



Xometry Reports First Quarter 2022 Results

May 11, 2022

- Strong start to 2022: Strong quarter with revenue increasing 90% year-over-year driven by rapid organic growth in marketplace and supplier services including Thomas.
- Strong gross margin trends driven by AI pricing/supplier selection and additional supplier services: Gross profit up 235% year-over-year.
- Robust marketplace and supplier service expansion: Expanded marketplace to Spain and launched a local manufacturing network in China. Extended the reach of the marketplace with Xometry Everywhere. Added self-serve subscriptions for advertising services.
- Expect strong growth in 2022 and improving operating leverage: We expect revenue growth of 80-83% to \$392-\$400 million. Growth will be driven by increasing active buyers and suppliers, added supplier services and revenue synergies with Thomas. We expect operating leverage to improve in Q2 2022 and through the second half of 2022.

ROCKVILLE, Md., May 11, 2022 (GLOBE NEWSWIRE) -- Xometry, Inc. (NASDAQ:XMTR), a leading global AI-enabled digital manufacturing marketplace, today reported financial results for the first quarter ended March 31, 2022.

"In Q1 2022, Xometry delivered strong growth across the board, expanded our marketplace to new geographies and extended the reach of our AI driven quoting engine through the launch of Xometry Everywhere. We also improved our supplier services including new products from Thomas," said Randy Altschuler, Xometry's CEO. "Although we are still in the early innings of the secular digitization of the manufacturing industry, Xometry has become the digital marketplace connecting buyers with suppliers. With our supplier network expanding domestically and abroad, we are playing an instrumental role in helping create locally resilient supply chains irrespective of macro events."

First Quarter 2022 Financial Highlights

- Total revenue for the first quarter 2022 was \$83.7 million an increase of 90% year-over-year.
- Marketplace revenue for the first quarter of 2022 was \$64.4 million.
- Supplier services revenue for the first quarter of 2022 was \$19.3 million.
- Total gross profit for the first quarter 2022 was \$32.9 million an increase of 235% year-over-year.
- Marketplace Active Buyers increased 44% from 21,345 as of March 31, 2021 to 30,683 as of March 31, 2022.
- Marketplace Accounts with Last Twelve-Months Spend of at least \$50,000 increased 92% from 412 as of March 31, 2021 to 790 as of March 31, 2022.
- Marketplace Percentage of Revenue from Existing Accounts was 94%.
- Net loss attributable to common stockholders was \$20.0 million for the quarter, an increase of \$9.5 million year-over-year, and Adjusted EBITDA was negative \$12.7 million for the quarter, reflecting an increase of \$3.9 million year-over-year. Net loss for Q1 2022 includes \$3.5 million of stock-based compensation and \$0.2 million of transaction costs.
- Cash and cash equivalents and marketable securities were \$368.7 million as of March 31, 2022.

First Quarter 2022 Business Highlights

- Introduced "Xometry Everywhere" software which extends the reach of Xometry's AI-driven instant-quoting pricing engine to popular third-party sites where engineers and other buyers spend significant amounts of time. Xometry Everywhere is also available for integration into the procurement processes of Fortune 1000 companies.
- Obtained certification for Medical Device Manufacturing (ISO 13485) enabling the Xometry marketplace to expand the breadth of medical device manufacturing.
- Expanded European operations including an enhanced site for European customers, www.xometry.eu, which makes it even easier for buyers to compare and price technologies, materials and finishes in real time. Added a new Spanish site.
- Introduced new self-serve advertising subscription options for suppliers on Thomasnet.
- Launched a local manufacturing network in China (Xometry.Asia) and began taking orders from Chinese customers in April 2022.

- Expanded CAD integrations with the addition of PTC's Onshape product development platform which has over 2 million users. The integration provides seamless instant quoting with our proprietary, AI-driven Xometry Instant Quoting Engine, enabling engineers and designers to instantly price parts in Onshape.
- On February 11, 2022 completed an offering of Convertible Senior Notes, raising net proceeds of \$278.2 million.

Financial Summary
(In thousands, except per share amounts)

| | For the Three Months Ended March 31, | | % Change |
|---|---|---------------------|----------|
| | 2022 | 2021 (unaudited) | |
| Consolidated | | | |
| Revenue | \$ 83,671 | \$ 43,922 | 90 % |
| Gross profit | 32,939 | 9,835 | 235 % |
| Net loss attributable to common stockholders | (20,012) | (10,501) | (91)% |
| EPS—basic and diluted | (0.43) | (1.33) | 68 % |
| Adjusted EBITDA ⁽¹⁾ | (12,726) | (8,810) | (44)% |
| Non-GAAP net loss ⁽¹⁾ | (12,598) | (9,262) | (36)% |
| Non-GAAP EPS-basic and diluted ⁽¹⁾ | (0.27) | (1.17) | 77 % |
| Marketplace | | | |
| Revenue | \$ 64,415 | | |
| Cost of revenue | 46,741 | | |
| Gross Profit | <u>\$ 17,674</u> | | |
| Supplier services | | | |
| Revenue | \$ 19,256 | | |
| Cost of revenue | 3,991 | | |
| Gross Profit | <u>\$ 15,265</u> | | |

(1) These non-GAAP financial measures, and reasons why we believe these non-GAAP financial measures are useful, are described below and reconciled to their most directly comparable GAAP measures in the accompanying tables.

Key Operating Metrics⁽²⁾:

| | As of March 31, | | % Change |
|--|-----------------|--------|----------|
| | 2022 | 2021 | |
| Active Buyers ⁽³⁾ | 30,683 | 21,345 | 44 % |
| Percentage of Revenue from Existing Accounts ⁽³⁾ | 94 % | 95 % | (1)% |
| Accounts with Last Twelve-Months Spend of at Least \$50,000 ⁽³⁾ | 790 | 412 | 92 % |

(2) These key operating metrics are for Marketplace.

(3) Amounts shown for Active Buyers and Accounts with Last Twelve-Months Spend of at Least \$50,000 are as of March 31, 2022 and 2021, and Percentage of Revenue from Existing Accounts is presented for the quarters ended March 31, 2022 and 2021.

Financial Guidance and Outlook:

| | Q2 2022 | | FY 2022 | |
|-----------------|---------------|-----------|-----------|-----------|
| | (in millions) | | | |
| | Low | High | Low | High |
| Revenue | \$ 91.5 | \$ 93.5 | \$ 392.0 | \$ 400.0 |
| Adjusted EBITDA | \$ (11.0) | \$ (10.0) | \$ (36.0) | \$ (32.0) |

Use of Non-GAAP Financial Measures

To supplement its consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"), Xometry, Inc. ("Xometry", the "Company", "we" or "our") uses Adjusted EBITDA and Non-GAAP net loss and Non-GAAP Earnings Per Share, which are considered non-GAAP financial measures, as described below. These non-GAAP financial measures are presented to enhance the user's overall understanding of Xometry's financial performance and should not be considered a substitute for, nor superior to, the financial information prepared and presented in accordance with GAAP. The non-GAAP financial measures presented in this release, together with the GAAP financial results, are the primary measures used by the Company's management and board of directors to understand and evaluate the Company's financial performance and operating trends, including period-to-period comparisons, because they exclude certain expenses and gains that management believes are not indicative of the Company's core operating results. Management also uses these measures to prepare and update the Company's short and long term financial and operational plans, to evaluate investment decisions, and in its discussions with investors, commercial bankers, equity research analysts and other users of the Company's financial statements. Accordingly, the Company believes that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating the Company's operating results in the same manner as the Company's management and in comparing operating results across periods and to those of Xometry's peer companies. In addition, from time to time we may present adjusted information (for example, revenue growth) to exclude the impact of certain gains, losses or other changes that affect period-to-period comparability of our operating performance.

The use of non-GAAP financial measures has certain limitations because they do not reflect all items of income and expense, or cash flows, that affect the Company's financial performance and operations. Additionally, non-GAAP financial measures do not have standardized meanings, and therefore other companies, including peer companies, may use the same or similarly named measures but exclude or include different items or use different computations. Management compensates for these limitations by reconciling these non-GAAP financial measures to their most comparable GAAP financial measures in the tables captioned "Reconciliations of Non-GAAP Financial Measures" included at the end of this release. Investors and others are encouraged to review the Company's financial information in its entirety and not rely on a single financial measure.

Key Terms for our Key Metrics and Non-GAAP Financial Measures

Marketplace revenue: includes the sale of parts and assemblies.

Supplier service revenue: includes the sales of advertising on Thomasnet, marketing services, supplies, financial service products and other fintech products.

Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) as net income (loss) excluding interest income (expense), income tax (expense) benefit, and certain other non-cash or non-recurring items impacting net loss from time to time, principally comprised of depreciation and amortization, stock-based compensation, transaction costs, charitable contributions of common stock, revaluation of contingent consideration, income from unconsolidated joint venture and impairment charges.

Non-GAAP net loss: The Company has included non-GAAP net loss, which is our net loss adjusted for stock-based compensation expense, depreciation and amortization, amortization of discount and issuance costs on convertible notes, unrealized loss on marketable securities, revaluation of contingent consideration and transaction costs (collectively, "non-GAAP net loss").

Non-GAAP Earnings Per Share (Non-GAAP EPS): The Company calculates Non-GAAP net income (loss) per share as Non-GAAP net income (loss) divided by weighted average number of Class A common stock outstanding.

Management believes that the exclusion of certain expenses and gains in calculating Adjusted EBITDA and Non-GAAP net loss and Non-GAAP EPS provides a useful measure for period-to-period comparisons of the Company's underlying core revenue and operating costs that is focused more closely on the current costs necessary to operate the Company's businesses, and reflects its ongoing business in a manner that allows for meaningful analysis of trends. Management also believes that excluding certain non-cash charges can be useful because the amounts of such expenses is the result of long-term investment decisions made in previous periods rather than day-to-day operating decisions.

Active Buyers: The Company defines "buyers" as individuals who have placed an order to purchase on-demand parts or assemblies on our marketplace. The Company defines Active Buyers as the number of buyers who have made at least one purchase on our marketplace during the last twelve months.

Percentage of Revenue from Existing Accounts: The Company defines "accounts" as an individual entity, such as a sole proprietor with a single buyer or corporate entities with multiple buyers, having purchased at least one part on our marketplace. The Company defines an existing account as an account where at least one buyer has made a purchase on our marketplace.

Accounts with Last Twelve-Month Spend of At Least \$50,000: The Company defines Accounts with Last Twelve-Month Spend of At Least \$50,000 as an account that has spent at least \$50,000 on our marketplace in the most recent twelve-month period.

About Xometry

Xometry (XMTR) powers the industries of today and tomorrow by connecting the people with big ideas to the manufacturers who can bring them to life. Xometry's digital marketplace gives manufacturers the critical resources they need to grow their business while also making it easy for buyers at Fortune 1000 companies to tap into global manufacturing capacity. Learn more at www.xometry.com or follow @xometry.

Conference Call

The Company will discuss its first quarter 2022 financial results during a teleconference on 5/11/2022, at 8:30 AM ET/5:30 AM PT. The conference call can be accessed in the U.S. at 877-313-2061 or outside the U.S. at 470-495-9537 with the conference ID# 1993784. A live audio webcast of the call will also be available simultaneously at investors.xometry.com. Following completion of the call, a recorded replay of the teleconference will be available in the investor relations section of Xometry's website. The earnings webcast presentation will be archived within the [Investor Relations](#) section of Xometry's website.

Cautionary Information Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E

of the Securities Exchange Act of 1934, as amended, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “would,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements in this press release include, but are not limited to, our beliefs regarding our financial position and operating performance, including our outlook and guidance for the second quarter and full year 2022, certain expected synergies from recent acquisitions and demand for our marketplaces in general. Our expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected, including risks and uncertainties related to: competition, managing our growth, financial performance, including the impact of the COVID-19 pandemic on our business and operations and our ability to forecast our performance due to our limited operating history and the COVID-19 pandemic, investments in new products or offerings, our ability to attract buyers and sellers to our marketplace, legal proceedings and regulatory matters and developments, any future changes to our business or our financial or operating model, and our brand and reputation. The forward-looking statements contained in this press release are also subject to other risks and uncertainties that could cause actual results to differ from the results predicted, including those more fully described in our filings with the SEC, including our Annual Report on Form 10-K for the period ended December 31, 2021. All forward-looking statements in this press release are based on information available to Xometry and assumptions and beliefs as of the date hereof, and we disclaim any obligation to update any forward-looking statements, except as required by law.

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Xometry, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)

| | March 31, | December 31, |
|---|--------------------|---------------------|
| | 2022 | 2021 |
| | (unaudited) | (audited) |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 58,969 | \$ 86,262 |
| Marketable securities | 309,694 | 30,465 |
| Accounts receivable, less allowance for doubtful accounts of \$1.0 million as of March 31, 2022 and \$0.8 million as of December 31, 2021 | 38,471 | 32,427 |
| Inventory | 2,200 | 2,033 |
| Prepaid expenses | 6,086 | 6,664 |
| Deferred sales commissions | 6,708 | 5,283 |
| Other current assets | 917 | 297 |
| Total current assets | 423,045 | 163,431 |
| Property and equipment, net | 11,634 | 10,287 |
| Operating lease right-of-use assets | 25,804 | 27,489 |
| Investment in unconsolidated joint venture | 4,231 | 4,198 |
| Intangible assets, net | 40,871 | 41,736 |
| Goodwill | 255,231 | 254,672 |
| Other assets | 511 | 773 |
| Total assets | \$ 761,327 | \$ 502,586 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 9,930 | \$ 12,718 |
| Accrued expenses | 28,195 | 30,905 |
| Contract liabilities | 10,008 | 7,863 |
| Operating lease liabilities, current portion | 5,662 | 5,549 |
| Finance lease liabilities, current portion | — | 2 |
| Total current liabilities | 53,795 | 57,037 |
| Operating lease liabilities, net of current portion | 15,518 | 16,920 |
| Convertible notes | 278,511 | — |
| Income taxes payable | 1,532 | 1,468 |
| Other liabilities | 1,792 | 1,678 |
| Total liabilities | 351,148 | 77,103 |
| Commitments and contingencies (Note 13) | | |
| Stockholders' equity | | |

| | | |
|---|-------------------|-------------------|
| Additional paid-in capital | 602,360 | 597,641 |
| Accumulated other comprehensive income | 104 | 149 |
| Accumulated deficit | (193,353) | (173,341) |
| Total stockholders' equity | 409,111 | 424,449 |
| Noncontrolling interest | 1,068 | 1,034 |
| Total equity | 410,179 | 425,483 |
| Total liabilities and stockholders' equity | \$ 761,327 | \$ 502,586 |

Xometry, Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share amounts)

| | Three Months Ended March 31, | |
|---|---------------------------------|--------------------|
| | 2022 | 2021 |
| | (unaudited) | |
| Revenue | \$ 83,671 | \$ 43,922 |
| Cost of revenue | 50,732 | 34,087 |
| Gross profit | 32,939 | 9,835 |
| Sales and marketing | 19,285 | 7,563 |
| Operations and support | 12,358 | 4,330 |
| Product development | 7,290 | 3,664 |
| General and administrative | 12,959 | 4,327 |
| Total operating expenses | 51,892 | 19,884 |
| Loss from operations | (18,953) | (10,049) |
| Other (expenses) income | | |
| Interest expense | (769) | (330) |
| Interest and dividend income | 96 | — |
| Other expenses | (962) | (122) |
| Income from unconsolidated joint venture | 34 | — |
| Total other expenses | (1,601) | (452) |
| Loss before income taxes | (20,554) | (10,501) |
| Benefit for income taxes | 559 | — |
| Net loss | (19,995) | (10,501) |
| Net income attributable to noncontrolling interest | 17 | — |
| Net loss attributable to common stockholders | \$ (20,012) | \$ (10,501) |
| Net loss per share, basic and diluted | \$ (0.43) | \$ (1.33) |
| Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted | 46,789,585 | 7,924,848 |
| Comprehensive loss: | | |
| Foreign currency translation | \$ (28) | \$ 30 |
| Total other comprehensive (loss) income | (28) | 30 |
| Net loss | (19,995) | (10,501) |
| Comprehensive loss | (20,023) | (10,471) |
| Comprehensive income attributable to noncontrolling interest | 34 | — |
| Total comprehensive loss attributable to common stockholders | \$ (20,057) | \$ (10,471) |

Xometry, Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows
(In thousands)

| | Three Months Ended March 31, | |
|---|------------------------------|-------------|
| | 2022 | 2021 |
| | (unaudited) | |
| Cash flows from operating activities: | | |
| Net loss | \$ (19,995) | \$ (10,501) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 1,799 | 734 |

| | | |
|---|------------------|------------------|
| Reduction in carrying amount of right-of-use asset | 1,765 | 266 |
| Stock based compensation | 3,456 | 505 |
| Non-cash interest expense | — | 56 |
| Revaluation of contingent consideration | 434 | — |
| Income from unconsolidated joint venture | (34) | — |
| Unrealized loss on marketable securities | 858 | — |
| Non-cash income tax benefit | (559) | — |
| Loss on sale of property and equipment | 71 | — |
| Amortization of deferred costs on convertible notes | 312 | — |
| Deferred taxes benefit | (2) | — |
| Changes in other assets and liabilities: | | |
| Accounts receivable, net | (6,145) | (5,525) |
| Inventory | (180) | 792 |
| Prepaid expenses | 567 | (875) |
| Deferred commissions | (1,425) | — |
| Other assets | (362) | (224) |
| Accounts payable | (2,752) | 1,856 |
| Accrued expenses | (2,843) | 1,645 |
| Contract liabilities | 2,145 | 1,595 |
| Lease liabilities | (1,369) | (266) |
| Net cash used in operating activities | (24,259) | (9,942) |
| Cash flows from investing activities: | | |
| Purchase of marketable securities | (280,091) | — |
| Proceeds from sale of marketable securities | 4 | — |
| Purchases of property and equipment | (2,543) | (1,244) |
| Proceeds from sale of property and equipment | 165 | — |
| Net cash used in investing activities | (282,465) | (1,244) |
| Cash flows from financing activities: | | |
| Proceeds from stock options exercised | 1,263 | 846 |
| Proceeds from issuance of convertible notes | 287,500 | — |
| Costs incurred in connection with issuance of convertible notes | (9,301) | — |
| Payments on finance lease obligations | (2) | (3) |
| Net cash provided by financing activities | 279,460 | 843 |
| Effect of foreign currency translation on cash and cash equivalents | (29) | (19) |
| Net decrease in cash and cash equivalents | (27,293) | (10,362) |
| Cash and cash equivalents at beginning of the period | 86,262 | 59,874 |
| Cash and cash equivalents at end of the period | \$ 58,969 | \$ 49,512 |
| Supplemental cash flow information: | | |
| Cash paid for interest | \$ — | \$ 326 |

Xometry, Inc. and Subsidiaries
Unaudited Reconciliations of Non-GAAP Financial Measures
(In thousands)

| | For the Three Months Ended March 31, | |
|---|---|-------------------|
| | 2022 | 2021 |
| Adjusted EBITDA: | | |
| Net loss | \$ (19,995) | \$ (10,501) |
| Add (deduct): | | |
| Interest expense, interest and dividend income and other expenses | 1,635 | 452 |
| Depreciation and amortization ⁽¹⁾ | 1,799 | 734 |
| Income tax benefit | (559) | — |
| Amortization of in-place lease asset | 333 | — |
| Stock-based compensation ⁽²⁾ | 3,456 | 505 |
| Revaluation of contingent consideration | 434 | — |
| Transaction costs | 205 | — |
| Income from unconsolidated joint venture | (34) | — |
| Adjusted EBITDA | \$ (12,726) | \$ (8,810) |

| | For the Three Months Ended March 31, | |
|--|--------------------------------------|-------------------|
| | 2022 | 2021 |
| Non-GAAP Net Loss: | | |
| Net loss | \$ (19,995) | \$ (10,501) |
| Add (deduct): | | |
| Depreciation and amortization expense | 1,799 | 734 |
| Stock-based compensation | 3,456 | 505 |
| Amortization of in-place lease asset | 333 | — |
| Amortization of deferred costs on convertible notes | 312 | — |
| Unrealized loss on marketable securities | 858 | — |
| Revaluation of contingent consideration | 434 | — |
| Transaction costs | 205 | — |
| Non-GAAP Net Loss | \$ (12,598) | \$ (9,262) |
| Weighted-average number of shares outstanding used to compute Non-GAAP Net Loss per share, basic and diluted | 46,789,585 | 7,924,848 |
| Non-GAAP EPS, basic and diluted | \$ (0.27) | \$ (1.17) |

(1) Represents depreciation expense of the Company's long-lived tangible assets and amortization expense of its finite-lived intangible assets, as included in the Company's GAAP results of operations.

(2) Represents the expense related to stock-based awards granted to employees, as included in the Company's GAAP results of operations.

Xometry, Inc. and Subsidiaries
Unaudited Segment Results
(In thousands)

| | For the Three Months Ended March 31, | |
|--------------------------|--------------------------------------|-------------|
| | 2022 | 2021 |
| Segment Revenue: | | |
| U.S. | \$ 77,209 | \$ 41,299 |
| International | 6,462 | 2,623 |
| Total revenue | \$ 83,671 | \$ 43,922 |
| Segment Net Loss: | | |
| U.S. | \$ (16,296) | \$ (8,162) |
| International | (3,699) | (2,339) |
| Total net loss | \$ (19,995) | \$ (10,501) |

Xometry, Inc. and Subsidiaries
Unaudited Supplemental Information
(In thousands)

| | For the Three Months Ended March 31, | |
|---|--------------------------------------|--------|
| | 2022 | 2021 |
| Summary of Stock-based Compensation Expense | | |
| Sales and marketing | \$ 636 | \$ 53 |
| Operations and support | 1,423 | 104 |
| Product development | 894 | 75 |
| General and administrative | 503 | 273 |
| Total stock-based compensation expense | \$ 3,456 | \$ 505 |
| Summary of Depreciation and Amortization Expense | | |
| Cost of revenue | \$ 34 | \$ 37 |
| Sales and marketing | 774 | 30 |
| Operations and support | 11 | 31 |
| Product development | 793 | 610 |
| General and administrative | 187 | 26 |

Total depreciation and amortization expense

\$ 1,799

\$ 734