As filed with the Securities and Exchange Commission on March 28, 2022

Registration No. 333-260415

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

Post-Effective Amendment No. 1 to

FORM S-1
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

Velo3D, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	3559	98-1556965
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

511 Division Street
Campbell, California 95008
(408) 610-3915
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Benyamin Buller
Chief Executive Officer
511 Division Street
Campbell, California 95008
(408) 610-3915
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:
Per B. Chilstrom
Fenwick & West LLP
902 Broadway
New York, New York 10010
(212) 430-2600

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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 7(a)(2)(B) of the Securities Act. ▯

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Post-Effective Amendment No. 1 (this “Post-Effective Amendment No. 1”) to the Registration Statement on Form S-1 (File No. 333-260415), as originally declared effective by the Securities and Exchange Commission (the “SEC”) on October 28, 2021 (the “Registration Statement”), is being filed to include information contained in the registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, which was filed with the SEC on March 28, 2022, and to update certain other information in the Registration Statement.

The information included in this filing amends the Registration Statement and the prospectus contained therein. No additional securities are being registered under this Post-Effective Amendment No. 1. All applicable registration fees were previously paid by the registrant.

The information in this preliminary prospectus is not complete and may be changed. The securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 28, 2022

PRELIMINARY PROSPECTUS

Velo3D, Inc.

161,028,936 Shares of Common Stock
4,450,000 Warrants to Purchase Shares of Common Stock
13,075,000 Shares of Common Stock Underlying Warrants

This prospectus relates to the offer and sale from time to time by the selling securityholders named in this prospectus (the "*Selling Securityholders*") of (A) up to 161,028,936 shares of our common stock, par value $0.00001 per share (our "*common stock*"), consisting of (i) up to 7,381,428 shares of our common stock issued in a private placement of 15,500,000 shares of our common stock (the "*PIPE shares*") pursuant to subscription agreements each entered into on March 22, 2021 (the "*PIPE Financing*"); (ii) up to 8,625,000 shares of our common stock (the "*Founder Shares*") issued in connection with the consummation of the Merger (as defined below), in exchange for our Class B ordinary shares originally issued in a private placement to Spitfire Sponsor LLC (the "*Sponsor*"); (iii) up to 140,572,508 shares of our common stock issued or issuable to certain former stockholders and equity award holders of Legacy Velo3D (the "*Legacy Velo3D equity holders*") in connection with or as a result of the consummation of the Merger, consisting of (a) up to 123,058,076 shares of our common stock; (b) up to 1,902,945 shares of our common stock issuable upon the exercise of certain options; and (c) up to 15,611,487 shares of our common stock (the "*Earn-Out Shares*") that certain Legacy Velo3D equity holders have the contingent right to receive upon the achievement of certain vesting conditions; and (iv) up to 4,450,000 shares of our common stock issuable upon the exercise of the private placement warrants (as defined below); and (B) up to 4,450,000 warrants (the "*private placement warrants*") originally issued in a private placement to the Sponsor.

In addition, this prospectus relates to the offer and sale of: (i) up to 8,625,000 shares of our common stock that are issuable by us upon the exercise of 8,625,000 warrants (the "*public warrants*") originally issued in our initial public offering (the "*IPO*"); and (ii) up to 4,450,000 shares of our common stock that are issuable by us upon the exercise of the private placement warrants.

On September 29, 2021 (the "*Closing Date*"), we consummated the transactions contemplated by that certain Business Combination Agreement, dated as of March 22, 2021 (as amended, the "*Business Combination Agreement*"), by and among JAWS Spitfire Acquisition Corporation ("*JAWS Spitfire*"), Spitfire Merger Sub, Inc. ("*Merger Sub*") and Velo3D, Inc. ("*Legacy Velo3D*"). In particular, as contemplated by the Business Combination Agreement, on the Closing Date, JAWS Spitfire filed a notice of deregistration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and filed a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of the State of Delaware, under which JAWS Spitfire was domesticated and continued as a Delaware corporation (the "*Domestication*"). Further, as contemplated by the Business Combination Agreement, on the Closing Date, Merger Sub was merged with and into Legacy Velo3D, with Legacy Velo3D surviving the merger (the "*Surviving Corporation*") as a wholly-owned subsidiary of us (the "*Merger*"). In connection with the closing of the Merger, we changed our name to "Velo3D, Inc." and the Surviving Corporation changed its name to "Velo3D US, Inc."

The Selling Securityholders may offer, sell or distribute all or a portion of the securities hereby registered publicly or through private transactions at prevailing market prices or at negotiated prices. We will not receive any of the proceeds from such sales of the shares of our common stock or warrants, except with respect to amounts received by us upon the exercise of the warrants for cash. We will bear all costs, expenses and fees in connection with the registration of these securities, including with regard to compliance with state securities or "blue sky" laws. The Selling Securityholders will bear all commissions and discounts, if any, attributable to their sale of shares of our common stock or warrants. See "*Plan of Distribution*" beginning on page 111 of this prospectus.

Our common stock and public warrants are listed on the New York Stock Exchange (the "*NYSE*") under the symbols "VLD" and "VLD WS", respectively. On March 21, 2022, last reported sales price of our common stock was $8.25 per share and the last reported sales price of our public warrants was $1.77 per warrant.

We are an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, and, as such, have elected to comply with certain reduced disclosure and regulatory requirements.

Investing in our securities involves risks. See the section entitled "Risk Factors" beginning on page 11 of this prospectus to read about factors you should consider before buying our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2022

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-1 that we filed with the Securities and Exchange Commission (the "*SEC*") using the "shelf" registration process. Under this shelf registration process, the Selling Securityholders may, from time to time, sell or otherwise distribute the securities offered by them as described in the section titled "*Plan of Distribution*" in this prospectus. We will not receive any proceeds from the sale by such Selling Securityholders of the securities offered by them described in this prospectus. This prospectus also relates to the issuance by us of the shares of common stock issuable upon the exercise of any warrants. We will receive proceeds from any exercise of the warrants for cash.

Neither we nor the Selling Securityholders have authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus or any applicable prospectus supplement or any free writing prospectuses prepared by or on behalf of us or to which we have referred you. Neither we nor the Selling Securityholders take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither we nor the Selling Securityholders will make an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

We may also provide a prospectus supplement or post-effective amendment to the registration statement to add information to, or update or change information contained in, this prospectus. You should read both this prospectus and any applicable prospectus supplement or post-effective amendment to the registration statement together with the additional information to which we refer you in the sections of this prospectus entitled "*Where You Can Find More Information*."

Unless the context otherwise requires, references in this prospectus to references to:

- "*JAWS Spitfire*" refer to JAWS Spitfire Acquisition Corporation, a Cayman Islands exempted company, prior to the Domestication (as defined herein);
- *"Legacy Velo3D*" refer to Velo3D, Inc., a Delaware corporation, prior to the Closing;
- "*Velo3D*" refer to Velo3D, Inc., a Delaware corporation (f/k/a JAWS Spitfire Acquisition Corporation, a Cayman Islands exempted company), and its consolidated subsidiary following the Closing; and
- "*we*," "*us*," and "*our*" or the "*Company*" refer to Velo3D following the Closing and to Legacy Velo3D prior to the Closing.

SELECTED DEFINITIONS

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

"*Board*" or "*Board of Directors*" means the board of directors of the Company.

"*Bylaws*" means the restated bylaws of the Company.

"*Business Combination Agreement*" means that certain Business Combination Agreement, dated as of March 22, 2021, by and among JAWS Acquisition, Merger Sub and Legacy Velo3D, as amended by Amendment #1 to Business Combination Agreement dated as of July 20, 2021.

"*Certificate of Incorporation*" means the restated certificate of incorporation of the Company.

"*common stock*" means the shares of common stock, par value $0.00001 per share, of the Company.

"*Class A ordinary shares*" means the Class A ordinary shares, par value $0.0001 per share, of JAWS Spitfire, prior to the Domestication, which automatically converted, on a one-for-one basis, into shares of common stock in connection with the Closing.

"*Class B ordinary shares*" means the Class B ordinary shares, par value $0.0001 per share, of JAWS Spitfire, prior to the Domestication, which automatically converted, on a one-for-one basis, into shares of common stock in connection with the Closing.

"*Closing*" means the closing of the Merger.

"*Closing Date*" means September 29, 2021.

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

"*Company*" means New Velo3D following the Closing and to Legacy Velo3D prior to the Closing.

"*Domestication*" means the domestication contemplated by the Business Combination Agreement, whereby JAWS Spitfire effected a deregistration and a transfer by way of continuation from the Cayman Islands to the State of Delaware, pursuant to which JAWS Spitfire's jurisdiction of incorporation was changed from the Cayman Islands to the State of Delaware.

"*DGCL*" means the General Corporation Law of the State of Delaware.

"*Earn-Out Shares*" means up to 21,758,149 shares of our common stock issuable pursuant to the Business Combination Agreement to certain Legacy Velo3D equity holders upon the achievement of certain vesting conditions.

"*Effective Time*" means the time at which the Merger became effective.

"*Equity Incentive Plan*" means the Velo3D, Inc. 2021 Equity Incentive Plan.

"*ESPP*" means the Velo3D, Inc. 2021 Employee Stock Purchase Plan.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Founder Shares*" means the 8,625,000 shares of our common stock issued to the Sponsor and the other Initial Stockholders in connection with the automatic conversion of the Class B ordinary shares in connection with the Closing.

"*GAAP*" means United States generally accepted accounting principles.

"*Initial Stockholders*" means the Sponsor together with Andy Appelbaum, Mark Vallely and Serena J. Williams.

“*Investment Company Act*” means the Investment Company Act of 1940, as amended.

“*IPO*” means the Company’s initial public offering, consummated on December 7, 2020, of 34,500,000 units (including 4,500,000 units that were issued to the underwriters in connection with the exercise in full of their over-allotment option) at $10.00 per unit.

“*JOBS Act*” means the Jumpstart Our Business Startups Act of 2012.

“*Legacy Velo3D*” refers to Velo3D, Inc., a Delaware corporation, prior to the Closing.

“*Legacy Velo3D equity holder*” means certain former stockholders and equity award holders of Velo3D.

“*Merger*” means the merger contemplated by 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 the Closing Date.

“*Merger Sub*” means Spitfire Merger Sub, Inc., a Delaware corporation.

“*NYSE*” means the New York Stock Exchange.

“*PIPE Financing*” means the private placement pursuant to which the PIPE Investors collectively subscribed for 15,500,000 shares of our common stock at $10.00 per share, for an aggregate purchase price of $155,000,000, on the Closing.

“*PIPE Investors*” means certain institutional investors that invested in the PIPE Financing.

“*PIPE Shares*” means the 15,500,000 shares of our common stock issued in the PIPE Financing, of which 7,381,428 are offered for resale pursuant to this prospectus.

“*private placement warrants*” means the 4,450,000 warrants originally issued to the Sponsor in a private placement in connection with our IPO.

“*public shares*” means the Class A ordinary shares included in the units issued in our IPO.

“*public shareholders*” means holders of public shares.

“*public warrants*” means the 8,625,000 warrants included in the units issued in our IPO.

“*Sarbanes-Oxley Act*” or “*SOX*” means the Sarbanes-Oxley Act of 2002.

“*SEC*” means the United States Securities and Exchange Commission.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*Selling Securityholders*” means the selling securityholders named in this prospectus.

“*Sponsor*” means Spitfire Sponsor LLC, a Delaware limited liability company.

“*Subscription Agreements*” means, collectively, those certain subscription agreements, entered into on March 22, 2021, between the Company and the PIPE Investors.

“*Transfer Agent*” means Continental Stock Transfer & Trust Company.

“*Trust Account*” means the trust account of the Company that held the proceeds from the IPO and a portion of the proceeds from the sale of the private placement warrants.

“*Velo3D*” refers to Velo3D, Inc., a Delaware corporation (f/k/a JAWS Spitfire Acquisition Corporation, a Cayman Islands exempted company), and its consolidated subsidiary following the Closing.

MARKET AND INDUSTRY DATA

Information contained in this prospectus concerning the market and the industry in which we compete, including our market position, general expectations of market opportunity and market size, is based on information from various third-party sources, assumptions made by us based on such sources and our knowledge of the markets for our services and solutions. Any estimates provided herein involve numerous assumptions and limitations, and you are cautioned not to give undue weight to such information. Third-party sources generally state that the information contained in such source has been obtained from sources believed to be reliable but that there can be no assurance as to the accuracy or completeness of such information. These third party sources include the following reports and publications (the "*Market and Industry Reports*"):

- Investment Casting Market Size, Share & Trends Analysis Report By Application (Aerospace & Defense, Energy Technology), By Region (North America, Europe, APAC, Central & South America, MEA), And Segment Forecasts, 2020 – 2027, October 2020
- Market Research Future, Global Metal Forging Market, February 2021
- Technavio, Metal Machining Market by End-user and Geography 2020 – 2024, 2020
- ResearchAndMarkets.com, Braze Alloys – Global Market Trajectory & Analytics, April 2021
- SmarTech Analysis, Q3 2020 Market Report

The industry in which we operate is subject to a high degree of uncertainty and risk. As a result, the estimates and market and industry information provided in this prospectus are subject to change based on various factors, including those described in the section entitled "*Risk Factors — Risks Related to Our Business*" and elsewhere in this prospectus.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus 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 prospectus may include, for example, statements about:

- our projected financial information, growth rate and market opportunity;
- the ability to maintain the listing of our common stock and the public warrants on the NYSE, and the potential liquidity and trading of such securities;
- the ability to recognize the anticipated benefits of the Merger, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably and retain its key employees;
- costs related to the Merger;
- changes in applicable laws or regulations;
- the inability to develop and maintain effective internal control over financial reporting;
- our ability to raise financing in the future
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors
- the period over which we anticipate our existing cash and cash equivalents will be sufficient to fund our operating expenses and capital expenditure requirements;
- the potential for our business development efforts to maximize the potential value of our portfolio;
- regulatory developments in the United States and foreign countries;
- the impact of laws and regulations;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our financial performance;
- the effect of COVID-19, and variant strains of the virus, on the foregoing; and
- other factors detailed under the section entitled "*Risk Factors*".

The forward-looking statements contained in this prospectus 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 under the section entitled "*Risk Factors*". 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 COVID-19 outbreak and there may be additional risks that we consider immaterial or which are unknown. It is not possible to predict or identify all such risks. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

PROSPECTUS SUMMARY

The following summary highlights information contained in greater details elsewhere in this prospectus. This summary is not complete and does not contain all of the information you should consider in making your investment decision. You should read the entire prospectus carefully before making an investment in our common stock or warrants. You should carefully consider, among other things, our consolidated financial statements and related notes and the sections titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" included elsewhere in this prospectus.

Company 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 full-stack hardware and software solution based on our proprietary laser powder bed fusion ("*L-PBF"*) technology, which enables support-free production. 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 products give our customers who are in space, aviation, defense, energy and industrial markets the freedom to design and produce metal parts with complex internal features and geometries that had previously been considered impossible for AM. We believe our technology is years ahead of competitors. .

Our technology is novel compared to other AM technologies based on its ability to deliver high-value metal parts that have complex internal channels, structures and geometries. This affords a wide breadth of design freedom for creating new metal parts and it enables replication of existing parts without the need to redesign the part to be manufacturable with AM. Because of these features, we believe our technology and product capabilities are highly valued by our customers. Our customers are primarily original equipment manufacturers ("*OEMs*") and contract manufacturers 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 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. For these reasons, AM solutions of our competitors have been largely relegated to tooling and prototyping or the production of less complex, lower-value metal parts.

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

Our customers range from small- and medium-sized enterprises to Fortune 500 companies in the space, aviation, defense, energy and industrial markets. As of December 31, 2021, we had 18 customers. We added 10 new customers in 2021, and we continue to diversify our customer base. SpaceX, our largest customer, accounted for 27.8% and 41.1% of our revenue for the year ended December 31, 2021 and 2020, respectively. Our customers include both OEMs, as well as contract manufacturers who provide service and parts on behalf of OEMs. Our 3D printer sales occur under purchase orders that are governed by our terms and conditions of sale.

We offer customers a full-stack solution, which includes the following key components:

- **Flow™ print preparation software** conducts sophisticated analysis of the features of the metal part and specifies a production process that enables support-free printing of the part.

- **Sapphire® metal AM printers** produce the part using our proprietary L-PBF technology, which enables support-free designs. Our technology produces metal parts by fusing many thousands of very thin layers of metal powder with a precisely controlled laser beam in a sophisticated software-defined sequence (or "*recipe*") defined by our Flow™ software.
- **Assure™ quality validation software** validates the product made by Sapphire® to confirm that it is made to the specifications required by the original design.

Legacy AM technologies often rely on internal supports to prevent deformation of the metal part during the 3D printing process. These supports inhibit the production of parts with complex internal geometries, which are often required in high-performance applications, because there is limited or no access to remove them after production. Our technological advances enable our Sapphire® product to print metal parts that do not require internal supports, which enables our customers to produce designs that would otherwise be infeasible to make with AM.

We sell our full-stack hardware and software AM solutions through two types of transaction models: a 3D printer sale transaction and a recurring payment transaction. 3D printer sale transactions are structured as a payment of a fixed purchase price for the system. Recurring payment transactions fall into two categories: a leased 3D printer transaction and a sale and utilization fee model. 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 certain cases the lease term is longer. In the sale and utilization fee model, customers pay an upfront amount that is less than the full purchase price to purchase the system. This purchase price is supplemented by an hourly usage fee for each hour of system utilization over the life of the system. The variable payments are recognized when the event determining the amount of variable consideration to be paid occurs. Support services are included with a 3D printer sale transaction and a recurring payment transaction.

We delivered our first Sapphire® XC system at the end of 2021. We continue to see strong demand for our next-generation flagship Sapphire® XC product. It is anticipated that this product compared to our existing Sapphire® system will be able to increase throughput by up to 400%, reduce part costs by 65% to 80% and expand part size capacity by up to 4 times. Together, the increase in capabilities and improvement in economics for our customers is anticipated to rapidly increase the potential applications of our technology. As of December 31, 2021, our aggregate backlog for the Sapphire® XC was $43 million, comprised of 18 Sapphire® XC systems. Demand for the Sapphire® XC product is a significant contributor to our expectation for meaningful sales growth from 2022 and beyond.

Corporate Information

We were incorporated on September 11, 2020 as a special purpose acquisition company and a Cayman Islands exempted company under the name JAWS Spitfire Acquisition Corporation. On December 7, 2020, JAWS Spitfire completed its initial public offering. On September 29, 2021, JAWS Spitfire consummated the Merger with Legacy Velo3D pursuant to the Business Combination Agreement. In connection with the Merger, JAWS Spitfire's jurisdiction of incorporation was changed from the Cayman Islands to the State of Delaware and JAWS Spitfire changed its name to Velo3D, Inc.

Our address is 511 Division Street, Campbell, CA 95008. Our telephone number is (408) 610-3915. Our website address is https://www.velo3d.com. Information contained on our website or connected thereto does not constitute part of, and is not incorporated by reference into, this prospectus or the registration statement of which it forms a part.

Summary of Risk Factors

In evaluating an investment in our securities, investors should carefully read the risks described below, this prospectus and especially consider the factors discussed in the section entitled "*Risk Factors*." If any of the following events occur, our business, financial condition and operating results may be materially adversely affected.

In that event, the trading price of our securities could decline, and you could lose all or part of your investment. Such risks include, but are not limited to:

Risks Related to Our Financial Position and Need for Additional Capital

- We are an early-stage company with a history of losses. We have not been profitable historically and may not achieve or maintain profitability in the future.
- Our limited operating history and rapid growth makes evaluating our current business and future prospects difficult and may increase the investment risk.
- We expect to rely on a limited number of customers for a significant portion of our near-term revenue.
- We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.
- We have invested and expect to continue to invest in research and development efforts that further enhance our products. Such investments may affect our operating results and liquidity, and, if the return on these investments is lower or develops more slowly than we expect, our revenue and operating results may suffer.

Risks Related to Our Business and Industry

- We may experience significant delays in the design, production and launch of our additive manufacturing solutions, and we may be unable to successfully commercialize products on our planned timelines.
- As part of our growth strategy, we intend to continue to acquire or make investments in other businesses, patents, technologies, products or services. Our failure to do so successfully could disrupt our business and have an adverse impact on our financial condition.
- Our business activities have been and may continue to be, disrupted due to the outbreak of the ongoing COVID-19 pandemic.
- Changes in our product mix may impact our gross margins and financial performance.
- Our business model is predicated, in part, on building a customer base that will generate a recurring stream of revenues through the use of our additive manufacturing system and service contracts. If that recurring stream of revenues does not develop as expected, or if our business model changes as the industry evolves, our operating results may be adversely affected.
- If demand for additive manufacturing products does not grow as expected, or if market adoption of additive manufacturing technology does not continue to develop, or develops more slowly than expected, our revenues may stagnate or decline, and our business may be adversely affected.
- If we fail to meet our customers’ price expectations, demand for our products and product lines could be negatively impacted and our business and results of operations could suffer.
- Declines in the prices of our products and services, or in our volume of sales, together with our relatively inflexible cost structure, may adversely affect our financial results.
- Reservations for our Sapphire® XC solution may not convert to purchase orders.
- Defects in our additive manufacturing system or in enhancements to our existing additive manufacturing systems that give rise to part failures for our customers, resulting in product liability or warranty or other claims that could result in material expenses, diversion of management time and attention and damage to our reputation.

- The additive manufacturing industry in which we operate is characterized by rapid technological change, which requires us to continue to develop new products and innovations to meet constantly evolving customer demands and which could adversely affect market adoption of our products.
- The additive manufacturing industry is competitive. We expect to face increasing competition in many aspects of our business, which could cause our operating results to suffer.
- Our existing and planned global operations subject us to a variety of risks and uncertainties that could adversely affect our business and operating results. Our business is subject to risks associated with selling machines and other products in non-United States locations.
- We have identified material weaknesses in our internal control over financial reporting and we may identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations or cause our access to the capital markets to be impaired and have a material adverse effect on our business.

Risks Related to Third Parties

- We could be subject to personal injury, property damage, product liability, warranty and other claims involving allegedly defective products that we supply.
- We may rely heavily on future collaborative and supply chain partners.
- If our suppliers become unavailable or inadequate, our customer relationships, results of operations and financial condition may be adversely affected.

Risks Related to Operations

- We operate primarily at two facilities, and any disruption at one facility could adversely affect our business and operating results.
- Delays in the construction to expand our production facilities could severely impact our business, financial condition, results of operations and prospects.
- Maintenance, expansion and refurbishment of our facilities, the construction of new facilities and the development and implementation of new manufacturing processes involve significant risks.

Risks Related to Compliance Matters

- We are subject to U.S. and other anti-corruption laws, trade controls, economic sanctions and similar laws and regulations. Our failure to comply with these laws and regulations could subject us to civil, criminal and administrative penalties and harm our reputation.
- We are subject to environmental, health and safety laws and regulations related to our operations and the use of our additive manufacturing systems and consumable materials, which could subject us to compliance costs and/or potential liability in the event of non compliance.

Risks Related to Intellectual Property

- Our business relies on proprietary information and other intellectual property ("*IP*"), and our failure to protect our IP rights could harm our competitive advantages with respect to the use, manufacturing, sale or other commercialization of our processes, technologies and products, which may have an adverse effect on our results of operations and financial condition.
- Third-party lawsuits and assertions to which we are subject alleging our infringement of patents, trade secrets or other IP rights may have a significant adverse effect on our financial condition.

Emerging Growth Company

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "*JOBS Act*"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "*Sarbanes-Oxley Act*"), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a registration statement under the Securities Act declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our consolidated financial statements with certain other public companies difficult or impossible because of the potential differences in accounting standards used.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year: (a) following December 7, 2025, the fifth anniversary of the closing of our IPO; (b) in which we have total annual gross revenue of at least $1.07 billion; or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the last business day of our most recently completed second fiscal quarter; and (ii) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. References herein to "emerging growth company" have the meaning associated with it in the JOBS Act.

Smaller Reporting Company

Additionally, 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 until the last day of the fiscal year in which (i) the market value of our common stock held by non affiliates exceeds $250 million as of the prior June 30, or (ii) our annual revenues exceeded $100 million during such completed fiscal year and the market value of our common stock held by non affiliates exceeds $700 million as of the prior June 30.

The Offering

Issuer	Velo3D, Inc.
Issuance of common stock	
Shares of common stock offered by us	Up to 13,075,000 shares of common stock issuable upon exercise of warrants, consisting of: a. up to 8,625,000 shares of common stock that are issuable upon the exercise of the public warrants; and b. up to 4,450,000 shares of common stock that are issuable upon the exercise of the private placement warrants
Shares of common stock outstanding as of March 21, 2022	183,557,946 shares of common stock
Exercise price of public warrants and private placement warrants	$11.50 per share, subject to adjustments as described herein
Use of proceeds	We will receive up to an aggregate of approximately $150.4 million from the exercise of the warrants, assuming the exercise in full of all of the warrants for cash. We expect to use the net proceeds from the exercise of the warrants for investment in growth and general corporate purposes. See "*Use of Proceeds.*"
Resale of common stock and warrants	
Shares of common stock offered by the Selling Securityholders	Up to 161,028,936 shares of common stock, consisting of: a. up to 7,381,428 PIPE Shares; b. up to 8,625,000 Founder Shares; c. up to 141,370,095 shares of common stock issued or issuable to the Legacy Velo3D equity holders in connection with or as a result of the consummation of the Merger consisting of: (i) up to 123,058,137 shares of our common stock; (ii) up to 1,902,945 shares of common stock issuable upon the exercise of certain options; and (iii) up to 15,611,487 Earn-Out Shares d. up to 4,450,000 shares of our common stock issuable upon the exercise of the private placement warrants
Warrants offered by the Selling Securityholders	Up to 4,450,000 private placement warrants
Terms of the offering	The Selling Securityholders will determine when and how they will dispose of the shares of common stock and warrants registered under this prospectus for resale.
Use of proceeds	We will not receive any proceeds from the sale of shares of common stock or warrants by the Selling Securityholders.

Lock-up restrictions	Certain of our stockholders are subject to certain restrictions on transfer until the termination of applicable lock-up periods. See "*Certain Relationships and Related Person Transactions — Related Party Transactions Entered into in Connection with the Merger — Amended and Restated Registration Rights Agreement*" and "*— Lock-Up Agreement with Mr. Buller*."
NYSE symbols	Our common stock and public warrants are listed on the NYSE under the symbols VLD and VLD WS, respectively.
Risk factors	See "*Risk Factors*" and other information included in this prospectus for a discussion of factors you should consider before investing in our securities.

SELECTED HISTORICAL FINANCIAL INFORMATION

Our selected historical statements of operations data of Velo3D for the years ended December 31, 2021 and 2020 and our historical balance sheet data as of December 31, 2021 and 2020 are derived from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read the following selected historical financial data together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our consolidated financial statements and related notes included elsewhere in this prospectus.

Selected Statement of Operations

	Year ended December 31,	
(in thousands)	**2021**	**2020**
Revenue		
3D Printer	$ 23,015	$ 16,965
Recurring payment	1,589	350
Support services	2,835	1,660
Total Revenue	27,439	18,975
Cost of revenue		
3D Printer	17,560	10,605
Recurring payment	1,112	245
Support services	3,809	1,758
Total cost of revenue	22,481	12,608
Gross profit	4,958	6,367
Operating expenses		
Research and development	27,002	14,188
Selling and marketing	12,363	7,004
General and administrative	23,352	6,382
Total operating expenses	62,717	27,574
Loss from operations	(57,759)	(21,207)
Interest expense	(2,740)	(639)
Loss on the convertible note modification	(50,577)	—
(Loss)/gain on fair value of warrants	(5,202)	4
Gain on fair value of contingent earnout liabilities	9,275	—
Other income (expense), net	(88)	35
Loss before provision for income taxes	(107,091)	(21,807)
Provision for income taxes	—	—
Net loss	(107,091)	(21,807)

Selected Balance Sheet

(in thousands)	As of December 31, 2021	As of December 31, 2020
Balance Sheet Data:		
Cash and cash equivalents	$ 207,602	$ 15,517
Total assets	302,717	32,691
Total debt	8,070	8,003
Total liabilities	192,302	16,808
Redeemable convertible preferred stock	—	123,704
Total stockholders' equity (deficit)	$ 110,415	$ (107,821)

We use non-GAAP financial measures to help us make strategic decisions, establish budgets and operational goals for managing its business, analyze our financial results, and evaluate our performance. We also believe that the presentation of these non-GAAP financial measures in this prospectus provides an additional tool for investors to use in comparing our core business and results of operations over multiple periods. However, the non-GAAP financial measures presented in this prospectus may not be comparable to similarly titled measures reported by other companies due to differences in the way that these measures are calculated. The non-GAAP financial measures presented in this prospectus should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, comparable financial measures calculated in accordance with generally accepted accounting principles accepted in the United States ("*GAAP*").

The information in the table below sets forth the non-GAAP financial measures that we use in this prospectus. Because of the limitations associated with these non-GAAP financial measures, "EBITDA," "Adjusted EBITDA" and "Adjusted EBITDA as a percent of revenue" should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA, Adjusted EBITDA and Adjusted EBITDA as a percent of revenue on a supplemental basis. You should review the reconciliation of the non-GAAP financial measures below and not rely on any single financial measure to evaluate our business.

The following table reconciles Net loss to EBITDA and Adjusted EBITDA during the years ended December 31, 2021 and 2020, respectively:

	Year Ended December 31			
	2021		2020	
	In thousands	As a percentage of revenue	In thousands	As a percentage of revenue
Revenue	$ 27,439	100.0 %	$ 18,975	100.0 %
Net loss	(107,091)	(390.3)%	(21,807)	(114.9)%
Interest expense	2,740	10.0 %	639	3.4 %
Tax expense	—	— %	—	— %
Depreciation and amortization	2,170	7.9 %	1,240	6.5 %
EBITDA	(102,181)	(372.4)%	(19,928)	(105.0)%
Stock based compensation	4,368	15.9 %	1,455	7.7 %
Loss/(gain) in fair value of warrant liabilities	5,202	19.0 %	(4)	— %
Gain on fair value of contingent earnout liabilities	(9,275)	(33.8)%	—	— %
Merger transaction and other related costs	4,360	15.9 %	—	— %
Loss on convertible note modification	50,577	184.3 %	—	— %
Adjusted EBITDA	$ (46,949)	(171.1)%	$ (18,477)	(97.4)%

RISK FACTORS

Investing in our securities involves risks. You should consider carefully the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes included elsewhere in this prospectus, before deciding whether to purchase any of our securities. Our business, results of operations, financial condition, and prospects could also be harmed by risks and uncertainties that are not presently known to us or that we currently believe are not material. If any of these risks actually occur, our business, results of operations, financial condition, and prospects could be materially and adversely affected. Unless otherwise indicated, references in these risk factors to our business being harmed will include harm to our business, reputation, brand, financial condition, results of operations, and prospects. In such event, the market price of our securities could decline, and you could lose all or part of your investment.

Summary of Risk Factors

Risks Related to Our Financial Position and Need for Additional Capital

- We are an early-stage company with a history of losses. We have not been profitable historically and may not achieve or maintain profitability in the future.
- Our limited operating history and rapid growth makes evaluating our current business and future prospects difficult and may increase the investment risk.
- We expect to rely on a limited number of customers for a significant portion of our near-term revenue.
- We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.
- We have invested and expect to continue to invest in research and development efforts that further enhance our products. Such investments may affect our operating results and liquidity, and, if the return on these investments is lower or develops more slowly than we expect, our revenue and operating results may suffer.

Risks Related to Our Business and Industry

- We may experience significant delays in the design, production and launch of our additive manufacturing solutions, and we may be unable to successfully commercialize products on our planned timelines.
- As part of our growth strategy, we intend to continue to acquire or make investments in other businesses, patents, technologies, products or services. Our failure to do so successfully could disrupt our business and have an adverse impact on our financial condition.
- Our business activities have been and may continue to be, disrupted due to the outbreak of the ongoing COVID-19 pandemic.
- Changes in our product mix may impact our gross margins and financial performance.
- Our business model is predicated, in part, on building a customer base that will generate a recurring stream of revenues through the use of our additive manufacturing system and service contracts. If that recurring stream of revenues does not develop as expected, or if our business model changes as the industry evolves, our operating results may be adversely affected.
- If demand for additive manufacturing products does not grow as expected, or if market adoption of additive manufacturing technology does not continue to develop, or develops more slowly than expected, our revenues may stagnate or decline, and our business may be adversely affected.
- If we fail to meet our customers' price expectations, demand for our products and product lines could be negatively impacted and our business and results of operations could suffer.

- Declines in the prices of our products and services, or in our volume of sales, together with our relatively inflexible cost structure, may adversely affect our financial results.
- Reservations for our Sapphire® XC solution may not convert to purchase orders.
- Defects in our additive manufacturing system or in enhancements to our existing additive manufacturing systems that give rise to part failures for our customers, resulting in product liability or warranty or other claims that could result in material expenses, diversion of management time and attention and damage to our reputation.
- The additive manufacturing industry in which we operate is characterized by rapid technological change, which requires us to continue to develop new products and innovations to meet constantly evolving customer demands and which could adversely affect market adoption of our products.
- The additive manufacturing industry is competitive. We expect to face increasing competition in many aspects of our business, which could cause our operating results to suffer.
- Our existing and planned global operations subject us to a variety of risks and uncertainties that could adversely affect our business and operating results. Our business is subject to risks associated with selling machines and other products in non-United States locations.
- We have identified material weaknesses in our internal control over financial reporting and we may identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations or cause our access to the capital markets to be impaired and have a material adverse effect on our business.

Risks Related to Third Parties

- We could be subject to personal injury, property damage, product liability, warranty and other claims involving allegedly defective products that we supply.
- We may rely heavily on future collaborative and supply chain partners.
- If our suppliers become unavailable or inadequate, our customer relationships, results of operations and financial condition may be adversely affected.

Risks Related to Operations

- We operate primarily at two facilities, and any disruption at one facility could adversely affect our business and operating results.
- Delays in the construction to expand our production facilities could severely impact our business, financial condition, results of operations and prospects.
- Maintenance, expansion and refurbishment of our facilities, the construction of new facilities and the development and implementation of new manufacturing processes involve significant risks.

Risks Related to Compliance Matters

- We are subject to U.S. and other anti-corruption laws, trade controls, economic sanctions and similar laws and regulations. Our failure to comply with these laws and regulations could subject us to civil, criminal and administrative penalties and harm our reputation.
- We are subject to environmental, health and safety laws and regulations related to our operations and the use of our additive manufacturing systems and consumable materials, which could subject us to compliance costs and/or potential liability in the event of non-compliance.

Risks Related to Intellectual Property

- Our business relies on technological and other innovations embodied in various forms of proprietary information and other intellectual property (IP) related information. Our failure to protect our IP rights could potentially harm our competitive advantages to an extent (e.g., with respect to the use, manufacturing, lease, sale or other commercialization of our processes, technologies and products), which may have an adverse effect on our results of operations and financial condition.
- Third-party lawsuits and assertions to which we are subject alleging our infringement of patents, trade secrets or other IP rights may have a significant adverse effect on our financial condition.

Risks Related to Our Business

Risks Related to Our Financial Position and Need for Additional Capital

We are an early-stage company with a history of losses. We have not been profitable historically and may not achieve or maintain profitability in the future.

We experienced net losses in each year from our inception, including net losses of $107.1 million and $21.8 million for the years ended December 31, 2021 and 2020, respectively. We believe we will continue to incur operating losses and negative cash flow in the near-term as we continue to invest significantly in our business, in particular across our R&D efforts and sales and marketing programs. These investments may not result in increased revenue or growth in our business.

As a public company, we incur significant additional legal, accounting and other expenses that Legacy Velo3D did not incur as a private company. These increased expenditures may make it harder for us to achieve and maintain future profitability. Revenue growth and growth in our customer base may not be sustainable, and we may not achieve sufficient revenue to achieve or maintain profitability. While we have generated revenue in the past, we have only recently begun commercial shipments of several of our announced additive manufacturing solutions, some of which are expected to generate a substantial portion of our revenue going forward, and it is difficult for us to predict our future operating results. We may incur significant losses in the future for a number of reasons, including due to the other risks described in this prospectus, and we may encounter unforeseen expenses, difficulties, complications and delays and other unknown events. As a result, our losses may be larger than anticipated, we may incur significant losses for the foreseeable future, and we may not achieve profitability when expected, or at all, and even if we do, we may not be able to maintain or increase profitability. Furthermore, if our future growth and operating performance fail to meet investor or analyst expectations, or if we have future negative cash flow or losses resulting from our investment in acquiring customers or expanding our operations, this could make it difficult for them to evaluate our current business and our future prospects and have a material adverse effect on our business, financial condition and results of operations.

Our limited operating history and rapid growth makes evaluating our current business and future prospects difficult and may increase the investment risk.

Much of our growth has occurred in recent periods. Our limited operating history may make it difficult to evaluate our current business and our future prospects, as we continue to grow our business. Our ability to forecast our future operating results is subject to a number of uncertainties, including our ability to plan for and model future growth. We have encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly evolving industries as we continue to grow our business. If our assumptions regarding these uncertainties, which we use to plan our business, are incorrect or change in reaction to changes in our markets, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, our business could suffer, and the trading price of our securities may decline.

It is difficult to predict our future revenues and appropriately budget for our expenses, and we have limited insight into trends that may emerge and affect our business. If actual results differ from our estimates or we adjust our estimates in future periods, our operating results and financial position could be materially affected.

We expect to rely on a limited number of customers for a significant portion of our near-term revenue.

We currently have purchase orders with a limited number of customers, from which we expect to generate most of our revenues in the near future. For the years ended December 31, 2021 and 2020, sales to the top three customers accounted for 62.0% and 71.8% of our revenue, respectively. We anticipate that a significant portion of our revenue will continue to be derived from sales through these customers in the foreseeable future. We had 18 and eight customers in total as of December 31, 2021 and 2020, respectively, for our 3D Printer sales. We continue to diversify our customer base. SpaceX, our largest customer, accounted for 27.8% and 41.1% of our revenue for the years ended December 31, 2021 and 2020, respectively.

Our 3D printer sales occur under purchase orders that are governed by our terms and conditions of sale. Our terms and conditions with SpaceX are consistent with all other customers and permit the customer to terminate our services at any time (subject to notice and certain other provisions). Accordingly, the sudden loss of SpaceX or one or more of our other significant customers, the renegotiation of a significant customer contract, a substantial reduction in their orders, their failure to exercise customer options, their unwillingness to extend contractual deadlines if we are unable to meet production requirements, their inability to perform under their contracts or a significant deterioration in their financial condition could harm our business, results of operations and financial condition. In particular, there has been recent media speculation that SpaceX may be facing production challenges that could adversely impact its business. If we fail to perform under the terms of these agreements, the customers could seek to terminate these agreements and/or pursue damages against us, including liquidated damages in certain instances, which could harm our business.

Because we rely on a limited number of customers for a significant portion of our revenues, we depend on the creditworthiness of these customers. If the financial condition of our customers declines, our credit risk could increase. Should one or more of our significant customers declare bankruptcy, be declared insolvent or otherwise be restricted by state or federal laws or regulation from continuing in some or all of their operations, this could adversely affect our ongoing revenues, the collectability of our accounts receivable and our net income.

We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges and opportunities, including the need to develop new features or enhance our products, expand our manufacturing capacity, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds if our existing sources of cash and any funds generated from operations do not provide us with sufficient capital. We may also seek to raise additional capital from offerings of our equity or debt securities on an opportunistic basis when we believe there are suitable opportunities for doing so. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, if at all. Our ability to raise additional capital when needed may be adversely affected by external factors beyond our control, including changes in the political climate, geopolitical actions, changes in market interest rates, and the COVID-19 pandemic. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges and opportunities could be significantly impaired, and our business may be adversely affected.

We have invested and expect to continue to invest in research and development efforts that further enhance our products. Such investments may affect our operating results and liquidity, and, if the return on these investments is lower or develops more slowly than we expect, our revenue and operating results may suffer.

We have invested and expect to continue to invest in research and development efforts that further enhance our products. These investments may involve significant time, risks and uncertainties, including the risk that the expenses associated with these investments may affect our margins, operating results and liquidity and that such investments may not generate sufficient revenues to offset liabilities assumed and expenses associated with these new investments. The AM industry changes rapidly as a result of technological and product developments, which may render our solutions less effective. We believe that we must continue to invest a significant amount of time and resources in our products to maintain and improve our competitive position. If we do not achieve the benefits anticipated from these investments, if the achievement of these benefits is delayed, our business, operating results and prospects may be materially adversely affected.

Risks Related to Our Business and Industry

We may experience significant delays in the design, production and launch of our additive manufacturing solutions, and we may be unable to successfully commercialize products on our planned timelines.

There are significant technological and logistical challenges associated with producing, marketing, selling and delivering additive manufacturing systems such as ours that make high-value component parts for customers, and we may not be able to resolve all of the difficulties that may arise in a timely or cost-effective manner, or at all. While we believe that we understand the engineering and process characteristics necessary to successfully design and produce additive manufacturing systems to make high-value metal parts for our customers, our assumptions may prove to be incorrect, and we may be unable to consistently produce additive manufacturing products in an economical manner in commercial quantities.

Certain additive manufacturing solutions are still under development. There are often delays in the design, testing, manufacture and commercial release of new products, and any delay in the launch of our products could materially damage our brand, business, growth prospects, financial condition and operating results. Even if we successfully complete the design, testing and manufacture for one or all of our products under development, we may fail to develop a commercially successful product on the timeline we expect for a number of reasons, including:

- misalignment between the products and customer needs;
- lack of innovation of the product;
- failure of the product to perform in accordance with the customer's industry standards;
- ineffective distribution and marketing;
- delay in obtaining any required regulatory approvals;
- unexpected production costs; or
- release of competitive products.

Our success in the market for the products we develop will depend largely on our ability to prove our products' capabilities in a timely manner. Upon demonstration, our customers may not believe that our products and/or technology have the capabilities they were designed to have or that we believe they have. Furthermore, even if we do successfully demonstrate our products' capabilities, potential customers may be more comfortable doing business with another larger and more established company or may take longer than expected to make the decision to order our products. Significant revenue from new product investments may not be achieved for a number of years, if at all. If the timing of our launch of new products and/or of our customers' acceptance of such products is different than our assumptions, our revenue and results of operations may be adversely affected.

Additionally, we are in the process of establishing a recurring payment offering for customers, which may present similar challenges to those outlined above with respect to the design, production and launch of new additive manufacturing solutions. In particular, we may fail to develop a commercially successful offering if we are unable to meet customer needs or industry standards, if we fail to meet customer price expectations or if our marketing and distribution strategy proves ineffective. If we are unable to establish such an offering, sales of our additive manufacturing solutions and our overall operating results could suffer.

As part of our growth strategy, we intend to continue to acquire or make investments in other businesses, patents, technologies, products or services. Our failure to do so successfully could disrupt our business and have an adverse impact on our financial condition.

As part of our business strategy, we expect to enter into agreements to acquire or invest in other companies. To the extent we seek to grow our business through acquisitions, we may not be able to successfully identify attractive acquisition opportunities or consummate any such acquisitions if we cannot reach an agreement on commercially favorable terms, if we lack sufficient resources to finance the transaction on our own and cannot obtain financing at a reasonable cost or if regulatory authorities prevent such transaction from being consummated. In addition, competition for acquisitions in the markets in which we operate during recent years has increased, and may continue to increase, which may result in an increase in the costs of acquisitions or cause us to refrain from making certain acquisitions. We may not be able to complete future acquisitions on favorable terms, if at all.

If we do complete future acquisitions, we cannot assure that they will ultimately strengthen our competitive position or that they will be viewed positively by customers, financial markets or investors. Furthermore, future acquisitions could pose numerous additional risks to our operations, including:

- diversion of management's attention from their day-to-day responsibilities;
- unanticipated costs or liabilities associated with the acquisition;
- increases in our expenses;
- problems integrating the purchased business, products or technologies;
- challenges in achieving strategic objectives, cost savings and other anticipated benefits;
- inability to maintain relationships with key customers, suppliers, vendors and other third parties on which the purchased business relies;
- the difficulty of incorporating acquired technology and rights into our platform and of maintaining quality and security standards consistent with our brand;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- challenges in integrating the new workforce and the potential loss of key employees, particularly those of the acquired business; and
- use of substantial portions of our available cash or the incurrence of debt to consummate the acquisition.

If we proceed with a particular acquisition, we may have to use cash, issue new equity securities with dilutive effects on existing stockholders, incur indebtedness, assume contingent liabilities or amortize assets or expenses in a manner that might have a material adverse effect on our financial condition and results of operations. Acquisitions will also require us to record certain acquisition-related costs and other items as current period expenses, which would have the effect of reducing our reported earnings in the period in which an acquisition is consummated. In addition, we could also face unknown liabilities or write-offs due to our acquisitions, which could result in a significant charge to our earnings in the period in which they occur. We will also be required to record goodwill or other long-lived asset impairment charges (if any) in the periods in which they occur, which could result in a significant charge to our earnings in any such period.

Achieving the expected returns and synergies from future acquisitions will depend, in part, upon our ability to integrate the products and services, technology, administrative functions and personnel of these businesses into our product lines in an efficient and effective manner. We cannot assure that we will be able to do so, that our acquired businesses will perform at levels and on the timelines anticipated by our management or that we will be able to obtain these synergies. In addition, acquired technologies and IP may be rendered obsolete or uneconomical by our own or our competitors' technological advances. Management resources may also be diverted from operating our existing businesses to certain acquisition integration challenges. If we are unable to successfully integrate acquired businesses, our anticipated revenues and profits may be lower. Our profit margins may also be lower, or diluted, following the acquisition of companies whose profit margins are less than those of our existing businesses.

Our business activities have been, and may continue to be, disrupted due to the ongoing COVID-19 pandemic.

We face various risks and uncertainties related to the ongoing global COVID-19 pandemic. Since the first quarter of 2020, the pandemic has led to periods of disruption and volatility in the global economy and capital markets, which has increased the cost of capital and adversely impacted access to capital. During 2020 and, to a lesser extent, 2021, the government-enforced travel restrictions, quarantines and business closures around the world that occurred periodically in response to the pandemic have significantly impacted our ability to sell, install and service our additive manufacturing systems at customers around the world. The pandemic has, and may continue to, disrupt our third-party contract manufacturers and supply chain, and our ability to perform the final assembly and testing of our systems. In particular, we have been impacted by the global wafer chip and electronic component supply chain disruptions that have been exacerbated by the pandemic, which has delayed the completion of our Sapphire® and Sapphire® XC printers and subsequently delayed shipments of those printers to our customers and installations of those printers at their facilities. These delays in installation could lead to postponed customer acceptance of the transactions. Furthermore, if significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, facility closures, remote working or other restrictions in connection with the COVID-19 pandemic, our operations will likely be adversely impacted.

It is not currently possible to reliably project the direct impact of COVID-19 on our operating revenues and expenses. If the COVID-19 pandemic continues for a prolonged duration, we or our customers may be unable to perform fully on our contracts, which will likely result in increases in costs and reduction in revenue. These cost increases may not be fully recoverable or adequately covered by insurance. The long-term effects of COVID-19 to the global economy and to us are difficult to assess or predict and may include continued supply chain disruptions, risks for the production and deployment of our products and services, reduced sales, declines in the market prices of our products, and risks to employee health and safety. In addition, any prolonged restrictive measures put in place in order to control COVID-19 or other adverse public health developments in any of our targeted markets, including as a result of new variant strains of the virus, may have a material and adverse effect on our business operations and results of operations.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section, including but not limited to those relating to cyber-attacks and security vulnerabilities, interruptions or delays due to third parties or our ability to raise additional capital or generate sufficient cash flows necessary to fulfill our obligations under our existing indebtedness or to expand our operations.

Changes in our product mix may impact our gross margins and financial performance.

Our financial performance may be affected by the mix of transaction models under which we sell during a given period. Different transaction models have different margins in the period in which the transaction occurs and in subsequent periods. Therefore our gross margins may fluctuate based on the mix of sale and recurring payment transactions in a given period. If our product mix shifts too far into lower gross margin transactions in a given period and we are not able to sufficiently reduce the engineering, production and other costs associated with those transactions or substantially increase the sales of our higher gross margin transactions, our profitability could be reduced. Additionally, the introduction of new products or services may further heighten quarterly fluctuations in gross profit and gross profit margins due to manufacturing ramp-up and start-up costs as well as new product introduction pricing strategies. We may experience significant quarterly fluctuations in gross profit margins or operating income or loss due to the impact of the mix of products, channels or geographic areas in which we sell our products from period to period.

Our business model is predicated, in part, on building a customer base that will generate a recurring stream of revenues through the use of our additive manufacturing system and service contracts. If that recurring stream of revenues does not develop as expected, or if our business model changes as the industry evolves, our operating results may be adversely affected.

Our business model is dependent, in part, on our ability to maintain and increase sales of our additive manufacturing products and service contracts as they generate recurring revenues. Existing and future customers of our systems may not purchase our products or related service contracts at the same rate at which customers currently purchase those products and services.

If demand for additive manufacturing products does not grow as expected, or if market adoption of additive manufacturing technology does not continue to develop, or develops more slowly than expected, our revenues may stagnate or decline, and our business may be adversely affected.

The industrial manufacturing market, which today is dominated by conventional manufacturing processes that do not involve 3D printing technology, is undergoing a shift towards additive manufacturing. We may not be able to develop effective strategies to raise awareness among potential customers of the benefits of additive manufacturing technologies or our products may not address the specific needs or provide the level of functionality required by potential customers to encourage the continuation of this shift towards additive manufacturing. If additive manufacturing technology does not continue to gain broader market acceptance as an alternative to conventional manufacturing processes, particularly with regard to high value parts, or if the marketplace adopts additive manufacturing technologies that differ from our technologies, we may not be able to increase or sustain the level of sales of our products, and our operating results would be adversely affected as a result.

If we fail to meet our customers' price expectations, demand for our products and product lines could be negatively impacted and our business and results of operations could suffer.

Demand for our product lines is sensitive to price. We believe our competitive pricing has been an important factor in our results to date. Therefore, changes in our pricing strategies can have a significant impact on our business and ability to generate revenue. Many factors, including our new product launches, our production and personnel costs and our competitors' pricing and marketing strategies, can significantly impact our pricing strategies. If we fail to meet our customers' price expectations in any given period, demand for our products and product lines could be negatively impacted and our business and results of operations could suffer.

We use, and plan to continue using, different pricing models for different products. For example, we plan to use a recurring payment pricing model for certain customers, which includes both a leased 3D printer transaction and a sale and utilization fee model. This pricing model is still relatively new to some of our customers and may not be attractive to them, especially in regions where the model is less common. If customers resist this or any other new pricing models we introduce, our revenue may be adversely affected, and we may need to restructure the way in which we charge customers for our products.

Declines in the prices of our products and services, or in our volume of sales, together with our relatively inflexible cost structure, may adversely affect our financial results.

Our business is subject to price competition. Such price competition may adversely affect our results of operation, especially during periods of decreased demand. Decreased demand also adversely impacts the volume of our additive manufacturing systems sales. If our business is not able to offset price reductions resulting from these pressures, or decreased volume of sales due to contractions in the market, by improved operating efficiencies and reduced expenditures, then our operating results will be adversely affected.

Certain of our operating costs are fixed and cannot readily be reduced, which diminishes the positive impact of our restructuring programs on our operating results. To the extent the demand for our products slows, or the additive manufacturing market contracts, we may be faced with excess manufacturing capacity and related costs that cannot readily be reduced, which will adversely impact our financial condition and results of operations.

Reservations for our Sapphire® XC solution may not convert to purchase orders.

Commercial shipments of our Sapphire® XC solution began at the end of 2021. As of December 31, 2021, we received 25 reservation deposits or $0.6 million to secure a manufacturing slot for the Sapphire® XC. Given the anticipated lead times between the reservation and the date of delivery of the Sapphire® XC, there is a risk that customers who place reservations may ultimately decide not to convert such reservations into purchase orders and take delivery of their reserved Sapphire® XC due to potential changes in customer preferences, competitive developments or other factors. As a result, no assurance can be made that reservations will result in the purchase of our Sapphire® XC, and any such failure to convert these reservations could harm our business, prospects, financial condition and operating results.

Defects in our additive manufacturing system or in enhancements to our existing additive manufacturing systems that give rise to part failures for our customers, resulting in product liability or warranty or other claims that could result in material expenses, diversion of management time and attention and damage to our reputation.

Our additive manufacturing solutions are complex and may contain undetected defects or errors when first introduced or as enhancements are released that, despite testing, are not discovered until after an additive manufacturing system has been used. This could result in delayed market acceptance of those additive manufacturing systems or claims from customers or others, which may result in litigation, increased end user warranty, support and repair or replacement costs, damage to our reputation and business, or significant costs and diversion of support and engineering personnel to correct the defect or error. We may from time to time become subject to warranty or product liability claims related to product quality issues that could lead us to incur significant expenses.

We attempt to include provisions in our agreements and purchase orders with customers that are designed to limit our exposure to potential liability for damages arising from defects or errors in our products. However, it is possible that these limitations may not be effective as a result of unfavorable judicial decisions or laws enacted in the future.

The sale and support of our products entails the risk of product liability claims. Any product liability claim brought against us, regardless of our merit, could result in material expense, diversion of management time and attention, damage to our business and reputation and brand, and cause us to fail to retain existing customers or to fail to attract new customers.

The additive manufacturing industry in which we operate is characterized by rapid technological change, which requires us to continue to develop new products and innovations to meet constantly evolving customer demands and which could adversely affect market adoption of our products.

Our revenues are derived from the sale of additive manufacturing systems, parts and services. We have encountered and will continue to encounter challenges experienced by growing companies in a market subject to rapid innovation and technological change. While we intend to invest substantial resources to remain on the forefront of technological development, continuing advances in additive manufacturing technology, changes in customer requirements and preferences and the emergence of new standards, regulations and certifications could adversely affect adoption of our products either generally or for particular applications. Our ability to compete in the additive manufacturing market depends, in large part, on our success in developing and introducing new additive manufacturing systems and technology, in improving our existing products and technology and qualifying new materials which our systems can support. We believe that we must continuously enhance and expand the functionality and features of our products and technologies in order to remain competitive. However, we may not be able to:

- develop cost effective new products and technologies that address the increasingly complex needs of prospective customers;

- enhance our existing products and technologies;
- respond to technological advances and emerging industry standards and certifications on a cost-effective and timely basis;
- adequately protect our IP as we develop new products and technologies;
- identify the appropriate technology or product to which to devote our resources; or
- ensure the availability of cash resources to fund R&D.

Even if we successfully introduce new additive manufacturing products and technologies and enhance our existing products and technologies, it is possible that these will eventually supplant our existing products or that our competitors will develop new products and technologies that will replace our own. As a result, any of our products may be rendered obsolete or uneconomical by our or our competitors' technological advances, leading to a loss in market share, decline in revenue and adverse effects to our business and prospects.

The additive manufacturing industry is competitive. We expect to face increasing competition in many aspects of our business, which could cause our operating results to suffer.

The additive manufacturing industry in which we operate is fragmented and competitive. We compete for customers with a wide variety of producers of additive manufacturing and/or 3D printing equipment that creates 3D objects and end-use parts, as well as with providers of materials and services for this equipment. Some of our existing and potential competitors are researching, designing, developing and marketing other types of products and services that may render our existing or future products obsolete, uneconomical or less competitive. Existing and potential competitors may also have substantially greater financial, technical, marketing and sales, manufacturing, distribution and other resources than we do, including name recognition, as well as experience and expertise in IP rights and operating within certain international markets, any of which may enable them to compete effectively against us. For example, a number of companies that have substantial resources have announced that they are beginning production of 3D printing systems, which will further enhance the competition we face. We may lose market share to, or fail to gain market share from, producers of products that can be substituted for our products, which may have an adverse effect on our results of operations and financial condition.

Future competition may arise from the development of allied or related techniques for equipment, materials and services that are not encompassed by our patents, from the issuance of patents to other companies that may inhibit our ability to develop certain products and from improvements to existing technologies.

We intend to continue to follow a strategy of continuing product development and distribution network expansion to enhance our competitive position to the extent practicable. However, we cannot assure that we will be able to maintain our current position or continue to compete successfully against current and future sources of competition. If we do not keep pace with technological change and introduce new products and technologies, demand for our products may decline, and our operating results may suffer.

Our existing and planned global operations subject us to a variety of risks and uncertainties that could adversely affect our business and operating results. Our business is subject to risks associated with selling machines and other products in non-United States locations.

Our products and services, and product outputs from contract manufacturers who use our 3D printer systems, are distributed in more than 25 countries around the world. Accordingly, we face significant operational risks from doing business internationally. For current and potential international customers whose contracts are denominated in U.S. dollars, the relative change in local currency values creates relative fluctuations in our product pricing. These changes in international end-user costs may result in lost orders and reduce the competitiveness of our products in certain foreign markets. As we realize our strategy to expand internationally, our exposure to currency risks may increase.

Other risks and uncertainties we face from our global operations include:

- limited protection for the enforcement of contract and IP rights in certain countries where we may sell our products or work with suppliers or other third parties;
- potentially longer sales and payment cycles and potentially greater difficulties in collecting accounts receivable;
- costs and difficulties of customizing products for foreign countries;
- challenges in providing solutions across a significant distance, in different languages and among different cultures;
- laws and business practices favoring local competition;
- being subject to a wide variety of complex foreign laws, treaties and regulations and adjusting to any unexpected changes in such laws, treaties and regulations;
- compliance with U.S. laws affecting activities of U.S. companies abroad, including the U.S. Foreign Corrupt Practices Act ("*FCPA*"), and compliance with anti-corruption laws in other countries, such as the UK Bribery Act ("*Bribery Act*");
- tariffs, trade barriers and other regulatory or contractual limitations on our ability to sell or develop our products in certain foreign markets;
- operating in countries with a higher incidence of corruption and fraudulent business practices;
- changes in regulatory requirements, including export controls, tariffs and embargoes, other trade restrictions, competition, corporate practices and data privacy concerns;
- potential adverse tax consequences arising from global operations;
- rapid changes in government, economic and political policies and conditions; and
- political or civil unrest or instability, terrorism or epidemics and other similar outbreaks or events.

In addition, additive manufacturing has been identified by the U.S. government as an emerging technology and is currently being further evaluated for national security impacts. We expect additional regulatory changes to be implemented that will result in increased and/or new export controls related to 3D printing technologies, components, and related materials and software. These changes, if implemented, may result in our being required to obtain additional approvals and/or licenses to sell 3D printers in the global market.

Our failure to effectively manage the risks and uncertainties associated with our global operations could limit the future growth of our business and adversely affect our business and operating results.

We are dependent on management and key personnel, and our business would suffer if we fail to retain our key personnel and attract additional highly skilled employees.

Our success depends on the specialized skills of our management team and key operating personnel. This may present particular challenges as we operate in a highly specialized industry sector, which may make replacement of our management team and key operating personnel difficult. A loss of our managers or key employees, or their failure to satisfactorily perform their responsibilities, could have an adverse effect on our business, financial condition, results of operations and prospects.

Our future success will depend on our ability to identify, hire, develop, motivate and retain highly qualified personnel for all areas of our organization, particularly R&D, recycling technology, operations and sales. Trained and experienced personnel are in high demand and may be in short supply. Many of the companies that we compete with for experienced employees have greater resources than us and may be able to offer more attractive terms of employment. In addition, we invest significant time and expense in training employees, which increases their value to competitors that may seek to recruit them. We may not be able to attract, develop and maintain the skilled workforce necessary to operate our business, and labor expenses may increase as a result of a shortage in the supply of qualified personnel, which will negatively impact our business, financial condition, results of operations and prospects. Each member of senior management as well as our key employees may terminate employment without notice and without cause or good reason. The members of our senior management are not subject to non-competition agreements. Accordingly, the adverse effect resulting from the loss of certain members of senior management could be compounded by our inability to prevent them from competing with us.

If we fail to grow our business as anticipated, our net sales, gross margin and operating margin will be adversely affected. If we grow as anticipated but fail to manage our growth and expand our operations accordingly, our business may be harmed and our results of operation may suffer.

Over the past year, we have experienced rapid growth, and we are attempting to continue to grow our business substantially. To this end, we have made, and expect to continue to make, significant investments in our business, including investments in our infrastructure, technology, marketing and sales efforts. These investments include planning for facilities expansion, increased staffing and market expansion into global territories. If our business does not generate the level of revenue required to support our investment, our net sales and profitability will be adversely affected.

We may not manage our growth effectively. Our ability to effectively manage our anticipated growth and expansion of our operations will also require us to enhance our operational, financial and management controls and infrastructure, human resources policies and reporting systems. This expansion will place a significant strain on our management, operational and financial resources. To manage the growth of our operations and personnel, we must establish appropriate and scalable operational and financial systems, procedures and controls and establish and maintain a qualified finance, administrative and operations staff. We may be unable to hire, train, retain and manage the necessary personnel or to identify, manage and exploit potential strategic relationships and market opportunities, which will negatively impact our business, financial condition, results of operations and prospects.

In the future, some of our arrangements for additive manufacturing solutions may contain customer-specific provisions that may impact the period in which we recognize the related revenues under GAAP.

Some customers that purchase additive manufacturing solutions from us may require specific, customized factors relating to their intended use of the solution or the installation of the product in the customers' facilities. These specific, customized factors are occasionally required by the customers to be included in our commercial agreements relating to the purchases. As a result, our responsiveness to our customers' specific requirements has the potential to impact the period in which we recognize the revenue relating to that additive manufacturing system sale.

Similarly, some of our customers must build or prepare facilities to install a subset of our additive manufacturing solutions, and the completion of such projects can be unpredictable, which can impact the period in which we recognize the revenue relating to that additive manufacturing solution sale.

We rely on our information technology systems to manage numerous aspects of our business and a disruption of these systems could adversely affect our business.

We rely on our information technology systems to manage numerous aspects of our business, including to efficiently purchase products from our suppliers, provide procurement and logistic services, ship products to our customers, manage our accounting and financial functions, including our internal controls, and maintain our R&D data. Our information technology systems are an essential component of our business and any disruption could significantly limit our ability to manage and operate our business efficiently. A failure of our information technology systems to perform properly could disrupt our supply chain, product development and customer experience, which may lead to increased overhead costs and decreased sales and have an adverse effect on our reputation and our financial condition. In addition, during the COVID-19 pandemic, a substantial portion of our employees have conducted work remotely, making us more dependent on potentially vulnerable communications systems and making us more vulnerable to cyberattacks.

Although we take steps and incur significant costs to secure our information technology systems, including our computer systems, intranet and internet sites, email and other telecommunications and data networks, our security measures may not be effective and our systems may be vulnerable to damage or interruption. The failure of any such systems or the failure of such systems to scale as our business grows could adversely affect our results of operations. Disruption to our information technology systems could result from power outages, computer and telecommunications failures, computer viruses, cyber-attack or other security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war, terrorism and usage errors by our employees.

We have engaged with third-party auditors to identify risk factors based on the NIST SP 800-171 framework which provides recommended requirements for protecting the confidentiality of controlled unclassified information, that affect data security within our internal network and external products. These audits include compliance reviews and penetration tests where applicable. A prioritized list of remediations to strengthen our security posture are in progress, and there are risks associated with unaddressed vulnerabilities in the meantime including risk of data loss, malware, and ransomware. We have taken steps to protect customer data within our products by applying strong encryption to files both in transit and at rest.

Our reputation and financial condition could be adversely affected if, as a result of a significant cyber-event or otherwise:

- our operations are disrupted or shut down;
- our or our customers' or employees' confidential, proprietary information is stolen or disclosed;
- we incur costs or are required to pay fines in connection with stolen customer, employee or other confidential information;
- we must dedicate significant resources to system repairs or increase cyber security protection; or
- we otherwise incur significant litigation or other costs.

If our computer systems are damaged or cease to function properly, or, if we do not replace or upgrade certain systems, we may incur substantial costs to repair or replace them and may experience an interruption of our normal business activities or loss of critical data. Any such disruption could adversely affect our reputation and financial condition.

We also rely on information technology systems maintained by third parties, including third-party cloud computing services and the computer systems of our suppliers for both our internal operations and our customer-facing infrastructure related to our additive manufacturing solutions. These systems are also vulnerable to the types of interruption and damage described above but we have less ability to take measures to protect against such disruptions or to resolve them if they were to occur. Information technology problems faced by third parties on which we rely could adversely impact our business and financial condition as well as negatively impact our brand reputation.

Our current levels of insurance may not be adequate for our potential liabilities.

We maintain insurance to cover our potential exposure for most claims and losses, including potential product and non-product related claims, lawsuits and administrative proceedings seeking damages or other remedies arising out of our commercial operations. However, our insurance coverage is subject to various exclusions, self-retentions and deductibles. We may be faced with types of liabilities that are not covered under our insurance policies, such as environmental contamination or terrorist attacks, or that exceed our policy limits. Even a partially uninsured claim of significant size, if successful, could have an adverse effect on our financial condition.

In addition, we may not be able to continue to obtain insurance coverage on commercially reasonable terms, or at all, and our existing policies may be cancelled or otherwise terminated by the insurer. Maintaining adequate insurance and successfully accessing insurance coverage that may be due for a claim can require a significant amount of our management's time, and we may be forced to spend a substantial amount of money in that process.

Changes in tax laws or tax rulings could materially affect our financial position, results of operations and cash flows.

The tax regimes we are subject to or operate under, including income and non-income taxes, are unsettled and may be subject to significant change. Changes in tax laws, regulations, or rulings, or changes in interpretations of existing laws and regulations, could materially affect our financial position and results of operations. For example, the 2017 Tax Cuts and Jobs Act (the "*Tax Act*") made broad and complex changes to the U.S. tax code, including changes to U.S. federal tax rates, additional limitations on the deductibility of interest, both positive and negative changes to the utilization of future net operating loss ("*NOL*") carryforwards, allowing for the expensing of certain capital expenditures, and putting into effect the migration from a "worldwide" system of taxation to a more territorial system. Future guidance from the IRS with respect to the Tax Act may affect us, and certain aspects of the Tax Act could be repealed or modified in future legislation. The Coronavirus Aid, Relief, and Economic Security Act (the "*CARES Act*") has already modified certain provisions of the Tax Act. In addition, it is uncertain if and to what extent various states will conform to the Tax Act, the CARES Act or any newly enacted federal tax legislation. The issuance of additional regulatory or accounting guidance related to the Tax Act could materially affect our tax obligations and effective tax rate in the period issued. As we continue to expand internationally, we will be subject to other jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have an adverse impact on our liquidity and results of operations. In addition, the authorities in several jurisdictions could review our tax returns and impose additional tax, interest and penalties, which could have an impact on us and on our results of operations. In addition, many countries in Europe and a number of other countries and organizations, have recently proposed or recommended changes to existing tax laws or have enacted new laws that could significantly increase our tax obligations in the countries where we do or intend to do business or require us to change the manner in which we operate our business.

As we expand the scale of our international business activities, these types of changes to the taxation of our activities could increase our worldwide effective tax rate, increase the amount of taxes imposed on our business, and harm our financial position. Such changes also may apply retroactively to our historical operations and result in taxes greater than the amounts estimated and recorded in our consolidated financial statements.

We have identified material weaknesses in our internal control over financial reporting and we may identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations or cause our access to the capital markets to be impaired and have a material adverse effect on our business.

Our management has significant requirements for financial reporting and internal control over financial reporting as a public company. The process of designing and implementing effective internal control over financial reporting is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain internal control over financial reporting that is adequate to satisfy our reporting obligations as a public company. If we are unable to establish or maintain adequate internal control over financial reporting, it could cause us to fail to meet our reporting obligations on a timely basis or result in material misstatements or omissions in our consolidated financial statements, which could harm our operating results. In addition, we will be required, pursuant to the rules and regulations of the SEC, to furnish a report by management on the effectiveness of our internal control over financial reporting.

However, for the year ended December 31, 2021, we are excluding management's report on internal control over financial reporting pursuant to Section 215.02 of the SEC Division of Corporation Finance's Regulation S-K Compliance & Disclosure Interpretations. This assessment will need to include disclosure of any material weaknesses identified in our internal control over financial reporting. Assessing and maintaining adequate internal control over financial reporting may divert management's attention from other matters that are important to our business. Our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting on an annual basis. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. If we are not able to complete our initial assessment of our internal control over financial reporting in a timely manner, or if we identify one or more material weaknesses, our independent registered public accounting firm may not be able to attest that our internal control over financial reporting is effective.

Matters impacting our internal control over financial reporting may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC or violations of applicable NYSE listing rules, which may result in a breach of the covenants under existing or future financing arrangements. There also could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our consolidated financial statements. Confidence in the reliability of our consolidated financial statements also could suffer if we and our independent registered public accounting firm continue to report material weaknesses in our internal control over financial reporting. This could materially adversely affect us and lead to a decline in the market price of our securities.

We have identified material weaknesses in our internal control over financial reporting. 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. These material weaknesses are as follows:

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

- We did not design and maintain effective controls over the segregation of duties related to journal entries and account reconciliations. Specifically, certain personnel have the ability to both (i) create and post journal entries within our general ledger system and (ii) prepare and review account reconciliations.
- We did not design and maintain effective controls over the accounting and valuation for debt and equity instruments, specifically, the recording of redeemable convertible preferred stock arrangements, contingent earnout liabilities and warrants. Additionally, we did not design and maintain effective controls over the completeness and presentation of accrued inventory purchases and we did not design and maintain effective controls over the presentation of contract assets and liabilities. These material weaknesses resulted in audit adjustments to accounts receivable, inventory, other current assets, current and non-current contract liabilities, accrued expenses and other current liabilities, redeemable convertible preferred stock, share-based compensation expense, additional paid-in capital and accumulated deficit, which were recorded prior to the issuance of the consolidated financial statements as of and for the years ended December 31, 2019, 2020 and 2021; and as of and for the interim periods ended September 30, 2021 and December 31, 2021. The material weakness related to accounting for warrants resulted in the restatement of the previously issued consolidated financial statements of JAWS Spitfire as part of the September 29, 2021 merger agreement related to warrant liabilities, ordinary shares subject to possible redemption, and transaction costs allocated to warrant liabilities. Additionally, these material weaknesses could result in a misstatement of substantially all of our accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.
- We did not design and maintain effective controls over certain information technology ("*IT*") general controls for information systems that are relevant to the preparation of our consolidated financial statements. Specifically, we did not design and maintain effective:
- user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate company personnel; and

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

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

Although we intend to take measures to remediate these material weaknesses, there can be no assurance that the material weaknesses will be remediated on a timely basis or at all, or that additional material weaknesses will not be identified or occur in the future, which could result in material misstatements of our interim or annual consolidated financial statements. If we are unable to remediate the material weaknesses or additional material weaknesses are identified in the future, our ability to record, process and report financial information accurately, and to prepare consolidated financial statements within the time periods specified by the rules and forms of the SEC, could be adversely affected which, in turn, may adversely affect our reputation and business and the market price of our securities. In particular, if our consolidated financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our consolidated financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities. In either case, this could result in a material adverse effect on our business. Failure to timely file will cause us to be ineligible to utilize short form registration statements on Form S-3, which may impair our ability to obtain capital in a timely fashion to execute our business strategies or issue shares to effect an acquisition.

Some members of our management have limited experience in operating a public company.

Some of our executive officers have limited experience in the management of a publicly traded company. Our management team may not successfully or effectively manage the transition to a public company that will be subject to significant regulatory oversight and reporting obligations under federal securities laws. Our limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities, which will result in less time being devoted to the management and growth of the company. We may not have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal control over financial reporting required of public companies. The development and implementation of the standards and controls and the hiring of experienced personnel necessary to achieve the level of accounting standards required of a public company may require costs greater than expected.

Economic uncertainty or downturns could adversely affect our business and operating results.

In recent years, the United States and other significant markets have experienced cyclical downturns and worldwide economic conditions remain uncertain, including as a result of the COVID-19 pandemic, supply chain disruptions, the Ukraine – Russia conflict, rising fuel prices, inflation and increasing interest rates. Economic uncertainty and associated macroeconomic conditions make it extremely difficult for our customers and us to accurately forecast and plan future business activities, and could cause our customers to slow spending on our products, which could delay and lengthen sales cycles.

A significant downturn in economic activity, or general spending on additive manufacturing systems, may cause our current or potential customers to react by reducing their capital and operating expenditures in general or by specifically reducing their spending on additive manufacturing systems and related technologies. Moreover, competitors may respond to challenging market conditions by lowering prices and attempting to lure away our customers.

We cannot predict the timing, strength, or duration of any economic slowdown or any subsequent recovery generally, or in any industry. If the conditions in the general economy and the markets in which we operate worsen from present levels, our business, financial condition, and operating results could be adversely affected.

Changes in financial accounting standards or practices as well as interpretations thereof may cause adverse, unexpected financial reporting fluctuations and affect our results of operations.

The accounting rules and regulations that we must comply with are complex and subject to interpretation by the Financial Accounting Standards Board (the "*FASB*"), the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. Recent actions and public comments from the FASB and the SEC have focused on the integrity of financial reporting and internal controls. In addition, many companies' accounting policies and treatment are being subjected to heightened scrutiny by regulators and the public. Further, accounting rules and regulations as well as their interpretations are continually changing in ways that could materially impact our consolidated financial statements.

We cannot predict the impact of future changes to accounting principles or interpretations thereof or our accounting policies on our consolidated financial statements going forward, which could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of the change.

Risks Related to Third Parties

We could be subject to personal injury, property damage, product liability, warranty and other claims involving allegedly defective products that we supply.

The products we supply are sometimes used in potentially hazardous or critical applications, such as the assembled parts of an aircraft, that could result in death, personal injury, property damage, loss of production, punitive damages and consequential damages. While we have not experienced any such claims to date, actual or claimed defects in the products we supply could result in our being named as a defendant in lawsuits asserting potentially large claims.

We attempt to include legal provisions in our agreements and purchase orders with customers that are designed to limit our exposure to potential liability for damages arising from defects or errors in our products. However, it is possible that these limitations may not be effective as a result of unfavorable judicial decisions or laws enacted in the future. Any such lawsuit, regardless of merit, could result in material expense, diversion of management time and efforts and damage to our reputation, and could cause us to fail to retain or attract customers, which could adversely affect our results of operations.

We depend on independent contractors and third parties to provide key services in our product development and operations, and any disruption of their services, or an increase in cost of these services, could negatively impact our financial condition and results of operations.

We depend on subcontractors to provide cost effective and efficient services in supply chain functions, including sourcing certain subcomponents and assemblies, and in product development activities.

Our operations and operating results may be negatively impacted if we experience problems with our subcontractors that impact the delivery of product to our customers. These problems may include: delays in software or hardware development timelines, prolonged inability to obtain components with competitive performance and cost attributes; inability to achieve adequate yields or timely delivery; inability to meet customer timelines or demands, disruption or defects in assembly, test or shipping services; or delays in stabilizing manufacturing processes or ramping up volume for new products. If our third-party supply chain providers were to reduce or discontinue services for us or their operations are disrupted as a result of a fire, earthquake, act of terrorism, political unrest, governmental uncertainty, war, disease, or other natural disaster or catastrophic event, weak economic conditions or any other reason, our financial condition and results of operations could be adversely affected.

We may rely heavily on future collaborative and supply chain partners.

We have entered into, and may enter into, strategic collaborations and partnerships to develop and commercialize our current and future R&D programs with other companies to accomplish one or more of the following:

- obtain capital, equipment and facilities;
- obtain expertise in relevant markets;
- obtain access to components;
- obtain sales and marketing services or support; and/or
- obtain support services and other downstream supply chain support.

We may not be successful in establishing or maintaining suitable collaborations and partnerships, and we may not be able to negotiate collaboration or partnership agreements having terms satisfactory to us, or at all. Failure to make or maintain these arrangements or a delay or failure in a collaborative partner's performance under any such arrangements could harm our business and financial condition.

If our suppliers become unavailable or inadequate, our customer relationships, results of operations and financial condition may be adversely affected.

We acquire certain of our materials, which are critical to the ongoing operation and future growth of our business, from several third parties. We face risks from financial difficulties or other uncertainties experienced by our suppliers, distributors or other third parties on which we rely. We do not have long-term agreements with any of these suppliers that obligate them to continue to sell components, subsystems, systems or products to us. Our reliance on these suppliers involves significant risks and uncertainties, including whether the suppliers will provide an adequate supply of required components, subsystems or systems of sufficient quality will increase prices for the components, subsystems or systems and will perform their obligations on a timely basis. In addition, certain suppliers have long lead times, which we cannot control. If third parties are unable to supply us with required materials or components or otherwise assist us in operating our business, our business could be harmed. In addition, compliance with the SEC's conflict minerals regulations may increase our costs and adversely impact the supply-chain for our products.

While most manufacturing equipment and materials for our products are available from multiple suppliers, certain of those items are only available from limited sources. Should any of these suppliers become unavailable or inadequate, or impose terms unacceptable to us, such as increased pricing terms, we could be required to spend a significant amount of time and expense to develop alternate sources of supply, and we may not be successful in doing so on terms acceptable to us, or at all. As a result, the loss of a limited source supplier could adversely affect our relationship with our customers, as well as our results of operations and financial condition.

Our facility as well as our suppliers' and our customers' facilities are vulnerable to disruption due to natural or other disasters, strikes and other events beyond our control.

A major earthquake, fire, tsunami, hurricane, cyclone or other disaster, such as a pandemic, major flood, seasonal storms, nuclear event or terrorist attack affecting our facility or the area in which it is located, or affecting those of our suppliers or customers, could significantly disrupt our or their operations and delay or prevent product shipment or installation during the time required to repair, rebuild or replace our or their damaged manufacturing facilities. These delays could be lengthy and costly. If any of our suppliers' or customers' facilities are negatively impacted by such a disaster, production, shipment and installation of our 3D printing machines could be delayed, which can impact the period in which we recognize the revenue related to that 3D printing machine sale. Additionally, customers may delay purchases of our products until operations return to normal. Even if we are able to respond quickly to a disaster, the continued effects of the disaster could create uncertainty in our business operations. In addition, concerns about terrorism, the effects of a terrorist attack, political turmoil, labor strikes, war (including the Ukrainian - Russia conflict) or the outbreak of epidemic diseases (including the outbreak of COVID-19 and variants) could have a negative effect on our operations and sales.

Risks Related to Operations

We operate primarily at two facility locations, and any disruption at one facility could adversely affect our business and operating results.

Our principal offices are located in Campbell, California. Substantially all of our R&D activities, customer and technical support, and management and administrative operations are conducted at this location. Our final assembly and testing operations are conducted at one facility in Campbell, California and a second facility in Fremont, California. In addition, substantially all of our inventory of component supplies and finished goods are held at these two locations. We take precautions to safeguard our facilities, including acquiring insurance, employing back-up generators, adopting health and safety protocols and utilizing off-site storage of computer data. However, vandalism, terrorism or a natural or other disaster, such as an earthquake, fire or flood, could damage or destroy our manufacturing equipment or our inventory of component supplies or finished goods, cause substantial delays in our operations, result in the loss of key information and cause us to incur additional expenses. Recent prolonged power outages due to California wildfires may cause substantial delays in our operations. Our insurance may not cover our losses in any particular case. In addition, regardless of the level of insurance coverage, damage to our facility may have a material adverse effect on our business, financial condition and operating results.

Construction of our planned production facilities for expansion may not be completed in the expected timeframe or in a cost-effective manner. Any delays in the construction of our production facilities could severely impact our business, financial condition, results of operations and prospects.

We continue to make building improvements for our production facilities, and began moving equipment into the new research and development lab. However, if we are unable to complete construction of these facilities within the planned timeframes, in a cost-effective manner or at all due to a variety of factors, including, but not limited to, a failure to acquire or lease land on which to build our production facilities, a stoppage of construction as a result of the COVID-19 pandemic, unexpected construction problems, permitting and other regulatory issues, severe weather, labor disputes and issues with subcontractors or vendors, our business, financial condition, results of operations and prospects could be severely impacted.

The construction and commission of any new project is dependent on a number of contingencies some of which are beyond our control. There is a risk that significant unanticipated costs or delays could arise due to, among other things, errors or omissions, unanticipated or concealed project site conditions, including subsurface conditions and changes to such conditions, unforeseen technical issues or increases in plant and equipment costs, insufficiency of water supply and other utility infrastructure, or inadequate contractual arrangements. Should these or other significant unanticipated costs arise, this could have a material adverse impact on our business, financial performance and operations. No assurance can be given that construction will be completed on time or at all, or as to whether we will have sufficient funds available to complete construction.

Maintenance, expansion and refurbishment of our facilities, the construction of new facilities and the development and implementation of new manufacturing processes involve significant risks.

Our existing facility and any of our future facilities may require regular or periodic maintenance, upgrading, expansion, refurbishment or improvement. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, could reduce our facilities' production capacity below expected levels, which would reduce our production capabilities and ultimately our revenues. Unanticipated capital expenditures associated with maintaining, upgrading, expanding, repairing, refurbishing or improving our facilities may also reduce our profitability. Our facilities also may be subject to unanticipated damage as a result of natural disasters, terrorist attacks or other events.

If we make any major modifications to our facilities, such modifications likely would result in substantial additional capital expenditures and could prolong the time necessary to bring the facility online. We also may choose to refurbish or upgrade our facilities based on our assessment that such activity will provide adequate financial returns. However, such activities require time for development and capital expenditures before commencement of commercial operations, and key assumptions underpinning a decision to make such an investment may prove incorrect, including assumptions regarding construction costs and timing, which could harm our business, financial condition, results of operations and cash flows.

Finally, we may not be successful or efficient in developing or implementing new production processes. Innovation in production processes involves significant expense and carries inherent risks, including difficulties in designing and developing new process technologies, development and production timing delays, and product defects. Disruptions in the production process can also result from errors, defects in materials, delays in obtaining or revising operating permits and licenses, returns of product from customers, interruption in our supply of materials or resources, and disruptions at our facilities due to accidents, maintenance issues, or unsafe working conditions, all of which could affect the timing of production ramps. Production issues can lead to increased costs and may affect our ability to meet product demand, which could adversely impact our business and results from operations.

Risks Related to Compliance Matters

We are subject to U.S. and other anti-corruption laws, trade controls, economic sanctions and similar laws and regulations. Our failure to comply with these laws and regulations could subject us to civil, criminal and administrative penalties and harm our reputation.

Doing business on a worldwide basis requires us to comply with the laws and regulations of the U.S. government and various foreign jurisdictions. These laws and regulations place restrictions on our operations, trade practices, partners and investments.

In particular, our operations are subject to U.S. and foreign anti-corruption and trade control laws and regulations, such as the FCPA and the Bribery Act, export controls and economic sanctions programs, including those administered by the U.S. Treasury Department's Office of Foreign Assets Control ("*OFAC*"), the State Department's Directorate of Defense Trade Controls ("*DDTC*") and the Bureau of Industry and Security ("*BIS*") of the Department of Commerce. As a result of doing business in foreign countries and with foreign customers, we are exposed to a heightened risk of violating anti-corruption and trade control laws and sanctions regulations.

As part of our business, we may deal with state-owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA's prohibition on providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. In addition, the provisions of the Bribery Act extend beyond bribery of foreign public officials and also apply to transactions with individuals that a government does not employ. Some of the international locations in which we operate lack a developed legal system and have higher than normal levels of corruption. Our continued expansion outside the U.S., primarily in Europe, South-East Asia and Oceania, and our development of new partnerships worldwide, could increase the risk of FCPA, OFAC or Bribery Act violations in the future.

As an exporter, we must comply with various laws and regulations relating to the export of products and technology from the U.S. and other countries having jurisdiction over our operations. In the United States, these laws include the International Traffic in Arms Regulations ("*ITAR*") administered by the DDTC, the Export Administration Regulations ("*EAR*") administered by the BIS and trade sanctions against embargoed countries and destinations administered by OFAC. The EAR governs products, parts, technology and software which present military or weapons proliferation concerns, so-called "dual use" items, and ITAR governs military items listed on the United States Munitions List. Prior to shipping certain items, we must obtain an export license or verify that license exemptions are available. Any failures to comply with these laws and regulations could result in fines, adverse publicity and restrictions on our ability to export our products, and repeat failures could carry more significant penalties.

Violations of anti-corruption and trade control laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts and revocations or restrictions of licenses, as well as criminal fines and imprisonment and could harm our reputation, create negative shareholder sentiment and affect the value of our securities. We have established policies and procedures designed to assist our compliance with applicable U.S. and international anti-corruption and trade control laws and regulations, including the FCPA, the Bribery Act and trade controls and sanctions programs administered by OFAC, the DDTC and BIS, and have trained our employees to comply with these laws and regulations. However, there can be no assurance that all of our employees, consultants, agents or other associated persons will not take actions in violation of our policies and these laws and regulations. Additionally, there can be no assurance that our policies and procedures will effectively prevent us from violating these regulations in every transaction in which we may engage or provide a defense to any alleged violation. In particular, we may be held liable for the actions that our joint venture partners take inside or outside of the United States, even though our partners may not be subject to these laws. Such a violation, even if our policies prohibit it, could have an adverse effect on our reputation, business, financial condition and results of operations. In addition, various state and municipal governments, universities and other investors maintain prohibitions or restrictions on investments in companies that do business with sanctioned countries, persons and entities, which could adversely affect our reputation, business, financial condition and results of operations.

We are subject to environmental, health and safety laws and regulations related to our operations and the use of our additive manufacturing systems and consumable materials, which could subject us to compliance costs and/or potential liability in the event of non-compliance.

We are subject to various environmental laws and regulations governing our operations, including, but not limited to, emissions into the air and water and the use, handling, disposal and remediation of hazardous substances. A certain risk of environmental liability is inherent in our production activities. These laws and regulations govern, among other things, the generation, use, storage, registration, handling and disposal of chemicals and waste materials, the presence of specified substances in electrical products, the emission and discharge of hazardous materials into the ground, air or water, the cleanup of contaminated sites, including any contamination that results from spills due to our failure to properly dispose of chemicals and other waste materials and the health and safety of our employees. Under these laws, regulations and requirements, we also could be subject to liability for improper disposal of chemicals and waste materials, including those resulting from the use of our systems and accompanying materials by end-users. Accidents or other incidents that occur at our facility or involve our personnel or operations could result in claims for damages against us. Compliance with extensive environmental, health and safety laws could require material expenditures, changes in our operations or site remediation. In addition, we use hazardous materials in our business, and we must comply with environmental laws and regulations associated therewith. Any claims relating to improper handling, storage or disposal of these materials or noncompliance with applicable laws and regulations could be time consuming and costly and could adversely affect our business and results of operations.

In the event we are found to be financially responsible, as a result of environmental or other laws or by court order, for environmental damages alleged to have been caused by us or occurring on our premises, we could be required to pay substantial monetary damages or undertake expensive remedial obligations. If our operations fail to comply with such laws or regulations, we may be subject to fines and other civil, administrative or criminal sanctions, including the revocation of permits and licenses necessary to continue our business activities. In addition, we may be required to pay damages or civil judgments in respect of third-party claims, including those relating to personal injury (including exposure to hazardous substances that we generate, use, store, handle, transport, manufacture or dispose of), property damage or contribution claims. Some environmental laws allow for strict, joint and several liabilities for remediation costs, regardless of fault. We may be identified as a potentially responsible party under such laws. The amount of any costs, including fines or damages payments that we might incur under such circumstances could substantially exceed any insurance we have to cover such losses. Any of these events, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations and could adversely affect our reputation.

The export of our products internationally from our production facility subjects us to environmental laws and regulations concerning the import and export of chemicals and hazardous substances such as the United States Toxic Substances Control Act and the Registration, Evaluation, Authorization and Restriction of Chemical Substances. These laws and regulations require the testing and registration of some chemicals that we ship along with, or that form a part of, our systems and other products. If we fail to comply with these or similar laws and regulations, we may be required to make significant expenditures to reformulate the chemicals that we use in our products and materials or incur costs to register such chemicals to gain and/or regain compliance. Additionally, we could be subject to significant fines or other civil and criminal penalties should we not achieve such compliance.

The cost of complying with current and future environmental, health and safety laws applicable to our operations, or the liabilities arising from past releases of, or exposure to, hazardous substances, may result in future expenditures. Any of these developments, alone or in combination, could have an adverse effect on our business, financial condition and results of operations.

Aspects of our business are subject to privacy, data use and data security regulations, which could increase our costs.

We collect personally identifiable information from our employees, prospects, and our customers. Privacy and security laws and regulations may limit the use and disclosure of certain information and require us to adopt certain cybersecurity and data handling practices that may affect our ability to effectively market our services to current, past or prospective customers. We must comply with privacy laws in the United States, Europe and elsewhere, including the General Data Protection Regulations ("*GDPR*") in the European Union ("*EU*"), which became effective May 25, 2018, and the California Consumer Privacy Act of 2018, which was enacted on June 28, 2018 and became effective on January 1, 2020. Further, in connection with its withdrawal from the EU, the United Kingdom has implemented the GDPR as of January 1, 2021 (as it existed on December 31, 2020 but subject to certain UK-specific amendments). These laws create new individual privacy rights and impose increased obligations, including disclosure obligations, on companies handling personal data. In many jurisdictions, consumers must be notified in the event of a data security breach, and such notification requirements continue to increase in scope and cost. Privacy and security laws and regulations may limit the use and disclosure of certain information and require us to adopt certain cybersecurity and data handling practices that may affect our ability to effectively market our services to current, past or prospective customers. While we have invested in, and intend to continue to invest in, resources to comply with these standards, we may not be successful in doing so, and any such failure could have an adverse effect on our business, results of operations and reputation.

As privacy, data use and data security laws are interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. In recent years, there has been increasing regulatory enforcement and litigation activity in this area in the United States and in various other countries in which we operate.

Risks Related to Intellectual Property

Our business relies on technological and other innovations embodied in various forms of proprietary information and other intellectual property (IP) related information. Our failure to protect our IP rights could potentially harm our competitive advantages to an extent (e.g., with respect to the use, manufacturing, lease, sale, or other commercialization of our processes, technologies and products), which may have an adverse effect on our results of operations and financial condition.

We may be required to make significant capital investments into the R&D of proprietary information and other IP as we develop, improve and scale our processes, technologies and products, and failure to fund and make these investments, or underperformance of the technology funded by these investments, could severely impact our business, financial condition, results of operations and prospects. From time to time, we collaborate with partners on certain R&D activities and the success of such R&D activities is aided by the cooperation of such partners.

In addition, our failure to adequately protect our IP rights could result in the reduction or loss of our competitive advantage. We may be unable to prevent third parties from using our proprietary information and other IP without our authorization or from independently developing proprietary information and other IP that is similar to ours, particularly in those countries where the laws do not protect our proprietary rights to the same degree as in the U.S. or those countries where we do not have IP rights protection. The use of our proprietary information and other IP by others could reduce or eliminate competitive advantages that we have developed, potentially causing us to lose sales, licensing opportunities, actual or potential customers, or otherwise harm our business. If it becomes necessary for us to litigate to protect these IP rights, any proceedings could be burdensome and costly, could result in counterclaims challenging our IP (including validity or enforceability) or accusing us of infringement, and we may not prevail.

Our patent applications and issued patents may be practiced by third parties without our knowledge. Our competitors may also attempt to design around our patents or copy or otherwise obtain and use our proprietary information and other IP. Moreover, our competitors may already hold or have applied for patents in the U.S. or abroad that, if enforced, could possibly prevail over our patent rights or otherwise limit our ability to manufacture, sell or otherwise commercialize one or more of our products in the U.S. or abroad. With respect to our pending patent applications, we may not be successful in securing issued patents, or the claims of such patents may be narrowed, any of which may limit our ability to protect inventions that these applications were intended to cover, which could harm our ability to prevent others from exploiting our technologies and commercializing products similar to our products. In addition, the expiration of a patent can result in increased competition with consequent erosion of profit margins.

Our confidentiality agreements could be breached or may not provide meaningful protection for at least a portion of our trade secrets or proprietary manufacturing expertise. Adequate remedies may not be available in the event of an unauthorized use or disclosure of our trade secrets and manufacturing expertise. Violations by others of our confidentiality agreements and the loss of employees who have specialized knowledge and expertise could harm our competitive position resulting from the exclusive nature of such knowledge and expertise and cause our sales and operating results to decline as a result of increased competition. In addition, others may obtain knowledge of our trade secrets through independent development or other access by legal means.

The applicable governmental authorities may not approve our pending service mark and trademark applications. A failure to obtain trademark registrations in the U.S. and in other countries could limit our ability to obtain and retain our trademarks in those jurisdictions. Moreover, third parties may seek to oppose our applications or otherwise challenge the resulting registrations. In the event that our trademarks are not approved or are successfully challenged by third parties, we could be forced to rebrand our products, which could result in loss of brand recognition and could require us to devote significant resources to rebranding and advertising and marketing new brands. We could be sued by third parties who, unbeknown to us and to government agencies allowing for registration of our trademark, previously used our registered trademark in the market before we did.

The failure of any of our patents, trademarks, trade names, trade secrets, other IP rights, IP right assignments, or confidentiality agreements to protect our proprietary information and other IP, including our processes, systems, apparatuses, devices, software, composition of matter (e.g., 3D objects), our other proprietary manufacturing expertise, and any other of our technology and know-how, could have a material adverse effect on our business and results of operations.

Third-party lawsuits and assertions to which we are subject alleging our infringement of patents, trade secrets or other IP rights may have a significant adverse effect on our financial condition.

Third parties may own issued patents and pending patent applications that exist in fields relevant to additive manufacturing or any other technology related to our products. Some of these third parties may assert that we are employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims related to additive manufacturing or any other technology related to our products. Because patent applications can take many years to issue as patents, there may be currently pending patent applications which may later result in issued patents that our technologies may potentially infringe in the future. In addition, third parties may obtain patents in the future and claim that our technologies infringe upon these obtained patents. Any third-party lawsuits or other assertion to which we are subject alleging our infringement of patents, trade secrets or any other IP rights may have a significant adverse effect on our financial condition.

We may incur substantial costs enforcing and defending our IP rights.

We may incur substantial expense and costs in protecting, enforcing and defending our IP rights against third parties. IP disputes may be costly and can be substantially disruptive to our business operations by diverting attention and energies of management and key technical personnel and by increasing our costs of doing business. Third-party IP claims asserted against us could subject us to significant liabilities, require us to enter into royalty and licensing arrangements on unfavorable terms, prevent us from assembling or licensing certain of our products, subject us to injunctions restricting our sale of products, cause severe disruptions to our operations or the marketplaces in which we compete or require us to satisfy indemnification commitments with our customers, including contractual provisions under various license arrangements. In addition, we may incur significant costs in acquiring the necessary third-party IP rights for use in our products. Any and all of these could have an adverse effect on our business and financial condition.

If we are unable to adequately protect or enforce our IP rights, such information may be used by others to compete against us.

We have devoted substantial resources to the development of our technology and related IP rights. Our success and future revenue growth will depend, in part, on our ability to protect the various facets of our IP. We rely on a combination of registered and unregistered IP and protect our rights using patents, trademarks, trade secrets, confidentiality agreements, and assignment of invention agreements and other methods.

Despite our efforts to protect our IP and proprietary rights, it is possible that competitors or other unauthorized third parties may obtain, copy, use or disclose our technologies, inventions, processes, improvements, or any other IP. We cannot assure that any of our existing or future patents or other IP rights will not be challenged, invalidated, circumvented, or will otherwise provide us with meaningful protection. Our pending patent applications may not be granted, and we may not be able to obtain foreign patents or pending applications corresponding to our U.S. patents. Even if foreign patents are granted, effective enforcement in foreign countries may not be available.

Our trade secrets, know-how and other unregistered proprietary rights are a key aspect of our IP portfolio. While we take reasonable steps to protect our proprietary information and IP in trade secrets and other forms of confidential information protection, and enter into confidentiality agreements and invention assignment agreements intended to protect such rights, such agreements can be difficult and costly to enforce or may not provide adequate remedies if violated, and we may have inadvertently not have entered into such agreements with all relevant parties, or some of the agreements may prove invalid in all jurisdictions. Such agreements may be breached, and trade secrets or confidential information may be willfully or unintentionally disclosed, including by employees who may leave our company and join our competitors, or our competitors or other parties may learn of the information in some other way. The disclosure to, or independent development by, a competitor of our proprietary information and IP including trade secrets, know-how or other technology related information not protected by a patent or other IP system could materially reduce or eliminate any competitive advantage that we may have over such competitor.

If our patents and other forms of IP protection do not adequately protect our technology, our competitors may be able to offer products similar to ours. Our competitors may also be able to develop similar technology independently, reverse engineer our technology, or design around our patents and other forms of IP protection. Any of the foregoing events would lead to increased competition and reduce our revenue or gross margin, which would adversely affect our operating results.

If we attempt enforcement of our IP rights, we may be subject or party to claims, negotiations or complex, protracted litigation. IP disputes and litigation, regardless of merit, can be substantially costly and disruptive to our business operations, e.g., by diverting attention and energies of management and key technical personnel and by increasing our costs of doing business. Any of the foregoing could adversely affect our business and financial condition.

As part of any settlement or other compromise to avoid complex, protracted litigation, we may agree not to pursue future claims against a third party, including related to alleged infringement of our IP rights. Part of any settlement or other compromise with another party may resolve a potentially costly dispute but may also have future repercussions on our ability to defend and protect our IP rights, which in turn could adversely affect our business.

Our additive manufacturing software contains third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could restrict our ability to sell our products.

Our additive manufacturing software contains components that are licensed under so-called “open source,” “free,” or other similar licenses. Open source software is made available to the general public on an “as-is” basis under the terms of a non-negotiable license. We currently combine our proprietary software with open source software, but not in a manner that we believe requires the release of the source code of our proprietary software to the public. We do not plan to integrate our proprietary software with open source software in ways that would require the release of our proprietary software's source code to the public; however, our use and distribution of open source software may entail greater risks than use of third-party commercial software. Open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. In addition, if we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release to the public or remove the source code of our proprietary software. We may also face claims alleging noncompliance with open source license terms or infringement or misappropriation of proprietary software. These claims could result in litigation, require us to purchase a costly license, or remove the software. In addition, if the license terms for open source software that we use change, we may be forced to re-engineer our solutions, incur additional costs or discontinue the sale of our offerings if re-engineering could not be accomplished on a timely basis. Although we monitor our use of open source software to avoid subjecting our offerings to unintended conditions, there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our offerings. We cannot guarantee that we have incorporated open source software in our software in a manner that will not subject us to liability or in a manner that is consistent with our current policies and procedures.

Risks Related to Our Securities

Warrant holders may only be able to exercise their public warrants on a "cashless basis" under certain circumstances, and if warrant holders do so, they will receive fewer shares of common stock from such exercise than if they were to exercise such warrants for cash.

The warrant agreement provides that in the following circumstances holders of warrants who seek to exercise their warrants will not be permitted to do for cash and will, instead, be required to do so on a cashless basis in accordance with Section 3(a)(9) of the Securities Act: (i) if the shares of common stock issuable upon exercise of the warrants are not registered under the Securities Act in accordance with the terms of the warrant agreement; (ii) if we have so elected and the shares of common stock are at the time of any exercise of a warrant are not listed on a national securities exchange such that they satisfy the definition of "covered securities" under Section 18(b)(1) of the Securities Act; and (iii) if we have so elected and we call the public warrants for redemption. If warrant holders exercise their public warrants on a cashless basis, they would pay the warrant exercise price by surrendering all of the warrants for that number of common stock equal to the quotient obtained by dividing (x) the product of the number of common stock underlying the warrants, multiplied by the excess of the "fair market value" of our common stock (as defined in the next sentence) over the exercise price of the warrants by (y) the fair market value. The "fair market value" is the average reported last sale price of the common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of exercise is received by the warrant agent or on which the notice of redemption is sent to the holders of warrants, as applicable. As a result, warrant holders would receive fewer shares of common stock from such exercise than if they were to exercise such warrants for cash.

We are an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to "emerging growth companies" or "smaller reporting companies," this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

We are an "emerging growth company" within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our stockholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our common stock held by non-affiliates exceeds $700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our consolidated financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Additionally, 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 until the last day of the fiscal year in which (i) the market value of our common stock held by nonaffiliates exceeds $250 million as of the prior June 30 or (ii) our annual revenues exceeded $100 million during such completed fiscal year and the market value of our common stock held by non affiliates exceeds $700 million as of the prior June 30. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our consolidated financial statements with other public companies difficult or impossible.

Our warrants are accounted for as liabilities and the changes in value of our warrants could have a material effect on our financial results.

On April 12, 2021 the SEC released a public statement highlighting the potential accounting implications of certain terms of warrants issued by Special Purpose Acquisition Companies ("SPACs") (the "*Public Statement*"). The terms described in the Public Statement are common in SPACs and are similar to the terms contained in the warrant agreement governing our warrants. In response to the Public Statement, we reevaluated the accounting treatment of our public warrants and private placement warrants and determined to classify the warrants as derivative liabilities measured at fair value, with changes in fair value each period reported in earnings. As a result, included on our balance sheet as of December 31, 2021 contained elsewhere in this prospectus are derivative liabilities related to embedded features contained within our warrants. ASC Topic 815, provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value being recognized in earnings in the statement of operations. As a result of the recurring fair value measurement, our consolidated financial statements and results of operations may fluctuate quarterly based on factors which are outside of our control. Due to the recurring fair value measurement, we expect that we will recognize non-cash gains or losses on our warrants each reporting period and that the amount of such gains or losses could be material.

The price of our common stock and our warrants may be volatile.

The price of our common stock and our warrants may fluctuate due to a variety of factors, including:

- changes in the industries in which we and our customers operate;
- variations in our operating performance and the performance of our competitors in general;
- material and adverse impact of the COVID-19 pandemic on the markets and the broader global economy;
- actual or anticipated fluctuations in our quarterly or annual operating results;

- publication of research reports by securities analysts about our or our competitors or our industry;
- the public's reaction to our press releases, our other public announcements and our filings with the SEC;
- our failure or the failure of our competitors to meet analysts' projections or guidance that our or our competitors may give to the market;
- additions and departures of key personnel;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of shares of our common stock available for public sale; and
- 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 conflict between Ukraine and Russia and the economic sanctions related thereto).

These market and industry factors may materially reduce the market price of our common stock and our warrants regardless of our operating performance.

A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

Immediately after the Closing, (i) the former holders of Legacy Velo3D capital stock owned, collectively, approximately 77.9% of the outstanding common stock, (ii) JAWS Spitfire's public shareholders owned approximately 8.9% of the outstanding common stock, (iii) the holders of Founder Shares owned approximately 4.7% of the outstanding common stock, and (iv) the PIPE Investors owned approximately 8.5% of the outstanding common stock.

Although certain of our stockholders are subject to certain restrictions on transfer of their common stock and other securities, these shares may be sold after the termination of applicable lock-up periods.

The public warrants and the private placement warrants will become exercisable for our common stock, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

We have outstanding the public warrants and the private placement warrants to purchase an aggregate of 13,075,000 shares of our common stock, which will become exercisable in accordance with the terms of the warrant agreement governing those securities 12 months from the closing of the IPO. The exercise price of these warrants will be $11.50 per share. To the extent such warrants are exercised, additional shares of our common stock will be issued, which will result in dilution to the holders of our common stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of our common stock. However, there is no guarantee that the public warrants will ever be in the money prior to their expiration, and as such, the warrants may expire worthless.

We may amend the terms of the warrants in a manner that may be adverse to holders of public warrants with the approval by the holders of at least 65% of the then outstanding public warrants. As a result, the exercise price of their warrants could be increased, the exercise period could be shortened and the number of our common stock purchasable upon exercise of a warrant could be decreased, all without their approval.

Our warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 65% of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 65% of the then outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 65% of the then outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash, shorten the exercise period or decrease the number of shares of our common stock purchasable upon exercise of a warrant.

We may redeem their unexpired warrants prior to their exercise at a time that is disadvantageous to them, thereby making their warrants worthless.

We have the ability to redeem outstanding warrants at any time after they become exercisable and prior to their expiration, at a price of $0.01 per warrant, provided that the last reported sales price of our common stock equals or exceeds $18.00 per share (as adjusted for share subdivisions, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading-day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force them to: (i) exercise their warrants and pay the exercise price therefor at a time when it may be disadvantageous for them to do so; (ii) sell their warrants at the then-current market price when they might otherwise wish to hold their warrants; or (iii) accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of their warrants.

In addition, we may redeem their warrants at any time after they become exercisable and prior to their expiration at a price of $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants prior to redemption for a number of shares of our common stock determined based on the redemption date and the fair market value of our common stock.

The value received upon exercise of the warrants (1) may be less than the value the holders would have received if they had exercised their warrants at a later time where the underlying share price is higher and (2) may not compensate the holders for the value of the warrants, including because the number of shares of common stock received is capped at 0.365 shares of common stock per warrant (subject to adjustment) irrespective of the remaining life of the warrants. None of the private placement warrants will be redeemable by us, subject to certain circumstances, so long as they are held by the Sponsor or its permitted transferees.

We may not be able to satisfy the continued listing standards of the NYSE going forward.

Our common stock and our public warrants are listed on the NYSE. However, an active trading market for our common stock or warrants may not be sustained. Furthermore, we cannot ensure that we will be able to satisfy the continued listing standards of the NYSE going forward. If we cannot satisfy the continued listing standards going forward, the NYSE may commence delisting procedures against us, which could result in our common stock or public warrants being removed from listing on the NYSE. If any of our common stock or public warrants were to be delisted, the liquidity of our common stock or warrants could be adversely affected and the market price of our common stock or warrants could decrease. Delisting could also adversely affect our security holders' ability to trade or obtain quotations on our securities because of lower trading volumes and transaction delays. These factors could contribute to lower prices and larger spreads in the bid and ask price for our securities. They may also not be able to resell their common stock or warrants at or above the price they paid for such securities or at all.

In addition, the National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." If our securities were not listed on the NYSE, such securities would not qualify as covered securities and we would be subject to regulation in each state in which we offer our securities because states are not preempted from regulating the sale of securities that are not covered securities.

Reports published by analysts, including projections in those reports that differ from our actual results, could adversely affect the price and trading volume of our common stock.

Securities research analysts may establish and publish their own periodic projections for us. These projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of these securities research analysts. Similarly, if one or more of the analysts who write reports on us downgrades our stock or publishes inaccurate or unfavorable research about our business, our share price could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, our share price or trading volume could decline. While we expect research analyst coverage of our company, if no analysts commence coverage of us, the market price and volume for our common shares could be adversely affected.

We are subject to changing law and regulations regarding regulatory matters, corporate governance and public disclosure will continue to increase our costs and the risk of non-compliance.

We are subject to rules and regulations by various governing bodies, including, for example, the SEC, which are charged with the protection of investors and the oversight of companies whose securities are publicly traded, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in increased general and administrative expenses and a diversion of management time and attention.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

Delaware law and our Certificate of Incorporation and Bylaws contain certain provisions, including anti-takeover provisions, that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.

Our Certificate of Incorporation, our Bylaws and the DGCL, contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by the Board and therefore depress the trading price of our common stock. These provisions also could make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of the Board or taking other corporate actions, including effecting changes in our management. Among other things, the Certificate of Incorporation and Bylaws include provisions regarding:

- the ability of the Board to issue shares of preferred stock, including "blank check" preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the limitation of the liability of, and the indemnification of, our directors and officers;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of stockholders after such date and could delay the ability of stockholders to force consideration of a stockholder proposal or to take action, including the removal of directors;

- the requirement that a special meeting of stockholders may be called only by a majority of the entire Board, which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors;
- controlling the procedures for the conduct and scheduling of board of directors and stockholder meetings;
- the ability of the Board to amend the bylaws, which may allow the Board to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to the Board or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in the Board, and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in the Board or management.

The Certificate of Incorporation designates a state or federal court located within the State of Delaware as the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, stockholders, employees or agents.

The Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for state law claims for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of our company to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or the Certificate of Incorporation or the Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws or (v) any action asserting a claim against us governed by the internal affairs doctrine. The forgoing provisions will not apply to any claims arising under the Exchange Act or the Securities Act and, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the sole and exclusive forum for resolving any action asserting a claim arising under the Securities Act.

This choice of forum provision in our Certificate of Incorporation may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. It is possible that a court could find these types of provisions to be inapplicable or unenforceable, and if a court were to find the choice of forum provision contained in the Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.

Our warrant agreement designates the courts of the State of New York or the United States District Court for the Southern District of New York as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by holders of our warrants, which could limit the ability of warrant holders to obtain a favorable judicial forum for disputes with our company.

Our warrant agreement provides that, subject to applicable law, (i) any action, proceeding or claim against us arising out of or relating in any way to the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York and (ii) that we irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. We will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum.

Notwithstanding the foregoing, these provisions of the warrant agreement do not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States are the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in any of our warrants will be deemed to have notice of and to have consented to the forum provisions in our warrant agreement.

If any action, the subject matter of which is within the scope of the forum provisions of the warrant agreement, is filed in a court other than a court of the State of New York or the United States District Court for the Southern District of New York (a "*foreign action*") in the name of any holder of our warrants, such holder will be deemed to have consented to (x) the personal jurisdiction of the state and federal courts located in the State of New York in connection with any action brought in any such court to enforce the forum provisions (an "enforcement action") and (y) having service of process made upon such warrant holder in any such enforcement action by service upon such warrant holder's counsel in the foreign action as agent for such warrant holder.

This choice-of-forum provision may limit a warrant holder's ability to bring a claim in a judicial forum that it finds favorable for disputes with our company, which may discourage such lawsuits. Alternatively, if a court were to find this provision of our warrant agreement inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors.

Certain significant stockholders whose interests may differ from those of public stockholders have the ability to significantly influence our business and management.

Pursuant to the Business Combination Agreement, the members of our board of directors are Matthew Walters, two individuals that were identified by Legacy Velo3D and six individuals that were identified by Legacy Velo3D, in consultation with JAWS Spitfire. Accordingly, the former Legacy Velo3D equity holders will be able to significantly influence the approval of actions requiring board of director approval through their voting power. Such stockholders will retain significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers. In particular, the former Legacy Velo3D equity holders could influence whether acquisitions, dispositions and other change of control transactions are approved.

Our business and operations could be negatively affected if we become subject to any securities litigation or shareholder activism, which could cause us to incur significant expense, hinder execution of business and growth strategy and impact our stock price.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Shareholder activism, which could take many forms or arise in a variety of situations, has been increasing recently. Volatility in the stock price of our common stock or other reasons may in the future cause it to become the target of securities litigation or shareholder activism. Securities litigation and shareholder activism, including potential proxy contests, could result in substantial costs and divert management's and board of directors' attention and resources from our business. Additionally, such securities litigation and shareholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist shareholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and shareholder activism.

USE OF PROCEEDS

All of the securities offered by the Selling Securityholders pursuant to this prospectus will be sold by the Selling Securityholders for their respective accounts. We will not receive any of the proceeds from these sales. Assuming the exercise of all outstanding warrants for cash, we will receive an aggregate of approximately $150.4 million, but will not receive any proceeds from the sale of the shares of common stock issuable upon such exercise. We expect to use the net proceeds from the exercise of the warrants, if any, for investment in growth, and general corporate purposes. We will have broad discretion over the use of any proceeds from the exercise of the warrants. There is no assurance that the holders of the warrants will elect to exercise for cash any or all of such warrants. To the extent that any warrants are exercised on a “cashless basis,” the amount of cash we would receive from the exercise of the warrants will decrease.

The Selling Securityholders will pay any underwriting discounts and commissions and expenses incurred by the Selling Securityholders for brokerage, accounting, tax or legal services or any other expenses incurred by the Selling Securityholders in disposing of the securities. We will bear the costs, fees and expenses incurred in effecting the registration of the securities covered by this prospectus, including all registration and filing fees, NYSE listing fees and fees and expenses of our counsel and our independent registered public accounting firm.

DETERMINATION OF OFFERING PRICE

The offering price of the shares of common stock underlying the public warrants and the private placement warrants offered hereby is determined by reference to the exercise price of the warrants of $11.50 per share. The public warrants are listed on the NYSE under the symbol “VLD.WS.”

MARKET INFORMATION FOR COMMON STOCK AND DIVIDEND POLICY

Market Information

Our common stock and public warrants are currently listed on the NYSE under the symbols “VLD” and “VLD.WS,” respectively. Prior to the Closing, JAWS Spitfire’s Class A ordinary shares and public warrants were listed on the NYSE under the symbols “SPFR” and “SPFR.WS.” On March 21, 2022, the closing sale price of our common stock was $8.25 per share and the closing price of the public warrants was $1.77 per warrant. As of March 21, 2022, there were 91 holders of record of our common stock and two holders of record of the public warrants. Such numbers do not include beneficial owners holding our securities through nominee names.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock, and we do not currently intend to pay any cash dividends for the foreseeable future. We expect to retain future earnings, if any, to fund the development and growth of our business. Any future determination to pay dividends on our common stock will be at the discretion of our board of directors and will depend upon, among other factors, our financial condition, operating results, current and anticipated cash needs, plans for expansion and other factors that our board of directors may deem relevant.

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. The discussion should be read in conjunction with our historical audited consolidated financial statements as of and for the years ended December 31, 2021 and 2020 and the accompanying notes thereto included elsewhere in this prospectus. 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."

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 full-stack hardware and software solution based on our proprietary laser powder bed fusion ("L-PBF") technology, which enables support-free production. 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 products give our customers who are in space, aviation, defense, energy, and industrial markets the freedom to design and produce metal parts with complex internal features and geometries that had previously been considered impossible for AM. We believe our technology is years ahead of competitors.

Our technology is novel compared to other AM technologies based on its ability to deliver high-value metal parts that have complex internal channels, structures and geometries. This affords a wide breadth of design freedom for creating new metal parts and it enables replication of existing parts without the need to redesign the part to be manufacturable with AM. Because of these features, we believe our technology and product capabilities are highly valued by our customers. Our customers are primarily original equipment manufacturers ("*OEMs*") and contract manufacturers 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 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. For these reasons, AM solutions of our competitors have been largely relegated to tooling and prototyping or the production of less complex, lower-value metal parts.

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

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 below and in the section of this prospectus titled "*Risk Factors*."

Commercial Launch of the Sapphire® XC System

We shipped our first Sapphire® XC system ("*Sapphire® XC*") at the end of 2021. The new Sapphire® XC will have capacity to make parts that are 400% larger and reduce production costs per part by approximately 65% to 80% when compared to the existing Sapphire® system.

The Sapphire® XC system is manufactured in our new 80,000+ square foot manufacturing facility in Fremont, California. On November 1, 2021, our lease for this facility commenced with a term of 65 months and a contractual obligation of $10.9 million in base rent and certain reimbursement of lessor's operating expenses. As of December 31, 2021, we have invested $6.3 million into lab equipment and leasehold improvements. We expect to invest an additional $4.0 million to $6.0 million in factory equipment and leasehold improvements to complete the Sapphire® XC system manufacturing facility in the first half of 2022. Any delays in successful completion of these steps may impact our ability to generate revenue from these products.

As of December 31, 2021, we have received customer deposits for 23 firm orders for our systems with 18 of those orders being for the Sapphire® XC. The Sapphire® XC deposits were $17.5 million and $3.2 million as of December 31, 2021 and December 31, 2020, respectively, and are included within contract liabilities. As we bring our products to market, we pay particular attention to forecasts by industry analysts and the adoption curve of new technologies. If we fail to anticipate or respond to market adoption of AM, it could result in decreased revenue.

	Year Ended December 31,	
	2021	**2020**
Revenue ($ in millions)	$ 27	$ 19
Bookings	34	18
Total Shipments	23	13
New Customers (by shipments)	10	5

Bookings

For the year ended December 31, 2021, we had 34 bookings. A booking is a confirmed order for a 3D printer system. For the years ended December 31, 2020, we had 18 bookings.

Shipments

For the year ended December 31, 2021, we shipped 23 3D printers (13 3D printers sold to customers and 10 3D printers leased under the Recurring Payment model described below). For the year ended December 31, 2020, we shipped 13 3D printers (10 3D printers sold to customers and three 3D printers leased under the Recurring Payment model).

Customers

For the year ended December 31, 2021, we had 10 new customers and 18 cumulative system customers. A new customer is defined as receiving a 3D printer system for the first time during the calendar year. For the year ended December 31, 2020, we had 5 new customers and 8 cumulative system customers. As of December 31, 2021, we had shipped a total of 46 3D Printer systems to 18 customers.

Adoption of Additive Manufacturing with New and Existing Customers

We work closely with our customers to understand their product roadmaps and strategies. Our customers continuously develop new complex metal parts and explore solutions where production is either outsourced to contract manufacturers or performed in-house. The selection process for AM solutions is lengthy, typically 12 to 24 months, and may require us to incur costs in pursuing opportunities with no assurance that our solutions will be selected, which are included in selling and marketing expenses and research and development expenses. As a result, the loss of any key customers to adopt our solutions or any significant delay in commercialization of our products could impact our business and future revenue.

Customer Concentration

Our operating results for the foreseeable future will continue to depend on sales to a small group of customers. For the years ended December 31, 2021 and 2020, sales to the top three customers accounted for 62.0% and 71.8% of our revenue, respectively. While our objective is to diversify our customer base, we believe that we could continue to be susceptible to risks associated with customer concentration. See "*Risk Factors - Risks Related to Our Business - 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",* and see Note 2, *Summary of Significant Accounting Policies* - Concentration of Credit Risk and Other Risks and Uncertainties, in the consolidated financial statements included elsewhere in this prospectus

Continued Investment and Innovation

Since our founding, we have been a customer-focused company working to develop innovative solutions to address customers' needs. We believe this process has contributed significantly to our development of the most advanced metal AM systems in the world. We 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 that continued investments in our products are important to our future growth and, as a result, we expect our research and development expenses to continue to increase, which may adversely affect our near-term profitability.

Impact of COVID-19 and Other World Events

We continue to operate our business through the COVID-19 pandemic and have taken additional precautions to ensure the safety of our employees, customers, and vendors with which we operate. The impact of COVID-19 on our operating results has added uncertainty in timing of customer orders creating longer lead times for sales and marketing. We continue to experience various supply chain constraints due to the pandemic, which could lead to delays in shipment of our products to our customers. Furthermore, if significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, facility closures, remote working or other restrictions in connection with the COVID-19 pandemic, our operations will likely be adversely impacted.

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 conflict between Ukraine and Russia and the economic sanctions related thereto), have added uncertainty in timing of customer orders and supply chain constraints.

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.

Components of Results of Operations

Revenue

Our revenue is primarily derived from our AM full-stack solution product, which includes the Flow™ print preparation software, Sapphire® and Sapphire® XC metal AM printer using our support-free 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 AM full-stack solution product through two types of transaction models: a 3D Printer sale transaction and a recurring payment transaction ("*Recurring Payment*"). We define our Recurring Payment transactions as operating leases. 3D Printer sale transactions are structured as a payment of a fixed purchase price for the system. The timeframe from order to completion of the site acceptance test occurs normally over three to six months. As we scale our production, we expect to reduce this timeframe. Contract consideration allocated to the 3D Printer is recognized at a point in time, which occurs upon transfer of control to the customer at shipment.

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

The Recurring Payment transactions, which are structured as operating leases, were 5.8% and 1.8% of revenue for the years ended December 31, 2021 and 2020, respectively. Under this model, the customer typically pays a base rent and variable payments based on usage in excess of a defined threshold. Most of our leases have a 12-month term, though in certain cases the lease term is longer.

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

Other revenue included under 3D Printer sales includes parts and consumables, such as filters, powder or build plates, that are sold to customers and recognized upon transfer of control to the customer at shipment. Other revenue was not material for the years ended December 31, 2021 and 2020.

Cost of Revenue

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

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

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

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

Gross Profit and Gross Margin

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

Research and Development Expenses

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

Selling and Marketing Expenses

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

Loss on the Convertible Note Modification

Loss on the convertible note modification relates to the convertible note agreement modification in September 2021. For more information, see Note 16, *Convertible Notes Payable,* in the consolidated financial statements included elsewhere in this prospectus.

(Loss)/gain on Fair Value of Warrants

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

Gain/(Loss) on Fair Value of Contingent Earnout Liabilities

Gain (loss) on valuation of contingent earnout liabilities relates to the changes in the fair value of contingent earnout liabilities related to the Earn-Out Shares, which are subject to remeasurement at each balance sheet date.

Other Income (Expense), Net

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

Income Taxes

Provision for income taxes consists of an estimate of federal and state and income taxes based on enacted federal and state tax rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities and changes in tax law. Due to the level of historical losses, we maintain a full valuation allowance against U.S. federal and state deferred tax assets as we have concluded it is more likely than not that these deferred tax assets will not be realized. We do not believe that there is objectively verifiable evidence that the improvement in our results of operations is sustainable to support the release of the remaining valuation allowance. As of December 31, 2021 and 2020, there were no foreign income taxes or liabilities.

Results of Operations

Comparison of the Years Ended December 31, 2021 and 2020:

The following table summarizes our historical results of operations and as a percentage of revenue for the periods presented:

	Year Ended December 31,					
	2021		2020		Change	%
	(In thousands, except for percentages)					
Revenue						
3D Printer	$ 23,015	83.9 %	$ 16,965	89.4 %	$ 6,050	35.7 %
Recurring payment	1,589	5.8 %	350	1.9 %	1,239	354.0 %
Support services	2,835	10.3 %	1,660	8.7 %	1,175	70.8 %
Total Revenue	27,439	100.0 %	18,975	100.0 %	8,464	44.6 %
Cost of revenue						
3D Printer	17,560	64.0 %	10,605	55.8 %	6,955	65.6 %
Recurring payment	1,112	4.1 %	245	1.3 %	867	353.9 %
Support services	3,809	13.9 %	1,758	9.3 %	2,051	116.7 %
Total cost of revenue	22,481	81.9 %	12,608	66.4 %	9,873	78.3 %
Gross profit	4,958	18.1 %	6,367	33.6 %	(1,409)	(22.1)%
Operating expenses						
Research and development	27,002	98.4 %	14,188	74.8 %	12,814	90.3 %
Selling and marketing	12,363	45.1 %	7,004	36.9 %	5,359	76.5 %
General and administrative	23,352	85.1 %	6,382	33.6 %	16,970	265.9 %
Total operating expenses	62,717	228.6 %	27,574	145.3 %	35,143	127.4 %
Loss from operations	(57,759)	(210.5)%	(21,207)	(111.8)%	(36,552)	172.4 %
Interest expense	(2,740)	(10.0)%	(639)	(3.4)%	(2,101)	328.8 %
Loss on the convertible note modification	(50,577)	(184.3)%	—	— %	(50,577)	100.0 %
(Loss)/gain on fair value of warrants	(5,202)	(19.0)%	4	— %	(5,206)	(130150.0)%
Gain on fair value of contingent earnout liabilities	9,275	33.8 %	—	— %	9,275	100.0 %
Other income (expense), net	(88)	(0.3)%	35	0.2 %	(123)	(351.4)%
Loss before provision for income taxes	(107,091)	(390.3)%	(21,807)	(114.9)%	(85,284)	391.1 %
Provision for income taxes	—	— %	—	— %	—	— %
Net loss	$ (107,091)	(390.3)%	$ (21,807)	(114.9)%	$ (85,284)	391.1 %

Revenue

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

	Year Ended December 31,					
	2021		2020		Change	%
	(in thousands, except percentages)					
3D Printer sales	$ 23,015	83.9 %	$ 16,965	89.4 %	$ 6,050	35.7 %
Recurring payment	1,589	5.8 %	350	1.9 %	1,239	354.0 %
Support services	2,835	10.3 %	1,660	8.7 %	1,175 10	70.8 %
Total Revenue	$ 27,439	100.0 %	$ 18,975	100.0 %	$ 8,464	44.6 %

Total revenue for the years ended December 31, 2021 and 2020 was $27.4 million and $19.0 million respectively. Total revenue for the year ended December 31, 2021 increased by $8.5 million, or 44.6% from the year ended December 31, 2020.

3D Printer sales were $23.0 million and $17.0 million for the years ended December 31, 2021 and 2020, respectively. The increase of $6.1 million in 2021 from 2020 was attributed to 13 3D Printer sales shipped in 2021 compared to 10 3D Printer sales shipped in the prior year. 3D Printer sales for 2021 also included revenue from two units with lease buyout options which were exercised during the third quarter of 2021, when the customers exercised their purchase option at the end of the lease term instead of renewing their leases. The 3D Printer sales included parts and consumables revenue.

Recurring Payment, structured as an operating lease, was $1.6 million and $0.4 million for the years ended December 31, 2021 and 2020, respectively. The increase was primarily attributed to an increase from three to nine 3D Printer systems in service generating Recurring Payment revenue for the year ended December 31, 2021 compared to the year ended December 31, 2020. As discussed above, two of the Recurring Payment revenue systems were converted to 3D Printer sales during the third quarter of 2021.

As of December 31, 2021, three 3D Printer systems shipped under Recurring Payments were pending site acceptance test ("*SAT*") completion. The operating lease begins upon SAT completion.

Our Support Service revenue was $2.8 million and $1.7 million for the years ended December 31, 2021 and 2020, respectively. The increase in 2021 was primarily attributed to 46 3D Printer systems in service as of December 31, 2021 compared to 23 3D Printers in service as of December 31, 2020.

We expect the demand for the Sapphire® XC to increase our revenue in the future. As of December 31, 2021, we have received 18 firm orders for the Sapphire® XC. Our focus for revenue remains on expanding our selling and marketing efforts and developing our existing customer network to increase demand.

Revenue trends from our largest customer, SpaceX, have historically been driven by the timing of its major orders for 3D Printers and the timing of the shipments under those orders. SpaceX revenue is comprised of 3D Printer sales, which is the largest component and is recognized in the quarter that the shipment occurs, and revenue from Support Services which is significantly smaller and is recognized over the service period. SpaceX ordered its first Sapphire® system in 2018, eleven Sapphire® systems in 2019, ten Sapphire® XC systems in 2020, and four Sapphire® systems in 2021. Of these 26 3D Printers, we delivered one in 2018, seven in 2019, four in 2020 and four in 2021 (including 1 Sapphire® XC system). We shipped the first Sapphire® XC system under this order at the end of 2021 and we anticipate that we will ship the majority of the shipments under this order in the first half of 2022.

As a result of the anticipated shipment of the Sapphire® XC 3D Printers in 2022, we expect that SpaceX revenues as a percentage of our total revenues will increase in 2022 compared to 2021. We expect SpaceX to continue to be an important customer going forward. However, SpaceX's contribution as a percentage of our total revenue will depend on the timing of shipments, as described above.

Cost of Revenue

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

	Year Ended December 31,					
	2021		2020		Change	%
Cost of Revenue	(in thousands, except percentages)					
Cost of 3D Printers	$ 17,560	78.1 %	$ 10,605	84.1 %	$ 6,955	65.6 %
Cost of Recurring Payment	1,112	5.0 %	245	2.0 %	867	353.9 %
Cost of Support Services	3,809	16.9 %	1,758	13.9 %	2,051	116.7 %
Total Cost of Revenue	$ 22,481	100.0 %	$ 12,608	100.0 %	$ 9,873	78.3 %

Total cost of revenue for the years ended December 31, 2021 and 2020 was $22.5 million and $12.6 million, respectively. Total cost of revenue for the year ended December 31, 2021 increased by $9.9 million, or 78.3%, from the prior year.

Cost of 3D Printers was $17.6 million and $10.6 million, for the years ended December 31, 2021 and 2020, respectively. There was an increase in the year ended December 31, 2021 of $7.0 million from the prior year, attributable to 13 3D Printers sold, which included one Sapphire® XC system, compared to the 10 3D Printers sold in the year ended December 31, 2020. Cost of 3D Printers for 2021 also included the cost from two units with lease buyout options which were exercised during the third quarter of 2021, when the customers exercised their purchase option at the end of the lease term instead of renewing their leases.

The first Sapphire® XC was shipped in the fourth quarter of 2021. Similar to the commercial product launch of the Sapphire® in 2019, the cost of the Sapphire® XC includes higher factory overhead costs to scale up operations, production engineering development costs, and higher costs to expedite shipping for manufacturing materials and assemblies related to supply chain disruption in the global markets. Additionally, as we gain experience with Sapphire® XC production, we expect to lower our material costs and reduce labor and overhead expenses per unit. As a result of these efficiencies, we expect to reduce the Sapphire® XC cost for production during the second half of 2022.

Cost of Recurring Payment was $1.1 million and $0.2 million for the years ended December 31, 2021 and 2020, respectively. There was an increase in the year ended December 31, 2021 of $0.9 million from 2020 due to an increase in depreciation of the equipment on lease and allocable Cost of Support Services as a result of more 3D Printers in service in 2021 compared to 2020.

Cost of Support Services was $3.8 million and $1.8 million, for the years ended December 31, 2021 and 2020, respectively. There was an increase of $2.1 million in the year ended December 31, 2021 from 2020 primarily attributable to the costs for preventative maintenance, costs incurred to enhance system reliability performance, and field service engineering labor costs due to 46 3D Printers in service in 2021 compared to 23 3D Printers in service in 2020.

Cost of revenue as a percentage of revenue was 81.9% and 66.4% for the years ended December 31, 2021 and 2020, respectively. The increase in the year ended December 31, 2021was primarily due to initial production of Sapphire® XC and lower launch customer pricing engineering production and service costs to support our 2022 growth plan, and higher maintenance costs for upgrading systems to enhance reliability performance compared to 2020.

Gross Profit and Gross Margin

Total gross profit was $5.0 million and $6.4 million for the years ended December 31, 2021 and 2020, respectively. As a percentage of revenue, the gross margin was 18.1% and 33.6% for the years ended December 31, 2021 and 2020, respectively. The decrease in gross profit in the year ended December 31, 2021 was primarily attributable to increased Cost of 3D Printers and increased Cost of Support Services as compared to the year ended December 31, 2020, as discussed above.

Our 2021 gross profit reflects the impact of launch customer price concessions for our first Sapphire® XC system shipped during the fourth quarter of 2021. This pricing reduced our gross margin for the fourth quarter by approximately 4% compared to the pricing of other Sapphire® XC orders in the backlog and is expected to impact gross margin through the third quarter of 2022 as we complete the delivery of an additional 9 Sapphire® XC systems under the related launch customer contract.

Changes in mix of transaction types have a short-term impact on gross margin as the gross margin in the initial year of a Recurring Payment transaction is lower than for a sale transaction. We also expect a temporary negative impact to our gross profit and gross margin due to increased Service Support cost with the commercialization of the Sapphire® XC, which is typical for larger and more complex products. Additionally, our gross profit and gross margin are influenced by a number of factors, including:

- New product introduction pricing strategies and market conditions that may impact our pricing;
- Production volumes that may impact factory overhead absorption; and
- Cost of our Support Services and product support may be influenced by product mix changes, including new product introductions, and other factors.

Research and Development Expenses

Research and development expenses were $27.0 million and $14.2 million for the years ended December 31, 2021 and 2020, respectively. In the year ended December 31, 2021, there was an increase of $12.8 million in research and development expenses primarily due to the development of the Sapphire® XC system.

The increases in research and development expenses in 2021 were related to a $6.1 million increase in components design and engineering testing and validation for the Sapphire® XC large format AM system, a $4.4 million increase for additional headcount, salaries and employee-related expenses, and a $2.3 million increase in product development expenses for new parts for the Sapphire® family of systems.

We expect research and development costs to increase over time as we continue to invest in enhancing and advancing our portfolio of AM solutions. In the near term, we expect an increase to be driven by research and development expenses for the continued product development of the Sapphire® XC system.

Selling and Marketing Expenses

Selling and marketing expenses were $12.4 million and $7.0 million for the years ended December 31, 2021 and 2020, respectively. There was an increase of $5.4 million for the year ended December 31, 2021 as compared to 2020.

The increase in selling and marketing expenses for the year ended December 31, 2021 was attributable to a $4.8 million increase for additional headcount, salaries and employee-related expenses, a $0.7 million increase in trade show expense offset by a reduction of $0.1 million in marketing initiatives and branding expenses.

We expect selling and marketing expenses to increase over time as we expand our headcount, initiate new marketing campaigns with the launch of the Sapphire® XC, focus on our European markets and increase attendance of additive manufacturing conferences to build product awareness.

We expect the selling and marketing activities to increase for travel, trade shows, new product launch initiatives, and increase advertising campaigns and market awareness.

General and Administrative

General and administrative expenses were $23.4 million and $6.4 million for the years ended December 31, 2021 and 2020, respectively. The increase of $17.0 million in the year ended December 31, 2021 in general and administrative expenses as compared to 2020 was attributable to Merger related expenses of $4.4 million with increases in advisory, legal and accounting fees, a $3.1 million increase in additional headcount, salaries and employee-related benefits, a $1.4 million increase in recruiting related expenses, a $2.0 million in public company operational expenses, a $2.9 million increase in stock-based compensation and a $3.2 million increase in other operating expenses.

We expect general and administrative expenses to increase as a result of the expected increase in the scale of our operations and the increased costs of operating as a public company. We expect increased expenses for insurance, investor relations, and other administrative and professional services. In addition, we expect to incur additional costs as we hire additional personnel and enhance our infrastructure to support the anticipated growth of the business.

Interest Expense

Interest expense was $2.7 million and $0.6 million, for the years ended December 31, 2021 and 2020, respectively. In the year ended December 31, 2020, there was an increase of $2.1 million attributable to increased outstanding debt balances, which was partially repaid during the fourth quarter of 2021.

Loss on the Convertible Note Modification

The loss on the convertible note modification was $50.6 million for the year ended December 31, 2021 with no like expense for the year ended December 31, 2020. In December 2021, the convertible promissory note agreement was amended to reflect an automatic conversion to Legacy Velo3D Series D redeemable convertible preferred stock upon a change in control. The modification was accounted for as a debt extinguishment per ASC 470-50 Debt and resulted in a $50.6 million fair value adjustment to the $5.0 million convertible promissory note.

Gain/(Loss) on Fair Value of Warrants

The change in fair value of warrants resulted in a loss of $5.2 million, and less than $0.1 million for the years ended December 31, 2021 and 2020, respectively. The loss in the year ended December 31, 2021 was related to the non-cash fair value change of the warrant liabilities.

Gain on Fair value of Contingent Earnout Liabilities

The change in fair value of the contingent earnout liability was a gain of $9.3 million for the year ended December 31, 2021 and was related to the non-cash fair value change of the contingent earnout liabilities.

Other Income (Expense), Net

Other income (expense), net was $0.1 million and less than $0.1 million for the years ended December 31, 2021 and 2020, respectively. Interest income earned from available-for-sale securities was immaterial for the year ended December 31, 2021.

Income Taxes

No provision for federal and state income taxes was recorded because we incurred losses for the years ended December 31, 2021 and 2020 and maintained a full valuation allowance on the deferred tax assets as of December 31, 2021 and 2020.

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 2022 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 December 31, 2021, we had raised net proceeds of $428.3 million, comprised of approximately $278.3 million from the Merger and the PIPE Financing closed on September 29, 2021, and $150.0 million from the issuance of redeemable convertible preferred stock (series A to series D), third-party financing and convertible notes. We have incurred net losses of $107.1 million and $21.8 million for the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021 and December 31, 2020, we had $223.1 million and $15.5 million in cash, cash equivalents and short-term investments and an accumulated deficit of $229.9 million and $122.8 million, respectively. Our business requires substantial amounts of cash for operating activities, including salaries and wages paid to our employees, component and subassembly purchases, general and administrative expenses, and others.

Our purchase commitments pursuant to our standard terms and conditions with our suppliers and vendors are cancellable in whole or in part with or without cause prior to delivery. If we terminate an order, we will have no liability beyond payment of any balances owing for goods and services delivered previously. Certain Sapphire® XC purchase orders for parts and assemblies are non-cancellable and are due upon receipts with standard payment terms and will primarily be delivered in the first half of 2022.

We may require additional funds to respond to business challenges and opportunities, including the need to provide working capital, develop new features or enhance our products, expand our manufacturing capacity, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds if our existing sources of cash and any funds generated from operations do not provide us with sufficient capital. We may also seek to raise additional capital from offerings of our equity or debt securities on an opportunistic basis when we believe there are suitable opportunities for doing so.

Term Loan

In May 2021, we entered into a third amended and restated loan and security agreement and a mezzanine loan and security agreement providing for certain debt facilities comprised of a $35.0 million term loan, a $10.0 million revolving credit line and a $8.5 million secured equipment loan facility. On October 29, 2021, we repaid the $20.7 million outstanding balance, interest and fees of the term loan in full using proceeds from the Merger. The term loan facility included a short term $10.0 million working capital revolver line of credit with a variable interest rate of the greater of 9% or Prime plus 5.75% and term of nine months. In August 2021, we drew on the working capital revolver line of credit in the amount of $3.0 million. The outstanding balance as of December 31, 2021 was $3.0 million. We do not hedge our exposure to changes in interest rates. A 10% change in interest rates would not have a material impact on annualized interest expense. For more information regarding the term loan facility, see Note 15, *Long-Term Debt* in the consolidated financial statements included elsewhere in this prospectus.

Equipment Loans Secured by Leased Equipment

The equipment loan secured by leased equipment has a variable interest rate of the greater of Prime rate, or 3.25%, and terms of three years. As of December 31, 2021, we had $5.6 million in variable rate debt outstanding. We do not hedge our exposure to changes in interest rates. A 10% change in interest rates would not have a material impact on annualized interest expense. For more information regarding the secured equipment loan facility, see Note 15, *Long-Term Debt* in the consolidated financial statements included elsewhere in this prospectus.

Facilities Expansion

As of December 31, 2021, we have invested $6.3 million into lab equipment and leasehold improvements for our Sapphire® XC manufacturing facility. We will invest an additional $4.0 million to $6.0 million in factory equipment and leasehold improvements to complete the Sapphire® XC system manufacturing facility in the first half of 2022.

In October 2021, we commenced a month-to-month lease for a 2,500+ square foot facility located in Augsburg Germany, to accommodate our European headquarters and technology demonstration center.

Cash Flow Summary

The following table summarizes our cash flows for the years ended December 31, 2021 and 2020:

	Years Ended December 31, 2021	Years Ended December 31, 2020	Change
	(In thousands)		
Net cash used in operating activities	$ (56,404)	$ (26,446)	$ (29,958)
Net cash used in investing activities	(33,590)	(3,429)	(30,161)
Net cash provided by financing activities	282,886	35,577	247,309

Operating Activities

Net cash used in operating activities for the year ended December 31, 2021 was $56.4 million, consisting primarily of a net loss of $107.1 million and cash used from net operating assets of $3.2 million, primarily comprised of increases in other assets of $14.5 million, prepaid expenses and other current assets of $7.6 million related to insurance and vendor prepayments, increases in inventories of $8.0 million for Sapphire® and Sapphire® XC system production, and increases in accounts receivable of $11.5 million due to timing of customer payments, offset by decreases in contract liabilities of $17.6 million, increases in other noncurrent liabilities of $9.4 million, increases in accrued expenses and other current liabilities of $6.9 million, decreases in other operating assets of $4.5 million and noncash charges of $53.9 million. The noncash charges primarily consisted of the loss on the convertible note modification of $50.6 million, the change in fair value related to the warrants of $5.2 million, and depreciation and amortization and stock-based compensation expense, offset by the change in fair value related to the contingent earnout liabilities of $9.3 million.

Net cash used in operating activities for the year ended December 31, 2020 was $26.4 million, consisting primarily of net loss of $21.8 million and an increase in net operating assets of $7.3 million, primarily due to increases in inventories for parts and work in progress of $2.7 million, increases contract assets of $2.5 million, decreases in contract liabilities for committed orders of $2.4 million, and decreases in other operating assets of $0.3 million, offset by noncash charges of $2.7 million. The noncash charges primarily consisted of depreciation and stock-based compensation expense.

We expect our cash used in operating activities to increase in 2022 driven by working capital requirements and operating expenses as we significantly increase the scale of our operations.

Investing Activities

Net cash used in investing activities during the year ended December 31, 2021 was $33.6 million, consisting of property and equipment purchases of $9.6 million, production of equipment for lease to customers of $8.5 million and purchases of available-for-sale investments of $15.5 million consisting primarily of high quality investment-grade securities.

Net cash used in investing activities during the year ended December 31, 2020 was $3.4 million, consisting of property and equipment purchases of $0.4 million and production of equipment for the equipment on lease to customers of $3.0 million.

We expect our capital expenditures, excluding purchases of available-for-sale investments to increase slightly in 2022 as we expand existing operations, and complete the build out of our new manufacturing facility.

Financing Activities

Net cash provided by financing activities during the year ended December 31, 2021 was $282.9 million, consisting of financing activities resulting primarily from the net proceeds of $123.3 million from the Merger, $155.0 million from the PIPE Financing, proceeds of $19.3 million from the term loan, net of issuance costs, proceeds of $3.0 million from the term loan revolving credit line, proceeds of $5.4 million from equipment loans, net of issuance costs, proceeds of $5.0 million from the convertible notes and proceeds of $0.4 million from the issuance of common stock upon exercise of stock options. This was offset by repayments of $25.3 million for the term loan, repayments of $0.8 million for the property and equipment loan, and repayments of $2.4 million for equipment loans.

Net cash provided by financing activities during the year ended December 31, 2020 was $35.6 million, consisting of financing activities resulting primarily from proceeds of $28.3 million from the issuance of Legacy Velo3D Series D redeemable convertible preferred stock, net of transaction costs, proceeds of $5.4 million from the convertible note, proceeds of $2.3 million from equipment loans, and proceeds of less than $0.1 million from the issuance of common stock upon exercise of stock options, offset by repayments of $0.4 million of equipment loans.

We expect to provide cash by financing activities by issuing new equity or incurring new debt to continue operations. Our future cash requirements and the adequacy of available funds will depend on many factors, including those set forth in the section of this prospectus titled "*Risk Factors*."

Off-Balance Sheet Arrangements

As of December 31, 2021 and 2020, we did not have any off-balance sheet arrangements.

Contractual Obligations

The table below summarizes our contractual obligations as of December 31, 2021:

	Payments Due by Period			
	Less than 1 year	1 – 3 years	3 – 5 years	Total
	(In thousands)			
Operating leases	$ 2,306	$ 7,598	$ 2,914	$ 12,818
Debt principal, interest and fees	5,176	2,956	—	8,132
Purchase commitments	27,736	—	—	27,736
Total contractual cash obligations	$ 35,218	$ 10,554	$ 2,914	$ 48,686

Purchase commitments (purchase orders) of $27.7 million for parts and assemblies are non-cancellable and are due upon receipts with standard payment terms and will primarily be delivered in the first half of 2022.

Recent Accounting Pronouncements

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

Implications of Being an Emerging Growth Company

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

We will elect to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public business entities and nonpublic business entities until the earlier of the date we (a) are no longer an emerging growth company or (b) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used. See Note 2, *Summary of Significant Accounting Policies,* in the consolidated financial statements included in this prospectus for the recent accounting pronouncements adopted and the recent accounting pronouncements not yet adopted for the years ended December 31, 2021.

We will remain an emerging growth company under the JOBS Act until the earliest of (a) December 31, 2025, (b) the last date of our fiscal year in which we have total annual gross revenue of at least $1.07 billion, (c) the last date of our fiscal year in which we are deemed to be a “large accelerated filer” under the rules of the SEC or (d) the date on which we have issued more than $1.0 billion in nonconvertible debt securities during the previous three years.

Implications of Being a Smaller Reporting Company

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

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

Critical Accounting Policies and Significant Estimates

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

Revenue Recognition

On January 1, 2019, we adopted ASC 606, “Revenue from Contracts with Customers,” utilizing the full retrospective method. We primarily derive our revenue from 3D Printer sales, Recurring Payment and Support Services. We determine revenue recognition through the following five-step model for recognizing revenue: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when, or as, we satisfy a performance obligation.

A typical contract with customers for the 3D Printer and bundled software includes the Support Services. We provide a transaction price for all deliverables, including the 3D Printer and bundled software, and for the Support Services. Typically, we have one distinct obligation to transfer the 3D Printers and bundled software, and another distinct obligation to provide the Support Services.

The transaction price is allocated to the separate performance obligations on a relative stand-alone selling price (“SSP”) basis. We determine SSP based on observable stand-alone selling price when it is available, as well as other factors, including the price charged to its customers, its discounting practices, and its overall pricing objectives, including risk-adjusted gross profit margin for products and services, while maximizing observable inputs. In situations where pricing is highly variable, or a product is never sold on a stand-alone basis, we estimate the SSP using the residual approach. Significant judgment is used to identify and account for each of the two performance obligations.

3D Printer Sales

We bill our customers beginning at the time of acceptance of the purchase order (which represents a deposit), with the second billing at the time of shipment and final billing upon site acceptance test completion. The timeframe from order to completion of the site acceptance test occurs normally over three to six months. Revenue for the 3D Printer is recognized at a point in time, which occurs upon transfer of control to the customer at shipment. Site installation, testing and customer training are incidental to customer acceptance.

We have elected not to recognize shipping to customers as a separate performance obligation. Revenue from shipping billed to customers was $0.1 million for each of the years ended December 31, 2021 and 2020, respectively.

Recurring Payment

We have entered into operating leases (“Recurring Payment”) for customers who do not purchase the 3D Printers (“equipment”). On January 1, 2019, we adopted ASC 842, “Leases,” and determined that arrangements providing for recurring payments from customers qualify as leases. The contracts explicitly specify the equipment which is a production system with defined components and services, including the printer itself, services and accessories. The asset is physically distinct, the supplier does not have substitution rights and the customer holds the right to direct the use of and obtain substantially all of the economic benefits from the use of the identified asset. As of December 31, 2021, lease terms are 12 months with the expectation that customers will not purchase the equipment at the end of the lease. The arrangements provide for a base rent and usually provide for variable payments based on usage in excess of a defined threshold. Support Services are included during the lease term.

Equipment under lease contracts is reclassified from inventory at its basis and depreciated over five years to a salvage value. Income from the lessee is recorded as revenue using the straight-line method over the term of the lease. Support services are a non-lease component. The practical expedient has been elected to include rents and this non-lease component as one revenue stream recognized over the lease term on a straight-line basis. Costs associated with this component are classified as cost of revenue and recognized as incurred.

Costs for warranties for parts and services for equipment under lease are accrued separately at lease commencement, and amortized to cost of revenue over the lease term to the extent the costs are probable and can be reasonably estimated since the related revenue is being recognized over the lease term. Warranty accruals were not material as of December 31, 2021and 2020.

Equipment leased to customers are considered long-lived assets and are tested for impairment as described above under the heading, “Impairment of Long-lived Assets.”

Support Services

Support Services are 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 period based on the then fair value of the service.

Support Service revenue are recognized over the contract period beginning with customer performance test acceptance.

Stock-Based Compensation

Stock-based compensation cost for awards is measured as of the grant date based on its fair value, and the amount is expensed ratably over the service period which is typically the vesting period. We have elected to account for forfeitures when they occur, and any compensation expense previously recognized on unvested shares will be reversed.

We estimate the fair value of stock option awards subject to only a service condition on the date of grant using the Black-Scholes valuation model. The Black-Scholes model requires the use of highly subjective and complex assumptions, including the option's expected term, price volatility of the underlying stock, risk-free interest rate, and the expected dividend yield of the underlying common stock, as well as an estimate of the fair value of the common stock underlying the award.

We estimate the fair value of restricted share unit awards using the value of the Company's common stock on the date of grant.

We estimate the fair value of Earnout Shares awards underlying stock options to employees, which is considered a compensatory award and accounted for under ASC 718, *Share-Based Compensation*, using the Monte-Carlo simulation model The Monte-Carlo simulation model was selected as the valuation methodology for the Earnout Shares due to the path-dependent nature of triggering events. Under ASC 718, the award is measured at fair value at the grant date and expense is recognized over the time-based vesting period (the triggering event is a market condition and does not impact expense recognition). The Monte-Carlo model requires the use of highly subjective and complex assumptions, including the current stock price, volatility of the underlying stock, expected term, and the risk-free interest rate.

Application of these approaches involves the use of estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding our risk-free interest rates, the selection of comparable companies, and the probability of possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock. An increase of 100-basis points in interest rates would not have a material impact on our stock-based compensation.

Income Taxes

We utilize the asset and liability method in accounting for income taxes. Under this method, deferred income tax assets and liabilities are recorded based on the estimated future tax effects of differences between the consolidated financial statement and income tax basis of existing assets and liabilities. These differences are measured using the enacted statutory tax rates that are expected to apply to taxable income for the years in which differences are expected to reverse. We recognize the effect on deferred income taxes of a change in tax rates in the period that includes the enactment date. We record a valuation allowance to reduce our deferred tax assets to the net amount that we believe is more likely than not to be realized. We consider all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income, and ongoing tax planning strategies in assessing the need for a valuation allowance.

We make estimates, assumptions and judgments to determine our provision for income taxes, deferred tax assets and liabilities, and any valuation allowance recorded against deferred tax assets. We consider all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income, and ongoing tax planning strategies in assessing the need for a valuation allowance. We assess the likelihood that our deferred tax assets will be recovered from future taxable income, and to the extent it believes that recovery is not likely, it establishes a valuation allowance.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, including resolutions of any related appeals or litigation processes based on the technical merits of the position. The tax benefits recognized from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. Interest and penalties related to unrecognized tax benefits, which, as of the date of this prospectus have not been material, are recognized within provision for income taxes.

Common Stock Warrants Liabilities

Following the Merger, 8,625,000 publicly-traded warrants and 4,450,000 private placement warrants issued to Spitfire Sponsor, LLC (the "Sponsor") , all of which were issued in connection with JAWS Spitfire's initial public offering (the "IPO"), are exercisable for one share of our common stock at an exercise price of $11.50 per share.

During the year ended December 31, 2021, there were no public warrants or private placement warrants exercised. The public warrants are publicly traded and are exercisable for cash, unless certain conditions occur, such as redemption by us under certain circumstances, at which time the public warrants may be exercised on a cashless basis. The private placement warrants are non-redeemable for cash so long as they are held by the initial purchasers or their permitted transferees. If the private placement warrants are held by someone other than the initial purchasers or their permitted transferees, the private placement warrants are redeemable by us and exercisable by such holders on the same basis as the public warrants.

We evaluated the warrants and concluded that they do not meet the criteria to be classified within stockholders' equity. The warrant agreement governing the warrants includes a provision, the application of which could result in a different settlement value for the warrants depending on their holder. Because the holder of an instrument is not an input into the pricing of a fixed-for-fixed option on the common stock, the private placement warrants are not considered to be "indexed to the Company's own stock." In addition, the warrant agreement includes a provision that provides that in the event of a tender or exchange offer accepted by holders of more than 50.0% of the outstanding shares of the common stock, all holders of the warrants (both the public warrants and the private placement warrants) would be entitled to receive cash for all of their warrants. Specifically, in the event of a qualifying cash tender offer (which could be outside of our control), all warrant holders would be entitled to cash, while only certain of the holders of the common stock may be entitled to cash. These provisions preclude us from classifying the warrants in stockholders' equity.

We classify our public warrants and private placement warrants as liabilities in accordance with ASC Topic 815 "Derivatives and Hedging–Contracts in Entity's Own Equity". As the warrants meet the definition of a derivative, we recorded these warrants within warrant liabilities on the consolidated balance sheet at fair value, with subsequent changes in their respective fair values recognized in the consolidated statements of operations and comprehensive loss at each reporting date.

Contingent Earnout Liability

In connection with the Reverse Recapitalization and pursuant to the Business Combination Agreement, eligible former Legacy Velo3D equity holders are entitled to receive additional shares of common stock upon our achieving certain Earnout Triggering Events (as described in the Business Combination Agreement) (the "Earnout Shares"). The Earnout Shares are not indexed to the common stock and therefore are accounted for as a liability at the Closing Date and subsequently remeasured at each reporting date with changes in fair value recorded as a component of gain on fair value of contingent earnout liabilities in the consolidated statements of operations and comprehensive loss. The estimated fair value of the contingent earnout liability was determined using a Monte Carlo simulation using a distribution of potential outcomes on a monthly basis over the Earnout Period (as defined in Note 17, *Equity Instruments*, to the consolidated financial statements included elsewhere in this prospectus) prioritizing the most reliable information available. The assumptions utilized in the calculation are based on the achievement of certain stock price milestones, including the current common stock price, expected volatility, risk free rate, expected term and dividend rate. An increase of 100-basis points in interest rates would not have a material impact on our contingent earnout liability. The contingent earnout liability is categorized as a Level 3 fair value measurement (see "Fair Value of Measurements" as described in Note 2, *Summary of Significant Accounting Policies*, to the consolidated financial statements included elsewhere in this prospectus) because we estimate projections during the Earnout Period utilizing unobservable inputs. Contingent earnout liabilities involve certain assumptions requiring significant judgment and actual results may differ from assumed and estimated amounts.

Fair Value Measurements

The Company has applied the framework for measuring fair value which requires a fair value hierarchy to be applied to all fair value measurements. Assets and liabilities measured at fair value are classified into one of three levels in the fair value hierarchy based on the inputs used to measure fair value as follows:

Level 1 — Quoted prices observed in active markets for identical assets or liabilities;

Level 2 — Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and

Level 3 — Significant unobservable market inputs for the asset or liability.

The carrying amounts of cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to their short-term maturities. The long-term debt (including convertible notes) with variable interest at market rates is carried at amortized cost, which approximates its fair value and was classified as Level 2. See Note 15, *Long-Term Debt* and Note 16, *Convertible Notes Payable*, in the consolidated financial statements included elsewhere in this prospectus for further information.

BUSINESS

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 full-stack hardware and software solution based on our proprietary laser powder bed fusion ("L-PBF") technology, which enables support-free production. 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 products give our customers who are in space, aviation, defense, energy and industrial markets the freedom to design and produce metal parts with complex internal features and geometries that had previously been considered impossible for AM. We believe our technology is years ahead of competitors.

Our technology is novel compared to other AM technologies based on its ability to deliver high-value metal parts that have complex internal channels, structures and geometries. This affords a wide breadth of design freedom for creating new metal parts and it enables replication of existing parts without the need to redesign the part to be manufacturable with AM. Because of these features, we believe our technology and product capabilities are highly valued by our customers. Our customers are primarily original equipment manufacturers ("OEMs") and contract manufacturers 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 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. For these reasons, AM solutions of our competitors have been largely relegated to tooling and prototyping or the production of less complex, lower-value metal parts.

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

We offer customers a full-stack solution, which includes the following key components:

- Flow™ print preparation software conducts sophisticated analysis of the features of the metal part and specifies a production process that enables support-free printing of the part.
- Sapphire® metal AM printers produce the part using our proprietary L-PBF technology, which enables support-free designs. Our technology produces metal parts by fusing many thousands of very thin layers of metal powder with a precisely controlled laser beam in a sophisticated software defined sequence (or “recipe”) defined by our Flow™ software.
- Assure™ quality validation software validates the product made by Sapphire® to confirm that it is made to the specifications required by the original design.

Legacy AM technologies often rely on internal supports to prevent deformation of the metal part during the 3D printing process. These supports inhibit the production of parts with complex internal geometries, which are often required in high-performance applications, because there is limited or no access to remove them after production. Our technological advances enable our Sapphire® product to print metal parts that do not require internal supports, which enables our customers to produce designs that would otherwise be infeasible to make with AM.

We sell our full-stack hardware and software AM solutions through two types of transaction models: a 3D printer sale transaction and a recurring payment transaction. 3D printer sale transactions are structured as a payment of a fixed purchase price for the system. Recurring payment transactions fall into two categories: a leased 3D printer transaction and a sale and utilization fee model. 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 certain cases the lease term is longer. In the sale and utilization fee model, customers pay an upfront amount that is less than the full purchase price to purchase the system. This purchase price is supplemented by an hourly usage fee for each hour of system utilization over the life of the system. The variable payments are recognized when the event determining the amount of variable consideration to be paid occurs. Support services are included with a 3D printer sale transaction and a recurring payment transaction.

We delivered our first Sapphire® XC system at the end of 2021. We continue to see strong demand for our next-generation flagship Sapphire® XC product. It is anticipated that this product compared to our existing Sapphire® system will be able to increase throughput by up to 400%, reduce part costs by 65% to 80% and expand part size capacity by up to 4 times. Together, the increase in capabilities and improvement in economics for our customers is anticipated to rapidly increase the potential applications of our technology. As of December 31, 2021, our aggregate backlog for the Sapphire® XC was $43 million, comprised of 18 Sapphire® XC systems. Demand for the Sapphire® XC product is a significant contributor to our expectation for meaningful sales growth from 2022 and beyond.

Strategy for Growth

The key elements for our growth strategy include the following:

Focus on uncontested segments of the market

We focus our sales efforts on customers with a need for parts which our proprietary L-PBF technology can produce but which cannot be produced by competitors' AM technology. These include high-performance metal parts with complex internal geometries, including critical components within jet engines, fuel delivery systems and heat exchangers. These parts are fundamentally out of reach for other AM suppliers serving the high-value metal parts segment because their production process requires internal supports for complex internal geometries, which cannot be removed. Likewise, the processes required by traditional metal manufacturing processes (for example, welding of multiple parts into the desired assembly) often result in parts with lower performance, higher cost and/or longer lead times than the parts which our solution can produce. We generally do not compete in the segment of the AM market composed of applications which can be served by the multiple existing competitors in metal AM. Our primary focus is on those applications where demand for our solution is expected to be the strongest, thus supporting our long-term margins.

Increase penetration with customers as part of a "land and expand" strategy

We adopt a two-step approach to customer relationships, whereby we first aim to validate our technology with customers before working to more fully integrate our technology into customers' designs and/or production processes. Upon building a strong customer relationship, our sales personnel and engineers collaborate with their customer counterparts to identify how our technology can add the greatest value to the customer's ultimate product. We have found that this helps customers to best understand the potential for the wide breadth of design freedom that our products can deliver, which often leads to customers fully integrating our technology into their processes and making multiple follow-on purchases. This results in economies of scale, as fewer sales and engineering personnel are able to serve a larger number of machines that are concentrated with a smaller number of customers. In addition, by integrating our technology into customer designs, we effectively expand the uncontested market which we believe we are optimally suited to serve.For the last two years we have delivered, on average, 1.3 Sapphire® systems per existing customer at the beginning of the year.

Accelerate global acquisition of new customers

We plan to increase the number of customer relationships we have globally in the coming years both organically and through distribution partnerships. In recent years, we have demonstrated that our technology can bring tremendous value across a number of use cases in the space, aviation and defense, energy and industrial segments. We plan to leverage the success from these deployments into sales to a number of new customers by ramping our sales force in the coming years to allow for the continued execution of our "land and expand" strategy. Since 2019, we have also established relationships with distribution partners in the Asia-Pacific region (Taiyo Nippon Sanso Corporation and Avaco) and in the U.S. (GoEngineer) and sales agents in the Middle East and Africa to provide greater leverage to our sales team and enable expansion into new markets. We will continuously evaluate other potential distribution partnerships to further increase our footprint. Going forward, we may consider acquisitions of other AM solution providers to acquire new customer relationships.

Adopt multiple revenue models to fit customer preferences

We plan to adopt sales models that align with our customers' financial preferences to increase total units sold and optimize our margin profile. Our target customers include several OEMs with vertically integrated operations, as well as a larger number of contract manufacturers who are part of diverse supply chains. Our 3D printer sale transactions include a higher up-front price for our system and a lower annual service fee, and are typically preferred by the vertically integrated OEMs, who often seek to minimize total cash outlays. We also have recurring payment transactions, including a sale and utilization fee model, where customers pay an up-front amount that is less than the full purchase price to purchase the system. This purchase price is supplemented by an hourly usage fee for each hour of system utilization over the life of the system. We believe the recurring payment model may be preferred by contract manufacturers, because the payment structure is better matched to their revenue stream. We believe these customers offer significant opportunities in particular, as SmarTech expects that demand for high-value metal parts from contract manufacturers will grow by 32% from 2021 to 2026.

Rapidly scale to meet customer demand

We plan to scale our business quickly to meet the significant increase in demand that we have seen from our customers by increasing the number of sales representatives and engineers to serve those customers, as well as our production capacity. Our manufacturing operations are limited to the final assembly and test of the system. Components and sub-assemblies are sourced from suppliers. As a result, we have the ability to scale our manufacturing operations with relatively limited capital investment because we only require additional assembly and warehouse space to increase our manufacturing capacity. Further, because our business model is capital efficient, we are able to adapt to shifts in customer demand and calibrate our growth plans to ensure that we maintain the appropriate production capacity at all times.

Extend competitive advantage with new products and continued R&D

We plan to accelerate our research and development ("R&D") efforts in the future to further extend our technological advantage relative to our competitors. We have spent approximately $175 million over the past seven years in R&D. The latest iteration of our product is our Sapphire® XC system, which launched at the end of 2021. This product will represent a step-function improvement in part size capability and productivity relative to our existing product offerings. Compared to Sapphire®, Sapphire® XC is able to produce parts that are 400% larger in volume and reduce the cost of parts produced on the system by approximately 65% to 80%. We believe this will increase considerably the range of applications where our manufacturing technology will be competitive with traditional metal manufacturing techniques, thereby substantially expanding our addressable market.

Our Competitive Strengths

Disruptive AM platform with the unique ability to produce complex designs without internal supports

In contrast to other L-PBF technologies, our proprietary L-PBF technology is capable of producing metal parts with complex internal geometries. Manufacturers of high-performance products have looked to AM to improve performance, reduce costs and shorten lead times relative to traditional metal parts manufacturers; however, other

AM solutions have been historically limited because they must use internal supports to enable production of the part. Our technology delivers on the promise of AM, allowing customers a wide breadth of freedom to design products with optimal performance characteristics. In addition to greater design freedom, our technology allows customers to consolidate assemblies of multiple metal parts into a single part that delivers a stronger, lighter, better performing part at a lower cost than possible through traditional metal manufacturing techniques. Finally, our solutions enable the production of high-value, low-volume spare parts on demand, which may result in meaningful reductions to requirements for inventory. These factors create an uncontested segment in the market with customers we are ideally positioned to serve.

Existing relationships with blue chip customers across our target end markets

We have built relationships with blue chip customers across all of our target industries, including space , aviation and defense, energy and other industrial applications. Except for SpaceX, these are our indirect customers who specify our 3D printers for the manufacture of components by contract manufacturers that use our 3D printers and, while these customers provide no direct revenue to the Company, they drive part of the volume for our contract manufacturers and therefore, indirectly, our 3D printer demand. We have built these relationships by demonstrating the value that our differentiated technology can achieve and integrating our solutions into their operations, resulting in repeat sales to multiple customers within a short span of time. Our success in partnering with existing customers has also validated our differentiated technology for other potential customers. We believe that our successes with these efforts provide meaningful proof of concept and will enable our strategy of rapid customer acquisition in the coming years.

End-to-End, turnkey solution that can be easily integrated into customer operations

Our end-to-end solution can be integrated into customer operations with relative ease, facilitating adoption with new customers, as well as the installation of additional systems. The turnkey nature of our products effectively enables our “land and expand” strategy. We typically dedicate one engineer for several weeks around the time of the installation to educate customers as to how to best use our systems and to identify how our technology can most effectively add value to customer processes. After this point, our customers become largely self-supported, requiring only occasional support from our sales and engineering staff. This enables us to effectively reallocate our engineers and salesforce to continue to engage with new potential customers, supporting our efforts to scale our operations rapidly.

Deep moat of intellectual property protections

We have a strong, multi-layered portfolio protecting our intellectual property (“IP”) rights, which reinforces our competitive advantage. According to SmarTech, as of 2019, we have the strongest IP portfolio in metal additive manufacturing (AM): “Velo3D and . . . have impressive patent portfolios. Some of the most impressive patent portfolios are held by smaller firms. Velo3D is currently the top assignee of patents for 3D printing metals,” SmarTech Analysis Announces New Report on 3D-Printed Metals Patents, Smartchechanalysis.com, July 22, 2019. As of December 31, 2021, our multi-jurisdictional patent IP portfolio includes 54 patents that have been granted across systems, methods, devices, apparatuses, software, and compositions of matter (e.g., 3D objects), as well as 11 public pending patent applications. This IP portfolio enables us to prevent third-party market participants from selling our patented systems, using our patented production methods, or trading in parts that have been made using our processes. Our multi-jurisdictional trademark IP portfolio includes 23 registered trademarks and 39 pending trademark applications. This IP portfolio enables us to defend our unique brand from our competitors in the various jurisdictions. Accordingly, we expect that our strong IP portfolio will enable us to protect our technological lead in the metal AM industry and the unique brand we market to our customers and potential customers.

Capital efficient business model

We have an asset-light business model, which will allow us to scale our operations to meet expected customer demand. Our own manufacturing operations are primarily limited to final assembly, testing and shipment. Further, we believe our units are higher value and lower volume relative to other AM solutions providers, which reduces the burden on our supply chain as we expand. Our final assembly process does not require expensive clean rooms but instead occurs within an assembly facility. We believe that this will enable us to rapidly scale our business model to meet customer demand, without the risks associated with other manufacturing models that require heavy capital expenditures to increase production capacity.

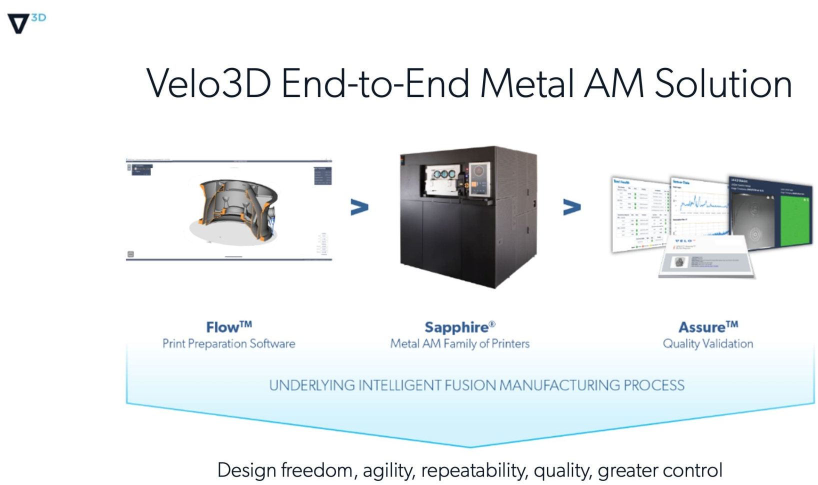
Experienced management team

Our management team has decades of relevant experience across their respective industries, including materials engineering, technological development, operations, sales, business development and corporate finance. Our management team is led by our Chief Executive Officer, Benny Buller, who has had a highly successful career as an engineer, culminating in the highest Israeli Presidential award for one of the projects he led in the Israeli intelligence community, before taking leadership positions in cutting-edge American technology firms, including in First Solar and Applied Materials. Our Chief Financial Officer, Bill McCombe, has extensive experience as a senior financial officer in public and private technology hardware companies and as a senior investment banker overseeing strategic transactions. Further, we have recently added experienced independent board members to support our management team.

Our Product Platforms

Since our founding in 2014, we have focused development on our primary solution, marketed as Sapphire®. Sapphire® is an end-to-end solution and comes with the Flow™ design software and Assure™ quality control software. At the end of 2021, we launched our new Sapphire® XC product, which will enable production of larger parts at a lower cost.

Our software is fully integrated into the design, production and quality control platform with our Sapphire® and Sapphire® XC systems. We maintain legal title of our software systems for products sold under both our 3D printer sale transactions and recurring payment transactions.



Flow™

Flow™ software powers the whole family of Sapphire® AM printers. Our systems rely on the same manufacturing process for all of our printer solutions. Flow™ is a highly advanced and proprietary software platform, which scans part designs for unique geometrical features. It uses advanced computational algorithms to prescribe specific manufacturing “recipes” and processes specific to the Sapphire® production systems to ensure that the part is produced with the required specifications.

Sapphire® and Sapphire® XC

The Sapphire® printer system is our first generation production machine. As of December 31, 2021, 46 machines have been shipped and are currently in the field. Sapphire® uses L-PBF technology and supports a build module of 315 millimeter diameter by 400 millimeter tall, and volume of up to 31 liters.

Sapphire® XC is our newest generation of printer and started shipping at the end of 2021. XC stands for “extra capacity” and has a larger build module of 600 millimeter diameter by 550 millimeter tall, and volume of up to 155 liters. Sapphire® XC is based on the same fundamental design of our original Sapphire® printers. The Sapphire® XC printer system is designed with the intent that all recipes and parts designed for the original Sapphire® printers are fully compatible with the Sapphire® XC printer systems, as the new system is designed to carry over processes and metrologies.

Our machines have the ability to make parts with thousands of composite structures, including titanium, nickel-alloys, nickel super alloys, steel and steel alloys. Any metal that is cold-weldable is able to be used as a base layer in our machines. We currently have recipes for nine alloys and add recipes for additional metal alloys based on customer demand.

Assure™

Assure™ is an advanced quality control system software platform that includes process metrologies to ensure repeatable, consistent part quality. The platform works with complex sensors, which allow prompt control modulation of the Sapphire® laser systems to calibrate production outcomes within tolerances.

Intelligent Fusion®

Intelligent Fusion® is the underlying manufacturing process that binds and facilitates all aspects of the Velo3D end-to-end solution, which includes our print preparation software (Flow™), advanced metal 3D printers (Sapphire®), and quality assurance software (Assure™).

Intelligent Fusion® unifies and manages all of the above, including the information flow, sensor data from over 950 sensors, and the advanced printing technology for precision control of the entire print.

Customers

Our customers range from small- and medium-sized enterprises to Fortune 500 companies in the space, aviation, defense, energy and industrial markets. As of December 31, 2021, we had 18 customers. We added 10 new customers in 2021, and we continue to diversify our customer base. SpaceX, our largest customer, accounted for 27.8% and 41.1% of our revenue for the year ended December 31, 2021 and 2020, respectively. Our customers include both OEMs, as well as contract manufacturers who provide service and parts on behalf of OEMs. Our 3D printer sales occur under purchase orders that are governed by our terms and conditions of sale. The Company’s terms and conditions with SpaceX are consistent with all other customers and permit the customers to terminate the Company’s services at any time (subject to notice and certain other provisions).

We only sell to production customers. Our machines are not resalable and software licenses are not transferable to certain geographic markets to protect our IP.

Research and Development

The high-value metal parts and AM segments are undergoing technological advancements across hardware, software and materials. We continue to dedicate meaningful resources into our ongoing R&D programs to extend our technological leadership. Specifically, our R&D team is focused on continuing advances in technology that include, but are not limited to:

- enhancements of the Sapphire® systems, such as 1MZ systems;
- improvement of reliability and productivity of the Sapphire® and Sapphire® XC systems;

- expansion of functionality of Flow™ software;
- qualifying new materials;
- additional quality control features in Assure™; and
- addition of recipes for new metal alloys.

We invest a significant amount of our resources in R&D because we believe that superior technology is a key to maintaining a leading market position. In the year ended December 31, 2021 and 2020, our R&D expenses were approximately $27.0 million and $14.2 million.

Sales and Marketing

We sell our AM solutions directly, as well as through a network of multiple distribution partners. Together, these relationships span much of the world, including the United States ("U.S."), the EU, Japan, South Korea and Southeast Asia. We engage in a “land and expand” strategy, whereby we seek to make an initial sale to customers for technology validation before increasing penetration through sales of additional units.

Our marketing strategy is oriented around building deep and lasting relationships with leading global manufacturers. We seek to compete by maximizing the value we create for our customers. To that end, our engineers engage with customers to identify the specific parts and processes where our solutions can add the most immediate value. At the time of the installation, our engineers will typically engage with customers for several weeks to educate them on the system, after which point customers are typically able to operate the system without our direct engagement.

Our sales team remains engaged with customers after initial validation of our technology with a goal of integrating our technology into other customer processes. Thus far, we believe this strategy has proven successful, for the last two years we have delivered, on average, 1.3 Sapphire® systems per existing customer at the beginning of the year . As of February 28, 2021, our sales and marketing teams consisted of 28 employees.

In recent years, we have successfully demonstrated the utility of our technology across multiple target markets, including the highest performance application in the space, aviation and defense, energy and industrial end markets. We believe these successful deployments have seeded the market and will enable increased acquisition of new customers in those segments.

We rely on our own sales team, as well as multiple distribution partners, including Taiyo Nippon Sanso (Japan), Avaco (South Korea), and GoEngineer (North America). These relationships have helped to extend our reach into overseas markets and essentially function as extensions of our sales team. We have entered into partnership agreements with each of our distribution partners, which grant the distribution partner the right to market our products in a specified territory on either an exclusive or nonexclusive basis, depending on the distribution partner; however, all sales contracts for our products are entered into between us and our customers. Certain of these distribution partners also provide maintenance services to customers in their specified territories. Going forward, we plan to expand our direct sales force and will consider establishing additional distribution partnerships as we continue to implement our strategy with new customers.

In the fourth quarter of 2021, we opened our European Headquarters at the Augsburg Innovation Park, located in Augsburg, Germany, that will include teams of sales, application engineering and field service engineering personnel, similar to the U.S. office.

Manufacturing and Suppliers

We design, assemble, test and ship all of our products and rely on outside manufacturers for component manufacturing. Production of our systems requires approximately 15 weeks. We employ several third-party vendors to supply our core hardware subsystems and components. Following receipt of these subsystems and components, we assemble and calibrate the system. We then conduct a series of process tests culminating in a final factory acceptance test. We have internal teams focused on technology development, engineering and manufacturing. The teams coordinate the design, construction, assembly, testing and shipment of our products.

We currently rely on numerous external suppliers, which we believe have ample capacity to increase supply of our critical components. For the majority of these suppliers, we believe we can readily source components from competing suppliers on short notice. As our business grows, we may consider a strategy of sourcing components from multiple suppliers to ensure surety of supply.

We manage our inventory based on sales and production forecasts and anticipated lead times for sourcing components and assembly.

Intellectual Property

Our leadership in the high-value metal parts AM segment depends largely on our differentiated technology, which we seek to protect through a multi-layered IP approach. Our IP protection enables us to prevent organizations and individuals from selling or using our systems, apparatuses, devices, and software, practicing our methods, or trading in our produced parts (e.g., 3D objects), as these are all protected by various forms of IP protection including by our patents granted in various jurisdictions and by our trade secrets.

We attempt to protect our IP rights, in various jurisdictions (e.g., United States and abroad), through a combination of patents, trademarks, copyrights and trade secrets, as well as nondisclosure and invention assignment agreements with our consultants and employees, and nondisclosure agreements with our contractors, vendors and other business partners.

We pursue patent protection when we believe it is possible and consistent with our overall strategy for safeguarding IP.

Our patent profile is a broad portfolio across our systems, apparatuses, devices, methods (e.g., of production), software, and composition of matter (e.g., 3D objects). Metal parts produced using our system technology have a signature that is readily recognizable and traceable. According to SmarTech, as of 2019, we have the strongest IP portfolio in metal AM: "Velo3D and . . . have impressive patent portfolios. Some of the most impressive patent portfolios are held by smaller firms. Velo3D is currently the top assignee of patents for 3D printing metals," SmarTech Analysis Announces New Report on 3D-Printed Metals Patents, Smartchechanalysis.com, July 22, 2019.

We own fifty-four (54) issued patents of which forty (40) are issued U.S. patents, and fourteen (14) are issued foreign patents. We also have eleven (11) public pending patent applications of which one (1) is a pending U.S. patent application, eight (8) are pending public foreign patent applications, and two (2) are public pending Patent Cooperation Treaty (PCT) patent applications. Our currently issued patents will expire at different times in the future, with the earliest expiring in 2035 and the latest expiring in 2039. Our currently pending applications will generally remain in effect for 20 years from the date of filing of the initial patent application of each. In addition, we have four (4) registered U.S. trademarks, nineteen (19) registered foreign trademarks, one (1) pending U.S. trademark applications, and thirty-eight (38) pending foreign trademark applications.

Human Capital Resources

We have a strong team of employees who contribute to our success. As of December 31, 2021, we had 193 full-time employees, the majority of them based at our headquarters. We rely on consultants and outside contractors in roles and responsibilities that include engineering, operations and finance.

To date, we have not experienced any work stoppages and consider our relationship with our employees to be in good standing, as evidenced by our recent employee engagement score in February 2022, which was 4 percentage points higher than the industry benchmark per a December 2021 employee survey conducted by Energage. None of our employees are subject to a collective bargaining agreement or are represented by a labor union.

Our board of directors oversees matters relating to managing our human capital resources. Our human capital resources objectives include identifying, recruiting, retaining, training, incentivizing and integrating our existing and additional employees, as well as emphasizing work place safety. We review our compensation and benefit policies regularly through industry benchmarks and, we believe we offer competitive compensation and benefits packages, the principal purposes of which are to attract, retain and motivate our employees.

Competition

We compete with other suppliers of 3D printers, materials and software, as well as with suppliers of traditional metal manufacturing solutions. We compete with these suppliers, as well as channel partners, for customers, and for certain of our products. We also compete with businesses and service bureaus that use such equipment to produce models, prototypes, molds and end-user parts. Development of new technologies or techniques not encompassed by the patents that we own may result in additional future competition.

Our competitors operate both globally and regionally, and many of them have well-recognized brands and product lines. Additionally, certain of our competitors are well established and may have greater financial resources than us.

We believe principal competitive factors include technology capabilities, materials, process and application know-how, total cost of operation of solution, product reliability and the ability to provide a full range of products and services to meet customer needs. We believe that our future success depends on our ability to provide high-quality solutions, introduce new products and services to meet evolving customer needs, market opportunities, and extend our technologies to new applications. Accordingly, our ongoing R&D programs are intended to enable us to continue technology advancement and develop innovative new solutions for the marketplace.

Government Regulations

We are subject to various laws, regulations and permitting requirements of U.S. federal, state and local and foreign authorities. These include:

- regulations promulgated by environmental and health agencies, as described below under "- Environmental Matters";
- the U.S. Occupational Safety and Health Administration;
- the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and the anti-corruption laws of other countries;
- laws pertaining to the hiring, treatment, safety and discharge of employees; and
- import and trade restrictions and export control regulations, including the U.S. International Traffic in Arms Regulations and the U.S. Export Administration Regulations.

We believe that we are in material compliance with all such laws, regulations and permitting requirements.

Environmental Matters

We are subject to various environmental, health and safety laws, regulations and permitting requirements, including those governing the emission and discharge of hazardous materials into ground, air or water; noise emissions; the generation, storage, use, management and disposal of hazardous and other waste; the import, export and registration of chemicals; the cleanup of contaminated sites; and the health and safety of our employees. Based on information currently available to us, we do not expect environmental costs and contingencies to have a material adverse effect on our operations. The operation of our facility, however, entails risks in these areas. Significant expenditures could be required in the future to comply with environmental or health and safety laws, regulations or other requirements. Certain of these compliance requirements are imposed by our customers, who at times require us to be registered with U.S. health or safety regulatory agencies, whether on the federal or state level.

Under environmental laws and regulations, we are required to obtain environmental permits from governmental authorities for certain operations.

In the European marketplace, among others, electrical and electronic equipment is required to comply with the Directive on Waste Electrical and Electronic Equipment of the EU, which aims to prevent waste by encouraging reuse and recycling, and the EU Directive on Restriction of Use of Certain Hazardous Substances, which restricts the use of various hazardous substances in electrical and electronic products. Our products and certain components of such products "put on the market" in the EU (whether or not manufactured in the EU) are subject to these directives. Additionally, we are required to comply with certain laws, regulations and directives governing chemicals, including the U.S. Toxic Substances Control Act, Registration, Evaluation, Authorisation and Restriction of Chemicals ("*REACH*"), the Restriction of Hazardous Substances Directive ("*RoHS*") and Classification, Labelling and Packaging Regulation ("*CLP*") in the EU. These and similar laws and regulations require, among others, the registration, evaluation, authorization and labeling of certain chemicals that we use and ship.

Corporate Information

We were incorporated on September 11, 2020 as a special purpose acquisition company and a Cayman Islands exempted company under the name JAWS Spitfire Acquisition Corporation. On December 7, 2020, JAWS Spitfire completed its initial public offering. On September 29, 2021, JAWS Spitfire consummated the Merger with Legacy Velo3D pursuant to the Business Combination Agreement. In connection with the Merger, JAWS Spitfire's jurisdiction of incorporation was changed from the Cayman Islands to the State of Delaware, and JAWS Spitfire changed its name to Velo3D, Inc.

Our address is 511 Division Street, Campbell, CA 95008. Our telephone number is (408) 610-3915. Our website address is https://www.velo3d.com. Information contained on our website or connected thereto does not constitute part of, and is not incorporated by reference into, this prospectus.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission (the "SEC"). Our website is www.velo3d.com and our Investor Relations webpage is ir.velo3d.com. The SEC maintains a website,www.sec.gov, that contains annual, quarterly and current reports, proxy and information statements and other information that issuers file electronically with the SEC. Our electronic SEC filings are available to the public at the SEC's website. We make available free of charge, on or through our Investor Relations webpage, our proxy statements, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC

We use our investor relations website, our Twitter handle (www.twitter.com/VELO3DMetal), LinkedIn profile (www.linkedin.com/company/velo3d) and YouTube (Velo3d) as a means of disseminating or providing notification of, among other things, news or announcements regarding our business or financial performance, investor events, press releases, and earnings releases and as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. The content of our websites and information that we may post on or provide to online and social media channels, including those mentioned above, and information that can be accessed through our websites or these online and social media channels are not incorporated by reference into this prospectus or in any other report or document we file with the SEC, and any references to our websites or these online and social media channels are intended to be inactive textual references only.

MANAGEMENT

Executive Officers and Directors

The following table lists the names, ages as of March 21, 2022, and positions of the individuals who serve as directors and executive officers of our company:

Name	Age	Position
Executive Officers:		
Benyamin Buller	51	Founder, Chief Executive Officer and Director
William McCombe	64	Chief Financial Officer and Director
Renette Youssef	45	Chief Marketing Officer
Directors:		
Carl Bass	63	Chairman and Director
Michael Idelchik	69	Director
Stefan Krause	59	Director
Ellen Pawlikowski	65	Director
Ellen Smith	62	Director
Gabrielle Toledano	53	Director
Matthew Walters	34	Director

Executive Officers

Benny Buller has served as our Chief Executive Officer and as member of the Board since September 2021. Mr. Buller is Legacy Velo3D's founder and, prior to the Merger, served as Legacy Velo3D's Chief Executive Officer and a member of Legacy Velo3D's board of directors from June 2014 until September 2021. From April 2012 to June 2014, Mr. Buller was an investor at Khosla Ventures, a venture capital firm. Earlier in his career, Mr. Buller worked at Applied Materials, a semiconductor company, Solyndra, Inc., an energy company, and First Solar, a solar company, where he founded the device physics team. Mr. Buller holds a B.Sc. in Physics and a M.Sc. in Applied Physics from Jerusalem University. He also holds an M.Sc. in Science from the Technion, Israel Institute of Technology. We believe Mr. Buller is qualified to serve on the Board because of the historical knowledge, technical and operational expertise and continuity that he will bring to the Board as the Company's Chief Executive Officer.

William McCombe has served as our Chief Financial Officer and as a member of the Board since September 2021. Prior to the Merger, Mr. McCombe served as Legacy Velo3D's Chief Financial Officer from August 2020 until September 2021. Mr. McCombe was previously the Chief Financial Officer at HZO, a company specializing in nanocoatings for electronics, from November 2018 to August 2020. Before that, he served as Executive Vice President and Chief Financial Officer at Maxar Technologies, a space technology company, from October 2017 to February 2018, Senior Vice President and Chief Financial Officer, Maxar Holdings from July 2016 to October 2017 and as Senior Vice President, Finance and Legal at Space Systems Loral (SSL), a division of Maxar Technologies, from 2014 until July 2016. He also previously worked as a Managing Director in investment banking at Bank of America, and before that at Morgan Stanley. Mr. McCombe has a LL.B. (Honours) in law and BComm in commerce from the University of Melbourne and an M.B.A. from Columbia University. We believe Mr. McCombe is qualified to serve on the Board because of his significant leadership and management experience as a senior finance executive of specialized technology companies and his understanding of our business.

Renette Youssef has served as our Chief Marketing Officer since September 2021. Prior to the Merger, Ms. Youssef served as Legacy Velo3D's Chief Marketing Officer from October 2020 until September 2021. Before that, Ms. Youssef was a Principal at the Four Marketing, a marketing firm servicing tech start-ups, from May 2017 to October 2020. Ms. Youssef served as Consulting Vice President of Marketing at Lingo Live, an enterprise training company, from 2018 to 2020, during which time she also served as a Board Advisor to Workit Health, a digital health company. Her experiences also include her time at Clever Inc., an ed-tech platform, where she was Vice President of Marketing from September 2015 to May 2017, and at CrowdFlower Inc., an artificial intelligence company, prior to it becoming Figure Eight, where she was Vice President of Marketing and Growth. Ms. Youssef holds a B.A. in Marketing and Communications from the University of Western Sydney.

Directors

Nonemployee Directors

Carl Bass has served as the Chairman of the Board since September 2021. Prior to the Merger, Mr. Bass served as Legacy Velo3D's chairman of the board of directors from July 2018 until September 2021. He is a board member for public technology companies and has held multiple executive roles in the technology industry. Mr. Bass has served as the lead independent director of Zendesk Inc., a customer service software company, since 2016, where he is the chair of its compensation committee, and as a director at Box, Inc., a cloud software company, since May 2020. Mr. Bass also serves on the board of directors of other technology companies, including Arris Composites, Built Robotics, Bright Machines, Formlabs, nTopology and Planet Labs. Previously, Mr. Bass served as the president and chief executive officer at Autodesk, Inc., a software company, from 2006 to February 2017. Mr. Bass spent 24 years at Autodesk, where he held other executive positions, including chief technology officer and chief operating officer. Prior to Autodesk, Mr. Bass co-founded Ithaca Software and Buzzsaw.com (both acquired by Autodesk). In the last five years, Mr. Bass served on the board of directors of Autodesk and Hewlett-Packard, a provider of software and technology. He also served on the board of E2open, Inc., a software company, from July 2011 until March 2015 when it was acquired by Insight Venture Partners. Mr. Bass serves on the board of trustees of the California College of the Arts and on the advisory boards of Cornell Computing and Information Science, UC Berkeley School of Information and UC Berkeley College of Engineering. Mr. Bass has a B.A. in mathematics from Cornell University. We believe Mr. Bass will be a valuable member of the Board due to his executive experience in the technology sector and public company board experience at technology companies.

Michael Idelchik has served as a member of our Board since September 2021. Prior to the Merger, Mr. Idelchik served as a member of Legacy Velo3D's board of directors from July 2021 until September 2021.. Mr. Idelchik spent 38 years at General Electric ("GE"), a multinational energy conglomerate, across several business units, culminating in his role as Vice President of Advanced Technology of GE Global Research, the research and development division of GE, for which he served for over a decade until 2017. Mr. Idelchik also serves as a member on a number of boards, including those of Singapore's National Research Foundation, Columbia Engineering and Ellis Medicine. Mr. Idelchik received his B.S. in Mechanical Engineering from Columbia University and a Master's degree in Mechanical and Electrical Engineering from Massachusetts Institute of Technology. We believe that Mr. Idelchik's knowledge of the global technology supply chain and industry success qualifies him to serve on the Board.

Stefan Krause has served as a member of our Board since September 2021. Prior to the Merger, Mr. Krause served as a member of Legacy Velo3D's board of directors from February 2021 until September 2021. He was the founder and Chief Executive Officer and Chairman of Canoo, an electric car company, from December 2017 to May 2020. He has served on two DAX Company Management Boards from May 2002 until December 2015. He served as Chief Financial Officer of Deutsche Bank AG and had held positions of increasing seniority at BMW AG, an automotive company, that began in 1987, where he eventually served as the company's Chief Financial Officer. Mr. Krause has served on may boards of public companies in Europe and the U.S. Mr. Krause holds an M.B.A. in Business Administration and Management from the Julius Maximilians University of Würzburg. We believe that Mr. Krause is qualified to serve on the Board because of his extensive strategic leadership experience, his significant public company experience and expertise in finance and accounting.

Ellen Pawlikowski has served as a member of our Board since March 2022. Gen. Pawlikowski is a retired four-star general of the U.S. Air Force, who retired in September 2018. She last served as Commander of U.S. Air Force Materiel Command, Wright-Patterson Air Force Base, Ohio. Her 40-year career in the U.S. Air Force spanned a wide variety of technical management, leadership and staff positions, including command at the wing and center levels. She is currently an independent consultant and serves on the board of directors of the Raytheon Technologies Corporation, a multinational aerospace and defense conglomerate. Previously, she served on the board of directors of Raytheon Company from 2018 to 2020 and Intelsat S.A., an international satellite services provider, from 2019 to 2022. Gen. Pawlikowski also serves as a director to Applied Research Associate, an employee-owned corporation, the non-profit board of SRI International, and is an outside manager on the board of CEM Defense Materials, as well as the Judge Widney Professor of Systems Architecting and Engineering at the University of Southern California. She holds a B.S. in Chemical Engineering from the New Jersey Institute of Technology and a Ph.D. in Chemical Engineering from the University of California, Berkeley. The Board appointed Gen. Pawlikowski because of her extensive experience in the aerospace industry, senior leadership, and established leadership in the U.S. science and technology community.

Ellen Smith has served as a member of our Board since September 2021. Prior to the Merger, Ms. Smith served as a member of Legacy Velo3D's board of directors from July 2021 until September 2021. Ms. Smith has served as the Senior Managing Director of FTI Consulting, a global business advisory firm, since May 2013, and has more than 30 years of operational experience. Prior to joining FTI Consulting, Ms. Smith was the Chief Operations Officer and Executive Vice President at National Grid, a multinational electricity and gas utility company. Ms. Smith served on the board of Sunrun Inc. from November 2019 to June 2021 and Vivint Solar, Inc. (now a wholly owned subsidiary of Sunrun Inc.) from March 2019 to November 2019. Ms. Smith has served as a trustee of Union College since 2010. Ms. Smith holds a B.S. in Mechanical Engineering and M.S.E. in Power Systems from Union College. We believe that Ms. Smith is qualified to serve on the Board because of her extensive industry experience in energy, power and products.

Gabrielle Toledano has served as a member of our Board since September 2021. Prior to the Merger, Ms. Toledano served as a member of Legacy Velo3D's board of directors from July 2021 until September 2021. Since January 2020, Ms. Toledano has served as Chief Operating Officer at Keystone Strategy LLC, a strategy and economics consulting firm. From January 2021 to March 2021, Ms. Toledano served as Chief Talent Officer of ServiceNow Inc., a software company. From May 2017 to October 2018, Ms. Toledano served as the Chief People Officer of Tesla Inc., a manufacturer of electric vehicles and energy storage products. From February 2006 to May 2017, Ms. Toledano served as Chief Talent Officer and Advisor at Electronic Arts Inc., a video game company. Ms. Toledano has served as a director of Lilium since July 2021, Better.com since April 2021, Bose Corporation since June 2020 and Namely since February 2019. Prior to her current boards, Ms. Toledano served on the boards of Glu Mobile from December 2017 to April 2021 and Jive Software, Inc. from November 2015 to June 2017. Ms. Toledano holds a B.A. in Modern Thought and Literature and an M.A. in Education from Stanford University. We believe that Ms. Toledano is qualified to serve on the Board because of her strong background in technology management and her broad experience as a director of technology companies.

Matthew Walters has served as a member of our Board since September 2021. Prior to the Merger, Mr. Walters served as the Chief Executive Officer of JAWS Spitfire from September 2020 to September 2021. Mr. Walters is also a Managing Director at JAWS Estates Capital LLC, a public and private direct investing focused single family office, where since 2015 he has directed the private investment strategy with a particular emphasis on the consumer and technology sectors. JAWS Estates Capital LLC representative investments include Artsy, Away Luggage, Color Genomics, Delos Living, Didi, Domino's China, Flaschenpost, Flipkart, Hyperloop, Illumio, Lyft, Oscar Health, Oyo Rooms, Parachute Home, Qualia, Sarcos Robotics, Sweetgreen, Third Love and Wish. Prior to joining JAWS Estates Capital LLC, Mr. Walters spent his entire career at L Catterton, the largest, most global consumer-focused private equity firm, where he worked on sourcing and investment strategy for both the buyout and growth-oriented funds. Mr. Walters sits on the board of Sempre Life and is a board observer at Bluestone Lane and Parachute Home. Mr. Walters also acts as Chief Executive Officer and Director of JAWS Hurricane Corporation and Chief Operating Officer of JAWS Mustang Acquisition Corporation. Mr. Walters received a B.A. from the University of Virginia and an M.S. in Finance from Fairfield University. We believe Mr. Walters' significant investment experience make him well qualified to serve as a member of the Board.

Election of Executive Officers

The Company's executive officers are appointed by, and serve at the discretion of, the Board.

Family Relationships

There are no family relationships among any of the Company's executive officers or directors.

Board Composition

The Company's business and affairs are organized under the direction of the Board. The Board currently consists of nine members. Mr. Bass serves as Chairman of the Board. The primary responsibility of the Board is to provide oversight, strategic guidance, counseling and direction to our management team. The Board meets on a regular basis and additionally as required.

Classified Board of Directors

In accordance with the terms of the Certificate of Incorporation the Board is divided into three classes of directors that serve staggered three-year terms. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the same class whose term is then expiring. As a result, only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. The Board is divided among the three classes as follows:

- the Class I directors, Mr. Buller, Mr. Bass and Gen. Pawlikowski, terms will expire at the annual meeting of stockholders to be held in 2022;

- the Class II directors, Mr. Idelchik, Mr. Krause and Ms. Smith, terms will expire at the annual meeting of stockholders to be held in 2023; and

- the Class III directors, Mr. McCombe, Ms. Toledano and Mr. Walters, terms will expire at the annual meeting of stockholders to be held in 2024.

Each director's term will continue until the election and qualification of his or her successor, or his or her earlier death, resignation, or removal. The Certificate of Incorporation and the Bylaws authorize only the Board to fill vacancies on the Board. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of 1/3 of the directors. This classification of the Board may have the effect of delaying or preventing changes in control of the Company.

Director Independence

The Board has determined that each of the directors except for Mr. Buller and Mr. McCombe on the Board qualifies as independent director under the NYSE rules, and that each member of the audit committee qualifies as an independent director under SEC rules and regulations.

Under the rules of the NYSE, independent directors must comprise a majority of a listed company's board of directors. In addition, the rules of the NYSE require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and governance committees be independent. Under the rules of the NYSE, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board reviewed and discussed information provided by the directors and the Company with regard to each director's business and personal activities and relationships as they may relate to the Company and its management, including the beneficial ownership of capital stock by each nonemployee director and the transactions involving them as described in the section entitled "*Certain Relationships and Related-Party Transactions.*"

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee, (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (ii) be an affiliated person of the listed company or any of its subsidiaries. The Company satisfies the audit committee independence requirements of Rule 10A-3. Additionally, compensation committee members must not have a relationship with the Company that is material to the director's ability to be independent from management in connection with the duties of a compensation committee member.

Committees of the Board of Directors

The Board has three standing committees — an audit committee, a compensation committee and a nominating and governance committee (as defined below). Copies of the charters for each committee are available on our website.

Audit Committee

Our audit committee consists of Mr. Krause, Ms. Smith and Mr. Walters, with Mr. Krause serving as the chair.

The Board has determined that each of the members of the audit committee meets the independence requirements under NYSE and SEC rules and is financially literate, and that Mr. Krause qualifies as an audit committee financial expert within the meaning of the SEC regulations and meets the financial sophistication requirements of the NYSE listing rules. In making this determination, the Board considered Mr. Krause's formal education and previous experience in financial roles. Both our independent registered public accounting firm and management periodically will meet privately with the our audit committee.

The functions of this committee include, among other things:

- selecting a firm to serve as our independent registered public accounting firm to audit our consolidated financial statements;
- ensuring the independence of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing, with management and that firm, our interim and year-end operating results;
- establishing procedures for employees to anonymously submit concerns about accounting, audit or other matters;
- considering the adequacy of our internal controls;
- reviewing related-party transactions that are material or otherwise implicate disclosure requirements; and
- approving or, as permitted, pre-approving all audit and non-audit services to be performed by the independent registered public accounting firm.

The composition and function of the audit committee complies with all applicable requirements of the Sarbanes-Oxley Act and all applicable SEC rules and regulations. We will comply with future requirements to the extent they become applicable to us.

Compensation Committee

Our compensation committee consists of Ms. Toledano and Mr. Bass, with Ms. Toledano serving as the chair. The Board has determined that each of the members of the Company's compensation committee meets the independence requirements under NYSE and SEC rules. Each member of this committee will also be a "nonemployee director" within the meaning of Rule 16b-3 under the Exchange Act.

The functions of the compensation committee include:

- reviewing and approving, or recommending that the Board approve, the compensation, including the terms of any compensatory agreements, of our Chief Executive Officer and our other executive officers;
- reviewing and recommending to the Board the compensation of its directors;
- administering our stock and equity incentive plans;
- reviewing and approving, or making recommendations to the Board with respect to, incentive compensation and equity plans;

- establishing our overall compensation philosophy; and
- such other functions as are required to comply with NYSE listing rules

The composition and function of the compensation committee comply with all applicable requirements of the Sarbanes-Oxley Act and all applicable SEC rules and regulations. We will comply with future requirements to the extent they become applicable to us.

Nominating and Governance Committee

Our nominating and governance committee ("*nominating and governance committee*") consists of Mr. Idelchik, Gen. Pawlikowski and Mr. Walters, with Mr. Idelchik serving as the chair. The Board has determined that each of the members of our nominating and governance committee meet the independence requirements under NYSE and SEC rules.

The functions of the nominating and governance committee include:

- identifying and recommending candidates for membership on the Board;
- recommending directors to serve on board committees;
- oversight of our environmental, social and governance initiatives;
- reviewing and recommending to the Board any changes to our corporate governance principles;
- reviewing proposed waivers of the code of conduct for directors and executive officers;
- overseeing the process of evaluating the performance of the Board; and
- advising the Board on corporate governance matters.

The composition and function of the nominating and governance committee comply with all applicable requirements of the Sarbanes-Oxley Act and all applicable SEC rules and regulations. We will comply with future requirements to the extent they become applicable to us.

Compensation Committee Interlocks and Insider Participation

None of the intended members of our compensation committee is currently, or has been at any time, one of the our officers or employees. Mr. Buller and Mr. McCombe each serve as an executive officer but have not and do not serve on the compensation committee. No other executive officer has served as a member of our or Legacy Velo3D's board of directors, or as a member of the compensation or similar committee of any entity that has one or more executive officers who served on the Board or compensation committee during 2021.

Code of Business Conduct and Ethics

The Board has adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior officers. The full text of this code of business conduct and ethics is posted on the investor relations page of our website. The reference to our website address in this filing does not include or incorporate by reference the information on that website into this prospectus. We intend to disclose future amendments to certain provisions of this code of business conduct and ethics, or waivers of these provisions, on our website or in public filings to the extent required by applicable rules.

Non-Employee Director Compensation

The Board has adopted a non-employee director compensation policy that is designed to enable us to attract and retain, on a long-term basis, highly qualified non-employee directors. Our non-employee directors receive an annual cash retainer of $50,000, payable monthly, and an annual grant of restricted stock units ("*RSUs*") with an aggregate grant-date value of $200,000 (the “*Grant Date Value*”). A non-employee director’s annual RSU award is granted on the date of each annual meeting of our stockholders (commencing with our 2022 annual meeting of stockholders) and vest in equal quarterly installments, provided such director continues to serve as a director through each vesting date. In addition, new non-employee directors receive an initial RSU award upon joining the Board, with a Grant Date Value that is prorated for the period from the grant date to the next annual meeting of stockholders, which vest on the first anniversary of the grant date, provided such director continues to serve as a director through the vesting date.

The Chairman of our Board receives an additional annual cash retainer of $60,000. Members of our audit committee receive an additional annual cash retainer of $10,000, and the chairperson of our audit committee receives an additional cash retainer of $10,500 (in lieu of the annual retainer for membership on the audit committee). Members of our compensation committee receive an additional annual cash retainer of $6,000, and the chairperson of our compensation committee receives an additional cash retainer of $9,000 (in lieu of the annual retainer for membership on the compensation committee). Members of our nominating and governance committee (including the chairperson of the nominating and governance committee) receive an additional annual cash retainer of $5,000.

The following table sets forth the compensation earned by or paid to our non-employee directors for services provided during the year ended December 31, 2021. Mr. Buller and Mr. McCombe, our chief executive officer and chief financial officer, respectively, received no compensation for his service as a director during 2021.

me		Fees Earned or Paid in Cash	Stock Awards ($)[1]	Option Awards ($)[1]	Total
l Bass	$	—	—	—	—
ardo Angel[2]	$	—	—	—	—
y Bell[2]	$	16,667	—	—	16,667
vid Cowan[2]	$	—	—	—	—
chael Idelchik	$	25,000	130,949	—	155,949
fan Krause	$	16,667	—	3,270,281	3,286,948
en Smith	$	25,000	130,949	—	155,949
n Strohband[2]	$	—	—	—	—
brielle Toledano	$	25,000	130,949	—	155,949
tthew Walters	$	16,667	104,762	—	121,429

(1) The amounts reported in this column represent the aggregate grant date fair value of the RSUs and stock options granted to our directors during the year ended December 31, 2021 as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 718. The assumptions used in calculating the aggregate grant date fair value of the stock options reported in this column are set forth in Note 18 to our consolidated financial statements included in this prospectus. The amounts reported in this column reflect the accounting cost for these stock options, and do not correspond to the actual economic value that may be received by our directors from the stock options. For information regarding the number of stock options held by each non-employee director as of December 31, 2021, see the table below.

Name	Stock Awards	Option Awards
Carl Bass	—	—
Ricardo Angel(2)	—	—
Jory Bell(2)	—	—
David Cowan(2)	—	—
Michael Idelchik	18,037	—
Stefan Krause	—	493,255
Ellen Smith	18,037	—
Sven Strohband(2)	—	—
Gabrielle Toledano	18,037	—
Matthew Walters	14,430	—

(2) Mr. Angel, Mr. Bell., Mr. Cowan and Mr. Strohband resigned from our Board, effective March 15, 2022. Gen. Pawlikowski was appointed to our Board, effective March 15, 2022 and as such did not receive any compensation in fiscal 2021.

Executive Compensation

The following tables and accompanying narrative set forth information about the 2021 compensation provided to our principal executive officer and the two most highly compensated executive officers (other than our principal executive officer) who were serving as executive officers as of December 31, 2021. These executive officers were Benny Buller, our Chief Executive Officer, William McCombe, our Chief Financial Officer, and Renette Youssef, our Chief Marketing Officer, and we refer to them in this section as our "named executive officers."

Summary Compensation Table

The following table presents summary information regarding the total compensation for services rendered in all capacities that was awarded to, earned by, or paid to our named executive officers for the years ended December 31, 2021 and 2020.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)(3)	Total ($)
Benyamin Buller	2021	327,067	10,000	2,568,399	—	—	12,704	2,918,171
Chief Executive Officer	2020	275,000	—		481,156	100,000	8,550	864,706
William McCombe(4)	2021	318,513	350,000	1,154,064	—	—	16,059	1,838,636
Chief Financial Officer	2020	104,600	20,000(5)	—	228,743	—	3,320	356,663
Renette Youssef(6)	2021	280,083	2,788	1,154,064	—	—	14,907	1,451,842
Chief Marketing Officer	2020	56,900	—	—	114,339	—	1,450	172,689

(1) Amounts represent the aggregate grant date fair value of the stock options awarded to the named executive officer during 2020 in accordance with FASB Accounting Standards Codification Topic 718. The assumptions used in calculating the grant date fair value of the stock options reported in the Option Awards column are set forth in Note 9 of the notes to our consolidated financial statements included in this prospectus. Such grant date fair market value does not take into account any estimated forfeitures related to service-vesting conditions.

(2) The amounts reported in the column represent incentive cash bonuses earned pursuant to our 2021 Key Employee Incentive Plan in and 2020 Key Employee Incentive Plan. For additional information, see the section titled "— *Non-Equity Incentive Plan Compensation*."

(3) The amounts reported in this column represent our matching contributions made on behalf of our named executive officers under our 401(k) plan and cell phone allowances.

(4) Mr. McCombe commenced employment with us in August 2020 and his base salary for 2020 was pro-rated as of that date. His annual base salary is $300,000.

(5) The amount reported represents a relocation allowance granted in connection with Mr. McCombe's employment.

(6) Ms. Youssef commenced employment with us in October 2020 and her base salary for 2020 was pro-rated as of that date. Her annual base salary is $250,000.

Emerging Growth Company Status

As an emerging growth company we are exempt from certain requirements related to executive compensation, including the requirements to hold a nonbinding advisory vote on executive compensation and to provide information relating to the ratio of total compensation of our Chief Executive Officer to the median of the annual total compensation of all of our employees, each as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Equity Compensation

We grant equity awards to our named executive officers, which are generally subject to vesting based on each named executive officer's continued service. Each of our named executive officers currently holds outstanding options that were granted under our Equity Incentive Plan, as set forth in the table below titled "2021 Outstanding Equity Awards at Fiscal Year-End." The outstanding options generally vest over a three- or four-year period, with

25% of each award vesting on the first anniversary of the grant date and the remaining 75% vesting either 1/36 or 1/48 each month thereafter.

The outstanding RSUs generally vest over a four-year period, with 25% of each award vesting on the first anniversary of the grant date and the remaining 75% vesting 1/12 quarterly thereafter

Non-Equity Incentive Plan Compensation

The Board believes that a meaningful portion of the target total cash compensation for our employees, including our executive officers, should be in the form of an annual cash incentive opportunity under our non-equity incentive plan, which is intended to motivate our employees to achieve the annual financial and operational performance objectives set by the Board that are consistent with and support our annual operating plan.

For the 2021 and 2020 bonuses, the respective participants in our 2021 non-equity incentive plan (the '*2021 Key Employee Incentive Plan*") and in our 2020 non-equity incentive plan ("the *2020 Key Employee Incentive Plan*") were eligible to receive a bonus payment based upon the attainment of one or more corporate performance goals that were selected and approved by the Legacy Velo3D board of directors and which related to financial and operational metrics that were important to us. The corporate performance component of the 2021 Key Employee Incentive Plan and the 2021 Key Employee Incentive Plan was, in each case, to be funded based on our actual results for the applicable year as evaluated against these performance goals.

In January 2020, the Legacy Velo3D board of directors approved corporate performance goals in each of the following categories for purposes of the 2021 Key Employee Incentive Plan:

i. Number of bookings (weighted 20%);

ii. Number of printers shipped (weighted 20%);

iii. Number of new systems booking customers (weighted 20%);

iv. Sapphire® XC 2022 backlog as of 2021year end (20%); and

v. Status of Sapphire® XC development (weighted 20%).

In December 2019, the Legacy Velo3D board of directors approved corporate performance goals in each of the following categories for purposes of the 2020 Key Employee Incentive Plan:

i. Certain bookings metrics (weighted 70%);

ii. Number of printers shipped (weighted 30%); and

iii. Average printer build cost (weighted 10%);

Each corporate performance goal was evaluated and selected according to the Legacy Velo3D board of directors' assessment of its relative importance to the execution of our applicable annual business plan. For each of the 2021 Key Employee Incentive Plan and the 2021 Key Employee Incentive Plan, the threshold payment was 50% of the bonus opportunity, the target was 100% of bonus opportunity and the maximum was 150% of bonus opportunity. Achievement between two metrics was calculated by linear interpolation using the value achieved for such category.

Potential Payments upon Termination or Change of Control

Two of our named executive officers' offer letters and equity award agreements provide for the payments and benefits described below upon certain terminations of employment.

William McCombe

Mr. McCombe's offer letter, dated July 13, 2020, as amended on October 26, 2020, provides that if Mr. McCombe's employment with us is terminated by us without "cause" (as defined in the offer letter) and Mr. McCombe executes a general release of claims in the form prescribed by us, Mr. McCombe will be eligible to receive nine months of Mr. McCombe's then-current base salary, payable in equal installments on our regular payroll dates.

Additionally, if Mr. McCombe's employment with us is terminated by us without "cause" (as defined in the 2014 Plan) or Mr. McCombe resigns for "good reason" (as defined in his offer letter) within 12 months after an "acquisition" (as defined in the 2014 Plan), 100% of the total unvested shares subject to Mr. McCombe's option award will vest immediately following such termination or resignation, provided that Mr. McCombe executes a general release of claims in the form prescribed by us. Such vesting acceleration terms are also set forth in Mr. McCombe's Stock Option Agreement, dated September 24, 2020.

Mr. McCombe's offer letter also provided for (i) a base salary increase to $350,000 and (ii) a milestone bonus between $175,000 and $350,000 (items (i) and (ii) together, the "***Milestone Benefits***") , which Mr. McCombe received at Closing in connection with the Merger.

Renette Youssef

For Ms. Youssef's options, if Ms. Youssef's continuous service with us is terminated by us without "cause" (as defined in the 2014 Plan) or Ms. Youssef resigns for "good reason" (as defined in the board approval) upon or within 12 months after an "acquisition" (as defined in the 2014 Plan), 100% of the total unvested shares subject to the option award will vest immediately following such termination or resignation, provided that Ms. Youssef executes a general release of claims in the form prescribed by us.

2021 Outstanding Equity Awards at Fiscal Year-End

The following table presents, for each of our named executive officers, information regarding outstanding stock options as of December 31, 2021:

		Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options					
Name	**Grant Date**	**Exercisable (#)[1]**	**Unexercisable (#)[1]**	**Exercise Price ($)**	**Expiration Date**	**Number of Shares Stock That have not Vested**	**Market Value of Shares of Stock that have not Vested**
Benny Buller	05/13/2019[2]	407,466	—	0.98	05/11/2029	—	—
	06/11/2020[3]	1,794,573	2,990,957	0.18	06/10/2030	—	—
	12/20/2021[6]	—	—	—	—	353,774	$2,568,399
William McCombe	09/24/2020[4]	761,946	1,523,888	0.18	09/23/2030	—	—
	12/20/2021[6]	—	—	—	—	158,962	$1,154,064
Renette Youssef	12/15/2020[5]	333,238	809,298	0.18	12/14/2030	—	—
	12/20/2021[6]	—	—	—	—	158,962	$1,154,064

(1) All of the outstanding equity awards were granted under the 2014 and 2021 Plan, unless otherwise indicated.
(2) The stock option vests at a rate of 1/36th of the shares of our common stock underlying the stock option each month following the June 10, 2018 vesting commencement date.
(3) The stock option vests at a rate of 25% of the shares of our common stock underlying the stock option on June 11, 2021 and 1/48th of the shares of Velo3D's common stock underlying the stock option monthly thereafter.
(4) The stock option vests at a rate of 25% of the shares of our common stock underlying the stock option on August 20, 2021 and 1/48th of the shares of Velo3D's common stock underlying the stock option monthly thereafter. The stock options are subject to vesting acceleration in the event of a termination in connection with a change of control.
(5) The stock option vests at a rate of 25% of the shares of our common stock underlying the stock option on October 5, 2021 and 1/48th of the shares of Velo3D's common stock underlying the stock option monthly thereafter.

(6) The stock award vests at a rate of 25% of the shares of our common stock underlying the award on the on December 20, 2022 and 1/12th of the shares of our common stock underlying the award quarterly thereafter.

2021 Equity Incentive Plan

The Equity Incentive Plan was adopted by the JAWS Spitfire board of directors prior to the Closing, subject to shareholder approval, was approved by JAWS Spitfire shareholders prior to the Closing, and became effective as of the day immediately prior to the Closing Date. The Equity Incentive Plan authorizes the award of stock options, restricted stock units ("RSUs"), restricted stock awards, stock bonus awards, stock appreciation rights ("SARs"), performance awards, and cash awards. We have initially reserved 42,766,043 shares of common stock, which include (i) shares reserved for issuance for the Rollover Options (as defined in the Business Combination Agreement), (ii) shares reserved for issuance for the Unvested Earn-out RSUs (as defined in the Business Combination Agreement), and (iii) shares reserved for issuance of awards granted under the Equity Incentive Plan. The number of shares reserved for issuance under the Equity Incentive Plan will increase automatically on January 1 of each year from 2022 through 2031 by the number of shares equal to the lesser of 5% of the total number of outstanding shares of all classes of our common stock as of the immediately preceding December 31, or a number as may be determined by our board of directors. In addition, the following shares of our common stock will be available for grant and issuance under our Equity Incentive Plan:

- shares subject to issuance upon exercise of an option or SAR granted under the Equity Incentive Plan but which cease to be subject to the option or SAR for any reason other than exercise of the option or SAR;
- shares subject to outstanding awards under the Equity Incentive Plan that are forfeited or repurchased by us at the original issue price;
- shares subject to awards under the Equity Incentive Plan that otherwise terminate without such shares being issued; and
- shares subject to awards under the Equity Incentive Plan that are surrendered pursuant to an exchange program.

The following is a description of the material terms of the Equity Incentive Plan. The summary below does not contain a complete description of all provisions of the Equity Incentive Plan and is qualified in its entirety by reference to the Equity Incentive Plan, a copy of which is included as an exhibit to the registration statement to which this prospectus forms a part.

Administration. The Equity Incentive Plan is administered by our compensation committee or by our Board acting in place of our compensation committee. Subject to the terms and conditions of the Equity Incentive Plan, the compensation committee has the authority to, among other things, select the persons to whom awards may be granted, determine the terms of such awards, construe and interpret our Equity Incentive Plan, and prescribe, amend, and rescind the rules and regulations relating to the Equity Incentive Plan or any award granted thereunder. The Equity Incentive Plan provides that our board of directors or compensation committee may delegate its authority, including the authority to grant awards to one or more officers to the extent permitted by applicable law, provided that the terms of awards granted to non-employee directors may only be determined by our board of directors.

Eligibility. The Equity Incentive Plan provides for the grant of awards to our employees, directors, and consultants. No nonemployee director may receive awards under the Equity Incentive Plan that, when combined with cash compensation received for service as a nonemployee director, exceed $750,000 in value (measured as of the date of grant) in any calendar year. Immediately following the Closing, approximately 154 individuals were eligible to participate in the Equity Incentive Plan, which includes approximately ten officers, 140 employees who are not officers, ten nonemployee directors, and no consultants.

Options. The Equity Incentive Plan provides for the grant of both incentive stock options intended to qualify under Section 422 of the Internal Revenue Code (the "*Code*") and non-statutory stock options to purchase shares of our common stock at a stated exercise price. Incentive stock options may only be granted to our employees, including our officers and directors who are also employees. The exercise price of incentive stock options granted under the Equity Incentive Plan must be at least equal to the fair market value of our common stock on the date of grant. Incentive stock options granted to an individual who holds, directly or by attribution, more than 10% of the total combined voting power of all classes of our capital stock must have an exercise price of at least 110% the fair market value of our common stock on the date of grant. Subject to stock splits, dividends, recapitalizations or similar events, no more than 128,298,129 shares may be issued pursuant to the exercise of incentive stock options granted under the Equity Incentive Plan.

Options may vest based on service or achievement of performance conditions. Our compensation committee may provide for options to be exercised only as they vest or to be immediately exercisable, with any shares issued on exercise being subject to our right of repurchase that lapses as the shares vest. The maximum term of options granted under the Equity Incentive Plan is 10 years from the date of grant, except that the maximum permitted term of incentive stock options granted to an individual who holds, directly or by attribution, more than 10% of the total combined voting power of all classes of our capital stock is five years from the date of grant.

Restricted Stock Awards. An award of restricted stock is an offer by us to sell shares of our common stock subject to restrictions that may lapse based on the satisfaction of service or achievement of performance conditions. The price, if any, of an award of restricted stock will be determined by the compensation committee. Unless otherwise determined by the compensation committee, holders of restricted stock will be entitled to vote and to receive any dividends or stock distributions paid pursuant to any unvested shares of restricted stock. If any such dividends or distributions are paid in shares of common stock, the shares will be subject to the same restrictions on transferability and forfeiture as the shares of restricted stock with respect to which they were paid.

Stock Appreciation Rights. A SAR provides for a payment, in cash or shares of our common stock (up to a specified maximum of shares, if determined by our compensation committee), to the holder based upon the difference between the fair market value of our common stock on the date of exercise and a pre-determined exercise price, multiplied by the number of shares with respect to which the SAR is being exercised. The exercise price of a SAR must be at least the fair market value of a share of our common stock on the date of grant. SARs may vest based on service or achievement of performance conditions, and may not have a term that is longer than 10 years from the date of grant.

Restricted Stock Units. RSUs represent the right to receive shares of our common stock at a specified date in the future, and may be subject to vesting based on service or achievement of performance conditions. Payment of earned RSUs may be made as soon as practicable after the date determined at the time of grant or on a deferred basis in the discretion of the committee (provided that the terms of any such deferral satisfy the requirements of Section 409A of the Code, to the extent applicable), and may be settled in cash, shares of our common stock or a combination of both. No RSU may have a term that is longer than 10 years from the date of grant.

Performance Awards. Performance awards granted to pursuant to the Equity Incentive Plan may be in the form of a cash bonus, an award of performance shares or an award of performance units denominated in shares of our common stock. Such awards may be settled in cash, property or by issuance of shares of our common stock subject to the satisfaction or achievement of specified performance conditions.

Stock Bonus Awards. A stock bonus award provides for payment in the form of cash, shares of our common stock or a combination thereof, based on the fair market value of shares subject to such award as determined by our compensation committee. The awards may be subject to vesting restrictions based on continued service or performance conditions.

Cash Awards. A cash award is an award that is denominated in, or payable to an eligible participant solely in, cash.

Dividend Equivalent Rights. Dividend equivalent rights may be granted at the discretion of our compensation committee and represent the right to receive the value of dividends, if any, paid by us in respect of the number of shares of our common stock underlying an award. Dividend equivalent rights will be subject to the same vesting or performance conditions as the underlying award and will be paid only at such time as the underlying award has become fully vested. Dividend equivalent rights may be settled in cash, shares of our common stock or other property, or a combination of thereof as determined by the compensation committee.

Corporate Transaction. In the event of a "corporate transaction" (which includes a merger, consolidation or sale of substantially all of our assets), the Equity Incentive Plan provides that outstanding awards will be treated in the manner set forth in the agreement evidencing the corporate transaction, and may (i) be assumed, converted, replaced, or substituted with substantially equivalent awards of any successor corporation or affiliate, (ii) become vested or exercisable, in full or in part, (iii) be settled in cash, cash equivalents, or securities of any successor entity followed by the cancellation of such awards, or (iv) be cancelled for no consideration. In the event any successor corporation refuses to assume, convert, replace, or substitute awards, then immediately prior to such corporate transaction, the compensation committee will notify participants that such participants' awards will, if exercisable, be exercisable for a period of time (as determined by the compensation committee in its sole discretion), and that all awards shall terminate upon the expiration of such period. Awards need not all be treated in the same manner in a corporate transaction. Notwithstanding the foregoing, the vesting of all awards granted to our nonemployee directors will accelerate, and such awards will become exercisable (to the extent applicable) in full prior to the consummation of a corporate transaction.

Adjustment. In the event of a change in the number of outstanding shares of our common stock without consideration by reason of a stock dividend, extraordinary dividend or distribution, recapitalization, stock split, reverse stock split, subdivision, combination, consolidation, reclassification, spin-off or similar change in our capital structure, appropriate proportional adjustments will be made to (i) the number and class of shares reserved for issuance under the Equity Incentive Plan and the incentive stock option limit; (ii) the exercise prices of and number and class of shares subject to options and SARs; (iii) number and class of shares subject to outstanding awards; and (iv) any applicable maximum award limits pursuant to the Equity Incentive Plan.

Clawback; *Transferability*. All awards are subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by our board of directors or required by law to the extent set forth in such policy or applicable law. Except in limited circumstances, awards granted under the Equity Incentive Plan may generally not be transferred in any manner prior to vesting other than by will or by the laws of descent and distribution.

Amendment and Termination; Exchange Program. Our board of directors may amend the Equity Incentive Plan at any time, subject to shareholder approval as may be required. The Equity Incentive Plan will terminate 10 years from the date the JAWS Spitfire board of directors adopted the Equity Incentive Plan, unless it is terminated earlier by our board of directors. No termination or amendment of the Equity Incentive Plan may adversely affect any then-outstanding award without the consent of the affected participant, except as is necessary to comply with applicable laws. Subject to the foregoing, the compensation committee may at any time increase or decrease the exercise price applicable to outstanding options or SARs or pay cash or issue new awards in exchange for the surrender and cancellation of any, or all, outstanding awards.

2021 Employee Stock Purchase Plan

The ESPP was adopted by the JAWS Spitfire board of directors prior to the Closing, subject to shareholder approval, was approved by the JAWS Spitfire shareholders prior to the Closing and became effective as of the day immediately prior to the Closing Date, in order to enable eligible employees to purchase shares of our common stock at a discount with accumulated payroll deductions. The ESPP is intended to qualify under Section 423 of the Code; however, the ESPP authorizes the grant of options under certain circumstances that are not intended to meet the Section 423 requirements.

Summary of the Material Provisions of the ESPP

The following is a description of the material terms of the ESPP. The summary below does not contain a complete description of all provisions of the ESPP and is qualified in its entirety by reference to the ESPP, a copy of which is included as an exhibit to the registration statement to which this prospectus forms a part.

Share Reserve. We have initially reserved 3,663,277 shares of our common stock for sale under the ESPP (the "Initial Share Reserve"). The aggregate number of shares reserved for sale under the ESPP will increase automatically on January 1 of each fiscal year following the fiscal year that contains the first Offering Date (as defined in the ESPP) by (a) the number of shares equal to the lesser of 1% of the total number of shares of all classes of our common stock issued and outstanding on each December 31 immediately prior to the date of increase or (b) a lower number of shares, as may be determined by our board of directors or compensation committee in any particular year. The aggregate number of shares issued over the term of the ESPP, subject to adjustment due to stocksplits, recapitalizations or similar events, may not exceed 10,989,831 shares of common stock (the "*Aggregate Limit*").

Administration. Our compensation committee administers the ESPP subject to the terms and conditions of the ESPP. Among other things, the compensation committee has the authority to determine eligibility for participation in the ESPP, designate separate offerings under the ESPP, and construe, interpret and apply the terms of the ESPP.

Eligibility. Employees eligible to participate in any offering pursuant to the ESPP generally include any employee who is employed by us at the beginning of the offering period. There were approximately 144 employees who were eligible to participate in the ESPP. While our employees generally are eligible to participate in the ESPP, our compensation committee may, in its discretion, elect to exclude employees who do not meet eligibility criteria chosen by the compensation committee. In addition, employees who are 5% stockholders, or would become 5% stockholders as a result of their participation in the ESPP, are ineligible to participate in the ESPP. We may impose additional restrictions on eligibility within the limits permitted by the Code.

Offering Periods; Enrollment. Under the ESPP, eligible employees will be offered the option to purchase shares of our common stock at a discount over a series of offering periods. Each offering period may itself consist of one or more purchase periods. No offering period may be longer than 27 months, and each offering period will be determined by our compensation committee. When the first offering period commences, our employees who meet the eligibility requirements for participation in that offering period will be eligible to enroll. For subsequent offering periods, new participants will be required to enroll in a timely manner. Once an employee is enrolled, participation will be automatic in subsequent offering periods. An employee's participation automatically ends upon a termination of employment for any reason.

Offerings; Payroll Deductions; Limitations. Under the ESPP, eligible employees will be offered the option to purchase shares of our common stock at a discount over a series of offering periods by accumulating funds through payroll deductions of between 1% and 15% of their compensation, which refers to base salary or regular hourly wages, provided that the compensation committee has the discretion to amend the definition of "compensation." The purchase price for shares of our common stock purchased under the ESPP will be 85% of the lesser of the fair market value of our common stock on (i) the first trading day of the applicable offering period and (ii) the date of purchase. However, no participant may purchase more than 1,000 shares on any one purchase date. Our compensation committee, in its discretion, may set a lower maximum number of shares which may be purchased. In addition, no participant will have the right to purchase our shares in an amount, when aggregated with purchase rights under all our employee stock purchase plans that are also in effect in the same calendar year, that has a fair market value of more than $25,000, determined as of the first day of the applicable offering period, for each calendar year in which that right is outstanding.

Adjustments upon Recapitalization. If the number of outstanding shares of our common stock is changed by stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification, or similar change in our capital structure without consideration, then our compensation committee will proportionately adjust the number and class of common stock that is available under the ESPP, the purchase price and number of shares any participant has elected to purchase and the maximum number of shares that may be purchased by participants.

Corporate Transaction. If we experience a "corporate transaction" (which includes a merger, consolidation or sale of substantially all of our assets), then any offering period for each outstanding right to purchase common stock will be shortened by setting a new purchase date and will end on the new purchase date. The new purchase date shall occur on or prior to the consummation of the corporate transaction, as determined by the committee, and the ESPP shall terminate on the consummation of the corporate transaction.

Transferability. No participant may assign, transfer, pledge, or otherwise dispose of payroll deductions credited to his or her account, or any rights with regard to an election to purchase shares pursuant to the ESPP, other than by will or the laws of descent or distribution.

Amendment; Termination. The compensation committee may amend, suspend, or terminate the ESPP at any time without stockholder consent, except as required by law. The ESPP became effective as of the day immediately prior to the Closing Date and will continue until the earliest to occur of (i) termination of the ESPP by the board of directors, (ii) issuance of all of the shares reserved for issuance under the ESPP, or (iii) the tenth anniversary of the effective date of the ESPP.

PRINCIPAL SECURITYHOLDERS

The following table sets forth information known to us regarding the beneficial ownership of our common stock, as of March 21, 2022, by:

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

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security. Under those rules, beneficial ownership includes securities that the individual or entity has the right to acquire, such as through the exercise of warrants or stock options or the vesting of restricted stock units, within 60 days of March 21, 2022. Shares subject to warrants or options that are currently exercisable or exercisable within 60 days of the March 21, 2022 or subject to restricted stock units that vest within 60 days of the March 21, 2022 are considered outstanding and beneficially owned by the person holding such warrants, options or restricted stock units for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Except as noted by footnote, and subject to community property laws where applicable, based on the information provided to us, we believe that the persons and entities named in the table below have sole voting and investment power with respect to all shares shown as beneficially owned by them.

Beneficial Ownership Table

Name of Beneficial Owners	Number of Shares of Common Stock Beneficially Owned	Percentage of Outstanding Common Stock
5% Stockholders:		
Entities affiliated with Bessemer Venture Partners[1]	37,864,239	20.6%
Khosla Ventures V, L.P.[2]	30,350,745	16.5%
Playground Ventures, L.P.[3]	27,079,146	14.8%
PIV Fund I, L.P.[4]	22,874,407	12.5%
Directors and Named Executive Officers:		
Benyamin Buller[5]	7,590,130	4.1%
William McCombe[6]	1,000,055	*
Renette Youssef[7]	452,253	*
Carl Bass[8]	294,359	*
Michael Idelchik	—	—
Stefan Krause[9]	308,287	*
Ellen Pawlikowski	—	—
Ellen Smith	—	—
Gabrielle Toledano	—	—
Matthew Walters	—	—
Directors and executive officers as a group (10 individuals)	**9,645,084**	**5.2%**

* Less than one percent.

(1) Consists of (i) 21,022,266 shares of our common stock held by Bessemer Venture Partners IX L.P., or Bessemer IX and (ii) 16,842,013 shares of our common stock held by Bessemer Venture Partners IX Institutional L.P., or Bessemer Institutional, and together with Bessemer IX, the Bessemer Entities. Deer IX & Co. L.P., or Deer IX L.P., is the general partner of the Bessemer Entities. Deer IX & Co. Ltd., or Deer IX Ltd., is the general partner of Deer IX L.P. Robert P. Goodman, David Cowan, Jeremy Levine, Byron Deeter, Robert M. Stavis and Adam Fisher are the directors of Deer IX Ltd. and hold the voting and dispositive power for the Bessemer Entities. Investment and voting

decisions with respect to the shares held by the Bessemer Entities are made by the directors of Deer IX Ltd. acting as an investment committee. Mr. Cowan disclaims beneficial ownership interest of the shares of our common stock held by the Bessemer Entities except to the extent of his pecuniary interest, if any, in such shares through an indirect interest in the Bessemer Entities. The address for the Bessemer Entities is c/o Bessemer Venture Partners, 1865 Palmer Avenue, Suite 104, Larchmont, New York 10538.

(2) Represents the 19,069 shares of common stock held by Khosla Ventures Seed B (CF), L.P., the 335,972 shares of common stock held by Khosla Ventures Seed B, L.P., and the 29,995,704 shares of common stock held by Khosla Ventures V, L.P. The general partner of Khosla Ventures Seed B, L.P. ("*Seed B*") and Khosla Ventures Seed B (CF), L.P. (" *Seed B CF*") is Khosla Ventures Seed Associates B, LLC ("*KVSA B*"). The general partner of Khosla Ventures V, L.P. (" *KV V*") is Khosla Ventures Associates V, LLC (" *KVA V*"). Vinod Khosla is the managing member of VK Services, LLC (" *VK Services*"), which is the manager of KVSA B and KVA V. Each of KVSA B, KVA V, VK Services and Vinod Khosla may be deemed to possess voting and investment control over such securities held by Seed B, Seed B CF and KV V, and each of KVSA B, KVA V, VK Services and Vinod Khosla may be deemed to have indirect beneficial ownership of such securities held by Seed B, Seed B CF and KV V. Each Reporting Person disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein.

(3) The shares are held by Playground Ventures, L.P. and Playground Ventures GP, LLC serves as its sole general partner. The managing members of Playground Ventures GP, LLC include four individuals (not including Jory Bell) and Playground Global, LLC. There are five managers of Playground Global, LLC, including Mr. Bell. Mr. Bell disclaims beneficial ownership of the shares of common stock held by Playground Ventures except to the extent of his pecuniary interest, if any, in such shares.

(4) Consists of 22,874,407 shares of common stock held directly by PIV Fund I, L.P. (" *PIV Fund I*"). PIV GP, L.L.C. ("*PIV GP*") is the general partner of PIV Fund I. Ricardo Angel is the sole managing member of PIV GP and Mr. Angel and Mark Stout Gudiksen are the managing partners of Piva Capital Inc., the management company of PIV Fund I, and, therefore, Messrs. Angel and Gudiksen may be deemed to share voting and investment power over the shares held by PIV Fund I.

(5) Represents (i) 4,889,598 shares of common stock and (ii) 2,700,532 shares of common stock subject to options exercisable within 60 days of the March 21, 2022.

(6) Represents 1,000,055 shares of common stock subject to options that are exercisable within 60 days of the March 21, 2022.

(7) Represents 452,253 shares of common stock subject to options that are exercisable within 60 days of the March 21, 2022.

(8) Represents 294,359 shares of common stock subject to options that are exercisable within 60 days of the March 21, 2022.

(9) Represents 308,287 shares of common stock subject to options that are exercisable within 60 days of the March 21, 2022.

SELLING SECURITYHOLDERS

The Selling Securityholders may offer and sell, from time to time, any or all of the shares of common stock or warrants being offered for resale by this prospectus, which consists of:

- up to 7,381,428 PIPE Shares;
- up to 8,625,000 Founder Shares;
- up to 140,572,508 shares of common stock issued or issuable to the Legacy Velo3D equity holders in connection with or as a result of the consummation of the Merger, consisting of:
  - up to 123,058,076 shares of common stock ("*Legacy Velo3D Holder Shares*");
  - up to 1,902,945 shares of common stock issuable upon the exercise certain options ("*Legacy Velo3D Option Shares*"); and
  - up to 15,611,487 Earnout Shares
- up to 4,450,000 shares of common stock issuable upon the exercise of private placement warrants;
- up to 4,450,000 Private Placement Warrants;

The term "*Selling Securityholders*" includes the securityholders listed in the tables below and their permitted transferees and others who later come to hold any of the selling securityholders' interest in the shares of common stock or warrants in accordance with the terms of the applicable agreements governing their respective registration rights, other than through public sale.

The following tables provide, as of March 15, 2022, information regarding the beneficial ownership of our common stock and warrants of each Selling Securityholder, the number of shares of common stock and number of warrants that may be sold by each Selling Securityholder under this prospectus and that each Selling Securityholder will beneficially own after this offering.

Because each Selling Securityholder may dispose of all, none or some portion of their securities, no estimate can be given as to the number of securities that will be beneficially owned by a Selling Securityholder upon termination of this offering. For purposes of the tables below, however, we have assumed that after termination of this offering none of the securities covered by this prospectus will be beneficially owned by the Selling Securityholders and further assumed that the Selling Securityholders will not acquire beneficial ownership of any additional securities during the offering. In addition, the Selling Securityholders may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time and from time to time, our securities in transactions exempt from the registration requirements of the Securities Act after the date on which the information in the tables is presented.

We may amend or supplement this prospectus from time to time in the future to update or change this Selling Securityholders list and the securities that may be resold.

Please see the section titled "*Plan of Distribution*" for further information regarding the Selling Securityholders' method of distributing these shares.

Name	Shares of Common Stock Number Beneficially Owned Prior to Offering(1)	Number Registered for Sale Hereby	Number Beneficially Owned After Offering	Percent Owned After Offering(2)
Andrew Appelbaum(3)	25,000	25,000	—	—
Benyamin Buller(4)	8,129,423	8,129,423	—	—
Entities affiliated with Baron(5)	7,021,507	3,881,728	3,139,779	*
Entities affiliated with Bessemer Venture Partners(6)	41,491,038	41,491,038	—	—
Entities affiliated with Khosla Ventures(7)	34,375,037	34,375,037	—	—
Entities affiliated with William H. Stimpson(8)	500,000	500,000	—	—
Hedosophia Public Investments Limited(9)	3,000,000	3,000,000	—	—
Mark Vallely(10)	25,000	25,000	—	—
PIV Fund I, L.P.(11)	25,907,379	25,907,379	—	—
Playground Ventures, L.P.(12)	30,669,631	30,669,631	—	—
Serena J. Williams(13)	25,000	25,000	—	—
Barry S. Sternlicht(14)	6,761,336	6,761,336		
The other members of Spitfire Sponsor LLC (62 individuals)(14)	6,238,664	6,238,664	—	—

Name	Warrants to Purchase Common Stock Number Beneficially Owned Prior to Offering(1)	Number Registered for Sale Hereby	Number Beneficially Owned After Offering	Percent Owned After Offering(2)
Barry Sternlicht(14)	3,519,058	3,519,058	—	—
The other members of Spitfire Sponsor LLC (62 individuals)(14)	930,942	930,942	—	—

* Less than 1%

(1) The first table includes shares of our common stock, PIPE Shares, Founder Shares, Legacy Velo3D Holder Shares, Legacy Velo3D Holder Option Shares, Earnout Shares (includes both shares beneficially owned as determined in accordance with Rule 13d-3 of the Exchange Act and shares which the holder has a contingent right to receive), and shares of common stock issuable upon exercise of the private placement warrants that may be offered by the Selling Securityholders, and the second table includes the private placement warrants that may be offered by the Selling Security Holders (collectively, the "*Resale Securities*"). We do not know when or in what amounts the Selling Securityholders will offer the Resale Securities for sale, if at all.

(2) The percentage of shares to be beneficially owned after completion of the offering is calculated on the basis of 183,529,265 shares of common stock outstanding, assuming the issuance of all Earnout Shares, and the sale of all Resale Securities by the selling securityholders.

(3) Shares registered for sale hereby consist of 25,000 Founder Shares.

(4) Shares registered for sale hereby offered consist of 4,889,598 Legacy Velo3D Holder Shares, 1,902,945 Velo3D Holder Option Shares and 1,336,880 Earnout Shares. Mr. Buller serves as the Chief Executive Officer and as a director of the Company.

(5) Shares registered for sale hereby consist of 3,303,044 PIPE Shares held by Baron Growth Fund ("*Baron Growth*"), 355,472 PIPE Shares held by LVIP Baron Growth Opportunities Fund (" *LVIP Baron*") and 223,212 PIPE Shares held by VY Baron Growth Portfolio ("*VY Baron*"). Mr. Ronald Baron has voting and/or investment control over the shares held by Baron Discovery, Baron Focused Growth and Baron Growth. Mr. Baron disclaims beneficial ownership of the shares held by Baron Discovery and Baron Growth. BAMCO, Inc., as the subadviser to LVIP Baron and VY Baron, has voting and investment control over the shares held by LVIP Baron and VY Baron. As the principal of BAMCO, Inc., Mr. Baron may additionally be deemed to have beneficial ownership of the shares held by LVIP Baron and VY Baron. The address for Baron Discovery, Baron Growth and BAMCO, Inc is 767 Fifth Avenue, 49th Floor, New York, NY 10153.

(6) Shares registered for sale hereby consist of (i) 16,841,999 Legacy Velo3D Holder Shares held by and 2,233,130 Earnout Shares that may be issued to Bessemer Venture Partners IX Institutional L.P. ("*Bessemer Institutional*") and (ii) 21,022,210 Legacy Velo3D Holder Shares held by and 1,393,699 Earnout Shares that may be issued to Bessemer Venture Partners IX L.P. (" *Bessemer IX*") (together, the "*Bessemer Entities*"). Deer IX & Co. L.P., (" *Deer IX L.P.*"), is the general partner of the Bessemer Entities. Deer IX & Co. Ltd. (" *Deer IX Ltd*."), is the general partner of Deer IX L.P. Robert P. Goodman, David Cowan, Jeremy Levine, Byron Deeter, Robert M. Stavis and Adam Fisher are the directors of Deer IX Ltd. and hold the voting and dispositive power for the Bessemer Entities. Investment and voting decisions with respect to the shares held by the Bessemer Entities are made by the directors of Deer IX Ltd. acting as an investment committee. Mr. Cowan disclaims beneficial ownership interest of the Legacy Velo3D Holder Shares held by and Earnout Shares that may be issued to the Bessemer Entities except to the extent of his pecuniary interest, if any, in such shares through an indirect interest in the Bessemer Entities. The address for the Bessemer Entities is c/o Bessemer Venture Partners, 1865 Palmer Avenue, Suite 104, Larchmont, New York 10538.

(7) Shares registered for sale hereby consist of 19,069 Legacy Velo3D Holder Shares held by and 2,528 Earnout Shares that may be issued to Khosla Ventures Seed B (CF), L.P. (" *Seed B CF*"), 335,972 Legacy Velo3D Holder Shares held by and 44,546 Earnout Shares that may be issued to Khosla Ventures Seed B, L.P. ("*Seed B*") and 29,995,704 Legacy Velo3D Holder Shares held by and 3,977,218 Earnout Shares that may be issued to Khosla Ventures V, L.P. ("*KV V*"). Khosla Ventures Seed Associates B, LLC ("*KVSA B*") is the general partner of Seed B and Seed B CF. Khosla Ventures Associates V, LLC ("*KVA V*") is the general partner of KV V. Vinod Khosla is the managing member of VK Services, LLC (" *VK Services*"), which is the sole manager of KVSA B and KVA V. Each of KVSA B, VK Services and Vinod Khosla may be deemed to possess voting and investment control over such securities held by Seed B and Seed B CF, and each of KVSA B, VK Services and Vinod Khosla may be deemed to have indirect beneficial ownership of such securities held by Seed B and Seed B CF. Each of KVA V, VK Services and Vinod Khosla may be deemed to possess voting and investment control over such securities held by KV V, and each of KVA V, VK Services and Vinod Khosla may be deemed to have indirect beneficial ownership of such securities held by KV V. Each of KVSA B, KVA V, VK Services and Vinod Khosla disclaims beneficial ownership of such shares except to the extent of his or its respective pecuniary interests therein. The business address of each of the foregoing entities is 2128 Sand Hill Road, Menlo Park, CA 94025.

(8) Shares registered for sale hereby consist of 376,406 PIPE Shares held by Bienville Global Opportunities Fund, LP and 123,594 PIPE Shares held by Bienville FF Master Fund, LP. The general partner for Bienville Global Opportunities Fund, LP is BGOF GP, LLC. The general partner for Bienville FF Master Fund, LP is BFF GP, LLC. William H. Stimpson, II is the managing member of both BGOF GP, LLC and BFF GP, LLC.

(9) Shares registered for sale hereby consist of 3,000,000 PIPE Shares. The board of directors of Hedosophia Public Investments Limited comprises Ian Osborne, Iain Stokes, Rob King and Trina Le Noury and each director has shared voting and dispositive power with respect to the securities held by Hedosophia Public Investments Limited. Each of them disclaims beneficial ownership of the securities held by Hedosophia Public Investments Limited. The address of Hedosophia Public Investments Limited is Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL.

(10) Shares registered for sale hereby consist of 25,000 Founder Shares.

(11) Shares registered for sale hereby consist of 22,874,395 Legacy Velo3D Holder Shares and 3,032,984 Earnout Shares. PIV GP, L.L.C. is the general partner of PIV Fund I, L.P. Ricardo Angel is the sole managing member of PIV GP, L.L.C. and Mr. Angel and Mark Stout Gudiksen are the managing partners of Piva Capital, Inc., the management company of PIV Fund I, L.P, and therefore Messrs. Angel and Gudiksen may be deemed to share voting and investment power over the shares held by PIV Fund I, L.P.

(12) Shares registered for sale hereby consist of 27,079,129 Legacy Velo3D Holder Shares and 3,590,502 Earnout Shares. The shares are held by Playground Ventures, L.P. and Playground Ventures GP, LLC serves as its sole general partner. The managing members of Playground Ventures GP, LLC include four individuals (not including Jory Bell) and Playground Global, LLC. There are five managers of Playground Global, LLC, including Mr. Bell. Jory Bell. Mr. Bell disclaims beneficial ownership of the shares of common stock held by Playground Ventures except to the extent of his pecuniary interest, if any, in such shares.

(13) Shares registered for sale hereby consist of 25,000 Founder Shares.

(14) For purposes of the first table, shares registered for sale hereby consist of 3,242,278 Founder Shares held by Barry S. Sternlicht and 5,307,722 Founder Shares held by the other members of the Sponsor (each a "*Member*" and together the "*Members*"), and 3,519,058 shares issuable upon exercise of the private placement warrants held by Mr. Sternlicht and 930,942 shares issuable upon exercise of the private placement warrants held by the other Members. For purposes of the second table, warrants for sale hereby consist of 3,519,058 private placement warrants held by Mr. Sternlicht and 930,942 private placement warrants held by the other Members. The first table assumes the exercise in full of the private placement warrants held by Mr. Sternlicht and the other Members, and the second table assumes no exercise of the private placement warrants held by Mr. Sternlicht and the other Members. Mr. Sternlicht and the other Members are the record holders of the securities reported herein. Prior to the consummation of the Merger, Mr. Sternlicht was chairman of the board of directors of JAWS Spitfire. In addition, Matthew Walters, a member of our board of directors is a Member of the Sponsor. Each of the Members (other than Mr. Sternlicht) holds less than 1% of our common stock and less than 1% of our warrants.

For information regarding certain related party transactions involving certain of the Selling Securityholders, see '*Certain Relationships and Related Party Transactions*" in this prospectus.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Certain Relationships and Related Person Transactions — Legacy Velo3D

Series D Convertible Preferred Stock Financing

From April 2020 through June 2020, Legacy Velo3D sold an aggregate of 94,222,735 shares of its Series D convertible preferred stock at a purchase price of approximately $0.37534 per share for an aggregate purchase price of approximately $35.4 million.

The following table summarizes the Series D convertible preferred stock purchased by related persons and their affiliated entities:

Name of Stockholder	Shares of Series D Convertible Preferred Stock	Cash Purchase Price ($)	Cancellation of Indebtedness ($)	Total Purchase Price ($)
Entities affiliated with Bessemer Venture Partners(1)	20,779,365	$ 7,799,327	—	$ 7,799,327
Entities affiliated with Khosla Ventures(2)	15,985,506	$ 6,000,000	—	$ 6,000,000
PIV Fund I, L.P.(3)	26,748,870	$ 4,585,263	$ 5,454,658	$ 10,039,921
Playground Ventures, L.P.(4)	12,467,615	$ 4,679,595	—	$ 4,679,595

(1) Consists of shares purchased by Bessemer Venture Partners IX L.P. and Bessemer Ventures Partners IX Institutional L.P., the entities affiliated with Bessemer Venture Partners, whose shares are aggregated for purposes of reporting share ownership. These entities collectively beneficially hold more than 5% of our outstanding capital stock. David Cowan, a former member of the Board and the Legacy Velo3D board of directors, is a Partner at Bessemer Venture Partners.

(2) Consists of shares purchased by Khosla Ventures V, LP, which together with its affiliates holds more than 5% of our outstanding capital stock. Sven Strohband, a former member of the Board and the Legacy Velo3D board of directors, is a managing director of Khosla Ventures.

(3) PIV Fund I, L.P. holds more than 5% of our outstanding capital stock. Ricardo Angel, a former member of the Board and the Legacy Velo3D board of directors, is the chief executive officer and managing director of Piva Capital.

(4) Playground Ventures, L.P. holds more than 5% of our outstanding capital stock. Jory Bell, former a member of the Board and the Legacy Velo3D board of directors, is general partner of Playground Global.

In connection with the Series D convertible preferred stock financing, Legacy Velo3D also issued a convertible promissory note to PIV Fund I, L.P. for the principal amount of $5.4 million. This note was converted into shares of our Series D convertible preferred stock upon the receipt of regulatory approvals related to the Series D convertible preferred stock financing.

Series C Convertible Preferred Stock Financing

From February 2018 through April 2019, Legacy Velo3D sold an aggregate of 8,399,058 shares of its Series C convertible preferred stock at a purchase price of approximately $5.52438 per share for an aggregate purchase price of approximately $46.4 million. In certain cases, investors also received additional shares of Legacy Velo3D common stock in connection with their investment.

The following table summarizes the Series C convertible preferred stock purchased by related persons and their affiliated entities:

Name of Stockholder	Shares of Series C Convertible Preferred Stock	Shares of Common Stock	Total Purchase Price ($)
Entities affiliated with Bessemer Venture Partners(1)	3,088,222	4,964,375	$ 17,060,512
Entities affiliated with Khosla Ventures(2)	2,063,503	—	$ 12,999,999
Playground Ventures, L.P.(3)	3,168,534	4,005,855	$ 17,504,186

(1) Consists of shares purchased by Bessemer Venture Partners IX L.P. and Bessemer Ventures Partners IX Institutional L.P., the entities affiliated with Bessemer Venture Partners, whose shares are aggregated for purposes of reporting share ownership. These entities collectively beneficially hold more than 5% of our outstanding capital stock. David Cowan, a former member of the Board and the Legacy Velo3D board of directors, is a Partner at Bessemer Venture Partners.
(2) Consists of shares purchased by Khosla Ventures V, LP, which together with its affiliates holds more than 5% of our outstanding capital stock. Sven Strohband, a former member of the Board and the Legacy Velo3D board of directors, is a managing director of Khosla Ventures.
(3) Playground Ventures, L.P. holds more than 5% of our outstanding capital stock. Jory Bell, a former member of the Board and the Legacy Velo3D board of directors, is general partner of Playground Global.

Convertible Debt Transaction

On May 7, 2021, certain of Legacy Velo3D's affiliates entered into a secondary transaction with an existing stockholder, pursuant to which entities affiliated with Bessemer Venture Partners, Khosla Ventures, PIVA and Playground Global purchased an outstanding convertible note for the principal amount of $5,000,000. The note was unsecured, subordinated to Legacy Velo3D's senior indebtedness, including the Second Amended and Restated Loan and Security Agreement between Legacy Velo3D and Silicon Valley Bank, dated as of December 17, 2020, bore interest at the one-year LIBOR rate in effect as of the original issuance date plus 1% per annum and was payable in full 24 months from the original issuance date. The convertible note converted into Legacy Velo3D stock immediately prior to the consummation of the Merger.

Investors' Rights Agreement

Prior to the Merger, Legacy Velo3D was party to the Amended and Restated Investors' Rights Agreement, dated April 13, 2020 (the "IRA"), with certain holders of its convertible preferred stock, including entities with which certain of Legacy Velo3D's directors were affiliated and holders of more than 5% Legacy Velo3D's outstanding capital stock. Pursuant to the IRA, these stockholders were entitled to certain information rights, rights to participate in certain additional issuances of Legacy Velo3D's capital stock and rights with respect to the registration of their shares. This agreement terminated in connection with the closing of the Merger.

Voting Agreement

Prior to the Merger, Legacy Velo3D was party to the Amended and Restated Voting Agreement, dated April 13, 2020, with certain holders of its convertible preferred stock, including entities with which certain of Legacy Velo3D's directors were affiliated and holders of more than 5% Legacy Velo3D's outstanding capital stock, pursuant to which such parties had agreed to vote their shares of Legacy Velo3D capital stock on certain matters, including with respect to the election of directors, and had agreed to certain drag-along provisions. This agreement terminated in connection with the closing of the Merger.

Right of First Refusal and Co-Sale Agreement

Prior to the Merger, Legacy Velo3D was party to the Amended and Restated Right of First Refusal and Co-Sale Agreement, dated April 13, 2020, with certain holders of its convertible preferred stock, including entities with which certain of Legacy Velo3D's directors were affiliated and holders of more than 5% Legacy Velo3D's outstanding capital stock, pursuant to which such parties had rights of first refusal and co-sale with respect to certain proposed stock transfers. This agreement terminated in connection with the closing of the Merger.

Employment Arrangements with Immediate Family Members of Our Executive Officers and Directors

On October 26, 2021, Ronit Buller, wife of Mr. Buller, our Founder, Chief Executive Officer and Director, commenced employment at the Company. As Vice President of Intellectual Property, Ms. Buller oversees all aspects of our intellectual property strategy. During the year ended December 31, 2021, Ms. Buller received total cash compensation of $37,865. Ms. Buller's base salary is $270,000. In connection with Ms. Buller's employment, she was granted on December 20, 2021, 81,149 RSUs, with 25% of the total number of shares vesting on the one-year anniversary of vesting commencement date, and 1/12th of the total number of shares vesting each quarter thereafter.

The compensation levels of Ms. Buller was based on reference to internal pay equity when compared to the compensation paid to employees in similar positions that were not related to our executive officers and directors.

She was also eligible for equity awards on the same general terms and conditions as applicable to other employees in similar positions who were not related to our executive officers and directors.

Certain Relationships and Related Person Transactions — JAWS Spitfire

Class B Ordinary Shares

On September 14, 2020, the Sponsor paid $25,000 to cover certain offering costs of JAWS Spitfire in consideration of 7,187,500 Class B ordinary shares. In November 2020, the Sponsor transferred 25,000 Class B ordinary shares to Andy Appelbaum and Mark Vallely, and 25,000 Class B ordinary shares were transferred to Ms. Williams in December 2020. On December 2, 2020, JAWS Spitfire effected a share dividend resulting in the holders of the Class B ordinary shares holding an aggregate of 8,625,000 Class B ordinary shares. Of the 8,625,000 Class B ordinary shares outstanding as of June 30, 2021, the Sponsor owned an aggregate of 8,550,000 Class B ordinary shares and Andy Appelbaum, Mark Vallely and Serena Williams owned an aggregate of 75,000 Class B ordinary shares. The Class B ordinary shares automatically converted into shares of common stock at the Closing, on a one-for-one basis.

The holders of the Class B ordinary shares agreed not to transfer, assign or sell any of their Class B ordinary shares until one year after the Merger. Any permitted transferees will be subject to the same restrictions and other agreements of the holders of the Class B ordinary shares with respect to any Class B ordinary shares. Notwithstanding the foregoing, if the closing price of our common stock equals or exceeds $12.00 per share (as adjusted for share splits, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Merger, the Founders Shares will be released from the lock-up restrictions.

Private Placement Warrants

Simultaneously with the closing of the IPO, JAWS Spitfire consummated the private placement of 4,450,000 private placement warrants at a price of $2.00 per warrant to the Sponsor, generating gross proceeds of $8.9 million. Each private placement warrant is exercisable for one share of common stock at a price of $11.50 per share. A portion of the proceeds from the sale of the private placement warrants were added to the proceeds from the IPO to be held in the Trust Account. The private placement warrants are non-redeemable and exercisable on a cashless basis so long as they are held by the Sponsor or its permitted transferees.

Related Party Loan

The Sponsor had agreed to loan JAWS Spitfire up to $300,000 (the "*Note*") to be used for the payment of costs related to the IPO. The Note was non interest bearing, unsecured and was due on the earlier of December 31, 2020 and the closing of the IPO. JAWS Spitfire had borrowed $267,768 under the Note, which was fully repaid upon the closing of the IPO on December 7, 2020.

Administrative Services Agreement

JAWS Spitfire agreed, commencing on the effective date of the IPO through the Closing to pay an affiliate of the Sponsor a monthly fee of $10,000 for office space, and secretarial and administrative services. For the six months ended June 30, 2021 and the period ended September 11, 2020 through December 31, 2020, JAWS Spitfire incurred and paid $60,000 and $10,000, respectively, in fees for these services.

JAWS Spitfire Registration Rights Agreement

Pursuant to a registration rights agreement entered into on December 2, 2020 (the "*Original Registration Rights Agreement*"), the holders of the Class B ordinary shares and private placement warrants and were entitled to certain demand and "piggy-back" registration rights. In connection with the Merger, the Original Registration Rights Agreement will terminate upon the execution of the Amended and Restated Registration Rights Agreement.

Related Party Transactions Entered into in Connection with the Merger

Amended and Restated Registration Rights Agreement

On the Closing Date, we and certain holders of our common stock (including the Sponsor and each of Mr. Appelbaum, Mr. Vallely and Ms. Williams) entered into an amended and restated registration rights agreement (the "*Amended and Restated Registration Rights Agreement*"), which terminated and replaced the Original Registration Rights Agreement.

In particular, the Amended and Restated Registration Rights Agreement provides for the following:

- *Demand registration rights.* At any time after the RRA Lock-Up Period (as defined below), we will be required, upon the written request of certain holders of registrable securities, to file a registration statement and use commercially reasonable efforts to effect the registration of all or part of their registrable securities, including, under certain circumstances, the offering of such registrable securities in the form of an underwritten offering. We are not obligated to effect (i) more than two demand registrations or (ii) any demand registration if an effective registration statement on Form S-3 or its successor form, or, if we are ineligible to use Form S-3, a registration statement on Form S-1, for an offering to be made on a continuous basis pursuant to Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), registering the resale from time to time by the holders of all of the registrable securities then held by such holders that are not covered by an effective resale registration statement (a "Resale Shelf Registration Statement") already on file with the SEC.

- *Shelf registration rights.* No later than 30 days following the Closing Date, we will file a Resale Shelf Registration Statement registering all of the registrable securities held by certain equityholders of the Company (including the Sponsor and each of each of Mr. Appelbaum, Mr. Vallely and Ms. Williams) that are not covered by an effective registration statement. We will use commercially reasonable efforts to cause the Resale Shelf Registration Statement to be declared effective as soon as possible after filing.

- *Piggy-back registration rights.* At any time after the Closing Date, if we propose to file a registration statement to register any of its equity securities under the Securities Act or to conduct a public offering, either for our own account or for the account of any other person, subject to certain exceptions, the holders of registrable securities are entitled to include their registrable securities in such registration statement.

- *Expenses and indemnification*. All fees, costs and expenses of underwritten registrations will be borne by us and underwriting discounts and selling commissions will be borne by the holders of the shares being registered. The Amended and Restated Registration Rights Agreement will contain customary cross-indemnification provisions, under which we are obligated to indemnify holders of registrable securities in the event of material misstatements or omissions in the applicable registration statement attributable to us, and holders of registrable securities are obligated to indemnify us for material misstatements or omissions attributable to them.

- *Registrable securities.* Securities of the Company will cease to be registrable securities when (i) a registration statement with respect to the sale of such securities will have become effective under the Securities Act and such securities will have been disposed of in accordance with such registration statement, (ii) such securities will have been otherwise transferred, new certificates or book-entry positions for them not bearing a legend restricting further transfer will have been delivered by us and subsequent public distribution of them will not require registration under the Securities Act, (iii) such securities will have ceased to be outstanding, (iv) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction and (v) with respect to a holder of registrable securities, when all such securities held by such holder could be sold without restriction on volume or manner of sale in any three-month period without registration under Rule 144 promulgated under the Securities Act (or any successor rule).

- *Lock-up.* The holders of registrable securities each agreed, without the prior written consent of the Board, not to transfer certain securities during the period commencing on the Closing Date and ending on six-month anniversary thereof (the "RRA Lock-Up Period") subject to certain customary exceptions; provided that the Board may determine to end the RRA Lock-Up Period at any earlier date with respect to any registrable securities so long as such early termination applies to any registrable securities held by each holder thereof on a pro rata basis in proportion to the registrable securities then held by each such holder.

Lock-Up Agreement with Mr. Buller

On May 10, 2021, Benny Buller and JAWS Spitfire entered into a lock-up letter agreement (the "*Lock-Up Agreement*") in respect of (i) any shares of our common stock issued to Mr. Buller pursuant to the Merger or otherwise pursuant to the Business Combination Agreement, (ii) any rollover stock options ("*Options*") or restricted share units ("*RSUs*" and, together with Options, "*Equity Awards*") exchanged with or issued to Mr. Buller pursuant to the Business Combination Agreement and (iii) any shares of our common stock issued upon exercise or vesting of any Equity Awards (the "*Lock-Up Securities*"). Pursuant to the Lock-Up Agreement, Mr. Buller has agreed, without the prior written consent of the Board, not to transfer any Lock-Up Securities during the period commencing on the Closing and ending on the one-year anniversary thereof.

The restrictions described in the immediately preceding paragraph will not apply to:

- the transfer by Mr. Buller of Lock-Up Securities (i) as a bona fide gift or gifts, (ii) to an immediate family member or any trust for the direct or indirect benefit of Mr. Buller or one or more members of the immediate family of Mr. Buller, (iii) to any corporation, partnership or limited liability company, all of the shareholders, partners or members of which consist of Mr. Buller and/or one or more members of Mr. Buller's immediate family or (iv) by testate succession or intestate succession; provided that the exceptions provided in clauses (i) through (iv) will apply only if the transferee has agreed in writing to be bound by the same terms described in the Lock-Up Agreement that are applicable to Mr. Buller, to the extent and for the duration that such terms remain in effect at the time of the transfer;

- the establishment of any contract, instruction or plan (a "*Plan*") that satisfies all of the requirements of Rule 10b5-1(c)(1)(i)(B) under the Exchange Act; provided that no sales of the Lock-Up Securities will be made pursuant to such a Plan prior to the expiration of the lock-up period;

- the issuance or receipt of Lock-Up Securities upon the "net" or cashless exercise of Options, provided that the restrictions will apply to any of the Lock-Up Securities issued upon such exercise; or

- the transfer of Lock-Up Securities to us for the surrender or forfeiture of shares of our common stock to satisfy tax withholding obligations upon exercise or vesting of Equity Awards.

Indemnification Agreements

We have entered into indemnification agreements with each of our respective directors and executive officers. The indemnification agreements and the Bylaws require us to indemnify our directors to the fullest extent not prohibited by DGCL. Subject to very limited exceptions, the Bylaws will also require us to advance expenses incurred by our directors and officers.

Policies and Procedures for Related Party Transactions

We adopted a written related party transaction policy effective upon the closing of the Merger. The policy provides that officers, directors, holders of more than 5% of any class of our voting securities, and any member of the immediate family of and any entity affiliated with any of the foregoing persons, will not be permitted to enter into a related-party transaction with us without the prior consent of our audit committee, or other independent members of our board of directors in the event it is inappropriate for the audit committee to review such transaction due to a conflict of interest. Any request for us to enter into a transaction with an executive officer, director, principal stockholder, or any of their immediate family members or affiliates, in which the amount involved exceeds $120,000, must first be presented to our audit committee for review, consideration, and approval. In approving or rejecting the proposed transactions, our audit committee will take into account all of the relevant facts and circumstances available.

Apart from the employment of Ms. Buller, all of the transactions described in this section were entered into prior to the adoption of this policy.

DESCRIPTION OF SECURITIES

The following summary of the material terms of our securities is not intended to be a complete summary of the rights and preferences of such securities, and is qualified by reference to our restated certificate of incorporation (the "Certificate of Incorporation"), our restated bylaws (the "Bylaws"), the Amended and Restated Registration Rights Agreements and the Warrant Agreement, which are exhibits to the registration statement of which this prospectus is a part. We urge to you read each of the Certificate of Incorporation, the Bylaws, the Registration Rights Agreement and the Warrant Agreement in their entirety for a complete description of the rights and preferences of our securities

Authorized Capitalization

General

The total amount of our authorized share capital consists of 500,000,000 shares of common stock and 10,000,000 shares of preferred stock. As of March 21, 2022, we had 183,557,946 shares of common stock outstanding held of record by 91 holders and no shares of preferred stock outstanding.

Common Stock

Voting rights. Each holder of common stock is entitled to one (1) vote for each share of common stock held of record by such holder on all matters voted upon by our stockholders; provided, however, that, except as otherwise required in the Certificate of Incorporation or by applicable law, the holders of common stock are not entitled to vote on any amendment to our Certificate of Incorporation that relates solely to the terms of one or more outstanding series of preferred stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to our Certificate of Incorporation (including any certificate of designation relating to any series of preferred stock) or pursuant to the DGCL.

Dividend rights. Subject to any other provisions of the Certificate of Incorporation, as it may be amended from time to time, holders of shares of common stock are entitled to receive ratably, in proportion to the number of shares of common stock held by them, such dividends and other distributions in cash, stock or property of our company when, as and if declared thereon by the Board from time to time out of assets or funds of our company legally available therefor.

Rights upon liquidation. Subject to the rights of holders of preferred stock, if any, in the event of any liquidation, dissolution or winding-up of our affairs, whether voluntary or involuntary, after payment or provision for payment of our debts and any other payments required by law and amounts payable upon shares of preferred stock ranking senior to the shares of common stock upon such dissolution, liquidation or winding-up, if any, our remaining net assets will be distributed to the holders of shares of common stock and the holders of shares of any other class or series ranking equally with the shares of common stock upon such dissolution, liquidation or winding-up, equally on a per-share basis.

Other rights. No holder of shares of common stock is entitled to preemptive or subscription rights contained in the Certificate of Incorporation or in the Bylaws. There are no redemption or sinking fund provisions applicable to common stock. The rights, preferences and privileges of holders of common stock will be subject to those of the holders of any shares of preferred stock that we may issue in the future.

Preferred Stock

The Board has the authority to issue shares of preferred stock from time to time on terms it may determine, to divide shares of preferred stock into one or more series and to fix the designations, preferences, privileges, and restrictions of preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference, sinking fund terms, and the number of shares constituting any series or the designation of any series to the fullest extent permitted by the DGCL. The issuance of preferred stock could have the effect of decreasing the trading price of common stock, restricting dividends on our capital stock, diluting the voting power of the common stock, impairing the liquidation rights of our capital stock, or delaying or preventing a change in control of our company.

Election of Directors and Vacancies

Subject to the rights of the holders of any series of preferred stock to elect additional directors under specified circumstances and the terms and conditions of the Amended and Restated Registration Rights Agreement, the number of directors of the Board shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board. The Board currently consists of nine (9) directors, which are divided into three (3) classes, designated Class I, II and III, with Class I consisting of three (3) directors, Class II consisting of three (3) directors and Class III consisting of three (3) directors.

Under the Bylaws, at all meetings of stockholders called for the election of directors, a plurality of the votes properly cast is sufficient to elect such directors to the Board.

Except as the DGCL or the Amended and Restated Registration Rights Agreement may otherwise require and subject to the rights, if any, of the holders of any series of preferred stock, in the interim between annual meetings of stockholders or special meetings of stockholders called for the election of directors and/or the removal of one or more directors and the filling of any vacancy in that connection, newly created directorships and any vacancies on the Board, including unfilled vacancies resulting from the removal of directors, may be filled only by the affirmative vote of a majority of the remaining directors then in office, although less than a quorum, or by the sole remaining director. All directors hold office until the expiration of their respective terms of office and until their successors have been elected and qualified. A director elected or appointed to fill a vacancy resulting from the death, resignation or removal of a director or a newly created directorship will serve for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until his or her successor has been elected and qualified.

Subject to the rights, if any, of any series of preferred stock, any director may be removed from office only with cause and only by the affirmative vote of the holders of not less than 2/3 of our outstanding voting stock (as defined below) then entitled to vote at an election of directors. Any such director proposed to be removed from office is entitled to advance written notice as described in the Proposed Certificate of Incorporation.

In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by us, subject, nevertheless, to the provisions of the DGCL, the Certificate of Incorporation and to any Bylaws adopted and in effect from time to time; provided, however, that no Bylaw so adopted will invalidate any prior act of the directors which would have been valid if such Bylaw had not been adopted.

Notwithstanding the foregoing provisions, any director elected pursuant to the right, if any, of the holders of preferred stock to elect additional directors under specified circumstances will serve for such term or terms and pursuant to such other provisions as specified in the relevant certificate of designations related to the preferred stock.

Quorum

The holders of a majority of the voting power of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise required by law or provided by the Certificate of Incorporation. If, however, such quorum is not present or represented at any meeting of the stockholders, the holders of a majority of the voting power present in person or represented by proxy have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting is given to each stockholder entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Anti-takeover Effects of the Certificate of Incorporation and the Bylaws

The Certificate of Incorporation and the Proposed Bylaws contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with the board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give the board of directors the power to discourage acquisitions that some stockholders may favor.

Authorized But Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of the NYSE, which would apply if and so long as the common stock (or units or warrants) remains listed on the NYSE, require stockholder approval of certain issuances equal to or exceeding 20% of the then-outstanding voting power or then-outstanding number of shares of common stock. Additional shares that may be issued in the future may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved common stock may be to enable the Board to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise and thereby protect the continuity of management and possibly deprive stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Special Meeting, Action by Written Consent and Advance Notice Requirements for Stockholder Proposals

Unless otherwise required by law, and subject to the rights, if any, of the holders of any series of preferred stock, special meetings of our stockholders, for any purpose or purposes, may be called only by the Chairperson of the Board, the Chief Executive Officer, the Lead Independent Director (as defined in the Bylaws), the President, or the Board acting pursuant to a resolution adopted by a majority of the Board and may not be called by the stockholders or any other person or persons. Such special meeting shall have, for the purposes of the Bylaws or otherwise, all the force and effect of an annual meeting. Unless otherwise required by law, written notice of a special meeting of stockholders, stating the time, place and purpose or purposes thereof, shall be given to each stockholder entitled to vote at such meeting, not less than ten (10) or more than 60 days before the date fixed for the meeting. Business transacted at any special meeting of stockholders is limited to the purposes stated in the notice.

The Bylaws also provide that unless otherwise restricted by the Certificate of Incorporation or the Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all members of the Board or of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee.

In addition, the Bylaws require advance notice procedures for stockholder proposals to be brought before an annual meeting of the stockholders, including the nomination of directors. Stockholders at an annual meeting may only consider the proposals specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors, or by a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered a timely written notice in proper form to our secretary, of the stockholder’s intention to bring such business before the meeting. These provisions might discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer’s own slate of directors or otherwise attempting to obtain control of our company. Furthermore, the DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless a corporation’s certificate of incorporation provides otherwise. The Certificate of Incorporation and the Bylaws do not provide for cumulative voting.

These provisions could have the effect of delaying until the next stockholder meeting any stockholder actions, even if they are favored by the holders of a majority of our outstanding voting securities.

Amendment to Certificate of Incorporation and Bylaws

The DGCL provides generally that the affirmative vote of a majority of the outstanding stock entitled to vote on amendments to a corporation's certificate of incorporation or bylaws is required to approve such amendment, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage.

The Certificate of Incorporation provides that the provisions therein may be amended, altered, repealed or rescinded only by the affirmative vote of the holders of at least 66-2/3% in voting power of all the then-outstanding shares of common stock entitled to vote thereon; provided, however, that if at least 66-2/3% of the entire Board have approved such amendment or repeal of any provision of the Certificate of Incorporation, then such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting as a single class.

The Bylaws may be amended or repealed (A) by the affirmative vote of a majority of the entire Board then in office (subject to any bylaw requiring the affirmative vote of a larger percentage of the members of the Board) or (B) without the approval of the Board, by the affirmative vote of the holders of 66-2/3% of our outstanding voting stock entitled to vote on such amendment or repeal, voting as a single class, provided that if 66-2/3% of the entire Board recommends that stockholders approve such amendment or repeal at such meeting of stockholders, then such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting as a single class.

Delaware Anti-Takeover Statute

Section 203 of the DGCL provides that if a person acquires 15% or more of the voting stock of a Delaware corporation, such person becomes an "interested stockholder" and may not engage in certain "Business Combinations" with the corporation for a period of three years from the time such person acquired 15% or more of the corporation's voting stock, unless:

(1) the board of directors approves the acquisition of stock or the merger transaction before the time that the person becomes an interested stockholder;

(2) the interested stockholder owns at least 85% of the outstanding voting stock of the corporation at the time the merger transaction commences (excluding voting stock owned by directors who are also officers and certain employee stock plans); or

(3) the merger transaction is approved by the board of directors and at a meeting of stockholders, not by written consent, by the affirmative vote of 2/3 of the outstanding voting stock which is not owned by the interested stockholder. A Delaware corporation may elect in its certificate of incorporation or bylaws not to be governed by this particular Delaware law.

Generally, a "Business Combination" includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an "interested stockholder" is a person who, together with that person's affiliates and associates, owns, or within the previous three years owned, 15% or more of our voting stock.

Under certain circumstances, this provision will make it more difficult for a person who would be an "interested stockholder" to effect various Business Combinations with a corporation for a three-year period. This provision may encourage companies interested in acquiring our company to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the Business Combination or the transaction which results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our board of directors and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

Limitations on Liability and Indemnification of Officers and Directors

The Certificate of Incorporation limits the liability of our directors to the fullest extent permitted by the DGCL, and the Bylaws provide that we will indemnify them to the fullest extent permitted by such law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. Under the terms of such indemnification agreements, we are required to indemnify each of our directors and officers, to the fullest extent permitted by the laws of the state of Delaware, if the basis of the indemnitee's involvement was by reason of the fact that the indemnitee is or was a director or officer of our company or any of our subsidiaries or was serving at our request in an official capacity for another entity. We must indemnify our officers and directors against all reasonable fees, expenses, charges and other costs of any type or nature whatsoever, including any and all expenses and obligations paid or incurred in connection with investigating, defending, being a witness in, participating in (including on appeal), or preparing to defend, be a witness or participate in any completed, actual, pending or threatened action, suit, claim or proceeding, whether civil, criminal, administrative or investigative, or establishing or enforcing a right to indemnification under the indemnification agreement.

Exclusive Jurisdiction of Certain Actions

The Certificate of Incorporation requires, to the fullest extent permitted by law, unless we consent in writing to the selection of an alternative forum, that derivative actions brought in the name of our company, actions against directors, officers and employees for breach of fiduciary duty, actions asserting a claim arising pursuant to any provision of the DGCL or the Certificate of Incorporation or the Bylaws, actions to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws and actions asserting a claim against us governed by the internal affairs doctrine may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers.

In addition, the Bylaws require that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States is the sole and exclusive forum for resolving any action asserting a claim arising under the Securities Act.

Warrants

Public Warrants

Each whole warrant entitles the registered holder to purchase one share of common stock at a price of $11.50 per share, subject to adjustment as discussed below, at any time commencing on the later of one year from the closing of the IPO and 30 days after the Closing, provided in each case that we have an effective registration statement under the Securities Act covering the common stock issuable upon exercise of the warrants and a current prospectus relating to them is available (or we permit holders to exercise their warrants on a cashless basis under the circumstances specified in the warrant agreement) and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of common stock. This means only a whole warrant may be exercised at a given time by a warrant holder. No fractional warrants will be issued upon separation of the units, and only whole warrants will trade. Accordingly, unless you hold at least four units, you will not be able to receive or trade a whole warrant. The warrants will expire five years after the Closing, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We will not be obligated to deliver any shares of common stock pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the common stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration, or a valid exemption from registration is available. No warrant will be exercisable and we will not be obligated to issue a share of common stock upon exercise of a warrant unless the share of common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In no event will we be required to net cash settle any warrant. In the event that a registration statement is not effective for the exercised warrants, the purchaser of a unit containing such warrant will have paid the full purchase price for the unit solely for the share of common stock underlying such unit.

We have agreed that as soon as practicable, but in no event later than 20 business days after the closing of the Merger, we will use our commercially reasonable efforts to file with the SEC a registration statement covering the shares of common stock issuable upon exercise of the warrants, and we will use our commercially reasonable efforts to cause the same to become effective within 60 business days after the closing of the Merger, and to maintain the effectiveness of such registration statement and a current prospectus relating to those shares of common stock until the warrants expire or are redeemed, as specified in the warrant agreement, provided that if our shares of common stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement. If a registration statement covering the shares of common stock issuable upon exercise of the warrants is not effective by the 60th day after the closing of the Merger, warrant holders may, until such time as there is an effective registration statement and during any period when we will have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption, but we will use our best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Redemption of Warrants When the Price Per Share of Common Stock Equals or Exceeds $18.00

Once the warrants become exercisable, we may call the warrants for redemption:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the closing price of the common stock equals or exceeds $18.00 per share (as adjusted for share splits, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which notice of the redemption is given to the warrant holder.

If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.

We have established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the warrants, each warrant holder will be entitled to exercise his, her or its warrant prior to the scheduled redemption date. However, the price of the shares of common stock may fall below the $18.00 redemption trigger price (as adjusted for share splits, share capitalizations, reorganizations, recapitalizations and the like) as well as the $11.50 (for whole shares) warrant exercise price after the redemption notice is issued.

Redemption of Warrants When the Price Per Share of Common Stock Equals or Exceeds $10.00

Commencing 90 days after the warrants become exercisable, we may redeem the outstanding warrants:

- in whole and not in part;
- at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption, provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the "fair market value" of our shares of common stock, except as otherwise described below;

- if, and only if, the closing price of the shares of our common stock equals or exceeds $10.00 per public share (as adjusted for share subdivisions, share dividends, reorganizations, reclassifications, recapitalizations and the like) on the trading day before we send the notice of redemption to the warrant holders;
- if, and only if, the private placement warrants are also concurrently called for redemption on the same terms as the outstanding public warrants, as described above; and
- if, and only if, there is an effective registration statement covering the issuance of our common stock issuable upon exercise of the warrants and a current prospectus relating thereto available throughout the 30-day period after written notice of redemption is given.

The numbers in the table below represent the number of shares of common stock that a warrant holder will receive upon exercise in connection with a redemption by us pursuant to this redemption feature, based on the “fair market value” of the common stock on the corresponding redemption date (assuming holders elect to exercise their warrants and such warrants are not redeemed for $0.10 per warrant), determined based on volume weighted average price of the shares of common stock as reported during the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of warrants, and the number of months that the corresponding redemption date precedes the expiration date of the warrants, each as set forth in the table below.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares of common stock issuable upon exercise of a warrant is adjusted as set forth below in the first three paragraphs discussing anti-dilution adjustments. The adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of shares deliverable upon exercise of a warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a warrant.

Redemption Date (period to expiration of warrants)	Fair Market Value of Common Stock								
	≤10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	≥18.00
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.365
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.365
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.365
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.365
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.365
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.365
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.365
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.365
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.365
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.365
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.365
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.365
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.365
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.365
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.365
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.365
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.365
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.365
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.365
0 months	—	—	0.042	0.115	0.179	0.233	0.281	0.323	0.365

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of shares of common stock to be issued for each warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365- or 366-day year, as applicable. For example, if the volume weighted average price of the shares of common stock as reported during the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of the warrants is $11.00 per share, and at such time there are 57 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.277 shares of common stock for each whole warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume weighted average price of the shares of common stock as reported during the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of the warrants is $13.50 per share, and at such time there are 38 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.298 shares of common stock for each whole warrant. In no event will the warrants be exercisable on a cashless basis in connection with this redemption feature for more than 0.365 shares of common stock per warrant (subject to adjustment). Finally, as reflected in the table above, if the warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by us pursuant to this redemption feature, since they will not be exercisable for any shares of common stock.

This redemption feature differs from the typical warrant redemption features used in many other blank check offerings, which typically only provide for a redemption of warrants for cash (other than the private placement warrants) when the trading price for the shares of common stock exceeds $18.00 per share for a specified period of time. This redemption feature is structured to allow for all of the outstanding warrants to be redeemed when the shares of common stock are trading at or above $10.00 per public share, which may be at a time when the trading price of our shares of common stock is below the exercise price of the warrants. We have established this redemption feature to provide us with the flexibility to redeem the warrants without the warrants having to reach the $18.00 per share threshold set forth above. Holders choosing to exercise their warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of shares of common stock for their warrants based on an option pricing model with a fixed volatility input. This redemption right provides us with an additional mechanism by which to redeem all of the outstanding warrants, and therefore have certainty as to our capital structure as the warrants would no longer be outstanding and would have been exercised or redeemed. We will be required to pay the applicable redemption price to warrant holders if we choose to exercise this redemption right and it will allow us to quickly proceed with a redemption of the warrants if we determine it is in our best interest to do so. As such, we would redeem the warrants in this manner when we believe it is in our best interest to update our capital structure to remove the warrants and pay the redemption price to the warrant holders.

As stated above, we can redeem the warrants when the shares of common stock are trading at a price starting at $10.00, which is below the exercise price of $11.50, because it will provide certainty with respect to our capital structure and cash position while providing warrant holders with the opportunity to exercise their warrants on a cashless basis for the applicable number of shares. If we choose to redeem the warrants when the shares of common stock are trading at a price below the exercise price of the warrants, this could result in the warrant holders receiving fewer shares of common stock than they would have received if they had chosen to wait to exercise their warrants for shares of common stock if and when such shares were trading at a price higher than the exercise price of $11.50.

No fractional shares of common stock will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, we will round down to the nearest whole number of the number of shares of common stock to be issued to the holder. If, at the time of redemption, the warrants are exercisable for a security other than the shares of common stock pursuant to the warrant agreement, the warrants may be exercised for such security. At such time as the warrants become exercisable for a security other than the shares of common stock, we (or surviving company) will use our commercially reasonable efforts to register under the Securities Act the security issuable upon the exercise of the warrants.

If we call the warrants for redemption when the price per share of common stock equals or exceeds $18.00, our management will have the option to require any holder that wishes to exercise his, her or its warrant to do so on a “cashless basis” beginning on the third trading day prior to the date on which notice of the redemption is given to the holders of warrants. In determining whether to require all holders to exercise their warrants on a “cashless basis,” our management will consider, among other factors, our cash position, the number of warrants that are outstanding and the dilutive effect on our shareholders of issuing the maximum number of shares of common stock issuable upon the exercise of our warrants. If our management takes advantage of this option, all holders of warrants would pay the exercise price by surrendering their warrants for that number of shares equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of shares of common stock underlying the warrants, multiplied by the excess of the “fair market value” (defined below) over the exercise price of the warrants by (y) the fair market value and (B) 0.365. The “fair market value” will mean the average closing price of the shares of common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of warrants. If our management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of shares of common stock to be received upon exercise of the warrants, including the “fair market value” in such case. Requiring a cashless exercise in this manner will reduce the number of shares to be issued and thereby lessen the dilutive effect of a warrant redemption. We believe this feature is an attractive option to us if we do not need the cash from the exercise of the warrants after the Merger. If we call our warrants for redemption and our management team does not take advantage of this option, our Sponsor and its permitted transferees would still be entitled to exercise their private placement warrants for cash or on a cashless basis using the same formula described above that other warrant holders would have been required to use had all warrant holders been required to exercise their warrants on a cashless basis, as described in more detail below.

A holder of a warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person’s affiliates), to the warrant agent’s actual knowledge, would beneficially own in excess of 4.9% or 9.8% (as specified by the holder) of the shares of common stock issued and outstanding immediately after giving effect to such exercise.

Anti-Dilution Adjustments. If the number of outstanding shares of common stock is increased by a capitalization or share dividend payable in shares of common stock, or by a split-up of common stock or other similar event, then, on the effective date of such capitalization or share dividend, split-up or similar event, the number of shares of common stock issuable on exercise of each warrant will be increased in proportion to such increase in the outstanding shares of common stock. A rights offering made to all or substantially all holders of common stock entitling holders to purchase shares of common stock at a price less than the "historical fair market value" (as defined below) will be deemed a share dividend of a number of shares of common stock equal to the product of (i) the number of shares of common stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for shares of common stock) and (ii) one minus the quotient of (x) the price per shares of common stock paid in such rights offering and (y) the historical fair market value. For these purposes, (i) if the rights offering is for securities convertible into or exercisable for Class A ordinary shares, in determining the price payable for shares of common stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion, and (ii) "historical fair market value" means the volume weighted average price of shares of common stock as reported during the 10-trading day period ending on the trading day prior to the first date on which the shares of common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to all or substantially all the holders of shares of common stock on account of such shares (or other securities into which the warrants are convertible), other than (a) as described above, (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the shares of common stock during the 365-day period ending on the date of declaration of such dividend or distribution does not exceed $0.50 (as adjusted to appropriately reflect any other adjustments and excluding cash dividends or cash distributions that resulted in an adjustment to the exercise price or to the number of shares of common stock issuable on exercise of each warrant) but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than $0.50 per share, or (c) to satisfy the redemption rights of the holders of shares of common stock in connection with the Merger, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of common stock in respect of such event.

If the number of outstanding shares of common stock is decreased by a consolidation, combination, reverse share split or reclassification of share of common stock or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of shares of common stock issuable on exercise of each warrant will be decreased in proportion to such decrease in outstanding shares of common stock.

Whenever the number of shares of common stock purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction, (x) the numerator of which will be the number of shares of common stock purchasable upon the exercise of the warrants immediately prior to such adjustment and (y) the denominator of which will be the number of shares of common stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding shares of common stock (other than those described above or that solely affects the par value of such shares of common stock), or in the case of any merger or consolidation of us with or into another corporation (other than a consolidation or merger in which we are the continuing corporation and that does not result in any reclassification or reorganization of our outstanding shares of common stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of the shares of common stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of common stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of shares of common stock in such a transaction is payable in the form of shares of common stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within 30 days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the warrant agreement based on the Black-Scholes value (as defined in the warrant agreement) of the warrant. The purpose of such exercise price reduction is to provide additional value to holders of the warrants when an extraordinary transaction occurs during the exercise period of the warrants pursuant to which the holders of the warrants otherwise do not receive the full potential value of the warrants.

The warrants are issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision or correct any mistake, including to conform the provisions of the warrant agreement to the description of the terms of the warrants and the warrant agreement set forth in JAWS Spitfire's prospectus for the IPO but requires the approval by the holders of at least 50% of the then-outstanding public warrants to make any change that adversely affects the interests of the registered holders. You should review a copy of the warrant agreement, which is filed as an exhibit to the registration statement of which this prospectus is a part, for a complete description of the terms and conditions applicable to the warrants.

The warrant holders do not have the rights or privileges of holders of shares of common stock and any voting rights until they exercise their warrants and receive shares of common stock.

No fractional warrants will be issued upon separation of the units and only whole warrants will trade. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number the number of shares of common stock to be issued to the warrant holder.

We have agreed that, subject to applicable law, any action, proceeding or claim against us arising out of or relating in any way to the warrant agreement will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and we irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. This provision applies to claims under the Securities Act but does not apply to claims under the Exchange Act or any claim for which the federal district courts of the United States of America are the sole and exclusive forum.

Private Placement Warrants

Except as described below, the private placement warrants have terms and provisions that are identical to those of the public warrants. The private placement warrants (including the shares of common stock issuable upon exercise of the private placement warrants) will not be transferable, assignable or salable until 30 days after the closing of the Merger, except pursuant to limited exceptions to our officers and directors and other persons or entities affiliated with the initial purchasers of the private placement warrants, and they will not be redeemable by us, except as described above when the price per share of common stock equals or exceeds $10.00, so long as they are held by the Sponsor or its permitted transferees. The Sponsor, or its permitted transferees, has the option to exercise the private placement warrants on a cashless basis. If the private placement warrants are held by holders other than the Sponsor or its permitted transferees, the private placement warrants will be redeemable by us in all redemption scenarios and exercisable by the holders on the same basis as the public warrants. Any amendment to the terms of the private placement warrants or any provision of the warrant agreement with respect to the private placement warrants will require a vote of holders of at least 50% of the number of the then outstanding private placement warrants.

Except as described above regarding redemption procedures and cashless exercise in respect of the public warrants, if holders of the private placement warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering his, her or its warrants for that number of shares of common stock equal to the quotient obtained by dividing (x) the product of the number of shares of common stock underlying the warrants, multiplied by the excess of the "historical fair market value" (defined below) over the exercise price of the warrants by (y) the historical fair market value. The “historical fair market value” will mean the average reported closing price of the shares of common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the holders of warrants.

Transfer Agent and Warrant Agent

The transfer agent for common stock and warrant agent for the public warrants and private placement warrants will be Continental Stock Transfer & Trust Company.

SECURITIES ACT RESTRICTIONS ON RESALE OF OUR SECURITIES

Pursuant to Rule 144 under the Securities Act ("*Rule 144*"), a person who has beneficially owned shares of our common stock or warrants that were acquired from us in an unregistered, private sale ("*restricted securities*") for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been an affiliate of ours at the time of, or at any time during the three months preceding, a sale and (ii) we are subject to the Exchange Act periodic reporting requirements for at least three months before the sale and have filed all required reports under Section 13 or 15(d) of the Exchange Act during the 12 months (or such shorter period as we were required to file reports) preceding the sale.

Persons who have beneficially owned restricted securities for at least six months but who are affiliates of ours at the time of, or at any time during the three months preceding, a sale, or who otherwise beneficially own shares of our common stock or warrants ("*control securities*"), would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of:

- 1% of the total number of shares or other units of the class then outstanding; or
- the average weekly reported trading volume of such securities during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.
- Sales by our affiliates under Rule 144 are also limited by manner of sale provisions and notice requirements and to the availability of current public information about us.

Restrictions on the Use of Rule 144 by Shell Companies or Former Shell Companies

Rule 144 is not available for the resale of securities initially issued by shell companies (other than business combination related shell companies) or issuers that have been at any time previously a shell company. However, Rule 144 also includes an important exception to this prohibition if the following conditions are met:

- the issuer of the securities that was formerly a shell company has ceased to be a shell company;
- the issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- the issuer of the securities has filed all Exchange Act reports and material required to be filed, as applicable, during the preceding twelve months (or such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports; and
- at least one year has elapsed from the time that the issuer filed current Form 10 type information with the SEC reflecting its status as an entity that is not a shell company.

As a result, our affiliates will be able to sell their shares of common stock and warrants, and any shares of common stock received upon exercise of the warrants, as applicable, pursuant to Rule 144 without registration one year after the filing of our "Super" Form 8-K with Form 10 type information, which was filed on October 5, 2021. Absent registration under the Securities Act, our affiliates will not be permitted to sell their control securities under Rule 144 earlier than one year after the filing of the "Super" Form 8-K.

We are no longer a shell company, and as a result, once the conditions set forth in the exceptions listed above are satisfied, Rule 144 will become available for the resale of restricted securities and control securities.

PLAN OF DISTRIBUTION

The Selling Securityholders, which as used herein includes donees, pledgees, transferees, distributees or other successors-in-interest selling shares of our common stock or warrants or interests in our common stock or warrants received after the date of this prospectus from the Selling Securityholders as a gift, pledge, partnership distribution or other transfer, may, from time to time, sell, transfer, distribute or otherwise dispose of certain of their shares of common stock or warrants or interests in our common stock or warrants on any stock exchange, market or trading facility on which shares of our common stock or warrants, as applicable, are traded or in private transactions. These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices.

The Selling Securityholders may use any one or more of the following methods when disposing of their shares of common stock or warrants or interests therein:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- one or more underwritten offerings;
- block trades (which may involve crosses) in which the broker-dealer will attempt to sell the shares of common stock or warrants as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its accounts;
- an exchange distribution and/or secondary distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- distributions to their employees, partners, members or stockholders;
- short sales (including short sales “against the box”) effected after the date of the registration statement of which this prospectus is a part is declared effective by the SEC;
- through the writing or settlement of standardized or over-the-counter options or other hedging transactions, whether through an options exchange or otherwise;
- in market transactions, including transactions on a national securities exchange or quotations service or over-the-counter market;
- by pledge to secure debts and other obligation;
- directly to purchasers, including our affiliates and stockholders, in a rights offering or otherwise;
- through agents;
- broker-dealers may agree with the Selling Securityholders to sell a specified number of such shares of common stock or warrants at a stipulated price per share or warrant; and
- through a combination of any of these methods or any other method permitted by applicable law.

The Selling Securityholders may effect the distribution of our common stock and warrants from time to time in one or more transactions either:

- at a fixed price or prices, which may be changed from time to time;
- at market prices prevailing at the time of sale;
- at prices relating to the prevailing market prices; or

- at negotiated prices.

The Selling Securityholders may, from time to time, pledge or grant a security interest in some shares of our common stock or warrants owned by them and, if a Selling Securityholder defaults in the performance of its secured obligations, the pledgees or secured parties may offer and sell such shares of common stock or warrants, as applicable, from time to time, under this prospectus, or under an amendment or supplement to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of the Selling Securityholders to include the pledgee, transferee or other successors in interest as the Selling Securityholders under this prospectus.

The Selling Securityholders also may transfer shares of our common stock or warrants in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

We and the Selling Securityholders may agree to indemnify an underwriter, broker-dealer or agent against certain liabilities related to the sale of our common stock and warrants, including liabilities under the Securities Act. The Selling Securityholders have advised us that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their common stock and warrants. Upon our notification by a Selling Securityholder that any material arrangement has been entered into with an underwriter or broker-dealer for the sale of common stock and warrants through a block trade, special offering, exchange distribution, secondary distribution or a purchase by an underwriter or broker-dealer, we will file a supplement to this prospectus, if required, pursuant to Rule 424(b) under the Securities Act, disclosing certain material information, including:

- the name of the selling security holder;
- the number of common stock and warrants being offered;
- the terms of the offering;
- the names of the participating underwriters, broker-dealers or agents;
- any discounts, commissions or other compensation paid to underwriters or broker-dealers and any discounts, commissions or concessions allowed or reallowed or paid by any underwriters to dealers;
- the public offering price;
- the estimated net proceeds to us from the sale of the common stock and warrants;
- any delayed delivery arrangements; and
- other material terms of the offering.

In addition, upon being notified by a Selling Securityholder that a donee, pledgee, transferee or other successorin-interest intends to sell common stock and warrants, we will, to the extent required, promptly file a supplement to this prospectus to name specifically such person as a Selling Securityholder.

Agents, broker-dealers and underwriters or their affiliates may engage in transactions with, or perform services for, the Selling Securityholders (or their affiliates) in the ordinary course of business. The Selling Securityholders may also use underwriters or other third parties with whom such selling stockholders have a material relationship.

The Selling Securityholders (or their affiliates) will describe the nature of any such relationship in the applicable prospectus supplement.

There can be no assurances that the Selling Securityholders will sell, nor are the Selling Securityholders required to sell, any or all of the common stock and warrants offered under this prospectus.

In connection with the sale of shares of our common stock or warrants or interests therein, the Selling Securityholder may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of our common stock or warrants in the course of hedging the positions they assume. The Selling Securityholders may also sell shares of our common stock or warrants short and deliver these securities to close out their short positions, or loan or pledge shares of our common stock or warrants to broker-dealers that in turn may sell these securities. The Selling Securityholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities that require the delivery to such broker-dealer or other financial institution of shares of our common stock or warrants offered by this prospectus, which shares or warrants such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The aggregate proceeds to the Selling Securityholders from the sale of shares of our common stock or warrants offered by them will be the purchase price of such shares of our common stock or warrants less discounts or commissions, if any. The Selling Securityholders reserve the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of share of our common stock or warrants to be made directly or through agents. We will not receive any of the proceeds from any offering by the Selling Securityholders.

The Selling Securityholders also may in the future resell a portion of our common stock or warrants in open market transactions in reliance upon Rule 144 under the Securities Act, provided that they meet the criteria and conform to the requirements of that rule, or pursuant to other available exemptions from the registration requirements of the Securities Act.

The Selling Securityholders and any underwriters, broker-dealers or agents that participate in the sale of shares of our common stock or warrants or interests therein may be "underwriters" within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of shares of our common stock or warrants may be underwriting discounts and commissions under the Securities Act. If any Selling Securityholder is an "underwriter" within the meaning of Section 2(11) of the Securities Act, then the Selling Securityholder will be subject to the prospectus delivery requirements of the Securities Act. Underwriters and their controlling persons, dealers and agents may be entitled, under agreements entered into with us and the Selling Securityholders, to indemnification against and contribution toward specific civil liabilities, including liabilities under the Securities Act.

To the extent required, our common stock or warrants to be sold, the respective purchase prices and public offering prices, the names of any agent, dealer or underwriter, and any applicable discounts, commissions, concessions or other compensation with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus. To facilitate the offering of shares of our common stock and warrants offered by the Selling Securityholders, certain persons participating in the offering may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock or warrants. This may include over-allotments or short sales, which involve the sale by persons participating in the offering of more shares of common stock or warrants than were sold to them. In these circumstances, these persons would cover such over-allotments or short positions by making purchases in the open market or by exercising their over-allotment option, if any. In addition, these persons may stabilize or maintain the price of our common stock or warrants by bidding for or purchasing shares of common stock or warrants in the open market or by imposing penalty bids, whereby selling concessions allowed to dealers participating in the offering may be reclaimed if shares of common stock or warrants sold by them are repurchased in connection with stabilization transactions. The effect of these transactions may be to stabilize or maintain the market price of our common stock or warrants at a level above that which might otherwise prevail in the open market. These transactions may be discontinued at any time. These transactions may be effected on any exchange on which the securities are traded, in the over-the-counter market or otherwise.

Under the Amended and Restated Registration Rights Agreement and the Subscription Agreements, we have agreed to indemnify the applicable Selling Securityholders party thereto against certain liabilities that they may incur in connection with the sale of the securities registered hereunder, including liabilities under the Securities Act, and to contribute to payments that the Selling Securityholders may be required to make with respect thereto. In addition, we and the Selling Securityholders may agree to indemnify any underwriter, broker-dealer or agent against certain liabilities related to the selling of the securities, including liabilities arising under the Securities Act.

Under the Amended and Restated Registration Rights Agreement, we have agreed to maintain the effectiveness of the registration statement of which this prospectus forms a part pursuant to such agreement until (i) all such securities have been sold, transferred, disposed of or exchanged in accordance with the registration statement; (ii) such securities have been otherwise transferred, new certificates or book entry positions for such securities not bearing a legend restricting further transfer have been delivered by us and subsequent public distribution of such securities does not require registration under the Securities Act; (iii) such securities shall have ceased to be outstanding; (iv) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction; or (v) with respect to a Selling Securityholder that is party to the Amended and Restated Registration Rights Agreement, when all such securities held by such Selling Securityholder could be sold without restriction on volume or manner of sale in any three-month period without registration under Rule 144. Under the Subscription Agreements, we have agreed to maintain the effectiveness of the registration statement of which this prospectus forms apart with respect to the PIPE shares until the earliest of (i) the third anniversary of the Closing; (ii) the date on which the PIPE Investor ceases to hold any PIPE shares; or (iii) on the first date on which each PIPE Investor is able to sell all of its PIPE Shares under Rule 144 within 90 days without limitation as to the amount of such securities that may be sold and without the requirement for us to be in compliance with the current public information requirement under Rule 144. Under the Warrant Agreement, we have agreed to maintain the effectiveness of this registration statement in respect of the shares of common stock issuable upon the exercise of the public warrants and the private placement warrants until the expiration or redemption of such warrants. We have agreed to pay all expenses in connection with this offering, other than underwriting fees, discounts, selling commissions, stock transfer taxes and certain legal expenses. The Selling Securityholders will pay, on a pro rata basis, any underwriting fees, discounts, selling commissions, stock transfer taxes and certain legal expenses relating to the offering.Selling Securityholders may use this prospectus in connection with resales of shares of our common stock and warrants. This prospectus and any accompanying prospectus supplement will identify the Selling Securityholders, the terms of our common stock or warrants and any material relationships between us and the Selling Securityholders. Selling Securityholders may be deemed to be underwriters under the Securities Act in connection with shares of our common stock or warrants they resell and any profits on the sales may be deemed to be underwriting discounts and commissions under the Securities Act. Unless otherwise set forth in a prospectus supplement, the Selling Securityholders will receive all the net proceeds from the resale of shares of our common stock or warrants.

A Selling Securityholder that is an entity may elect to make an in-kind distribution of common stock or warrants to its members, partners or stockholders pursuant to the registration statement of which this prospectus is a part by delivering a prospectus, as amended or supplemented. To the extent that such transferees are not affiliates of ours, such transferees will receive freely tradable shares of common stock or warrants pursuant to the distribution effected through this registration statement.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for us by Fenwick & West LLP. Any underwriters or agents will be advised about other issues relating to the offering by counsel to be named in the applicable prospectus supplement.

EXPERTS

The financial statements as of December 31, 2021 and December 31, 2020 and for each of the two years in the period ended December 31, 2021 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock and warrants offered hereby. This prospectus, which constitutes part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to our company, our common stock and warrants, reference is made to the registration statement and the exhibits and any schedules filed therewith. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the internet at the SEC's website at www.sec.gov.

We are subject to the information reporting requirements of the Exchange Act and we are required to file reports, proxy statements and other information with the SEC. These reports, proxy statements, and other information are available for inspection and copying at the SEC's website referred to above. We also maintain a website at www.velo3d.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Velo3D, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Velo3D, Inc. and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive loss, of redeemable convertible preferred stock and stockholders' equity (deficit) and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

San Jose, California
March 28, 2022
We have served as the Company's auditor since 2020.

Velo3D, Inc.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2021 and 2020
(In thousands, except share and per share data)

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 207,602	$ 15,517
Short-term investments	15,483	—
Accounts receivable, net	12,778	1,232
Inventories	22,479	7,309
Contract assets	274	3,033
Prepaid expenses and other current assets	9,458	807
Total current assets	268,074	27,898
Property and equipment, net	10,046	1,006
Equipment on lease, net	8,366	2,855
Other assets	16,231	932
Total assets	$ 302,717	$ 32,691
Liabilities, Redeemable Convertible Preferred Stock, and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 9,882	$ 1,226
Accrued expenses and other current liabilities	9,414	2,512
Debt – current portion	5,114	3,687
Contract liabilities	22,252	4,702
Total current liabilities	46,662	12,127
Long-term debt – less current portion	2,956	4,316
Contingent earnout liabilities (Note 17)	111,487	—
Warrant liabilities (Note 17)	21,705	181
Other noncurrent liabilities	9,492	184
Total liabilities	192,302	16,808
Commitments and contingencies (Note 20)		
Redeemable convertible preferred stock, $0.00001 par value, 10,000,000 and 125,419,265 shares authorized as of December 31, 2021 and 2020, respectively; 0 and 117,734,383 shares issued and outstanding as of December 31, 2021 and 2020, respectively, liquidation preference of $0 and $133,762 as of December 31, 2021 and 2020, respectively	—	123,704
Stockholders' equity (deficit):		
Common stock, $0.00001 par value – 500,000,000 and 176,025,618 shares authorized at December 31, 2021 and 2020, respectively, 183,232,494 and 16,003,558 shares issued and outstanding as of December 31, 2021 and 2020, respectively	2	1
Additional paid-in capital	340,294	14,954
Accumulated other comprehensive income (loss)	(14)	—
Accumulated deficit	(229,867)	(122,776)
Total stockholders' equity (deficit)	110,415	(107,821)
Total liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)	$ 302,717	$ 32,691

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

Velo3D, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Years Ended December 31, 2021 and 2020
(In thousands, except per share data)

	2021	2020
Revenue		
3D Printer	$ 23,015	$ 16,965
Recurring payment	1,589	350
Support services	2,835	1,660
Total Revenue	27,439	18,975
Cost of revenue		
3D Printer	17,560	10,605
Recurring payment	1,112	245
Support services	3,809	1,758
Total cost of revenue	22,481	12,608
Gross profit	4,958	6,367
Operating expenses		
Research and development	27,002	14,188
Selling and marketing	12,363	7,004
General and administrative	23,352	6,382
Total operating expenses	62,717	27,574
Loss from operations	(57,759)	(21,207)
Interest expense	(2,740)	(639)
Loss on the convertible note modification	(50,577)	—
(Loss)/gain on fair value of warrants	(5,202)	4
Gain on fair value of contingent earnout liabilities	9,275	—
Other income (expense), net	(88)	35
Loss before provision for income taxes	(107,091)	(21,807)
Provision for income taxes	—	—
Net loss	(107,091)	(21,807)
Extinguishment of redeemable convertible preferred stock	—	13,051
Net loss attributable to common stockholders	(107,091)	(8,756)
Net loss per share attributable to common stockholders, basic and diluted	$ (1.82)	$ (0.56)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	58,688,496	15,629,179
Net loss	$ (107,091)	$ (21,807)
Net unrealized holding losses on available-for-sale investments	(14)	—
Other comprehensive loss	$ (107,105)	$ (21,807)

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

Velo3D, Inc.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
For the Years Ended December 31, 2021 and 2020
(In thousands, except share amounts)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2019	**27,967,896**	**$ 101,858**	**14,721,523**	**$ 1**	**$ 13,196**	**$ —**	**$ (114,020)**	**$ (100,823)**
Issuance of Series D redeemable convertible preferred stock, net of issuance costs	75,660,962	28,153	—	—	—	—	—	—
Exchange of convertible notes and accrued interest for Series D redeemable convertible preferred stock	18,561,773	6,967	—	—	—	—	—	—
Extinguishment of redeemable convertible preferred stock	(4,456,248)	(13,274)	1,210,513	—	223	—	13,051	13,274
Issuance of common stock upon exercise of stock options	—	—	71,522	—	53	—	—	53
Issuance of common stock warrants in connection with the issuance of Series D redeemable convertible preferred stock	—	—	—	—	27	—	—	27
Stock-based compensation	—	—	—	—	1,455	—	—	1,455
Net loss	—	—	—	—	—		(21,807)	(21,807)
Balance as of December 31, 2020	**117,734,383**	**$ 123,704**	**16,003,558**	**$ 1**	**$ 14,954**	**—**	**$ (122,776)**	**$ (107,821)**
Conversion of warrants into preferred stock, net settlement	126,802	899	—	—	—	—	—	—
Conversion of convertible notes into preferred stock	6,820,022	55,577	—	—	—	—	—	—
Conversion of convertible preferred stock into common stock in connection with the reverse recapitalization	(124,681,207)	(180,180)	126,310,700	—	180,180	—	—	180,180
Conversion of warrants into common stock, net settlement	—	—	239,992	—	3,635	—	—	3,635
Issuance of contingent earnout liability upon the reverse recapitalization	—	—	—	—	(120,763)	—	—	(120,763)
Issuance of warrants upon the reverse recapitalization	—	—	—	—	(21,051)	—	—	(21,051)
Issuance of common stock upon the reverse recapitalization, net of issuance costs	—	—	40,409,132	1	278,270	—	—	278,271
Issuance of common stock upon exercise of stock options	—	—	269,112	—	385	—	—	385
Issuance of common stock warrants in connection with financing	—	—	—	—	316	—	—	316
Stock-based compensation	—	—	—	—	4,368	—	—	4,368
Net loss	—	—	—	—	—	—	(107,091)	(107,091)
Other comprehensive loss	—	—	—	—	—	(14)	—	(14)
Balance as of December 31, 2021	**—**	**$ —**	**183,232,494**	**$ 2**	**$ 340,294**	**$ (14)**	**$ (229,867)**	**$ 110,415**

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

Velo3D, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Net loss	$ (107,091)	$ (21,807)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	2,170	1,240
Amortization of deferred loan costs	837	—
Stock-based compensation	4,368	1,455
Loss on convertible note modification	50,577	—
Loss/(gain) on fair value of warrants	5,202	(4)
Gain on fair value of contingent earnout liabilities	(9,276)	—
Changes in assets and liabilities		
Accounts receivable	(11,546)	742
Inventories	(8,010)	(2,743)
Contract assets	2,759	(2,493)
Prepaid expenses and other current assets	(7,628)	1,077
Other assets	(14,499)	466
Accounts payable	1,876	(490)
Accrued expenses and other liabilities	6,878	(1,024)
Contract liabilities	17,550	(2,389)
Other noncurrent liabilities	9,429	(476)
Net cash used in operating activities	(56,404)	(26,446)
Cash flows from investing activities		
Purchase of property and equipment	(9,619)	(401)
Production of equipment for lease to customers	(8,480)	(3,028)
Purchases of available-for-sale investments	(15,491)	—
Net cash used in investing activities	(33,590)	(3,429)
Cash flows from financing activities		
Proceeds from issuance of Series C redeemable convertible preferred stock, net of issuance costs	—	—
Proceeds from issuance of Series D redeemable convertible preferred stock, net of issuance costs	—	28,153
Proceeds from Merger, net of transaction costs	123,270	—
Proceeds from PIPE financing	155,000	—
Proceeds from term loan	19,339	2,324
Repayment of term loan	(25,283)	(420)
Repayment of property and equipment loan	(833)	—
Proceeds from term loan revolver facility	3,000	—
Proceeds from equipment loans	5,419	—
Repayment of equipment loans	(2,411)	—
Proceeds from convertible notes	5,000	5,467
Issuance of common stock upon exercise of stock options	385	53
Net cash provided by financing activities	282,886	35,577
Effect of exchange rate on cash and cash equivalents	(7)	—

Net change in cash and cash equivalents	192,885	5,702
Cash and cash equivalents and restricted cash at beginning of period	15,517	9,815
Cash and cash equivalents and restricted cash at end of period	$ 208,402	$ 15,517
Supplemental disclosure of cash flow information		
Cash paid for interest	1,417	461
Supplemental disclosure of non-cash information		
Issuance of common stock upon conversion of Series A redeemable convertible preferred stock	—	—
Issuance of common stock upon conversion of Series C redeemable convertible preferred stock	—	—
Extinguishment of redeemable convertible preferred stock	—	13,274
Conversion of convertible notes to Series D redeemable convertible preferred stock	5,000	6,967
Issuance of Series C redeemable convertible preferred stock warrants	—	—
Unpaid liabilities related to property and equipment	1,271	216
Transfer between inventories and property and equipment	—	—
Conversion of warrants into redeemable convertible preferred stock, net settlement	899	—
Conversion of redeemable convertible preferred stock into common stock	180,180	—
Conversion of warrants into common stock, net settlement	3,635	—
Reclassification of warrants liability upon the reverse recapitalization	21,051	—
Reclassification of contingent earnout liability upon the reverse recapitalization	120,763	—
Issuance of common stock warrants in connection with financing	316	27

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets to the total of such amounts shown on the consolidated statements of cash flows:

	December 31,	
	2021	2020
	(In thousands)	
Cash and cash equivalents	$ 207,602	$ 15,517
Restricted cash (Other assets)	800	—
Total cash and cash equivalents, and restricted cash	$ 208,402	$ 15,517

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

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 subsidiary, Velo3D US, Inc., formerly known as Velo3D, Inc. (“Legacy Velo3D”), was founded in June 2014 as a Delaware corporation headquartered in Campbell, California. The first commercially developed 3D Printer was delivered in the fourth quarter of 2018.

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 (as defined below); and (ii) Velo3D and its consolidated subsidiary following the consummation of the Merger.

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.”

See Note 3, *Reverse Recapitalization*, for further details of the Merger.

Accordingly, all historical financial information presented in the consolidated financial statements of Velo3D for periods prior to the closing date represent the accounts of Legacy Velo3D. The shares and Net loss per share attributable to common stockholders, basic and diluted, prior to the Merger, have been retroactively restated as shares reflecting the exchange ratio (the “Exchange Ratio”) established in the Merger (0.8149 shares of Velo3D common stock for 1 share of Legacy Velo3D common stock, par value $0.00001 (the “Common Stock”). All fractional shares were rounded.

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the requirements of the U.S. Securities and Exchange Commission (the “SEC”). Intercompany balances and transactions have been eliminated in consolidation. These consolidated financial statements, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for the fair statement of the Company’s financial information.

Financial Condition and Liquidity and Capital Resources

The consolidated financial statements have been prepared on the basis of continuity of operations, the realization of assets and satisfaction of liabilities in the ordinary course of business. On September 29, 2021, the Company consummated the Merger, which resulted in the Company receiving approximately $278.3 million in total net proceeds, including $155.0 million from the PIPE Financing (as defined in Note 3, *Reverse Recapitalization*). Since inception, the Company has not achieved profitable operations or generated positive cash flows from operations. The Company’s operating plan may change as a result of many factors currently unknown and there can be no assurance that the current operating plan will be achieved in the time frame anticipated by the Company, and it may need to seek additional funds sooner than planned. If adequate funds are not available to the Company on a timely basis, it may be required to delay, limit, reduce, or terminate certain commercial efforts, or pursue merger or acquisition strategies, all of which could adversely affect the holdings or the rights of the Company’s stockholders. The Company has incurred net operating losses and negative cash flows from operations in every year since inception and expects this to continue for the foreseeable future. As of December 31, 2021, the Company had an accumulated deficit of $229.9 million.

As of March 28, 2022, the issuance date of the consolidated financial statements, the Company believes that the cash and cash equivalents on hand and cash the Company obtained from the Merger and the PIPE Financing, together with cash the Company expects to generate from future operations, will be sufficient to meet the

Company’s working capital and capital expenditure requirements for a period of at least twelve months from the date of issuance of these consolidated financial statements.

Note 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set forth below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenue and expenses. Actual results and outcomes could differ significantly from the Company’s estimates, judgments, and assumptions. Significant estimates include determining useful lives of long-lived assets, the determination of the incremental borrowing rate used for operating lease liabilities, standalone selling price for performance obligations in contracts with customers, the valuation of redeemable convertible preferred stock warrants and common stock warrants, the fair value of common stock and other assumptions used to measure stock-based compensation, the fair value of contingent earnout liabilities, inventory reserves, and the valuation of deferred income tax assets and uncertain tax positions.

These estimates and assumptions are based on management’s best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Changes in these estimates resulting from continuing changes in the economic environment will be reflected in the consolidated financial statements in future periods. As future events and their effects cannot be determined with precision, actual results could materially differ from these estimates and assumptions.

Concentration of Credit Risk and Other Risks and Uncertainties

The Company’s financial instruments that potentially expose the Company to concentration of credit risk consist mainly of cash and cash equivalents, short-term investments, and accounts receivable, net. The Company maintains its cash and cash equivalents in domestic cash accounts with large, creditworthy financial institutions and maintains its short-term investments with fixed income instruments denominated in U.S. dollars and at minimum A- credit rating. The Company has not experienced any losses on its deposits of cash and cash equivalents through deposits with federally insured commercial banks and at times cash balances may be in excess of federal insurance limits.

See Note 22, *Revenue,* for customer concentration of revenue and accounts receivable.

The Company relies on four key suppliers for products and services. While alternative providers could be identified, the Company is subject to supply and pricing risks.

Impact of COVID-19

The Company continues to operate its business through the COVID-19 pandemic and has taken additional precautions to ensure the safety of its employees, customers, and vendors with which it operates. The impact of COVID-19 on the Company’s operating results has added uncertainty in timing of customer orders creating longer lead times for sales and marketing. The Company continues to experience various supply chain constraints due to the pandemic, and thereby leading to delays in installation of its products at customers' facilities, which could lead to postponed customer acceptance of the transactions. Furthermore, if significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, facility closures, remote working or other restrictions in connection with the COVID-19 pandemic, our operations will likely be adversely impacted.

Fair Value Measurements

The Company has applied the framework for measuring fair value which requires a fair value hierarchy to be applied to all fair value measurements. Assets and liabilities measured at fair value are classified into one of three levels in the fair value hierarchy based on the inputs used to measure fair value as follows:

Level 1 — Quoted prices observed in active markets for identical assets or liabilities;

Level 2 — Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and

Level 3 — Significant unobservable market inputs for the asset or liability.

The carrying amounts of cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to their short-term maturities. The long-term debt (including convertible notes) with variable interest at market rates is carried at amortized cost, which approximates its fair value and was classified as Level 2. See Note 15, *Long-Term Debt* and Note 16, *Convertible Notes Payable*, for further information.

Cash and Cash Equivalents and Restricted Cash

All highly liquid investments with an original maturity of three months or less, when purchased, are classified as cash equivalents. Cash equivalents may be invested in money market funds and are carried at cost, which approximates their fair value.

In June 2021, in conjunction with the new 80,000+ square foot facility to begin production of the Company's Sapphire® XC 3D Printer in late 2021, the Company issued a one-year letter of credit for $0.8 million to the landlord to secure the agreement. The Company has restricted cash to secure the letter of credit and the agreement will allow for reductions to the letter of credit limit based on the Company's revenue achievements.

Revenue Recognition

Revenue subject to ASC 606 consists of 3D Printer sales and Support Services (recognition of Recurring Payment consisting of payments from lessees of the Company's equipment discussed below). The Company determines revenue recognition through the following five- step model for recognizing revenue: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when, or as, the Company satisfies its performance obligation.

A typical contract with customers for the 3D Printer and bundled software includes the Support Services. The Company provides one price for all deliverables including the 3D Printer and bundled software, and for the Support Services. Typically, the Company has one distinct obligation to transfer the 3D Printers and bundled software, and another distinct obligation to provide the Support Services.

The transaction price is allocated to the separate performance obligations on a relative standalone selling price ("SSP") basis. The Company determines SSP based on observable standalone selling price when it is available, as well as other factors, including the price charged to its customers, its discounting practices, and its overall pricing objectives including risk adjusted gross profit margin for products and services, while maximizing observable inputs. In situations where pricing is highly variable, or a product is never sold on a stand-alone basis, the Company estimates the SSP using the residual approach. Significant judgment is used to identify and account for each of the two performance obligations.

3D Printer Sales

The Company bills its customers beginning at the time of acceptance of the purchase order (which represents a deposit), with the second billing at the time of shipment and final billing upon site acceptance test completion. The timeframe from order to completion of the site acceptance test occurs typically over three to six months. Revenue for the 3D Printer is recognized at a point-in time, which occurs upon transfer of control to the customer at shipment. Site installation, testing and customer training are incidental to customer acceptance.

The Company has elected not to recognize shipping to customers as a separate performance obligation. Revenue from shipping billed to customers for the years ended December 31, 2021 and 2020 was not material.

Recurring Payment (operating lease revenue from customers)

The Company enters into operating leases (“Recurring Payment”) for customers who do not purchase the 3D Printers (“equipment”). On January 1, 2019, the Company adopted ASC 842, “*Leases*,” and determined that arrangements providing for recurring payments from customers qualify as leases. The contracts explicitly specify the equipment which is a production system with defined components and services including the printer itself, services, and accessories. The asset is physically distinct, the supplier does not have substitution rights, and the customer holds the right to direct the use of and obtain substantially all of the economic benefits from the use of the identified asset. The initial lease terms are for 12 months and the Company has considered the possibility of renewals when determining the length of the contract and the expectation is that customers will not exercise any renewal or purchase options at the end of the lease. The arrangements provide for a base rent and usually provide for variable payments based on usage in excess of a defined threshold. Support Services are included during the lease term.

Equipment under lease contracts is reclassified from inventory at its basis and depreciated overfive years to a salvage value. Income from the lessee is recorded as revenue using the straight-line method over the term of the lease. Support services are a non-lease component. The practical expedient has been elected to include rents and this non-lease component as one revenue stream recognized over the lease term on a straight-line basis. Costs associated with this component are classified as cost of revenue and recognized as incurred.

Costs for warranties for parts and services for equipment under lease are accrued separately at lease commencement and amortized to cost of revenue over the lease term to the extent the costs are probable and can be reasonably estimated since the related revenue is being recognized over the lease term. Warranty accruals were not material as of December 31, 2021 or December 31, 2020.

Equipment leased to customers are considered long-lived assets and are tested for impairment as described below under the heading “Impairment of Long-lived Assets.”

Support Services

Support Services are field service engineering, phone and email support, preventative maintenance, and limited on and off-site consulting support. A subsequent Extended Support Agreement ("ESA") is available for renewal after the initial period based on the then fair value of the service.

Support Services revenue are recognized evenly over the contract period beginning with customer performance test acceptance.

Other Revenue

Revenue is recognized for parts sold to customers independent of the 3D Printer sales or Support Services contract is included with 3D Printer sales. Such revenue is recognized upon transfer of control to the customer. Revenue from parts was not material for the years ended December 31, 2021 and 2020.

Contracts Assets and Contract Liabilities

Contract assets consist of unbilled receivables and are recorded when revenue is recognized in advance of scheduled billings to the Company’s customers. A contract asset is recognized when products or services are transferred to a customer and the right to consideration is conditional on something other than the passage of time. Contract liabilities include amounts billed or collected which is related to remaining performance obligations. Revenue allocated to remaining performance obligations represents the transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied. It includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods

Cost of Revenue

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

Cost of Recurring Payment includes depreciation of the equipment on lease over the useful life offive 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, allocated 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.

Accounts Receivable, Net

Accounts receivable are recorded at the invoiced amount, net of allowance for doubtful accounts and are non-interest bearing. The Company performs ongoing credit evaluations of its customers and maintains an allowance for doubtful accounts to ensure trade receivables are not overstated due to uncollectability. Allowances are provided for individual accounts receivable when the Company becomes aware of a customer’s inability to meet its financial obligations, such as in the case of bankruptcy, deterioration in the customer’s operating results, or change in financial position.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is computed on a first-in, first-out basis. Inventory levels are analyzed periodically and written down to their net realizable value if they have become obsolete, have a cost basis in excess of expected net realizable value or are in excess of expected demand.

The Company analyzes current and future product demand relative to the remaining product life to identify potential excess inventories. The write-down is measured as the difference between the cost of the inventories and net realizable value and charged to inventory reserves, which is a component of cost of revenue. At the point of the loss recognition, a new, lower cost basis for those inventories is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

Property and Equipment, Net and Equipment on Lease, Net

Property and equipment and equipment on lease are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

	Estimated useful life
Equipment on lease	5 years
Computers and software	3 years
R&D lab equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of the remaining lease term or useful life of5 years

Expenditures for major renewals and improvements that increase functionality of the asset are capitalized and depreciated ratably over the identified useful life. Expenditures for non-major repairs and maintenance are charged to expense as incurred.

The Company capitalizes qualifying internal-use software development costs incurred during the application development stage for internal tools and cloud-based applications used to deliver its services, provided that management with the relevant authority authorizes and commits to the funding of the project, it is probable the project will be completed, and the software will be used to perform the function intended. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Costs incurred for enhancements that are expected to result in additional material functionality are capitalized. As of December 31, 2021 and 2020, capitalized costs were not material.

Investments

The Company's available-for-sale ("AFS") investments primarily consist of U.S. Treasury securities and corporate debt and are reported at fair value on the balance sheet. Unrealized gains and losses on these investments are included as a separate component of accumulated other comprehensive income ("AOCI"), net of tax. These available-for-sale investments are primarily held in the custody of a major financial institution. A specific identification method is used to determine the adjusted cost basis of AFS investments sold. The Company's AFS investments are classified as current based on the intent of management, the nature of the investments and their availability for use in current operations.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets, consisting of property and equipment, equipment on lease, net, and right-of use assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Factors considered important that could trigger an impairment review include a significant underperformance relative to expected historical or projected future operating results, or a significant change in the manner of the use of the assets. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset (or asset group) to estimated undiscounted future cash flows expected to be generated by the asset (or asset group). If the estimated undiscounted future cash flows generated by these assets were less than the carrying amounts, an impairment charge is recognized.

Management evaluates its long-lived assets, on an annual basis or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with Accounting Standards Codification (“ASC”), ASC Topic 360, Property, Plant and Equipment.

Deferred Transaction Costs

The Company capitalizes certain legal, accounting, and other third-party fees that are directly related to a planned equity financing that is probable of successful completion until such financing is consummated. After consummation of an equity financing, these costs are recorded as a reduction of the proceeds received as a result of the financing. Should a planned equity financing be abandoned, terminated or significantly delayed, the deferred transaction costs are immediately written off to operating expenses.

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. The Company has no segment managers who are held accountable by the CODM for operations, operating results, and planning for levels of components below the entity- wide level.

Assets Under Lease Agreements (as Lessee)

The carrying value of right of use (“ROU”) assets and lease liabilities are based on the present value of future minimum lease payments for leases with original terms in excess of one year. The sum of future minimum lease payments, as adjusted for any initial direct costs, are recognized over the lease term on the straight-line method.

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

The Company has operating leases for office space, warehouse, research and development facilities, and manufacturing facilities. The carrying value of right of use ("ROU") assets and lease liabilities are based on the present value of future minimum lease payments, as adjusted for any initial direct costs, and are recognized over the lease term on the straight-line method. The Company has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases. The Company elected the practical expedient to capitalize the total lease payment rather than separate lease and non-lease components and only capitalize the lease component. The rate implicit in the lease is not readily determinable in the Company's leases, and therefore the Company uses its incremental borrowing rate as the discount rate when measuring operating lease liabilities. The incremental borrowing rate represents an estimate of the interest rate the Company would incur at lease commencement to borrow an amount equal to the lease payments on a collateralized basis over the term of the lease.

Warrants for Redeemable Convertible Preferred Stock

Warrants to purchase shares of redeemable convertible preferred stock are classified as liabilities because the warrants are freestanding financial instruments that may require the Company to transfer assets upon exercise. Warrants for redeemable convertible preferred stock are recorded within other noncurrent liabilities on the balance sheets. The warrants are recorded at fair value upon issuance and are subject to remeasurement to fair value at each balance sheet date. Changes in fair value of the warrants for redeemable convertible preferred stock are recorded in the Statements of Operations and Comprehensive Loss in (Loss)/gain on fair value of warrants. The liability was adjusted for changes in fair value until the warrants were exercised as part of the Merger.

Common Stock Warrants

Prior to the Merger, warrants to purchase shares of common stock were classified as equity and recognized within additional paid-in capital with no subsequent remeasurement. The amount recognized within additional paid-in capital was determined by allocating the proceeds received and issuance costs incurred between the instruments issued based on their relative fair value. All Common Stock Warrants outstanding prior to the Merger were converted into common stock as part of the Merger.

Following the Merger, 8,625,000 publicly-traded warrants (the "Public Warrants") and 4,450,000 private placement warrants (the "Private Placement Warrants" and, together with the Public Warrants, the "Common Stock Warrants") issued to Spitfire Sponsor, LLC (the "Sponsor"), all of which were issued in connection with JAWS Spitfire's initial public offering ("IPO"), became exercisable for one share of the Company's Common Stock at an exercise price of $11.50 per share. During the year ended December 31, 2021, there were no Public Warrants or Private Placement Warrants exercised. The Public Warrants are publicly traded and are exercisable for cash, unless certain conditions occur, such as redemption by the Company under certain circumstances, at which time the Public Warrants may be exercised on a cashless basis. The Private Placement Warrants are non-redeemable for cash so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants are redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

The Company evaluated the Common Stock Warrants and concluded that they do not meet the criteria to be classified within stockholders' equity. The warrant agreement governing the Common Stock Warrants includes a provision, the application of which could result in a different settlement value for the Common Stock Warrants depending on their holder. Because the holder of an instrument is not an input into the pricing of a fixed-for-fixed option on the Common Stock, the Private Placement Warrants are not considered to be "indexed to the Company's own stock." In addition, the warrant agreement includes a provision that provides that in the event of a tender or exchange offer accepted by holders of more than 50.0% of the outstanding shares of the Common Stock, all holders of the Common Stock Warrants (both the Public Warrants and the Private Placement Warrants) would be entitled to receive cash for all of their Common Stock Warrants. Specifically, in the event of a qualifying cash tender offer (which could be outside of the Company's control), all Common Stock Warrant holders would be entitled to cash, while only certain of the holders of the Common Stock may be entitled to cash. These provisions preclude the Company from classifying the Common Stock Warrants in stockholders' equity.

The Company classifies its Public Warrants and Private Placement Warrants as liabilities in accordance with ASC Topic 815 "Derivatives and Hedging–Contracts in Entity's Own Equity". As the Common Stock Warrants meet the definition of a derivative, the Company recorded these warrants within Warrant liabilities on the consolidated balance sheet at fair value, with subsequent changes in their respective fair values recognized in the consolidated statements of operations and comprehensive loss at each reporting date.

Contingent Earnout Liability

In connection with the Reverse Recapitalization and pursuant to the Business Combination Agreement, eligible former Legacy Velo3D equity holders are entitled to receive additional shares of Common Stock upon the Company achieving certain Earnout Triggering Events (as described in the Business Combination Agreement) (the "Earnout Shares"). The Earnout Shares are not indexed to the Common Stock and therefore are accounted for as a liability at the Reverse Recapitalization Date and subsequently remeasured at each reporting date with changes in fair value recorded as a component of gain on fair value of contingent earnout liabilities in the consolidated statements of operations and comprehensive loss. The estimated fair value of the contingent earnout liability was determined using a Monte Carlo simulation using a distribution of potential outcomes on a monthly basis over the Earnout Period (as defined in Note 17, *Equity Instruments*) prioritizing the most reliable information available. The assumptions utilized in the calculation are based on the achievement of certain stock price milestones, including the current Company Common Stock price, expected volatility, risk free rate, expected term and dividend rate. The contingent earnout liability is categorized as a Level 3 fair value measurement (see "Fair Value Measurements" as described above) because the Company estimates projections during the Earnout Period utilizing unobservable inputs. Contingent earnout liabilities involve certain assumptions requiring significant judgment and actual results may differ from assumed and estimated amounts.

Stock-based Compensation

Stock-based compensation cost for awards is measured as of the grant date based on its fair value, and the amount is expensed ratably over the service period which is typically the vesting period. We have elected to account for forfeitures when they occur, and any compensation expense previously recognized on unvested shares will be reversed.

We estimate the fair value of stock option awards subject to only a service condition on the date of grant using the Black-Scholes valuation model. The Black-Scholes model requires the use of highly subjective and complex assumptions, including the option's expected term, price volatility of the underlying stock, risk-free interest rate, and the expected dividend yield of the underlying common stock, as well as an estimate of the fair value of the common stock underlying the award.

We estimate the fair value of restricted share unit awards using the value of the Company's common stock on the date of grant.

We estimate the fair value of Earnout Shares awards underlying stock options to employees, which is considered a compensatory award and accounted for under ASC 718, *Share-Based Compensation*, using the Monte-Carlo simulation model The Monte-Carlo simulation model was selected as the valuation methodology for the Earnout Shares due to the path-dependent nature of triggering events. Under ASC 718, the award is measured at fair value at the grant date and expense is recognized over the time-based vesting period (the triggering event is a market condition and does not impact expense recognition). The Monte-Carlo model requires the use of highly subjective and complex assumptions, including the current stock price, volatility of the underlying stock, expected term, and the risk-free interest rate.

Application of these approaches involves the use of estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding our risk-free interest rates, the selection of comparable companies, and the probability of possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock. An increase of 100-basis points in interest rates would not have a material impact on our stock-based compensation.

Operating Expenses

Research and development expenses consist primarily of salary and related expenses, including stock- based compensation, for personnel related to the development of improvements and expanded features for the Company's products and services, as well as quality assurance, testing, product management, and allocated overhead. Research and development costs are expensed as incurred.

Selling and marketing expenses consist primarily of salary and related expenses, including stock-based compensation, for personnel related to the sales and marketing efforts to expand the Company's brand and market share. Also, selling and marketing expenses includes third-party consulting fees, advertising, and allocated overhead. The Company expenses the cost of advertising, including promotional expenses, as incurred. Advertising expenses for the years ended December 31, 2021 and 2020 were not material.

General and administrative expenses consist primarily of salaries, occupancy costs including rent and utilities, and depreciation; information technology used in the business; professional services costs including legal, accounting, and consulting; and other.

Income Taxes

The Company uses the asset and liability method in accounting for income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income taxes of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax expense or benefit is the result of changes in the deferred tax asset and liability. Valuation allowances are established when necessary, to reduce deferred tax assets where it is more-likely-than-not that the deferred tax assets will not be realized. In evaluating the Company's ability to recover deferred tax assets, the Company considers all available positive and negative evidence, including historical operating results, ongoing tax planning, and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. Based on the level of historical losses, the Company has established a valuation allowance to reduce its net deferred tax assets to the amount that is more-likely-than-not to be realized. The Company has recorded a full valuation allowance against its deferred tax assets as of December 31, 2021 and 2020.

A tax benefit from an uncertain tax position may be recognized when it is more-likely-than-not that the position will be sustained upon examination by the taxing authorities, including resolutions of any related appeals or litigation processes, based on the technical merits of the position.

Net Loss per Share Attributable to Common Stockholders

Basic and diluted net loss per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities. The Company considers all series of its redeemable convertible preferred stock to be participating securities as such stockholders participate in undistributed earnings with common stockholders. Under the two-class method, net income is attributed to common stockholders and participating securities based on their participation rights. The holders of the redeemable convertible preferred stock do not have a contractual obligation to share in the losses. As such, any net losses are not allocated to these participating securities.

Under the two-class method, basic net income or loss per share attributable to common stockholders is computed by dividing the net income or loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share attributable to common stockholders adjusts basic net loss per share for the effect of potentially dilutive securities. As the Company has reported losses for all periods presented, diluted net loss per common share attributable to common stockholders is the same as basic net loss per common share attributable to common stockholders because all potentially dilutive securities are antidilutive.

Other Comprehensive Loss

Other comprehensive loss represents all changes in stockholders' equity except those resulting from distributions to stockholders. The Company's unrealized gains and losses on short-term available-for-sale investment securities represent the components of other comprehensive loss that are excluded from the reported net loss and are presented in the consolidated statements of operations and comprehensive loss.

JOBS Act Accounting Election

The Company is provided the option to adopt new or revised accounting guidance as an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") either (1) within the same periods as those otherwise applicable to public business entities, or (2) within the same time periods as non-public business entities, including early adoption when permissible. With the exception of standards the Company elected to early adopt, when permissible, the Company has elected to adopt new or revised accounting guidance within the same time period as non-public business entities, as indicated below.

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement, ("Topic 820")", to modify the disclosure requirements on fair value measurements based on the concepts in the FASB Concepts Statements, including the consideration of costs and benefits. The amendments in the update are effective for fiscal years beginning after December 15, 2019. The adoption of the new guidance will require all entities to present, on a prospective basis, narrative information regarding the uncertainty of the fair value measurements from the use of unobservable inputs used in recurring fair value measurements categorized in Level 3 of the fair value hierarchy, to disclose the amount of gains and losses recognized in other comprehensive income (loss) for the period for financial instruments categorized within Level 3 of the fair value hierarchy, and quantitative information for the significant unobservable inputs used to develop the Level 3 fair value measurements. The adoption of the new guidance will also allow the Company to discontinue the presentation of information regarding transfers between Level 1 and Level 2 of the fair value hierarchy.The Company adopted this guidance on January 1, 2020 and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740) — Simplifying the Accounting for Income Taxes ("Topic 740"), which simplifies the accounting for income taxes by eliminating some exceptions to the general approach in Accounting Standards Codification 740, Income Taxes. It also clarifies certain aspects of the existing guidance to promote more consistent application. This standard is effective for the Company for the year ended December 31, 2020, and early adoption is permitted. The Company adopted the new guidance effective January 1, 2020 and there was no material impact on its consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("Topic 848")," which provides optional expedients and exceptions for applying U.S. GAAP to contract modifications, hedging relationships, and other transactions, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The Company adopted the new guidance effective January 1, 2021 and there was no material impact on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06"). This ASU simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument and more redeemable convertible preferred stock as a single equity instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for it. The ASU also simplifies the diluted earnings per share ("EPS") calculation in certain areas. ASU 2020-06 is effective for fiscal years beginning after December 15, 2023 including interim periods within those fiscal years. Early adoption is permitted but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Board specified that an entity should adopt the guidance as of the beginning of its annual fiscal year. The Company early adopted the new guidance effective January 1, 2021 using the modified retrospective method. Adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("Topic 326")", and has since released various amendments including ASU No. 2019-04. The guidance modifies the measurement of expected credit losses on certain financial instruments. This guidance is effective for the Company for the fiscal year beginning after December 15, 2022. Early adoption is permitted. The Company is currently assessing the impact of the guidance on its consolidated financial statements and disclosures.

In July 2021, the FASB issued ASU 2021-05, "Leases ("Topic 842") Lessors — Certain Leases with Variable Lease Payments", that amends the lessor's lease classification for leases that include any amount of variable lease payments that are not variable lease payments that do not depend on an index or a rate as an operating lease at lease commencement if classifying the lease as a sales-type lease or a direct financing lease would result in the recognition of a selling loss. This guidance is effective for the Company for the fiscal year beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The Company will adopt the new guidance in the first quarter of fiscal year 2022. The effect on the consolidated financial statements and related disclosures is not expected to be material.

Note 3. Reverse Recapitalization

On September 29, 2021, Merger Sub merged with Legacy Velo3D, with Legacy Velo3D surviving as a wholly-owned subsidiary of Velo3D. Immediately prior to the closing of the Merger:

- all issued and outstanding 6,738,651 shares of Legacy Velo3D outstanding Series A redeemable convertible preferred stock was converted into an equivalent number of shares of Legacy Velo3D common stock on a 1:2.178 basis:
- all issued and outstanding 8,386,456 shares of Legacy Velo3D outstanding Series B redeemable convertible preferred stock was converted into an equivalent number of shares of Legacy Velo3D common stock on a 1:2.273 basis:
- all issued and outstanding 8,513,343 shares of Legacy Velo3D outstanding Series C redeemable convertible preferred stock was converted into an equivalent number of shares of Legacy Velo3D common stock on a 1:2.372 basis:
- all issued and outstanding 101,042,757 shares of Legacy Velo3D outstanding Series D redeemable convertible preferred stock was converted into an equivalent number of shares of Legacy Velo3D common stock on a 1:1.000 basis:

In connection with the Merger, shares of Legacy Velo3D redeemable convertible preferred stock were converted into an equivalent number of shares of Legacy Velo3D common stock at their respective conversion ratios and concurrently recast into 126,310,700 shares of Common Stock.

As of September 29, 2021 and after giving effect to the Exchange Ratio, there were183,163,826 shares of Common Stock outstanding, comprised of the126,310,700 shares of Common Stock issued in respect of the Legacy Velo3D redeemable convertible preferred stock, 16,443,994 shares of Common Stock issued in respect of Legacy Velo3D common stock, and 40,409,132 shares of Common Stock issued to public shareholders of JAWS Spitfire, the JAWS Spitfire initial shareholders, and third-party PIPE Investors (as defined below).

At the Merger, eligible former Legacy Velo3D equity holders received or had the right to receive shares of Common Stock at a deemed value of $10.00 per share after giving effect to the Exchange Ratio of 0.8149 as defined in the Merger Agreement. Accordingly, immediately following the consummation of the Merger, Legacy Velo3D common stock exchanged into 142,754,694 shares of Common Stock, 66,830,878 shares of Common Stock were reserved for the issuance of Common Stock upon the potential future exercise of Legacy Velo3D stock options, common stock warrants, and shares of Common Stock issuable under the Company's employee stock purchase plan.

In connection with the execution of the Merger Agreement, JAWS Spitfire entered into separate subscription agreements (each a "Subscription Agreement") with a number of investors (each a "PIPE Investor"), pursuant to which the PIPE Investors agreed to purchase, and JAWS Spitfire agreed to sell to the PIPE Investors, an aggregate of 15,500,000 shares of Common Stock (the "PIPE Shares"), for a purchase price of $10.00 per share and an aggregate purchase price of $155.0 million, in a private placement pursuant to the Subscription Agreements (the "PIPE Financing"). The PIPE Financing closed simultaneously with the consummation of the Merger.

In connection with the Merger, 8,625,000 of JAWS Spitfire Class B ordinary shares originally purchased by the Sponsor were exchanged for shares of Common Stock prior to the Closing (the "Founder Shares").

Pursuant to JAWS Spitfire's Articles of Association, JAWS Spitfire's public shareholders were entitled to elect to redeem their public shares for cash even if they had approved the Merger. As of September 24, 2021, the final day of the redemption period, public shareholders had redeemed 18,215,868 Class A ordinary shares of JAWS Spitfire for cash at the redemption price of $10.00 per share, based on funds held in the trust account for an aggregate payment of $182.2 million (the "Redemptions").

The number of shares of Common Stock issued immediately following the consummation of the Merger was:

	Shares
Public shares, outstanding prior to Merger	34,500,000
Less redemption of public shares	(18,215,868)
Public shares following redemptions	16,284,132
Shares issued in PIPE Financing	15,500,000
Public shares and PIPE Financing Shares	31,784,132
Founder Shares	8,625,000
Legacy Velo3D shares [(1)]	142,754,694
Total shares of Common Stock immediately after Merger	183,163,826

(1) Upon consummation of the Merger, 175,173,445 Legacy Velo3D shares were exchanged at the Exchange Ratio and fractional shares were rounded to whole shares.

The Merger was accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, JAWS Spitfire was treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the consolidated financial statements of Velo3D are represented as a continuation of the consolidated financial statements of Legacy Velo3D, with the Merger being treated as the equivalent of Legacy Velo3D issuing stock for the net assets of JAWS Spitfire, accompanied by a recapitalization. The net assets of JAWS Spitfire are stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Merger are those of Legacy Velo3D in future reports.

Legacy Velo3D has been determined to be the accounting acquirer based on evaluation of the following facts and circumstances as of the Closing: (1) Legacy Velo3D's stockholders have a majority of the voting power of Velo3D; (2) the board of directors of Velo3D initially has twelve members, and Legacy Velo3D has the ability to nominate the majority of the initial members of the board of directors; (3) Legacy Velo3D's senior management is the senior management of Velo3D and is responsible for day-to-day operations; (4) Velo3D has assumed the Velo3D name; and; (5) the current strategy and operations of Velo3D continue to be Legacy Velo3D's strategy and operations to develop the next generation of AM printers.

In connection with the Merger and the PIPE Financing, the Company received $298.2 million of gross proceeds including the contribution of $345.0 million of cash held in JAWS Spitfire's trust account from its IPO, redemptions of JAWS Spitfire public shareholders of $182.2 million, and $155.0 million of cash in connection with the PIPE Financing. The gross proceeds were net of $19.6 million of costs incurred by JAWS Spitfire prior to the Closing. The Company incurred $19.9 million of transaction costs, consisting of banking, legal, and other professional fees, of which $19.1 million was recorded as a reduction to additional paid-in capital of proceeds ("APIC"), and the remaining $0.8 million was expensed in the consolidated statements of operations. The total net cash proceeds to the Company were $278.3 million.

Note 4. 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 to common stockholders:

	December 31,	
	2021	**2020**
	(In thousands, except share per share data)	
Numerator:		
Net loss	$ (107,091)	$ (21,807)
Extinguishment of redeemable convertible preferred stock	—	13,051
Net loss attributable to common stockholders	$ (107,091)	$ (8,756)
Denominator:		
Weighted average shares used in computing net loss per share – basic and diluted	58,688,496	15,629,179
Net loss per share – basic and diluted.	$ (1.82)	$ (0.56)

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

	December 31,	
	2021	**2020**
	(per share data)	
Redeemable convertible preferred stock	—	147,876,672
Convertible promissory note	—	—
Redeemable convertible preferred stock warrants	—	408,729
Common stock warrants	13,075,000	214,033
Restricted stock units issued and outstanding	4,041,346	—
Stock options issued and outstanding	21,191,226	21,471,321
Total potentially dilutive common share equivalents	38,307,572	169,970,755

Total potentially dilutive common share equivalents for the year ended December 31, 2021, excludes 21,758,148 shares related to the earnout liability as these shares are contingently issuable upon meeting certain triggering events.

Note 5. 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 December 31, 2021			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets				
Money market funds (i)	$ 207,471	$ —	$ —	$ 207,471
U.S. Treasury securities (ii)	8,141	—	—	8,141
Corporate bonds (ii)	—	7,342	—	7,342
Total financial assets	$ 215,612	$ 7,342	$ —	$ 222,954
Liabilities				
Common stock warrant liabilities (Public) (iii)	$ 14,318	$ —	$ —	$ 14,318
Common stock warrant liabilities (Private Placement) (iii)	—	—	7,387	7,387
Contingent earnout liabilities	—	—	111,487	111,487
Total financial liabilities	$ 14,318	$ —	$ 118,874	$ 133,192

	Fair Value Measured as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets				
Money market funds (i)	$ 15,517	$ —	$ —	$ 15,517
Total financial assets	$ 15,517	$ —	$ —	$ 15,517
Liabilities				
Redeemable convertible preferred stock warrant liability	$ —	$ —	$ 181	$ 181
Total financial liabilities	$ —	$ —	$ 181	$ 181

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

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 December 31, 2021 and 2020. 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:

	Redeemable convertible preferred stock warrant liabilities	Private placement warrant liabilities	Contingent earnout liabilities
		(In thousands)	
Fair value as of January 1, 2021	$ 181	$ —	$ —
Private placement warrant liabilities acquired as part of the reverse recapitalization	—	7,164	—
Contingent earnout liabilities recognized upon the closing of the reverse recapitalization	—	—	120,763
Change in fair value	718	223	(9,276)
Exercise of warrants	(899)	—	—
Fair value as of December 31, 2021	**$ —**	**$ 7,387**	**$ 111,487**

	Redeemable convertible preferred stock warrant liabilities	Private placement warrant liabilities	Contingent earnout liabilities
		(In thousands)	
Fair value as of January 1, 2020	$ 185	$ —	$ —
Change in fair value	(4)	—	—
Fair value as of December 31, 2020	**$ 181**	**$ —**	**$ —**

The fair value of the private placement warrant liability, redeemable convertible preferred stock warrant liability and contingent earnout liability are based on significant unobservable inputs, which represent Level 3 measurements within the fair value hierarchy. In determining the fair value of the private placement warrant liability, the Company used the Binomial-Lattice Model that assumes optimal exercise of the Company's redemption option at the earliest possible date. In determining the fair value of the redeemable convertible preferred stock warrant liability, 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 17, *Equity Instruments*). In determining the fair value of the contingent earnout liability, the Company used the Monte Carlo simulation valuation model using a distribution of potential outcomes on a monthly basis over the Earnout Period using the most reliable information available (see Note 17, *Equity Instruments*).

Note 6. Investments

Available-for-sale Investments

The following table summarizes our available-for-sale investments as of December 31, 2021. These are classified as "Short-term investments" on the consolidated balance sheets. There were no AFS investments as of December 31, 2020.

	December 31, 2021			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
		(In thousands)		
U.S. Treasury securities	$ 8,154	$ —	$ (13)	$ 8,141
Corporate bonds	7,343	1	(2)	7,342
Total available-for-sale investments	$ 15,497	$ 1	$ (15)	$ 15,483

The following table presents the breakdown of the available-for-sale investments in an unrealized loss position as of December 31, 2021.

	December 31, 2021	
	Fair Value	Gross Unrealized Loss
	(In thousands)	
U.S. Treasury securities		
Less than 12 months	$ 8,141	$ 13
Total	$ 8,141	$ 13
Corporate bonds		
Less than 12 months	$ 5,640	$ 2
Total	$ 5,640	$ 2

The Company does not believe these investments to be other-than-temporarily impaired as of December 31, 2021.

All remaining contractual maturities of AFS investments held at December 31, 2021 are greater than one year. Actual maturities may differ from the contractual maturities because the Company may sell these securities prematurely.

Note 7. Accounts Receivable, Net

Accounts receivable, net consisted of the following:

	December 31,	
	2021	2020
	(In thousands)	
Trade Receivables	$ 12,845	$ 1,299
Less: Allowances for Doubtful Accounts	(67)	(67)
Total	$ 12,778	$ 1,232

Note 8. Inventories

Inventories consisted of the following:

	December 31,	
	2021	2020
	(In thousands)	
Raw materials	$ 16,594	$ 4,980
Work-in-progress	5,885	2,329
Total	$ 22,479	$ 7,309

Note 9. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	December 31,	
	2021	2020
	(In thousands)	
Prepaid insurance and other	$ 5,326	$ 525
Vendor prepayments	4,132	282
Total	$ 9,458	$ 807

Note 10. Property and Equipment, Net

Property and equipment, net consisted of the following:

	December 31,	
	2021	2020
	(In thousands)	
Computers and software	$ 1,397	$ 510
R&D lab equipment	2,283	469
Furniture and fixtures	88	40
Leasehold improvements	2,771	1,828
Construction in progress	6,273	—
Total property, plant and equipment	12,812	2,847
Less accumulated depreciation and amortization	(2,766)	(1,841)
Property, plant and equipment, net	$ 10,046	$ 1,006

Depreciation expense for the years ended December 31, 2021 and 2020 was $1.2 million and $1.2 million, respectively.

Note 11. Equipment on Lease, Net

As of December 31, 2021, there were seven 3D Printers (equipment) leased to customers. The equipment leased to customers had a cost basis of $9.3 million and accumulated depreciation of $0.9 million as of December 31, 2021. Total lease revenue earned for the year ended December 31, 2021 was $1.6 million. The total depreciation expense was $0.7 million and included in cost of revenue for the year ended December 31, 2021.

As of December 31, 2020, there were four 3D Printers (equipment) leased to customers. The equipment leased to customers had a cost basis of $3.0 million and accumulated depreciation of $0.2 million as of December 31, 2020. The total lease revenue earned for the year ended December 31, 2020 was $0.4 million. The total depreciation expense was $0.2 million and included in cost of revenue for the year ended December 31, 2020.

The Company entered into debt secured by certain leased equipment to customers. See Note 15, *Long-term Debt,* for a description of these financing arrangements.

Note 12. Accrued Expenses & Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31,			
	2021		2020	
	(In thousands)			
Accrued expenses	$	3,015	$	787
Accrued salaries and benefits		4,143		1,231
Lease liability – current portion		2,256		494
Total Accrued expenses and other current liabilities	$	9,414	$	2,512

Note 13. Other Noncurrent Liabilities

Other noncurrent liabilities consisted of the following:

	December 31,			
	2021		2020	
	(In thousands)			
Lease liabilities - noncurrent portion		9,184		232
Other noncurrent liabilities		308		(48)
Total other noncurrent liabilities	$	9,492	$	184

See Note 17, *Equity Instruments,* for further details of the contingent earnout liability and warrant liabilities.

Note 14. Leases

The Company leases its office and manufacturing facilities under four non-cancellable operating leases which expire in 2023 to 2027 andone month to-month operating lease. During the year ended December 31, 2021, the Company signed three operating leases: (1) office in Europe, (2) manufacturing facility and (3) a R&D facility. The contractual obligations for the manufacturing facility and R&D facility was $10.9 million and $0.5 million, respectively, in base rent and certain reimbursement of lessor's operating expenses. The agreements include a provision for renewal at the then market rate for terms specified in each lease. During the year ended December 31, 2021, the Company also signed a finance lease for technology equipment.

Total ROU assets and lease liabilities are as follows:

	December 31,			
	2021		2020	
	(In thousands)			
Right-of-use assets:				
Net book value (Other assets)	$	11,073	$	633
Operating lease liabilities:				
Current (Accrued expense and other current liabilities)	$	2,222	$	494
Noncurrent (Other noncurrent liabilities)		9,143		232
		11,365		726
Financing lease liabilities:				
Current (Accrued expense and other current liabilities)	$	33	$	—
Noncurrent (Other noncurrent liabilities)		41		—
	$	74	$	—
Total lease liabilities	$	11,439	$	726

There were no impairments recorded related to these assets as of December 31, 2021 and 2020.

Information about lease-related balances were as follows:

	December 31,	
	2021	2020
	(In thousands, except years and percentages)	
Operating lease expense	$ 1,058	$ 571
Financing lease expense	31	—
Short-term lease expense	186	27
Total lease expense	$ 1,275	$ 598
Cash paid for leases	$ 1,018	$ 557
Weighted – average remaining lease term – operating leases (years)	4.9	1.6
Weighted – average discount rate – operating leases	4.4%	4.5%

Maturity of operating lease liabilities as of December 31, 2021 are as follows:

	(In thousands)
2022	$ 2,306
2023	2,696
2024	2,670
2025	2,232
2026	2,315
Thereafter	599
Total operating lease payments	$ 12,818
Less portion representing imputed interest	(1,453)
Total operating lease liabilities	$ 11,365
Less current portion	2,222
Long-term portion	$ 9,143

Note 15. Long-Term Debt

Long-term debt consisted of the following:

	December 31,	
	2021	2020
	(In thousands)	
Term loan	$ —	$ 5,150
Revolving credit line	3,000	—
Property and equipment loan	—	833
Equipment loan	5,089	2,081
Deferred financing costs	(19)	(61)
Total	$ 8,070	$ 8,003
Debt – current portion	5,114	3,687
Long-term debt – less current portion	$ 2,956	$ 4,316

The Company's banking arrangements include three facilities and a revolving credit line with its primary bank (noted below). These loans contain customary representations and warranties, reporting covenants, events of default, and termination provisions. The affirmative covenants include, among other things, that the Company furnish monthly consolidated financial statements, a yearly budget, timely files taxes, maintains good standing and government compliance, maintains liability and other insurance, and furnishes audited consolidated financial statements no later than the date of delivery to the Board of Directors.

The Company amortizes deferred financing costs over the life of the borrowing. As of December 31, 2021 and 2020, the remaining unamortized balance of deferred financing costs was less than $0.1 million for both periods, respectively and was included in Debt — current portion on the balance sheets.

Term Loan — On April 18, 2019, the Company executed a loan facility for $5.2 million with a variable interest rate of Prime plus 0.25% and a term of four years. On April 7, 2020, the Company executed a deferral of principal payments. On December 17, 2020, the Company executed the second amended and restated loan and security agreement to extend the payment terms with a term of two years. As of December 31, 2020, the outstanding term loan balance was $5.2 million. There were zero principal payments paid during the year ended December 31, 2020.

In May 2021, the Company executed the third amended and restated loan and security agreement and a mezzanine loan and security agreement with its primary lender and another financing institution for a total of $53.5 million of debt facilities. These were comprised of a $35.0 million term loan, a $10.0 million revolving credit line (see below) and an $8.5 million secured equipment loan facility (see below). Prior to May 2021, $0.9 million in principal payments were paid against the outstanding term loan balance under the second amended and restated loan and security agreement.

The term loan had a variable interest rate of the greater of 9.00% or Prime plus 5.75% and a term of thirty months. The loan included a deferral of principal payments for the first five months. The refinancing was accounted for as a debt extinguishment under ASC Topic 470, Debt. The outstanding balance in May 2021 was $4.3 million and fully repaid using proceeds from the mezzanine loan and security agreement. The remaining deferred loan fees of $0.1 million were written off to interest expense.

In May 2021, the Company borrowed $15.0 million from the term loan facility, and an additional $5.0 million in July 2021. On October 29, 2021, we repaid the $20.7 million outstanding balance, interest and fees of the term loan in full using proceeds from the Merger. The Company wrote off $0.6 million deferred loans fees with the repayment of the term loan.

The term loan's effective interest rate was 3.2% and 4.0% for the years ended December 31, 2021 and 2020, respectively.

Revolving Credit Line — In May 2021, the Company executed the third amended and restated loan and security agreement and a mezzanine loan and security agreement (see further discussion above). In August 2021, the Company drew $3.0 million on the $10.0 million revolving credit facility, with a variable interest rate of the greater of 5.75% or Prime plus 2.50% and a term of 10 months. The Company has $7.0 million of the revolving credit line undrawn as December 31, 2021. The effective interest rate was 4.7% for the year ended December 31, 2021. The deferred loan fees were less than $0.1 million as of December 31, 2021.

Property and Equipment Loan — On July 2, 2018, the Company executed a loan facility for $2.0 million. On September 26, 2018, $2.0 million was drawn down with a variable interest rate of Prime plus 1% and a term of three years. This facility was refinanced on December 17, 2020 with a new loan facility for $0.9 million with a variable interest rate of Prime plus 1% and a term of three years. As of December 31, 2020, the outstanding property and equipment loan was $0.8 million.

The outstanding balance as of May 2021 was fully repaid using proceeds from the mezzanine loan and security agreement. The deferred loan fees of less than $0.1 million were written off to interest expense. For the year ended December 31, 2021, principal payments of $0.8 million were paid against the Property and Equipment Loan.

The effective interest rates were 1.5% and 4.9% for the years ended December 31, 2021 and 2020, respectively.

Equipment Loan — The equipment loan outstanding balance is comprised of two different equipment loan facilities.

Equipment Loan First Facility: On December 17, 2020, the Company executed the second amended and restated loan and security agreement which included an equipment loan facility for up to $8.5 million secured by the equipment leased to customers. As of December 31, 2020, the equipment loan outstanding balance was $0.8 million. The facility had a variable interest rate of the greater of Prime rate or 3.25%. The effective interest rate was 2.7% for the year ended December 31, 2021.

During the year ended December 31, 2021, the Company executed seven additional advances on the first facility for $5.6 million secured by equipment leased to customers. For the year ended December 31, 2021, $0.8 million in principal payments were paid. As of December 31, 2021, the outstanding balance for the first facility was $5.1 million. The Company has $3.4 million of the secured equipment loan facility undrawn as of December 31, 2021. As of December 31, 2021, the deferred loans fees with the debt issuance was less than $0.1 million.

Equipment Loan Second Facility: The equipment loan on the second facility was entered into in June 2020 with another third-party financing institution. The second facility was for $1.6 million with a fixed interest rate of 6.0%. All facilities had terms of three years. The effective interest rate was 5.9% and 8.0% for the years ended December 31, 2021 and 2020, respectively.

There was $0.3 million in principal payments paid during the year ended December 31, 2020. As of December 31, 2020, the outstanding balance on the second facility was $1.3 million.

In August 2021, the Company paid in full the outstanding balance on the second facility and sold the units to the lease customer when the customer exercised their purchase options. For the year ended December 31, 2021, principal payments of $1.3 million were paid against the outstanding balance on the second facility. As of December 31, 2021, there was no outstanding balance on the second facility. The deferred loan fees of less than $0.1 million were written off to interest expense with the repayment.

The future minimum aggregate payments for the above borrowings are as follows as of December 31, 2021:

		(In thousands)
2022	$	5,114
2023		2,133
2024		823
	$	8,070

Note 16. Convertible Notes Payable

Convertible Note Issued in 2019

On November 15, 2019, the Company issued a convertible note at a principal amount of $1.5 million with a maturity date of November 15, 2024. Interest accrued on the convertible note at 2.00% per annum. There was no purchase discount offered to the note holder.

Upon the occurrence of (1) default in any payment on the convertible note when due, (2) the Company entering into bankruptcy, (3) any case, proceeding or other commenced against the Company, (4) materially breaches by the Company on any representation, warranty, covenant, or other obligation to the holder of the convertible note, and (5) certain distribution agreement expires or terminated, the outstanding principal amount of the convertible note and accrued but unpaid interest may be accelerated. The Company shall not prepay the convertible note without the consent of the holder. Upon the occurrence of the next financing of the Company’s preferred stock, the principal amount of the note and accrued but unpaid interest shall automatically be converted into the shares of the preferred stock issued in such financing at the lowest selling price of such round of financing.

As of December 31, 2019, the carrying amount of the convertible note was $1.5 million and the effective interest rate (which equals the coupon interest rate) was 2.00% per annum.

Convertible Note Issued in 2020

On April 17, 2020, concurrent with the Series D redeemable convertible preferred stock issuance, the Company issued another convertible note at a principal amount of $5.5 million with a maturity date of April 17, 2035. Interest accrued on the convertible note at1.44% per annum. On the same day as the issuance, $1.1 million of principal amount of the convertible note was immediately converted into 2,895,934 shares of Series D redeemable convertible preferred stock. Subsequently, concurrent with the Series D redeemable convertible preferred stock issuance on June 11, 2020, the remaining principal amount of the convertible note and accrued interest of $4.4 million were converted into 11,636,645 shares of Series D redeemable convertible preferred stock.

Convertible Note Issued in 2021

On January 4, 2021, concurrent with the Legacy Velo3D Series D redeemable convertible preferred stock issuance, the Company issued a convertible note at a principal amount of $5.0 million with a maturity date of January 3, 2023. Interest accrued on the convertible note at1.28% per annum.

In September 2021, the convertible promissory note agreement was amended to reflect an automatic conversion to Legacy Velo3D Series D redeemable convertible preferred stock upon a change in control. The modification was accounted for as a debt extinguishment per ASC 470-50 Debt and resulted in a $50.6 million fair value adjustment to the $5.0 million convertible promissory note. The convertible note converted automatically in connection with the Merger. There wasno convertible notes payable as of December 31, 2021 and 2020.

The note conversion price of $0.74 per share resulted in a conversion into6,820,022 shares of Legacy Velo3D Series D redeemable convertible preferred stock immediately prior to Closing, which were subsequently converted from Legacy Velo3D Series D redeemable convertible preferred stock into Legacy Velo3D common stock and at the Exchange Ratio of 0.8149 for 5,557,864 shares of Common Stock at the Closing. There was no purchase discount offered to the note holder.

Note 17. Equity Instruments

Redeemable Convertible Preferred Stock

Redeemable convertible preferred stock consisted of the following:

	As of December 31, 2021				
	Authorized	**Issued and Outstanding**	**Original issue price per share**	**Liquidation Preference**	**Carrying value**
	(In thousands, except share and per share data)				
Redeemable Convertible Preferred Stock	10,000,000	—	$ —	$ —	$ —

Redeemable Convertible Preferred Stock	**Authorized**	**Issued and Outstanding**	**Original issue price per share**	**Liquidation Preference**	**Carrying value**
	As of December 31, 2020				
	(In thousands, except share and per share data)				
Series A	8,906,694	6,726,134	$ 2.928	$ 19,696	$ 17,030
Series B	10,385,804	8,386,456	$ 3.851	32,300	32,176
Series C	8,848,760	8,399,058	$ 5.524	46,400	39,378
Series D	97,278,007	94,222,735	$ 0.375	35,366	35,120
	125,419,265	117,734,383		$ 133,762	$ 123,704

As of December 31, 2021, there wereno issued and outstanding redeemable convertible preferred stock. As of December 31, 2020, redeemable convertible preferred stock totaling 117,734,383 shares were convertible into147,876,672 shares of common stock.

Conversion of Redeemable Convertible Preferred Stock into Common Stock at a conversion ratio of 3:1 and Issuance of Series D Redeemable Convertible Preferred Stock

In March and early April 2020, the Company notified the existing holders of the redeemable convertible preferred stock of (i) a planned initial closing of Legacy Velo3D Series D redeemable convertible preferred stock and (ii) the amount assigned to each of them based on their pro rata holdings in the Company's outstanding equity on a fully diluted basis. In addition, these existing holders were notified that, as a condition of the Legacy Velo3D Series D redeemable convertible preferred stock financing, the Company would amend its articles to implement a special mandatory conversion provision if the holders failed to invest their pro rata amount in such initial financing of Legacy Velo3D Series D redeemable convertible preferred stock.

On April 13, 2020, in connection with the Company's issuance of Legacy Velo3D Series D redeemable convertible preferred stock, the Company amended its articles to implement the special mandatory conversion provision and, contemporaneously, certain existing holders of redeemable convertible preferred stock who failed to invest their full pro rata amount or did not participate in the financing were automatically converted into the Company's common stock at a conversion ratio of three to one. The amendment and forced conversion were recognized as an extinguishment of the redeemable convertible preferred stock.

As a result, 2,167,198 shares of Legacy Velo3D Series A redeemable convertible preferred stock,1,999,348 shares of Legacy Velo3D Series B redeemable convertible preferred stock and 289,702 shares of Legacy Velo3D Series C redeemable convertible preferred stock were converted into1,210,513 shares of Legacy Velo3D common stock. The carrying value of the converted shares of the redeemable convertible preferred stock is $13.3 million, whereas the fair value of the shares of common stock issued in the conversion was $0.2 million. Because the fair value of the consideration transferred (i.e., the fair value of the shares of common stock issued) was less than the carrying amount of the shares of the redeemable convertible preferred stock surrendered, the Company recognized an extinguishment of the redeemable convertible preferred stock converted in the amount of $13.1 million. The $13.1 million was a deemed capital contribution to the holders of the Company's common stock that was a decrease to the net loss attributable to common stockholders and a decrease to accumulated deficit. Accordingly, the Company recorded a decrease of $13.3 million to redeemable convertible preferred stock, and a corresponding increase of $0.2 million in additional paid-in capital and a decrease of $13.1 million in accumulated deficit.

In addition, on April 13, 2020, the Company issued44,794,885 shares of Legacy Velo3D Series D redeemable convertible preferred stock at $0.37534 per share for gross proceeds of $16.8 million.

Common stock

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, have the right to appoint two directors to the Company's Board of Directors, are entitled to receive ratably such dividends as may be declared by the Company's Board of Directors out of funds legally available therefor subject to preferences that may be applicable to any shares of redeemable convertible preferred stock currently outstanding or issued in the future, are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any then outstanding redeemable convertible preferred stock in the event of the Company's liquidation, dissolution, or winding up, have no preemptive rights and no right to convert their common stock into any other securities, and have no redemption or sinking fund provisions applicable to the common stock.

Common Stock Reserved for Future Issuance

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

	December 31,	
	2021	**2020**
	(share data)	
Redeemable convertible preferred	—	147,876,672
Redeemable convertible preferred stock warrants	—	408,729

Common stock warrants	13,075,000	214,033
Restricted stock units issued and outstanding	4,041,346	—
Stock options issued and outstanding	21,191,226	21,471,321
Shares available for future grant under 2014 Equity Incentive Plan	—	5,887,008
Shares available for future grant under 2021 Equity Incentive Plan	17,533,471	—
Reserved for employee stock purchase plan	3,663,277	—
Total shares of common stock reserved	59,504,320	175,857,763

Shares available for future grant under the 2014 Equity Incentive Plan were cancelled and converted into the shares available for future grant under the 2021 Equity Incentive Plan upon consummation of the Merger. See Note 3, *Reverse Recapitalization,* for further discussion.

The shares available for future grant under the 2021 Equity Incentive Plan include un-exercised stock options (vested and unvested) and unvested restricted share units (RSUs) as of December 31, 2021.

Warrant liabilities

Warrants for common stock of 13,075,000 and 214,033 were exercisable 1-to-1 as of December 31, 2021 and 2020, respectively. Warrants - Common Stock are equity classified and recorded at fair value on the issue date without further remeasurement. Private Placement Warrants and Public Warrants on common stock (as defined below) are liability classified and recorded at fair value on the issue date with periodic remeasurement. Warrants for shares of common stock consisted of the following:

	December 31, 2021					
	Issue Date	**Expiration Date**	**Number of Warrants**	**Exercise Price per warrant**	**Fair Value on Issue Date per warrant**	**Fair Value on December 31, 2021**
						(In thousands)
Private Placement Warrants - Common Stock	12/02/2020	09/29/2026	4,450,000	$ 11.50	$ 2.00	$ 7,387
Public Warrants - Common Stock	12/02/2020	09/29/2026	8,625,000	$ 11.50	$ 3.30	$ 14,318
			13,075,000			$ 21,705

	December 31, 2020				
	Issue Date	**Expiration Date**	**Number of Warrant**	**Exercise Price per warrant**	**Fair Value on Issue Date per warrant**
Warrants - Common Stock	12/02/2015	12/02/2025	11,132	$ 0.87	$ 0.70
Warrants - Common Stock	07/02/2018	07/02/2028	40,715	$ 2.47	$ 2.00
Warrants - Common Stock	12/17/2020	12/17/2030	162,186	$ 0.18	$ 0.17
Total outstanding			214,033		

(1) Legacy Velo3D Warrants - Common Stock: As of December 31, 2020, warrants on common stock are equity classified and recorded at fair value on the issue date without further remeasurement.

Warrants - Common Stock

As part of the Merger, all Legacy Velo3D common stock warrants were exercised for shares of common stock in accordance with their terms for the number of exercisable shares, each adjusted using the Exchange Ratio. At that time, the Legacy Velo3D common stock warrants were remeasured and reclassified to Legacy Velo3D additional paid-in capital.

The level 3 fair value assumptions used in the Black-Scholes model to calculate fair value of the warrant for common stock granted during the year ended December 31, 2020 were as follows: volatility of 108.0%, term of 10 years, and risk-free interest rate of 0.9%.

Private Placement Warrants - Common Stock

Concurrently with JAWS Spitfire's IPO, 4,450,000 Private Placement Warrants were issued to the Sponsor at $2.00 per unit. Each Private Placement Warrant is exercisable to purchase one share of Common Stock at a price of $11.50 per share. Subject to certain exceptions, the Private Placement Warrants have terms and provisions that are identical to those of the Public Warrants. As of December 31, 2021, the number of Private Placement Warrants issued was 4,450,000.

Public Warrants - Common Stock

In conjunction with the JAWS Spitfire IPO, 34,500,000 units were issued to public investors at $10.00 per unit. Each unit consisted of one JAWS Spitfire Class A ordinary share and one-fourth of one warrant. Each Public Warrant is exercisable to purchase share of Common Stock at $11.50 per share. As of December 31, 2021, the number of Public Warrants issued was 8,625,000.

Public Warrants may only be exercised for a whole number of shares. The Public Warrants became exercisable on December 7, 2021. The Public Warrants will expire 5 years after the completion of a Merger or earlier upon redemption or liquidation.

Private Placement Warrant and Public Warrant Liabilities - Common Stock

The issuance of the Private Placement Warrant and Public Warrant liabilities were accounted for upon the reverse recapitalization. See Note 3, *Reverse Recapitalization,* for further discussion. The liability for private placement and public warrants on common stock (carried at fair value) was as follows for the year ended December 31, 2021:

	December 31, 2021 (In thousands)
Beginning Balance	$ —
Reclassification of warrants liability upon the reverse recapitalization	21,051
(Loss)/gain on fair value of warrants	654
Ending Balance	$ 21,705

The liability associated with the Private Placement Warrants was subject to remeasurement at each balance sheet date using the Level 3 fair value inputs and the Public Warrants was subject to remeasured at each balance sheet date using Level 1 fair value inputs for the year ended December 31, 2021.

As of December 31, 2021, the fair value of the common stock warrant liabilities were estimated using the Monte-Carlo simulation. The fair value of the common stock warrants takes into account the traded stock price as the valuation date used as the underlying stock input, the contract terms, as well as multiple unobservable inputs such as risk-free interest rates, and expected volatility. As of December 31, 2020, the fair value of the common stock warrants were equity classified.

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

	Year ended December 31, 2021
Current stock price	$7.81
Expected volatility	40.5%
Risk-free interest rate	1.2%
Dividend yield	—%
Expected term (in years)	4.75

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

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

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

Redeemable Convertible Preferred Stock Warrants

For the year ended December 31, 2021, all warrants for redeemable preferred stock were converted prior to the Merger into12,517 shares of Legacy Velo3D Series A redeemable convertible preferred stock and 114,285 shares of Legacy Velo3D Series C redeemable preferred stock. The shares of redeemable preferred stock were net settled and converted into Legacy Velo3D common stock for Series A on a 1:2.178 basis and Series C of 1:2.372 basis.

As of December 31, 2020, warrants for redeemable convertible preferred stock was 173,362. After the conversion to common stock and Exchange Ratio, the impact of dilution triggered by the warrants for redeemable convertible preferred stock if converted into common stock was 243,195 shares of common stock.

	December 31, 2020				
	Issue Date	Expiration Date	Number of Warrant	Exercise Price per Warrant	Fair Value on Issue Date per Warrant
Series A redeemable convertible preferred stock	11/14/2014	11/13/2024	13,362	$ 1.12	$ 1.25
Series C redeemable convertible preferred stock	04/18/2019	04/18/2029	160,000	$ 5.52	$ 1.05
Total outstanding			173,362		

Warrants on redeemable convertible preferred stock were issued to lenders in connection with borrowings. The fair value on the date of issue is recorded as a debt issue cost (contra-liability) and a liability because the warrant was liability classified. The fair value of the warrants are remeasured each reporting period using Level 3 inputs with the increase or decrease recorded in other income (expense), net in the statements of operations.

The liability for warrants on redeemable convertible preferred stock (carried at fair value) was as follows for the years ended December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
	(In thousands)	
Beginning Balance	$ 181	$ 185
Loss/(gain) on fair value of warrants	4,484	(4)
Exercise of warrants (Redeemable preferred convertible stock)	(4,665)	—
Ending Balance	$ —	$ 181

The warrants for shares of Legacy Velo3D Series A and Series C redeemable convertible preferred stock were converted to common stock warrants on September 29, 2021, immediately prior to the closing of the Merger. As of September 29, 2021 and December 31, 2020, the fair value of the redeemable convertible preferred stock warrant liability was estimated using an option pricing model that takes into account the contract terms as well as multiple unobservable inputs such as the aggregate equity value, risk-free interest rates, and expected volatility. The level 3 fair value assumptions used in the Black-Scholes model for the recurring valuation of the redeemable convertible preferred stock warrant liability were as follows:

	Year ended December 31, 2020
Expected volatility	35.0% - 45.0%
Risk-free interest rate	0.1% - 0.8%
Dividend yield	—

Expected volatility: As the Company was not publicly traded at the time the awards were granted, the expected volatility for the Company's warrants was determined by using a review of historical volatilities of selected industry peers deemed to be comparable to the Company's business corresponding to the expected term of the awards and current market inputs.

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 awards.

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 Company uses the simplified method available under U.S. GAAP to determine the expected term due to having insufficient history upon which to base an assumption about the term.

Contingent Earnout Liabilities

The contingent earnout liability is for Earnout Shares for pre-closing Legacy Velo3D equity holders (as defined in the Business Combination Agreement as holders of Legacy Velo3D shares, Legacy Velo3D warrants, Legacy Velo3D convertible notes and Legacy Velo3D options immediately prior to the closing date) ("Eligible Legacy Velo3D Equityholders"). The Eligible Legacy Velo3D Equityholders will be entitled to Earnout Shares, pursuant to which they will receive (i) 5.0% of the total number of shares of Common Stock outstanding at the Closing if the shares of Common Stock trade at or above $12.50 for 20 or more trading days in any 30 trading-day period, and (ii) an additional 5.0% of the total number of shares of Common Stock outstanding at the Closing if the shares of Common Stock trade at or above $15.00 for 20 or more trading days in any 30 trading-day period (the "Triggering Events"). The earnout is subject to a five-year earnout period and early trigger upon certain change of control events.

During the time period between Closing and the five-year anniversary of the Closing Date, Eligible Legacy Velo3D Equityholders may receive up to 21,758,148 shares of additional Common Stock, which is based on two tranches or 10,879,074 per tranche as noted above. The Earnout Shares issuable to holders of employee stock options are accounted as stock-based compensation expense as they are subject to forfeiture based on the satisfaction of certain employment conditions. See Note 18, *Equity Incentive Plans & Stock Based Compensation*, for further discussion.

The estimated fair value of the contingent earnout liabilities at the Closing Date was $120.8 million based on a Monte Carlo simulation valuation model using a distribution of potential outcomes on a monthly basis over the Earnout Period using the most reliable information available. The change in fair value of contingent earnout liabilities are recognized in the consolidated statement of operations.

The rollforward for the contingent earnout liabilities was as follows as of December 31, 2021:

	December 31, 2021 (In thousands)
Beginning Balance	$ —
Reclassification of contingent earnout liability upon the reverse capitalization	120,763
Gain on fair value of contingent earnout liabilities	(9,275)
Ending Balance	$ 111,487

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

	Year ended December 31, 2021	Closing Date September 29, 2021
Current stock price	$ 7.81	$ 8.44
Expected volatility	52.5 %	48.0 %
Risk-free interest rate	1.2 %	1.0 %
Dividend yield	— %	— %
Expected Term (years)	4.75	5.0

Expected volatility: The expected volatility was derived from the implied volatility of Velo3D's publicly traded warrants. The implied volatility is determined iteratively, such that the concluded value of the publicly traded warrant is equal to the traded price using a Monte Carlo Simulation. Additionally, the historical traded prices of the Guideline Public Comparables ("GPC") are relied upon to calculate an estimate of volatility for the Company. Volatility for each comparable is calculated as the annualized standard deviation of continuously compounded returns. The selected GPC have been identified as comparables as they operate in a similar industry to that of Velo3D. An average of the two different volatility conclusions is utilized to arrive at the conclusion.

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 awards.

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 18. Equity Incentive Plans & Stock-Based Compensation

In 2014, the Company adopted its 2014 equity incentive plan (the "2014 Plan") which provides for the granting of stock options, restricted stock awards and stock appreciation rights to employees, directors, and consultants of the

Company. As of December 31, 2020, the Company had reserved 7,223,913 shares of its common stock for issuance under the 2014 Plan.

Awards granted under the 2014 Plan generally expire 10 years from the date of grant, or earlier if services are terminated. The exercise price of stock options grants shall not be less than 110% of the estimated fair value of the shares on the date of grant, respectively, as determined by the Company's Board of Directors. Awards generally vest based on continuous service over four years. Awards forfeited, cancelled, or repurchased generally are returned to the pool of shares of common stock available for issuance under the 2014 Plan.

Upon the consummation of the Merger, the Company adopted its 2021 Equity Incentive Plan (the "2021 EIP") which provides for the granting of stock options, restricted stock units ("RSUs") and stock appreciation rights to employees, directors, and consultants of the Company. As of December 31, 2021, the Company has reserved 42,766,043 shares of its common stock for issuance under the 2021 EIP for stock options and restricted share units (RSUs). The awards granted under the 2014 Plan were cancelled and exchanged to equivalent awards using the Exchange Ratio pursuant to the Business Combination Agreement under the 2021 EIP.

In addition, the Company adopted its 2021 Employee Stock Purchase Plan ("2021 ESPP"). As of December 31, 2021, the Company has reserved 3,663,277 shares of its common stock for issuance under the 2021 ESPP. As of December 31, 2021 the Company had not begun any offering periods for the 2021 ESPP.

Awards granted under both the 2021 EIP and the Company's 2014 Equity Incentive Plan (the "2014 Plan") generally expire 10 years from the date of grant, or earlier if services are terminated. The exercise price of stock options grants shall not be less than 110% of the estimated fair value of the shares on the date of grant, respectively, as determined by the Company's Board of Directors. Awards generally vest based on continuous service over 4 years. Awards forfeited, cancelled, or repurchased generally are returned to the pool of shares of common stock available for issuance under the 2021 Plan and 2014 Plan, respectively.

Stock options

Activity under the Company's stock option plans is set forth below:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term
	(In thousands)	(Per Share Data)	(Years)
Outstanding as of December 31, 2019	4,846	$1.51	8.1
Granted	20,923	$0.25	
Exercised	(55)	$0.98	
Forfeited or expired	(4,243)	$0.67	
Outstanding as of December 31, 2020	21,471	$0.33	9.3
Options vested and expected to vest as of December 31, 2020	21,471	$0.33	
Vested and exercisable as of December 31, 2020	2,697	$0.94	
Outstanding as of December 31, 2020	21,471	$0.33	9.3
Granted	1,023	$6.69	
Exercised	(269)	$1.35	
Forfeited or expired	(1,034)	$1.09	
Outstanding as of December 31, 2021	21,191	$0.58	8.2
Options vested and expected to vest as of December 31, 2021	21,191	$0.58	
Vested and exercisable as of December 31, 2021	9,361	$0.56	

The aggregate intrinsic value of options outstanding was $153.2 million and $3.9 million, respectively, as of December 31, 2021 and 2020. Intrinsic value of options exercised for the years ended December 31, 2021 and 2020 was $1.0 million and no intrinsic value, respectively. The weighted-average grant date fair value of options granted in the years ended December 31, 2021 and 2020 was $3.58 per share and $0.11 per share, respectively. The total grant date fair value of options vested was $1.5 million and $0.3 million for the years ended December 31, 2021 and 2020.

As of December 31, 2021, total unrecognized compensation cost related to options was $3.4 million and is expected to be recognized over a weighted-average period of 2.3 years.

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options. The fair value of each stock option grant is estimated on the date of the grant. The fair value of the Legacy Velo3D common stock underlying the stock options has historically been determined by the board of directors, as there was no public market for the Company's common stock prior to Merger Closing. Therefore, the board of directors has determined the fair value of the common stock at the time of the stock option grant by considering a number of objective and subjective factors including independent third-party valuation reports, valuations of comparable companies, sales of convertible preferred stock and common stock to unrelated third parties, operating and financial performance, lack of liquidity of capital stock and general and industry-specific economic outlook, among other factors.

The weighted-average assumptions in the Black-Scholes option-pricing model used to determine the fair value of stock options granted were as follows:

	December 31,	
	2021	2020
Expected volatility	59%	60%
Risk-free interest rate	0.9% - 1.0%	0.4% - 0.5%
Dividend yield	—%	—%
Expected term (in years)	5.72	6.04
Discount for Lack of Marketability	9.2%	28.5%

Expected volatility: As the Company was not publicly traded at the time the awards were granted, the expected volatility for the Company's stock options was determined by using a review of historical volatilities of selected industry peers deemed to be comparable to the Company's business corresponding to the expected term of the awards.

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 awards.

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 Company uses the simplified method available under U.S. GAAP to determine the expected term due to having insufficient history upon which to base an assumption about the term.

Discount for Lack of Marketability ("DLOM"): The DLOM did not apply post closing and is meant to account for the lack of marketability of stock that was not publicly traded.

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 December 31, 2021 and their activity during the year ended December 31, 2021:

	Number of Shares	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
	(In thousands)	(Per Share Data)	(In thousands)
Balance as of December 31, 2020	—	$ —	$ —
Granted	4,041	7.26	29,476
Released	—	—	—
Cancelled	—	—	—
Balance as of December 31, 2021	4,041	$ 7.26	$ 29,476
Expected to vest as of December 31, 2021	4,041	$ 7.26	$ 31,563

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 December 31, 2021, there was $29.0 million of unrecognized compensation cost related to4.0 million unvested RSUs, which is expected to be recognized over a weighted average period of approximately 3.7 years.

Earnout Shares - Employees

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

The assumptions for the Monte-Carlo simulation model on the Closing Date, September 29, 2021, are defined in Note 17*Equity Instruments* - Contingent Earnout Liabilities*,* which include the current stock price, expected volatility, risk-free interest rate, dividend yield, and expected term.

Stock-based Compensation Expense

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

	December 31, 2021	December 31, 2020
	(In thousands)	
Restricted stock units	$ 355	$ —
Stock options	2,453	1,455
Earnout shares - employees	1,560	—
	$ 4,368	$ 1,455

The following sets forth the total stock-based compensation expense for the stock options included in the statements of operations:

	December 31,	
	2021	2020
	(In thousands)	
Research and development	$ 1,851	$ 728
Selling and marketing	816	373
General and administrative	1,701	354
	$ 4,368	$ 1,455

Note 19. Income Taxes

The provision for income taxes differs from the amount which would result by applying the federal statutory income tax rate to "Loss before income taxes" for the years ended December 31, 2021 and 2020.

The reconciliation of the provision computed at the federal statutory rate to the Company's provision (benefit) for income taxes as follows:

	December 31,			
	2021		2020	
	(In thousands, except percentages)			
Tax at federal statutory rate	$ (22,489)	(21.0)%	$ (4,579)	(21.0)%
State, net of federal benefit	(3,100)	(2.9)%	(922)	(4.2)%
Stock based compensation	341	0.3 %	234	1.1 %
Fair value adjustments	9,766	9.1 %	—	— %
Transaction costs	(1,838)	(1.7)%	—	— %
Other	(990)	(0.9)%	(527)	(2.5)%
Change in valuation allowance	18,310	17.1 %	5,794	26.6 %
Total provision for income taxes	$ —	— %	$ —	— %

The Company did not incur income tax expense or benefit for the years ending December 31, 2021 or December 31, 2020.

Deferred income taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The components of deferred tax assets and liabilities are as follows:

	December 31,	
	2021	2020
	(In thousands)	
Deferred tax assets		
Net operating loss carryforwards	$ 51,036	$ 35,818
Research and development tax credits	7,018	5,286
Stock based compensation	1,250	594
Fixed assets and intangibles	(342)	61
Lease liability	2,798	181
Other timing differences	1,622	565
Total deferred tax assets	$ 63,382	$ 42,505
Valuation allowance	$ (60,653)	$ (42,342)
Net deferred tax assets	$ 2,729	$ 163
Deferred tax liabilities		
Right of use assets	$ (2,729)	$ (163)
Total deferred tax liabilities	$ (2,729)	$ (163)
Net deferred tax assets	$ —	$ —

Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain.

The Company concluded that it was not more-likely-than-not that tax benefits from operating losses would be realized and, accordingly, has provided a full valuation allowance against its deferred tax assets. Accordingly, the net deferred tax assets have been fully offset by a valuation allowance. The valuation allowance increased by $18.3 million and $5.8 million for the years ended December 31, 2021 and 2020, respectively, due to stock based compensation, current and previous year losses and credits claimed.

As of December 31, 2021, the Company had $193.2 million and $149.9 million federal and state net operating losses (“NOLs”), respectively, available to reduce future taxable income, which will begin to expire in 2034 and 2030 respectively for federal and for state tax purposes. The Company had $147.3 million of federal net operating loss included above and can be carried forward indefinitely.

As of December 31, 2020, the Company had $131.2 million and $118.5 million of federal and state net operating losses available to reduce future taxable income.

The Company also has federal research and developmental tax credit carryforwards of approximately $5.9 million which begin to expire in 2034, and state research and developmental tax credit carryforwards of $5.6 million as of December 31, 2021. The state credits have no expiration date.

Federal and California tax laws impose substantial restrictions on the utilization of NOLs and credit carryforwards in the event of an "ownership change" for tax purposes, as defined in Section 382 of the Internal Revenue Code. Accordingly, the Company's ability to utilize these carryforwards may be limited as the result of such ownership change. Such a limitation could result in limitation in the use of the NOLs in future years and possibly a reduction of the NOLs available.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	December 31,	
	2021	2020
	(In thousands)	
Balance at beginning of year	$ 2,861	$ 2,430
Additions based on tax positions related to the current year	823	431
Balance at end of year	$ 3,684	$ 2,861

For the years ended December 31, 2021 and 2020, the amount of unrecognized tax benefits increased $0.8 million and $0.4 million, respectively, due to additional research and development credits generated during the year. As of December 31, 2021 and 2020 the total amount of unrecognized tax benefits was $3.7 million and $2.9 million, respectively. The reversal of the uncertain tax benefits would not affect the Company's effective tax rate to the extent that it continues to maintain a full valuation allowance against its deferred tax assets.

The Company is subject to U.S. federal income taxes and to income taxes in various states in the United States. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations, and require significant judgment to apply. The Company is subject to U.S federal, state and local examinations by tax authorities for all prior years since incorporation. The Company does not anticipate significant changes to its current uncertain tax positions within the next twelve months.

The Company recognizes any interest and/or penalties related to income tax matters as a component of income tax expense. As of December 31, 2021, there were no accrued interest and penalties related to uncertain tax positions.

As of December 31, 2021 and 2020, there wereno foreign income taxes or liabilities.

Note 20. 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 consolidated financial statements indicates it is probable a loss has been incurred as of the date of the consolidated financial statements and the amount of loss can be reasonably estimated. The Company adjusts its accruals to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Legal costs are expensed as incurred. As of December 31, 2021 and 2020, the Company is not aware of any litigation, claim or assessment in which the outcome, individually or in the aggregate, would have a material adverse effect on its financial positions, results of operations, cash flows or future earnings.

The Company's purchase obligations per terms and conditions with suppliers and vendors are cancellable in whole or in part prior to shipment. If inventory is shipped, the Company will accrue a liability under accrued expenses. The Company has no other commitment and contingencies, except for the operating leases. See Note 14, *Leases*, for further discussion.

Purchase commitments (purchase orders) of $27.7 million for parts and assemblies are non-cancellable and are due upon receipts with standard payment terms and will primarily be delivered in the first half of 2022.

Note 21. Employee Defined - Contribution Plans

The Company has a defined-contribution plan intended to qualify under Section 401 of the Internal Revenue Code (the "401(k) Plan"). The Company contracted with a third-party provider to act as a custodian and trustee, and to process and maintain the records of participant data. Substantially all of the expenses incurred for administering the 401(k) Plan are paid by the Company. Accrued salaries and benefits included accruals related to the 401(k) plans the Company offers to its employees. In order to qualify for these plans, employees must meet the minimum age requirement (21 years) and begin participating on their entry date which is the first paycheck date in the month following the month of eligibility described above. Employee and employer contributions are immediately 100%

fully vested. The plans offer employer contributions of3.0% of an employee's eligible compensation following safe-harbor rules. The Company's contribution to the 401(k) plan was $0.6 million and $0.4 million for the years ended December 31, 2021 and 2020, respectively.

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. The Company has paid all matching contributions as of December 31, 2021.

Note 22. Revenue

Customer Concentration

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

	Total Revenue		Accounts Receivable, Net	
	Year ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
	(as a percentage)			
Customer 1	27.8 %	41.1 %	71.2 %	85.6 %
Customer 2	21.5 %	<10 %	<10 %	<10 %
Customer 3	12.8 %	<10 %	16.0 %	— %
Customer 4	10.2 %	— %	<10 %	— %
Customer 5	<10 %	15.6 %	— %	— %
Customer 6	<10 %	15.0 %	<10 %	<10 %

Revenue by Geographic Area

The Company currently sells its products in the United States and other locations. As of December 31, 2021, one equipment on lease (long-lived assets) is located outside the U.S. Revenue by geographic area based on the billing address of the customers were as follows:

	December 31,	
	2021	2020
	(In thousands)	
United States	$ 22,926	$ 13,046
Other	4,513	5,929
Total	$ 27,439	$ 18,975

Contract Assets and Liabilities

The amount of revenue recognized during the year ended December 31, 2021 included in contract liabilities as of December 31, 2020 was $1.0 million. The amount of revenue recognized during the year ended December 31, 2020 included in contract liabilities as of December 31, 2019 was $0.5 million. The change in contract assets reflects the difference in timing between our satisfaction of remaining performance obligations and our contractual right to bill our customers. The Company had no material asset impairment charges related to contract assets in the periods presented.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following is an estimate of the expenses that Velo3D, Inc. (the "Registrant") may incur in connection with the securities being registered hereby (all of which are to be paid by the Registrant).

SEC registration fee	$	125,126.24
Legal fees and expenses		*
Accounting fees and expenses		*
Financial printing and miscellaneous expenses		*
Total		*

* Except for the SEC registration fee, estimated expenses are not presently known. The foregoing sets forth the general categories of expenses (other than underwriting discounts and commissions) that we anticipate we will incur in connection with the offering of securities under this Registration Statement on Form S-1. To the extent required, any applicable prospectus supplement will set forth the estimated aggregate amount of expenses payable in respect of any offering of securities under the registration statement.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers under certain circumstances and subject to certain limitations. The terms of Section 145 of the Delaware General Corporation Law are sufficiently broad to permit indemnification under certain circumstances for liabilities, including reimbursement of expenses incurred, arising under the Securities Act of 1933, as amended (the "Securities Act").

As permitted by the Delaware General Corporation Law, the Registrant's certificate of incorporation, as amended (the "Certificate of Incorporation") contains provisions that eliminate the personal liability of its directors for monetary damages for any breach of fiduciary duties as a director, except liability for the following:

- any breach of the director's duty of loyalty to the Registrant or its stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law (regarding unlawful dividends and stock purchases); or
- any transaction from which the director derived an improper personal benefit.

As permitted by the Delaware General Corporation Law, the Registrant's restated bylaws (the "Bylaws") provide that:

- the Registrant is required to indemnify its directors and officers to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;
- the Registrant is required to advance expenses, as incurred, to its directors and officers in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions; and
- the rights conferred in the bylaws are not exclusive.

The Registrant has entered into indemnification agreements with its directors and executive officers, which provide for indemnification and advancements by the Registrant of certain expenses and costs under certain circumstances. At present, there is no pending litigation or proceeding involving a director or executive officer of the Registrant for which indemnification is sought. The indemnification provisions in the Registrant's Certificate of

Incorporation, Bylaws and the indemnification agreements entered into between the Registrant and each of its directors and executive officers may be sufficiently broad to permit indemnification of the Registrant's directors and executive officers for liabilities arising under the Securities Act.

The Registrant has directors' and officers' liability insurance for securities matters.

Item 15. Recent Sales of Unregistered Securities.

Since January 1, 2019, the Registrant has issued and sold the following unregistered securities:

- On September 14, 2020, Spitfire Sponsor LLC (the "Sponsor") paid $25,000, or $0.004 per share, to cover certain of the offering costs related to the Registrant's initial public offering (the "IPO") in consideration of 7,187,500 Class B ordinary shares, par value $0.0001, of the Registrant. Such securities were issued in connection with the Registrant's organization pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The Sponsor was an accredited investor for purposes of Rule 501 of Regulation D under the Securities Act ("Regulation D"). Each of the equity holders in the Sponsor was an accredited investor under Rule 501 of Regulation D. The sole business of the Sponsor was to act as the Registrant's sponsor in connection with the IPO.

- On December 7, 2020, the Registrant consummated a private placement of 4,450,000 warrants, each exercisable to purchase one Class A ordinary share, par value $0.0001, of the Registrant at $11.50 per share (the "Private Placement Warrants"), at a price of $2.00 per warrant, generating total proceeds of $8,900,000. The Private Placement Warrants were purchased by the Sponsor. Such securities were issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

- On September 29, 2021, the Registrant issued an aggregate of 15,500,000 shares of common stock, par value $0.00001, to certain institutional investors concurrently with the closing of the Registrant's Merger at $10.00 per share for an aggregate purchase price of $155,000,000. The shares of common stock were issued under Section 4(a)(2) of the Securities Act, as a transaction by an issuer not involving a public offering. Each of the investors represented that it was a "qualified institutional buyer" as defined in Rule 144A under the Securities Act or an institutional "accredited investor" within the meaning of Rule 501(a) under the Securities Act and that it was not acquiring such shares with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, and appropriate legends were affixed to the certificates representing such shares (or reflected in restricted book entry with the Registrant's transfer agent). The investors also represented that they had received such information as they deemed necessary in order to make an investment decision with respect to the shares.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

		Incorporated by Reference		
Exhibit Number	Description	Form	Exhibit	Filing Date
2.1†	Business Combination Agreement, dated as of March 22, 2021, by and among JAWS Spitfire Acquisition Corporation, Spitfire Merger Sub, Inc., and Velo3D, Inc.	8-K	2.1	03/23/2021
2.2	Amendment No. 1 to the Business Combination Agreement, dated July 20, 2021, by and among JAWS Spitfire Acquisition Corporation, Spitfire Merger Sub, Inc., and Velo3D, Inc.	S-4/A	Annex AA	07/20/2021
3.1	Certificate of Incorporation of Velo3D, Inc.	8-K	3.1	10/05/2021
3.2	Restated Bylaws of Velo3D, Inc.	8-K	3.2	10/05/2021
4.1	Specimen Unit Certificate	S-1	4.1	11/27/2020
4.2	Specimen Ordinary Share Certificate	S-1	4.2	11/27/2020

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
4.3	Specimen Warrant Certificate	S-1	4.3	11/27/2020
4.4	Certificate of Corporate Domestication of JAWS Spitfire Acquisition Corporation	8-K	4.4	10/05/2021
4.5	Warrant Agreement between Continental Stock Transfer & Trust Company and JAWS Spitfire Acquisition Corporation, dated December 7, 2020	8-K	4.1	12/8/2020
5.1**	Legal Opinion of Fenwick & West LLP			
10.1	Sponsor Letter Agreement, dated as of March 22, 2021, by and among Spitfire Sponsor LLC, certain other holders set forth on Schedule I thereto, JAWS Spitfire Acquisition and Velo3D, Inc.	8-K	10.2	03/23/2021
10.2	Form of Subscription Agreement	8-K	10.1	03/23/2021
10.3	Amended and Restated Registration Rights Agreement, dated September 29, 2021, by and among the Company, Spitfire Sponsor LLC, and other Holders party thereto	8-K	10.3	10/05/2021
10.4	2014 Equity Incentive Plan	8-K	10.4	10/05/2021
10.5	2021 Equity Incentive Plan	8-K	10.5	10/05/2021
10.6	Form of Option Award Agreement	8-K	10.6	10/05/2021
10.7	Form of RSU Award Agreement	8-K	10.7	10/05/2021
10.8	Form of Rollover Option Award Agreement	8-K	10.8	10/05/2021
10.9	Form of Restricted Stock Award Agreement	8-K	10.9	10/05/2021
10.10	Form of Stock Appreciation Right Award Agreement	8-K	10.10	10/05/2021
10.11	Form of Stock Bonus Award Agreement	8-K	10.11	10/05/2021
10.12	Form of Performance Shares Award Agreement	8-K	10.12	10/05/2021
10.13	2021 Employee Stock Purchase Plan	8-K	10.13	10/05/2021
10.14	Lock-Up Agreement with Mr. Buller	S-4	10.9	05/13/2021
10.15	Employment Agreement between Velo3D, Inc. and Mr. McCombe	S-4/A	10.10	06/29/2021
10.16	Addendum to Employment Agreement between Velo3D, Inc. and Mr. McCombe	S-4/A	10.11	06/29/2021
10.17	Employment Agreement between Velo3D, Inc. and Ms. Youssef	S-4/A	10.12	06/29/2021
10.18	Form of Director and Officer Indemnification Agreement	8-K	10.18	10/05/2021
10.19	Lease by and between Velo3D, Inc. and Division Street Property II, LLC, dated February 19, 2016	8-K	10.19	10/05/2021
10.20	First Amendment to Lease by and between Velo3D, Inc. and Division Street Property II, LLC, dated April 7, 2021	8-K	10.20	10/05/2021
10.21†	Lease by and between Velo3D, Inc. and Colfin 2019-2D Industrial Owner, LLC, dated June 28, 2021	8-K	10.21	10/05/2021
10.22†	Third Amended and Restated Loan and Security Agreement between Silicon Valley Bank and Velo3D, Inc., dated May 14, 2021	8-K	10.22	10/05/2021
10.23†	Mezzanine Loan and Security Agreement among Silicon Valley Bank, as Agent, Silicon Valley Bank, as Lender, Hercules Capital, Inc., as Lender, and Velo3D, Inc. as Borrower, dated May 14, 2021	8-K	10.23	10/05/2021
21.1	List of Subsidiaries	8-K	21.1	10/05/2021

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
23.1*	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm for Velo3D, Inc.			
23.2**	Consent of Fenwick & West LLP (included as part of Exhibit 5.1)			

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

* Filed Herewith.

** Previously filed.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (i), (ii) and (iii) do not apply if the registration statement is on Form S-1 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement;

(2) that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

(4) that, for the purpose of determining liability under the Securities Act to any purchaser: each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser

with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use; and

(5) that, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(a) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(b) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(c) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of an undersigned registrant;

(d) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser; and

(e) that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this post effective amendment no. 1 to registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Campbell, State of California, on the 28th day of March, 2022.

VELO3D, INC.

By: /s/ Benyamin Buller
Benyamin Buller
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this post-effective amendment no. 1 to registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Benyamin Buller Benyamin Buller	Chief Executive Officer and Director *(Principal Executive Officer)*	March 28, 2022
/s/ William McCombe William McCombe	Chief Financial Officer and Director *(Principal Financial Officer)*	March 28, 2022
/s/ Bernard Chung Bernard Chung	Vice President of Finance *(Principal Accounting Officer)*	March 28, 2022
* Carl Bass	Chairman and Director	March 28, 2022
* Michael Idelchik	Director	March 28, 2022
* Stefan Krause	Director	March 28, 2022
/s/ Ellen Pawlikowski Ellen Pawlikowski	Director	March 28, 2022
* Ellen Smith	Director	March 28, 2022
* Gabrielle Toledano	Director	March 28, 2022
* Matthew Walters	Director	March 28, 2022
*By: /s/ William McCombe Attorney-in-Fact		March 28, 2022

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Velo3D, Inc.of our report dated March 28, 2022 relating to the financial statements, which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

San Jose, California
March 28, 2022