UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024

OR

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

For the transition period from __________ to __________

Commission File Number: 001-40546

XOMETRY, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**32-0415449**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
6116 Executive Blvd **Suite 800** **North Bethesda, MD**	**20852**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (240) 335-7914

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.000001 per share	XMTR	The Nasdaq Global Select Market

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

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

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

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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

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

As of April 30, 2024, the registrant had 46,123,556 shares of Class A common stock, $0.000001 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), 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,” “can,” “will,” “would,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “forecasts,” “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 contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our expectations regarding our revenue, expenses and other operating results;
- the anticipated growth of our business, including our ability to effectively manage or sustain our growth and to achieve or sustain profitability;
- the effects of public health crises or other macroeconomic factors and geopolitical tension, which may lead to periods of global economic uncertainty;
- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements;
- our ability to attract new buyers and suppliers and successfully engage new and existing buyers and suppliers;
- the costs and success of our sales and marketing efforts, and our ability to promote our brand;
- our reliance on key personnel and our ability to identify, recruit and retain skilled personnel;
- our ability to effectively manage our growth, including any international expansion;
- our ability to obtain, maintain, protect and enforce our intellectual property or other proprietary rights and any costs associated therewith;
- our ability to effectively manage our costs and expenses, which may be impacted by inflationary pressures;
- our ability to compete effectively with existing competitors and new market entrants; and
- the growth rates of the markets in which we compete.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled Risk Factors Part II, Item 1A, and elsewhere in this Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Form 10-Q. And while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Form 10-Q to reflect events or circumstances after the date of this Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

XOMETRY, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets (Unaudited)
(In thousands, except share and per share data)

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 45,701	$ 53,424
Marketable securities	208,078	215,352
Accounts receivable, less allowance for credit losses of $2.4 million and $2.4 million as of March 31, 2024 and December 31, 2023	69,324	70,102
Inventory	2,890	2,885
Prepaid expenses	5,998	5,571
Other current assets	9,366	8,897
Total current assets	341,357	356,231
Property and equipment, net	37,579	35,637
Operating lease right-of-use assets	11,152	12,251
Investment in unconsolidated joint venture	4,211	4,114
Intangible assets, net	34,856	35,768
Goodwill	262,827	262,915
Other assets	489	471
Total assets	$ 692,471	$ 707,387
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 13,989	$ 24,710
Accrued expenses	46,193	41,845
Contract liabilities	9,613	7,357
Income taxes payable	2,208	2,484
Operating lease liabilities, current portion	6,731	6,799
Total current liabilities	78,734	83,195
Convertible notes	282,234	281,769
Operating lease liabilities, net of current portion	9,345	10,951
Deferred income taxes	275	275
Other liabilities	288	778
Total liabilities	370,876	376,968
Commitments and contingencies (Note 13)		
Stockholders' equity		
Preferred stock, $0.000001 par value. Authorized; 50,000,000 shares; zero shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	—	—
Class A Common stock, $0.000001 par value. Authorized; 750,000,000 shares; 46,010,987 shares and 45,489,379 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	—	—
Class B Common stock, $0.000001 par value. Authorized; 5,000,000 shares; 2,676,154 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	—	—
Additional paid-in capital	656,554	648,317
Accumulated other comprehensive income	381	855
Accumulated deficit	(336,488)	(319,872)
Total stockholders' equity	320,447	329,300
Noncontrolling interest	1,148	1,119
Total equity	321,595	330,419
Total liabilities and stockholders' equity	$ 692,471	$ 707,387

See accompanying notes to the unaudited condensed consolidated financial statements.

XOMETRY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(In thousands, except share and per share data)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenue	$ 122,690	$ 105,326
Cost of revenue	74,788	65,957
Gross profit	47,902	39,369
Sales and marketing	27,200	22,439
Operations and support	14,047	12,608
Product development	9,590	8,125
General and administrative	14,922	15,957
Impairment of assets	—	27
Total operating expenses	65,759	59,156
Loss from operations	(17,857)	(19,787)
Other income (expenses)		
Interest expense	(1,189)	(1,198)
Interest and dividend income	2,732	2,695
Other (expenses) income	(387)	17
Income from unconsolidated joint venture	97	66
Total other income	1,253	1,580
Loss before income taxes	(16,604)	(18,207)
Provision for income taxes	—	(136)
Net loss	(16,604)	(18,343)
Net income attributable to noncontrolling interest	12	1
Net loss attributable to common stockholders	$ (16,616)	$ (18,344)
Net loss per share, basic and diluted, of Class A and Class B common stock	$ (0.34)	$ (0.38)
Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted, of Class A and Class B common stock	48,577,980	47,699,561

	2024	2023
Net loss	$ (16,604)	$ (18,343)
Comprehensive loss:		
Foreign currency translation	(457)	135
Total other comprehensive (loss) income	(457)	135
Comprehensive loss	(17,061)	(18,208)
Comprehensive income attributable to noncontrolling interest	29	5
Total comprehensive loss attributable to common stockholders	$ (17,090)	$ (18,213)

See accompanying notes to the unaudited condensed consolidated financial statements.

XOMETRY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)
Three months ended March 31, 2024 and 2023
(In thousands, except share and per share data)

	Class A - Common Stock		Class B - Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2023	45,489,379	$ —	2,676,154	$ —	$ 648,317	$ 855	$ (319,872)	329,300	$ 1,119	330,419
Exercise of common stock options	120,481	—	—	—	1,233	—	—	1,233	—	1,233
Vesting of restricted stock units	359,911	—	—	—	—	—	—	—	—	—
Shared issued in business combination	21,083	—	—	—	625	—	—	625	—	625
Donated common stock	20,133	—	—	—	343	—	—	343	—	343
Stock based compensation	—	—	—	—	6,036	—	—	6,036	—	6,036
Comprehensive loss										
Foreign currency translation	—	—	—	—	—	(474)	—	(474)	17	(457)
Net loss	—	—	—	—	—	—	(16,616)	(16,616)	12	(16,604)
Total comprehensive loss	—	—	—	—	—	—	—	(17,090)	29	(17,061)
Balance, March 31, 2024	46,010,987	$ —	2,676,154	$ —	$ 656,554	$ 381	$ (336,488)	$ 320,447	$ 1,148	$ 321,595
Balance, December 31, 2022	44,822,264	$ —	2,676,154	$ —	$ 623,081	$ 28	$ (249,366)	$ 373,743	$ 1,090	$ 374,833
Exercise of common stock options	82,909	—	—	—	483	—	—	483	—	483
Vesting of restricted stock units	169,446	—	—	—	—	—	—	—	—	—
Shared issued in business combination	3,562	—	—	—	180	—	—	180	—	180
Donated common stock	20,133	—	—	—	370	—	—	370	—	370
Stock based compensation	—	—	—	—	4,694	—	—	4,694	—	4,694
Comprehensive loss										
Foreign currency translation	—	—	—	—	—	131	—	131	4	135
Net loss (income)	—	—	—	—	—	—	(18,344)	(18,344)	1	(18,343)
Total comprehensive loss	—	—	—	—	—	—	—	(18,213)	5	(18,208)
Balance, March 31, 2023	45,098,314	$ —	2,676,154	$ —	$ 628,808	$ 159	$ (267,710)	$ 361,257	$ 1,095	$ 362,352

See accompanying notes to the unaudited condensed consolidated financial statements.

XOMETRY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net loss	$ (16,604)	$ (18,343)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,153	2,566
Impairment of assets	—	27
Reduction in carrying amount of right-of-use asset	1,096	1,935
Stock based compensation	6,036	4,694
Revaluation of contingent consideration	137	—
Income from unconsolidated joint venture	(97)	(66)
Donation of common stock	343	370
Loss on sale of property and equipment	—	91
Amortization of deferred costs on convertible notes	464	466
Deferred taxes benefit	—	(23)
Changes in other assets and liabilities:		
Accounts receivable, net	532	(2,804)
Inventory	(40)	133
Prepaid expenses	(433)	185
Other assets	(442)	(3,687)
Accounts payable	(10,649)	(503)
Accrued expenses	4,440	(2,119)
Contract liabilities	2,277	1,436
Lease liabilities	(1,671)	(970)
Income taxes payable	(276)	157
Net cash used in operating activities	(11,734)	(16,455)
Cash flows from investing activities:		
Purchases of marketable securities	(2,726)	(2,688)
Proceeds from sale of marketable securities	10,000	—
Purchases of property and equipment	(4,347)	(4,186)
Proceeds from sale of property and equipment	—	223
Cash paid for business combination, net of cash acquired	—	(3,349)
Net cash provided by (used in) investing activities	2,927	(10,000)
Cash flows from financing activities:		
Proceeds from stock options exercised	1,233	483
Net cash provided by financing activities	1,233	483
Effect of foreign currency translation on cash and cash equivalents	(149)	15
Net decrease in cash and cash equivalents	(7,723)	(25,957)
Cash and cash equivalents at beginning of the period	53,424	65,662
Cash and cash equivalents at end of the period	$ 45,701	$ 39,705
Supplemental cash flow information:		
Cash paid for interest	$ 1,438	$ 1,438
Non-cash investing and financing activities:		
Non-cash purchase of property and equipment	—	78
Non-cash consideration in connection with business combination	—	1,593

See accompanying notes to the unaudited condensed consolidated financial statements.

XOMETRY, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements
(Unaudited)

(1) Organization and Description of Business

Xometry, Inc. ("Xometry", the "Company", "we", or "our") was incorporated in the State of Delaware in May 2013. Xometry is a global artificial intelligence ("AI") powered online marketplace connecting buyers with suppliers of manufacturing services, driving the digital transformation of one of the largest industries in the world. We use our proprietary AI, machine learning and cloud-based services, including our Thomasnet® platform, to help buyers efficiently source custom-manufactured parts and assemblies, and empower suppliers of manufacturing services to grow their businesses. Xometry's corporate headquarters is located in North Bethesda, Maryland.

Our AI-enabled technology platform is powered by proprietary machine learning algorithms and datasets, resulting in a sophisticated two-sided marketplace that is rapidly digitizing the manufacturing industry. As a result, buyers can procure the products they want on demand, and suppliers can source new manufacturing opportunities that match their specific capabilities and capacity, ultimately resulting in locally resilient supply chains so goods can get to market faster. Every interaction on our marketplace provides rich data insights that allow us to continuously improve our AI models and create new products and services, fueling powerful network effects as we scale.

We use proprietary technology to enable product designers, engineers, buyers, and supply chain professionals to instantly access the capacity of a global network of manufacturing facilities. The Company's platform makes it possible for buyers to quickly receive pricing, expected lead times, manufacturability feedback and place orders on the Company's platform. The network allows the Company to provide high volumes of unique parts, including custom components and assemblies for its buyers.

Xometry's suppliers' capabilities include computer numerical control manufacturing, sheet metal forming, sheet cutting, 3D printing (including fused deposition modeling, direct metal laser sintering, PolyJet, stereolithography, selective laser sintering, binder jetting, carbon digital light synthesis, multi jet fusion and lubricant sublayer photo-curing), die casting, stamping, injection molding, urethane casting, tube cutting, tube bending, as well as finishing services, rapid prototyping and high-volume production. Xometry's extensible technology platform allows the Company to add new technologies and processes to gain more wallet share with our buyers.

We empower suppliers to grow their manufacturing businesses and improve machine uptime by providing access to an extensive, diverse base of buyers. We also offer suppliers supporting products and services to meet their unique needs. Through Thomasnet, a leading industrial sourcing platform in North America, we offer suppliers an array of digital advertising and marketing services and data solutions. In addition, our suite of supplier services includes financial service products to stabilize and enhance cash flow and a cloud-based manufacturing execution system to help suppliers optimize their productivity.

(2) Basis of Presentation and Summary of Significant Accounting Policies

(a)Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K filed with the SEC on February 29, 2024.

The condensed consolidated balance sheet as of December 31, 2023, included herein, was derived from the audited financial statements as of that date, but may not include all disclosures including certain notes required by U.S. GAAP on an annual reporting basis. In the opinion of management, the accompanying condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, comprehensive loss, stockholders' equity and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full year 2023 or any future period. The Company has two reporting segments which are referred to as: (1) the United States ("U.S.") and (2) International.

Foreign Operations and Comprehensive Loss

The U.S. dollar ("USD") is the functional currency for Xometry's consolidated subsidiary operating in the U.S. The primary functional currency for the Company's consolidated subsidiaries operating in Germany and to a lesser extent, United Kingdom, Turkey, China and Japan, is the Euro, British Pound Sterling, Turkish Lira, Yuan and the Yen, respectively. For the Company's consolidated subsidiaries whose functional currencies are not the USD, the Company translates their financial statements into USD. The Company translates assets and liabilities at the exchange rate in effect as of the financial statement date. Revenue and expense accounts are translated using an average exchange rate for the period. Gains and losses resulting from translation are included in accumulated other comprehensive income, as a separate component of equity.

Noncontrolling Interest

We have a 66.67% ownership in Incom Co., LTD. As we have a controlling interest in Incom Co., LTD, we have consolidated Incom Co., LTD into our unaudited condensed consolidated financial statements. The portion of equity in Incom Co., LTD not owned by the Company is accounted for as a noncontrolling interest. We present the portion of any equity that we do not own in a consolidated entity as noncontrolling interest and classify their interest as a component of total equity, separate from total stockholders' equity on our Condensed Consolidated Balance Sheets. We include net (loss) income attributable to the noncontrolling interests in net loss in our Condensed Consolidated Statements of Operations and Comprehensive Loss.

(b)Use of Estimates

The preparation of the Company's unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, which affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

(c)Business Combinations

The Company accounts for business combinations using the acquisition method of accounting, which requires, among other things, allocation of the fair value of purchase consideration to the tangible and intangible assets acquired and liabilities assumed at their estimated fair values on the acquisition date. The excess of the fair value of purchase consideration over the values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair value of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to the valuation of intangible assets. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, not to exceed one year from the date of acquisition, the Company may record adjustments to the assets acquired and liabilities assumed, with a corresponding offset to goodwill if new information is obtained related to facts and circumstances that existed as of the acquisition date. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are reflected in the consolidated statements of operations. Acquisition costs, such as legal and consulting fees, are expensed as incurred.

(d)Fair Value Measurements and Financial Instruments

The Company measures certain assets and liabilities at fair value on a recurring basis based on an expected exit price, which represents the amount that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability.

The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis, whereby inputs used in valuation techniques, are assigned a hierarchical level. The following are the hierarchical levels of inputs to measure fair value:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Unobservable inputs reflecting the Company's own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The carrying amounts of certain of the Company's financial instruments, which include cash and cash equivalents, accounts receivable, prepaid expenses and other assets, accounts payable, accrued expenses and contract liabilities approximate their fair values due to their short maturities. The Company's marketable securities are recorded at fair value.

(e)Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking accounts. These investments are stated at cost, which approximates fair value.

(f)Marketable Securities

The Company measures its marketable securities at fair value. The Company's marketable securities represent our investments in a short term money market fund. These marketable securities have maturities of three months or less. As of March 31, 2024 and December 31, 2023, the Company's marketable securities of $208.1 million and $215.4 million, respectively, were recorded at fair value, within Level 1 of the fair value hierarchy. The fair value of the Company’s Level 1 financial instruments is based on quoted prices in active markets, total fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs, discounts or blockage factors.

(g)Accounts Receivable

Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company's accounts receivable do not bear interest. Amounts collected on accounts receivable are included in net cash used in operating activities in the Condensed Consolidated Statements of Cash Flows. For buyers for which the Company provides credit, the Company performs credit inquiries, including reference checks, and queries credit ratings services and other publicly available information. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on the age of the outstanding amounts, each customer’s expected ability to pay and collection history, current market conditions, and reasonable and supportable forecasts of future economic conditions to determine whether the allowance is appropriate. The Company reviews its valuation allowance monthly. Past due balances over 90 days and over a specified amount are reviewed individually for collectability. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Allowance For Credit Losses

The allowance for credit losses related to accounts receivable and changes were as follows (in thousands):

	2024	2023
Allowance for credit losses		
Balance at beginning of year, January 1	$ 2,444	$ 1,988
Charge to provision accounts	252	2,186
Write-offs or other	(298)	(1,730)
Balance at period end, March 31 and December 31, respectively	$ 2,398	$ 2,444

(h)Property and Equipment and Long-Lived Assets

Property and equipment are stated at cost. Depreciation is calculated on the straight-line method over the estimated useful life of the assets, which range from two to nine years, or in the case of leasehold improvements, over the shorter of the remaining lease term or the useful life of the asset.

Property and equipment and intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Property and equipment includes capitalized internal-use software development costs. Eligible internal-use software development costs are capitalized subsequent to the completion of the preliminary project stage. Such costs include internal and external direct development costs totaling $4.0 million for the three months ended March 31, 2024 and $19.7 million for the year ended December 31, 2023. After all substantial testing and deployment is completed and the software is ready for its intended use, capitalization is discontinued and the internal-use software costs are placed in service and amortized using the straight-line method over the estimated useful life of the software, generally three years.

(i)Goodwill

Goodwill represents the excess purchase price over the estimated fair value of net assets acquired in a business combination. As of March 31, 2024 and December 31, 2023, the Company's goodwill is attributable to both the U.S. and International reporting units. Goodwill is not amortized. The Company tests goodwill for impairment annually in the fourth quarter, or more frequently, if events or changes in circumstances indicate that the carrying value of a reporting unit, including goodwill, might be impaired.

In testing for goodwill impairment, we first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. These qualitative factors assessed may include the following: (i) significant changes in the manner of our use of the assets or the strategy of our overall business, (ii) certain restructuring initiatives, (iii) significant negative industry or economic trends and (iv) significant decline in our share price for a sustained period. If, after assessing the totality of events or circumstances, we determine it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then additional impairment testing is not required. However, if we conclude otherwise, we proceed to the quantitative assessment.

(j)Revenue

The Company derives the majority of its marketplace revenue in the U.S. and Europe from the sale of parts and assemblies fulfilled using a vast network of suppliers. The Company recognizes revenue from the sales to our customers pursuant to Financial Accounting Standard Board's ("FASB") Accounting Standards Codification ("ASC") *Topic 606, Revenue from Contracts with Customers* ("ASC 606").

The Company determines that a contract exists between the Company and the customer when the customer accepts the quote and places the order, all of which are governed by the Company's standard terms and conditions or other agreed terms with Xometry's buyers. Upon completion of an order through Xometry's platform, the Company identifies the performance obligation(s) within that order to complete the sale of the manufactured part(s) or assembly. Using Xometry's in-house technology, the Company determines the price for the manufactured part(s) or assembly on a stand-alone basis at order initiation. The Company recognizes revenue from sales to Xometry's customers upon shipment, at which point control over the part(s) or assembly have transferred.

The Company has concluded that the Company is principal in the sale of part(s) and assemblies that use the Company's network of third-party manufacturers because the Company controls the manufacturing by obtaining a right to direct a third-party manufacturer to fulfill the performance obligation Xometry has with the Company's customers on Xometry's behalf. The Company has considered the following conditions of the sale: (i) the Company has the obligation of providing the specified product to the customer, (ii) the Company has discretion with respect to establishing the price of the product and the price the Company pays the suppliers and the Company has margin risk on all of Xometry's sales, (iii) the Company has discretion in determining how to fulfill each order, including selecting the supplier and (iv) Xometry bears certain risk for product quality to the extent the customer is not satisfied with the final product.

Xometry also derives revenue from its supplier services which is a suite of services offered to our suppliers. Revenue also includes the sale of marketing services which includes advertising. This revenue is generally recognized as control is transferred to the customer, in an amount reflecting the consideration we expect to be entitled to in exchange for such product or service. From time to time, a purchase order with a customer may involve multiple performance obligations, including a combination of some or all of our products. Judgment may be required in determining whether products are considered distinct performance obligations that should be accounted for separately or as one combined performance obligation. Revenue is recognized over the period or at the point in time in which the performance obligations are satisfied. Consideration is typically determined based on a fixed unit price for the quantity of product transferred. For purchase orders involving multiple performance obligations, the transaction price is allocated to each performance obligation based on relative standalone selling price, and recognized as revenue when each individual product or service is transferred to the customer.

Revenue is shown net of estimated returns, refunds, and allowances. At March 31, 2024 and December 31, 2023, the Company has a provision for estimated returns, refunds or allowances of $0.04 million and $0.1 million, respectively.

Sales tax and, if applicable, duties and/or tariffs collected from customers and remitted to governmental authorities is excluded from revenue.

Contract Liabilities

Contract liabilities are primarily derived from payments received in advance or at the time an order is placed, for which the associated performance obligations have not been satisfied and revenue has not been recognized based on the Company's revenue recognition criteria described above.

The following table presents contract liabilities as of December 31, 2023 and March 31, 2024 (in thousands):

Rollforward of contract liabilities:		
Contract liabilities at December 31, 2023	$	7,357
Revenue recognized		(48,051)
Payments received in advance		50,307
Contract liabilities at March 31, 2024	$	9,613

During the three months ended March 31, 2024, the Company recognized approximately $5.6 million of revenue related to its contract liabilities as of December 31, 2023.

Sales Contract Acquisition Costs

The Company's incremental costs to obtain a contract may include a sales commission which is generally determined on a per order basis. For marketplace contracts, the Company recognizes costs over a period of one year or less. For supplier service contracts in excess of one year, the Company amortizes such costs on a straight-line basis over the average customer life of two years for new customers and over the renewal period for existing customers which is generally one year. Sales commissions are included in the Company's sales and marketing expenses in the Condensed Consolidated Statements of Operations and Comprehensive Loss. For the three months ended March 31, 2024 and 2023, the Company recognized approximately $2.6 million and $2.0 million, respectively of amortization related to deferred sales commissions. As of March 31, 2024 and December 31, 2023, the Company had deferred sales contract acquisition costs of $2.2 million and $3.1 million, respectively which is classified in other current assets on the Condensed Consolidated Balance Sheets.

(k) Cost of Revenue

Cost of revenue for marketplace primarily consists of the cost of the products that are manufactured or produced by the Company's suppliers for delivery to buyers on the Company's platform, internal and external production costs, shipping costs, and certain internal depreciation.

Cost of revenue for supplier services primarily consists of internal and external production costs and website hosting.

(l) Leases

The Company determines if an arrangement contains a lease and the classification of that lease, if applicable, at its inception. Operating leases are included in operating lease right-of-use ("ROU") assets, operating lease liabilities, current portion and operating lease liabilities, net of current portion in the Condensed Consolidated Balance Sheets. For leases with terms of twelve months or less, the Company does not recognize ROU assets or lease liabilities on the Condensed Consolidated Balance Sheets. Additionally, the Company elected to use the practical expedient to not separate lease and non-lease components for leases of real estate, meaning that for these leases, the non-lease components are included in the associated ROU asset and lease liability balances on the Company's Condensed Consolidated Balance Sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments under the lease. Operating lease ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The implicit rate within the Company's operating leases is generally not determinable, as such the Company uses its incremental borrowing rate at lease commencement to determine the present value of lease payments. The operating lease ROU asset also includes any lease prepayments, offset by lease incentives. Certain of the Company's leases include options to extend or terminate the lease. The expected lease term includes options to extend or terminate the lease when it is reasonably certain the Company will exercise such option.

Lease expense is recognized on a straight-line basis over the term of the lease.

(m) Sales and Marketing

Sales and marketing expenses are expensed as incurred and include the costs of digital marketing strategies, branding costs and other advertising costs, certain depreciation and amortization expense, contract acquisition costs and compensation expenses, including stock-based compensation, to the Company's sales and marketing employees. For the three months ended March 31, 2024 and 2023, the Company's advertising cost were $8.3 million and $8.1 million, respectively.

(n) Operations and Support

Operations and support expenses are the costs the Company incurs in support of the customers and suppliers on Xometry's platforms which are provided by phone, email and chat for purposes of resolving customer and supplier related matters. These costs primarily consist of compensation expenses of the support staff, including stock-based compensation, certain depreciation and amortization expense and software costs used in delivering customer and supplier services.

(o) Product Development

Product development costs which are not eligible for capitalization are expensed as incurred. This account also includes compensation expenses, including stock-based compensation to the Company's employees performing these functions and certain depreciation and amortization expense.

(p) General and Administrative

General and administrative expenses primarily consist of compensation expenses, including stock-based compensation expenses, for executive, finance, legal and other administrative personnel, professional service fees and certain depreciation and amortization expense.

(q) Stock Based Compensation

All stock-based compensation, including stock options, restricted stock units and performance restricted stock units ("PRSUs"), are measured at the grant date fair value of the award. The Company estimates grant date fair value of stock options using the Black-Scholes option-pricing model. The fair value of stock options, performance restricted stock units and restricted stock units is recognized as compensation expense on a straight-line basis over the requisite service period, which is typically three to four years. The fair value of the restricted stock units and PRSUs is determined using the fair value of the Company's Class A common stock on the date of grant. Forfeitures are recorded in the period in which they occur.

The Black-Scholes model considers several variables and assumptions in estimating the fair value of stock-based awards.

These variables include:

- expected annual dividend yield;
- expected volatility over the expected term;
- expected term;
- risk free interest rate;
- per share value of the underlying common stock; and
- exercise price.

For all stock options granted, the Company calculated the expected term using the simplified method for "plain vanilla" stock option awards. The risk-free interest rate is based on the yield available on U.S. Treasury issuances similar in duration to the expected term of the stock-based award. The Company estimates its expected share price volatility based on the historical volatility of publicly traded peer companies and/or its own volatility and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded share price. The Company utilized a dividend yield of zero, as it had no history or plan of declaring dividends on its common stock.

The fair value for PRSUs is recognized on a ratable basis over the requisite service period of three years when it is probable the performance conditions of the awards will be met. The Company reassesses the probability of vesting at each reporting period and adjusts the total compensation expense of the award based on this probability assessment.

(r) Net Loss Per Share Attributable to Common Stockholders

The Company computes net loss per share using the two-class method required for multiple classes of common stock and participating securities. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. Certain unvested share-based payment awards that contain nonforfeitable rights to dividends are treated as participating securities and therefore included in computing net income per share using the two-class method. The rights, including the liquidation and dividend rights, of the Class A common stock and Class B common stock are substantially identical, other than voting rights. Accordingly, the Class A common stock and Class B common stock shared proportionately in the Company's net losses.

(s) Recently Issued Accounting Standards

In November 2023, the FASB issued Accounting Standard Update ("ASU") No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, it requires a public entity to disclose the title and position of the Chief Operating Decision Maker ("CODM"). The ASU does not change how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to determine its reportable segments. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. We expect this ASU to only impact our disclosures with no impacts to our results of operations, cash flows and financial condition.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which focuses on the rate reconciliation and income taxes paid. ASU No. 2023-09 requires a public business entity ("PBE") to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. For PBEs, the new standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. An entity may apply the amendments in this ASU prospectively by providing the revised disclosures for the period ending December 31, 2025, and continuing to provide the pre-ASU disclosures for the prior periods, or may apply the amendments retrospectively by providing the revised disclosures for all period presented. We expect this ASU to only impact our disclosures with no impacts to our results of operations, cash flows, and financial condition.

There are currently no other accounting standards that have been issued, but not yet adopted, that are expected to have a significant impact on the Company's consolidated financial position, results of operations or cash flows upon adoption.

(3) Credit Concentrations

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities and accounts receivable. The Company maintains its cash and cash equivalents and marketable securities which at times may exceed federally insured limits, in deposit accounts at major financial institutions. A majority of the Company's buyers are located in the United States.

For the three months ended March 31, 2024 and 2023, no single buyer accounted for more than 10% of the Company's revenue. As of March 31, 2024, and December 31, 2023, no single buyer accounted for more than 10% of the Company's accounts receivable.

(4) Inventory

Inventory consists of raw materials, work-in-process and finished goods. Raw materials (plastics and metals) become manufactured products in the additive and subtractive manufacturing processes. Work-in-progress represents manufacturing costs associated with customer orders that are not yet complete. Finished goods represents product awaiting shipment. Inventory consists of the following as of March 31, 2024 and December 31, 2023 (in thousands):

	March 31, 2024	December 31, 2023
Raw materials	$ 915	$ 1,129
Work-in-progress	795	696
Finished goods	1,180	1,060
Total	$ 2,890	$ 2,885

(5) Property and Equipment and Long-Lived Assets

Property and equipment consist of the following as of March 31, 2024 and December 31, 2023 (in thousands):

	Useful Life	March 31, 2024	December 31, 2023
Technology hardware	3 years	$ 3,369	$ 3,355
Manufacturing equipment	2 - 9 years	5,482	5,482
Capitalized software development	3 years	47,893	44,004
Leasehold improvements	Shorter of useful life or lease term	1,791	1,365
Furniture and fixtures	7 years	2,451	2,630
Total		60,986	56,836
Less accumulated depreciation		(23,407)	(21,199)
Property and Equipment, net		$ 37,579	$ 35,637

Depreciation and amortization expense for the three months ended March 31, 2024 and 2023 was as follows (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cost of revenue	$ 185	$ 44
Sales and marketing	26	-
Operations and support	36	12
Product development	1,871	1,269
General and administrative	128	316
Total depreciation expense	$ 2,246	$ 1,641

(6) Leases

Operating lease expense for the three months ended March 31, 2024 and 2023 was as follows (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cost of revenue	$ 18	$ 18
General and administrative	1,263	2,214
Total operating lease expense	$ 1,281	$ 2,232

(7) Acquisition

Tridi

On January 2, 2023, the Company acquired Tridi Teknoloj A.S. (“Tridi”) located in Istanbul, Türkiye pursuant to a Share Purchase Agreement. The acquisition of Tridi extends the Company's marketplace capabilities in Europe and provides the Company with access to the Turkish market. The Company accounted for the acquisition as a business combination. The goodwill of $4.8 million arising from the acquisition of Tridi related to expected synergies including access to the Turkish market and an established supplier network. The goodwill is included in our International reporting segment and is not deductible for tax purposes. The aggregate non-contingent portion of the purchase price was approximately $3.8 million in cash, of which approximately $0.4 million was withheld and paid during the first quarter of 2024. In addition, the purchase price included a contingent consideration arrangement to the former owner of Tridi up to a maximum amount of $1.25 million (undiscounted) in shares of the Company’s Class A common stock in two installments on the first and second anniversary of the acquisition. The contingent consideration arrangement is tied to the achievement of revenue thresholds. The initial fair value of the contingent consideration of $0.9 million was estimated by applying an income valuation approach. The measurement is based on inputs that are not observable in the market (Level 3 inputs). Key assumptions made include (a) discount rate and (b) probability weighted assumptions about achieving revenue thresholds. As of March 31, 2024 and December 31, 2023, the total contingent consideration had a fair value of $0.6 million and $1.1 million, respectively. During the quarter ended March 31, 2024, the Company recorded an approximate $0.1 million increase to the contingent consideration liability with a corresponding expense recognized in general and administrative expense on our Condensed Consolidated Statements of Operations and Comprehensive Loss. In February 2024, the Company issued 21,083 shares of Class A common stock with a value of $0.6 million to the former owners of Tridi wih respect to the first installment.

The following table (in thousands) summarizes the consideration paid for Tridi and the final fair value of the assets acquired and liabilities assumed on the acquisition date:

Consideration:		
Cash	$	3,824
Settlement of preexisting relationship		357
Fair value of contingent consideration		860
Fair value of consideration		5,041
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Current assets		460
Property and equipment		22
Intangible asset		96
Current liabilities		(373)
Total identifiable net assets assumed		205
Goodwill		4,836
Total	$	5,041

The estimated fair value of the intangible asset acquired was determined by the Company. The Company engaged a third-party expert to assist with the valuation analysis. The Company used a cost method to estimate the fair value of the vendor relationship using Level 3 inputs. The useful life of the vendor relationship is 10 years.

Tridi's results of operations were included in the Company's consolidated financial statements from the date of acquisition, January 2, 2023.

(8) Disaggregated Revenue and Cost of Revenue Information

The following table presents our revenue and cost of revenue disaggregated by line of business. Revenue from our marketplace primarily reflects the sales of parts and assemblies on our platform. Revenue from supplier services primarily includes the sale of digital advertising and marketing services, and to a lesser extent financial service products, SaaS products and tools and materials ("our tools and materials business, which we previously referred to as our supplies business").

Revenue and cost of revenue is presented in the following tables for the three months ended March 31, 2024 and 2023, respectively (in thousands):

	Three Months Ended March 31,			
Marketplace	**2024**		**2023**	
Revenue	$	107,186	$	86,680
Cost of revenue		72,907		61,747
Gross Profit	$	34,279	$	24,933
Supplier Services				
Revenue	$	15,504	$	18,646
Cost of revenue		1,881		4,210
Gross Profit	$	13,623	$	14,436

(9) Investment in Unconsolidated Joint Venture

The Company has a 50% interest in Industrial Media, LLC ("IM, LLC") with the other 50% owned by Rich Media Group, LLC. IM, LLC primarily manages content creation, advertising sales, and marketing initiatives for the Industrial Engineering News brand, certain magazines, videos, website and associated electronic media products for industrial engineers.

The Company receives dividends from IM, LLC, which are recorded as a reduction to the Company's investment in unconsolidated joint venture on our Condensed Consolidated Balance Sheets. For the three months ended March 31, 2024 and 2023 the Company received no dividends from IM, LLC. During the three months ended March 31, 2024 and 2023, the Company did not pay material amounts to IM, LLC.

(10) Stock Based Compensation

In 2014, the Company adopted a stock compensation plan (the "2014 Equity Incentive Plan") pursuant to which the Company may grant stock options, stock purchase rights, restricted stock awards, or stock awards to employees, directors and consultants (including prospective employees, directors, and consultants). This plan was terminated in February 2016. No additional awards may be granted under the 2014 Equity Incentive Plan, however, outstanding awards continue in full effect in accordance with their existing terms.

In 2016, the Company adopted a stock compensation plan (the “2016 Equity Incentive Plan”) pursuant to which the Company may grant stock options, stock purchase rights, restricted stock awards, or stock awards to employees, directors and consultants (including prospective employees, directors, and consultants). No additional awards may be granted under the 2016 Equity Incentive Plan, however, outstanding awards continue in full effect in accordance with their existing terms.

In connection with the Company’s initial public offering on July 2, 2021, the Company's board of directors adopted the 2021 Equity Incentive Plan (the “2021 Equity Incentive Plan”). The 2021 Equity Incentive Plan provides for the grant of incentive stock options (“ISOs”), non-statutory stock options (“NSOs”), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based awards and other awards, or collectively, awards. Awards may be granted to Xometry employees, Xometry’s non-employee directors and consultants/contractors and the employees and consultants/contractors of Xometry affiliates. ISOs may be granted only to Xometry employees and the employees of Xometry affiliates.

As of March 31, 2024, there were 6,472,739 shares available for the Company to grant under the 2021 Equity Incentive Plan.

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Stock Options

A summary of the status of the Company’s stock option activity and the changes during the three months ended March 31, 2024, are as follows (in millions, except share and per share amounts):

	Number of Shares	Weighted Average Exercise Price Per Share	Average Remaining Contractual Term	Aggregate Intrinsic Value
Exercisable at December 31, 2023	1,859,740	8.78	6.4	50.7
Balance at December 31, 2023	2,881,208	12.02	7.0	69.6
Granted	—	—	—	—
Exercised	(117,705)	10.33	—	—
Forfeited	(48,870)	19.16	—	—
Expired	(263)	11.43	—	—
Balance at March 31, 2024	2,714,370	11.97	6.8	19.9
Exercisable at March 31, 2024	1,974,760	9.33	6.3	18.1

No options were granted during the first quarter of 2024. The total intrinsic value of options exercised during the three months ended March 31, 2024 and 2023, was $2.0 million and $1.3 million, respectively.

At March 31, 2024, there was approximately $11.7 million of total unrecognized compensation cost related to unvested stock options. That cost is expected to be recognized over a weighted average period of approximately two years as of March 31, 2024.

The Company currently uses authorized and unissued shares to satisfy share award exercises.

Restricted Stock Units

A summary of the status of the Company’s restricted stock unit activity and the changes during the three months ended March 31, 2024 are as follows (in millions, except share and per share amounts):

	Number of Shares	Weighted Average Grant Date fair value (per share)	Aggregate Intrinsic Value
Unvested RSUs as of December 31, 2023	1,769,874	22.50	63.6
Granted	1,524,250	18.70	—
Vested	(348,380)	19.29	—
Forfeited and cancelled	(91,731)	22.35	—
Unvested RSUs as of March 31, 2024	2,854,013	20.87	48.2

At March 31, 2024, there was approximately $55.4 million of total unrecognized compensation cost related to unvested restricted stock units granted under the 2021 Equity Incentive Plan. That cost is expected to be recognized over a weighted average period of approximately three years as of March 31, 2024.

Performance Restricted Stock Units

A summary of the status of the Company's performance restricted stock unit activity and the changes during the three months ended March 31, 2024 are as follows (in millions, except share and per share amounts):

	Number of Shares	Weighted Average Grant Date fair value (per share)	Aggregate Intrinsic Value
Unvested PRSUs as of December 31, 2023	—	—	—
Granted	299,754	17.48	—
Vested	-	-	—
Forfeited and cancelled	-	-	—
Unvested PRSUs as of March 31, 2024	299,754	17.48	5.1

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At March 31, 2024, there was approximately $5.2 million of total unrecognized compensation cost related to unvested performance restricted stock units granted under the 2021 Equity Incentive Plan. That cost is expected to be recognized over a weighted average period of approximately three years as of March 31, 2024.

Total stock-based compensation cost for the three months ended March 31, 2024 and 2023 were as follows (in thousands):

	Three Months Ended March 31,	
	2024	2023
Sales and marketing	$ 1,520	$ 1,052
Operations and support	2,092	1,697
Product development	1,416	1,076
General and administrative	1,008	869
Total stock compensation expense	$ 6,036	$ 4,694

(11) Income Taxes

A full valuation allowance has been established against our net U.S. federal and state deferred tax assets and foreign deferred tax assets, including net operating loss carryforwards.

The Company had no provision for income taxes for the three months ended March 31, 2024, as compared to $0.1 million income tax expense in the U.S. for the three months ended March 31, 2023. This estimated annual effective tax rate of 0.0%, differs from the U.S. federal statutory rate primarily due to the effects of certain permanent items, foreign tax rate differences, and increases in the valuation allowance against deferred tax assets.

(12) Net Loss Per Share Attributable to Common Stockholders

The Company computes net loss per share of Class A common stock, Class B common stock and participating securities using the two-class method. Basic and diluted EPS are the same for each class of common stock and participating securities because they are entitled to the same liquidation and dividend rights. The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data):

	Three Months Ended March 31,	
	2024	2023
Net loss	$ (16,604)	$ (18,343)
Net income attributable to noncontrolling interest	12	1
Net loss attributable to common stockholders	$ (16,616)	$ (18,344)
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted, of Class A and Class B common stock	48,577,980	47,699,561
Net loss per share attributable to common stockholders, basic and diluted, of Class A and Class B common stock	$ (0.34)	$ (0.38)

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share because including them would have had an anti-dilutive effect, or issuance of such shares is contingent upon the occurrence of an event:

	March 31,	
	2024	2023
Stock options outstanding	2,714,370	3,138,478
Unvested restricted stock units	2,854,013	1,851,071
Unvested performance restricted stock units	299,754	—
Warrants outstanding	87,784	87,784
Shares reserved for charitable contribution	221,461	281,860
Convertible notes	5,123,624	5,123,624
Total shares	11,301,006	10,482,817

(13) Debt Commitments and Contingencies

2027 Convertible Notes

In February 2022, we entered into a purchase agreement with certain counterparties for the sale of an aggregate of $287.5 million principal amount of convertible senior notes due in 2027 (the "2027 Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The 2027 Notes consisted of a $250 million initial placement and an over-allotment option that provided the initial purchasers of the 2027 Notes with the option to purchase an additional $37.5 million aggregate principal amount of the 2027 Notes, which was fully exercised. The 2027 Notes were issued pursuant to an indenture dated February 4, 2022. The net proceeds from the issuance of the 2027 Notes were $278.2 million, net of debt issuance costs. The debt issuance costs are amortized to interest expense using the effective interest rate method.

The 2027 Notes are unsecured obligations which bear regular interest at 1% per annum and for which the principal balance will not accrete. Interest payments are due on February 1 and August 1 of each year the Notes remain outstanding. The 2027 Notes will mature on February 1, 2027 unless repurchased, redeemed, or converted in accordance with their terms prior to such date.

The 2027 Notes are convertible into cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock, at our election, at an initial conversion rate of 17.8213 shares of Class A common stock per $1,000 principal amount of 2027 Notes, which is equivalent to an initial conversion price of approximately $56.11 per share of our Class A common stock. The conversion rate is subject to customary adjustments for certain events as described in the indenture governing the 2027 Notes.

We may redeem for cash all or any portion of the 2027 Notes, at our option, on or after February 5, 2025 if the last reported sale price of our Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days at a redemption price equal to 100% of the principal amount of the 2027 Notes to be redeemed, plus accrued and unpaid interest or additional interest, if any.

Holders of the 2027 Notes may convert all or a portion of their 2027 Notes at their option prior to November 1, 2026, in multiples of $1,000 principal amounts, only under the following circumstances:

- if the last reported sale price of our Class A common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter is greater than or equal to 130% of the applicable conversion price of the 2027 Notes on each such trading day;
- during the five business day period after any ten consecutive trading day period in which the trading price per $1,000 principal amount of the 2027 Notes for each day of that ten consecutive trading day period was less than 98% of the product of the last reported sale price of our Class A common stock and the applicable conversion rate of the 2027 Notes;
- on a notice of redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, in which case we may be required to increase the conversion rate for the 2027 Notes so surrendered for conversion in connection with such redemption notice; or
- on the occurrence of specified corporate events.

On or after November 1, 2026, the 2027 Notes are convertible at any time until the close of business on the second scheduled trading day immediately preceding the maturity date.

Holders of the 2027 Notes who convert the 2027 Notes in connection with a make-whole fundamental change, as defined in the indenture governing the 2027 Notes, or in connection with a redemption are entitled to an increase in the conversion rate. Additionally, in the event of a fundamental change, holders of the 2027 Notes may require us to repurchase all or a portion of the 2027 Notes at a price equal to 100% of the principal amount of 2027 Notes, plus any accrued and unpaid special interest, if any.

We accounted for the issuance of the 2027 Notes as a single liability measured at its amortized cost, as no other embedded features require bifurcation and recognition as derivatives.

The following table presents the outstanding principal amount and carrying value of the 2027 Notes as of the dates indicated (in thousands):

	March 31, 2024	December 31, 2023
Principal	$ 287,500	287,500
Unamortized debt discount	(4,888)	(5,319)
Unamortized debt issuance costs	(378)	(412)
Net carrying value	$ 282,234	281,769

The annual effective interest rate for the 2027 Notes was approximately 1.6%. Interest expense related to the 2027 Notes for the periods presented below was as follows (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Coupon interest	$ 719	$ 719
Amortization of debt discount	431	431
Amortization of transaction costs	33	35
Total interest expense	$ 1,183	$ 1,185

The following table presents the carrying value and estimated fair value of the 2027 Notes as of the date indicated (in thousands):

	March 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2027 Notes(1)	$ 282,234	$ 217,839	$ 281,769	$ 268,554

(1) As of March 31, 2024 and December 31, 2023, the fair value of the 2027 Notes was measured using Level 2 inputs based on the frequency of trading on our debt at the end of the year.

Contingencies

The Company from time to time may be subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of its business activities. In the opinion of the Company, although the outcome of any legal proceedings cannot be predicted with certainty, the ultimate liability of the Company in connection with its legal proceedings is not expected to have a material adverse effect on the Company's financial position or operations.

Defined Contribution Plans

The Company sponsors a defined contribution plan for qualifying employees, including a 401(k) Plan in the United States to which it makes matching contributions of 50% of participating employee contributions up to 6% of eligible income. The Company's total matching contribution to the 401(k) Plan was $0.7 million and $0.5 million for the three months ended March 31, 2024 and 2023, respectively.

(14) Segments

Xometry is organized in two segments referred to as: (1) the U.S. and (2) International. Xometry's operating segments are also the Company's reportable segments. Xometry's reportable segments, whose products and offerings are generally the same, are managed separately based on geography. Xometry's two segments are defined based on the reporting and review process used by the chief operating decision maker ("CODM"), the Chief Executive Officer. The Company evaluates the performance of the operating segments primarily based on revenue and segment "profits/loss" which is largely the results of the segment before income taxes. The Company has not allocated certain general and administrative expenses to the International segment. The Company's CODM monitors assets of the consolidated Company, but does not use assets by operating segment when assessing performance or making operating segment resource decisions.

The following tables reflect certain segment information for the three months ended March 31, 2024 and 2023 (in thousands):

	Three Months Ended March 31,	
	2024	2023
Segment Revenue		
U.S.	$ 103,363	$ 93,903
International	19,327	11,423
Total	$ 122,690	$ 105,326

	Three Months Ended March 31,	
	2024	2023
Segment Losses		
U.S.	$ (11,818)	$ (12,937)
International	(4,798)	(5,407)
Total	$ (16,616)	$ (18,344)

(15) Goodwill and Intangible Assets

The following tables summarize the Company's intangible assets (dollars in thousands):

	March 31, 2024			
	Weighted average amortization period in years	Gross carrying amount	Accumulated amortization	Net carrying amount
Intangible Assets				
Amortizing intangible assets:				
Customer Relationships	15	$ 36,600	$ 5,640	$ 30,960
Trade Names	10	800	185	615
Developed Technology	5	739	390	349
Vendor Relationships	15	1,268	357	911
Database	5	2,400	1,110	1,290
Patents	17	157	54	103
Subtotal intangible assets		41,964	7,736	34,228
In-place Lease Intangible Asset	4	568	324	244
Above Market Lease Intangible Asset	4	896	512	384
Total intangible assets		$ 43,428	$ 8,572	$ 34,856

	December 31, 2023			
	Weighted average amortization period in years	Gross carrying amount	Accumulated amortization	Net carrying amount
Intangible Assets				
Amortizing intangible assets:				
Customer Relationships	15	$ 36,600	$ 5,030	$ 31,570
Trade Names	10	800	165	635
Developed Technology	5	739	349	390
Vendor Relationships	15	1,273	336	937
Database	5	2,400	990	1,410
Patents	17	157	51	106
Subtotal intangible assets		41,969	6,921	35,048
In-place Lease Intangible Asset	4	568	287	281
Above Market Lease Intangible Asset	4	896	457	439
Total intangible assets		$ 43,433	$ 7,665	$ 35,768

The following table provides a roll forward of the carrying amount of goodwill (in thousands):

	2024	2023
Balance as of January 1:		
Gross goodwill	$ 265,989	$ 261,110
Accumulated impairments	(3,074)	(3,074)
Net goodwill as of January 1	262,915	258,036
Goodwill acquired during the year(1)	—	4,836
Impact of foreign exchange	(88)	43
Net goodwill as of March 31, 2024 and December 31, 2023:	$ 262,827	$ 262,915

(1) See Note 7 - Acquisitions.

As of March 31, 2024 and December 31, 2023, Xometry had $262.8 million and $262.9 million, respectively of goodwill. As of March 31, 2024, $258.0 million is part of Xometry’s U.S. operating segment and $4.8 million is part of Xometry’s International operating segment. As of December 31, 2023, $258.0 million is part of Xometry's U.S. operating segment and $4.9 million is part of Xometry's International operating segment.

As of March 31, 2024, estimated amortization expense for intangible assets for the remainder of 2024 and the next five years is: $2.7 million in 2024, $3.6 million in 2025, $3.2 million in 2026, $2.6 million in 2027, $2.6 million in 2028, $2.6 million in 2029 and $17.6 million thereafter.

Amortization expense for the three months ended March 31, 2024 and 2023 was as follows (in thousands):

	Three Months Ended March 31,	
	2024	2023
Sales and marketing	$ 771	791
Product development	42	42
General and administrative (1)	3	3
Total	$ 816	$ 836

(1) Amortization of the lease related intangible assets is recorded as operating lease expense in general and administrative.

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

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. The discussion contains forward-looking statements that are based on the beliefs of management, as well as assumptions made by, and information currently available to, our management. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of various factors, including those discussed in Part II, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023. Our historical results are not necessarily indicative of the results that may be expected in the future and our current quarterly results are not necessarily indicative of the results expected for the full year or any other period.

Overview

Xometry Inc. ("Xometry", "Company", "our" or "we") was incorporated in the State of Delaware in May 2013. Xometry is a global artificial intelligence ("AI") powered online marketplace connecting buyers with suppliers of manufacturing services, driving the digital transformation of one of the largest industries in the world. We use our proprietary AI, machine learning and cloud-based services, including our Thomasnet® platform, to help buyers efficiently source custom-manufactured parts and assemblies, and empower suppliers of manufacturing services to grow their businesses. Xometry's corporate headquarters is located in North Bethesda, Maryland.

Our AI-enabled technology platform is powered by proprietary machine learning algorithms and datasets, resulting in a sophisticated two-sided marketplace that is rapidly digitizing the manufacturing industry. As a result, buyers can procure the products they want on demand, and suppliers can source new manufacturing opportunities that match their specific capabilities and capacity, ultimately resulting in locally resilient supply chains so goods can get to market faster. Every interaction on our marketplace provides rich data insights that allow us to continuously improve our AI models and create new products and services, fueling powerful network effects as we scale.

We use proprietary technology to enable product designers, engineers, buyers, and supply chain professionals to instantly access the capacity of a global network of manufacturing facilities. The Company's platform makes it possible for buyers to quickly receive pricing, expected lead times, manufacturability feedback and place orders on the Company's platform. The network allows the Company to provide high volumes of unique parts, including custom components and assemblies for its buyers.

Our mission is to accelerate innovation by providing real time, equitable access to global manufacturing capacity and demand. Our vision is to drive efficiency, sustainability and innovation for industries worldwide by lowering the barriers to entry to the manufacturing ecosystem.

Our business benefits from a virtuous network effect, because adding buyers to our platform generates greater demand on our marketplace which in turn attracts more suppliers to the platform, allowing us to rapidly scale and increase the number of manufacturing processes offered on our platform. In order to continue to meet the needs of buyers and remain highly competitive, we expect to continue to add suppliers to our platform that have new and innovative manufacturing processes. Thus, our platform is unbounded by the in-house manufacturing capacity and processes of our current suppliers.

We define "buyers" as individuals who have placed an order to purchase custom-manufactured, on-demand parts or assemblies on our marketplace. Our buyers include engineers, product designers, procurement and supply chain personnel, inventors, entrepreneurs and business owners from businesses of a variety of sizes, ranging from self-funded start-ups to Fortune 100 companies. We define "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. We define "suppliers" as individuals or businesses who have been approved by us to either manufacture a product on our platform for a buyer or have utilized our supplier services, including our financial services or the purchase of tools and materials ("our tools and materials business, which we previously referred to as our supplies business").

The majority of our revenue is derived from the sale of part(s) and assemblies to our customers on our marketplace, which we refer to as marketplace revenue. The suppliers on our platform offer a diversified and expanding mix of manufacturing processes. These manufacturing processes include computer numerical control ("CNC") manufacturing, sheet metal forming, sheet cutting, 3D printing (including fused deposition modeling, direct metal laser sintering, PolyJet, stereolithography, selective laser sintering, binder jetting, carbon digital light synthesis, multi jet fusion and lubricant sublayer photo-curing), die casting, stamping, injection molding, urethane casting, tube cutting, tube bending, as well as finishing services, rapid prototyping and high-volume production. Xometry's extensible technology platform allows the Company to add new technologies and processes to gain more wallet share with our buyers. We enable buyers to source these processes to meet complex and specific design and order needs across several industries, including Aerospace, Healthcare, Robotics, Industrial, Defense, Energy, Automotive, Government, Education and Consumer Goods.

We empower suppliers to grow their manufacturing businesses and improve machine uptime by providing access to an extensive, diverse base of buyers. We also offer suppliers supporting products and services to meet their unique needs. Through Thomasnet, a leading industrial sourcing platform in North America, we offer suppliers an array of digital advertising and marketing services and data solutions. In addition, our suite of supplier services includes financial service products to stabilize and enhance cash flow and a cloud-based manufacturing execution system ("Workcenter") to help suppliers optimize their productivity.

In 2021, we acquired Thomas Publishing Company and its subsidiaries (collectively, "Thomas") and Fusiform, Inc. (d/b/a FactoryFour), expanding our basket of supplier services to include advertising and marketing services and Workcenter to help suppliers optimize their productivity. Our revenue from Thomas is primarily advertising revenue.

On January 2, 2023, the Company acquired Tridi Teknoloj A.S. ("Tridi") located in Istanbul, Türkiye pursuant to a Share Purchase Agreement. The acquisition of Tridi extends our marketplace capabilities in Europe and provides us access to the Turkish market.

Unfavorable conditions in the economy both in the United States and abroad may negatively affect the growth of our business and our results of operations. For example, macroeconomic events, fluctuations in inflation, the Russia-Ukraine war, conflict in the Middle East and other geopolitical tensions, have led to economic uncertainty globally. Historically, during periods of economic uncertainty and downturns, businesses may slow spending on information technology and manufacturing, which may impact our business and our customers' businesses.

The effect of macroeconomic conditions may not be fully reflected in our results of operations until future periods. If, however, economic uncertainty increases or the global economy worsens, our business, financial condition and results of operations may be harmed. For further discussion of the potential impacts of macroeconomic events on our business, financial condition, and operating results, see the section titled "Risk Factors."

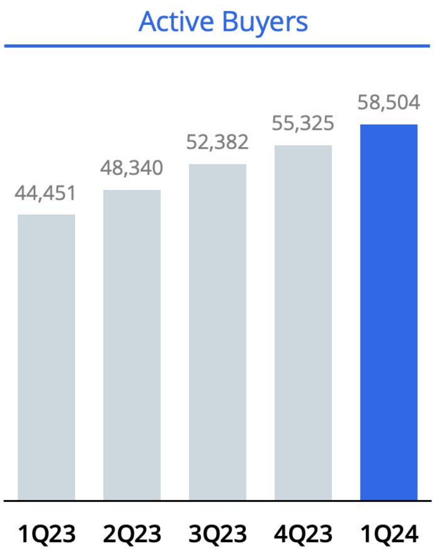
Key Marketplace Operational and Business Metrics

In addition to the measures presented in our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, we use the following key operational and business metrics to help us evaluate our marketplace business, measure our performance, identify trends affecting our business, formulate business plans and develop forecasts, and make strategic decisions:

Active Buyers

We define Active Buyers as the number of buyers who have made at least one purchase on our marketplace during the last twelve months. An increase or decrease in the number of Active Buyers is a key indicator of our ability to attract, retain and engage buyers on our platform.

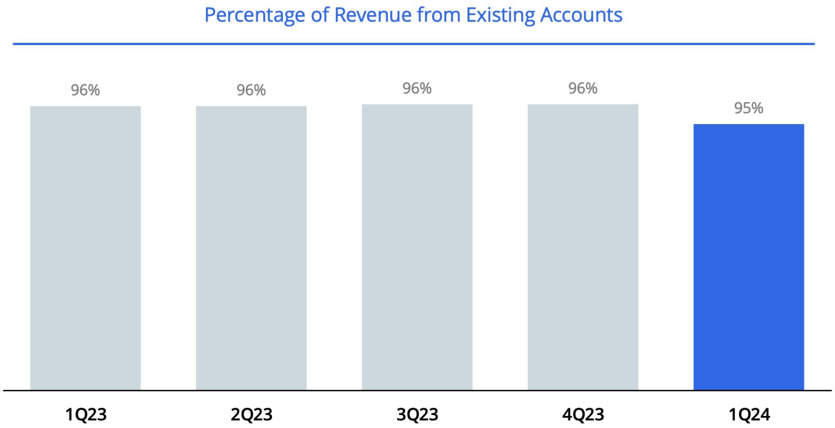
Active Buyers has consistently grown over time. The number of Active Buyers on our platform reached 58,504 as of March 31, 2024, up 32% from 44,451 as of March 31, 2023. The key drivers of Active Buyer growth are continued account and buyer engagement and the success of our strategy to attract new buyers. We have adjusted the number of Active Buyers for each quarter of 2023 to reflect an immaterial correction in the calculation of Active Buyers.



Percentage of Revenue from Existing Accounts

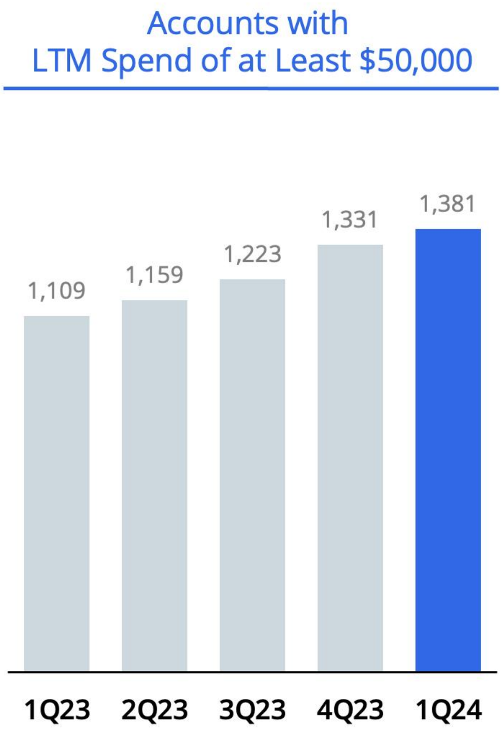
We define an existing account as an account where at least one buyer has made a purchase on our marketplace. We believe the efficiency and transparency of our business model leads to increasing account stickiness and spend over time. Buyers can utilize our marketplace for both one-off and recurring manufacturing opportunities. For example, a buyer may choose to utilize our marketplace's CNC manufacturing processes to manufacture a discrete component for a prototype, and then may choose to later use our marketplace to mass produce that same component. A buyer may also recommend our marketplace to other engineers within their organizations who are designing other products and who may use an entirely different set of manufacturing processes, deepening our reach and stickiness with an account.

For the quarter ended March 31, 2024, 95% of our revenue was generated from existing accounts. We believe the repeat purchase activity from existing accounts reflects the underlying strength of our business and provides us with substantial revenue visibility and predictability.



Accounts with Last Twelve-Month Spend of At Least $50,000

Accounts with Last Twelve-Month, or LTM, Spend of At Least $50,000 means an account that has spent at least $50,000 on our marketplace in the most recent twelve-month period. We view the acquisition of an account as a foundation for the addition of long-term buyers to our marketplace. Once an account joins our platform, we aim to expand the relationship and increase engagement and spending activities from that account over time. The number of accounts with LTM Spend of at least $50,000 on our platform reached 1,381 as of March 31, 2024, up 25% from 1,109 as of March 31, 2023.



Active Paying Suppliers

We define Active Paying Suppliers as individuals or businesses who have purchased one or more of our supplier services, including digital marketing services, data services, financial services or tools and materials on our platforms during the last twelve months. An increase or decrease in the number of Active Paying Suppliers is a key indicator of our ability to engage suppliers on our platform.

Active Paying Suppliers has changed over time. The number of Active Paying Suppliers on our platform was 7,159 as of March 31, 2024, down 6% from 7,621 as of March 31, 2023. The key drivers of Active Paying Suppliers are continued supplier engagement and the success of our strategy to attract new suppliers. The decline during the quarter ended March 31, 2024 is primarily due to our exit from the tools and materials business. Excluding the tools and materials business, Active Paying Suppliers on our platform reached 7,147 as of March 31, 2024, down 2% from 7,295 as of March 31, 2023.

Adjusted EBITDA

We define Adjusted EBITDA as net loss, adjusted for interest expense, interest and dividend income and other (expenses) income, provision for income taxes, and certain other non-cash or non-recurring items impacting net loss from time to time, principally comprised of depreciation and amortization, amortization of lease intangible, stock-based compensation, charitable contributions of common stock, income from an unconsolidated joint venture, impairment of assets and acquisition and other adjustments not reflective of our ongoing business, such as adjustments related to purchase accounting, the revaluation of contingent consideration, transaction costs and executive severance. Adjusted EBITDA is a performance measure that we use to assess our operating performance and the operating leverage in our business. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA for a period by revenue for the same period.

For the three months ended March 31, 2024, Adjusted EBITDA loss was $(7.5) million, as compared to Adjusted EBITDA loss of $(11.8) million for the same quarter in 2023. For the quarter ended March 31, 2024, Adjusted EBITDA Margin was (6.1)% of revenue, as compared to (11.2)% of revenue for the same quarter in 2023, driven primarily by increased operating efficiencies as we continue to grow our revenue and margins faster than our expenses.

	Three Months Ended March 31,	
	2024	2023
Net loss	$ (16,604)	$ (18,343)
Add (deduct)		
Interest expense, interest and dividend income and other (expenses) income	(1,156)	(1,514)
Depreciation and amortization	3,153	2,566
Amortization of lease intangible	180	333
Provision for income taxes	—	136
Stock-based compensation	6,036	4,694
Acquisition and other	686	30
Charitable contribution of common stock	343	370
Income from unconsolidated joint venture	(97)	(66)
Impairment of assets	—	27
Adjusted EBITDA	$ (7,459)	$ (11,767)

Non-GAAP Net Loss

We define Non-GAAP net loss, as net loss adjusted for depreciation and amortization, stock-based compensation, amortization of lease intangible, amortization of deferred costs on convertible notes, loss on sale of property and equipment, charitable contributions of common stock, impairment of assets, and acquisition and other adjustments not reflective of our ongoing business, such as adjustments related to purchase accounting, the revaluation of contingent consideration, transaction costs and executive severance.

	For the Three Months Ended March 31,	
	2024	2023
Non-GAAP Net Loss:		
Net loss	$ (16,604)	$ (18,343)
Add (deduct):		
Depreciation and amortization	3,153	2,566
Stock-based compensation	6,036	4,694
Amortization of lease intangible	180	333
Amortization of deferred costs on convertible notes	464	466
Acquisition and other	686	30
Loss on sale of property and equipment	—	91
Charitable contribution of common stock	343	370
Impairment of assets	—	27
Non-GAAP Net Loss	$ (5,742)	$ (9,766)

For the three months ended March 31, 2024, Non-GAAP net loss was $(5.7) million, as compared to Non-GAAP net loss of $(9.8) million for the same quarter in 2023. For the quarter ended March 31, 2024, Non-GAAP net loss was (4.7)% of revenue, as compared to (9.3)% of revenue for the same quarter in 2023.

Adjusted EBITDA and Non-GAAP net loss are non-GAAP financial measures that we use, in addition to our GAAP financial measures, to evaluate our business. We have included Adjusted EBITDA and Non-GAAP net loss in this filing because they are key measures used by our management to evaluate our operating performance. Accordingly, we believe that Adjusted EBITDA and Non-GAAP net loss provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors. Our calculation of Adjusted EBITDA and Non-GAAP net loss may differ from similarly titled non-GAAP measures, if any, reported by our peer companies and therefore may not serve as an accurate basis of comparison among companies. Adjusted EBITDA and Non-GAAP net loss should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

Components of Results of Operations

Revenue

Our marketplace revenue is primarily comprised of sales of parts and assemblies to customers through our platform. Buyers purchase specialized CNC manufacturing, sheet metal manufacturing, 3D printing, injection molding, urethane casting, tube cutting, tube bending and finishing services. Customer purchases range from rapid prototyping of single parts to high-volume production on our marketplace. These products are primarily manufactured by our network of suppliers.

Supplier services revenue includes the sale of marketing and advertising services, and to a lesser extent financial service products, SaaS-based solutions and the sale of tools and materials which was discontinued during the second quarter of 2023.

Cost of Revenue

Marketplace cost of revenue primarily consists of the cost to us of the products that are manufactured or produced by us or our suppliers for delivery to buyers on our platform, internal and external production costs, shipping costs and certain internal depreciation. We expect cost of revenue to increase in absolute dollars to the extent our revenue increases and transaction volume increases. As we grow and add suppliers to our platform, we are able to improve our pricing efficiency, we expect cost of revenue to decline as a percentage of revenue over time.

Cost of revenue for supplier services primarily consists of internal and external production costs and website hosting.

Gross Profit

Gross profit, or revenue less cost of revenue, is primarily affected by the growth of our revenue. Our gross profit margin is primarily affected by liquidity of our suppliers' network and the efficiency of our pricing and will be benefited by increasing the use of existing supplier services and the variety of supplier services offerings over time.

Operating Expenses

Our operating expenses consist of sales and marketing, operations and support, product development and general and administrative functions.

Sales and Marketing

Sales and marketing expenses are expensed as incurred and include the costs of our digital marketing strategies, branding costs and other advertising costs, certain depreciation and amortization expense, contract acquisition costs and compensation expenses, including stock-based compensation, to our sales and marketing employees. We intend to continue to invest in our sales and marketing capabilities in the future to continue to increase our brand awareness, add new accounts and further penetrate existing accounts. We expect sales and marketing expense to increase in absolute dollars in the future as we grow our business, though in the near-term sales and marketing expenses may fluctuate from period-to-period based on the timing of our investments in our sales and marketing functions as these investments may vary in scope and scale over future periods.

Operations and Support

Operations and support expenses are the costs we incur in support of the buyers and suppliers on our platform which are provided by phone, email and chat for purposes of resolving buyer and suppliers related matters. These costs primarily consist of compensation expenses of the support staff, including stock-based compensation, certain depreciation and amortization expense and software costs used in delivering buyer and suppliers services. We expect operations and support expense to increase in absolute dollars in the future, though in the near-term operations and support expenses may fluctuate from period-to-period based on total revenue levels and the timing of our investments in our operations and support functions as these investments may vary in scope and scale over future periods.

Product Development

Product development costs that are not eligible for capitalization are expensed as incurred. This account also includes compensation expenses, including stock-based compensation expenses to our employees performing these functions and certain depreciation and amortization expense. We expect product development expense to increase in absolute dollars in the future, though in the near-term product development expenses may fluctuate from period-to-period based on total revenue levels and the timing of our investments in our product development functions as these investments may vary in scope and scale over future periods.

General and Administrative

General and administrative expenses primarily consist of compensation expenses, including stock-based compensation expenses, for executive, finance, legal and other administrative personnel, professional service fees and certain depreciation and amortization expense. We expect general and administrative expenses to fluctuate as a result of operating as a public company.

Other Income (Expenses)

Interest Expense

Interest expense consists of interest incurred on our outstanding borrowings under our outstanding convertible notes or other borrowings.

Interest and Dividend Income

Interest and dividend income consists of interest and dividends on our cash, cash equivalents and marketable securities.

Other (Expenses) Income

Other expenses consist primarily of realized foreign exchange gains and/or losses and other expenses.

Income from Unconsolidated Joint Venture

Income from unconsolidated joint venture consists of our share of the joint venture's income.

Table of Contents

Results of Operations

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

The following table sets forth our unaudited statements of operations data for the periods indicated:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(in thousands)	
Revenue	$ 122,690	$ 105,326
Cost of revenue	74,788	65,957
Gross profit	47,902	39,369
Operating expenses:		
Sales and marketing	27,200	22,439
Operations and support	14,047	12,608
Product development	9,590	8,125
General and administrative	14,922	15,957
Impairment of assets	—	27
Total operating expenses	65,759	59,156
Loss from operations	(17,857)	(19,787)
Other income (expenses):		
Interest expense	(1,189)	(1,198)
Interest and dividend income	2,732	2,695
Other (expenses) income	(387)	17
Income from unconsolidated joint venture	97	66
Total other income	1,253	1,580
Loss before income taxes	(16,604)	(18,207)
Provision for income taxes	—	(136)
Net loss	(16,604)	(18,343)
Net income attributable to noncontrolling interest	12	1
Net loss attributable to common stockholders	$ (16,616)	$ (18,344)

The following table sets forth our unaudited statements of operations data expressed as a percentage of total revenue for the periods indicated:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenue	100.0 %	100.0 %
Cost of revenue	61.0 %	62.6 %
Gross profit	39.0 %	37.4 %
Operating expenses:		
Sales and marketing	22.2 %	21.3 %
Operations and support	11.4 %	12.0 %
Product development	7.8 %	7.7 %
General and administrative	12.2 %	15.2 %
Impairment of assets	— %	— %
Total operating expenses	53.6 %	56.2 %
Loss from operations	(14.6)%	(18.8)%
Other income (expenses):		
Interest expense	(1.0)%	(1.1)%
Interest and dividend income	2.2 %	2.6 %
Other (expenses) income	(0.3)%	— %
Income from unconsolidated joint venture	0.1 %	0.1 %
Total other income	1.0 %	1.6 %
Loss before income taxes	(13.6)%	(17.2)%
Provision for income taxes	— %	(0.1)%
Net loss attributable to common stockholders	(13.6)%	(17.3)%
Net income attributable to noncontrolling interest	— %	— %
Net loss attributable to common stockholders	(13.6)%	(17.3)%

The following tables present our disaggregated revenue and cost of revenue. Revenue from our marketplace primarily reflects the sales of parts and assemblies on our platform. Revenue from supplier services primarily includes the sale of advertising and to a lesser extent financial service products, SaaS products and tools and materials.

Revenue and cost of revenue is presented in the following tables for the three months ended March 31, 2024 and 2023 (in thousands):

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Marketplace		
Revenue	$ 107,186	$ 86,680
Cost of revenue	72,907	61,747
Gross Profit	$ 34,279	$ 24,933
Gross Margin	32.0 %	28.8 %
Supplier services		
Revenue	$ 15,504	$ 18,646
Cost of revenue	1,881	4,210
Gross Profit	$ 13,623	$ 14,436
Gross Margin	87.9 %	77.4 %

Revenue

Total revenue increased $17.4 million, or 16%, from $105.3 million for the three months ended March 31, 2023 to $122.7 million for the three months ended March 31, 2024. This growth was a result of an increase in marketplace revenue, partially offset by a decrease in supplier services revenue. Total revenue from marketplace and supplier services for the three months ended March 31, 2024 was $107.2 million and $15.5 million, respectively, as compared to $86.7 million and $18.6 million, respectively, for the three months ended March 31, 2023. Marketplace revenue increased $20.5 million, or 24% from $86.7 million for the three months ended

March 31, 2023 to $107.2 million for the three months ended March 31, 2024. The increase in marketplace revenue was primarily due increased buyer activity on the platform for the three months ended March 31, 2024, as compared to the prior year period.

Supplier services revenue decreased $3.1 million, or 17% from $18.6 million for the three months ended March 31, 2023 to $15.5 million for the three months ended March 31, 2024. The decrease in revenue was due to our exit from the tools and materials business in the U.S. during the second quarter of 2023 and, to a lesser extent, a decrease in Thomas advertising and marketing services revenue.

Total revenue for the three months ended March 31, 2024 and 2023, was $103.4 million and $93.9 million, respectively, for the U.S. operating segment, and $19.3 million and $11.4 million, respectively, for the International operating segment.

Cost of Revenue

Total cost of revenue increased $8.8 million, or 13%, from $66.0 million for the three months ended March 31, 2023 to $74.8 million for the three months ended March 31, 2024. This increase was the result of an increase in marketplace cost of revenue offset by a decrease in supplier services costs of revenue. Total cost of revenue from marketplace and supplier services for the three months ended March 31, 2024 was $72.9 million and $1.9 million, respectively, as compared to $61.7 million and $4.2 million, respectively for the three months ended March 31, 2023.

Marketplace cost of revenue was driven by order growth and increased activity on our marketplace.

Gross Profit and Margin

Gross profit increased $8.5 million, or 22%, from $39.4 million for the three months ended March 31, 2023 to $47.9 million for the three months ended March 31, 2024. The increase in gross profit was primarily due to increases in revenue from marketplace and improved marketplace gross margins as compared to the prior year period.

Gross margin for marketplace was 32.0% for the three months ended March 31, 2024, as compared to 28.8% for the three months ended March 31, 2023. The improvement over the prior year period was due in part to our AI-driven platform and increasing supplier selection. Pricing has become more efficient due to the increased number of orders over time, improving the data set and thus making our pricing decisions more accurate. Additionally, we continue to grow our active suppliers resulting in more competition for buyers' orders and therefore a lower cost of revenue. Gross margin for our supplier services was 87.9% for the three months ended March 31, 2024, as compared to 77.4% for the three months ended March 31, 2023. The increase in gross margin for supplier services is primarily due to a higher mix of marketing services revenue and the exit from the lower margin tools and materials business. As marketplace revenue continues to grow faster than supplier services, our aggregate gross margin will fluctuate.

Operating Expenses

Sales and Marketing

Sales and marketing expense increased $4.8 million, or 21%, from $22.4 million for the three months ended March 31, 2023 to $27.2 million for the three months ended March 31, 2024, primarily due to increases in commissions expense and additional sales and marketing employees and their compensation costs, including stock-based compensation. As a percent of total revenue, sales and marketing expenses increased to 22.2% for the three months ended March 31, 2024 from 21.3% for the three months ended March 31, 2023.

Advertising expense increased 2%, from $8.1 million for the three months ended March 31, 2023 to $8.3 million for the three months ended March 31, 2024.

Operations and Support

Operations and support expense increased $1.4 million, or 11%, from $12.6 million for the three months ended March 31, 2023 to $14.0 million for the three months ended March 31, 2024, due to hiring additional operations and support employees and their compensation costs, including stock-based compensation and the cost of additional consultants. As a percent of total revenue, operations and support expenses decreased to 11.4% for the three months ended March 31, 2024 from 12.0% for the three months ended March 31, 2023.

Product Development

Product development expense increased $1.5 million, or 18%, from $8.1 million for the three months ended March 31, 2023 to $9.6 million for the three months ended March 31, 2024, primarily as result of increases in software costs, amortization expense related to capitalized internal-use software development costs, hiring additional product development employees and their compensation, including stock-based compensation, offset by a decrease in consulting expenses. As a percent of total revenue, product development expenses increased to 7.8% for the three months ended March 31, 2024 as compared to 7.7% for the three months ended March 31, 2023.

General and Administrative

General and administrative expense decreased $1.0 million, or 6% from $16.0 million for the three months ended March 31, 2023 to $14.9 million for the three months ended March 31, 2024. The decrease is due to a lower facility cost due to the abandonment of leased offices in the second quarter of 2023 and decrease in professional fees, software and maintenance costs, consulting and insurance costs, offset by severance expense. As a percent of total revenue, general and administrative expenses decreased to 12.2% for the for the three months ended March 31, 2024 from 15.2% for the three months ended March 31, 2023.

Other Income (Expenses)

Interest Expense

Interest expense remained flat at $1.2 million for the three months ended March 31, 2024 and 2023. Interest expense is primarily due to the interest on the 2027 convertible notes issued in February 2022.

Interest and Dividend Income

Interest and dividend income remained flat at $2.7 million for the three months ended March 31, 2024 and 2023, and is primarily due to dividend income from our marketable securities.

Other (Expenses) Income

Other expenses increased by $0.4 million, primarily to foreign exchange losses.

Income from Unconsolidated Joint Venture

Income from unconsolidated joint venture remained flat at $0.1 million for the three months ended March 31, 2024 and 2023.

Additional Segment Considerations

Total segment loss from our U.S. operating segment for the three months ended March 31, 2024 and 2023, was $11.8 million and $12.9 million, respectively. Total segment loss from our International operating segment for the three months ended March 31, 2024 and 2023, was $4.8 million and $5.4 million, respectively.

Liquidity and Capital Resources

General

We have financed our operations primarily through sales of our equity securities and borrowings under our convertible notes. As of March 31, 2024, our cash and cash equivalents and marketable securities totaled $253.8 million. We believe our existing cash and cash equivalents and marketable securities will be sufficient to support our working capital and capital expenditure requirements for at least the next twelve months. We believe we will meet our longer-term expected future cash requirements primarily from a combination of cash flow from operating activities and available cash and cash equivalents and marketable securities. We may also engage in equity or debt financings to secure additional funds. Our future capital requirements will depend on many factors, including our revenue growth rate, receivable and payable cycles, the timing and extent of investments in product development, sales and marketing, operations and support and general and administrative expenses.

Our capital expenditures consist primarily of internal-use software costs, manufacturing equipment, computers and peripheral equipment, furniture and fixtures and leasehold improvements and patents.

Convertible Notes due 2027

In February 2022, we entered into a purchase agreement with certain counterparties for the sale of an aggregate of $287.5 million principal amount of convertible senior notes due in 2027 (the "2027 Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The 2027 Notes consisted of a $250 million initial placement and an over-allotment option that provided the initial purchasers of the 2027 Notes with the option to purchase an additional $37.5 million aggregate principal amount of the 2027 Notes, which was fully exercised. The 2027 Notes were issued pursuant to an indenture dated February 4, 2022. The net proceeds from the issuance of the 2027 Notes were $278.2 million, net of debt issuance costs. The debt issuance costs are amortized to interest expense using the effective interest rate method.

The 2027 Notes are unsecured obligations which bear regular interest at 1% per annum and for which the principal balance will not accrete. Interest payments are due on February 1 and August 1 of each year the Notes remain outstanding. The 2027 Notes will mature on February 1, 2027 unless repurchased, redeemed, or converted in accordance with their terms prior to such date.

The 2027 Notes are convertible into cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock, at our election, at an initial conversion rate of 17.8213 shares of Class A common stock per $1,000 principal amount of 2027 Notes, which is equivalent to an initial conversion price of approximately $56.11 per share of our Class A common stock. The conversion rate is subject to customary adjustments for certain events as described in the indenture governing the 2027 Notes.

We may redeem for cash all or any portion of the 2027 Notes, at our option, on or after February 5, 2025 if the last reported sale price of our Class A common stock has been at least 130% of the conversion price then in effect for at least 20 trading days at a redemption price equal to 100% of the principal amount of the 2027 Notes to be redeemed, plus accrued and unpaid interest or additional interest, if any.

Holders of the 2027 Notes may convert all or a portion of their 2027 Notes at their option prior to November 1, 2026, in multiples of $1,000 principal amounts, only under the following circumstances:

- if the last reported sale price of our Class A common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter is greater than or equal to 130% of the applicable conversion price of the 2027 Notes on each such trading day;
- during the five-business day period after any ten consecutive trading day period in which the trading price per $1,000 principal amount of the 2027 Notes for each day of that ten consecutive trading day period was less than 98% of the product of the last reported sale price of our Class A common stock and the applicable conversion rate of the 2027 Notes;
- on a notice of redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, in which case we may be required to increase the conversion rate for the 2027 Notes so surrendered for conversion in connection with such redemption notice; or
- on the occurrence of specified corporate events.

On or after November 1, 2026, the 2027 Notes are convertible at any time until the close of business on the second scheduled trading day immediately preceding the maturity date.

Holders of the 2027 Notes who convert the 2027 Notes in connection with a make-whole fundamental change, as defined in the indenture governing the 2027 Notes, or in connection with a redemption are entitled to an increase in the conversion rate. Additionally, in the event of a fundamental change, holders of the 2027 Notes may require us to repurchase all or a portion of the 2027 Notes at a price equal to 100% of the principal amount of 2027 Notes, plus any accrued and unpaid special interest, if any.

We accounted for the issuance of the 2027 Notes as a single liability measured at its amortized cost, as no other embedded features require bifurcation and recognition as derivatives.

As of March 31, 2024, the 2027 Notes have a carrying value of $282.2 million with an effective annual interest rate of 1.6%.

We may, from time to time, repurchase our convertible senior notes using cash on hand, either on the open market or in privately negotiated transactions.

Cash Flows

The following table presents a summary of our cash flows from operating, investing, and financing activities for the three months ended March 31, 2024 and 2023.

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Net cash used in operating activities	$ (11,734)	$ (16,455)
Net cash provided by (used in) investing activities	2,927	(10,000)
Net cash provided by financing activities	1,233	483

Operating Activities

For the three months ended March 31, 2024, net cash used in operating activities was $11.7 million, primarily due to a net loss of $(16.6) million adjusted for non-cash charges of $11.1 million and a net decrease in our operating assets and liabilities of $(6.3) million. The non-cash adjustments primarily relate to stock-based compensation of $6.0 million, depreciation and amortization of $3.2 million, and $1.1 million of reduction to our right of use lease assets. The net decrease in operating assets and liabilities is primarily driven by changes in accounts payable of $10.6 million due to the timing of payments and lease liabilities of $1.7 million, offset by changes in accrued expenses of $4.4 million and contract liabilities of $2.3 million.

For the three months ended March 31, 2023, net cash used in operating activities was $16.5 million, primarily due to a net loss of $(18.3) million adjusted for non-cash charges of $10.1 million and a net decrease in our operating assets and liabilities of $(8.2) million. The non-cash adjustments primarily relate to stock-based compensation of $4.7 million, depreciation and amortization of $2.6 million, and $1.9 million of reduction to our right of use lease assets. The net decrease in operating assets and liabilities is primarily driven by an increase in accounts receivable of $2.8 million, an increase in other assets of $3.7 million, and a decrease in accrued expenses of $2.1 million. These decreases were offset by an increase in contract liabilities of $1.4 million.

Investing Activities

For the three months ended March 31, 2024, net cash provided by investing activities was $2.9 million, primarily due to the proceeds from the sale of marketable securities of $10.0 million offset by the purchase of property and equipment (which includes internal-use software development costs) of $4.3 million and $2.7 million for the purchase of marketable securities.

For the three months ended March 31, 2023, net cash used by investing activities was $10.0 million, primarily due to the purchase of property and equipment (which includes internal-use software development costs) of $4.2 million, $3.3 million for the acquisition of Tridi and $2.7 million for the purchase of marketable securities.

Financing Activities

For the three months ended March 31, 2024, net cash provided by financing activities was $1.2 million, relating to proceeds from the exercise of stock options.

For the three months ended March 31, 2023, net cash provided by financing activities was $0.5 million, relating to proceeds from the exercise of stock options.

Critical Accounting Estimates

Our condensed consolidated financial statements and accompanying notes have been prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected. For additional information about our critical accounting policies and estimates, see the disclosure included in our Annual Report on Form 10-K as well as Note 2 – Basis of Presentation and Summary of Significant Accounting Policies in the notes to the condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q.

Recent Accounting Pronouncements

For a description of our recently adopted accounting pronouncements and recently issued accounting standards not yet adopted, see Note 2 – Basis of Presentation and Summary of Significant Accounting Policies in the notes to the condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure to potential changes in interest rates. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.

Foreign Currency Exchange Risk

Our U.S. revenue and costs are principally denominated in U.S. dollars and are not subject to foreign currency exchange risk. Our International operating segment generates revenue outside of the United States that is denominated in currencies other than the U.S. dollar. Our results of operations are impacted by changes in exchange rates. Outside the U.S., our International operations generate approximately 16% of our revenues, of which a majority is generated in Euros. If the average exchange rate of Euros changed unfavorably by 10%, our revenues for the period ended March 31, 2024 would have decreased by 1.3%. During the three months ended March 31, 2024, our revenues were higher by 0.2% as a result of a 1.32% change in the average exchange rate, as compared to the prior year period.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. If our costs were to become subject to significant inflationary pressures such as those caused by geopolitical tensions, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, results of operations and financial condition.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Pursuant to Rules 13a-15(e) and 15d-15(e) under the Exchange Act, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2024. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of March 31, 2024.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are involved in various claims and legal actions that arise in the ordinary course of business. We are not a party to any legal proceedings, that individually or in the aggregate, are reasonably expected to have a material adverse effect on our consolidated results of operations, financial condition or cash flows. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more matters could have a material adverse effect on our consolidated results of operations, financial condition or cash flows.

For the period ending March 31, 2024, there were no material legal proceedings brought against us nor were there any material developments to any ongoing legal proceedings which constituted reportable events.

Item 1A. Risk Factors.

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described in our Annual Report on Form 10-K for the year ended December 31, 2023 under Part I, Item 1A, "Risk Factors," together with all of the other information in this Quarterly Report on Form 10-Q, including the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our condensed consolidated financial statements and related notes, before making a decision to invest in our Class A common stock. Our business, financial condition, results of operations, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business, financial condition, results of operations, and prospects could be adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

There have been no material changes to our risk factors as previously disclosed in Item 1A. contained in Part I of our Annual Report on Form 10-K for the year ended December 31, 2023.

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

In February 2024, pursuant to our January 2023 acquisition of Tridi, we issued 21,083 shares of Class A common stock with a value of $0.6 million as contingent consideration to the former owners of Tridi.

The issuance of these shares was exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) as a transaction by an issuer not involving any public offering. The recipient of the securities represented their intention to acquire the securities for investment only and not with a view to, or for sale in connection with, any distribution thereof, and appropriate legends were placed on the share certificates issued. The foregoing did not involve any underwriters, underwriting discounts or commissions, or any public offering.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Securities Trading Plans of Directors and Executive Officers

During our last fiscal quarter, our directors and officers (as defined in Rule 16a-1(f) under the Securities and Exchange Act of 1934, as amended) adopted or terminated the contracts, instructions or written plans for the purchase or sale of the Company's securities set forth in the table below.

Name and Position	Action	Adoption/Termination Date	Type of Trading Arrangement: Rule 10b5-1*	Type of Trading Arrangement: Non-Rule 10b5-1**	Total Shares of Class A Common Stock to be Sold	Total Shares of Class A Common Stock to be Purchased	Expiration Date
Laurence Zuriff[(1)] *Director, Managing Director of Donor Advised Fund*	Adopted	3/4/2024	X	-	27,000	-	2/28/2025

* Contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

** "Non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K under the Exchange Act.

(1) The shares of Class A common stock to be sold pursuant to this plan are held of record by ZFI Capital, LP, over which Mr. Zuriff may be deemed to exercise voting and dispositive control.

Item 6. Exhibits.

The documents listed in the Exhibit Index of this Quarterly Report on Form 10-Q are herein incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Xometry, Inc., (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-40546), filed with the SEC on July 2, 2021).
3.2	Amended and Restated Bylaws of Xometry, Inc., (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-40546), filed with the SEC on July 2, 2021).
10.20+	Employment Agreement by and between Xometry, Inc. and James Miln.
10.21+	Amended and Restated Employment Agreement by and between Xometry, Inc. and Kathleen Mayerhofer.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** These certifications are being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

\+ Management contract or compensatory plan, contract or arrangement.

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SIGNATURES

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

		XOMETRY, INC.
Date: May 9, 2024	By:	/s/ Randolph Altschuler
		Randolph Altschuler
		Chief Executive Officer and Director
Date: May 9, 2024	By:	/s/ James Miln
		James Miln
		Chief Financial Officer

EMPLOYMENT AGREEMENT

This **Employment Agreement** (the "***Agreement***"), is entered into effective as of December 14, 2023 (the "***Effective Date***"), by and between Xometry, Inc. (the "***Company***") and James Miln ("***Executive***").

The Company desires to employ Executive, in the capacity of full-time Chief Financial Officer with an anticipated start date of February 19, 2024 (the "Start Date"), pursuant to the terms of this Agreement and, in connection therewith, to compensate Executive for Executive's personal services to the Company; and

Executive wishes to be employed by the Company and provide personal services to the Company in return for certain compensation.

Accordingly, in consideration of the mutual promises and covenants contained herein, the parties agree to the following:

1. Employment by the Company.

1.1 At-Will Employment. Executive shall be employed by the Company on an "at-will" basis, meaning either the Company or Executive may terminate Executive's employment at any time, with or without cause or advanced notice. Any contrary representations that may have been made to Executive shall be superseded by this Agreement. This Agreement shall constitute the full and complete agreement between Executive and the Company on the "at-will" nature of Executive's employment with the Company, which may be changed only in an express written agreement signed by Executive and a duly authorized officer of the Company. Executive's rights to any compensation following a termination shall be only as set forth in Section 6.

1.2 Position. Subject to the terms set forth herein, the Company agrees to employ Executive in the position of Chief Financial Officer, and Executive hereby accepts such employment. During the term of Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention to the business of the Company.

1.3 Duties. Executive will report to the Chief Executive Officer performing such duties as are normally associated with Executive's then-current position and such duties as are assigned to Executive from time to time, subject to the oversight and direction of the Chief Executive Officer. Executive shall perform Executive's duties under this Agreement principally out of the Executive's home office in California or such other location as assigned. In addition, Executive shall make such business trips to such places as may be necessary or advisable for the efficient operations of the Company.

1.4 Company Policies and Benefits. The employment relationship between the parties shall be subject to the Company's personnel policies and procedures as they may be interpreted, adopted, revised or deleted from time to time in the Company's sole discretion. Executive will be eligible to participate on the same basis as similarly-situated employees in the

Company's benefit plans in effect from time to time during Executive's employment. All matters of eligibility for coverage or benefits under any benefit plan shall be determined in accordance with the provisions of such plan. The Company reserves the right to change, alter, or terminate any benefit plan in its sole discretion. Notwithstanding the foregoing, in the event that the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. Compensation.

2.1 Salary. Commencing on the Start Date, Executive shall receive for Executive's services to be rendered hereunder an initial annualized base salary of $425,000, subject to review and adjustment from time to time by the Company in its sole discretion ("***Base Salary***"). The Base Salary is payable subject to standard federal and state payroll withholding requirements in accordance with the Company's standard payroll practices.

2.2 Sign-On Bonus. Executive shall receive a one-time sign-on bonus of $125,000 (the "***Sign-On Bonus***"). The Sign-On Bonus will be paid no later than the second payroll date after the Executive's Start Date. The Sign-On Bonus will be subject to applicable payroll deductions and withholdings. If, within twelve (12) months of Executive's Start Date, Executive resigns without Good Reason (as defined below) or the Company terminates Executive's employment for Cause (as defined below), Executive shall repay the Company, on the date of termination, the amount of the Sign-On Bonus paid pursuant to this Section 2.2.

2.3 Annual Bonus. Executive shall be eligible to receive an annual performance bonus of up to 65% (the "***Target Percentage***") of Executive's then-current Base Salary ("***Annual Bonus***") at 100% of targeted goals, with a maximum potential of 150% or such other percentage as determined by the Board of Directors of the Company (the "***Board***") (or a committee thereof). The Annual Bonus will be based upon the assessment of the Board (or a committee thereof) of Executive's performance and the Company's attainment of targeted goals over the applicable calendar year. The Annual Bonus, if any, will be subject to applicable payroll deductions and withholdings. The annual period over which performance is measured for purposes of the Annual Bonus is January 1 through December 31. Following the close of each calendar year, the Company will determine whether Executive has earned the Annual Bonus, and the amount of any Annual Bonus (which can be less than or more than the Target Percentage), based on the set criteria. No amount of the Annual Bonus is guaranteed, and, except as otherwise stated in Sections 6.1 and 6.2, Executive must be an employee in good standing on the Annual Bonus payment date to be eligible to receive an Annual Bonus and no partial or prorated bonuses will be provided. Executive's eligibility for an Annual Bonus is subject to change in the discretion of the Board (or any authorized committee thereof). Executive's Annual Bonus, if any, attributable to 2024 shall be prorated for the number of days between the Start Date and December 31, 2024.

2.4 Initial Equity Awards. Within 30 days of Executive's Start Date and subject to the approval of the Board or a committee of the Board, the Company will grant Executive the equity awards listed below. Any equity award will be subject to the terms, definitions, and provisions of any applicable equity plan or arrangement that may be in effect from time to time and any award grant notice or agreement by and between Executive and the Company.

(a) Restricted stock units ("***RSU***") of the Company's Class A common stock with a total value of $1,750,000 as of the grant date. The actual number of RSUs granted to Executive will be determined by dividing the value by the average closing price of the Company's Class A common stock over the 20 trading days prior to the grant date, rounded to the nearest whole number of shares. Provided Executive remains an employee of the Company, 60% of the RSUs will vest on the first anniversary of Executive's Start Date, with 30% vesting on the second anniversary of such date and 10% vesting on the third anniversary of the Start Date; and

(b) A combination of restricted stock units and/or performance stock units ("***RSU/PSU***") of the Company's Class A common stock with a total value of $1,750,000 as of the grant date and consistent with vesting and other terms for annual equity grants made to other executive officers of the Company. The actual number of RSUs and PSUs granted to Executive will be determined by the Board or a committee of the Board by dividing the value by the average closing price of the Company's Class A common stock over the 20 trading days prior to the grant date, rounded to the nearest whole number of shares.

2.5 Future Equity Awards. Executive remains eligible to be considered for future equity awards as may be determined by the Board or a committee of the Board in its discretion in accordance with the terms of any applicable equity plan or arrangement that may be in effect from time to time.

2.6 Expense Reimbursement. The Company will reimburse Executive for all reasonable, documented business expenses incurred in connection with Executive's services hereunder, in accordance with the Company's business expense reimbursement policies and procedures as may be in effect from time to time. For the avoidance of doubt, to the extent that any reimbursements payable to Executive are subject to the provisions of Section 409A (as defined below): (i) any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, (ii) the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and (iii) the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

3. Confidential Information, Inventions, Non-Solicitation, and Non-Competition Obligations. In connection with Executive's continued employment with the Company, Executive will continue to receive and continue to have access to the Company's confidential information and trade secrets. Accordingly, and in consideration of the benefits that Executive is eligible to receive under this Agreement, Executive agrees to sign the Company's Employee Confidential Information and Inventions Assignment Agreement (the "***Confidential Information Agreement***") attached hereto as **Exhibit A**. The Confidential Information Agreement may be amended by the parties from time to time without regard to this Agreement. The Confidential Information Agreement contains provisions that are intended by the parties to survive and do survive termination or expiration of this Agreement. Nothing in this Agreement or the Confidential Information Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

4. Outside Activities. Except with the prior written consent of the Board, Executive will not, while employed by the Company, undertake or engage in any other employment, occupation or business enterprise that would interfere with Executive's responsibilities and the performance of Executive's duties hereunder except for (i) reasonable time devoted to volunteer services for or on behalf of such religious, educational, non-profit and/or other charitable organization as Executive may wish to serve; (ii) reasonable time devoted to activities in the non-profit and business communities consistent with Executive's duties; (iii) Executive's participation in professional and academic activities; and (iv) such other activities as may be specifically approved by the Board. This restriction shall not, however, preclude Executive from managing personal investments or owning less than one percent (1%) of the total outstanding shares of a publicly-traded company.

5. No Conflict with Existing Obligations. Executive represents that Executive's continued performance of all the terms of this Agreement and as an employee of the Company do not and will not breach any agreement or obligation of any kind made prior to Executive's employment by the Company, including agreements or obligations Executive may have with prior employers or entities for which Executive has provided services. Executive has not entered into, and Executive agrees that Executive will not enter into, any agreement or obligation, either written or oral, in conflict herewith.

6. Termination Of Employment. The parties acknowledge that Executive's employment relationship with the Company continues to be at-will. Either Executive or the Company may terminate the employment relationship at any time, with or without Cause. The provisions in this Section govern the amount of compensation, if any, to be provided to Executive upon termination of employment and do not alter this at-will status.

6.1 Termination by the Company Without Cause or Resignation by Executive for Good Reason (not in Connection with a Change in Control).

(a) The Company shall have the right to terminate Executive's employment with the Company pursuant to this Section 6.1 at any time without "Cause" (as defined in Section 6.3(a) below) by giving notice as described in Section 6.7 of this Agreement. A termination pursuant to Section 6.5 or 6.6 below is not a termination without "Cause" for purposes of receiving the Non-CIC Severance Benefits described in (and as defined in) this Section 6.1 or the CIC Severance Benefits described in (and as defined in) Section 6.2.

(b) If the Company terminates Executive's employment at any time without Cause or Executive terminates Executive's employment with the Company for "Good Reason" (as defined in Section 6.1(g) below), in either case, at any time except during the Change in Control Measurement Period (both "Change in Control" and "Change in Control Measurement Period" as defined in Section 6.2 below), then Executive shall be entitled to receive the Accrued Obligations (defined in 6.1(d) below). If such termination without Cause or for Good Reason not occurring during the Change in Control Measurement Period constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "***Separation from Service***"), and Executive complies with the obligations in Section 6.1(c) below, Executive shall also be eligible to receive the following "***Non-CIC Severance Benefits***:"

(i) The Company will pay Executive severance pay in the form of continuation of Executive's then-current Base Salary for twelve (12) months (the "***Non-CIC Severance***"). The Non-CIC Severance will be paid in substantially equal installments on the Company's regular payroll schedule following the termination date, subject to standard deductions and withholdings; *provided, however* that no portion of the Non-CIC Severance will be paid prior to the Release Effective Date, and any such payments that are otherwise scheduled to be made prior to the Release Effective Date shall instead accrue and be made on the first administratively feasible payroll date following the Release Effective Date; and

(ii) Provided Executive or Executive's covered dependents, as the case may be, timely elects continued coverage under COBRA, or state continuation coverage (as applicable), under the Company's group health plans following such termination, the Company will pay, as and when due to the insurance carrier or COBRA administrator (as applicable), the portion of the COBRA, or state continuation coverage, premiums which is equal to the cost of the coverage that the Company was paying as of the date of termination, to continue Executive's (and Executive's covered dependents, as applicable) health insurance coverage in effect on the termination date until the earliest of: (1) twelve (12) months following the termination date; (2) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment; or (3) the date Executive ceases to be eligible for COBRA or state law continuation coverage for any reason, including plan termination (such period from the termination date through the earlier of (1)-(3), (the "***Non-CIC COBRA Payment Period***")). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA, or state continuation coverage, premiums on Executive's behalf would result in a violation of applicable law (including, but not limited to, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of paying such premiums pursuant to this Section, the Company shall pay Executive on the last day of each remaining month of the Non-CIC COBRA Payment Period, a fully taxable cash payment equal to the COBRA or state continuation coverage premium for such month, subject to applicable tax withholding, for the remainder of the Non-CIC COBRA Payment Period. Nothing in this Agreement shall deprive Executive of Executive's rights under COBRA (including the right to a COBRA premium subsidy under the American Rescue Plan Act of 2021, if applicable) or ERISA for benefits under plans and policies arising under Executive's employment by the Company.

(iii) The Company will pay Executive an amount equal to the Annual Bonus under Section 2.3 for the calendar year in which Executive's termination occurs, prorated for the actual time worked in that calendar year through the Executive's date of Separation of Service, less applicable withholdings and deductions, payable in a lump sum on the later of (x) the date that annual performance bonuses are normally paid to other executives at the Company for that calendar year or (y) the Release Date, but in no event later than March 15 of the year following the year to which the bonus is attributable.

(c) Executive will be paid all of the Accrued Obligations on the Company's first administratively feasible payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall receive the Non-CIC Severance Benefits pursuant to Section 6.1(b) or the CIC Severance Benefits pursuant to Section 6.2(a) of this Agreement if: (i) by the sixtieth (60th) day following the date of Executive's Separation from

Service, Executive has signed and delivered to the Company a separation agreement containing an effective, general release of claims in favor of the Company and its affiliates and representatives, in the form presented by the Company (the "***Release***"), which cannot be revoked in whole or part by such date (the date that the Release can no longer be revoked is referred to as the "***Release Effective Date***"); and (ii) if Executive holds any other positions with the Company or any Affiliate, including a position on the Board, Executive resigns such position(s) to be effective no later than the date of Executive's termination date (or such other date as requested by the Board); (iii) Executive returns all Company property; (iv) Executive complies with all post-termination obligations under this Agreement and the Confidential Information Agreement; and (v) Executive complies with the terms of the Release, including without limitation any non-disparagement and confidentiality provisions contained in the Release to the extent permitted by applicable law.

(d) For purposes of this Agreement, "***Accrued Obligations***" are (i) Executive's accrued but unpaid salary through the date of termination, (ii) any unreimbursed business expenses incurred by Executive payable in accordance with the Company's standard expense reimbursement policies, and (iii) benefits owed to Executive under any qualified retirement plan or health and welfare benefit plan in which Executive was a participant in accordance with applicable law and the provisions of such plan.

(e) The Non-CIC Severance Benefits provided to Executive pursuant to this Section 6.1 are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy, program, or prior agreement with the Company. For avoidance of doubt, Executive shall not be eligible for both the CIC Severance Benefits and the Non-CIC Severance Benefits.

(f) Any damages caused by the termination of Executive's employment without Cause not in connection with a Change in Control would be difficult to ascertain; therefore, the Non-CIC Severance Benefits for which Executive is eligible pursuant to Section 6.1(b) above in exchange for the Release is agreed to by the parties as liquidated damages, to serve as full compensation, and not a penalty.

(g) For purposes of this Agreement, "***Good Reason***" shall mean the occurrence of any of the following events without Executive's consent: (i) a material reduction in Executive's Base Salary of at least 10% unless such reduction is similarly affecting substantially all of the Company's executive level employees; (ii) a material reduction in Executive's duties, authority and responsibilities relative to Executive's duties, authority, and responsibilities in effect immediately prior to such reduction, *provided, however*, that the conversion of the Company to a subsidiary, division or unit of an acquiring entity in connection with a change in control shall not be considered a material reduction under this Section 6.1(g)(ii); or (iii) the relocation of Executive's principal place of employment, without Executive's consent, in a manner that lengthens Executive's one-way commute distance by fifty (50) or more miles from Executive's then-current principal place of employment immediately prior to such relocation (disregarding, for this purpose, any required or permitted remote work due to the impact of COVID-19 or a similar occurrence); *provided, however,* that, any such termination by Executive shall only be deemed for Good Reason pursuant to this definition if: (1) Executive gives the Company written notice of Executive's intent to terminate for Good Reason within thirty (30) days following the first occurrence of the condition(s) that Executive believes constitute(s) Good Reason, which notice shall describe such condition(s); (2) the Company fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the "***Cure Period***"); (3) the Company has not, prior to receiving such notice from Executive, already informed Executive that Executive's employment with the Company is being terminated; and (4) Executive voluntarily terminates Executive's employment within thirty (30) days following the end of the Cure Period.

6.2 Termination by the Company without Cause or Resignation by Executive for Good Reason (in connection with a Change in Control).

(a) In the event that Executive's employment is terminated without Cause or Executive resigns for Good Reason, in either case, within three (3) months preceding and twelve (12) months following the effective date of a Change in Control (the "***Change in Control Measurement Period***") of the Company, then Executive shall be entitled to the Accrued Obligations and, subject to Executive's full compliance with Section 6.1(c) above, including but not limited to the Release requirement and Executive's continued compliance with obligations to the Company under Executive's Confidential Information Agreement, then Executive will be eligible for the following "***CIC Severance Benefits***:"

(i) The Company will pay Executive severance pay in the form of continuation of Executive's then-current Base Salary for twelve (12) months (the "***CIC Severance***"). The CIC Severance will be paid in substantially equal installments on the Company's regular payroll schedule following the termination date, subject to standard deductions and withholdings; *provided, however* that no portion of the CIC Severance will be paid prior to the Release Effective Date, and any such payments that are otherwise scheduled to be made prior to the Release Effective Date shall instead accrue and be made on the first administratively feasible payroll date following the Release Effective Date;

(ii) Provided Executive or Executive's covered dependents, as the case may be, timely elects continued coverage under COBRA, or state continuation coverage (as applicable), under the Company's group health plans following such termination, the Company will pay, as and when due to the insurance carrier or COBRA administrator (as applicable), the portion of the COBRA, or state continuation coverage, premiums which is equal to the cost of the coverage that the Company was paying as of the date of termination, to continue Executive's (and Executive's covered dependents, as applicable) health insurance coverage in effect on the termination date until the earliest of: (1) twelve (12) months following the termination date; (2) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment; or (3) the date Executive ceases to be eligible for COBRA or state law continuation coverage for any reason, including plan termination (such period from the termination date through the earlier of (1)-(3), (the "***CIC COBRA Payment Period***")). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA, or state continuation coverage, premiums on Executive's behalf would result in a violation of applicable law (including, but not limited to, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of paying such premiums pursuant to this Section, the Company shall pay Executive on the last day of each remaining month of the CIC COBRA Payment Period, a fully taxable cash payment equal to the COBRA or state continuation coverage premium for such month, subject to applicable tax withholding, for the remainder of the CIC COBRA Payment Period. Nothing in this Agreement shall deprive Executive of Executive's rights under COBRA (including the right to a COBRA premium subsidy under the American Rescue Plan Act of 2021, if applicable) or ERISA for benefits under plans and policies arising under Executive's employment by the Company;

(iii) The Company will make cash payment to Executive in an amount equal to one (1) times the Target Percentage for the year in which the termination occurs, subject to standard deductions and withholdings, which will be paid in a lump sum on the sixtieth (60th) day following Executive's date of Separation from Service;

(iv) The Company will pay Executive an amount equal to the Annual Bonus under Section 2.3 for the calendar year in which Executive's termination occurs, prorated for the actual time worked in that calendar year through the Executive's date of Separation of Service, less applicable withholdings and deductions, payable in a lump sum on the later of (x) the date that annual performance bonuses are normally paid to other executives at the Company for that calendar year or (y) the Release Date, but in no event later than March 15 of the year following the year to which the bonus is attributable; and

(v) Effective as of Executive's termination date, the vesting and exercisability of all outstanding equity awards that are held by Executive immediately prior to the termination date (if any) shall be accelerated in full. Any equity awards with performance-based vesting requirements that are to accelerate, shall be accelerated as if any performance metrics were achieved at 100%.

(b) For purposes of this Agreement, a "***Change in Control***" shall have the meaning set forth in the Company's 2021 Equity Incentive Plan.

(c) The CIC Severance Benefits provided to Executive pursuant to this Section 6.2 are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy or program.

(d) Any damages caused by the termination of Executive's employment without Cause during the Change in Control Measurement Period would be difficult to ascertain; therefore, the CIC Severance Benefits for which Executive is eligible pursuant to Section 6.2(a) above in exchange for the Release are agreed to by the parties as liquidated damages, to serve as full compensation, and not a penalty.

6.3 Termination by the Company for Cause.

Subject to Section 6.3(b) below, the Company shall have the right to terminate Executive's employment with the Company at any time for Cause by giving notice as described in Section 6.7 of this Agreement.

(a) "***Cause***" for termination shall mean that the Company has determined in its sole discretion that Executive has engaged in any of the following: (i) a material breach of any covenant or condition under this Agreement or any other agreement between the parties; (ii) any act constituting dishonesty, fraud, immoral or disreputable conduct; (iii) any conduct which constitutes a felony under applicable law; (iv) material violation of any Company policy or any act of misconduct; (v) refusal to follow or implement a clear and reasonable directive of the Company; (vi) negligence or incompetence in the performance of Executive's duties after the expiration of ten (10) days without cure after written notice of such failure; or (vii) breach of fiduciary duty. For the avoidance of doubt, if the Company determines after Executive's termination date that it would have had a basis to terminate Executive's employment for Cause prior to Executive's departure, then any obligation that the Company otherwise had to provide Executive with the Non-CIC Severance Benefits or the CIC Severance Benefits will immediately cease and Executive will be required to repay the Company for any portion of the Non-CIC Severance Benefits or the CIC Severance Benefits provided by the Company as of such date of notice from the Company (net of tax), to be repaid by Executive within thirty (30) days of demand by the Company.

(b) In the event Executive's employment is terminated at any time for Cause, Executive will not receive the Non-CIC Severance Benefits, the CIC Severance Benefits, or any other severance compensation or benefit, except that, consistent with the Company's standard payroll policies, the Company shall provide to Executive the Accrued Obligations.

6.4 Resignation by Executive (other than for Good Reason).

(a) Executive may resign for any reason from Executive's employment with the Company at any time by giving notice as described in Section 6.7.

(b) In the event Executive resigns from Executive's employment with the Company (other than for Good Reason), Executive will not receive the Non-CIC Severance Benefits, the CIC Severance Benefits, or any other severance compensation or benefit, except that, consistent with the Company's standard payroll policies, the Company shall provide to Executive the Accrued Obligations.

6.5 Termination by Virtue of Death or Disability of Executive.

(a) In the event of Executive's death while employed pursuant to this Agreement, all obligations of the parties hereunder shall terminate immediately, and the Company shall, pursuant to the Company's standard payroll policies, provide to Executive's legal representatives Executive's Accrued Obligations, but neither Executive nor Executive's legal representatives will be eligible for the Non-CIC Severance Benefits, the CIC Severance Benefits, or any other severance compensation or benefit.

(b) Subject to applicable state and federal law, the Company shall at all times have the right, upon written notice to the Executive, to terminate this Agreement based on Executive's Disability (as defined below). Termination by the Company of Executive's employment based on "***Disability***" shall mean termination because Executive is unable due to a physical or mental condition to perform the essential functions of Executive's position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law. In the event Executive's employment is terminated based on Executive's

Disability, Executive will not receive the Non-CIC Severance Benefits, the CIC Severance Benefits, or any other severance compensation or benefit, except that, pursuant to the Company's standard payroll policies, the Company shall provide to Executive the Accrued Obligations.

6.6 **<u>Notice; Effective Date of Termination</u>**.

(a) Termination of Executive's employment pursuant to this Agreement shall be effective on the earliest of:

(i) immediately after the Company gives notice to Executive of Executive's termination, with or without Cause, unless pursuant to Section 6.3(a)(vi) in which case ten (10) days after notice if not cured, or unless the Company specifies a later date, in which case, termination shall be effective as of such later date;

(ii) immediately upon Executive's death;

(iii) immediately after the Company gives written notice to Executive of Executive's termination on account of Executive's Disability, unless the Company specifies a later separation date, in which case, termination shall be effective as of such later separation date, *provided* that Executive has not returned to the full-time performance of Executive's duties prior to such date;

(iv) except as addressed by Section 6.7(a)(v), thirty (30) days after Executive gives written notice to the Company of Executive's resignation for any reason, *provided* that the Company may set a separation date at any time between the date of notice and the date of resignation, in which case Executive's resignation shall be effective as of such other date. Executive will receive compensation through any required notice period; or

(v) for a termination for Good Reason, immediately upon Executive's full satisfaction of the requirements of Section 6.1(g).

(b) In the event notice of a termination under subsection (a)(i) is given orally, at the other party's request, the party giving notice must provide written confirmation of such notice within five (5) business days of the request in compliance with the requirement of Section 7.1 below. In the event of a termination for Cause, written confirmation shall specify the subsection(s) of the definition of Cause relied on to support the decision to terminate.

6.7 **<u>Cooperation With Company After Termination of Employment</u>**. Following termination of Executive's employment for any reason, Executive shall reasonably cooperate with the Company in all matters relating to the winding up of Executive's pending work including, but not limited to, any litigation in which the Company is involved, and the orderly transfer of any such pending work to such other employees as may be designated by the Company.

6.8 **<u>Effect of Termination</u>**. Executive agrees that should Executive's employment be terminated for any reason, Executive shall be deemed to have resigned from any and all positions with the Company and its subsidiaries.

6.9 **<u>Application of Section 409A</u>**.

(a) It is intended that all of the compensation payable under this Agreement, to the greatest extent possible, either complies with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***") and the regulations and other guidance thereunder and any state law of similar effect (collectively, "***Section 409A***") or satisfies one or more of the exemptions from the application of Section 409A, and this Agreement will be construed in a manner consistent with such intention, incorporating by reference all required definitions and payment terms.

(b) No severance payments will be made under this Agreement unless Executive's termination of employment constitutes a Separation from Service. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulations Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement (whether severance payments or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

(c) To the extent that any severance payments are deferred compensation under Section 409A, and are not otherwise exempt from the application of Section 409A, then, to the extent required to comply with Section 409A, if the period during which Executive may consider and sign the Release spans two calendar years, the severance payments will not begin until the second calendar year. If the Company determines that the severance benefits provided under this Agreement constitutes "deferred compensation" under Section 409A and if Executive is a "specified employee" of the Company, as such term is defined in Section 409A(a)(2)(B)(i) of the Code at the time of Executive's Separation from Service, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the severance will be delayed as follows: on the earlier to occur of (a) the date that is six months and one day after Executive's Separation from Service, and (b) the date of Executive's death, the Company will: (i) pay to Executive a lump sum amount equal to the sum of the severance benefits that Executive would otherwise have received if the commencement of the payment of the severance benefits had not been delayed pursuant to this Section 6.10(c); and (ii) commence paying the balance of the severance benefits in accordance with the applicable payment schedule set forth in Sections 6.1 and 6.2. No interest shall be due on any amounts deferred pursuant to this Section 6.10(c).

(d) To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts reimbursable to Executive under this Agreement shall be paid to Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during any one year may not effect amounts reimbursable or provided in any subsequent year.

(e) Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

6.10 <u>Excise Tax Adjustment</u>.

(a) If any payment or benefit Executive will or may receive from the Company or otherwise (a "***280G Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this Section, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then any such 280G Payment provided pursuant to this Agreement (a "***Payment***") shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax, or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state, and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "***Reduction Method***") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "***Pro Rata Reduction Method***").

(b) Notwithstanding any provision of this Section 6.11 to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (*e.g.*, being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) Unless Executive and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity, or group effecting the Change in Control transaction, the Company shall appoint a nationally-recognized accounting or law firm to make the determinations required by this Section 6.11. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Executive and the Company within fifteen (15) calendar days after the date on which Executive's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company.

(d) If Executive receives a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 6.11(a) and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Executive agrees to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 6.11(a)) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 6.11(a), Executive shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

7. General Provisions.

7.1 Notices. Any notices required hereunder to be in writing shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by electronic mail, telex or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally-recognized overnight courier, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll or Executive's Company-provided email address, or at such other address as the Company or Executive may designate by ten (10) days' advance written notice to the other.

7.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

7.3 Waiver. If either party should waive any breach of any provisions of this Agreement, Executive or it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

7.4 Complete Agreement. This Agreement constitutes the entire agreement between Executive and the Company with regard to the subject matter hereof. This Agreement is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter and supersedes any prior oral discussions or written communications and agreements, including the Prior Agreement. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in writing signed by Executive and an authorized officer of the Company. The parties have entered into or are entering into a separate Confidential Information Agreement in connection herewith and have or may enter into separate agreements related to equity awards. These separate agreements govern other aspects of the relationship between the parties, have or may have provisions that survive termination of Executive's employment under this Agreement, may be amended or superseded by the parties without regard to this Agreement and are enforceable according to their terms without regard to the enforcement provision of this Agreement.

7.5 **Counterparts**. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same agreement.

7.6 **Headings**. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

7.7 **Successors and Assigns**. The Company shall assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any Company or other entity with or into which the Company may hereafter merge or consolidate or to which the Company may transfer all or substantially all of its assets, if in any such case said Company or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto, but may not otherwise assign this Agreement or its rights and obligations hereunder. Executive may not assign or transfer this Agreement or any rights or obligations hereunder, other than to Executive's estate upon Executive's death.

7.8 **Choice of Law**. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of California.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the day and year first written above.

XOMETRY, INC.

By: _
Name: Randy Altschuler
Title: CEO

Executive:

____
James Miln

Exhibit A

EMPLOYEE CONFIDENTIAL INFORMATION AND INVENTIONS AGREEMENT

Exhibit 10.21

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended And Restated Employment Agreement (the "***Agreement***"), is entered into effective as of, and contingent upon, the closing of the Company's initial public offering (the "***Effective Date***"), by and between Xometry, Inc. (the "***Company***") and Kathleen Mayerhofer ("***Executive***"). This Agreement amends, restates, and supersedes in its entirety any agreement between the Company and Executive that existed with regard to the employment terms detailed below.

The Company desires to continue to employ Executive, in the capacity of full-time Chief Sales Officer pursuant to the terms of this Agreement and, in connection therewith, to compensate Executive for Executive's personal services to the Company; and

Executive wishes to continue to be employed by the Company and provide personal services to the Company in return for certain compensation.

Accordingly, in consideration of the mutual promises and covenants contained herein, the parties agree to the following:

1. Employment by the Company.

1.1 At-Will Employment. Executive shall continue to be employed by the Company on an "at-will" basis, meaning either the Company or Executive may terminate Executive's employment at any time, with or without cause or advanced notice. Any contrary representations that may have been made to Executive shall be superseded by this Agreement. This Agreement shall constitute the full and complete agreement between Executive and the Company on the "at-will" nature of Executive's employment with the Company, which may be changed only in an express written agreement signed by Executive and a duly authorized officer of the Company. Executive's rights to any compensation following a termination shall be only as set forth in Section 6.

1.2 Position. Subject to the terms set forth herein, the Company agrees to continue to employ Executive in the position of Chief Sales Officer, and Executive hereby accepts such continued employment. During the term of Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention to the business of the Company.

1.3 Duties. Executive will report to the Chief Revenue Officer performing such duties as are normally associated with Executive's then-current position and such duties as are assigned to Executive from time to time, subject to the oversight and direction of the Chief Revenue Officer. Executive shall perform Executive's duties under this Agreement principally out of the Company's office in the Rockville, Maryland area or such other location as assigned. In addition, Executive shall make such business trips to such places as may be necessary or advisable for the efficient operations of the Company.

1.4 Company Policies and Benefits. The employment relationship between the parties shall also continue to be subject to the Company's personnel policies and procedures as they may be interpreted, adopted, revised or deleted from time to time in the Company's sole discretion. Executive will be eligible to participate on the same basis as similarly-situated employees in the Company's benefit plans in effect from time to time during Executive's employment. All matters of eligibility for coverage or benefits under any benefit plan shall be determined in accordance with the provisions of such plan. The Company reserves the right to change, alter, or terminate any benefit plan in its sole discretion. Notwithstanding the foregoing, in the event that the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. COMPENSATION.

2.1 Salary. Commencing on July 1, 2021, Executive shall receive for Executive's services to be rendered hereunder an initial annualized base salary of $275,000, subject to review and adjustment from time to time by the Company in its sole discretion ("***Base Salary***"). The Base Salary is payable subject to standard federal and state payroll withholding requirements in accordance with the Company's standard payroll practices.

2.2 Annual Bonus. Commencing as of the Effective Date, Executive shall be eligible to receive an annual performance bonus under this Section 2.2 of up to 35% (the "***Target Percentage***") of Executive's then-current Base Salary ("***Annual Bonus***"). The Annual Bonus will be based upon the assessment of the Board of Directors of the Company (the "***Board***") (or a committee thereof) of Executive's performance and the Company's attainment of targeted goals over the applicable calendar year. The Annual Bonus, if any, will be subject to applicable payroll deductions and withholdings. Except as stated herein for the Annual Bonus attributable to 2021, the annual period over which performance is measured for purposes of the Annual Bonus is January 1 through December 31. Following the close of each calendar year, the Company will determine whether Executive has earned the Annual Bonus, and the amount of any Annual Bonus (which can be less than the Target Percentage), based on the set criteria. No amount of the Annual Bonus is guaranteed, and, except as otherwise stated in Sections 6.2, Executive must be an employee in good standing on the Annual Bonus payment date to be eligible to receive an Annual Bonus and no partial or prorated bonuses will be provided. Executive's eligibility for an Annual Bonus is subject to change in the discretion of the Board (or any authorized committee thereof). Executive's Annual Bonus, if any, attributable to 2021 under this Section 2.2 shall be prorated for number of days between the Effective Date and December 31, 2021. For the avoidance of doubt, Executive's eligibility for any annual bonus for the portion of 2021 prior to the Effective Date remains subject to the terms in effect for such time period and is not affected by this Agreement. In addition to the Annual Bonus, the Executive is also eligible to participate each calendar year in an Executive Sales Plan (the "***Sales Plan***") under which Executive will be eligible to earn a Sales Bonus of up to 35% of Executive's then-current Base Salary in accordance with the terms of the Sales Plan. For avoidance of doubt, Executive's total bonus eligibility for the combined Annual Bonus and Sales Bonus is 70% of Executive's then current Base Salary.

2.3 Future Equity Awards. Executive remains eligible to be considered for future equity awards as may be determined by the Board or a committee of the Board in its discretion in accordance with the terms of any applicable equity plan or arrangement that may be in effect from time to time.

2.4 **Expense Reimbursement**. The Company will reimburse Executive for all reasonable, documented business expenses incurred in connection with Executive's services hereunder, in accordance with the Company's business expense reimbursement policies and procedures as may be in effect from time to time. For the avoidance of doubt, to the extent that any reimbursements payable to Executive are subject to the provisions of Section 409A (as defined below): (i) any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, (ii) the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and (iii) the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

3. Confidential Information, Inventions, Non-Solicitation, and Non-Competition Obligations. In connection with Executive's continued employment with the Company, Executive will continue to receive and continue to have access to the Company's confidential information and trade secrets. Accordingly, and in consideration of the benefits that Executive is eligible to receive under this Agreement, Executive agrees to sign the Company's Employee Confidential Information, Inventions, Non-Solicitation and Non-Competition Agreement (the "***Confidential Information Agreement***") attached hereto as **Exhibit A**. The Confidential Information Agreement may be amended by the parties from time to time without regard to this Agreement. The Confidential Information Agreement contains provisions that are intended by the parties to survive and do survive termination or expiration of this Agreement.

4. Outside Activities. Except with the prior written consent of the Board, Executive will not, while employed by the Company, undertake or engage in any other employment, occupation or business enterprise that would interfere with Executive's responsibilities and the performance of Executive's duties hereunder except for (i) reasonable time devoted to volunteer services for or on behalf of such religious, educational, non-profit and/or other charitable organization as Executive may wish to serve; (ii) reasonable time devoted to activities in the non-profit and business communities consistent with Executive's duties; (iii) Executive's participation in professional and academic activities; and (iv) such other activities as may be specifically approved by the Board. This restriction shall not, however, preclude Executive from managing personal investments or owning less than one percent (1%) of the total outstanding shares of a publicly-traded company.

5. No Conflict with Existing Obligations. Executive represents that Executive's continued performance of all the terms of this Agreement and as an employee of the Company do not and will not breach any agreement or obligation of any kind made prior to Executive's employment by the Company, including agreements or obligations Executive may have with prior employers or entities for which Executive has provided services. Executive has not entered into, and Executive agrees that Executive will not enter into, any agreement or obligation, either written or oral, in conflict herewith.

6. <u>Termination Of Employment</u>. The parties acknowledge that Executive's employment relationship with the Company continues to be at-will. Either Executive or the Company may terminate the employment relationship at any time, with or without Cause. The provisions in this Section govern the amount of compensation, if any, to be provided to Executive upon termination of employment and do not alter this at-will status.

6.1 <u>Termination by the Company Without Cause or Resignation by Executive for Good Reason (not in Connection with a Change in Control)</u>.

(a) The Company shall have the right to terminate Executive's employment with the Company pursuant to this Section 6.1 at any time without "Cause" (as defined in Section 6.3(a) below) by giving notice as described in Section 6.7 of this Agreement. A termination pursuant to Section 6.5 or 6.6 below is not a termination without "Cause" for purposes of receiving the Non-CIC Severance Benefits described in (and as defined in) this Section 6.1 or the CIC Severance Benefits described in (and as defined in) Section 6.2.

(b) If the Company terminates Executive's employment at any time without Cause or Executive terminates Executive's employment with the Company for "Good Reason" (as defined in Section 6.1(g) below), in either case, at any time except during the Change in Control Measurement Period (both "Change in Control" and "Change in Control Measurement Period" as defined in Section 6.2 below), then Executive shall be entitled to receive the Accrued Obligations (defined in 6.1(d) below). If such termination without Cause or for Good Reason not occurring during the Change in Control Measurement Period constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "***Separation from Service***"), and Executive complies with the obligations in Section 6.1(c) below, Executive shall also be eligible to receive the following "***Non-CIC Severance Benefits***:"

(i) The Company will pay Executive severance pay in the form of continuation of Executive's then-current Base Salary for six (6) months (the "***Non-CIC Severance***"). The Non-CIC Severance will be paid in substantially equal installments on the Company's regular payroll schedule following the termination date, subject to standard deductions and withholdings; *provided, however* that no portion of the Non-CIC Severance will be paid prior to the Release Effective Date, and any such payments that are otherwise scheduled to be made prior to the Release Effective Date shall instead accrue and be made on the first administratively feasible payroll date following the Release Effective Date;

(ii) Provided Executive or Executive's covered dependents, as the case may be, timely elects continued coverage under COBRA, or state continuation coverage (as applicable), under the Company's group health plans following such termination, the Company will pay, as and when due to the insurance carrier or COBRA administrator (as applicable), the portion of the COBRA, or state continuation coverage, premiums which is equal to the cost of the coverage that the Company was paying as of the date of termination, to continue Executive's (and Executive's covered dependents, as applicable) health insurance coverage in effect on the termination date until the earliest of: (1) six (6) months following the termination date; (2) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment; or (3) the date Executive ceases to be eligible for COBRA or state law continuation coverage for any reason, including plan termination (such period from the termination date through the earlier of (1)-(3), (the "***Non-CIC COBRA Payment Period***")). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA, or state continuation coverage, premiums on Executive's behalf would result in a violation of applicable law (including, but not limited to, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of paying such premiums pursuant to this Section, the Company shall pay Executive on the last day of each remaining month of the Non-CIC COBRA Payment Period, a fully taxable cash payment equal to the COBRA or state continuation coverage premium for such month, subject to applicable tax withholding, for the remainder of the Non-CIC COBRA Payment Period. Nothing in this Agreement shall deprive Executive of Executive's rights under COBRA (including the right to a COBRA premium subsidy under the American Rescue Plan Act of 2021, if applicable) or ERISA for benefits under plans and policies arising under Executive's employment by the Company; and

(iii) The Company will pay Executive an amount equal to the Annual Bonus under Section 2.2 for the calendar year in which Executive's termination occurs, prorated for the actual time worked in that calendar year through the Executive's date of Separation of Service, less applicable withholdings and deductions, payable in a lump sum on the later of (x) the date that annual performance bonuses are normally paid to other executives at the Company for that calendar year or (y) the Release Date, but in no event later than March 15 of the year following the year to which the bonus is attributable.

(c) Executive will be paid all of the Accrued Obligations on the Company's first administratively feasible payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall receive the Non-CIC Severance Benefits pursuant to Section 6.1(b) or the CIC Severance Benefits pursuant to Section 6.2(a) of this Agreement if: (i) by the sixtieth (60th) day following the date of Executive's Separation from Service, Executive has signed and delivered to the Company a separation agreement containing an effective, general release of claims in favor of the Company and its affiliates and representatives, in the form presented by the Company (the "***Release***"), which cannot be revoked in whole or part by such date (the date that the Release can no longer be revoked is referred to as the "***Release Effective Date***"); and (ii) if Executive holds any other positions with the Company or any Affiliate, including a position on the Board, Executive resigns such position(s) to be effective no later than the date of Executive's termination date (or such other date as requested by the Board); (iii) Executive returns all Company property; (iv) Executive complies with all post-termination obligations under this Agreement and the Confidential Information Agreement; and (v) Executive complies with the terms of the Release, including without limitation any non-disparagement and confidentiality provisions contained in the Release.

(d) For purposes of this Agreement, "***Accrued Obligations***" are (i) Executive's accrued but unpaid salary through the date of termination, (ii) any unreimbursed business expenses incurred by Executive payable in accordance with the Company's standard expense reimbursement policies, and (iii) benefits owed to Executive under any qualified retirement plan or health and welfare benefit plan in which Executive was a participant in accordance with applicable law and the provisions of such plan.

(e) The Non-CIC Severance Benefits provided to Executive pursuant to this Section 6.1 are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy, program, or prior agreement with the Company. For avoidance of doubt, Executive shall not be eligible for both the CIC Severance Benefits and the Non-CIC Severance Benefits.

(f) Any damages caused by the termination of Executive's employment without Cause not in connection with a Change in Control would be difficult to ascertain; therefore, the Non-CIC Severance Benefits for which Executive is eligible pursuant to Section 6.1(b) above in exchange for the Release is agreed to by the parties as liquidated damages, to serve as full compensation, and not a penalty.

(g) For purposes of this Agreement, "***Good Reason***" shall mean the occurrence of any of the following events without Executive's consent: (i) a material reduction in Executive's Base Salary of at least 10%; or (ii) a material reduction in Executive's duties, authority and responsibilities relative to Executive's duties, authority, and responsibilities in effect immediately prior to such reduction, *provided, however*, that neither the conversion of the Company to a subsidiary, division or unit of an acquiring entity in connection with a change in control, nor a change in title or Executive's reporting relationships will be deemed a "material reduction" in and of itself; *provided, however,* that, any such termination by Executive shall only be deemed for Good Reason pursuant to this definition if: (1) Executive gives the Company written notice of Executive's intent to terminate for Good Reason within thirty (30) days following the first occurrence of the condition(s) that Executive believes constitute(s) Good Reason, which notice shall describe such condition(s); (2) the Company fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the "***Cure Period***"); (3) the Company has not, prior to receiving such notice from Executive, already informed Executive that Executive's employment with the Company is being terminated; and (4) Executive voluntarily terminates Executive's employment within thirty (30) days following the end of the Cure Period.

6.2 <u>Termination by the Company without Cause or Resignation by Executive for Good Reason (in connection with a Change in Control)</u>.

(a) In the event that Executive's employment is terminated without Cause or Executive resigns for Good Reason, in either case, within three (3) months preceding and twelve (12) months following the effective date of a Change in Control (the "***Change in Control Measurement Period***") of the Company, then Executive shall be entitled to the Accrued Obligations and, subject to Executive's full compliance with Section 6.1(c) above, including but not limited to the Release requirement and Executive's continued compliance with obligations to the Company under Executive's Confidential Information Agreement, then Executive will be eligible for the following "***CIC Severance Benefits***:"

(i) The Company will pay Executive severance pay in the form of continuation of Executive's then-current Base Salary for six (6) months (the "***CIC Severance***").

The CIC Severance will be paid in substantially equal installments on the Company's regular payroll schedule following the termination date, subject to standard deductions and withholdings; *provided, however* that no portion of the CIC Severance will be paid prior to the Release Effective Date, and any such payments that are otherwise scheduled to be made prior to the Release Effective Date shall instead accrue and be made on the first administratively feasible payroll date following the Release Effective Date;

(ii) Provided Executive or Executive's covered dependents, as the case may be, timely elects continued coverage under COBRA, or state continuation coverage (as applicable), under the Company's group health plans following such termination, the Company will pay, as and when due to the insurance carrier or COBRA administrator (as applicable), the portion of the COBRA, or state continuation coverage, premiums which is equal to the cost of the coverage that the Company was paying as of the date of termination, to continue Executive's (and Executive's covered dependents, as applicable) health insurance coverage in effect on the termination date until the earliest of: (1) six (6) months following the termination date; (2) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment; or (3) the date Executive ceases to be eligible for COBRA or state law continuation coverage for any reason, including plan termination (such period from the termination date through the earlier of (1)-(3), (the "***CIC COBRA Payment Period***")). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA, or state continuation coverage, premiums on Executive's behalf would result in a violation of applicable law (including, but not limited to, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of paying such premiums pursuant to this Section, the Company shall pay Executive on the last day of each remaining month of the CIC COBRA Payment Period, a fully taxable cash payment equal to the COBRA or state continuation coverage premium for such month, subject to applicable tax withholding, for the remainder of the CIC COBRA Payment Period. Nothing in this Agreement shall deprive Executive of Executive's rights under COBRA (including the right to a COBRA premium subsidy under the American Rescue Plan Act of 2021, if applicable) or ERISA for benefits under plans and policies arising under Executive's employment by the Company;

(iii) The Company will make a cash payment to Executive in an amount equal to 50% of the Target Percentage for the year in which the termination occurs, subject to standard deductions and withholdings, which will be paid in a lump sum on the sixtieth (60th) day following Executive's date of Separation from Service;

(iv) The Company will pay Executive an amount equal to the Annual Bonus and Sales Bonus under Section 2.2 for the calendar year in which Executive's termination occurs, less applicable withholdings and deductions, payable in a lump sum on the later of (x) the date that annual performance bonuses are normally paid to other executives at the Company for that calendar year or (y) the Release Date, but in no event later than March 15 of the year following the year to which the bonus is attributable; and

(v) Effective as of Executive's termination date, the vesting and exercisability of all outstanding equity awards subject only to a time-based vesting schedule that are held by Executive immediately prior to the termination date (if any) shall be accelerated in full.

(b) For purposes of this Agreement, a "***Change in Control***" shall have the meaning set forth in the Company's 2021 Equity Incentive Plan.

(c) The CIC Severance Benefits provided to Executive pursuant to this Section 6.2 are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy or program.

(d) Any damages caused by the termination of Executive's employment without Cause during the Change in Control Measurement Period would be difficult to ascertain; therefore, the CIC Severance Benefits for which Executive is eligible pursuant to Section 6.2(a) above in exchange for the Release are agreed to by the parties as liquidated damages, to serve as full compensation, and not a penalty.

6.3 Termination by the Company for Cause.

Subject to Section 6.3(b) below, the Company shall have the right to terminate Executive's employment with the Company at any time for Cause by giving notice as described in Section 6.7 of this Agreement.

(a) "***Cause***" for termination shall mean that the Company has determined in its sole discretion that Executive has engaged in any of the following: (i) a material breach of any covenant or condition under this Agreement or any other agreement between the parties; (ii) any act constituting dishonesty, fraud, immoral or disreputable conduct; (iii) any conduct which constitutes a felony under applicable law; (iv) material violation of any Company policy or any act of misconduct; (v) refusal to follow or implement a clear and reasonable directive of the Company; (vi) negligence or incompetence in the performance of Executive's duties after the expiration of ten (10) days without cure after written notice of such failure; or (vii) breach of fiduciary duty. For the avoidance of doubt, if the Company determines after Executive's termination date that it would have had a basis to terminate Executive's employment for Cause prior to Executive's departure, then any obligation that the Company otherwise had to provide Executive with the Non-CIC Severance Benefits or the CIC Severance Benefits will immediately cease and Executive will be required to repay the Company for any portion of the Non-CIC Severance Benefits or the CIC Severance Benefits provided by the Company as of such date of notice from the Company (net of tax), to be repaid by Executive within thirty (30) days of demand by the Company.

(b) In the event Executive's employment is terminated at any time for Cause, Executive will not receive the Non-CIC Severance Benefits, the CIC Severance Benefits, or any other severance compensation or benefit, except that, consistent with the Company's standard payroll policies, the Company shall provide to Executive the Accrued Obligations.

6.4 Resignation by Executive (other than for Good Reason).

(a) Executive may resign for any reason from Executive's employment with the Company at any time by giving notice as described in Section 6.7.

(b) In the event Executive resigns from Executive's employment with the Company (other than for Good Reason), Executive will not receive the Non-CIC Severance Benefits, the CIC Severance Benefits, or any other severance compensation or benefit, except that, consistent with the Company's standard payroll policies, the Company shall provide to Executive the Accrued Obligations.

6.5 Termination by Virtue of Death or Disability of Executive.

(a) In the event of Executive's death while employed pursuant to this Agreement, all obligations of the parties hereunder shall terminate immediately, and the Company shall, pursuant to the Company's standard payroll policies, provide to Executive's legal representatives Executive's Accrued Obligations, but neither Executive nor Executive's legal representatives will be eligible for the Non-CIC Severance Benefits, the CIC Severance Benefits, or any other severance compensation or benefit.

(b) Subject to applicable state and federal law, the Company shall at all times have the right, upon written notice to the Executive, to terminate this Agreement based on Executive's Disability (as defined below). Termination by the Company of Executive's employment based on "***Disability***" shall mean termination because Executive is unable due to a physical or mental condition to perform the essential functions of Executive's position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law. In the event Executive's employment is terminated based on Executive's Disability, Executive will not receive the Non-CIC Severance Benefits, the CIC Severance Benefits, or any other severance compensation or benefit, except that, pursuant to the Company's standard payroll policies, the Company shall provide to Executive the Accrued Obligations.

6.6 Notice; Effective Date of Termination.

(a) Termination of Executive's employment pursuant to this Agreement shall be effective on the earliest of:

(i) immediately after the Company gives notice to Executive of Executive's termination, with or without Cause, unless pursuant to Section 6.3(a)(vi) in which case ten (10) days after notice if not cured, or unless the Company specifies a later date, in which case, termination shall be effective as of such later date;

(ii) immediately upon Executive's death;

(iii) immediately after the Company gives written notice to Executive of Executive's termination on account of Executive's Disability, unless the Company specifies a later separation date, in which case, termination shall be effective as of such later separation date, *provided* that Executive has not returned to the full-time performance of Executive's duties prior to such date;

(iv) except as addressed by Section 6.7(a)(v), thirty (30) days after Executive gives written notice to the Company of Executive's resignation for any reason, *provided* that the Company may set a separation date at any time between the date of notice and the date of resignation, in which case Executive's resignation shall be effective as of such other date. Executive will receive compensation through any required notice period; or

(v) for a termination for Good Reason, immediately upon Executive's full satisfaction of the requirements of Section 6.1(g).

(b) In the event notice of a termination under subsection (a)(i) is given orally, at the other party's request, the party giving notice must provide written confirmation of such notice within five (5) business days of the request in compliance with the requirement of Section 7.1 below. In the event of a termination for Cause, written confirmation shall specify the subsection(s) of the definition of Cause relied on to support the decision to terminate.

6.7 Cooperation With Company After Termination of Employment. Following termination of Executive's employment for any reason, Executive shall reasonably cooperate with the Company in all matters relating to the winding up of Executive's pending work including, but not limited to, any litigation in which the Company is involved, and the orderly transfer of any such pending work to such other employees as may be designated by the Company.

6.8 Effect of Termination. Executive agrees that should Executive's employment be terminated for any reason, Executive shall be deemed to have resigned from any and all positions with the Company and its subsidiaries.

6.9 Application of Section 409A.

(a) It is intended that all of the compensation payable under this Agreement, to the greatest extent possible, either complies with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***") and the regulations and other guidance thereunder and any state law of similar effect (collectively, "***Section 409A***") or satisfies one or more of the exemptions from the application of Section 409A, and this Agreement will be construed in a manner consistent with such intention, incorporating by reference all required definitions and payment terms.

(b) No severance payments will be made under this Agreement unless Executive's termination of employment constitutes a Separation from Service. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulations Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement (whether severance payments or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

(c) To the extent that any severance payments are deferred compensation under Section 409A, and are not otherwise exempt from the application of Section 409A, then, to the extent required to comply with Section 409A, if the period during which Executive may consider and sign the Release spans two calendar years, the severance payments will not begin until the second calendar year. If the Company determines that the severance benefits provided under this Agreement constitutes "deferred compensation" under Section 409A and if Executive is a "specified employee" of the Company, as such term is defined in Section 409A(a)(2)(B)(i) of the Code at the time of Executive's Separation from Service, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the severance will be delayed as follows: on the earlier to occur of (a) the date that is six months and one day after Executive's Separation from Service, and (b) the date of Executive's death, the Company will: (i) pay to Executive a lump sum amount equal to the sum of the severance benefits that Executive would otherwise have received if the commencement of the payment of the severance benefits had not been delayed pursuant to this Section 6.10(c); and (ii) commence paying the balance of the severance benefits in accordance with the applicable payment schedule set forth in Sections 6.1 and 6.2. No interest shall be due on any amounts deferred pursuant to this Section 6.10(c).

(d) To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts reimbursable to Executive under this Agreement shall be paid to Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during any one year may not effect amounts reimbursable or provided in any subsequent year.

(e) Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

6.10 <u>Excise Tax Adjustment</u>.

(a) If any payment or benefit Executive will or may receive from the Company or otherwise (a "***280G Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this Section, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then any such 280G Payment provided pursuant to this Agreement (a "***Payment***") shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax, or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state, and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in

Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "***Reduction Method***") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "***Pro Rata Reduction Method***").

(b) Notwithstanding any provision of this Section 6.11 to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (*e.g.*, being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) Unless Executive and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity, or group effecting the Change in Control transaction, the Company shall appoint a nationally-recognized accounting or law firm to make the determinations required by this Section 6.11. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Executive and the Company within fifteen (15) calendar days after the date on which Executive's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company.

(d) If Executive receives a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 6.11(a) and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Executive agrees to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 6.11(a)) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 6.11(a), Executive shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

7. **General Provisions.**

7.1 Notices. Any notices required hereunder to be in writing shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by electronic mail, telex or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally-recognized overnight courier, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll or Executive's Company-provided email address, or at such other address as the Company or Executive may designate by ten (10) days' advance written notice to the other.

7.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

7.3 Waiver. If either party should waive any breach of any provisions of this Agreement, Executive or it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

7.4 Complete Agreement. This Agreement constitutes the entire agreement between Executive and the Company with regard to the subject matter hereof. This Agreement is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter and supersedes any prior oral discussions or written communications and agreements, including the Prior Agreement. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in writing signed by Executive and an authorized officer of the Company. The parties have entered into or are entering into a separate Confidential Information Agreement in connection herewith and have or may enter into separate agreements related to equity awards. These separate agreements govern other aspects of the relationship between the parties, have or may have provisions that survive termination of Executive's employment under this Agreement, may be amended or superseded by the parties without regard to this Agreement and are enforceable according to their terms without regard to the enforcement provision of this Agreement.

7.5 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same agreement.

7.6 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

7.7 Successors and Assigns. The Company shall assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any Company or other entity with or into which the Company may hereafter merge or consolidate or to which the Company may transfer all or substantially all of its assets, if in any such case said Company or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto, but may not otherwise assign this Agreement or its rights and obligations hereunder. Executive may not assign or transfer this Agreement or any rights or obligations hereunder, other than to Executive's estate upon Executive's death.

7.8 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of Maryland.

In Witness Whereof, the parties have executed this Amended and Restated Employment Agreement on the day and year first written above.

Xometry, Inc.

By: _
Name: Sophia MacDonald
Title: Chief People Officer

Executive:

____
Kathleen Mayerhofer

Exhibit A

EMPLOYEE CONFIDENTIAL INFORMATION, INVENTIONS, NON-SOLICITATION AND NON-COMPETITION AGREEMENT

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Randolph Altschuler, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 9, 2024

By: /s/ Randolph Altschuler
Randolph Altschuler
Chief Executive Officer and Director

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James Miln, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 9, 2024

By: /s/ James Miln
James Miln
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of Xometry, Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 9, 2024

By: /s/ Randolph Altschuler
Randolph Altschuler
Chief Executive Officer and Director

Exhibit 32.2

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

In connection with the Quarterly Report of Xometry, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 9, 2024	By: /s/ James Miln
	James Miln
	Chief Financial Officer