in cash on January 1, April 1, July 1 and October 1 of each year, commencing on January 1, 2024, and will mature on August 1, 2026. When we repay principal on the Secured Notes pursuant to the terms of the Secured Notes, we will be required to pay 120% of the principal amount repaid plus accrued and unpaid interest. On the first day of each three-month period beginning on April 1, 2024 (a “Partial Redemption Date”), we will redeem a portion of the principal amount of the Secured Notes at the Repayment Price plus accrued and unpaid interest, unless the investors cancel such redemption. The aggregate principal amount of the Secured

Notes that will be redeemable on a Partial Redemption Date will be $8,750,000 for a Repayment Price of $10,500,000.

On November 27, 2023, we entered into a securities exchange agreement (the "*Exchange Agreement*") with the holders of our then outstanding Secured Convertible Notes. On November 28, 2023, pursuant to the Exchange Agreement, (i) we made a cash payment to the holders of $15.0 million to repay $12.5 million of aggregate principal amount of the Secured Convertible Notes, together with accrued and unpaid interest, (ii) the remaining Secured Convertible Notes were exchanged for (A) $57.5 million aggregate principal amount of the Secured Notes and (B) 10,000,000 shares of common stock, and (iii) we made a cash payment to the holders of accrued and unpaid interest on the remaining Secured Convertible Notes that were exchanged.

On August 10, 2023, we entered into a securities purchase agreement (as amended, the "*Securities Purchase Agreement*") with certain affiliated institutional investors pursuant to which we agreed to issue and sell, in a registered public offering by us directly to investors, up to $105 million aggregate principal amount of our Secured Convertible Notes. On August 14, 2023, we issued $70 million aggregate principal amount of the Secured Convertible Notes to the investors for approximately $66 million in net proceeds, and used approximately $22 million of the net proceeds to repay in full indebtedness outstanding under the Loan Agreement with Silicon Valley Bank. In connection with the repayment of the debt, the Loan Agreement was terminated and is no longer available to us.

We do not hedge our exposure to changes in interest rates. A 10% change in interest rates would not have a material impact on annualized interest expense.

For more information, see Note 9, *Long-Term Debt*, in the notes of the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

Cash Flow Summary

The following table summarizes our cash flows for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,		
	2024	2023	Change
	(In thousands)		
Net cash used in operating activities	$ (20,523)	$ (30,834)	$ 10,311
Net cash provided by investing activities	$ 3,493	$ 20,962	$ (17,469)
Net cash provided by financing activities	$ 285	$ 15,034	$ (14,749)

Operating Activities

Net cash used in operating activities for the three months ended March 31, 2024 was $20.5 million, consisting primarily of a net loss of $28.3 million, non-cash loss of $12.7 million described below, and a decrease in net operating assets of $4.9 million. The decrease in net operating assets was comprised of a decrease from accounts payable of $4.2 million, a decrease from contract liabilities of $0.4 million, a decrease from other net operating assets of $1.7 million, a decrease in accrued expenses and other current liabilities of $0.2 million and a decrease from inventories of $2.6 million for Sapphire XC, Sapphire 1MZ and Sapphire XC 1MZ system production, offset by an increase from accounts receivable of $2.1 million due to timing of customer payments, and an increase from prepaid expenses of $1.1 million related to insurance and vendor prepayments. The noncash loss of $12.7 million primarily consisted of the stock-based compensation expense of $5.1 million, depreciation and amortization of $4.6 million and the loss on fair value of warrants of $2.6 million.

Net cash used in operating activities for the three months ended March 31, 2023 was $30.8 million, consisting primarily of a net loss of $36.3 million, noncash loss of $20.0 million described below, and an increase in net operating assets of $14.5 million. The net operating assets increase was primarily comprised of an increase from accounts payable of $2.7 million, an increase from inventories of $1.4 million for Sapphire XC, Sapphire 1MZ and Sapphire XC 1MZ system production, an increase from accounts receivable of $5.2 million due to increased revenue and timing of customer payments, and an increase from prepaid expenses of $2.8 million related to insurance and vendor prepayments, a decrease in accrued expenses and other current liabilities of $1.8 million, a decrease from contract liabilities of $4.6 million, and a decrease from other net operating assets of $.5 million. The noncash loss of $20.0 million primarily consisted of the loss on fair value of warrants of $2.6 million and the loss on fair value of contingent earnout liabilities of $9.7 million, and depreciation and amortization and stock-based compensation expense.

We expect our cash used in operating activities to decrease, driven by our efforts to stabilize our working capital requirements through our expense reduction efforts and cash savings initiatives as part our Strategic Realignment.

Investing Activities

Net cash provided by investing activities during the three months ended March 31, 2024 was $3.5 million, consisting of property and equipment purchases of $0.0 million, offset by maturities of available-for-sale investment securities of $3.5 million.

Net cash provided by investing activities during the three months ended March 31, 2023 was $21.0 million, consisting of property and equipment purchases of $0.4 million and production of equipment for lease to customers of $0.1 million, partially offset by maturities of available-for-sale investment securities of $21.5 million.

We expect our capital expenditures to decrease in 2024 compared to 2023 as we intend to limit the number of 3D Printer systems as equipment for lease to customers and because we completed the construction of our manufacturing facility in 2022.

Financing Activities

Net cash provided by financing activities during the three months ended March 31, 2024 was $0.3 million, consisting of proceeds of $0.3 million from the issuance of common stock upon exercise of stock options.

Net cash provided by financing activities during the three months ended March 31, 2023 was $15.0 million, consisting of proceeds of $10.4 million from the ATM Offering, net of issuance costs, $5.0 million drawn from our revolver facility, and $0.3 million from the issuance of common stock upon exercise of stock options, partially offset by $0.7 million in repayment of equipment loans.

We expect cash provided by financing activities to increase by issuing new equity or incurring new debt to continue operations, subject to our compliance with the covenants in the Secured Notes. Our future cash requirements and the adequacy of available funds will depend on many factors, including our operating performance, competitive and industry developments, and financial market conditions.

Off-Balance Sheet Arrangements

As of March 31, 2024 and December 31, 2023, we did not have any off-balance sheet arrangements.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements, including the expected dates of adoption and estimated effects, if any, on Velo3D's condensed consolidated financial statements, see Note 2, *Summary of Significant Accounting Policies*, in the notes to the condensed consolidated financial statements in this Quarterly Report.

Implications of Being an Emerging Growth Company

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. We are an “emerging growth company” as defined in Section 2(A) of the Securities Act and have elected to take advantage of the benefits of this extended transition period.

We will elect to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public business entities and nonpublic business entities until the earlier of the date we (a) are no longer an emerging growth company or (b) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used. Please refer to Note 2. *Summary of Significant Accounting Policies,* of the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report for the recent accounting pronouncements adopted and the recent accounting pronouncements not yet adopted for the three months ended March 31, 2024 and 2023.

We will remain an emerging growth company under the JOBS Act until the earliest of (a) December 31, 2025, (b) the last date of our fiscal year in which we have total annual gross revenue of at least $1.235 billion, (c) the last date of our fiscal year in which we are deemed to be a “large accelerated filer” under the rules of the SEC or (d) the date on which we have issued more than $1.0 billion in nonconvertible debt securities during the previous three years.

Implications of Being a Smaller Reporting Company

We are a “smaller reporting company” as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited consolidated financial statements.

We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We will remain a smaller reporting company and may take advantage of certain scaled disclosures available to smaller reporting companies until the last day of the fiscal year in which (a) the market value of our voting and nonvoting common stock held by non-affiliates equals or exceeds $250.0 million measured on the last business day of that year’s second fiscal quarter and (b) our annual revenue equals or exceeds $100.0 million during the most recently completed fiscal year or our voting and nonvoting common stock held by non-affiliates equals or exceeds $700.0 million measured on the last business day of that year’s second fiscal quarter.

Critical Accounting Policies and Significant Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. We evaluated the development and selection of our critical accounting policies and estimates and believe that the following involve a higher degree of judgement or complexity and are most significant to reporting our results of operations and financial position and are therefore discussed as critical. The following critical accounting policies reflect the significant estimates and judgements used in the preparation of our unaudited condensed consolidated financial statements. Actual results could differ materially from those estimates and assumptions, and those differences could be material to our unaudited condensed consolidated financial statements. We re-evaluate our estimates on an ongoing basis. For more information, see Note 2, *Summary of Significant Accounting Policies,* included in the notes to the unaudited condensed consolidated financial statements in this Quarterly Report, and *Critical Accounting Policies and Significant Estimates* in Part II, Item 7 “Management’s Discussion and Analysis of

Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined in Rule 12b-2 under the Exchange Act. As a result, pursuant to Item 305(e) of Regulation S-K, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Our management, with participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of March 31, 2024. Based upon this evaluation our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2024, our disclosure controls and procedures were not effective due to the material weaknesses in internal control over financial reporting described below.

Material Weaknesses in Internal Control over Financial Reporting

As described Part II, Item 9A. “Controls and Procedures” of our Annual Report on Form 10-K for the year ended December 31, 2023, we identified material weaknesses in our internal control over financial reporting. These material weaknesses have not been remediated as of March 31, 2024. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim consolidated financial statements will not be prevented or detected on a timely basis. The material weaknesses are as follows:

- We did not design and maintain an effective control environment commensurate with our financial reporting requirements. Specifically, we did not maintain a sufficient complement of personnel with an appropriate degree of internal controls and accounting knowledge, experience, and training commensurate with our accounting and financial reporting requirements. Additionally, the lack of a sufficient complement of personnel resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of our financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in our finance and accounting functions. This material weakness contributed to the following additional material weaknesses.

- We did not design and maintain effective controls over the segregation of duties related to journal entries and account reconciliations. Specifically, certain personnel have the ability to both (i) create and post journal entries within our general ledger system and (ii) prepare and review account reconciliations.

- We did not design and maintain effective controls over the accounting and disclosure for debt and equity instruments. Specifically, we did not design and maintain effective controls over the accounting for the issuance and extinguishment of convertible note arrangements, warrants and common stock.

- We did not design and maintain effective controls over the accounting for inventory and related accounts. Specifically, we did not design and maintain effective controls over verifying the existence of inventory, the accuracy of purchases, manufacturing costs, and write-offs and the financial statement presentation of inventory and related accounts.

- We did not design and maintain effective controls over the accounting for contract assets and liabilities. Specifically, we did not design and maintain effective controls over the accuracy and the financial statement presentation of contract assets and liabilities, including variable consideration.

- We did not design and maintain effective controls over financial statement preparation, presentation and disclosure commensurate with our financial reporting requirements. Specifically, we did not design and maintain effective controls over the appropriate classification and presentation of accounts and disclosures in the consolidated financial statements.

These material weaknesses resulted in adjustments to accounts receivable, inventory, other current assets, current and non-current contract liabilities, accrued expenses and other current liabilities which were recorded prior to the issuance of the consolidated financial statements as of and for the years ended December 31, 2019, 2020 and 2021 and as of and for the interim periods ended September 30, 2021 and December 31, 2021. These material weaknesses also resulted in the revision of our consolidated financial statements for the year ended December 31, 2022 and as of and for the interim periods ended March 31, 2022, June 30, 2022, September 30, 2022, March 31, 2023, June 30, 2023, and September 30, 2023. Also, these material weaknesses resulted in an uncorrected misstatement to inventories and cost of revenue and adjustments to debt – current portion and long-term debt, other income, additional paid in capital, gain on fair value of warrants, interest expense, revenue and contract assets, and loss on debt extinguishment which were recorded prior to the issuance of the consolidated financial statements as of and for the year ended December 31, 2023.Additionally, these material weaknesses could result in a misstatement of substantially all of our accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

- We did not design and maintain effective controls over certain information technology ("*IT*") general controls for information systems that are relevant to the preparation of our consolidated financial statements. Specifically, we did not design and maintain effective:

    - user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate company personnel; and

    - program change management controls to ensure that information technology program and data changes affecting certain financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately.

These IT deficiencies did not result in a misstatement to the consolidated financial statements, however, the deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all consolidated financial statement accounts and disclosures that would not be prevented or detected. Accordingly, management has determined these deficiencies in the aggregate constitute a material weakness.

Remediation Measures for Remaining Material Weaknesses in Internal Control over Financial Reporting

We have taken measures to remediate the material weaknesses remaining as of March 31, 2024, including the following: hired additional accounting and IT personnel to bolster our reporting, technical accounting and IT capabilities; provided ongoing training for our personnel on accounting, financial reporting and internal control over financial reporting; engaged a third-party to assist in designing and implementing controls, including controls related to segregation of duties and IT general controls; designing and implementing controls to formalize roles and review responsibilities to align with our team's skills and experience and designing and implementing controls over segregation of duties; designing and implementing controls over the preparation and review of journal entries and account reconciliations; Additionally, we will need to hire and train additional accounting and IT personnel to further bolster our technical accounting and IT capabilities. We have also begun planning for measures to remediate the material weaknesses related to designing and implementing controls over accounting and disclosure for debt and equity instruments, the accounting for the issuance and extinguishment of convertible note arrangements, warrants and common stock; designing and implementing controls over the accounting for inventory and related accounts, the accuracy of inventory, purchases, manufacturing costs, and write-offs and the financial statement presentation of inventory and related accounts; designing and implementing controls over the accounting for contract assets and liabilities, the accuracy and the financial statement presentation and disclosure of contract assets and liabilities, including variable consideration; designing and implementing controls over controls over financial statement preparation, presentation and disclosure commensurate with our financial reporting requirements, the appropriate classification and presentation of accounts and disclosures in the consolidated financial statements; and designing and implementing IT general controls, including controls over the review and update of user access rights and privileges and program change management controls.

We are making progress toward the effectiveness of our internal control over financial reporting and disclosure controls and procedures. The measures that we are taking are subject to continued testing, ongoing senior management review, as well as audit committee oversight. We will not be able to conclude whether the measures we are taking will fully remediate these material weaknesses in our internal control over financial reporting until we have completed our remediation efforts and subsequent evaluation of their effectiveness. We may also conclude that additional measures may be required to remediate the material weaknesses in our internal control over financial reporting, which may necessitate additional implementation and evaluation time. We will continue to assess the effectiveness of our internal control over financial reporting and take steps to remediate the known material weaknesses expeditiously.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in various disputes and litigation matters that arise in the ordinary course of business. We are currently not a party to any material legal proceedings.

Item 1A. RISK FACTORS

There are numerous factors that affect our business and results of operations, many of which are beyond our control. Refer to Item 1A in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which contains descriptions of significant risks that have the potential to affect our business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner. Except as set forth below, there have been no material changes to risk factors previously disclosed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023 and in Part II – Item 1A.

Risks Related to Our Financial Position and Need for Additional Capital

There is substantial doubt about our ability to continue as a going concern, which could have a material adverse impact on our business.

As described in Note 1 Description of Business and Basis of Presentation—Going Concern, Financial Condition and Liquidity and Capital Resources in the notes to the consolidated financial statements included elsewhere in this Quarterly Report, we believe there is substantial doubt about our ability to continue as a going concern for the twelve-month period following the filing date of this Quarterly Report.

Our conclusion that there is substantial doubt about our ability to continue as a going concern may be viewed unfavorably by current and prospective investors, as well as by analysts and creditors. As a result, this conclusion may make it more difficult for us to raise the additional financing necessary to continue to operate our business and satisfy our obligations. In addition, this conclusion may make it more difficult for us to sell our products and meet our sales forecasts or retain employees, which may further impede our ability to raise additional financing. If we become unable to continue as a going concern, we may find it necessary to curtail our business, liquidate our assets and/or file a petition for reorganization under Title 11 of the U.S. Code in order to provide us additional time to identify an appropriate solution to our financial situation and implement a plan of reorganization aimed at improving our capital structure.

We will require additional capital to fund our operations in the near-term, and this capital might not be available on acceptable terms, if at all.

We will need to engage in additional financings to fund our operations and satisfy our substantial debt obligations in the near-term as well as to respond to business challenges and opportunities, including the need to repay our Secured Notes, provide working capital, develop new features or enhance our products, expand our manufacturing capacity, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, subject to our compliance with the covenants in the Secured Notes, we expect we will need to engage in equity or debt financings to secure additional funds, including seeking additional capital from public or private offerings of our equity or debt securities, electing to repay, restructure or refinance our existing indebtedness, or electing to borrow additional amounts under new credit lines or from other sources. However, our recent and projected financial results, and the related conditions that raise substantial doubt about our ability to continue as a going concern, and general concerns among potential investors and creditors about our financial well-being may make taking such actions on commercially reasonable terms especially difficult.

If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, if at all. Our ability to raise additional capital when needed may be adversely affected by external factors beyond our control, including changes in the political climate, geopolitical actions, changes in market interest rates or foreign exchange rates, market volatility in the trading prices for our common stock and other technology companies, a recession, depression, high inflation or other sustained adverse market event, and the outbreak of epidemic disease. If we are unable to obtain adequate financing or financing on terms satisfactory to us in the near term, we will not be able to continue operations. If we are otherwise unable to obtain additional financing when we require it, our ability to respond to business challenges and opportunities could be significantly impaired, and our business may be adversely affected and we may be required to liquidate and/or file for bankruptcy protection.

The terms of the Notes restrict our current and future operations. Upon an event of default, we may not be able to make any accelerated payments under the Notes or our other permitted indebtedness.

As of March 31, 2024, we had approximately $36.7 million aggregate principal amount of the Secured Notes outstanding. In addition, we have granted the holders of the Secured Notes the right to purchase up to an additional $35.0 million in aggregate principal amount of our senior secured convertible notes due 2026 (the "Additional Secured Convertible Notes") so long as the notice to exercise such option is provided no later than the August 14, 2025. We refer to the Secured Notes and the Secured Convertible Notes collectively as the "Notes."

The Secured Notes contain, and the Additional Secured Convertible Notes if issued will contain, a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest. In particular, the Secured Notes contain, and the Additional Secured Convertible Notes if issued will contain, customary affirmative and negative covenants (including covenants that limit our ability to incur debt, make investments, transfer assets, engage in certain transactions with affiliates and merge with other companies, in each case, other than those permitted by the Notes) and events of default. Furthermore, we will be required to maintain a minimum of $30.0 million of unrestricted cash and cash equivalents under the Additional Secured Convertible Notes, if issued. Further, the Secured Notes require us, and the Additional Secured Convertible Notes if issued will require us, to maintain minimum levels of Available Cash (as defined in the Notes), calculated monthly based on a rolling three-month lookback period beginning with the three-month period ending on December 31, 2023, specified in the Notes. Our ability to meet the financial tests under the Notes can be affected by events beyond our control, and we may be unable to meet them.

A breach of the covenants or restrictions under the Notes or under the agreements governing any of our other permitted indebtedness could result in an event of default under the applicable indebtedness. Such a default may allow holders of the Notes or the holders or lenders of our other permitted indebtedness, as appropriate, to accelerate the related indebtedness, which may result in the acceleration of other indebtedness to which a cross-acceleration or cross-default provision applies. In addition, such lenders or holders could terminate commitments to lend money, if any. Furthermore, if we were unable to repay the Notes or other permitted indebtedness, then due and payable, secured lenders could proceed against the assets, if any, securing such indebtedness. In the event such lenders or holders accelerate the repayment of the Notes or our other permitted borrowings, we may not have sufficient assets to repay that indebtedness. A default would also significantly diminish the market price of our common stock and our public warrants.

In particular, as described in more detail in "Management's Discussion and Analysis—Recent Developments," we were not in compliance with a minimum revenue covenant under our then outstanding Secured Convertible Notes, which required us to repay and restructure our indebtedness thereunder, and we also amended certain terms of the Secured Notes. However, we may not be able to obtain any necessary waivers or amendments or otherwise restructure our outstanding indebtedness on favorable terms or at all to the extent we breach any covenants in the future.

Furthermore, as a result of these restrictions, we may be limited in how we conduct and grow our business, or unable to compete effectively or to take advantage of new business opportunities. These restrictions may affect our ability to grow in accordance with our strategy.

Servicing the Notes requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our obligations under the Notes or our other permitted indebtedness.

Our ability to make scheduled payments of principal or to pay interest on or to refinance the Notes or our other permitted indebtedness depends on our future performance and our ability to obtain future financing, which are subject to economic, financial, competitive and other factors, some of which are beyond our control. As of March 31, 2024, we had outstanding $36.7 million of Secured Notes, and the terms of the Secured Notes require us to pay approximately $44.0 million to repay the full principal amount of the Secured Notes at maturity or any other time. On the first day of each three-month period beginning on April 1, 2024 (a “Partial Redemption Date”), we are required to redeem $8,750,000 of the principal amount of the Secured Notes for a repayment price of $10,500,000, plus accrued and unpaid interest, unless the holders cancel such redemption.

Further, if we issue the full $35.0 million of the Additional Secured Convertible Notes, the terms of the Additional Secured Convertible Notes will require us to pay approximately $40.3 million to repay the full principal amount of the Additional Secured Convertible Notes at maturity or any other time, and the holders of the Additional Secured Convertible Notes will have the right to require us to redeem $8,750,000 of the principal amount of the Additional Secured Convertible Notes for a repayment price of $10,062,500, plus accrued and unpaid interest, on a Partial Redemption Date.

Our business may not generate cash flow from operations in the future sufficient to satisfy our obligations under the Notes or our other permitted indebtedness and, in particular, we expect that we will need to engage in additional financings to fund our operations in the near term, the terms of which may be onerous or highly dilutive. If we are unable to generate such cash flow and obtain such additional financing, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, or refinancing or restructuring our indebtedness on terms that may be unfavorable. We may not prepay the Notes without the consent of the holders, and our ability to refinance the Notes or our other permitted indebtedness will also depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on the Notes or our other indebtedness.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

ATM Sales Agreement

In February 2023, we entered into a sales agreement (the "ATM Sales Agreement") with Needham & Company, LLC ("Needham"), as agent, pursuant to which we may offer and sell, from time to time through Needham, up to $40.0 million shares of common stock pursuant to a shelf registration statement on Form S-3 (the "Shelf Registration Statement") and the related prospectus supplement and accompanying base prospectus, and in connection therewith, we reserved 20,000,000 shares of common stock for issuance under the ATM Sales Agreement. On January 31, 2024, we filed an amendment to the prospectus supplement increasing the aggregate dollar amount of shares available to be sold from time to time pursuant to the ATM Sales Agreement to $75 million. During the three months ended March 31, 2024, we sold no shares pursuant to the ATM sales agreement.

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended March 31, 2024, no director or Section 16 officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

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

On May 10, 2024, we entered into a revised Change in Control Agreement with Bradley Kreger, our Chief Executive Officer, to extend the severance payment and continued health benefits in the event of a change in control qualifying termination from nine months to twelve months. There were no other changes to the original agreement. The form of revised Change in Control Agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

In addition, on May 10, 2024, we entered into our standard form of Change in Control Agreement with Hull Xu, our Chief Financial Officer, that provides for the following in the event of a change in control qualifying termination: (A) a lump sum severance payment equal to (i) nine months base salary, (ii) the then-current annual target bonus, and (iii) the prorated amount of the annual target bonus for the year of the termination, (B) 100% acceleration of the time-based vesting schedule of any then-unvested equity awards, and (C) payment of premiums for continued medical benefits (or equivalent cash payments if applicable law so requires) for up to nine months.

Item 6. Exhibits

Exhibit Number	Description
10.1	Revised Change in Control Agreement with Bradley Kreger
10.2	Change in Control Agreement with Hull Xu
31.1**	Certification of the Chief Executive Officer required by Rule 13a-14(a) or rule 15d-14(a)
31.2**	Certification of the Chief Financial Officer required by Rule 13a-14(a) or rule 15d-14(a)
32.1**	Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350*
32.2**	Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350*
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* This certification is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

** Filed herewith.

† Portions of this exhibit (indicated with markouts) have been redacted in accordance with Item 601(b)(10)(iv).

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 thereunto duly authorized, in the City of Fremont, State of California, on the 15th day of May, 2024.

	VELO3D, INC.	
Date: May 15, 2024	By:	/s/ Hull Xu
	Name:	Hull Xu
	Title:	*Chief Financial Officer, Principal Financial Officer and Authorized Officer*

CHANGE IN CONTROL AGREEMENT

This revised Change in Control Agreement (the " **Agreement**") is entered into by and between Bradley Kreger (the " **Executive**") and Velo3D, Inc., a Delaware corporation (the "**Company**"), on May 10, 2024, and is effective as of May 10, 2024 (the " **Effective Date**"). This agreement replaces and nullifies the former Change in Control Agreement executed on September 28, 2023. All capitalized terms are as defined in this Agreement.

1. **CIC Qualifying Termination**. If Executive is subject to a CIC Qualifying Termination, then, subject to Sections 2, 6, and 7 below, Executive will be entitled to the following benefits:

(a) **Severance Payments**. The Company or its successor shall pay Executive a payment equal to (i) twelve (12) months of his or her monthly base salary,(ii) Executive's then-current annual target bonus, and (iii) Executive's pro-rata annual target bonus for the year of the CIC Qualifying Termination based on the number of days of service in such year, in each case at the rate in effect immediately prior to the CIC Qualifying Termination. Such payment shall be made in a lump sum cash payment in accordance with the Company's standard payroll procedures, which payment will be made no later than the first regular payroll date occurring after the sixtieth (60^{th}) day following the date of Executive's CIC Qualifying Termination *provided that* the Release Conditions have been satisfied.

(b) **Equity**. The time-based vesting schedule of each of Executive's then outstanding Equity Awards shall fully accelerate and become vested as to 100% of the then-unvested shares subject to the Equity Award. Subject to Section 2, the accelerated vesting described above shall be effective as of the date of the CIC Qualifying Termination. For the avoidance of doubt, in order to give effect to the acceleration contemplated by this Section 1(b), each of Executive's outstanding Equity Awards shall remain outstanding and eligible to vest (solely pursuant to the terms of this Section 1(b)) for a period of three (3) months following a termination by the Company of Executive's employment for any reason other than Cause or Executive's resignation of his or her employment for Good Reason prior to a Change in Control and the acceleration will be effective upon the Change in Control, if such Change in Control closes within three (3) months following such termination or resignation.

(c) **Continued Employee Benefits**. If Executive timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**"), the Company shall pay the full amount of Executive's COBRA premiums on behalf of Executive for Executive's continued coverage under the Company's health, dental and vision plans, including coverage for Executive's eligible dependents, for twelve (12) months following the last date on which Executive was eligible for such coverage as an active employee of the Company. Notwithstanding the foregoing, if the Company, in its sole discretion, determines that it cannot provide the foregoing subsidy of COBRA coverage without potentially violating or causing the Company to incur additional expense as a result of noncompliance with applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company instead shall provide to Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue the group health coverage in effect on the date of the CIC Qualifying Termination (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made regardless of whether Executive elects COBRA continuation coverage and shall commence on the later of (i) the first day of the month following the date of Executive's CIC Qualifying Termination and (ii) the effective date of the Company's determination of violation of applicable law, and shall end on the date that is twelve (12) months following the last date on which Executive was eligible for such coverage as an active employee of the Company, provided that, any taxable payments under Section 1(c) will not be paid before the first business day occurring after the sixtieth (60th) day following the date of Executive's CIC Qualifying Termination and, once they commence, will include any unpaid amounts accrued from the date of Executive's CIC Qualifying Termination (to the extent not otherwise satisfied with continuation coverage). Executive shall have no right to an additional gross-up payment to account for the fact that such COBRA premium amounts are paid on an after-tax basis.

2. **General Release**. Any other provision of this Agreement notwithstanding, the benefits under Section 1 shall not apply unless Executive (i) has executed a general release of all known and unknown claims that he or she may then have against the Company or persons affiliated with the Company and such release has become effective and (ii) has agreed not to prosecute any legal action or other proceeding based upon any of such claims. The release must be in the form prescribed by the Company, without alterations (this document effecting the foregoing, the "**Release**"). The Company will deliver the form of Release to Executive within thirty (30) days after the date of Executive's CIC Qualifying Termination or such other time limit as is expressly provided in the Release documents, provided however that in all cases the Release must be executed and have become irrevocable within sixty (60) days following the date of Executive's CIC Qualifying Termination.

3 . **Accrued Compensation and Benefits**. Notwithstanding anything to the contrary in Section 1 above, in connection with any termination of employment (whether or not a CIC Qualifying Termination), the Company shall pay Executive's earned but unpaid base salary and other vested but unpaid cash entitlements for the period through and including the termination of employment, including unreimbursed documented business expenses incurred by Executive through and including the date of termination (collectively "**Accrued Compensation and Expenses**"), as required by law and the applicable Company plan or policy. In addition, Executive shall be entitled to any other vested benefits earned by Executive for the period through and including the termination date of Executive's employment under any other employee benefit plans and arrangements maintained by the Company, in accordance with the terms of such plans and arrangements, except as modified herein.

4. **Definitions.**

(a) "**Board**" means the Company's board of directors.

(b) "**Cause**" shall mean, as reasonably determined by the Board, (a) Executive's material breach of the employment agreement between Executive and the Company, (b) Executive's commission of an act of fraud against the Company, (c) Executive's willful misconduct or failure to comply with the Company's policies or code of ethics, (d) Executive's conviction of, or plea of 'guilty" or 'no contest" to, a felony or other crime involving fraud, dishonesty or moral turpitude or (e) Executive's willful and continued failure to perform duties and responsibilities after receiving written notification of the failure from the Company's Chief Executive Officer or other supervisor. Notwithstanding the foregoing, in the case of clause (e), the Company will not terminate Executive's employment for Cause without first providing Executive with written notification of the acts or omissions constituting Cause and providing Executive with 30 days following such notice to cure such conduct (to the extent capable of cure)

(c) "**Code**" means the Internal Revenue Code of 1986, as amended.

(d) "**Change in Control**." For all purposes under this Agreement, a Change in Control shall mean a Corporate Transaction, as such term is defined in the Plan, provided that the transaction (including any series of transactions) also qualifies as a change in control event under U.S. Treasury Regulation 1.409A-3(i)(5)(v) or(vii).

(e) "**CIC Qualifying Termination**" means a Separation (A) upon or within twelve (12) months following a Change in Control, or (B) within three (3) months preceding a Change in Control resulting, in either case (A) or (B), from (i) the Company or its successor terminating Executive's employment for any reason other than Cause, or (ii) Executive voluntarily resigning his or her employment for Good Reason. A termination or resignation due to Executive's death or disability shall not constitute a CIC Qualifying Termination. In the case of a termination or resignation before a Change in Control, solely for purposes of benefits under this Agreement, the date of Executive's CIC Qualifying Termination will be deemed the date the Change in Control is consummated.

(f) "**Equity Awards**" means all options to purchase shares of Company common stock as well as all other stock-based awards granted to Executive, including but not limited to stock bonus awards, restricted stock, restricted stock units and stock appreciation rights, provided that those options and other stock-based awards vest exclusively with the passage of time and excluding any equity awards that are subject, in whole or in part, to any unsatisfied performance-based vesting conditions (it being understood that service-based vesting conditions alone shall not be deemed performance-based for this purpose).

(g) "**Good Reason**" means, without Executive's prior written consent, (i) a material diminution of Executive's duties, authority, or responsibilities relative to Executive's duties, authority or responsibilities as an officer or employee in effect immediately prior to such reduction, provided that Executive no longer being an officer of a public company (e.g. the Company is taken private) or a change in reporting relationship will not constitute a material diminution if the Executive's duties and responsibilities otherwise remain substantially the same, (ii) a reduction by 10% or more of Executive's annual base salary (other than a reduction generally applicable to other senior executives of the Company and in generally the same proportion as for the Executive) or (iii) a requirement that Executive relocate Executive's principal place of work to a location which would result in an increase of more than twenty (20) miles of Executive's commuting distance over his or her commuting distance immediately prior to the Change in Control. For Executive to receive any benefits under this Agreement as a result of a resignation for Good Reason, all of the following requirements must be satisfied: (1) Executive must provide notice to the Company of his or her intent to assert Good Reason within sixty (60) days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); (2) the Company will have thirty (30) days (the "**Company Cure Period**") from the date of such notice to remedy the condition and, if it does so, Executive may withdraw his or her resignation or may resign with no benefits under this Agreement; and (3) any termination of employment under this provision must occur within ten (10) days of the earlier of expiration of the Company Cure Period or written notice from the Company that it will not undertake to cure the condition set forth in subclauses (i) through (iii). Should the Company remedy the condition as set forth above and then one or more of the conditions arises again, Executive may assert Good Reason again, subject to all of the conditions set forth herein.

(h) "**Plan**" means the Company's 2021 Equity Incentive Plan, as may be amended from time to time.

(i) "**Release Conditions**" mean the following conditions: (i) Company has received Executive's executed Release and (ii) any rescission period applicable to Executive's executed Release has expired (without Executive having rescinded the executed Release).

(j) "**Separation**" means a "separation from service," as defined in the regulations under Section 409A of the Code.

5. **Successors.**

(a) **Company's Successors**. The Company shall require any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets, by an agreement in substance and form satisfactory to Executive, to assume this Agreement and to agree expressly to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets or which becomes bound by this Agreement by operation of law.

(b) **Executive's Successors**. This Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

6. **Golden Parachute Taxes.**

(a) **Best After-Tax Result**. In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise ("**Payments**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this subsection (a), be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("**Excise Tax**"), then, subject to the provisions of Section 6, such Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent which would result in no portion of such Payments being subject to the Excise Tax ("**Reduced Amount**"), whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by Executive, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax. Unless the Company and Executive otherwise agree in writing, any determination required under this Section shall be made by independent tax counsel designated by the Company and reasonably acceptable to Executive ("**Independent Tax Counsel**"), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required under this Section, Independent Tax Counsel may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code; provided that Independent Tax Counsel shall assume that Executive pays all taxes at the highest marginal rate. The Company and Executive shall furnish to Independent Tax Counsel such information and documents as Independent Tax Counsel may reasonably request in order to make a determination under this Section. The Company shall bear all costs that Independent Tax Counsel may reasonably incur in connection with any calculations contemplated by this Section. In the event that Section 6(a)(ii)(B) above applies, then based on the information provided to Executive and the Company by Independent Tax Counsel, Executive may, in Executive's sole discretion and within thirty (30) days of the date on which Executive is provided with the information prepared by Independent Tax Counsel, determine which and how much of the Payments (including the accelerated vesting of equity compensation awards) to be otherwise received by Executive shall be eliminated or reduced (as long as after such determination the value (as calculated by Independent Tax Counsel in accordance with the provisions of Sections 280G and 4999 of the Code) of the amounts payable or distributable to Executive equals the Reduced Amount). If the Internal Revenue Service (the "**IRS**") determines that any Payment is subject to the Excise Tax, then Section 6(b) hereof shall apply, and the enforcement of Section 6(b) shall be the exclusive remedy to the Company.

(b) **Adjustments**. If, notwithstanding any reduction described in Section 6(a) hereof (or in the absence of any such reduction), the IRS determines that Executive is liable for the Excise Tax as a result of the receipt of one or more Payments, then Executive shall be obligated to surrender or pay back to the Company, within one-hundred twenty (120) days after a final IRS determination, an amount of such payments or benefits equal to the "**Repayment Amount**." The Repayment Amount with respect to such Payments shall be the smallest such amount, if any, as shall be required to be surrendered or paid to the Company so that Executive's net proceeds with respect to such Payments (after taking into account the payment of the Excise Tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount with respect to such Payments shall be zero (0) if a Repayment Amount of more than zero (0) would not eliminate the Excise Tax imposed on such Payments or if a Repayment Amount of more than zero would not maximize the net amount received by Executive from the Payments. If the Excise Tax is not eliminated pursuant to this Section 6(b), Executive shall pay the Excise Tax.

7. **Miscellaneous Provisions.**

(a) **Section 409A**. To the extent (i) any payments to which Executive becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with Executive's termination of employment with the Company constitute deferred compensation subject to Section 409A of the Code and (ii) Executive is deemed at the time of such termination of employment to be a "specified" employee under Section 409A of the Code, then such payment or payments shall not be made or commence until the earlier of (i) the expiration of the six (6)-month period measured from the Executive's Separation; or (ii) the date of Executive's death following such Separation; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Executive, including (without limitation) the additional twenty percent (20%) tax for which Executive would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to Executive or Executive's beneficiary in one lump sum (without interest). Except as otherwise expressly provided herein, to the extent any expense reimbursement or the provision of any in-kind benefit under this Agreement (or otherwise referenced herein) is determined to be subject to (and not exempt from) Section 409A of the Code, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the expenses eligible for reimbursement or in kind benefits to be provided in any other calendar year, in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. To the extent that any provision of this Agreement is ambiguous as to its exemption or compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder are exempt from Section 409A to the maximum permissible extent, and for any payments where such construction is not tenable, that those payments comply with Section 409A to the maximum permissible extent. To the extent any payment under this Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this Agreement (or referenced in this Agreement) are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the regulations under Section 409A. To the extent any nonqualified deferred compensation subject to Section 409A of the Code payable to Executive hereunder could be paid in one or more taxable years depending upon Executive completing certain employment-related actions (such as resigning after a failure to cure a Good Reason event and/or returning the Release), then any such payments will commence or occur in the later taxable year to the extent required by Section 409A of the Code.

(b) **Other Arrangements**. This Agreement supersedes any and all cash severance arrangements and vesting acceleration arrangements under any agreement governing Equity Awards, severance and salary continuation arrangements, programs and plans which were previously offered by the Company to Executive, including employment agreement or offer letter, and Executive hereby waives Executive's rights to such other benefits. In no event shall any individual receive cash severance benefits under both this Agreement and any other vesting acceleration, severance pay or salary continuation program, plan or other arrangement with the Company.

(d) **Dispute Resolution**. To ensure rapid and economical resolution of any and all disputes that might arise in connection with this Agreement, Executive and the Company agree that any and all disputes, claims, and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation, will be resolved solely and exclusively by final, binding, and confidential arbitration, by a single arbitrator, in Santa Clara County, and conducted by Judicial Arbitration & Mediation Services, Inc. ("**JAMS**") under its then-existing employment rules and procedures. Nothing in this section, however, is intended to prevent either party from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Each party to an arbitration or litigation hereunder shall be responsible for the payment of its own attorneys' fees.

(e) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid or deposited with Federal Express Corporation, with shipping charges prepaid. In the case of Executive, mailed notices shall be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(f) **Waiver**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(g) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.

(h) **Severability**. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(i) **No Retention Rights**. Nothing in this Agreement shall confer upon Executive any right to continue in service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or any subsidiary of the Company or of Executive, which rights are hereby expressly reserved by each, to terminate his or her service at any time and for any reason, with or without Cause.

(j) **Choice of Law**. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California (other than its choice-of-law provisions).

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

EXECUTIVE	VELO3D, INC.
Print Name: Bradley Kreger	By: Jessie Lockhart
Title: Interim Chief Executive Officer	Title: Chief People Officer

CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement (the " **Agreement**") is entered into by and between Hull Xu (the " **Executive**") and Velo3D, Inc., a Delaware corporation (the "**Company**"), on May 10, 2024, and is effective as of May 10, 2024 (the " **Effective Date**"). All capitalized terms are as defined in this Agreement.

1. **CIC Qualifying Termination**. If Executive is subject to a CIC Qualifying Termination, then, subject to Sections 2, 6, and 7 below, Executive will be entitled to the following benefits:

(a) **Severance Payments**. The Company or its successor shall pay Executive a payment equal to (i) nine (9) months of his or her monthly base salary,(ii) Executive's then-current annual target bonus, and (iii) Executive's pro-rata annual target bonus for the year of the CIC Qualifying Termination based on the number of days of service in such year, in each case at the rate in effect immediately prior to the CIC Qualifying Termination. Such payment shall be made in a lump sum cash payment in accordance with the Company's standard payroll procedures, which payment will be made no later than the first regular payroll date occurring after the sixtieth (60^{th}) day following the date of Executive's CIC Qualifying Termination *provided that* the Release Conditions have been satisfied.

(b) **Equity**. The time-based vesting schedule of each of Executive's then outstanding Equity Awards shall fully accelerate and become vested as to 100% of the then-unvested shares subject to the Equity Award. Subject to Section 2, the accelerated vesting described above shall be effective as of the date of the CIC Qualifying Termination. For the avoidance of doubt, in order to give effect to the acceleration contemplated by this Section 1(b), each of Executive's outstanding Equity Awards shall remain outstanding and eligible to vest (solely pursuant to the terms of this Section 1(b)) for a period of three (3) months following a termination by the Company of Executive's employment for any reason other than Cause or Executive's resignation of his or her employment for Good Reason prior to a Change in Control and the acceleration will be effective upon the Change in Control, if such Change in Control closes within three (3) months following such termination or resignation.

(c) **Continued Employee Benefits**. If Executive timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**"), the Company shall pay the full amount of Executive's COBRA premiums on behalf of Executive for Executive's continued coverage under the Company's health, dental and vision plans, including coverage for Executive's eligible dependents, for nine (9) months following the last date on which Executive was eligible for such coverage as an active employee of the Company. Notwithstanding the foregoing, if the Company, in its sole discretion, determines that it cannot provide the foregoing subsidy of COBRA coverage without potentially violating or causing the Company to incur additional expense as a result of noncompliance with applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company instead shall provide to Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue the group health coverage in effect on the date of the CIC Qualifying Termination (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made regardless of whether Executive elects COBRA continuation coverage and shall commence on the later of (i) the first day of the month following the date of Executive's CIC Qualifying Termination and (ii) the effective date of the Company's determination of violation of applicable law, and shall end on the date that is nine (9) months following the last date on which Executive was eligible for such coverage as an active employee of the Company, provided that, any taxable payments under Section 1(c) will not be paid before the first business day occurring after the sixtieth (60th) day following the date of Executive's CIC Qualifying Termination and, once they commence, will include any unpaid amounts accrued from the date of Executive's CIC Qualifying Termination (to the extent not otherwise satisfied with continuation coverage). Executive shall have no right to an additional gross-up payment to account for the fact that such COBRA premium amounts are paid on an after-tax basis.

2. **General Release**. Any other provision of this Agreement notwithstanding, the benefits under Section 1 shall not apply unless Executive (i) has executed a general release of all known and unknown claims that he or she may then have against the Company or persons affiliated with the Company and such release has become effective and (ii) has agreed not to prosecute any legal action or other proceeding based upon any of such claims. The release must be in the form prescribed by the Company, without alterations (this document effecting the foregoing, the "**Release**"). The Company will deliver the form of Release to Executive within thirty (30) days after the date of Executive's CIC Qualifying Termination or such other time limit as is expressly provided in the Release documents, provided however that in all cases the Release must be executed and have become irrevocable within sixty (60) days following the date of Executive's CIC Qualifying Termination.

3. **Accrued Compensation and Benefits**. Notwithstanding anything to the contrary in Section 1 above, in connection with any termination of employment (whether or not a CIC Qualifying Termination), the Company shall pay Executive's earned but unpaid base salary and other vested but unpaid cash entitlements for the period through and including the termination of employment, including unreimbursed documented business expenses incurred by Executive through and including the date of termination (collectively "**Accrued Compensation and Expenses**"), as required by law and the applicable Company plan or policy. In addition, Executive shall be entitled to any other vested benefits earned by Executive for the period through and including the termination date of Executive's employment under any other employee benefit plans and arrangements maintained by the Company, in accordance with the terms of such plans and arrangements, except as modified herein.

4. **Definitions.**

(a) "**Board**" means the Company's board of directors.

(b) "**Cause**" shall mean, as reasonably determined by the Board, (a) Executive's material breach of the employment agreement between Executive and the Company, (b) Executive's commission of an act of fraud against the Company, (c) Executive's willful misconduct or failure to comply with the Company's policies or code of ethics, (d) Executive's conviction of, or plea of 'guilty" or 'no contest" to, a felony or other crime involving fraud, dishonesty or moral turpitude or (e) Executive's willful and continued failure to perform duties and responsibilities after receiving written notification of the failure from the Company's Chief Executive Officer or other supervisor. Notwithstanding the foregoing, in the case of clause (e), the Company will not terminate Executive's employment for Cause without first providing Executive with written notification of the acts or omissions constituting Cause and providing Executive with 30 days following such notice to cure such conduct (to the extent capable of cure)

(c) "**Code**" means the Internal Revenue Code of 1986, as amended.

(d) "**Change in Control**." For all purposes under this Agreement, a Change in Control shall mean a Corporate Transaction, as such term is defined in the Plan, provided that the transaction (including any series of transactions) also qualifies as a change in control event under U.S. Treasury Regulation 1.409A-3(i)(5)(v) or(vii).

(e) "**CIC Qualifying Termination**" means a Separation (A) upon or within twelve (12) months following a Change in Control, or (B) within three (3) months preceding a Change in Control resulting, in either case (A) or (B), from (i) the Company or its successor terminating Executive's employment for any reason other than Cause, or (ii) Executive voluntarily resigning his or her employment for Good Reason. A termination or resignation due to Executive's death or disability shall not constitute a CIC Qualifying Termination. In the case of a termination or resignation before a Change in Control, solely for purposes of benefits under this Agreement, the date of Executive's CIC Qualifying Termination will be deemed the date the Change in Control is consummated.

(f) "**Equity Awards**" means all options to purchase shares of Company common stock as well as all other stock-based awards granted to Executive, including but not limited to stock bonus awards, restricted stock, restricted stock units and stock appreciation rights, provided that those options and other stock-based awards vest exclusively with the passage of time and excluding any equity awards that are subject, in whole or in part, to any unsatisfied performance-based vesting conditions (it being understood that service-based vesting conditions alone shall not be deemed performance-based for this purpose).

(g) "**Good Reason**" means, without Executive's prior written consent, (i) a material diminution of Executive's duties, authority, or responsibilities relative to Executive's duties, authority or responsibilities as an officer or employee in effect immediately prior to such reduction, provided that Executive no longer being an officer of a public company (e.g. the Company is taken private) or a change in reporting relationship will not constitute a material diminution if the Executive's duties and responsibilities otherwise remain substantially the same, (ii) a reduction by 10% or more of Executive's annual base salary (other than a reduction generally applicable to other senior executives of the Company and in generally the same proportion as for the Executive) or (iii) a requirement that Executive relocate Executive's principal place of work to a location which would result in an increase of more than twenty (20) miles of Executive's commuting distance over his or her commuting distance immediately prior to the Change in Control. For Executive to receive any benefits under this Agreement as a result of a resignation for Good Reason, all of the following requirements must be satisfied: (1) Executive must provide notice to the Company of his or her intent to assert Good Reason within sixty (60) days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); (2) the Company will have thirty (30) days (the "**Company Cure Period**") from the date of such notice to remedy the condition and, if it does so, Executive may withdraw his or her resignation or may resign with no benefits under this Agreement; and (3) any termination of employment under this provision must occur within ten (10) days of the earlier of expiration of the Company Cure Period or written notice from the Company that it will not undertake to cure the condition set forth in subclauses (i) through (iii). Should the Company remedy the condition as set forth above and then one or more of the conditions arises again, Executive may assert Good Reason again, subject to all of the conditions set forth herein.

(h) "**Plan**" means the Company's 2021 Equity Incentive Plan, as may be amended from time to time.

(i) "**Release Conditions**" mean the following conditions: (i) Company has received Executive's executed Release and (ii) any rescission period applicable to Executive's executed Release has expired (without Executive having rescinded the executed Release).

(j) "**Separation**" means a "separation from service," as defined in the regulations under Section 409A of the Code.

5. **Successors.**

(a) **Company's Successors**. The Company shall require any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets, by an agreement in substance and form satisfactory to Executive, to assume this Agreement and to agree expressly to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets or which becomes bound by this Agreement by operation of law.

(b) **Executive's Successors**. This Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

6. **Golden Parachute Taxes.**

(a) **Best After-Tax Result**. In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise ("**Payments**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this subsection (a), be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("**Excise Tax**"), then, subject to the provisions of Section 6, such Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent which would result in no portion of such Payments being subject to the Excise Tax ("**Reduced Amount**"), whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by Executive, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax. Unless the Company and Executive otherwise agree in writing, any determination required under this Section shall be made by independent tax counsel designated by the Company and reasonably acceptable to Executive ("**Independent Tax Counsel**"), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required under this Section, Independent Tax Counsel may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code; provided that Independent Tax Counsel shall assume that Executive pays all taxes at the highest marginal rate. The Company and Executive shall furnish to Independent Tax Counsel such information and documents as Independent Tax Counsel may reasonably request in order to make a determination under this Section. The Company shall bear all costs that Independent Tax Counsel may reasonably incur in connection with any calculations contemplated by this Section. In the event that Section 6(a)(ii)(B) above applies, then based on the information provided to Executive and the Company by Independent Tax Counsel, Executive may, in Executive's sole discretion and within thirty (30) days of the date on which Executive is provided with the information prepared by Independent Tax Counsel, determine which and how much of the Payments (including the accelerated vesting of equity compensation awards) to be otherwise received by Executive shall be eliminated or reduced (as long as after such determination the value (as calculated by Independent Tax Counsel in accordance with the provisions of Sections 280G and 4999 of the Code) of the amounts payable or distributable to Executive equals the Reduced Amount). If the Internal Revenue Service (the "**IRS**") determines that any Payment is subject to the Excise Tax, then Section 6(b) hereof shall apply, and the enforcement of Section 6(b) shall be the exclusive remedy to the Company.

(b) **Adjustments**. If, notwithstanding any reduction described in Section 6(a) hereof (or in the absence of any such reduction), the IRS determines that Executive is liable for the Excise Tax as a result of the receipt of one or more Payments, then Executive shall be obligated to surrender or pay back to the Company, within one-hundred twenty (120) days after a final IRS determination, an amount of such payments or benefits equal to the "**Repayment Amount**." The Repayment Amount with respect to such Payments shall be the smallest such amount, if any, as shall be required to be surrendered or paid to the Company so that Executive's net proceeds with respect to such Payments (after taking into account the payment of the Excise Tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount with respect to such Payments shall be zero (0) if a Repayment Amount of more than zero (0) would not eliminate the Excise Tax imposed on such Payments or if a Repayment Amount of more than zero would not maximize the net amount received by Executive from the Payments. If the Excise Tax is not eliminated pursuant to this Section 6(b), Executive shall pay the Excise Tax.

7. **Miscellaneous Provisions.**

(a) **Section 409A**. To the extent (i) any payments to which Executive becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with Executive's termination of employment with the Company constitute deferred compensation subject to Section 409A of the Code and (ii) Executive is deemed at the time of such termination of employment to be a "specified" employee under Section 409A of the Code, then such payment or payments shall not be made or commence until the earlier of (i) the expiration of the six (6)-month period measured from the Executive's Separation; or (ii) the date of Executive's death following such Separation; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Executive, including (without limitation) the additional twenty percent (20%) tax for which Executive would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to Executive or Executive's beneficiary in one lump sum (without interest). Except as otherwise expressly provided herein, to the extent any expense reimbursement or the provision of any in-kind benefit under this Agreement (or otherwise referenced herein) is determined to be subject to (and not exempt from) Section 409A of the Code, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the expenses eligible for reimbursement or in kind benefits to be provided in any other calendar year, in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. To the extent that any provision of this Agreement is ambiguous as to its exemption or compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder are exempt from Section 409A to the maximum permissible extent, and for any payments where such construction is not tenable, that those payments comply with Section 409A to the maximum permissible extent. To the extent any payment under this Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this Agreement (or referenced in this Agreement) are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the regulations under Section 409A. To the extent any nonqualified deferred compensation subject to Section 409A of the Code payable to Executive hereunder could be paid in one or more taxable years depending upon Executive completing certain employment-related actions (such as resigning after a failure to cure a Good Reason event and/or returning the Release), then any such payments will commence or occur in the later taxable year to the extent required by Section 409A of the Code.

(b) **Other Arrangements**. This Agreement supersedes any and all cash severance arrangements and vesting acceleration arrangements under any agreement governing Equity Awards, severance and salary continuation arrangements, programs and plans which were previously offered by the Company to Executive, including employment agreement or offer letter, and Executive hereby waives Executive's rights to such other benefits. In no event shall any individual receive cash severance benefits under both this Agreement and any other vesting acceleration, severance pay or salary continuation program, plan or other arrangement with the Company.

(d) **Dispute Resolution**. To ensure rapid and economical resolution of any and all disputes that might arise in connection with this Agreement, Executive and the Company agree that any and all disputes, claims, and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation, will be resolved solely and exclusively by final, binding, and confidential arbitration, by a single arbitrator, in Santa Clara County, and conducted by Judicial Arbitration & Mediation Services, Inc. ("**JAMS**") under its then-existing employment rules and procedures. Nothing in this section, however, is intended to prevent either party from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Each party to an arbitration or litigation hereunder shall be responsible for the payment of its own attorneys' fees.

(e) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid or deposited with Federal Express Corporation, with shipping charges prepaid. In the case of Executive, mailed notices shall be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(f) **Waiver**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(g) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.

(h) **Severability**. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(i) **No Retention Rights**. Nothing in this Agreement shall confer upon Executive any right to continue in service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or any subsidiary of the Company or of Executive, which rights are hereby expressly reserved by each, to terminate his or her service at any time and for any reason, with or without Cause.

(j) **Choice of Law**. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California (other than its choice-of-law provisions).

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

EXECUTIVE	VELO3D, INC.	
Print Name: Hull Xu	By:	Jessie Lockhart
Title: Chief Financial Officer	Title:	Chief People Officer

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Brad Kreger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Velo3D, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2024

By: /s/ Brad Kreger
Brad Kreger
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Hull Xu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Velo3D, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2024

By: /s/ Hull Xu
Hull Xu
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Brad Kreger, Chief Executive Officer of Velo3D, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the “Report”), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: May 15, 2024

By: /s/ Brad Kreger
Brad Kreger
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Hull Xu, Chief Financial Officer of Velo3D, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the “Report”), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: May 15, 2024

By: /s/ Hull Xu
Hull Xu
Chief Financial Officer
(Principal Financial Officer)