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 June 30, 2026

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, $0.00001 par value per share	VELO	The Nasdaq Stock Market LLC

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

Warrants to purchase one share of common stock, each at an exercise price of $6,037.50 per share

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 Exchange Act). Yes ☐ No ☒

As of 8/7/2026 the registrant had 32,149,118 shares of common stock, $0.00001 per share outstanding.

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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

•"*2025 Form 10-K*" refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the Securities and Exchange Commission (the "*SEC*") on March 31, 2026.

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

SPECIAL 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 involve significant risks and uncertainties, and a number of factors, both foreseen and unforeseen, could cause actual results to differ materially from our current expectations. Forward-looking statements in this Quarterly Report may include, for example, statements about:

•our market opportunity;

•our expectations regarding our customers' growing demand for additive manufacturing solutions;

•our growth strategy, including our plan to rapidly increase the number of customer relationships we have globally in the coming years and our ability to rapidly scale our business model to meet customer demand;

•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, raise financing in the near-term, fund our operating expenses, maintain relationships with customers and retain our key employees;

•technological advancements being pursued by our R&D team;

•our ability to service and comply with the terms of our indebtedness;

•our ability to raise financing in the near-term and in the future;

•whether 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;
- our expectations regarding our strategic realignment and related initiatives;
- our expectations to bring and scale parts production with improvements in utilization efficiency and to enhance and advance our portfolio of AM solutions;
- our capital requirements and needs for additional financing;
- our expected financial performance;
- our expectations regarding system sales, gross profit, gross margin, revenues, and cash used in operating activities;
- our expectations concerning the cost to manufacture new systems, manufacturing efficiency and costs of revenue;
- our expectations regarding research and development costs, as well as selling, general and administrative, interest and marketing expenses;
- our expectations regarding managing operating costs to improve enterprise-wide efficiencies;
- our expectations to expand our commercial activities, including increased participation in the defense and aerospace markets, and expand our RPS (as defined herein) manufacturing operations;
- our expectations regarding capital expenditures; and
- other factors detailed under the section entitled “Risk Factors” in Item 1A of our 2025 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 2025 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 currently 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)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 91,144	$ 39,013
Accounts receivable, net	8,356	6,263
Inventories, net	27,578	27,083
Contract assets	12,160	2,039
Prepaid expenses and other current assets	16,896	5,722
Total current assets	156,134	80,120
Property and equipment, net	16,152	13,094
Equipment subject to operating lease, net	1,023	1,629
Other assets	26,838	10,505
Total assets	$ 200,147	$ 105,348
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 5,235	$ 10,301
Accrued expenses and other current liabilities	4,967	7,915
Debt — current portion	3,197	6,305
Contract liabilities	11,249	9,281
Total current liabilities	24,648	33,802
Long-term debt — less current portion	4,973	24,710
Contingent earnout liabilities (Note 10)	1	1
Warrant liabilities (Note 10)	150	109
Other noncurrent liabilities	23,836	8,570
Total liabilities	53,608	67,192
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, $0.00001 par value — 500,000,000 shares authorized at June 30, 2026 and December 31, 2025, respectively, 32,149,118 and 24,607,630 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	5	5
Additional paid-in capital	663,185	536,294
Accumulated deficit	(516,651)	(498,143)
Total stockholders' equity	146,539	38,156
Total liabilities and stockholders' equity	$ 200,147	$ 105,348

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

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

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenue				
3D Printer and parts	$ 18,968	$ 12,082	$ 30,989	$ 19,605
Recurring payment	—	70	—	70
Support services	1,494	1,359	2,763	3,149
Other	202	61	728	68
Total Revenue	20,664	13,572	34,480	22,892
Cost of revenue				
3D Printer and parts	15,755	13,994	25,980	21,534
Recurring payment	—	—	—	12
Support services	467	1,166	1,677	2,237
Total cost of revenue	16,222	15,160	27,657	23,783
Gross profit (loss)	4,442	(1,588)	6,823	(891)
Operating expenses				
Research and development	4,329	2,588	7,025	4,647
Selling and marketing	2,850	1,468	4,571	2,554
General and administrative	8,324	5,952	13,236	15,028
Total operating expenses	15,503	10,008	24,832	22,229
Loss from operations	(11,061)	(11,596)	(18,009)	(23,120)
Interest expense	(175)	(1,572)	(908)	(2,642)
Loss on fair value of warrants	(41)	—	(41)	(1,044)
Loss on warrant cancellation	—	—	—	(11,357)
Other income (expense), net	(242)	(6)	467	(17)
Loss before income taxes	(11,519)	(13,174)	(18,491)	(38,180)
Provision for (benefit from) income taxes	(9)	89	17	97
Net loss	$ (11,510)	$ (13,263)	$ (18,508)	$ (38,277)
Net loss per share:				
Basic and Diluted	$ (0.39)	$ (0.94)	$ (0.68)	$ (2.79)
Shares used in computing net loss per share:				
Basic and Diluted	29,448,322	14,041,712	27,246,923	13,721,680

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

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

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash flows from operating activities		
Net loss	$ (18,508)	$ (38,277)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	1,474	1,817
Amortization of debt discount and deferred financing costs	17	98
Stock-based compensation	4,383	5,431
Loss on fair value of warrants	41	1,044
Loss on warrant cancellation	—	11,357
Non-cash lease expense	111	70
Loss on sale/disposal of fixed assets	—	2,777
Changes in operating assets and liabilities		
Accounts receivable	(2,093)	(1,671)
Inventories	4,441	5,691
Contract assets	(10,121)	(948)
Prepaid expenses and other current assets	(11,174)	(292)
Other assets	(120)	2,002
Accounts payable	(8,233)	(912)
Accrued expenses and other liabilities	(4,279)	2,463
Contract liabilities	1,968	(3,573)
Other noncurrent liabilities	2,560	(642)
Net cash used in operating activities	(39,533)	(13,565)
Cash flows from investing activities		
Purchase of property and equipment	(4,458)	(1,799)
Net cash used in investing activities	(4,458)	(1,799)
Cash flows from financing activities		
Proceeds from convertible secured notes	—	15,000
Gross proceeds from April 2026 Offering	50,000	—
Payment for issuance costs related to April 2026 Offering	(3,408)	—
Gross proceeds from ATM Offering	59,428	—
Payment for issuance costs related to ATM Offering	(2,006)	—
Repayment of 2025 equipment loan	(1,506)	—
Repayment of secured notes	(3,039)	—
Net cash provided by financing activities	99,469	15,000
Effect of exchange rate changes on cash and cash equivalents	1	6
Net change in cash and cash equivalents and restricted cash	55,479	(358)
Cash and cash equivalents and restricted cash at beginning of period	39,636	1,840
Cash and cash equivalents and restricted cash at end of period	$ 95,115	$ 1,482
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 612	$ 750
Supplemental schedule of non-cash investing and financing activities		
Conversion of convertible secured notes into common stock	18,494	—
Unpaid liabilities related to property and equipment, net	570	160
Unpaid purchase of inventories, net	2,596	—
Equipment subject to operating lease, net returned to inventories, net	543	653
Transfer of property and equipment, net (to) from inventories, net	(559)	3,404
Transfer of other assets to inventories, net, upon return of leased asset	(1,237)	—
Derecognition of right-of-use asset upon purchase of leased asset	307	—
Operating lease right-of-use assets recorded in exchange for lease obligations	(14,521)	—

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

	Six Months Ended June 30, 2026	2025
	(In thousands)	
Cash and cash equivalents	$ 91,144	$ 854
Restricted cash (Other assets)	3,971	628
Total cash and cash equivalents and restricted cash	$ 95,115	$ 1,482

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

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

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance as of March 31, 2025	**14,015,517**	**$ 4**	**$ 484,591**	**$ (451,795)**	**$ 32,800**
Issuance of common stock upon vesting of RSUs	51,898	—	—	—	—
Stock-based compensation	—	—	1,835	—	1,835
Net loss	—	—	—	(13,263)	(13,263)
Balance as of June 30, 2025	**14,067,416**	**$ 4**	**$ 486,426**	**$ (465,058)**	**$ 21,372**
Balance as of March 31, 2026	**26,216,822**	**$ 5**	**$ 556,676**	**$ (505,141)**	**$ 51,540**
Issuance of common stock upon vesting of RSUs	114,045	—	—	—	—
Stock-based compensation	—	—	2,495	—	2,495
Issuance of common stock in connection with April Offering, net	3,571,428	—	46,592	—	46,592
Issuance of common stock in connection with ATM offering, net	2,246,823	—	57,422	—	57,422
Net loss	—	—	—	(11,510)	(11,510)
Balance as of June 30, 2026	**32,149,118**	**$ 5**	**$ 663,185**	**$ (516,651)**	**$ 146,539**

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance as of December 31, 2024	**12,993,962**	**$ 4**	**$ 466,440**	**$ (426,781)**	**$ 39,663**
Issuance of common stock upon vesting of RSUs	83,295	—	—	—	—
Stock-based compensation	—	—	5,431	—	5,431
Issuance of common stock in connection with warrant cancellation	990,159	—	14,555	—	14,555
Net loss	—	—	—	(38,277)	(38,277)
Balance as of June 30, 2025	**14,067,416**	**$ 4**	**$ 486,426**	**$ (465,058)**	**$ 21,372**
Balance as of December 31, 2025	**24,607,630**	**$ 5**	**$ 536,294**	**$ (498,143)**	**$ 38,156**
Issuance of common stock upon vesting of RSUs	182,890	—	—	—	—
Stock-based compensation	—	—	4,383	—	4,383
Issuance of common stock in connection with April Offering, net	3,571,428	—	46,592	—	46,592
Issuance of common stock in connection with debt conversion, net	1,540,347	—	18,494	—	18,494
Issuance of common stock in connection with ATM offering, net	2,246,823	—	57,422	—	57,422
Net loss	—	—	—	(18,508)	(18,508)
Balance as of June 30, 2026	**32,149,118**	**$ 5**	**$ 663,185**	**$ (516,651)**	**$ 146,539**

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

Velo3D, Inc.
Notes to Condensed Consolidated Interim 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 "c*ommon stock*") before the 1-for-35 reverse stock split in 2024 and the 1-for-15 reverse stock split in 2025. 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 interim 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 interim 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 fiscal year ended December 31, 2025 (the *"2025 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, 2025 has been derived from the audited consolidated financial statements of the Company. These unaudited condensed consolidated interim financial statements have been prepared on the same basis as the Company's annual consolidated 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 consolidated financial information. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2026, or for any other interim period or for any other future year.

Reverse Stock Split

On June 27, 2025, the stockholders of the Company approved an amendment to the Company's Certificate of Incorporation, as amended, to effect a reverse stock split of the issued and outstanding shares of the Company's common stock, par value $0.00001 per share, at a ratio ranging from 1-for-5 and 1-for-50, with the exact ratio to be set within that range by the Company's Board. On July 18, 2025, the Board approved the reverse stock split at a ratio of 1-for-15 (the *"2025 Reverse Stock Split"*). On July 25, 2025, the Company filed a Certificate of Amendment to the Company's Certificate of Incorporation, as amended with the Secretary of State of the State of Delaware to effect the 2025 Reverse Stock Split, effective as of July 28, 2025.

As a result of the 2025 Reverse Stock Split, every 15 shares of the Company's common stock were automatically reclassified and converted into one issued and outstanding share of common stock. No fractional shares were issued in connection with the 2025 Reverse Stock Split. Any fractional shares resulting from the 2025 Reverse Stock Split were rounded up to the nearest whole share. The par value of the Company's common stock was not adjusted as a result of the 2025 Reverse Stock Split nor did it change the total number of the Company's authorized shares of common stock. All of the Company’s share numbers, per share amounts, and related stockholders’ equity (deficit) balances presented herein have been retroactively adjusted to reflect the 2025 Reverse Stock Split. In addition, the exercise prices, conversion rates and other terms of the Company’s securities that adjusted pursuant to their terms as a result of the 2025 Reverse Stock Split have been presented after giving effect to such adjustments.

Delisting from the New York Stock Exchange ("NYSE"), Trading on Over-the Counter ("OTC") and Listing on Nasdaq Stock Market ("Nasdaq")

On September 10, 2024, the Company received written notice from the NYSE that the NYSE had determined to commence proceedings to delist the Company’s common stock and publicly traded warrants and that trading in such securities would be suspended immediately. On September 11, 2024, the Company commenced the trading of its common stock and warrants on the OTCQX Best Market. On August 19, 2025, the Company commenced trading of its common stock on the Nasdaq Stock Market LLC under the ticker symbol "VELO".

Going Concern, Financial Condition and Liquidity and Capital Resources

The unaudited condensed consolidated interim financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. The Company has incurred recurring operating losses and negative cash flows from operations since inception and expects to continue to incur operating losses for the foreseeable future. As of June 30, 2026, the Company had an accumulated deficit of $516.7 million and cash and cash equivalents on hand of approximately $91.1 million.

Management evaluated whether conditions and events raise substantial doubt about the Company's ability to continue as a going concern for the twelve-month period following the issuance of these unaudited condensed consolidated interim financial statements in accordance with ASC 205-40. In performing this assessment, management considered the Company's current liquidity position, historical operating cash flows, expected operating cash requirements, recurring working capital needs, scheduled debt obligations, and available financing alternatives.

During the six months ended June 30, 2026, the Company completed a firm commitment underwritten registered direct offering that generated gross proceeds of approximately $50.0 million, entered into an At-the-Market equity program with an aggregate offering capacity of $100.0 million, issued shares of common stock upon conversion of secured convertible notes into equity by the holders thereof, and repaid certain debt obligations. Specific to the At-the-Market equity program, the Company entered into a sales agreement (the "Sales Agreement") with Needham & Company, LLC ("Needham"), Cantor Fitzgerald & Co. ("Cantor") and Craig-Hallum Capital Group, LLC ("Craig-Hallum") as agents, pursuant to which the Company may offer and sell, from time to time through the agents, shares of its common stock pursuant to the Company's effective shelf registration statement on Form S-3 (the *“Shelf Registration Statement”*), which was filed with the SEC on April 3, 2026 and declared effective on April 8, 2026, including the base prospectus contained in the Shelf Registration Statement, as supplemented by a prospectus supplement filed with the SEC on May 15, 2026 pursuant to Rule 424(b) under the Securities Act. As of June 30, 2026, the Company had sold 2.2 million shares pursuant to the Sales Agreement for gross proceeds of $59.4 million. After deducting issuance costs of $2.0 million, the Company received net proceeds of $57.4 million. Additional information regarding these transactions is included in *Note 9, Debt*, *Note 10, Equity Instruments* and *Note 16, At-the-Market Offering* to the unaudited condensed consolidated interim financial statements. Despite these improvements, management expects the Company will require additional financing to fund operations and satisfy its obligations throughout the assessment period due to continued operating losses, negative operating cash flows, and ongoing working capital requirements.

Accordingly, management concluded that substantial doubt about the Company's ability to continue as a going concern continues to exist within one year after the date these unaudited condensed consolidated interim financial statements are issued.

The Company intends to continue pursuing additional sources of capital, including equity and debt financings, strategic transactions, and other financing alternatives. However, there can be no assurance that such financing will be available on acceptable terms, or at all. If the Company is unable to obtain additional financing or otherwise improve its liquidity, it may be required to significantly reduce, delay, or discontinue operations, modify strategic initiatives, or pursue other alternatives. These unaudited condensed consolidated interim financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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 2025 Form 10-K. During the three and six months ended June 30, 2026, there were no significant updates to the Company's significant accounting policies other than as described below.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU No. 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The standard provides a practical expedient allowing entities to assume that current economic conditions at the measurement date remain unchanged over the remaining life of the receivable. The Company adopted this standard on January 1, 2026, on a prospective basis. The adoption of this standard did not have a material impact on the Company's unaudited condensed consolidated interim financial statements.

Recently Issued Accounting Pronouncements

In September 2025, the FASB issued ASU No. 2025-07, which (1) refines the scope of the guidance on derivatives in ASC Topic 815 and (2) clarifies the guidance on share-based payments from a customer in ASC Topic 606. The ASU is intended to address concerns about the application of derivative accounting to contracts that have features based on the operations or activities of one of the parties to the contract and to reduce diversity in the accounting for share-based payments in revenue contracts. ASU Topic 2025-07 is effective for annual reporting periods beginning after December 15, 2026, including interim reporting periods within those annual reporting periods. Early adoption of the standard is permitted in an interim or annual reporting period for which financial statements have not been issued or made available for issuance. If an entity elects to early adopt the standard in an interim period, the entity must apply the standard as of the beginning of the fiscal year that includes the interim period. The Company is currently evaluating the impact this standard will have on its condensed consolidated interim financial statements and related disclosures.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40). This update contains amendments that require disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments in this update are effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments are expected to impact only the Company's financial statement disclosures and are not expected to affect the recognition or measurement of amounts reported in the consolidated financial statements. The Company will continue to evaluate the impact of adopting this standard on its financial statement disclosures.

Product Warranties

Our 3D printers are sold with a warranty period of typically one year from installation. After the warranty period, we generally offer service contracts that enable our customers to continue service and maintenance coverage. These service contracts are offered with various levels of support and options and are priced accordingly. One entitlement of our service contracts is our service engineers provide periodic preventive maintenance visits to customer sites. Additionally, we provide training to our partners to enable them to also perform these services. Another contract entitlement on certain printer models is proactive remote troubleshooting capability through the Company's integrated platform. From time to time, we also offer upgrade kits for certain of our printers that enable our existing customers to take advantage of new or enhanced printer capabilities. In some cases, we have discontinued upgrade support and maintenance agreements for certain of our older legacy printers.

Printers and certain other products include a warranty that covers workmanship, software, and hardware components under which we provide maintenance for periods up to one year. For these initial product warranties, estimated costs are accrued at the time of the sale of the product. These cost estimates are established using historical information regarding the nature, frequency and average cost of claims for each type of printer or other product, as well as assumptions about future activity and events. Revisions to expense accruals are made as necessary based on changes in these historical and future factors.

Information by Segment and Geography

The Company manages its operations and allocates resources as a single operating segment. Further, the Company manages, monitors, and reports its financial results as a single reportable segment. The Company's chief operating decision-maker (*"CODM"*) is its Chief Executive Officer, who reviews financial information presented on an entity wide basis for purposes of making operating decisions, assessing financial performance, and allocating resources.

Specifically, our CODM uses consolidated net income to measure performance, allocate resources of the Company as a whole, including investing in future development efforts, customer retention and acquisition, and assessing performance. Further, the CODM reviews and utilizes functional expenses (cost of revenues, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company's operations. Other segment items included in the condensed consolidated net income are interest income, other expense, net and the provision for (benefit from) income taxes, which are reflected in the unaudited condensed consolidated statements of comprehensive income (loss).

Equipment Subject to Operating Lease

Our 3D printers subject to operating leases are classified using the following criteria:

	Equipment on Lease	Equipment Available for Lease
Revenue generation— under contract or not under contract but held for potential redeployment to existing or new customers	Yes (lease income active)	No (not on active lease)
Physical location— remains in a condition, location, and business context rendering it suitable for future lease arrangements	At customer site	At customer site, idle, or warehouse
Intended use— for third party customers and not for internal usage	On Lease	Available for Lease
Depreciation— the lesser of the useful life of the equipment or the contract period and annually tested for impairment	Yes, per original schedule	Yes, may accelerate if impaired

If the 3D printer does not meet the above criteria, the equipment is classified under property and equipment, net.

For more information, see *Note 7, Equipment Subject to Operating Lease, Net*, in the notes of the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report.

Reclassifications of Previously Issued Financial Statements

Certain prior-period amounts in the unaudited condensed consolidated interim financial statements have been reclassified to conform to the current-period presentation. These reclassifications had no impact on previously reported total net income (loss), total cash flows, or total stockholders' equity.

Revision of Previously Filed Financial Statements

The unaudited condensed consolidated interim financial statements as of and for the three and six months ended June 30, 2025, have been revised to reflect corrections to previously issued financial statements as presented in the Company's Quarterly Report on Form 10-Q filed with the SEC on August 06, 2025. These revisions were originally disclosed in Note 2, *Summary of Significant Accounting Policies—Revision of Previously Filed Financial Statements,* in the Company's Form 10-K for the year ended December 31, 2025.

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 June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(In thousands, except share and per share data)		(In thousands, except share and per share data)	
Numerator:				
Net loss	$ (11,510)	$ (13,263)	$ (18,508)	$ (38,277)
Denominator:				
Weighted average shares outstanding — basic and diluted	29,448,322	14,041,712	27,246,923	13,721,680
Net loss per share — basic and diluted	$ (0.39)	$ (0.94)	$ (0.68)	$ (2.79)

The following potentially dilutive common stock equivalents were excluded from the computation of diluted net loss per share for the periods presented because their inclusion would have been antidilutive:

	For the Three and Six Months Ended June 30, 2026	2025
Common stock warrants	36,892	36,892
Common stock options	14,859	9,971
Restricted stock units	1,126,099	303,577
Total potentially dilutive common stock equivalents	1,177,850	350,440

Total potentially dilutive common stock equivalents for the three and six months ended June 30, 2026 and 2025 excludes 41,444 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 June 30, 2026			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets				
Money market funds (i)	$ 48,845	$ —	$ —	$ 48,845
Total financial assets	$ 48,845	$ —	$ —	$ 48,845
Liabilities				
Common stock warrant liabilities (2022 Private Warrant) (iv)	$ —	$ —	$ 2	$ 2
Common stock warrant liabilities (Placement Agent Warrants) (iv)	—	—	39	39
Common stock warrant liabilities (BEPO Warrants) (iv)	—	—	67	67
Common stock warrant liabilities (BEPO Agent Warrants) (iv)	—	—	42	42
Contingent earnout liabilities	—	—	1	1
Total financial liabilities	$ —	$ —	$ 151	$ 151

	Fair Value Measured as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets				
Money market funds (i)	$ 37,124	$ —	$ —	$ 37,124
Customer deposit— non cash consideration (ii)	—	—	1,158	1,158
Total financial assets	$ 37,124	$ —	$ 1,158	$ 38,282
Liabilities				
Customer liabilities— non cash consideration (iii)	$ —	$ —	$ 1,158	$ 1,158
Common stock warrant liabilities (2022 Private Warrant) (iv)	—	—	2	2
Common stock warrant liabilities (Placement Agent Warrants) (iv)	—	—	29	29
Common stock warrant liabilities (BEPO Warrants) (iv)	—	—	48	48
Common stock warrant liabilities (BEPO Agent Warrants) (iv)	—	—	30	30
Contingent earnout liabilities	—	—	1	1
Total financial liabilities	$ —	$ —	$ 1,268	$ 1,268

(i)Included in cash and cash equivalents on the unaudited condensed consolidated balance sheets.
(ii)Included in prepaid expenses and other current assets on the unaudited condensed consolidated balance sheets.
(iii)Included in accrued expenses and other current liabilities on the unaudited condensed consolidated balance sheets.
(iv)Included in warrant liabilities on the unaudited condensed consolidated balance sheets.

For more information regarding the various warrant and 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 June 30, 2026 and December 31, 2025. 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:

	2022 Private Warrant (i)	Contingent earnout liabilities (ii)	Placement Agent Warrants (i)	BEPO Warrants (i)	BEPO Agent Warrants	Customer liabilities—non cash consideration (iii)
			(In thousands)			
Fair value as of January 1, 2026	$ 2	$ 1	$ 29	$ 48	$ 30	$ 1,158
Change in fair value	—	—	—	—	—	—
Change due to conversion	—	—	—	—	—	(1,158)
Fair value as of March 31, 2026	$ 2	$ 1	$ 29	$ 48	$ 30	$ —
Change in fair value	—	—	10	19	12	—
Change due to conversion	—	—	—	—	—	—
Fair value as of June 30, 2026	$ 2	$ 1	$ 39	$ 67	$ 42	$ —

	2022 Private Warrant (i)	Contingent earnout liabilities (ii)	RDO Warrants (i)	Placement Agent Warrants (i)	2024 Private Warrants (ii)	BEPO Warrants (i)	BEPO Agent Warrants	July 2024 Private Warrants (i)	August Inducement Warrants (i)
					(In thousands)				
Fair value as of January 1, 2025	$ 1	$ 11	$ 90	$ 16	$ 2	$ 378	$ 18	$ 866	$ 796
Change in fair value	(1)	—	55	(13)	(1)	176	(14)	440	402
Change due to exchange	—	—	(145)	—	(1)	(548)	—	(1,306)	(1,198)
Fair value as of March 31, 2025	$ —	$ 11	$ —	$ 3	$ —	$ 6	$ 4	$ —	$ —
Change in fair value	—	—	—	—	—	—	—	—	—
Fair value as of June 30, 2025	$ —	$ 11	$ —	$ 3	$ —	$ 6	$ 4	$ —	$ —

i. In determining the fair value 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*).

ii. In determining the fair value 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*).

iii. In determining the fair value 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 6, Balance Sheet Components*).

The fair value of the various warrants, contingent earnout liabilities and customer liabilities are based on significant unobservable inputs, which represent Level 3 measurements within the fair value hierarchy.

Note 5. Revenue

Customer Concentration

Customers representing 10% or more of total revenue for the periods presented or accounts receivable, net, as of the balance sheet dates presented were as follows:

	Total Revenue				Accounts Receivable, Net	
	Three Months Ended June 30,		Six Months Ended June 30,		June 30,	December 31,
	2026	2025	2026	2025	2026	2025
	(as a percentage)					
Customer 1	17.1%	<10%	10.6%	<10%	18.9%	<10%
Customer 2	15.8%	<10%	<10%	<10%	<10%	<10%
Customer 3	13.0%	14.6%	<10%	20.6%	<10%	<10%
Customer 4	12.8%	<10%	<10%	<10%	<10%	<10%
Customer 5	<10%	<10%	<10%	<10%	15.2%	<10%
Customer 6	<10%	<10%	12.2%	<10%	<10%	34.0%
Customer 7	<10%	<10%	<10%	<10%	<10%	16.2%
Customer 8	<10%	<10%	11.1%	<10%	<10%	<10%
Customer 9	<10%	30.5%	<10%	18.1%	<10%	<10%
Customer 10	<10%	20.1%	<10%	15.9%	<10%	<10%
Customer 11	<10%	<10%	<10%	14.3%	<10%	<10%

Revenue by Geographic Area

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Americas	$ 20,193	$ 10,731	$ 33,214	$ 19,020
Europe	357	2,748	970	3,684
Other	114	93	296	188
Total	$ 20,664	$ 13,572	$ 34,480	$ 22,892

Contract Assets and Liabilities

There was $0.4 million and $0.8 million of revenue recognized during the three and six months ended June 30, 2026, respectively, included in contract liabilities as of June 30, 2026. The amount of revenue recognized during the three and six months ended June 30, 2025 included in contract liabilities as of December 31, 2025 was $0.4 million and $0.9 million, respectively. 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 evaluates contract assets for expected credit losses under ASC 326. As of June 30, 2026 and December 31, 2025, the allowance for credit losses related to contract assets was not material. There were no material provisions for credit losses related to contract assets recognized during the six months ended June 30, 2026 and 2025.

Note 6. Balance Sheet Components

Accounts Receivable, Net

Accounts receivable, net consisted of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Trade receivables	$ 9,204	$ 7,110
Less: Allowances for credit losses	(848)	(847)
Total	$ 8,356	$ 6,263

Inventories

Inventories consisted of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Raw materials	$ 18,216	$ 17,497
Work-in-progress	6,632	6,281
Finished goods	2,730	3,305
Total	$ 27,578	$ 27,083

The Company recorded $24.1 million and $25.2 million in inventory reserves related to the valuation of inventory as of June 30, 2026 and December 31, 2025, respectively.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Prepaid insurance and other	$ 2,953	$ 1,335
Net investments in sales type lease	—	1,729
Vendor prepayments	13,943	1,500
Customer deposit — noncash consideration	—	1,158
Total	$ 16,896	$ 5,722

The Company entered into a sales-type lease on July 11, 2024 with a customer for a Sapphire XC system. The lease term was 21 months and carried an effective interest rate of 0.78%. An amendment to the original agreement modified the monthly payment schedule and included a purchase option of approximately $1.2 million at the end of the initial lease term. During the three months ended June 30, 2026, the customer declined to exercise the purchase option, and the system was returned to the Company. Upon return of the system, the Company derecognized the net investment in the lease and recorded the returned system to inventory in accordance with ASC 842.

For a full description of the customer deposit — noncash consideration, see *Note 15, Momentus Master Service Agreement*.

Property and Equipment, Net

Property and equipment, net consisted of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Computers and software	$ 1,344	$ 461
Lab equipment and other equipment	12,425	11,379
Furniture and fixtures	165	157
Leasehold improvements	15,749	14,254
Construction in progress	329	3
Total property, plant and equipment	30,012	26,254
Less: Accumulated depreciation and amortization	(13,860)	(13,160)
Property, plant and equipment, net	$ 16,152	$ 13,094

Depreciation expense for the three months ended June 30, 2026 and 2025 was $0.8 million and $0.8 million, respectively. Depreciation expense for the six months ended June 30, 2026 and 2025 was $1.5 million and $1.7 million, respectively

Other Assets

Other assets consisted of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Right of use assets	$ 20,921	$ 7,633
Non-current prepaid expenses and other assets	5,917	2,872
Total Other assets	$ 26,838	$ 10,505

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Accrued expenses	$ 943	$ 2,103
Accrued salaries and benefits	964	1,483
Customer liabilities — prepaid reserve	2,953	1,072
Customer liabilities — noncash consideration	—	1,158
Lease liability — current portion	107	2,099
Total Accrued expenses and other current liabilities	$ 4,967	$ 7,915

For a full description of the customer liabilities - prepaid reserve, and customer liabilities - noncash consideration, see *Note 15, Momentus Master Service Agreement.* On August 14, 2025, an amendment to the Momentus Master Service Agreement triggered changes to the accounting treatment, which required an independent valuation appraisal. The customer deposit - prepaid reserve are net cash proceeds after fees from the sale of the customer noncash consideration, and the customer deposit - noncash consideration was based on an independent valuation appraisal as of December 31, 2025. The December 31, 2025 valuation was based on a Black-Scholes model including inputs from the current stock price, volatility, remaining term and risk-free rate. A discount for lack of marketability was applied and certain restrictions on trading activity limitations were considered in the model.

The fair value assumptions used in the Black-Scholes model for the valuation of the liability was as follows:

	As of December 31, 2025
Current stock price	$ 4.87
Expected volatility	182% - 195%
Risk-free interest rate	3.53% - 3.61%
Dividend rate	—
Expected term (years)	0.25 - 0.50

Other Noncurrent Liabilities

Other noncurrent liabilities consisted of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Lease liabilities — noncurrent portion	$ 22,538	$ 7,115
Other noncurrent liabilities	1,298	1,455
Total other noncurrent liabilities	$ 23,836	$ 8,570

Note 7. Equipment Subject to Operating Lease, Net

The equipment subject to operating lease consisted of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Equipment on lease	$ —	$ —
Equipment available for lease	1,846	2,500
Total Equipment subject to operating lease	$ 1,846	$ 2,500
Less: Accumulated depreciation	(823)	(871)
Total Equipment subject to operating lease, net	$ 1,023	$ 1,629

The total depreciation expense was less than $0.1 million and $0.1 million included in general and administrative for the three months ended June 30, 2026 and 2025, respectively. The total depreciation expense was $0.1 million and $0.2 million included in general and administrative for the six months ended June 30, 2026 and 2025, respectively.

Note 8. Leases

The Company leases its office and manufacturing facilities under four non-cancellable operating and financing leases, including options to extend, which expire between 2026 to 2040. The agreements include a provision for renewal at the then prevailing market rate for terms specified in each lease. On April 16, 2026, the Company amended its headquarters and manufacturing facility lease to extend the non-cancellable lease term through July 31, 2035. The amended lease also includes an option to extend the lease for an additional five-year period through July 31, 2040. The Company concluded that it is reasonably certain to exercise the extension option and, accordingly, included the optional renewal period in the lease term when remeasuring the related operating lease right-of-use asset and lease liability.

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

	June 30, 2026	December 31, 2025
	(In thousands)	
Right-of-use assets:		
Net book value (Other assets)	$ 20,921	$ 7,633
Operating lease liabilities:		
Current (Accrued expenses and other current liabilities)	$ —	$ 1,917
Noncurrent (Other noncurrent liabilities)	22,428	6,970
Total operating lease liabilities	22,428	8,887
Financing lease liabilities:		
Current (Accrued expenses and other current liabilities)	$ 107	$ 182
Noncurrent (Other noncurrent liabilities)	110	145
Total financing lease liabilities	$ 217	$ 327
Total lease liabilities	$ 22,645	$ 9,214

There were no impairments recorded related to these assets as of June 30, 2026 and December 31, 2025.

Information about lease-related balances were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands, except years and percentages)			
Operating lease expense	$ 864	$ 578	$ 1,539	$ 1,156
Financing lease expense	56	40	113	80
Short-term lease expense	45	45	488	86
Total lease expense	$ 965	$ 663	$ 2,140	$ 1,322
Cash paid for leases	$ 740	$ 595	$ 1,480	$ 1,190

'Other information related to lease terms and discount rates is as follows:

	As of June 30, 2026	As of December 31, 2025
Weighted — average remaining lease term — operating leases (years)	14.1	6.3
Weighted — average discount rate — operating leases	9.2%	9.0%
Weighted — average remaining lease term — financing leases (years)	2.1	2.2
Weighted — average discount rate — financing leases	4.6%	5.6%

Maturity of operating lease liabilities as of June 30, 2026 are as follows:

Year Ending December 31,	Operating Leases	Financing Leases	Total
		(In thousands)	
Remainder of 2026	$ (874)	$ 75	$ (799)
2027	1,864	75	1,939
2028	2,712	75	2,787
2029	2,824	—	2,824
2030	2,941	—	2,941
Thereafter	35,503	—	35,503
Total operating lease payments	$ 44,970	$ 225	$ 45,195
Less: Portion representing imputed interest	(22,542)	(8)	(22,550)
Total operating lease liabilities	$ 22,428	$ 217	$ 22,645
Less: Current portion	—	107	107
Long-term portion	$ 22,428	$ 110	$ 22,538

Undiscounted lease payments for remainder of 2026 are net of a $2.0 million tenant improvement allowance receivable from the landlord pursuant to the Lakeview Second Lease Amendment executed in April 2026.

In May 2026, the Company entered into a lease for an approximately 289,000-square-foot production and manufacturing facility in Livermore, California, with a lease term of 124 months. The lease commenced on July 1, 2026, subsequent to the end of the period covered by this Quarterly Report, and accordingly no right-of-use asset or lease liability related to this lease is reflected in the condensed consolidated balance sheet as of June 30, 2026. Total undiscounted minimum base rent payments over the initial term are approximately $57.9 million, subject to a base rent credit provided under the lease. The Company will recognize the associated operating lease right-of-use asset and lease liability upon commencement in the third quarter of 2026. In conjunction with the new lease, the Company issued a one-year letter of credit for $3.3 million to the landlord to secure the agreement, which automatically renews for another annual period, through the life of the lease.

Note 9. Debt

Debt consisted of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
January Note	$ —	$ 6,295
February Note 1st Tranche	—	5,983
February Note 2nd Tranche	—	5,837
Secured Notes	—	3,232
2025 Equipment Loan	8,170	9,668
Total	$ 8,170	$ 31,015
Debt — current portion	3,197	6,305
Long-term debt — Less: Current portion	$ 4,973	$ 24,710

As of June 30, 2026, the Company's debt consisted only of the 2025 Equipment Loan. For a full description of these debt arrangements, see *Note 9, Long-Term Debt*, in the audited consolidated financial statements included in the 2025 Form 10-K.

Convertible Secured Note

On January 7, 2025, the Company issued the January Note, a Senior Secured Convertible Promissory Note in the principal amount of $5,000,000 to Thieneman Properties, LLC, an Indiana limited liability company. The January Note bore interest at a rate of 60.0% per annum, was initially payable in full on April 7, 2025 in the amount of $5,750,000 and if not paid on or prior to such date, would continue to accrue interest at the same rate until paid. The January Note could be prepaid in whole or in part at any time without penalty or premium and was convertible in the event of default into shares of the Company's common stock, at a fixed conversion price of

$23.40 per share. On April 7, 2025, the Company made a payment of $750,000, which fulfilled its obligations of interest owed through such date. The Company continued to accrue interest on the principal amount of the January Note until such time as it was repaid. During the three and six months ended June 30, 2026, the Company incurred total interest expense of $0 and $0.2 million, respectively.

On February 10, 2025, the Company issued a Senior Secured Convertible Promissory Note (the *"February Note"*) in the principal amount of $10,000,000 to Thieneman Construction, Inc. an Indiana corporation, to be funded in two tranches of $5,000,000. This Note bore interest at a rate of 30.0% per annum, was payable in full on the date that is six months from the time the amounts were received by the Company. The first tranche (*"February Note 1st tranche"*) and second tranche (*"February Note 2nd tranche"*) were received by the Company on February 10, 2025 and March 20, 2025, respectively, which amounts became due on August 10, 2025 and September 20, 2025, respectively. Given the February Notes was not paid on or prior to the aforementioned dates, the February Note would continue to accrue interest at the same rate until paid. The outstanding principal amount of the February Note was convertible at the option of the holder upon the occurrence of the Company's successful listing of shares of its common stock on a national securities exchange or the occurrence and during the continuation of an Event of Default (as defined in the February Note), into shares of the Company's common stock, at a fixed conversion price of $15.00 per share. During the three and six months ended June 30, 2026, the Company incurred total interest expense related to the February Note 1st tranche and February Note 2nd tranche of $0 and $0.2 million, respectively.

On August 14, 2025, the Company amended the January Note (the *"January Note Amendment"*), which amended certain provisions of the January Note, including: an extension of the maturity date under the January Note to February 14, 2027; a reduction of the interest rate under the January Note to 12%; and an adjustment of the fixed conversion price to $16.38 per share. On August 14, 2025, the Company also amended the February Note (the *"February Note Amendment"*) which, amended certain provisions of the February Note, including: an extension of the maturity dates for each tranche under the February Note to February 14, 2027; a reduction of the interest rate under the February Note to 12%; and an adjustment of the fixed conversion price to $10.50 per share. The Company has evaluated that the note amendments are both treated as a debt modification under ASC Topic 470, *Debt*.

On March 4, 2026, the Company and Arrayed entered into a further amendment to the January Note, which amended certain provisions of the January Note to, among other things, provide that, at any time and from time to time, Arrayed (as holder) has the right, at its option, to convert all or any portion of the outstanding principal amount of the January Note, together with accrued and unpaid interest thereon, into shares of the Company's common stock.

On March 4, 2026, the Company and Thieneman Construction, Inc. entered into a further amendment to the February Note, which amended certain provisions of the February Note to, among other things, provide that, subject to the existing terms of the February Note, accrued and unpaid interest thereon, in addition to the outstanding principal amount, may be convertible into common stock at the holder's option.

On March 4, 2026, the Company issued 394,517 shares of common stock to Arrayed upon conversion of the January Note, in the principal amount of $5,000,000, together with accrued and unpaid interest thereon, at a conversion price of $16.38 per share, a premium to the Company's share price on March 4, 2026. As of such date, the January Note (including principal and interest) was fully converted into shares of common stock of the Company.

On March 4, 2026, the Company issued 1,145,830 shares of common stock to Thieneman Construction, Inc. upon conversion of the February Note, in the principal amount of $10,000,000, together with accrued and unpaid interest thereon, at a conversion price of $10.50 per share. As of such date, the February Note (including principal and interest) was fully converted into shares of common stock of the Company.

The Company has evaluated that the debt conversion under ASC Topic 470, *Debt,* is a debt modification and accounted for under the carrying-amount method pursuant to ASC 470-20. The transaction is a related-party transaction under ASC 850, *Related Party Disclosures,* and was duly evaluated and approved by the Board of Directors on March 4, 2026.

Secured Notes

The Secured Notes bore interest at 6.00% per annum, payable quarterly in cash on January 1, April 1, July 1 and October 1 of each year, and would mature on August 1, 2026. Upon repayment of principal on the Secured Notes pursuant to the terms of the Secured Notes, the Company was required to pay 120% of the principal amount repaid (the *"Repayment Price"*) plus accrued and unpaid interest.

The Secured Notes included terms that provided Arrayed (the holder) seniority over other unsecured obligations in any settlement negotiations in the event of liquidation. Additionally, the Secured Notes contained 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 were settled in cash.

On March 18, 2026, the Company repaid the Secured Notes due 2026 in full of $3.0 million for principal and $0.3 million accrued interest. All obligations of the Company under the Secured Notes have been fully and finally paid, discharged, and satisfied.

2025 Equipment Loan

On December 8, 2025, the Company and Varilease Finance, Inc. (*"Varilease"*) entered into a Sale Leaseback Agreement (the *"Sale Leaseback Agreement"*) pursuant to which the Company agreed to sell to Varilease, and subject to the conditions set forth therein, Varilease agreed to purchase from the Company, assorted Velo3D Sapphire and Sapphire XC metal 3D printers and post processing tools and equipment owned and used by the Company (the *"Equipment"*). The aggregate purchase price for the Equipment to be received by the Company is $10 million and reported as debt (the *"Equipment Loan"*).

For the three and six months ended June 30, 2026, the Company incurred and paid $0.2 million and $0.4 million in interest expense, respectively, related to the Equipment Loan. The Company will pay 36 monthly payments with the Equipment Loan and the effective interest rate is 8.2%.

The future minimum aggregate payments for the above borrowings are equal to the quarterly payments made using the repayment price for the Equipment Loan, and are as follows as of June 30, 2026:

Year Ending December 31,		**(In thousands)**
Remainder of 2026	$	1,866
2027		3,732
2028		3,421
Total	$	9,019
Less: Amount of debt discount to be amortized subsequent to June 30, 2026		(14)
Less: Amount of interest to be accrued subsequent to June 30, 2026		(835)
Debt as of June 30, 2026	$	8,170

Note 10. Equity Instruments

Common stock

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 June 30, 2026, we had 32,149,118 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.

April 2024 Securities Purchase Agreement

On April 10, 2024, the Company entered into securities purchase agreements (the *"BEPO Purchase Agreements"*) with certain investors (collectively, the *"Purchasers"*). The BEPO Purchase Agreements relate to the sale and issuance, on a reasonable best efforts basis (collectively, the *"BEPO Offering"*), by the Company of an aggregate of: (i) 65,307 shares of the Company's common stock and (ii) warrants to purchase up to 65,307 shares of common stock (the *"BEPO Warrants"*). The offering price per share of common stock and the exercise price of the accompanying BEPO Warrants is $183.75.

On April 12, 2024, the Company completed the BEPO Offering, resulting in gross proceeds to the Company of approximately $12 million. The Company used the net proceeds from the BEPO Offering primarily for funding working capital and capital expenditures and other general corporate purposes, including repayment of a portion of the Company's Secured Notes.

In connection with the BEPO Offering, on April 10, 2024, the Company also entered into a placement agency agreement (the *"BEPO Placement Agency Agreement"*) with A.G.P./Alliance Global Partners (the *"BEPO Placement Agent"*). Pursuant to the terms of the BEPO Placement Agency Agreement, the BEPO Placement Agent agreed to arrange for the sale of the shares of common stock and the warrants. The Company paid the BEPO Placement Agent a cash fee equal to 7.0% of the aggregate purchase price paid by the Purchasers in connection with sales and reimbursed the BEPO Placement Agent for certain of its expenses in an aggregate amount of

$150,000. In addition, the Company issued Placement Agent warrants (the *"BEPO 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 BEPO Offering, or an aggregate of 3,266 shares of common stock. The BEPO Agent Warrants are exercisable immediately upon issuance and have substantially the same terms as the BEPO Warrants, except that the BEPO Agent Warrants have an exercise price of $202.125 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 BEPO Offering.

February 2025 Securities Purchase Agreement

On February 24, 2025, the Company entered into Warrant Exchange Agreements (the *"February Warrant Exchange Agreements"*) with each of: (i) Highbridge Tactical Credit Master Fund, L.P. (*"HM"*); (ii) Highbridge Tactical Credit Institutional Fund, Ltd. (collectively with HM, the "Highbridge Holders"); (iii) Anson Investments Master Fund LP (*"AMF"*); (iv) Anson East Master Fund LP (collectively with AMF, the "Anson Holders"); (v) High Trail Investments ON LLC (*"HTI"*), and (vi) HB SPV I Master LLC (together with HTI, the "High Trail Holders"), pursuant to which: (a) the Highbridge Holders and the Anson Holders agreed to exchange an aggregate of 60,150 registered warrants issued in April 2024 and an aggregate of 99,048 registered warrants issued in August 2024, and (b) the High Trail Holders agreed to exchange an aggregate of 151,808 unregistered warrants issued in April 2024 and July 2024, and an aggregate of 19,048 registered warrants issued in December 2023, for an aggregate of 990,159 shares (the *"Acquired Shares"*) of Company's common stock, respectively, equating in each case to an exchange ratio of three Acquired Shares for each warrant.

August 2025 Offering

On August 19, 2025, the Company entered into an underwriting agreement (the *"Underwriting Agreement"*) with Lake Street Capital Markets, LLC, as representative of the several underwriters named therein (the "Representative"), relating to the public offering of 5,833,333 shares (the *"Shares"*) of the Company's common stock, par value $0.00001 per share, at a purchase price per share of $3.00 (the *"Offering Price"*). Pursuant to the Underwriting Agreement, the Company also granted the Representative a 30-day option to purchase up to an additional 875,000 shares of common stock at the Offering Price, less any underwriting discounts and commissions, which was exercised in full.

The offering closed on August 20, 2025. Net proceeds from the offering were approximately $17.8 million after deducting the underwriting discounts and commissions, other estimated offering expenses payable by the Company, and the exercise of the Representative option. The Company intends to use the net proceeds of this offering for working capital, capital expenditures and general corporate purposes.

December 2025 Private Investment in Public Equity - "2025 PIPE"

On December 22, 2025, the Company entered into a securities purchase agreement (the *"Purchase Agreement"*) with certain institutional accredited investors (the *"Purchasers"*), for the issuance and sale in a private placement of an aggregate of 3,636,363 shares of the Company's common stock, par value $0.00001 per share (the *"Shares"*), at a purchase price of $8.25 per share. The foregoing transaction is referred to herein as the "Private Placement."

On December 23, 2025, the parties consummated the Private Placement. The aggregate gross proceeds to the Company from the Private Placement was approximately $30 million, before deducting placement agent fees and other offering expenses of $2.0 million. The Company intends to use the net proceeds of this offering for working capital, capital expenditures and general corporate purposes.

April 2026 Registered Direct Offering

On April 27, 2026, the Company entered into an Underwriting Agreement with Cantor Fitzgerald & Co., as underwriter, relating to a firm commitment underwritten registered direct offering of 3,571,428 shares of the Company's common stock at a public offering price of $14.00 per share.

Gross proceeds were approximately $50.0 million before underwriting discounts, commissions and other offering expenses of $3.4 million. Net proceeds were used for working capital, capital expenditures and other general corporate purposes.

Common Stock Reserved for Future Issuance

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

	June 30, 2026	December 31, 2025
	(share data)	
Common stock warrants	36,892	36,892
Shares available for future grant under 2021 Equity Incentive Plan	3,597,959	—
Reserved for At-the-Market offering	2,753,177	5,383
Reserved for employee stock purchase plan	394,863	148,787
Total shares of common stock reserved	6,782,891	191,062

On April 3, 2026, the Company filed a shelf registration statement on Form S-3 with the SEC, which became effective on April 8, 2026 (the “Shelf Registration Statement”). Under the Shelf Registration Statement, the Company may offer and sell, from time to time, up to an aggregate of $500 million of shares of common stock, preferred stock, debt securities, warrants and/or units consisting of some or all of those securities, in any combination, together or separately, in one or more offerings, in amounts, at prices and on the terms that the Company will determine at the time of the offering and which will be set forth in a prospectus supplement and, if permitted, any related free writing prospectus.

On April 3, 2026, the Company filed a registration statement on Form S-8 with the SEC to register (i) 1,230,382 additional shares of common stock, par value $0.00001 per share, available for issuance under the Company’s 2021 Equity Incentive Plan (the *“2021 EIP”*), pursuant to the evergreen provisions of the 2021 EIP, and (ii) 246,076 additional shares of common stock, par value $0.00001 per share, under the Company’s 2021 Employee Stock Purchase Plan (the *“2021 ESPP”*), pursuant to the evergreen provisions of the 2021 ESPP.

On May 15, 2026, the Company entered into the Sales Agreement with Needham, Cantor and Craig-Hallum, as agents, pursuant to which the Company may offer and sell, from time to time through the agents, shares of the Company’s common stock having an aggregate offering price up to $100 million, pursuant to the Shelf Registration Statement. Sales of shares, if any, under the Sales Agreement may be made in any transactions permitted by law that are deemed to be “at the market offerings” as defined in Rule 415 under the Securities Act. The Company reserved 5,000,000 shares of common stock for issuance under the Sales Agreement.

At the Company's 2026 Annual Meeting of Stockholders, stockholders approved an amendment to the 2021 EIP to increase the aggregate number of shares authorized for issuance under the plan by 2,860,000 shares, to increase the aggregate number of shares of common stock issuable as incentive stock options from 244,377 to 10,000,000 shares, and to require stockholder approval in connection with a repricing of options or stock appreciation rights. The Company filed a registration statement on Form S-8 with the SEC on June 11, 2026, to register (i) the additional 2,860,000 shares of common stock, par value $0.00001 per share (“*Shares*”), available for issuance under the 2021 EIP and (ii) 1,430,000 Shares to allow for the recycling of Shares back into the 2021 EIP in connection with Share withholding or expirations, cancellations, forfeitures or similar events with respect to 2021 EIP awards.

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 June 30, 2026 and December 31, 2025.

Common Stock Warrant Liabilities

In connection with the BEPO Offering, the Company issued BEPO Warrants to purchase up to an aggregate of 65,307 shares of common stock. The BEPO Warrants are immediately exercisable at an exercise price of $183.75 per share and will expire on the five year anniversary of the date of issuance. In connection with the BEPO Placement Agency Agreement, we also issued BEPO Agent Warrants to purchase up to 3,266 shares of common stock. The BEPO Agent Warrants are exercisable at an exercise price of $202.125 per share and will expire on the five year anniversary of the date of issuance.

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 41,808 shares of common stock. The 2024 Private Warrants became exercisable 45 days after the original issuance date (the *“Initial Exercise Date”*), are exercisable at an exercise price of $199.35 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 price 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.

In connection with the Third Note Amendment, on July 1, 2024, the Company also entered into a letter agreement with the Investors pursuant to which the Company issued to the Investors warrants (the *"July 2024 Private Warrants"*) to purchase up to an aggregate of 110,000 shares of common stock. The July 2024 Private Warrants became exercisable 45 days after the original issuance date, are exercisable at an exercise price of $37.50 per share and will expire on the five year anniversary of the issuance date. The Investors may exercise the 2024 Private Warrants by paying the exercise price 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 July 2024 Private Warrants may also be exercised on a cashless basis under certain circumstances.

On August 12, 2024, the Company entered into a warrant inducement with certain warrant holders (the "*Inducement Agreement"*). Pursuant to the Inducement Agreement, the holders of the existing warrants agreed to reduce the exercise price of their existing warrants, totaling 49,524, from $296.70 per share to $34.20 per share. Additionally, the Company agreed to issue registered warrants with an exercise price of $34.20 per share to purchase 99,048 shares of common stock (the *"August Inducement Warrants"*), which will expire on the five year anniversary of the issuance date. The August Inducement Warrants may also be exercised on a cashless basis under certain circumstances.

Warrants to purchase an equal number of shares of common stock of 36,892 were exercisable as of June 30, 2026 and December 31, 2025, respectively. The Private Placement Warrants, the Public Warrants, the 2022 Private Warrant, the 2023 Placement Agent Warrants, BEPO Warrants, and BEPO Agent Warrants to purchase shares of common stock 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:

	June 30, 2026			
	Issue Date	**Expiration Date**	**Number of Warrants**	**Exercise Price per warrant**
Private Placement Warrants — Common Stock	12/02/2020	09/29/2026	8,477	$ 6,037.50
Public Warrants — Common Stock	12/02/2020	09/29/2026	16,429	$ 6,037.50
2022 Private Warrant — Common Stock	07/25/2022	07/24/2034	134	$ 1,344.00
2023 Placement Agent Warrants — Common Stock	12/29/2023	12/29/2028	3,429	$ 326.29
BEPO Warrants — Common Stock	4/12/2024	4/12/2029	5,157	$ 183.75
BEPO Agent Warrants — Common Stock	4/12/2024	4/12/2029	3,266	$ 202.13
			36,892	

	December 31, 2025			
	Issue Date	**Expiration Date**	**Number of Warrants**	**Exercise Price per warrant**
Private placement warrants — Common Stock	12/02/2020	09/29/2026	8,477	$ 6,037.50
Public warrants – Common Stock	12/02/2020	09/29/2026	16,429	$ 6,037.50
2022 Private Warrant — Common Stock	07/25/2022	07/24/2034	134	$ 1,344.00
2023 Placement Agent Warrants — Common Stock	12/29/2023	12/29/2028	3,429	$ 326.29
BEPO Warrants — Common Stock	4/12/2024	4/12/2029	5,157	$ 183.75
BEPO Agent Warrants — Common Stock	4/12/2024	4/12/2029	3,266	$ 202.13
			36,892	

Warrant Liabilities – Fair Value

The liabilities associated with the Private Placement Warrants, Public Warrants, 2022 Private Warrants, 2023 Placement Agent Warrants, BEPO Warrants, and BEPO 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 and six months ended June 30, 2026 and 2025, see *Note 4, Fair Value Measurements*, in this Quarterly Report for liability classified warrants recorded at fair value.

Each Private Placement Warrant is exercisable to purchase one share of common stock at a price of $6,037.50 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 $1,344.00 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 $299.25 per warrant share. The Placement Agent Warrants are exercisable to purchase one share of common stock at a price of $326.29 per warrant share. The RDO Warrants and 2023 Placement Agent Warrants are exercisable until December 29, 2028 and allow cashless exercise in whole or part.

Common Stock Warrant Liabilities - Fair Value Assumption

The fair value of the private placement common stock warrant liability was less than $0.1 million as of June 30, 2026 and December 31, 2025.

The fair value assumptions were as follows:

	As of June 30, 2026				
	Current stock price	**Expected volatility**	**Risk-free interest rate**	**Dividend rate**	**Expected term (years)**
2022 Private Warrant(i)	$ 17.55	164.9%	4.1%	—%	8.07
Placement Agent Warrants(i)	17.55	201.7%	3.9%	—%	2.50
BEPO Warrants, BEPO Agent Warrant(i)	17.55	197.4%	3.8%	—%	2.79

	As of December 31. 2025				
	Current stock price	**Expected volatility**	**Risk-free interest rate**	**Dividend rate**	**Expected term (years)**
2022 Private Warrant(i)	$ 13.74	162.8%	3.8%	—%	8.57
Placement Agent Warrants(i)	13.74	180.9%	3.7%	—%	3.00
BEPO Warrants, BEPO Agent Warrant(i)	13.74	175.3%	3.6%	—%	3.28

(i) The fair value assumptions used the Black-Scholes simulation model for the valuation.

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 Equity holders”*). During the time period between the Closing Date and the five-year anniversary of the Closing Date, Eligible Legacy Velo3D Equity holders may receive up to 41,444 shares of common stock (the *“Earnout Shares”*), which is based on two tranches of 20,722 shares per tranche. The Earnout Shares issuable to holders of employee stock options are subject to forfeiture based on the satisfaction of certain employment condition.

See *Note 4, Fair Value Measurements*, in this Quarterly Report for the liability for contingent earnout liabilities carried at fair value for the six months ended June 30, 2026 and 2025.

Fair Value Assumptions – Contingent Earnout Liabilities

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

	As of June 30, 2026				
	Current stock price	Expected volatility	Risk-free interest rate	Dividend rate	Expected term (years)
Contingent earnout liabilities	$ 17.55	181.3%	3.9%	—%	0.25

	As of December 31. 2025				
	Current stock price	Expected volatility	Risk-free interest rate	Dividend rate	Expected term (years)
Contingent earnout liabilities	$ 13.74	193.6%	3.5%	—%	0.75

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. Stock-Based Compensation

Stock options

Activity under the 2021 EIP is set forth below:

	Options (In thousands)	Weighted-Average Exercise Price (Per share data)	Weighted-Average Remaining Contractual Term in years (Years)
Outstanding as of December 31, 2024	18	$ 380.70	5.0
Granted	—	$ —	
Exercised	—	$ —	
Forfeited or expired	(14)	$ 166.70	
Outstanding as of June 30, 2025	4	$ 1,022.11	4.8
Options vested and expected to vest as of June 30, 2025	4	$ 1,022.11	
Vested and exercisable as of June 30, 2025	4	$ 1,022.11	
Outstanding as of December 31, 2025	4	$ 1,028.92	4.4
Granted	964	$ 18.40	
Exercised	—	$ —	
Forfeited or expired	—	$ —	
Outstanding as of June 30, 2026	968	$ 22.78	10.0
Options vested and expected to vest as of June 30, 2026	968	$ 22.78	
Vested and exercisable as of June 30, 2026	968	$ 22.78	

As of June 30, 2026 and December 31, 2025, there is no aggregate intrinsic value of options outstanding.

As of June 30, 2026, total unrecognized compensation cost related to unvested stock options was $16.3 million, which is expected to be recognized over a weighted-average period of 1.5 years.

During the six months ended June 30, 2026, the Compensation Committee of the Board of Directors of the Company granted approximately 964 thousand stock options under the 2021 Equity Incentive Plan, including market-based awards granted to the Company's Chief Executive Officer. The grant-date fair value of the market-based awards was determined using a Monte Carlo simulation model. The weighted-average grant-date fair value and significant assumptions used in the valuation were as follows:

	As of June 29, 2026
Weighted-average grant date fair value	$ 16.80
Grant date stock price	$ 18.40
Exercise price	$ 18.40
Expected volatility	165.0%
Expected term	5.0
Risk-free interest rate	4.1%
Expected dividend yield	0.0%

The Monte Carlo simulation model incorporates the market-based vesting conditions and estimates the probability of achieving the applicable market capitalization milestones when determining the grant-date fair value.

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 June 30, 2026 and 2025 and their activity during the six months ended June 30, 2026 and 2025:

	Number of Shares (In thousands)	**Weighted-Average Grant Date Fair Value (Per share data)**	**Aggregate Intrinsic Value (In thousands)**
Balance as of December 31, 2024	13	$ 714.30	$ 132
Granted	1,070	11.05	—
Released	(104)	28.08	—
Cancelled	(90)	30.91	—
Balance as of June 30, 2025	889	$ 16.51	$ 6,400
Expected to vest as of June 30, 2025	889	$ 16.51	$ 6,400
Balance as of December 31, 2025	1,030	$ 22.42	$ 14,158
Granted	570	17.59	—
Released	(174)	25.35	—
Cancelled	(159)	39.59	—
Balance as of June 30, 2026	1,267	$ 17.96	$ 22,232
Expected to vest as of June 30, 2026	1,267	$ 17.96	$ 22,232

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 June 30, 2026, there was $21.4 million of unrecognized compensation cost, which is expected to be recognized over a weighted average period of approximately 2.9 years.

Stock-based Compensation Expense

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)		(In thousands)	
Restricted stock units	$ 2,428	$ 1,834	$ 4,316	$ 5,425
Stock options	67	1	67	6
	$ 2,495	$ 1,835	$ 4,383	$ 5,431

The following sets forth the total stock-based compensation expense included in cost of revenue and operating expenses on the statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)		(In thousands)	
Cost of 3D Printer and parts	$ 86	$ 474	$ 558	$ 613
Cost of Support services	19	125	189	194
Stock-based compensation recorded in cost of revenue	105	599	747	807
Research and development	917	356	1,457	783
Selling and marketing	460	217	831	330
General and administrative	1,013	663	1,348	3,511
Stock-based compensation recorded in operating expense	2,390	1,236	3,636	4,624
Total stock-based compensation expense	$ 2,495	$ 1,835	$ 4,383	$ 5,431

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 six months ended June 30, 2026 and 2025, may differ from the federal statutory rate of 21% 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 unaudited condensed consolidated interim financial statements indicates it is probable a loss has been incurred as of the date of the unaudited condensed consolidated interim 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 June 30, 2026, 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 consolidated 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 $31.5 million for parts and assemblies are due upon receipt and are expected to be delivered throughout the remainder of 2026. If inventory is shipped, the Company will accrue a liability under accrued expenses. The Company has no other commitments 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 of 3.0% of an employee's eligible compensation following safe-harbor rules. The Company's contribution to the 401(k) Plan was $0.1 million and $0.2 million for the three months ended June 30, 2026 and 2025, respectively and $0.3 million and $0.3 million for the six months ended June 30, 2026 and 2025. The Company has paid all matching contributions as of June 30, 2026.

Note 15. Momentus Master Service Agreement

In April 2025, the Company entered into a five-year Master Service Agreement (*"MSA"*) with Momentus, Inc. (*"Momentus"*) to provide consulting and production services. Under the MSA, the Company received 26,748 shares of Momentus common stock and 673,408 shares of non-voting Momentus preferred stock as consideration for future services. The Company has determined that the arrangement does not currently meet the criteria for revenue recognition under ASC 606, as specific deliverables and payment terms remain subject to the execution of individual Statements of Work. No revenue was recognized under the MSA for the three and six months ended June 30, 2026.

The Company accounts for a refund provision within the MSA as an embedded derivative. Management determined that the fair value of this derivative remained de minimis as of June 30, 2026, and no separate recognition was required in the unaudited condensed consolidated interim financial statements.

Share Conversion and Balances

On December 3, 2025, the Board of Directors of Momentus Inc. approved a reverse stock split of the Momentus's issued and outstanding shares of Class A Common Stock, $0.00001 par value per share (the *"Common Stock"*), at a ratio of 1-for-17.85 (the *"Reverse Stock Split"*). The Reverse Stock Split was effective December 17, 2025 (the *"Effective Date"*), with the Common Stock trading on the Nasdaq Stock Market LLC on a reverse-split adjusted basis under Momentus's existing trading symbol, "MNTS," at the market open on December 18, 2025.

On February 9, 2026, Velo3D executed its option to convert its remaining Momentus Series A Convertible Preferred Stock into Momentus shares of Common Stock. As of June 30, 2026, the Company held no remaining shares of Momentus Common Stock and the Momentus liabilities are recorded under accrued expenses and other current liabilities as Customer liabilities - prepaid reserve of $3.0 million. See *Note 6, Balance Sheet Components—Accrued Expenses and Other Current liabilities.*

Note 16. At-the-Market Offering

On May 15, 2026, the Company entered into the Sales Agreement with Needham, Cantor and Craig-Hallum, as co-agents, pursuant to which the Company may offer and sell, from time to time to or through the agents shares of its common stock. As of June 30, 2026, the Company had sold 2.2 million shares pursuant to the Sales Agreement for gross proceeds of $59.4 million. After deducting issuance costs of $2.0 million, the Company received net proceeds of $57.4 million.

The offer and sale of the shares of common stock will be made pursuant to the Shelf Registration Statement and a related prospectus supplement and accompanying base prospectus. Pursuant to the Sales Agreement, the Company may offer and sell up to $100 million of shares of common stock (the *"Offering"*). Sales of shares, if any, under the Sales Agreement may be made in any transactions permitted by law that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act.

The Company will pay Needham, Cantor and Craig-Hallum commissions for their services in acting as agents in the sale of the shares pursuant to the Sales Agreement. Needham, Cantor and Craig-Hallum will be entitled to compensation at a fixed commission rate equal to 3.0% of the aggregate gross proceeds from the Offering. The Sales Agreement contains customary representations, warranties and agreements by the Company, indemnification obligations of the Company and the agents, including for liabilities under the Securities Act, other obligations of the parties and termination provisions. The Company also will reimburse Needham, Cantor and Craig-Hallum for certain expenses incurred in connection with the Sales Agreement.

Note 17. Subsequent Events

Subsequent events were evaluated through the filing date of this Quarterly Report, and no events requiring adjustment or disclosure were identified, other than items disclosed above in *Note 8, Leases.*

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 fiscal year ended December 31, 2025 and our unaudited condensed consolidated interim 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 "Cautionary Note Regarding Forward-looking Statements" herein. During the fiscal year ended December 31, 2025, we identified immaterial errors in our previously issued financial statements. We have corrected the amounts as presented in this Item 2 accordingly. Refer to Note 2, Summary of Significant Accounting Policies to the unaudited condensed consolidated interim financial statements included in Part I of this Quarterly Report for additional information regarding the prior-period corrections.

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 gives 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 ahead of competitors.

We aim to enable our customers to build resilient supply chains for production parts across industries with a clear, reliable path from concept to production through our Rapid Production Solutions (*"RPS"*) offering. RPS utilizes our deep engineering expertise, cutting-edge technology and a fleet of Sapphire XC large-format metal 3D printer and parts to accelerate path to production for our customers.

Our technology is novel compared to other AM technologies because of 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 of our customers initially purchased a single machine to validate our technology and have purchased additional systems over time as they have embedded 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 Developments

Recent Debt and Equity Transactions

On January 7, 2025, the Company issued a Senior Secured Convertible Promissory Note in the principal amount of $5,000,000 (the *"January Note"*) to Thieneman Properties, LLC, an Indiana limited liability company. The January Note bore interest at a rate of 60.0% per annum, was payable in full on April 7, 2025 in the amount of $5,750,000 and if not paid on or prior to such date, would continue to accrue interest at the same rate until paid. The January Note could be prepaid in whole or in part at any time without penalty or premium and was convertible in the event of default into shares of the Company's common stock, at a fixed conversion price of $23.40 per share. On April 7, 2025, the Company made a payment of $750,000, covering the first three months of interest on the January Note.

On February 10, 2025, the Company issued a Senior Secured Convertible Promissory Note in the principal amount of $10,000,000 (the *"February Note*") to Thieneman Construction, Inc., an Indiana corporation, to be funded in two tranches of $5,000,000. The February Note bore interest at a rate of 30.0% per annum, was payable in full on the date that is six months from the date such tranche was funded (the first tranche and second tranche were received by the Company on February 10, 2025 and March 20, 2025, respectively), in the amount of $5,750,000 and given it was not paid on or prior to such date, would continue to accrue interest at the same rate until paid. The outstanding principal amount of the February Note was convertible into shares of the Company's common stock upon the occurrence of the Company's successful listing of shares of its common stock on a national securities exchange or the occurrence and during the continuation of an event of default, into common stock at a fixed conversion price of $15.00 per share.

On February 24, 2025, the Company entered into February Warrant Exchange Agreements with each of: (i) Highbridge Tactical Credit Master Fund, L.P. (*"HM"*); (ii) Highbridge Tactical Credit Institutional Fund, Ltd. (collectively with HM, the "Highbridge Holders"); (iii) Anson Investments Master Fund LP (*"AMF"*); (iv) Anson East Master Fund LP (collectively with AMF, the "Anson Holders"); (v) High Trail Investments ON LLC (*"HTI*"), and (vi) HB SPV I Master LLC (together with HTI, the "High Trail Holders"), pursuant to which: (a) the Highbridge Holders and the Anson Holders agreed to exchange an aggregate of 60,150 registered warrants issued in April 2024 and an aggregate of 99,048 registered warrants issued in August 2024, and (b) the High Trail Holders agreed to exchange an aggregate of 151,808 unregistered warrants issued in April 2024 and July 2024, and an aggregate of 19,048 registered warrants issued in December 2023, for an aggregate of 990,159 shares (the *"Acquired Shares"*) of the Company's common stock, respectively, equating in each case to an exchange ratio of three Acquired Shares for each warrant.

On August 14, 2025, the Company amended the January Note (the *"January Note Amendment"*), which amended certain provisions of the January Note, including: an extension of the maturity date under the January Note to February 14, 2027; a reduction of the interest rate under the January Note to 12%; and an adjustment of the fixed conversion price to $16.38 per share. On August 14, 2025, the Company also amended the February Note (the *"February Note Amendment"*) which, amended certain provisions of the February Note, including: an extension of the maturity dates for each tranche under the February Note to February 14, 2027; a reduction of the interest rate under the February Note to 12%; and an adjustment of the fixed conversion price to $10.50 per share. The Company has evaluated that the note amendments are both treated as a debt modification under ASC Topic 470, *Debt*.

Immediately prior to the further amendment to the January Note described below, Thieneman Properties, LLC transferred the January Note to Arrayed Notes Acquisition Corp. (*"Arrayed"*), a Delaware corporation controlled by Arun Jeldi, the Chief Executive Officer and a director of the Company, pursuant to a Convertible Promissory Note Transfer Agreement between Thieneman Properties, LLC (as transferor) and Arrayed (as transferee).

On March 4, 2026, the Company and Arrayed entered into a further amendment to the January Note, which amended certain provisions of the January Note to, among other things, provide that, at any time and from time to time, Arrayed (as holder) has the right, at its option, to convert all or any portion of the outstanding principal amount of the January Note, together with accrued and unpaid interest thereon, into shares of the Company's common stock.

On March 4, 2026, the Company and Thieneman Construction, Inc. entered into a further amendment to the February Note, which amended certain provisions of the February Note to, among other things, provide that, subject to the existing terms of the February Note, accrued and unpaid interest thereon, in addition to the outstanding principal amount, may be convertible into common stock at the holder's option.

On March 4, 2026, the Company issued 394,517 shares of common stock to Arrayed upon conversion of the January Note, in the principal amount of $5,000,000, together with accrued and unpaid interest thereon, at a conversion price of $16.38 per share, a premium to the Company's share price on March 4, 2026. As of such date, the January Note (including principal and interest) was fully converted into shares of common stock of the Company.

On March 4, 2026, the Company issued 1,145,830 shares of common stock to Thieneman Construction, Inc. upon conversion of the February Note, in the principal amount of $10,000,000, together with accrued and unpaid interest thereon, at a conversion price of $10.50 per share. As of such date, the February Note (including principal and interest) was fully converted into shares of common stock of the Company.

2025 Reverse Stock Split

Effective July 28, 2025, we implemented a 1-for-15 reverse stock split of our issued and outstanding common stock. The reverse stock split was effected by the filing of a certificate of amendment (the *"Amendment"*) to our Certificate of Incorporation with the

Secretary of State of the State of Delaware, without any change to par value or the number of authorized shares of common stock. The Amendment became effective upon such filing. No fractional shares were issued in connection with the reverse stock split as all fractional shares were rounded up to the next whole share. All share and per share amounts of our common stock listed in this Quarterly Report have been adjusted, as applicable, to give effect to the reverse stock split.

See *Note 1, Description of Business and Basis of Presentation,* for additional information on the 2025 reverse stock split in the notes to our unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report.

August 2025 Offering

On August 19, 2025, the Company entered into an underwriting agreement (the *"Underwriting Agreement"*) with Lake Street Capital Markets, LLC, as representative of the several underwriters named therein (the *"Representative"*), relating to the public offering of 5,833,333 shares (the *"Shares"*) of the Company's common stock, par value $0.00001 per share, at a purchase price per share of $3.00 (the *"Offering Price"*). Pursuant to the Underwriting Agreement, the Company also granted the Representative a 30-day option to purchase up to an additional 875,000 shares of common stock at the Offering Price, less any underwriting discounts and commissions, which was exercised in full.

The offering closed on August 20, 2025 (the *"August 2025 Offering"*). Gross proceeds of $20.1 million was received from the August 2025 Offering of 5,833,333 shares of the Company's common stock ($17.5 million) and the exercise of the Representative option to purchase 875,000 shares of common stock. Net proceeds from the August 2025 Offering were approximately $17.8 million after deducting $2.3 million in the underwriting discounts and commissions, and other estimated offering expenses payable by the Company for legal and audit services. The Company intends to use the net proceeds of this offering for working capital, capital expenditures and general corporate purposes.

Amendment to Company's Certificate of Incorporation allowing stockholders to act by written consent

On June 27, 2025, the stockholders of the Company, approved an amendment (the *"Written Consent Amendment"*) to the Company's Certificate of Incorporation, as amended (the *"Certificate of Incorporation"*), to remove Section 1 of Article VIII of the Certificate of Incorporation, which prohibited stockholder action by written consent without a stockholder meeting. On July 1, 2025, the Written Consent Amendment was filed with the Secretary of State of the State of Delaware, and the Written Consent Amendment became effective on such date. As a result of the Written Consent Amendment, stockholders are now permitted to act by written consent to the extent permitted under the Delaware General Corporation Law.

2025 Equipment Loan

On December 8, 2025, the Company and Varilease Finance, Inc. (*"Varilease"*) entered into a Sale Leaseback Agreement (the *"Sale Leaseback Agreement"*) pursuant to which the Company agreed to sell to Varilease, and subject to the conditions set forth therein, Varilease agreed to purchase from the Company, assorted Velo3D Sapphire and Sapphire XC metal 3D printers and post processing tools and equipment owned and used by the Company (the *"Equipment"*). The aggregate purchase price for the Equipment to be received by the Company is $10 million and reported as debt (the *"Equipment Loan"*). For more information, see *Note 9, Debt*, in the notes to the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report.

2025 Private Investment in Public Equity ("2025 PIPE")

On December 22, 2025, the Company entered into a securities purchase agreement (the *"Purchase Agreement"*) with certain institutional accredited investors (the *"Purchasers"*), for the issuance and sale in a private placement of an aggregate of 3,636,363 shares of the Company's common stock, at a purchase price of $8.25 per share. The foregoing transaction is referred to herein as the "Private Placement." On December 23, 2025, the parties consummated the Private Placement. The aggregate gross proceeds to the Company from the Private Placement was approximately $30 million, before deducting placement agent fees and other offering expenses.

April 2026 Offering

On April 27, 2026, the Company entered into an underwriting agreement (the *"Underwriting Agreement"*) with Cantor Fitzgerald & Co., as underwriter (the *"Underwriter"*), relating to the offer and sale in a firm commitment underwritten registered direct offering (the *"Offering"*) of 3,571,428 shares (the *"Shares"*) of the Company's common stock, par value $0.00001 per share. The Shares were sold at a public offering price per share of $14.00. The gross proceeds from the Offering were approximately $50 million, before deducting underwriting discounts and commissions and other offering expenses of $3.4 million. The Company currently intends to use the net proceeds of the Offering for working capital and general corporate purposes.

At the Market Offering

On May 15, 2026, the Company entered into a sales agreement (the *"Sales Agreement"*) with Needham & Company, LLC (*"Needham"*), Cantor Fitzgerald & Co. (*"Cantor"*) and Craig-Hallum Capital Group, LLC (*"Craig-Hallum"*) (each, a "Sales Agent," and collectively, the "Sales Agents"), acting as sales agents and/or principals. Pursuant to the terms of the Sales Agreement, the Company may sell from time to time to or through any Sales Agent shares of the Company's common stock, par value $0.00001 per share (the *"Shares"*), having an aggregate offering price of up to $100,000,000 (the *"Offering"*). Sales of Shares, if any, under the Sales Agreement may be made in any transactions permitted by law that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act. See *Note 16, At-the-Market Offering* for further information.

Notwithstanding the recent debt and equity transactions, as described under "*—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 these unaudited condensed consolidated interim financial statements, management concluded that substantial doubt continues to exist about the Company's ability to continue as a going concern. Although the Company significantly improved its liquidity position during the six months ended June 30, 2026 through equity financings, debt conversions and debt repayments, management expects that additional financing will be required to fund operations and satisfy obligations during the assessment period due to continued operating losses, negative operating cash flows and ongoing working capital requirements. There can be no assurance that additional financing will be available on acceptable terms, or at all. If the Company is unable to obtain additional financing or otherwise improve its liquidity, it may be required to significantly reduce or discontinue operations, sell assets, pursue strategic alternatives, restructure its obligations or seek protection under applicable bankruptcy laws.

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 2025 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 June 30, 2026	As of and for the Three Months Ended June 30, 2025	As of and for the Six Months Ended June 30, 2026	As of and for the Six Months Ended June 30, 2025
Revenue ($ in millions)	$ 21	$ 14	$ 34	$ 23
Bookings ($ in millions)	$ 29	$ 12	$ 37	$ 20
Backlog ($ in millions)	$ 31	$ 16	$ 31	$ 16

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

Backlog ($ in millions): Backlog ($ in millions) is defined as the unfulfilled 3D printer systems and printed parts 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 June 30, 2026 and 2025, sales to the top three customers accounted for 45.9% and 65.2%, respectively, of our revenue. Of the top three customers for the three months ended June 30, 2026, all three customers were different from the top three customers for the comparable period in 2025. For the six months ended June 30, 2026 and 2025, sales of the top three customers accounted for 33.9% and 54.6%, respectively, of our revenue. Of the top three customers for the six months ended June 30, 2026, all three customers were different from the top three customers for the comparable period in 2025.

While our objective is to diversify our customer base, we continue to be susceptible to risks associated with customer concentration. See "*Risk Factors—Risks Related to Our Financial Position and Need for Additional Capital—We expect to rely on a limited number of customers for a significant portion of our near-term revenue*" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025. Also see *Note 5, Revenue—Customer Concentration*, in the notes to the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report.

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 the Middle East, including Israel and in Ukraine and the economic sanctions related thereto), have added uncertainty in timing of customer orders and supply chain constraints. In 2025, we implemented a number of supply chain and manufacturing improvements in response and intend to continue to focus on driving further operational improvements during 2026 to reduce operating costs.

Refer to Item 1A in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, which contains descriptions of significant risks: "*Risk Factors - Risks Related to Our Business and Industry—Market conditions, economic uncertainty or downturns could adversely affect our business and operating result*s" and "*—We may be adversely affected by the effects of inflation or possible stagflation.*"

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. Our products include 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 and parts sale transactions - fixed purchase price model. The timeframe from order to completion of the site acceptance test usually occurs over three to nine 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 judgment and is periodically updated as new relevant information becomes available.

Other revenue included under 3D Printer and parts 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.

Rapid Production Solutions (*"RPS"*) - RPS utilizes our deep engineering expertise, cutting-edge technology and a fleet of Sapphire XC large-format metal 3D printers to manufacture custom metal components in order to accelerate the path to production for our customers. RPS revenue is included under 3D Printer and parts revenue.

Recurring Payment transactions - 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.

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.

Cost of Revenue

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

Cost of 3D Printer and parts includes the manufacturing cost of our components and subassemblies purchased from vendors for the assembly, as well as raw materials and assemblies, shipping costs, cost of RPS solutions, 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 RPS includes cost of raw materials, typically metal powder feedstock, direct and indirect labor, depreciation of 3D printers and other related equipment and facilities, utilities such as electricity and specialty gases, shipping costs and other directly associated costs. Cost of RPS is included under 3D Printer and parts cost of revenue.

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 and services sold through a 3D Printer sale transaction, a Recurring Payment transaction, RPS offerings, services contracts, 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 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.

Loss on warrant cancellation

Loss on warrant cancellation relates to the loss recognized in conjunction with the February 2025 Warrant Exchange Agreements.

Other Income (Expense), Net

Other income (expense), net includes interest earned on our bank sweep account, gains and losses on disposals of fixed assets, transaction costs related to the warrant inducement transaction and other miscellaneous income/expenses.

Income Taxes

There was minimal federal and state income tax expense (benefit) recorded during the periods presented due to projected losses, and we maintained a full valuation allowance on the deferred tax assets as of June 30, 2026 and 2025.

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 June 30, 2026 and 2025:

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

	Three Months Ended June 30, 2026	2025	Change	%
	(In thousands, except for percentages)			
Revenue				
3D Printer and parts	$18,968	$12,082	$6,886	57.0%
Recurring payment	—	70	(70)	(100.0)%
Support services	1,494	1,359	135	9.9%
Other	202	61	141	231.1%
Total Revenue	20,664	13,572	7,092	52.3%
Cost of revenue				
3D Printer and parts	15,755	13,994	1,761	12.6%
Support services	467	1,166	(699)	(59.9)%
Total cost of revenue	16,222	15,160	1,062	7.0%
Gross profit (loss)	4,442	(1,588)	6,030	NM
Operating expenses				
Research and development	4,329	2,588	1,741	67.3%
Selling and marketing	2,850	1,468	1,382	94.1%
General and administrative	8,324	5,952	2,372	39.9%
Total operating expenses	15,503	10,008	5,495	54.9%
Loss from operations	(11,061)	(11,596)	535	(4.6)%
Interest expense	(175)	(1,572)	1,397	(88.9)%
Loss on fair value of warrants	(41)	—	(41)	(100.0)%
Other expense, net	(242)	(6)	(236)	3933.3%
Loss before income taxes	(11,519)	(13,174)	1,655	(12.6)%
Provision for (benefit from) income taxes	(9)	89	(98)	(110.1)%
Net loss	$(11,510)	$(13,263)	$1,753	(13.2)%

NM = Not Meaningful

Revenue

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

	Three Months Ended June 30, 2026		2025		Change	%
	(In thousands, except for percentages)					
Revenue						
3D Printer and parts sales	$18,968	91.8%	$12,082	89.0%	$6,886	57.0%
Recurring payment	—	—	70	0.5%	(70)	(100.0)%
Support services	1,494	7.2%	1,359	10.0%	135	9.9%
Other	202	1.0%	61	0.4%	141	231.1%
Total Revenue	$20,664	100.0%	$13,572	100.0%	$7,092	52.3%

Total revenue for the three months ended June 30, 2026 and 2025 was $20.7 million and $13.6 million, respectively, an increase of $7.1 million, or 52.3%.

3D Printer and parts sales were $19.0 million and $12.1 million for the three months ended June 30, 2026 and 2025, respectively, an increase of $6.9 million. The increase in revenue was primarily attributed to an increase in the average selling price, product mix, and an increase in RPS revenues related to an increase in production volume for the three months ended June 30, 2026, compared to the three months ended June 30, 2025.

Recurring Payment revenue, structured as an operating lease, was $0.0 million for the three months ended June 30, 2026 and less than $0.1 million for the three months ended June 30, 2025.

Our Support Services revenue was $1.5 million and $1.4 million for the three months ended June 30, 2026 and 2025, respectively, an increase of less than $0.1 million. Support Services revenue is primarily due to services provided to customers based on the installed base requiring preventive maintenance and other support services.

Other revenue was $0.2 million and less than $0.1 million for the three months ended June 30, 2026 and 2025, respectively, an increase of $0.1 million.

As part of our Strategic Realignment started in 2025, we have implemented new go-to-market and service strategies to rebuild our bookings and backlog pipeline. As we rebuild our bookings and backlog, we expect the demand for the Sapphire, Sapphire 1MZ, Sapphire XC and Sapphire XC 1MZ to increase our revenue in the future. We expect Recurring Payment revenue to decrease as we continue to shift our focus to 3D Printer system sales and RPS for printed parts. We expect our Support Service revenue to increase as the number of systems we have in the field increases. As of June 30, 2026 our backlog for firm orders was $31 million for 3D Printer and printed parts. Our focus for revenue has shifted to ensuring customer success, improving system reliability to strengthen our existing customer network, developing new customer networks to increase demand and expanding our RPS for printed parts.

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 June 30,					
	2026		2025		Change	%
	(In thousands, except for percentages)					
Cost of Revenue						
Cost of 3D Printers and parts	$15,755	97.1%	$13,994	92.3%	$1,761	12.6%
Cost of Support Services	467	2.9%	1,166	7.7%	(699)	(59.9)%
Total Cost of Revenue	$16,222	100.0%	$15,160	100.0%	$1,062	7.0%

Total cost of revenue for the three months ended June 30, 2026 and 2025 was $16.2 million and $15.2 million, respectively, an increase of $1.1 million, or 7.0%. While overall cost of revenue increased consistently with the increase in sales, during the second quarter of 2026, the cost of revenue also reflected the impact of a prospective refinement in the allocation of certain labor and overhead costs between cost of revenue and operating expenses to align with current operational activities, which offset this increase from sales.

Cost of 3D Printer and parts was $15.8 million and $14.0 million for the three months ended June 30, 2026 and 2025, respectively. The increase of $1.8 million primarily reflected differences in product mix and an increase in RPS volume for the three months ended June 30, 2026, compared to the three months ended June 30, 2025. We expect manufacturing costs to improve as a percentage of revenue as a result of overhead and fixed cost reduction initiatives implemented in late 2025 and increased production volumes leading to economies of scale.

Cost of Support Services was $0.5 million and $1.2 million for the three months ended June 30, 2026 and 2025, respectively. Cost of Support Services decreased by $0.7 million, primarily reflected lower direct customer support costs and changes in employee responsibilities supporting existing customers.

Cost of revenue as a percentage of revenue was 78.5% and 111.7% for the three months ended June 30, 2026 and 2025, respectively. The decrease was primarily attributable to a more favorable product mix and the impact of a prospective refinement in the allocation of certain labor and overhead costs between cost of revenue and operating expenses to align with current operational activities.

We may experience increasing component costs from our suppliers due to international tariffs and our current financial situation. We are currently unable to secure credit terms and volume discounts with our suppliers, causing us to pay a premium, in advance, or source from alternate suppliers at unfavorable terms for our products. This has negatively impacted our cost of revenue and will continue to negatively impact our cost of revenue until our financial condition improves and costs associated with tariffs ease.

We continue to focus on reducing material costs through improved purchasing and inventory planning, accelerating production cycle times and improving efficiencies on the production floor. These operational initiatives are expected to continue reducing manufacturing costs and improve gross margins over time.

Gross Profit and Gross Margin

Total gross profit (loss) was $4.4 million and ($1.6) million for the three months ended June 30, 2026 and 2025, respectively. As a percentage of revenue, the gross margin was 21.5% and (11.7)% for the three months ended June 30, 2026 and 2025, respectively. The improvement primarily reflected the impact of a prospective refinement in the allocation of certain labor and overhead costs between cost of revenue and operating expenses to align with current operational activities, as well as higher average selling prices, a more favorable product mix, increased RPS revenue, and manufacturing efficiencies.

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 further improve efficiencies on the production floor, which we expect will continue to improve gross profit and gross margin during the second half of 2026. Ongoing trends in component costs, tariffs and supplier pricing may continue to negatively impact gross profit until our financial condition improves.

Research and Development Expenses

Research and development expenses were $4.3 million and $2.6 million for the three months ended June 30, 2026 and 2025, respectively, an increase of $1.7 million. The increase in research and development expenses was driven by a $0.6 million increase in headcount, salaries and employee-related expenses, an increase of $0.6 million in stock-based compensation, and an increase of $0.5 million in other costs, primarily reflecting higher facility-related costs and overhead allocations. Research and development projects in 2026 are focused primarily on projects aligned with increasing the reliability experience for customers.

We expect research and development costs to increase for the remainder of 2026 and beyond due to a refreshed technology roadmap to meet our customers' demand in RPS and to bring and scale parts production with improvements in utilization efficiency and to enhance and advance our portfolio of AM solutions.

Selling and Marketing Expenses

Selling and marketing expenses were $2.9 million and $1.5 million for the three months ended June 30, 2026 and 2025, respectively, an increase of $1.4 million. The increase was attributable to $0.7 million increase in facility and overhead costs, an increase of $0.3 million in headcount, salaries and employee-related expenses, a $0.3 million increase in stock-based compensation, and a $0.1 million increase in marketing costs and initiatives spending.

We expect selling and marketing expenses to continue to increase for the remainder of 2026 and beyond as we re-ignite sales and marketing efforts by participating in certain markets, such as defense and aerospace, that show interest in additive manufacturing solutions. We expect an increase in selling and marketing expenses for trade show, marketing initiatives and branding expenses.

General and Administrative Expenses

General and administrative expenses were $8.3 million and $6.0 million for the three months ended June 30, 2026 and 2025, respectively, an increase of $2.4 million. The increase was attributable to an increase of $1.2 million in legal and professional services, an increase of $1.0 million in facility and overhead costs and a $0.3 million increase in stock-based compensation, offset by a decrease of $0.1 million in headcount, salaries and employee-related expenses.

We expect general and administrative expenses to increase as we expand our business. However, we also continue to focus on our company-wide initiatives to reduce operating costs in other areas for 2026 as we reduce our general and administrative expenses through reducing our reliance on outside consultants, managing facility costs and negotiating with vendors for improved pricing and enterprise level efficiency improvements. We expect that related general and administrative expenses for advisory, consulting, legal and accounting fees may increase with Company projects related to the expansion in RPS with a new manufacturing facility.

Interest Expense

Interest expense was $0.2 million and $1.6 million for the three months ended June 30, 2026 and 2025, respectively. The decrease was due to the reduction of the outstanding balances in the Senior Secured Notes and Convertible Secured Notes.

We expect our interest expense will continue to decrease as a result of our lower outstanding debt balances.

Loss on Fair Value of Warrants

The loss on fair value of warrants was less than $0.1 million and $0.0 million for the three months ended June 30, 2026 and 2025, respectively. The change was related to the non-cash fair value change of the warrant liabilities driven by the relative change in our stock price.

Other Expense, Net

Other expense, net was $0.2 million and less than $0.1 million for the three months ended June 30, 2026 and 2025, respectively, an increase of $0.2 million. The increase was primarily driven by a non-recurring other business expense, slightly offset by higher interest income for the second quarter of 2026.

Income Taxes

Less than $0.1 million of a provision for (benefit from) federal and state income taxes was recorded for both the three months ended June 30, 2026 and 2025 due to projected losses, and we maintained a full valuation allowance on the deferred tax assets as of June 30, 2026 and December 31, 2025.

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 the remainder of 2026 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.

Results of Operations

Comparison of the Six Months Ended June 30, 2026 and 2025:

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

	Six Months Ended June 30, 2026	2025	Change	%
	(In thousands, except for percentages)			
Revenue				
3D Printer and parts	$ 30,989	$ 19,605	$ 11,384	58.1%
Recurring payment	—	70	(70)	(100.0)%
Support services	2,763	3,149	(386)	(12.3)%
Other	728	68	660	970.6%
Total Revenue	34,480	22,892	11,588	50.6%
Cost of revenue				
3D Printer and parts	25,980	21,534	4,446	20.6%
Recurring payment	—	12	(12)	(100.0)%
Support services	1,677	2,237	(560)	(25.0)%
Total cost of revenue	27,657	23,783	3,874	16.3%
Gross profit (loss)	6,823	(891)	7,714	NM
Operating expenses				
Research and development	7,025	4,647	2,378	51.2%
Selling and marketing	4,571	2,554	2,017	79.0%
General and administrative	13,236	15,028	(1,792)	(11.9)%
Total operating expenses	24,832	22,229	2,603	11.7%
Loss from operations	(18,009)	(23,120)	5,111	(22.1)%
Interest expense	(908)	(2,642)	1,734	(65.6)%
Loss on fair value of warrants	(41)	(1,044)	1,003	(96.1)%
Loss on warrant cancellation	—	(11,357)	11,357	(100.0)%
Other income (expense), net	467	(17)	484	(2847.1)%
Loss before income taxes	(18,491)	(38,180)	19,689	(51.6)%
Provision for (benefit from) income taxes	17	97	(80)	(82.5)%
Net loss	$ (18,508)	$ (38,277)	$ 19,769	(51.6)%

NM = Not Meaningful

Revenue

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

	Six Months Ended June 30, 2026		2025		Change	%
	(In thousands, except for percentages)					
Revenue						
3D Printer and parts sales	$ 30,989	89.9%	$ 19,605	85.6%	$ 11,384	58.1%
Recurring payment	—	—	70	0.3%	(70)	100.0%
Support services	2,763	8.0%	3,149	13.8%	(386)	(12.3)%
Other Revenue	728	2.1%	68	0.3%	660	970.6%
Total Revenue	$ 34,480	100.0%	$ 22,892	100.0%	$ 11,588	50.6%

Total revenue for the six months ended June 30, 2026 and 2025 was $34.5 million and $22.9 million, respectively, an increase of $11.6 million, or 50.6%.

3D Printer and parts sales were $31.0 million and $19.6 million for the six months ended June 30, 2026 and 2025, respectively, an increase of $11.4 million. The increase in revenue was primarily attributed to an increase in the average selling price, product mix, and an increase in RPS revenues related to an increase in production volume for the six months ended June 30, 2026, compared to the six months ended June 30, 2025.

Recurring Payment revenue, structured as an operating lease, was $0.0 million for the six months ended June 30, 2026 and less than $0.1 million for the six months ended June 30, 2025.

Our Support Services revenue was $2.8 million and $3.1 million for the six months ended June 30, 2026 and 2025, respectively, a decrease of $0.4 million. Support Services revenue is primarily due to services provided to customers based on the installed base requiring preventive maintenance and other support services.

Other revenue was $0.7 million and less than $0.1 million for the six months ended June 30, 2026 and 2025, respectively, an increase of $0.7 million.The increase was primarily attributable to higher software revenue during the six months ended June 30, 2026.

As part of our Strategic Realignment started in 2025, we have implemented new go-to-market and service strategies to rebuild our bookings and backlog pipeline. As we rebuild our bookings and backlog, we expect the demand for the Sapphire, Sapphire 1MZ, Sapphire XC and Sapphire XC 1MZ to increase our revenue in the future. We expect Recurring Payment revenue to decrease as we continue to shift our focus to 3D Printer system sales and RPS for printed parts. We expect our Support Service revenue to increase as the number of systems we have in the field increases. As of June 30, 2026, our backlog for firm orders was $31 million for 3D Printer and printed parts. Our focus for revenue has shifted to ensuring customer success, improving system reliability to strengthen our existing customer network, developing new customer networks to increase demand and expanding our RPS for printed parts.

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.

	Six Months Ended June 30,					
	2026		2025		Change	%
Cost of Revenue						
Cost of 3D Printers and parts	$ 25,980	93.9%	$ 21,534	90.5%	$ 4,446	20.6%
Cost of Recurring Payment	—	—	12	0.1%	(12)	(100.0)%
Cost of Support Services	1,677	6.1%	2,237	9.4%	(560)	(25.0)%
Total Cost of Revenue	$ 27,657	100.0%	$ 23,783	100.0%	$ 3,874	16.3%

Total cost of revenue for the six months ended June 30, 2026 and 2025 was $27.7 million and $23.8 million, respectively, an increase of $3.9 million, or 16.3%. While overall cost of revenue increased consistently with the increase in sales, during the second quarter of 2026, the cost of revenue also reflected the impact of a prospective refinement in the allocation of certain labor and overhead costs between cost of revenue and operating expenses to align with current operational activities, which offset this increase from sales.

Cost of 3D Printer and parts was $26.0 million and $21.5 million for the six months ended June 30, 2026 and 2025, respectively. The increase of $4.4 million primarily reflected differences in product mix and higher RPS volume during the current period. We expect manufacturing costs to improve as a percentage of revenue as a result of overhead and fixed cost reduction initiatives implemented in late 2025 and increased production volumes leading to economies of scale.

Cost of Recurring Payment was $0.0 million and less than $0.1 million for the six months ended June 30, 2026 and 2025, respectively.

Cost of Support Services was $1.7 million and $2.2 million for the six months ended June 30, 2026 and 2025, respectively. Cost of Support Services decreased by $0.6 million, primarily due to lower direct customer support costs and changes in employee responsibilities supporting existing customers.

Cost of revenue as a percentage of revenue was 80.2% and 103.9% for the six months ended June 30, 2026 and 2025, respectively. The decrease was primarily attributable to a more favorable product mix and the impact of a prospective refinement in the allocation of certain labor and overhead costs between cost of revenue and operating expenses to align with current operational activities.

We may experience increasing component costs from our suppliers due to international tariffs and our current financial situation. We are currently unable to secure credit terms and volume discounts with our suppliers, causing us to pay a premium, in advance, or source from alternate suppliers at unfavorable terms for our products. This has negatively impacted our cost of revenue and will continue to negatively impact our cost of revenue until our financial condition improves and costs associated with tariffs ease.

We continue to focus on reducing material costs through improved purchasing and inventory planning, accelerating production cycle times and improving production efficiencies to lower cost of revenue. These operational initiatives are expected to continue improving manufacturing efficiency and gross margins over time.

Gross Profit (Loss) and Gross Margin

Total gross profit (loss) was $6.8 million and ($0.9) million for the six months ended June 30, 2026 and 2025, respectively. As a percentage of revenue, the gross margin was 19.8% and (3.9)% for the six months ended June 30, 2026 and 2025, respectively. The improvement primarily reflected the impact of a prospective refinement in the allocation of certain labor and overhead costs between cost of revenue and operating expenses to align with current operational activities, as well as higher average selling prices, a more favorable product mix, increased RPS revenue, and manufacturing efficiencies.

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 further improve efficiencies on the production floor, which we expect will continue to improve gross profit and gross margin during the second half of 2026. Ongoing trends in component costs, tariffs and supplier pricing may continue to negatively impact gross profit and gross margin until our financial condition improves.

Research and Development Expenses

Research and development expenses were $7.0 million and $4.6 million for the six months ended June 30, 2026 and 2025, respectively, an increase of $2.4 million. The increase in research and development expenses was driven by a $1.4 million increase in headcount, salaries and employee-related expenses, an increase of $0.7 million in stock-based compensation, and an increase of $0.3 million in facility and overhead costs. Research and development projects in 2026 are focused primarily on projects aligned with increasing the reliability experience for customers.

We expect research and development expenses to increase during the remainder of 2026 and beyond as we execute our refreshed technology roadmap, expand our RPS capabilities, improve system utilization efficiency and continue to enhance our portfolio of additive manufacturing solutions.

Selling and Marketing Expenses

Selling and marketing expenses were $4.6 million and $2.6 million for the six months ended June 30, 2026 and 2025, respectively, an increase of $2.0 million. The increase was attributable to an increase of $0.8 million in headcount, salaries and employee-related expenses, a $0.5 million increase in stock-based compensation, an increase of $0.4 million in facility and overhead costs, and a $0.3 million increase in marketing initiatives and trade show spending.

We expect selling and marketing expenses to increase during the remainder of 2026 and beyond as we expand our commercial activities, including increased participation in the defense and aerospace markets, and continue investing in trade shows, marketing initiatives and brand awareness.

General and Administrative Expenses

General and administrative expenses were $13.2 million and $15.0 million for the six months ended June 30, 2026 and 2025, respectively, a decrease of $1.8 million. The decrease was attributable to a $2.2 million decrease in stock-based compensation, and a decrease of $0.4 million in headcount, salaries and employee-related expenses; offset by an increase of $0.6 million in legal and professional services and $0.2 million in facilities and overhead costs.

We expect general and administrative expenses to increase as we support the continued growth of the business, including projects related to the expansion of our RPS manufacturing operations. At the same time, we remain focused on managing operating costs through reduced reliance on outside consultants, ongoing facility cost management and vendor negotiations designed to improve enterprise-wide efficiencies.

Interest Expense

Interest expense was $0.9 million and $2.6 million for the six months ended June 30, 2026 and 2025, respectively. The decrease was due to the reduction of the outstanding balances in the Senior Secured Notes and Convertible Secured Notes.

We expect our interest expense will continue to decrease as a result of our lower outstanding debt balances.

Loss on Fair Value of Warrants

The loss on fair value of warrants was less than $0.1 million and $1.0 million for the six months ended June 30, 2026 and 2025, respectively. The change was related to the non-cash fair value change of the warrant liabilities driven by the relative change in our stock price.

Loss on Warrant Cancellation

Loss on warrant cancellation was $11.4 million for the six months ended June 30, 2025 and related to the loss recognized in conjunction with the February 2025 Warrant Exchange transaction.

Other Income (Expense), Net

Other income (expense), net was income of $0.5 million and expense of less than $0.1 million for the six months ended June 30, 2026 and 2025, respectively, an increase of $0.5 million. The increase was primarily driven by higher interest income for the first half of 2026.

Income Taxes

Less than $0.1 million of a provision for federal and state income taxes was recorded for both the six months ended June 30, 2026 and 2025 due to projected losses, and we maintained a full valuation allowance on the deferred tax assets as of June 30, 2026 and December 31, 2025.

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 the remainder of 2026 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 June 30, 2026, we had approximately $91.1 million in cash and cash equivalents on hand and $8.4 million in accounts receivable, net. Our business requires significant cash to fund operating activities, including employee compensation, purchases of components and subassemblies, manufacturing operations, working capital requirements and general corporate expenses.

Our purchase commitments with suppliers are generally cancellable prior to shipment. As of June 30, 2026, we had approximately $31.5 of non-cancellable purchase commitments for components and assemblies, which are expected to be delivered primarily during the remainder of 2026. These purchase commitments support anticipated production requirements and are expected to be funded through operating cash flows and available liquidity. See *Note 8, Leases*, in the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report for additional information regarding our lease commitments.

During the six months ended June 30, 2026, we strengthened our liquidity position through the completion of a firm commitment underwritten registered direct offering, sales under our At-the-Market (*"ATM"*) equity program, the conversion of our previously outstanding secured convertible notes into equity by the holders thereof and the repayment of certain debt obligations. Despite these improvements, we continue to incur operating losses and negative operating cash flows, and our business requires significant ongoing working capital to support manufacturing operations and customer deliveries.

Management evaluated the Company's liquidity in accordance with ASC 205-40 and considered current cash balances, historical and projected operating cash flows, recurring working capital requirements, scheduled debt obligations and available financing alternatives. Although our liquidity position improved significantly during the six months ended June 30, 2026, management concluded that substantial doubt continues to exist about our ability to continue as a going concern because we expect to require additional financing to fund operations during the twelve-month period following the issuance of the financial statements included in this Quarterly Report. See *Note 1, Description of Business and Basis of Presentation—Going Concern, Financial Condition and Liquidity and Capital Resources,* in the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report for additional information.

We intend to continue pursuing additional sources of capital, including equity and debt financings and other strategic financing alternatives. There can be no assurance that additional financing will be available on acceptable terms, or at all. If we are unable to obtain additional financing or otherwise improve our liquidity, we may be required to significantly reduce operating expenditures, delay strategic initiatives, sell assets, restructure obligations or pursue other strategic alternatives.

On April 27, 2026, the Company entered into an underwriting agreement (the *"Underwriting Agreement"*) with Cantor Fitzgerald & Co., as underwriter (the *"Underwriter"*), relating to the offer and sale in a firm commitment underwritten registered direct offering (the *"Offering"*) of 3,571,428 shares (the *"Shares"*) of the Company's common stock, par value $0.00001 per share. The Shares were sold at a public offering price per share of $14.00. The gross proceeds from the Offering were approximately $50 million, before deducting underwriting discounts and commissions and other offering expenses of $3.4 million.

On May 15, 2026, Velo3D, Inc. (the *"Company"*) entered into a sales agreement (the *"Sales Agreement"*) with Needham & Company, LLC (*"Needham"*), Cantor Fitzgerald & Co. (*"Cantor"*) and Craig-Hallum Capital Group, LLC (*"Craig-Hallum"*) (each, a "Sales Agent," and collectively, the "Sales Agents"), acting as sales agents and/or principals. Pursuant to the terms of the Sales Agreement, the Company may sell from time to time to or through any Sales Agent shares of the Company's common stock, par value $0.00001 per share (the *"Shares"*), having an aggregate offering price of up to $100,000,000 (the *"Offering"*). Sales of Shares, if any, under the Sales Agreement may be made in any transactions permitted by law that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act. See *Note 16, At-the-Market Offering* for further information.

Our ability to satisfy future liquidity requirements will depend on a number of factors, including our ability to increase revenue, improve gross margins, manage working capital efficiently, control operating expenses, execute our strategic initiatives and access additional sources of capital. Actual results may differ from our current expectations due to market conditions, customer demand, macroeconomic conditions and other factors beyond our control.

Debt Facilities

As of June 30, 2026, our outstanding debt consisted solely of the 2025 Equipment Loan, with an aggregate principal of approximately $8.2 million.

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

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

Cash Flow Summary

The following table summarizes our cash flows for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,		
	2026	2025	Change
	(In thousands)		
Net cash used in operating activities	$(39,533)	$(13,565)	$(25,968)
Net cash used in investing activities	$(4,458)	$(1,799)	$(2,659)
Net cash provided by financing activities	$99,469	$15,000	$84,469

Operating Activities

Net cash used in operating activities for the six months ended June 30, 2026 was $39.5 million, consisting primarily of a net loss of $18.5 million, non-cash loss of $6.0 million described below, and a decrease in net operating assets of $27.0 million. The cash used from net operating assets was comprised of a decrease from prepaid expenses and other current assets of $11.2 million, a decrease from contract assets of $10.1 million, a decrease from accounts payable of $8.2 million, a decrease from accrued expenses and other current liabilities of $4.3 million, a decrease from account receivable of $2.1 million, and a decrease from other assets of $0.1 million, offset by an increase from inventories of $4.4 million, and increase from other noncurrent liabilities of $2.6 million, and an increase from contract liabilities of $2.0 million. The non-cash loss of $6.0 million primarily consisted of stock-based compensation expense of $4.3 million, and depreciation and amortization of $1.5 million.

Net cash used in operating activities for the six months ended June 30, 2025 was $13.6 million, consisting primarily of a net loss of $38.3 million, non-cash loss of $22.6 million described below, and an increase in net operating assets of less than $2.1 million. The cash used from net operating assets was comprised of a decrease from accounts receivable of $1.7 million, a decrease from contract liabilities of $3.6 million, a decrease from accounts payable of $0.9 million, a decrease from contract assets of $0.9 million, a decrease from other noncurrent liabilities of $0.6 million, and a decrease from prepaid expense and other noncurrent assets of $0.3 million, and offset by an increase from inventories of $5.7 million, an increase from other assets of $2.0 million, and an increase from accrued expenses and other liabilities of $2.5 million. The non-cash loss of $22.6 million primarily consisted of the loss on cancellation of warrants of $11.4 million, stock-based compensation expense of $5.4 million, the loss on the disposal of fixed assets of $2.8 million, depreciation and amortization of $1.8 million, and the loss on fair value of warrants of $1.0 million.

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 overall enterprise efficiency improvement programs.

Investing Activities

Net cash used by investing activities during the six months ended June 30, 2026 was $4.5 million, consisting of purchases of property and equipment.

Net cash used by investing activities during the six months ended June 30, 2025 was $1.8 million, consisting of purchases of property and equipment.

We expect our capital expenditures to increase in 2026 compared to 2025 as we invest in printer capacity and related facilities for the RPS expansion project. Management's expectations for capital expenditures is in the range of $40 million to $50 million. This capital expenditure plan is subject to obtaining sufficient additional financing and may be adjusted based on our liquidity position and market conditions.

Financing Activities

Net cash used by financing activities during the six months ended June 30, 2026 was $99.5 million, consisting of $57.4 million net proceeds from the ATM Offering, $46.6 million net proceeds from the April 2026 Offering, $3.0 million principal repayment of the Secured Notes, and $1.5 million principal repayment of the equipment loans.

Net cash provided by financing activities during the six months ended June 30, 2025 was $15.0 million, consisting of proceeds of $15.0 million from the issuance of the January Note and the February Note.

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 equipment loan. 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 June 30, 2026 and December 31, 2025, we did not have any off-balance sheet arrangements, other than described below.

Our purchase commitments per our terms and conditions with our suppliers and vendors are cancellable in whole or in part prior to shipment. Non-cancellable purchase commitments (purchase orders) of $31.5 million for parts and assemblies are due upon receipt and will primarily be delivered in 2026. If inventory is shipped, we will accrue a liability under accrued expenses. See *Note 13, Commitments and Contingencies*, in the notes to the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report for further discussion. We have no other commitment and contingencies, except for the operating leases, which represent total undiscounted future minimum lease payments of $45.0 million as of June 30, 2026. See *Note 8, Leases*, in the notes to the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report for further discussion.

Recent Accounting Pronouncements

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

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 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 million measured on the last business day of that year’s second fiscal quarter and (b) our annual revenue equals or exceeds $100 million during the most recently completed fiscal year and the market value of our voting and nonvoting common stock held by non-affiliates equals or exceeds $700 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 interim financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (*“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 judgment 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 judgments used in the preparation of our unaudited condensed consolidated interim financial statements. Actual results could differ materially from those estimates and assumptions, and those differences could be material to our unaudited condensed consolidated interim 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 interim 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 fiscal year ended December 31, 2025. During the six months ended June 30, 2026 there were no significant updates to the Company’s critical accounting policies and estimates, except as described in *Note 2, Summary of Significant Accounting Policies*, included in the notes to the unaudited condensed consolidated interim financial statements in this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (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 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 June 30, 2026. Based upon this evaluation our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2026, 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 in Part II, Item 9A. "Controls and Procedures" of our Annual Report on Form 10-K for the year ended December 31, 2025, we identified material weaknesses in our internal control over financial reporting. These material weaknesses have not been remediated as of June 30, 2026. 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. This material weakness contributed to the following additional material weaknesses.

- 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.

- 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.

- We did not design and maintain effective controls over the accounting for stock-based compensation. Specifically, we did not design and maintain effective controls over the accuracy and existence of the share based compensation related to the earnout for eligible employees impacting the years ended 2025 and 2024, respectively.

- We did not design and maintain effective controls over the depreciation of equipment subject to equipment lease, net. Specifically, we did not design and maintain effective controls over the completeness of depreciation related to the equipment subject to equipment lease.

- 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 Material Weaknesses in Internal Control over Financial Reporting

We have begun to take measures to remediate the material weaknesses existing as of December 31, 2025. We have designed and remediated effective controls over the segregation of duties related to journal entries and account reconciliations, and over the accounting and disclosures for debt and equity instruments. We have begun 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 have 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; designing and implementing 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.

Management believes adequate progress has been performed toward the effectiveness of our internal control over financial reporting and disclosure controls and procedures. The measures we have on-going 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

Other than as described above, there were no changes in internal control over financial reporting during the quarter ended June 30, 2026 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, 2025, 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 fiscal year ended December 31, 2025.

We have entered into a long-term lease for our new Livermore production campus and expect to invest significant capital to equip and operate it, and we may not realize the anticipated benefits of this expansion on the expected timeline or at all.

In July 2026, subsequent to the end of the quarter covered by this report, we opened our new Livermore, California production campus (*"Forge 1"*), which we expect to serve as our primary production and manufacturing center. We have entered into a long-term lease for the facility, and we expect that bringing Forge 1 to full operation will require significant future capital expenditures and ongoing operating and lease commitments, and will depend on our ability to equip, commission, qualify and ramp the facility and to install and validate a substantial number of additive manufacturing systems over time. The facility will commence operations in phases and is not yet operating at scale.

We may encounter delays, cost overruns, supply chain or equipment constraints, permitting or infrastructure issues, difficulty hiring and retaining qualified personnel, or technical and qualification challenges, any of which could prevent us from achieving anticipated production capacity, output or cost efficiencies when expected or at all. Because a significant portion of the campus's costs, including our lease obligations, are fixed, if customer demand does not materialize as anticipated, or grows more slowly than expected, we may operate the facility below capacity and fail to achieve expected returns, which could adversely affect our business, financial condition and results of operations. Our public statements regarding anticipated capacity, system counts and timing are subject to these risks and may not be realized.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2026, 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 6. Exhibits

Exhibit Number	Description
10.1†#	Offer Letter, entered into on April 6, 2026, by and between Velo3D, Inc. and James Suva, effective March 5, 2026 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 filed on May 14, 2026).
10.2	Underwriting Agreement, dated as of April 27, 2026, by and between Velo3D, Inc. and Cantor Fitzgerald & Co. (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed on April 27, 2026).
10.3†	Sales Agreement, dated as of May 15, 2026, by and among Velo3D, Inc. and Needham & Company, LLC, Cantor Fitzgerald & Co. and Craig-Hallum Capital Group, LLC (incorporated by reference as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 15, 2026).
10.4#	2021 Equity Incentive Plan, amended as of June 10, 2026 (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 (File No. 333-296707) filed on June 11, 2026).
10.5#	Notice of Stock Option Grant and Stock Option Agreement between the Company and Arun Jeldi dated June 29, 2026 (incorporated by reference as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 1, 2026).
10.6#	Change in Control Agreement between the Company and Arun Jeldi dated June 30, 2026 (incorporated by reference as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on July 1, 2026).
10.7#	Change in Control Agreement between the Company and James Suva dated June 30, 2026 (incorporated by reference as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on July 1, 2026).
10.8#	Change in Control Agreement between the Company and Michelle Sidwell dated June 30, 2026 (incorporated by reference as Exhibit 10.4 to the Company's Current Report on Form 8-K filed on July 1, 2026).
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 With Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.
** Furnished herewith. 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.
† Portions of this exhibit (indicated with markouts) have been redacted in accordance with Item 601(a)(6) of Regulation S-K under the Securities Exchange Act of 1934, as amended.
# Indicates a management contract or compensatory plan.

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.

VELO3D, INC.

Date: August 11, 2026	By:	/s/ James Suva
	Name:	James Suva
	Title:	*Chief Financial Officer*

Exhibit 31.1

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

I, Arun Jeldi, 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: August 11, 2026	By:	/s/ Arun Jeldi
		Arun Jeldi
		Chief Executive Officer
		(Principal Executive Officer)

Exhibit 31.2

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

I, James Suva, 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: August 11, 2026

By: /s/ James Suva

James Suva
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, Arun Jeldi, 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 June 30, 2026 (the “Report”), 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 at the dates and for the periods indicated.

Date: August 11, 2026	By:	/s/ Arun Jeldi
		Arun Jeldi
		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, James Suva, 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 June 30, 2026 (the "Report"), 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 at the dates and for the periods indicated.

Date: August 11, 2026	By:	/s/ James Suva
		James Suva
		Chief Financial Officer
		(Principal Financial Officer)