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

FORM 8-K

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

Date of Report (Date of earliest event reported): **March 2, 2023**

Velo3D, Inc.

(Exact name of registrant as specified in its charter)

Delaware

001-39757

98-1556965

(State or other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

511 Division Street
Campbell, California

95008

(Address of principal executive offices)

(Zip Code)

(408) 610-3915

Registrant's telephone number, including area code

N/A

(Former name or former address, if changed since last report.)

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

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

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

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

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

On March 2, 2023, Velo3D, Inc. ("Velo3D, Inc" or the "Company") issued a press release announcing its financial results for the three and twelve months ended December 31, 2022 (the "Press Release"). In the Press Release, the Company also announced that it would be holding a conference call on March 2, 2023 at 2:00p.m. Pacific Time to discuss its financial results for the three and twelve months ended December 31, 2022.

On March 2, 2023, the Company also published earnings presentation slides (the "Earnings Presentation") related to its financial results for the three and twelve months ended March 2, 2023 for use in investor discussions. Copies of the Press Release and Earnings Presentation are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

The information furnished with this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statement and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release, dated March 2, 2023, regarding the Registrant's results for the quarter and year ended December 31, 2022
99.2	Earnings Presentation, dated March 2, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

Velo3D, Inc.

Date: March 2, 2023

By: /s/ Benjamin Buller

Name: Benjamin Buller

Title: Chief Executive Officer

Velo3D Announces Fourth Quarter and Fiscal Year 2022 Financial Results

Strategic Initiatives to Drive Significant Improvement in Profitability in 2023

- *Record Q422 revenue - 56% sequential increase*
- *Continued demand - expected revenue growth of >50% for FY 2023*
- *Technology leadership – record Sapphire XC shipments in Q422*
- *Strong year on year sales growth - 200% for 2022*
- *New customers – increased customer base by >50% in 2022*

CAMPBELL, Calif., Mar 2, 2022 - Velo3D, Inc. (NYSE: VLD), a leading additive manufacturing technology company for mission-critical metal parts, today announced financial results for its fourth quarter and fiscal year ended December 31, 2022.

“We exited the year with a strong fourth quarter performance as we exceeded our revenue forecast, added to our diversified customer base and maintained our technology leadership with the continued, successful ramp up of our Sapphire XC system,” said Benny Buller, CEO of Velo3D. “Overall, 2022 was another important and successful year for Velo3D. Despite a number of challenges, we were able to triple our annual revenue and demonstrate our commitment to innovation by further expanding our range of industry leading products. This success reflects strong execution as well as our ability to capitalize on customer’s increasing deployment of additive manufacturing solutions to produce the high value metal parts they need.”

“Specifically, we continue to see strong demand for our Sapphire family of printers as we shipped a record number of Sapphire XC systems during the quarter and commenced initial volume shipments of our next generation Sapphire XC 1MZ product. We also expanded our installed base with annual new customer growth in excess of 50% for the year. Finally, we booked \$15 million in new orders in the fourth quarter and our backlog now totals \$43 million. This provides significant revenue visibility for the first half of this year and positions us well to achieve 2023 revenue growth of more than 50%.”

“Looking forward, we remain very excited about the future given the significant market opportunity and the increasing adoption of our industry leading technology. We are confident that we have a clear path to profitability and our key initiatives for 2023 reflect this focus. These initiatives include programs for continued gross margin improvement, a 20% reduction in quarterly non-GAAP operating expenses by the end of 2023 as well as the benefits from the further execution of our previously announced supply chain and manufacturing efficiency improvements. Given our positive momentum coming into this year and the further ramp up of our new products, we believe we are well positioned to capitalize on the rapidly expanding market for mission critical, high value metal parts,” concluded Buller.

(\$ Millions, except percentages and per-share data)	4 th Quarter 2022	3 rd Quarter 2022	4 th Quarter 2021	FY2022	FY2021
GAAP revenue	\$29.8	\$19.1	\$10.4	\$80.8	\$27.4
GAAP gross margin	5.9%	(0.6%)	16.2%	3.6%	18.1%
GAAP Net Income (Loss) ¹	\$22.6	(\$75.2)	(\$14.4)	\$10.0	(\$107.1)
GAAP Net Income (Loss) per diluted share	\$0.11	(\$0.41)	(\$0.08)	\$0.05	(\$1.82)
Non-GAAP Net Loss ²	(\$16.4)	(\$22.5)	(\$17.5)	(\$83.0)	(\$51.9)
Non-GAAP Net Loss per diluted share ²	(\$0.08)	(\$0.12)	(\$0.10)	(\$0.41)	(\$0.88)
Cash and investments	\$80	\$113	\$223	\$80	\$223

Information about Velo3D’s use of non-GAAP information, including a reconciliation to U.S. GAAP, is provided at the end of this release.

1. Reconciliations to U.S. generally accepted accounting principles (GAAP) financial measures are presented below under “Non-GAAP Financial Information”.
2. Non-GAAP net loss and non-GAAP net loss per diluted share exclude stock-based compensation expense, and fair value adjustments for the Company’s warrants and earnout liabilities in the three months and years ended December 31, 2022 and 2021, and transaction costs related to the JAWS Spitfire merger transaction and charge related to the loss on fair value on the convertible note modification in conjunction with the merger transaction for the three months and year ended December 31, 2021.

Summary of Fourth Quarter 2022 results

Revenue for the fourth quarter was \$30 million, an increase of 56% compared to the third quarter of 2022. For fiscal year 2022, revenue rose 194% to \$81 million compared to fiscal year 2021. Sequential Year of Sale revenue¹ improvement was driven by an increase in system volume, a higher average selling price due to a more favorable transaction mix resulting from record Sapphire XC shipments and an increase in deferred payment transactions compared to the third quarter of 2022. On a year over year basis, revenue growth reflected higher annual system sales, specifically a significant increase in the sales of the company's Sapphire XC system compared to fiscal year 2021, as well as the growth in support service and recurring payment revenue resulting from an increase in the company's installed base.

Gross margin for the fourth quarter was 5.9%, up sequentially, as the company benefited from higher average selling prices, a reduced number of shipments of Sapphire XC systems at launch customer pricing compared to the third quarter of 2022 and lower service and recurring revenue costs. The company completed its final shipment under its launch customer pricing contract during the fourth quarter. Labor and overhead costs for the fourth quarter were in line with forecasts and the company expects further improvement in its material costs through the first half of 2023.

Operating expenses for the fourth quarter declined 15% to \$23.7 million. The decline was driven by \$3.4 million of non-recurring expense reductions, primarily in research and development. Research and development costs also declined due to the completion of major development projects and improved expense control. General and administrative costs were in line with the third quarter while sales and marketing expenses rose slightly. Non-GAAP operating expenses, which excludes, among other items, stock-based compensation expense of \$5.1 million, was \$18.6 million in the three months ended December 31, 2022.

Net income for the quarter was \$22.6 million and reflected a gain of \$44.1 million on the fair value of warrants and contingent earnout liabilities. Non-GAAP net loss, which excludes, among other items, the gain on fair value of warrants and contingent earnout liabilities as well as

¹ Year of sale revenue refers to revenue from all units shipped within the calendar year.

stock-based compensation expense, was \$16.4 million in the three months ended December 31, 2022. Adjusted EBITDA for the quarter, excluding the same metrics, was a loss of \$14.4 million. For more information regarding the company's non-GAAP financial measures, see "Non-GAAP Financial Information" below.

The company ended the quarter with a strong balance sheet with \$80 million in cash and investments. As a result, the company believes given its current liquidity and its recently established "at-the-market" equity offering program, it has the liquidity to fund its operations including its technology investments and growth plans.

Guidance

Given strong demand trends, current backlog and fourth quarter bookings, the company is confident in achieving its 2023 financial forecasts.

For the first quarter of 2023, the company expects the following:

- Revenue in the range of \$25 million to \$28 million
- Gross margin in the range of 9% to 11%, assuming no impact from potential non-recurring charges

For the fiscal year 2023, the company expects the following:

- Revenue in the range of \$120 million to \$130 million
- Gross margin in the range of 19% to 21%, assuming no impact from potential non-recurring charges – with gross margin of approximately 30% in the fourth quarter of 2023

The company will host a conference call for investors this afternoon to discuss its fourth quarter and fiscal year 2022 performance at 2:00 p.m. Pacific Time. The call will be webcast and can be accessed from the Events page of the Investor Relations section of Velo3D's website at <https://ir.velo3d.com/>.

About Velo3D:

Velo3D is a metal 3D printing technology company. 3D printing—also known as additive manufacturing (AM)—has a unique ability to improve the way high-value metal parts are built. However, legacy metal AM has been greatly limited in its capabilities since its invention almost 30 years ago. This has prevented the technology from being used to create the most valuable and impactful parts, restricting its use to specific niches where the limitations were acceptable.

Velo3D has overcome these limitations so engineers can design and print the parts they want. The company's solution unlocks a wide breadth of design freedom and enables customers in space exploration, aviation, power generation, energy and semiconductor to innovate the future in their respective industries. Using Velo3D, these customers can now build mission-critical metal parts that were previously impossible to manufacture. The end-to-end solution includes the Flow™ print preparation software, the Sapphire® family of printers, and the Assure™ quality control system—all of which are powered by Velo3D's Intelligent Fusion™ manufacturing process. The company delivered its first Sapphire® system in 2018 and has been a strategic partner to innovators such as SpaceX, Honeywell, Honda, Chromalloy, and Lam Research. Velo3D has been named to San Francisco Chronicle's prestigious annual list of Top Workplaces in the Bay Area 2022. For more information, please visit velo3d.com, or follow the company on LinkedIn or Twitter.

VELO, VELO3D, SAPPHIRE and INTELLIGENT FUSION, are registered trademarks of Velo3D, Inc.; and WITHOUT COMPROMISE, FLOW and ASSURE are trademarks of Velo3D, Inc. All Rights Reserved © Velo3D, Inc.

###



Investor Relations:

Velo3D

Bob Okunski, VP Investor Relations

investors@velo3d.com

Media Contact:

Velo3D

Dan Sorensen, Senior Director of PR

dan.sorensen@velo3d.com

Amounts herein pertaining to December 31, 2022 represent a preliminary estimate as of the date of this earnings release and may be revised upon filing our Annual Report on Form 10-K with the Securities and Exchange Commission (the "SEC"). More information on our results of operations for the twelve months ended December 31, 2022 will be provided upon filing our Annual Report on Form 10-K with the SEC.

Forward-Looking Statements:

This press release includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1996. The company’s actual results may differ from its expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect”, “estimate”, “project”, “budget”, “forecast”, “anticipate”, “intend”, “plan”, “may”, “will”, “could”, “should”, “believes”, “predicts”, “potential”, “continue”, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the company’s guidance for the first quarter, fourth quarter and full year 2023 (including the company’s estimates for revenue and revenue growth and gross margin), the company’s expectations regarding its ability to achieve profitability, its improved bill of materials costs during the first half of 2023, the company’s strategic priorities for 2023 (including the company’s plans and targets for revenue growth, gross margin improvement, non-GAAP operating expense reduction and supply chain and manufacturing efficiency improvements), the company’s expectations regarding its liquidity and capital requirements, and the company’s other expectations, hopes, beliefs, intentions or strategies for the future. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. You should carefully consider the risks and uncertainties described in the “Risk Factors” section of the company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (the “FY 2021 10-K”), which was filed by the company with the SEC on March 28, 2022 and the other documents filed by the company from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Most of these factors are outside the company’s control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the inability of the company to execute its business plan, which may be affected by, among other things, competition, the ability of the company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its key employees; (2) changes in the applicable laws or regulations; (3) the possibility that the company may be adversely affected by other economic, business, and/or competitive factors; (4) the impact of the global COVID-19 pandemic; and (5) other risks and uncertainties indicated from time to time described in the FY

2021 10-K, including those under “Risk Factors” therein, and in the company’s other filings with the SEC. The company cautions that the foregoing list of factors is not exclusive and not to place undue reliance upon any forward-looking statements, including projections, which speak only as of the date made. The company does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

Non-GAAP Financial Information

The company uses non-GAAP financial measures to help it make strategic decisions, establish budgets and operational goals for managing its business, analyze its financial results and evaluate its performance. The company also believes that the presentation of these non-GAAP financial measures in this release provides an additional tool for investors to use in comparing the company's core business and results of operations over multiple periods. However, the non-GAAP financial measures presented in this release 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 release should not be considered as the sole measure of the company's 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 the company uses in this release. Because of the limitations associated with these non-GAAP financial measures, "Non-GAAP Net Loss", "EBITDA", "Adjusted EBITDA", "Adjusted EBITDA excluding merger costs and loss on convertible note extinguishment" and "Adjusted Operating Expenses", should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. The company compensates for these limitations by relying primarily on its GAAP results and using Non-GAAP Net Loss, EBITDA, Adjusted EBITDA, "Adjusted EBITDA excluding merger costs and loss on convertible note extinguishment" and Adjusted Operating Expenses 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 the company's business.

The following tables reconcile Net income (loss) to Non-GAAP Net Loss, EBITDA, and Adjusted EBITDA and Total Operating Expenses to Adjusted Operating Expenses during the three months ended December 31, 2022 and 2021, the year ended December 31, 2022 and 2021 and the three months ended September 30, 2022 and 2021:

Velo3D, Inc.
NON-GAAP Net Loss Reconciliation
(Unaudited)

	Three months ended				Year ended				Three months ended			
	December 31,		December 31,		December 31,		December 31,		September 30,		September 30,	
	2022		2021		2022		2021		2022		2021	
(In thousands, except for percentages)												
	% of Rev		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev	
Revenues	\$ 29,780	100 %	\$ 10,410	100 %	\$ 80,757	100 %	\$ 27,439	100 %	\$ 19,115	100 %	\$ 8,711	100 %
Gross profit	1,768	5.9 %	1,690	16.2 %	2,894	3.6 %	4,958	18.1 %	(121)	(0.6)%	1,474	16.9 %
Net income (loss)	\$ 22,607	75.9 %	\$ (14,428)	(138.6)%	\$ 10,020	12.4 %	\$ (107,091)	(390.3)%	\$ (75,195)	(393.4)%	\$ (66,578)	(764.3)%
Stock-based compensation	5,058	17.0 %	2,617	25.1 %	20,148	24.9 %	4,368	15.9 %	5,157	27.0 %	676	7.8 %
Loss on the convertible note modification	—	— %	—	— %	—	— %	50,577	184.3 %	—	— %	50,577	580.6 %
(Gain) loss on fair value of warrants	(8,090)	(27.2)%	1,569	15.1 %	(19,129)	(23.7)%	5,202	19.0 %	6,612	34.6 %	1,892	21.7 %
(Gain) loss on fair value of contingent earnout liabilities	(35,963)	(120.8)%	(7,262)	(69.8)%	(94,073)	(116.5)%	(9,276)	(33.8)%	40,885	213.9 %	(2,014)	(23.1)%
Merger related transactional costs	—	— %	—	— %	—	— %	4,360	15.9 %	—	— %	846	9.7 %
Non-GAAP Net loss	\$ (16,388)	(55.0)%	\$ (17,504)	(168.1)%	\$ (83,034)	(102.8)%	\$ (51,860)	(189.0)%	\$ (22,541)	(117.9)%	\$ (14,601)	(167.6)%

Velo3D, Inc.
NON-GAAP Adjusted EBITDA Reconciliation
(Unaudited)

	Three months ended				Year ended				Three months ended			
	December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021		September 30, 2022		September 30, 2021	
(In thousands, except for percentages)												
	% of Rev		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev	
Revenues	\$ 29,780	100 %	\$ 10,410	100 %	\$ 80,757	100 %	\$ 27,439	100 %	\$ 19,115	100 %	\$ 8,711	100 %
Net income (loss)	\$ 22,607	75.9 %	\$ (14,428)	(138.6)%	\$ 10,020	12.4 %	\$ (107,091)	(390.3)%	\$ (75,195)	(393.4)%	\$ (66,578)	(764.3)%
Interest expense	10	— %	1,110	10.7 %	372	0.5 %	2,740	10.0 %	129	0.7 %	986	11.3 %
Tax expense	—	— %	—	— %	—	— %	—	— %	—	— %	—	— %
Depreciation and amortization	1,962	6.6 %	1,731	16.6 %	5,290	6.6 %	3,007	11.0 %	1,220	6.4 %	584	6.7 %
EBITDA	24,579	82.5 %	(11,587)	(111.3)%	15,682	19.4 %	(101,344)	(369.3)%	(73,846)	(386.3)%	(65,008)	(746.3)%
Stock-based compensation	5,058	17.0 %	2,617	25.1 %	20,148	24.9 %	4,368	15.9 %	5,157	27.0 %	676	7.8 %
(Gain) loss on fair value of warrants	(8,090)	(27.2)%	1,569	15.1 %	(19,129)	(23.7)%	5,202	19.0 %	6,612	34.6 %	1,892	21.7 %
(Gain) loss on fair value of contingent earnout liabilities	(35,963)	(120.8)%	(7,262)	(69.8)%	(94,073)	(116.5)%	(9,276)	(33.8)%	40,885	213.9 %	(2,014)	(23.1)%
Adjusted EBITDA	\$ (14,416)	(48.4)%	\$ (14,663)	(140.9)%	\$ (77,372)	(95.8)%	\$ (101,050)	(368.3)%	\$ (21,192)	(110.9)%	\$ (64,454)	(739.9)%
Merger related transactional costs	—	— %	—	— %	—	— %	4,360	15.9 %	—	— %	846	9.7 %
Loss on the convertible note modification	\$ —	— %	—	— %	—	— %	50,577	184.3 %	—	— %	50,577	580.6 %
Adjusted EBITDA excluding merger related transactional costs and loss on fair value on the convertible note modification	\$ (14,416)	(48.4)%	\$ (14,663)	(140.9)%	\$ (77,372)	(95.8)%	\$ (46,113)	(168.1)%	\$ (21,192)	(110.9)%	\$ (13,031)	(149.6)%

Velo3D, Inc.
NON-GAAP Adjusted Operating Expenses Reconciliation
(Unaudited)

	Three months ended				Year ended				Three months ended									
	December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021		September 30, 2022		September 30, 2021							
	(In thousands, except for percentages)																	
	% of Rev		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev							
Revenues	\$	29,780	100 %	\$	10,410	100 %	\$	80,757	100 %	\$	27,439	100 %	\$	19,115	100 %	\$	8,711	100 %
Operating expenses																		
Research and development		7,828	26.3 %		7,921	76.1 %		46,266	57.3 %		27,002	98.4 %		12,558	65.7 %		7,987	91.7 %
Selling and marketing		6,043	20.3 %		4,657	44.7 %		23,907	29.6 %		12,363	45.1 %		5,632	29.5 %		3,346	38.4 %
General and administrative		9,791	32.9 %		8,190	78.7 %		36,982	45.8 %		23,352	85.1 %		9,642	50.4 %		5,158	59.2 %
Total operating expenses		23,662	79.5 %		20,768	199.5 %		107,155	132.7 %		62,717	228.6 %		27,832	145.6 %		16,491	189.3 %
Stock-based compensation		5,058	17.0 %		2,617	25.1 %		20,148	24.9 %		4,368	15.9 %		5,157	27.0 %		676	7.8 %
Merger related transactional costs		—	— %		—	— %		—	— %		4,360	15.9 %		—	— %		846	9.7 %
Adjusted operating expenses	\$	18,604	62.5 %	\$	18,151	174.4 %	\$	87,007	107.7 %	\$	53,989	196.8 %	\$	22,675	118.6 %	\$	14,969	171.8 %

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

	Three Months Ended			Year ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenue					
3D Printer	\$ 27,010	\$ 16,537	\$ 9,421	\$ 71,346	\$ 23,015
Recurring payment	1,119	1,183	358	4,161	1,589
Support services	1,651	1,395	631	5,250	2,835
Total Revenue	29,780	19,115	10,410	80,757	27,439
Cost of revenue					
3D Printer	25,567	16,574	7,386	68,253	17,560
Recurring payment	553	656	250	2,612	1,112
Support services	1,892	2,006	1,084	6,998	3,809
Total cost of revenue	28,012	19,236	8,720	77,863	22,481
Gross profit	1,768	(121)	1,690	2,894	4,958
Operating expenses					
Research and development	7,828	12,558	7,921	46,266	27,002
Selling and marketing	6,043	5,632	4,657	23,907	12,363
General and administrative	9,791	9,642	8,190	36,982	23,352
Total operating expenses	23,662	27,832	20,768	107,155	62,717
Loss from operations	(21,894)	(27,953)	(19,078)	(104,261)	(57,759)
Interest expense	(10)	(129)	(1,110)	(372)	(2,740)
Loss on the convertible note modification	—	—	—	—	(50,577)
Gain (loss) on fair value of warrants	8,090	(6,612)	(1,569)	19,129	(5,202)
Gain (loss) on fair value of contingent earnout liabilities	35,963	(40,885)	7,261	94,073	9,275
Other income (expense), net	458	384	68	1,451	(88)
Income (loss) before provision for income taxes	22,607	(75,195)	(14,428)	10,020	(107,091)
Provision for income taxes	—	—	—	—	—
Net income (loss)	\$ 22,607	\$ (75,195)	\$ (14,428)	\$ 10,020	\$ (107,091)
Net income (loss) per share:					
Basic	\$ 0.12	\$ (0.41)	\$ (0.08)	\$ 0.05	\$ (1.82)
Diluted	\$ 0.11	\$ (0.41)	\$ (0.08)	\$ 0.05	\$ (1.82)
Shares used in computing net income (loss) per share:					
Basic	186,491,083	185,560,177	183,177,088	184,967,734	58,688,496
Diluted	202,704,021	185,560,177	183,177,088	203,087,629	58,688,496
Net income (loss)	\$ 22,607	\$ (75,195)	\$ (14,428)	\$ 10,020	\$ (107,091)
Net unrealized holding loss on available-for-sale investments	298	(178)	—	(823)	(14)
Other comprehensive income (loss)	\$ 22,905	\$ (75,373)	\$ (14,428)	\$ 9,197	\$ (107,105)

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

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 31,983	\$ 207,602
Short-term investments	48,214	15,483
Accounts receivable, net	9,185	12,778
Inventories	71,202	22,479
Contract assets	6,805	274
Prepaid expenses and other current assets	5,533	9,458
Total current assets	172,922	268,074
Property and equipment, net	19,812	10,046
Equipment on lease, net	9,070	8,366
Other assets	23,310	16,231
Total assets	<u>\$ 225,114</u>	<u>\$ 302,717</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 12,207	\$ 9,882
Accrued expenses and other current liabilities	15,877	9,414
Debt – current portion	2,775	5,114
Contract liabilities	15,194	22,252
Total current liabilities	46,053	46,662
Long-term debt – less current portion	5,422	2,956
Contingent earnout liabilities	17,414	111,487
Warrant liabilities	2,745	21,705
Other noncurrent liabilities	12,634	9,492
Total liabilities	84,268	192,302
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.00001 par value – 500,000,000 shares authorized at December 31, 2022 and 2021, respectively, 187,561,368 and 183,232,494 shares issued and outstanding as of December 31, 2022 and 2021, respectively	2	2
Additional paid-in capital	361,528	340,294
Accumulated other comprehensive loss	(837)	(14)
Accumulated deficit	(219,847)	(229,867)
Total stockholders' equity	140,846	110,415
Total liabilities and stockholders' equity	<u>\$ 225,114</u>	<u>\$ 302,717</u>

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

	Year ended	
	December 31, 2022	December 31, 2021
Cash flows from operating activities		
Net loss	\$ 10,020	\$ (107,091)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	5,290	3,007
Stock-based compensation	20,148	4,368
Loss on the convertible note modification	—	50,577
Loss (gain) on fair value of warrants	(19,129)	5,202
Gain on fair value of contingent earnout liabilities	(94,073)	(9,276)
Bad debt provision	387	—
Changes in assets and liabilities		
Accounts receivable	3,206	(11,546)
Inventories	(47,017)	(8,010)
Contract assets	(6,531)	2,759
Prepaid expenses and other current assets	6,142	(7,628)
Other assets	(1,241)	(14,499)
Accounts payable	2,341	1,876
Accrued expenses and other liabilities	6,362	6,878
Contract liabilities	(7,058)	17,550
Other noncurrent liabilities	(2,809)	9,429
Net cash used in operating activities	(123,962)	(56,404)
Cash flows from investing activities		
Purchase of property and equipment	(13,822)	(9,619)
Production of equipment for lease to customers	(5,595)	(8,480)
Purchases of available-for-sale investments	(87,655)	(15,491)
Proceeds from maturities of available-for-sale investments	54,050	—
Net cash used in investing activities	(53,022)	(33,590)
Cash flows from financing activities		
Proceeds from Merger, net of transaction costs	—	123,270
Proceeds from PIPE financing	—	155,000
Proceeds from term loan	—	19,339
Proceeds from loan refinance, net of issuance costs	6,664	—
Repayment of loans in connection with loan refinance	(8,089)	—
Repayment of term loan	—	(25,283)
Repayment of property and equipment loan	(889)	(833)
Proceeds from term loan revolver facility	—	3,000
Proceeds from equipment loans	2,400	5,419
Repayment of equipment loans	—	(2,411)
Proceeds from convertible notes	—	5,000
Issuance of common stock upon exercise of stock options	1,256	385
Net cash provided by financing activities	1,342	282,886
Effect of exchange rate changes on cash and cash equivalents	23	(7)
Net change in cash and cash equivalents	(175,619)	192,885
Cash and cash equivalents and restricted cash at beginning of period	208,402	15,517

Cash and cash equivalents and restricted cash at end of period	\$ 32,783	\$ 208,402
--	-----------	------------

Supplemental disclosure of cash flow information

Cash paid for interest	\$ 372	\$ 1,417
------------------------	--------	----------

Supplemental disclosure of non-cash information

Conversion of convertible notes to Series D redeemable convertible preferred stock	—	5,000
Unpaid liabilities related to property and equipment	—	1,271
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	170	316

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets to the total of such amounts shown on the condensed consolidated statements of cash flows:

	Year ended	
	December 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 31,983	\$ 207,602
Restricted cash (Other assets)	800 —	800
Total cash and cash equivalents, and restricted cash	\$ 32,783	\$ 208,402

A dark, atmospheric photograph of an F-35 fighter jet on a runway, viewed from the front. The jet is centered in the background, with its landing gear visible. The overall tone is dark and moody, with a blue-grey color palette.

VELO^{3D}

Fourth Quarter and Fiscal Year 2022 Supplementary Slides

Without Compromise

March 2, 2023



Disclaimer

Forward Looking Statement

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1996. The company’s actual results may differ from its expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect”, “estimate”, “project”, “budget”, “forecast”, “anticipate”, “intend”, “plan”, “may”, “will”, “could”, “should”, “believes”, “predicts”, “potential”, “continue”, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the company’s guidance for the first quarter, fourth quarter and full year 2023 (including the company’s estimates for revenue and revenue growth and gross margin), the company’s expectations regarding its ability to achieve profitability, the company’s strategic priorities for 2023 (including the company’s plans and targets for revenue growth, gross margin improvement, non-GAAP operating expense reduction (including labor and discretionary expenses) and cash flow improvements (including inventory reduction)), the company’s expectations regarding its liquidity and capital requirements, and the company’s other expectations, hopes, beliefs, intentions or strategies for the future. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. You should carefully consider the risks and uncertainties described in the “Risk Factors” section of the company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (the “FY 2021 10-K”), which was filed by the company with the SEC on March 28, 2022 and the other documents filed by the company from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Most of these factors are outside the company’s control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the inability of the company to execute its business plan, which may be affected by, among other things, competition, the ability of the company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its key employees; (2) changes in the applicable laws or regulations; (3) the possibility that the company may be adversely affected by other economic, business, and/or competitive factors; (4) the impact of the global COVID-19 pandemic; and (5) other risks and uncertainties indicated from time to time described in the FY 2021 10-K, including those under “Risk Factors” therein, and in the company’s other filings with the SEC. The company cautions that the foregoing list of factors is not exclusive and not to place undue reliance upon any forward-looking statements, including projections, which speak only as of the date made. The company does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

* Additional information on the use of Non-GAAP financial information, industry and market data and trademarks is included in the appendix of this presentation

Well Positioned to Capitalize on Industry Expansion

Fastest growing company in highest growth segment in 3D printing¹

Significant untapped global market opportunity for high value metal parts

Fastest growth in metal AM industry since Q121¹

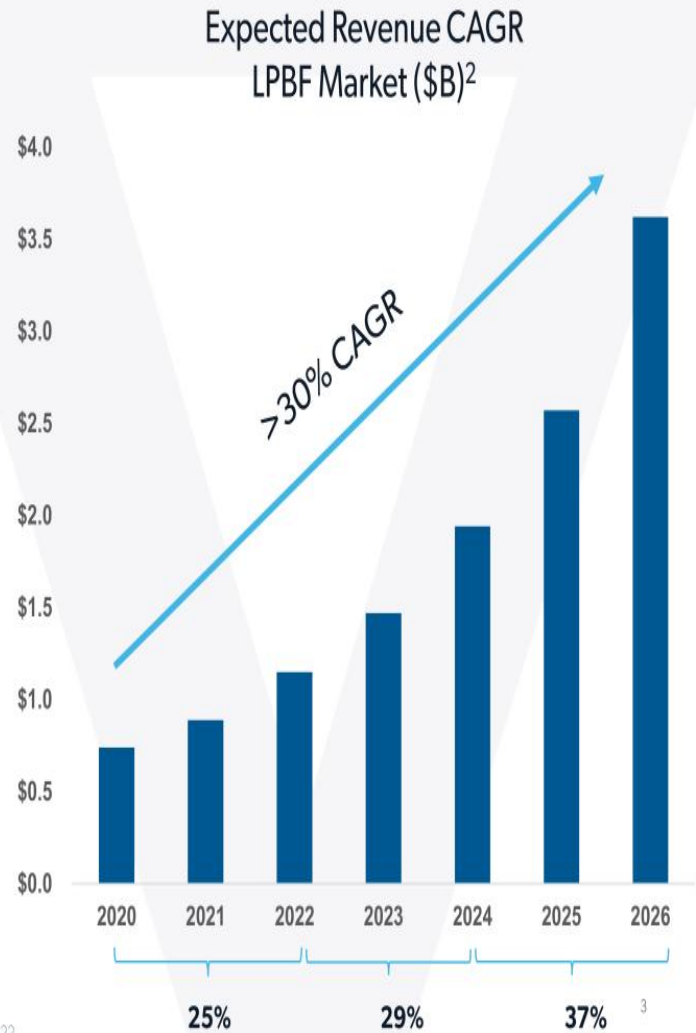
Technology drives Velo 3D market leadership

Unique and differentiated technology

Enabling parts not possible with legacy AM

The only fully integrated LBPF solution

Provides scalable production solution



1. Among leading western brands

2. CONTEXT – Revenue forecast for laser powder bed fusion market (2020-2026) - Q4'22 AM / 3D printing report, 12/31/2022

3

Q422 Highlights – Strong YoY Growth

Continued strong demand reflects technology leadership

Q4 revenue of \$30M / FY22 of \$81M - up 200% YoY

Increasing market momentum

>50% customer growth in 2022

Further ramp of 1MZ – shipped 3 systems in Q4

Accelerating operational efficiency

Benefitting from recent supply chain initiatives

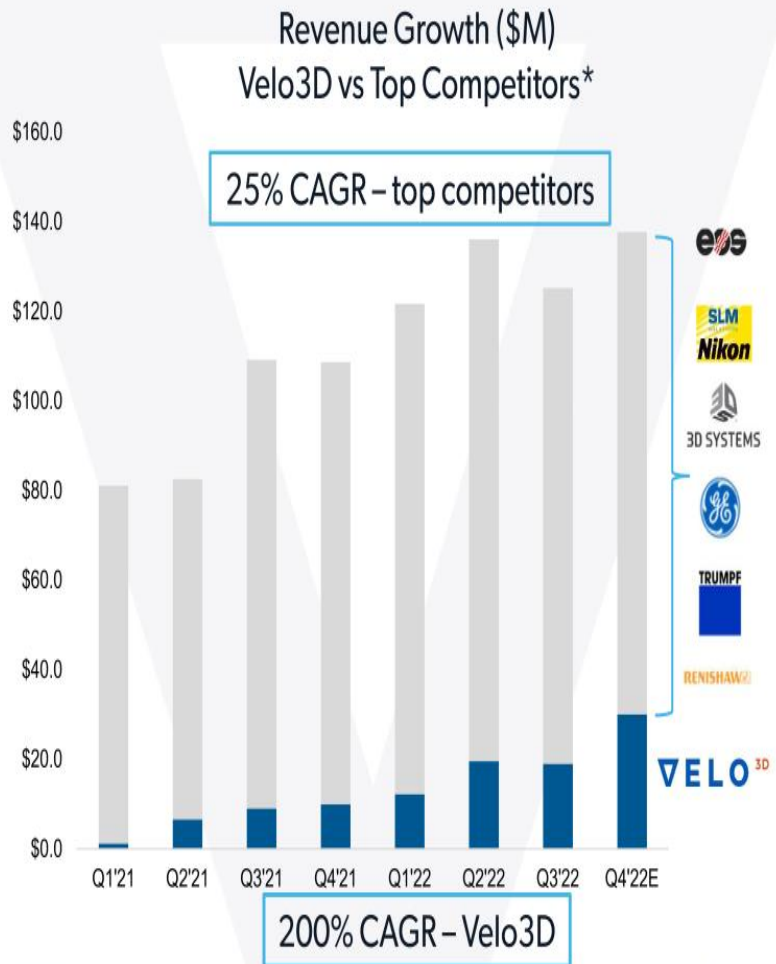
Expect material YoY reduction in inventory in 2023

Sapphire XC cycle time improvement

Backlog provides significant 1H23 visibility

Q4 bookings of \$15M / backlog of \$43M

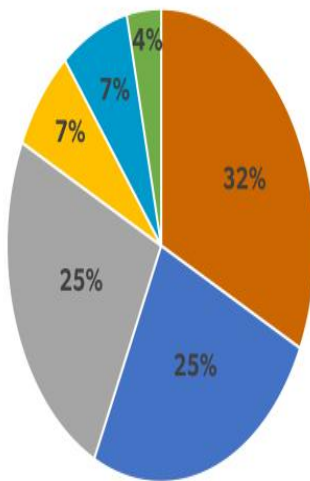
Clear path to profitability



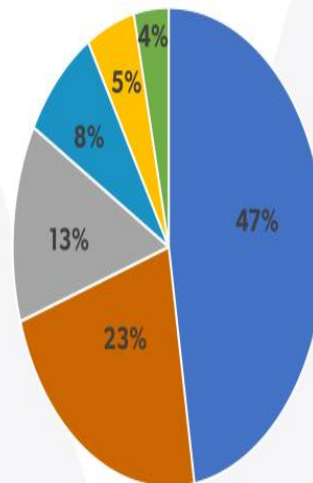
* CONTEXT – Revenue forecast for laser powder bed fusion market (2020-2026) - Q4'22 AM / 3D printing report, 12/31/2022 – Major western brands

3D Diversification Shows Continued Market Acceptance

By Cumulative Global
Customer Base



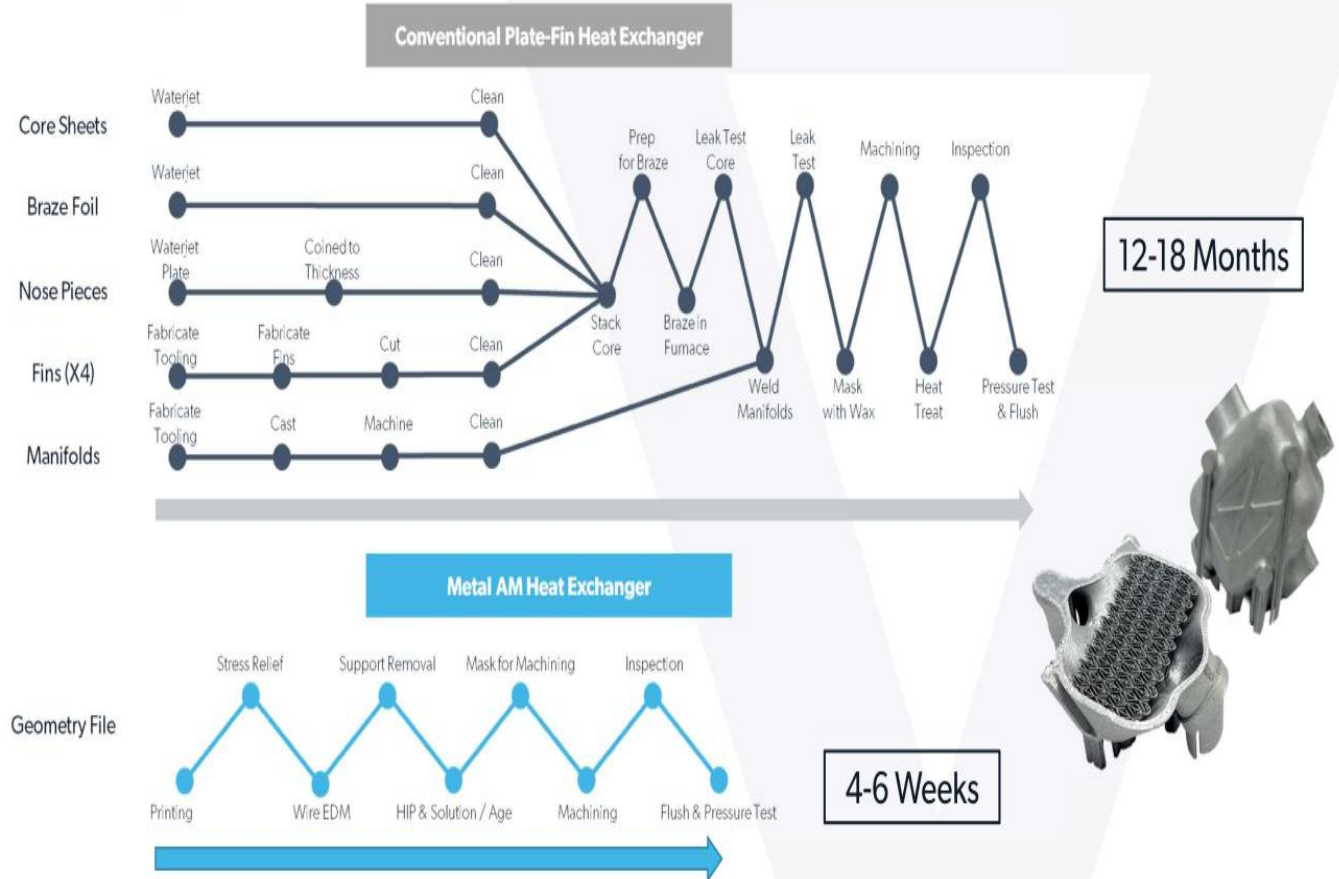
By 2022 Systems Revenue



■ Space ■ CM ■ Aerospace / Defense
■ Energy ■ Automotive ■ Industrial

* Company data as of 12/31/2022

3D Why Customers are Turning to Velo3D



Parts simplification – 1 part vs 100+ / 65% fewer manufacturing steps
Automated process drives higher quality and part performance

2023 Strategic Priorities – Profitability and Cash Flow

Grow revenue by >50%

Continue sales momentum created by industry leading technology

Successful execution of land and expand strategy

Continuously improve gross margin - 30% in Q423

Lower base BOM cost and reduce production inefficiencies

Continue improvement in ASPs – further mix shift to Sapphire XC / completed launch shipments

Reduce non-GAAP operating expenses by 20% through Q423

Gradual labor cost reduction by Q423

Reduce discretionary expenses

Significantly improving cash flow beyond EBITDA improvements

Reduce inventory by 10-15% by Q423

Benefits from improved supply chain planning / staggered inventory deliveries



Bill McCombe

CFO

March 2, 2023





Financial Summary

	Q4 22	Q3 22	Q4 21	2022	2021
Total Revenue	\$29.8	\$19.1	\$10.4	\$80.8	\$27.4
Year of Sale	27.0	16.5	9.4	71.3	23.0
Recurring Revenue	2.8	2.6	1.0	9.4	4.4
Cost of Goods sold	28.0	19.2	8.7	77.9	22.5
Gross Profit	1.8	(0.1)	1.7	2.9	5.0
% Gross Margin	6%	(1%)	16%	4%	18%
Total Operating Expenses	23.7	27.8	20.8	107.2	62.7
Adjusted Operating Expenses ¹	18.6	22.7	18.2	87.0	54.0
Adjusted EBITDA ¹	(14.4)	(21.2)	(14.7)	(77.4)	(46.1)
Net Income (Loss)	22.6	(75.2)	(14.4)	10.0	(107.1)

1. Reconciliations to U.S. generally accepted accounting principles (GAAP) financial measures are presented under "Non-GAAP Financial Information." Adjusted Operating Expenses excludes stock-based compensation and Q421 / FY 2021 merger expenses. Adjusted EBITDA excludes interest expense, tax expense, depreciation and amortization, stock-based compensation and fair value liabilities.

▽^{3D} Drivers of Gross Margin Expansion

ASP improvement

Mix shift towards more Sapphire XC's

Sapphire XC price increases

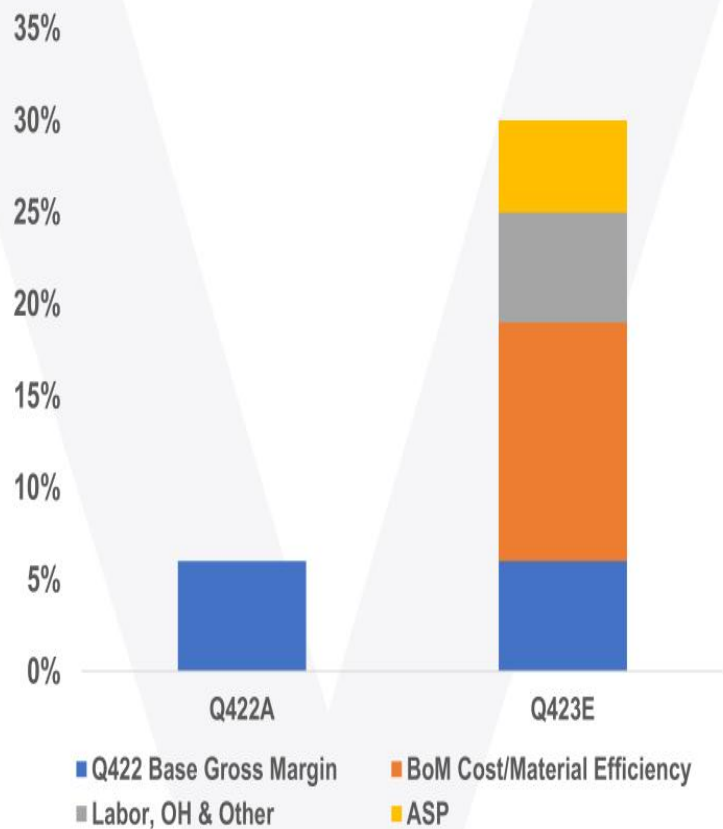
Continued reduction in BoM costs

Long term supply contracts with lower unit costs

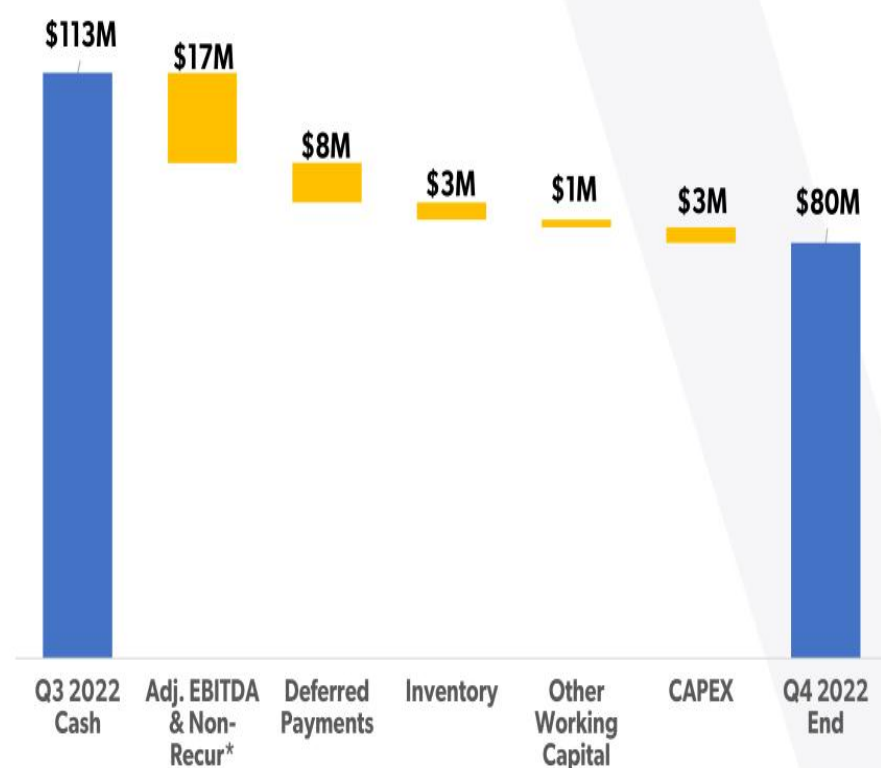
Programs to improve material efficiency

Labor, overhead and other costs decline as % of revenue as production scales

Target Q423 – 30%



▽^{3D} Strong Balance Sheet Supports Growth Plan



- Includes Adjusted EBITDA of \$14M plus \$3M of non-recurring expense reductions

Balance Sheet – December 31, 2022 (\$M)

Cash and Investments	\$80
Other Current Assets	93
Long Term Assets	52
Total Assets	\$225
Current Liabilities (less debt)	43
Total Debt	8
Long Term Liabilities	13
Earnout/Warrant Liability	20
Shareholders Equity	141
Total Liabilities and Equity	\$225

2023 Outlook

Q1 2023 Guidance

Revenue: \$25 - \$28M

Gross margin: 9% - 11%*

FY 2023 Guidance

Revenue: \$120 - \$130M, up >50% YoY

Gross margin: 19% - 21%* / 30% in Q423

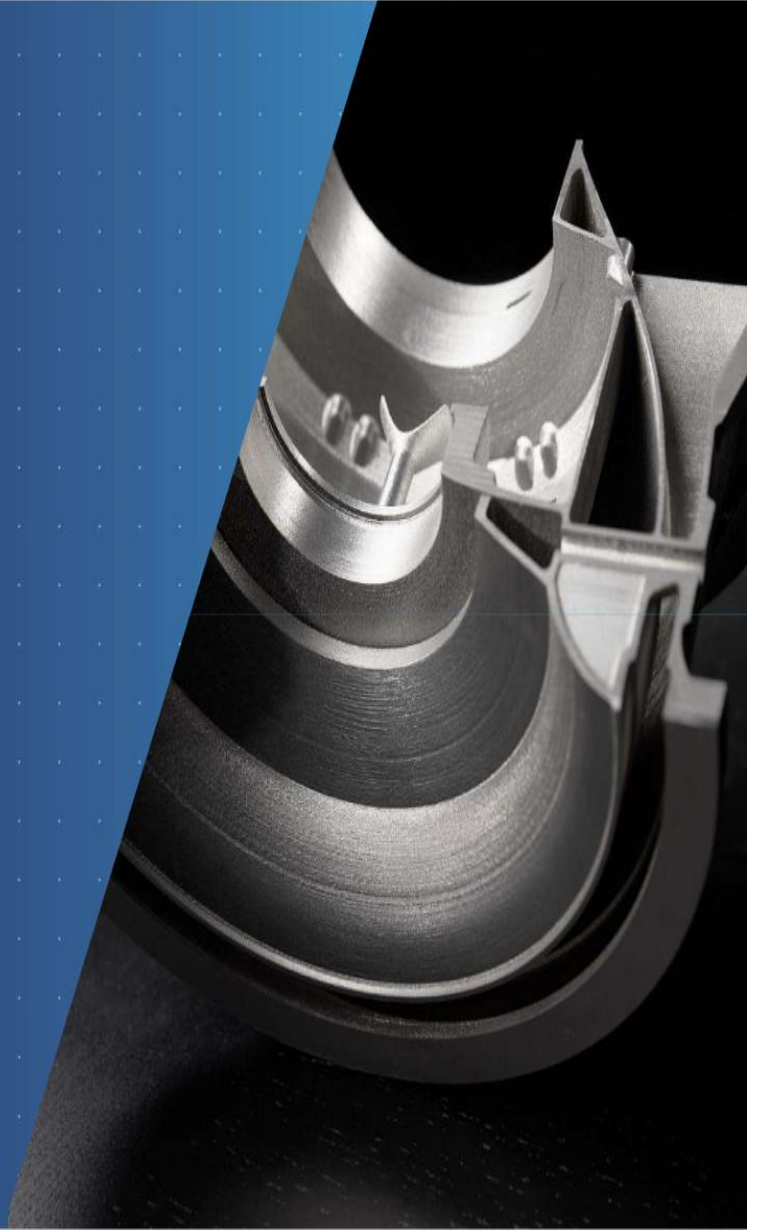
Focus for 2023: improve profitability and working capital efficiency within existing capital resources



* 2023 gross margin ranges assumes no impact from potential non-recurring charges



Q&A





VELO^{3D}

Appendix

+1 (408) 610-3915

info@velo3d.com

511 Division St.
Campbell, CA 95008

Non-GAAP Reconciliation - Adjusted Operating Expenses (Unaudited)

Velo3D, Inc.
 NON-GAAP Adjusted Operating Expenses Reconciliation
 (Unaudited)

	Three months ended				Year ended				Three months ended			
	December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021		September 30, 2022		September 30, 2021	
	(In thousands, except for percentages)											
		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev
Revenue	\$ 29,780	100.0 %	\$ 10,410	100.0 %	\$ 80,757	100.0 %	\$ 27,439	100.0 %	\$ 19,115	100.0 %	\$ 8,711	100.0 %
Operating expenses												
Research and development	7,828	26.3 %	7,921	76.1 %	46,266	57.3 %	27,002	98.4 %	12,558	65.7 %	7,987	91.7 %
Selling and marketing	6,043	20.3 %	4,657	44.7 %	23,907	29.6 %	12,363	45.1 %	5,632	29.5 %	3,346	38.4 %
General and administrative	9,791	32.9 %	8,190	78.7 %	36,982	45.8 %	23,352	85.1 %	9,642	50.4 %	5,158	59.2 %
Total operating expenses	23,662	79.5 %	20,768	199.5 %	107,155	132.7 %	62,717	228.6 %	27,832	145.6 %	16,491	189.3 %
Stock-based compensation	5,058	17.0 %	2,617	25.1 %	20,148	24.9 %	4,368	15.9 %	5,157	27.0 %	676	7.8 %
Merger related transactional costs	—	— %	—	— %	—	— %	4,360	15.9 %	—	— %	846	9.7 %
Adjusted operating expenses	\$ 18,604	62.5 %	\$ 18,151	174.4 %	\$ 87,007	107.7 %	\$ 53,989	196.8 %	\$ 22,675	118.6 %	\$ 14,969	171.8 %

Non-GAAP Reconciliation - Adjusted EBITDA (Unaudited)

Velo3D, Inc.
NON-GAAP Adjusted EBITDA Reconciliation
(Unaudited)

	Three months ended				Year ended				Three months ended			
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(In thousands, except for percentages)											
		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev
Revenue	\$ 29,780	100.0 %	\$ 10,410	100.0 %	\$ 80,757	100.0 %	\$ 27,439	100.0 %	\$ 19,115	100.0 %	\$ 8,711	100.0 %
Net Income (Loss)	22,607	75.9 %	(14,428)	(138.6)%	10,020	12.4 %	(107,091)	(390.3)%	(75,195)	(393.4)%	(66,578)	(764.3)%
Interest expense	10	0.0 %	1,110	10.7 %	372	0.5 %	2,740	10.0 %	129	0.7 %	986	11.3 %
Tax expense	—	— %	—	— %	—	— %	—	— %	—	— %	—	— %
Depreciation and amortization	1,962	6.6 %	1,731	16.6 %	5,290	6.6 %	3,007	11.0 %	1,220	6.4 %	584	6.7 %
EBITDA	\$ 24,579	82.5 %	\$ (11,587)	(111.3)%	\$ 15,682	19.4 %	\$ (101,344)	(369.3)%	\$ (73,846)	(386.3)%	\$ (65,008)	(746.3)%
Stock-based compensation	5,058	17.0 %	2,617	25.1 %	20,148	24.9 %	4,368	15.9 %	5,157	27.0 %	676	7.8 %
(Gain) Loss on fair value of warrants	(8,090)	(27.2)%	1,569	15.1 %	(19,129)	(23.7)%	5,202	19.0 %	6,612	34.6 %	1,892	21.7 %
(Gain) Loss on fair value of contingent earnout liabilities	(35,963)	(120.8)%	(7,262)	(69.8)%	(94,073)	(116.5)%	(9,276)	(33.8)%	40,885	213.9 %	(2,014)	(23.1)%
Adjusted EBITDA	\$ (14,416)	(48.4)%	\$ (14,663)	(140.9)%	\$ (77,372)	(95.8)%	\$ (101,050)	(368.3)%	\$ (21,192)	(110.9)%	\$ (64,454)	(739.9)%
Merger related transactional costs	—	— %	—	— %	—	— %	4,360	15.9 %	—	— %	846	9.7 %
Loss on the convertible note modification	—	— %	—	— %	—	— %	50,577	184.3 %	—	— %	50,577	580.6 %
Adjusted EBITDA excluding merger related transactional costs and loss on fair value of the convertible note modification	\$ (14,416)	(48.4)%	\$ (14,663)	(140.9)%	\$ (77,372)	(95.8)%	\$ (46,113)	(168.1)%	\$ (21,192)	(110.9)%	\$ (13,031)	(149.6)%

3D Non-GAAP Reconciliation - Non-GAAP Net Loss (Unaudited)

Velo3D, Inc.
 NON-GAAP Net Income (Loss) Reconciliation
 (Unaudited)

	Three months ended				Year ended				Three months ended			
	December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021		September 30, 2022		September 30, 2021	
		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev		% of Rev
Revenue	\$ 29,780	100.0 %	\$ 10,410	100.0 %	\$ 80,757	100.0 %	\$ 27,439	100.0 %	\$ 19,115	100.0 %	\$ 8,711	100.0 %
Gross Profit	1,768	5.9 %	1,690	16.2 %	2,894	3.6 %	4,958	18.1 %	(121)	(0.6)%	1,474	16.9 %
Net Income (Loss)	\$ 22,607	75.9 %	\$ (14,428)	(138.6)%	\$ 10,020	12.4 %	\$ (107,091)	(390.3)%	\$ (75,195)	(393.4)%	\$ (66,578)	(764.3)%
Stock-based compensation	5,058	17.0 %	2,617	25.1 %	20,148	24.9 %	4,368	15.9 %	5,157	27.0 %	676	7.8 %
Loss on the convertible note modification	—	— %	—	— %	—	— %	50,577	184.3 %	—	— %	50,577	580.6 %
(Gain) Loss on fair value of warrants	(8,090)	(27.2)%	1,569	15.1 %	(19,129)	(23.7)%	5,202	19.0 %	6,612	34.6 %	1,892	21.7 %
(Gain) Loss on fair value of contingent earnout liabilities	(35,963)	(120.8)%	(7,262)	(69.8)%	(94,073)	(116.5)%	(9,276)	(33.8)%	40,885	213.9 %	(2,014)	(23.1)%
Merger related transactional costs	—	— %	—	— %	—	— %	4,360	15.9 %	—	— %	846	9.7 %
Non-GAAP Net Loss	\$ (16,388)	(55.0)%	\$ (17,504)	(168.1)%	\$ (83,034)	(102.8)%	\$ (51,860)	(189.0)%	\$ (22,541)	(117.9)%	\$ (14,601)	(167.6)%



Disclaimer

Industry and Market Data

In this presentation, the Company relies on and refers to publicly available information and statistics regarding the market in which the Company competes and other industry data. The Company obtained this information and statistics from third-party sources, including reports by market research firms and company filings. While the Company believes such third-party information is reliable, there can be no assurance as to the accuracy or completeness of the indicated information. The Company has not independently verified the information provided by third-party sources.

Trademarks

This presentation may contain trademarks, service marks, trade names and copyrights of other companies, which are the property of the respective owners. Solely for convenience, some of the trademarks, service marks, trade names and copyrights referred to in this presentation may be listed without the TM, SM, © or ® symbols, but the Company will assert, to the fullest extent under applicable law, the rights of the applicable owners, if any, to these trademarks, service marks, trade names and copyrights.

Non-GAAP Financial Information

The Company uses non-GAAP financial measures, such as Adjusted operating expenses, EBITDA, Adjusted EBITDA, Adjusted EBITDA excluding merger costs and loss on convertible note extinguishment, and Non-GAAP net income (loss), to help it make strategic decisions, establish budgets and operational goals for managing its business, analyze its financial results and evaluate its performance. The Company also believes that the presentation of these non-GAAP financial measures in this presentation provides an additional tool for investors to use in comparing the Company's core business and results of operations over multiple periods. However, the non-GAAP financial measures presented in this presentation 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 presentation should not be considered as the sole measure of the Company's 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"). For reconciliations of these non-GAAP financial measures to the Company's GAAP financial measures, see Appendix A to this presentation. You should review these reconciliations and not rely on any single financial measure to evaluate the Company business.

A dark, atmospheric photograph of an F-35 fighter jet on a runway, viewed from the front. The jet is centered in the background, with its landing gear visible. The image is dimly lit, with a dark sky and a hazy horizon. The text is overlaid on the left side of the image.

VELO^{3D}

Fourth Quarter and Fiscal Year 2022 Supplementary Slides

Without Compromise

March 2, 2023
