

# Integrated Lidar and Software Solution for ADAS L3 and L2+

MicroVision Q3 2022 Financial Results and Update

October 27, 2022



# Safe Harbor Statements

This presentation of MicroVision, Inc. (“MicroVision,” “the Company,” “we,” or “our”), and any accompanying oral presentation, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include, among others: statements relating to expectations regarding our future growth, profitability, market position and addressable market size; projections, estimates and targets; our financial condition and liquidity; our business strategies; our product plans and partnerships; and future product performance. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements. These statements reflect our expectations, assumptions and estimates as of the date of this presentation, and actual results may differ materially from the results predicted. The preparation of forward-looking financial guidance requires us to make estimates and assumptions; actual results may differ materially from these estimates under different assumptions or conditions. Factors that could cause actual results for MicroVision to differ from the results predicted include: our history of operating losses; challenges caused by the COVID-19 pandemic; the need for additional capital; potential dependence on third party partners, including licensing partners and contract manufacturers; risks related to our technology; quarterly financial and stock price performance; continued listing of our stock; successful monetization of our product solution; competitive risks; risks associated with key customer or strategic relationships and activities; disruptions in the global financial markets and supply chains; and legal and regulatory risks. More information about potential risk factors that could affect our business and financial results is included in MicroVision’s latest annual report on Form 10-K for the year ended December 31, 2021 and other reports and documents filed by MicroVision from time to time with the U. S. Securities and Exchange Commission (“SEC”).

Except as required by law, we assume no obligation to update any information in this presentation to reflect events or circumstances in the future, even if new information becomes available.

Unless otherwise indicated, information contained in this presentation concerning our industry, competitive position and the markets in which we operate is based on information from independent industry and research organizations and other third-party sources. Management’s estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from our internal research, and are based on assumptions made by us that we believe to be reasonable. In addition, projections, assumptions and estimates of future industry and Company performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described above and in our SEC filings. These and other factors could cause results to differ materially from those expressed in the estimates made by independent parties and by MicroVision.

MicroVision has rights to various trademarks, service marks and trade names used in connection with the operation of our business. This presentation also contains trademarks, service marks and trade names of third parties, which are the property of their respective owners. The use or display of third parties’ trademarks, service marks, trade names or products in this presentation is not intended, and does not imply, a relationship with MicroVision, or an endorsement or sponsorship by or of MicroVision. Solely for convenience, the trademarks, service marks and trade names referred to in this presentation may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that MicroVision will not assert, to the fullest extent under applicable law, its rights or the right of the applicable licensor in these trademarks, service marks and trade names.



# MicroVision Quarterly Update

- Achieved all milestones announced earlier this year:
  - Track testing of our highway pilot feature for complex highway driving scenarios
  - Achieved Class 1 compliance in Q3 and initiated sample sales to OEMs and Tier 1s in Q4
- Near and Medium-Term Priorities
  - Well positioned for 2023 OEM RFQs driven by superior technology specs and compelling design
  - Focus on technology milestones including launch of analog and digital ASIC programs, drive-by-wire system
  - Provide revenue streams and expectations for 2023
- Financial Update
  - \$9.0 million cash used in operating activities in Q3 2022; 10% reduction yoy from Q3 2021
  - Q4 2022 cash used in operating activities expected to be in-line with Q3
  - \$83.3 million of cash and cash equivalents including investment securities as of September 30, 2022



# MicroVision

## *High-Tech Software and Lidar Hardware Company*

- Core technology developed and delivered to U.S. military



- Delivered technologies to leading global tech giants



- Established semi-conductor partnership network



- Strong leadership roots



## Uniquely positioned to win in ADAS

### *Leading automotive product suite*

- Low-cost, high-fidelity Lidar
- Custom ASIC with proprietary software

### *Strong IP foundation & tech talent*

- Strong IP, with over 430 patents in MEMS-based core technology
- 20+ years of experience

### *Positioned for growth*

- Publicly-traded company
- Strong balance sheet

*Technology partnerships are more fully described in MicroVision's public filings with the U.S. Securities and Exchange Commission.*

# MicroVision's Solution Provides Compelling Advantages to OEMs

## Superior Highway Pilot functionality

- Capable up to 130km/h
- Fewer restrictions than existing systems

## Seamless integration into an OEM's architecture

- Perceptive Point Cloud (obstacles / free space clusters) and raw Lidar & radar data
- Radar and domain controller-agnostic



## Saved development cost & time

- No training required for Lidar/radar sensor fused output
- Reduced training requirements for OEMs

## Lower relative system cost

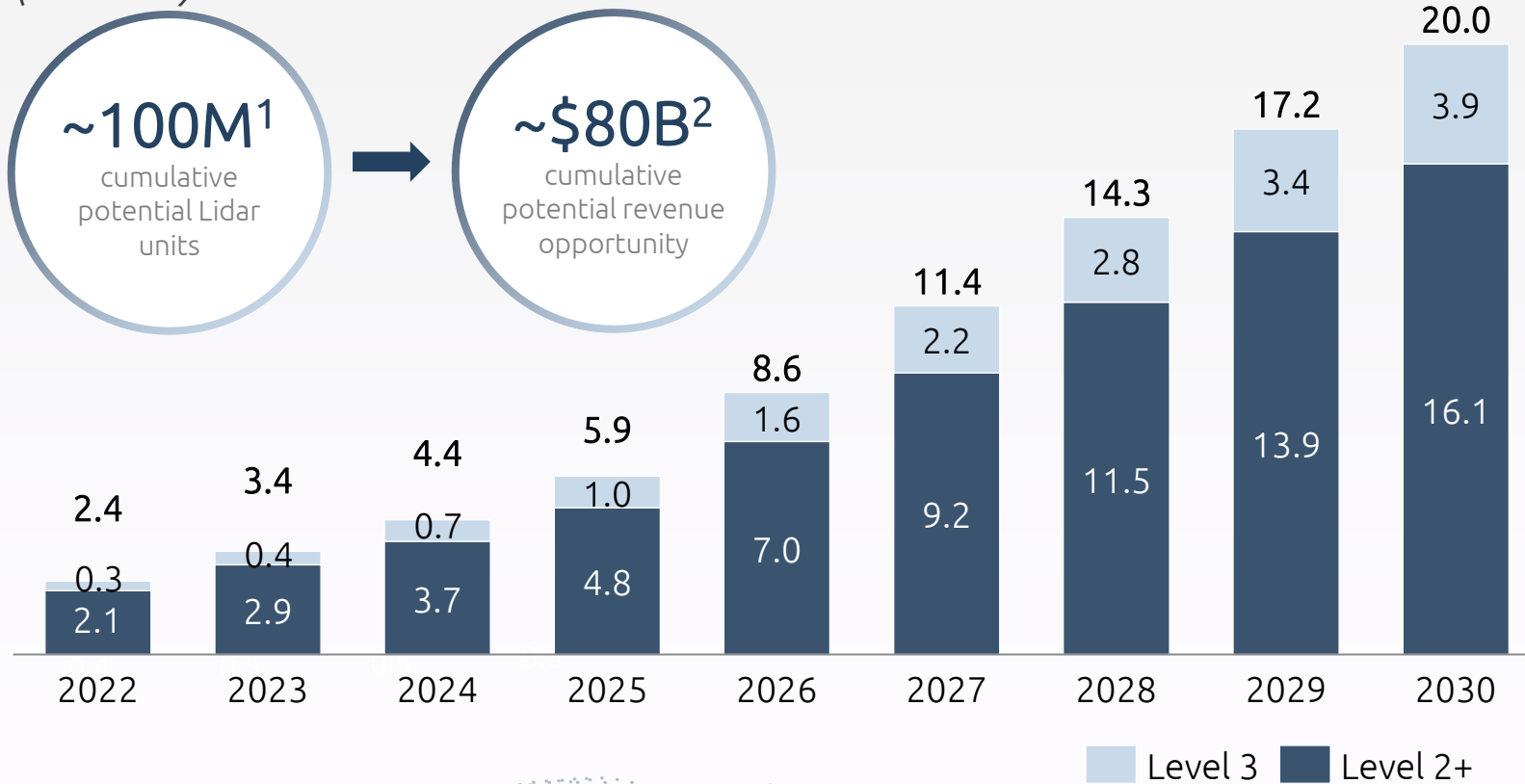
- Fewer and cheaper sensors
- Reduced processing requirements





# Focused on the ADAS Level 2+/3 Market

Forecasted MicroVision SAM, vehicles produced with Lidar potential (millions)



## Growth drivers

Rapidly decreasing cost and higher scalability of Lidar-based systems makes it viable for Level 2+ and accelerates push to Level 3

By 2030, global ADAS level 2, 2+ and 3 market growing to ~\$120B annually

ADAS regulations require multimodal redundancy

1. Assumes two Lidar units for L3 vehicles and one Lidar unit for L2+ vehicles. 2. Assumes industry average ASP of \$800.

Source: IHS Markit, company analysis



# Our Measures of Future Success

Cumulative metrics through 2030

Partnerships

2+ OEMs

Sales Volume

~25 – 30M+  
units

Revenue

~\$2 – \$4B+

EBITDA

~\$1 – \$2B

Source: IHS Markit, company estimates. EBITDA is a non-GAAP measure useful to management and investors as a performance measure and for comparison to peers but is not intended as a substitute for GAAP.

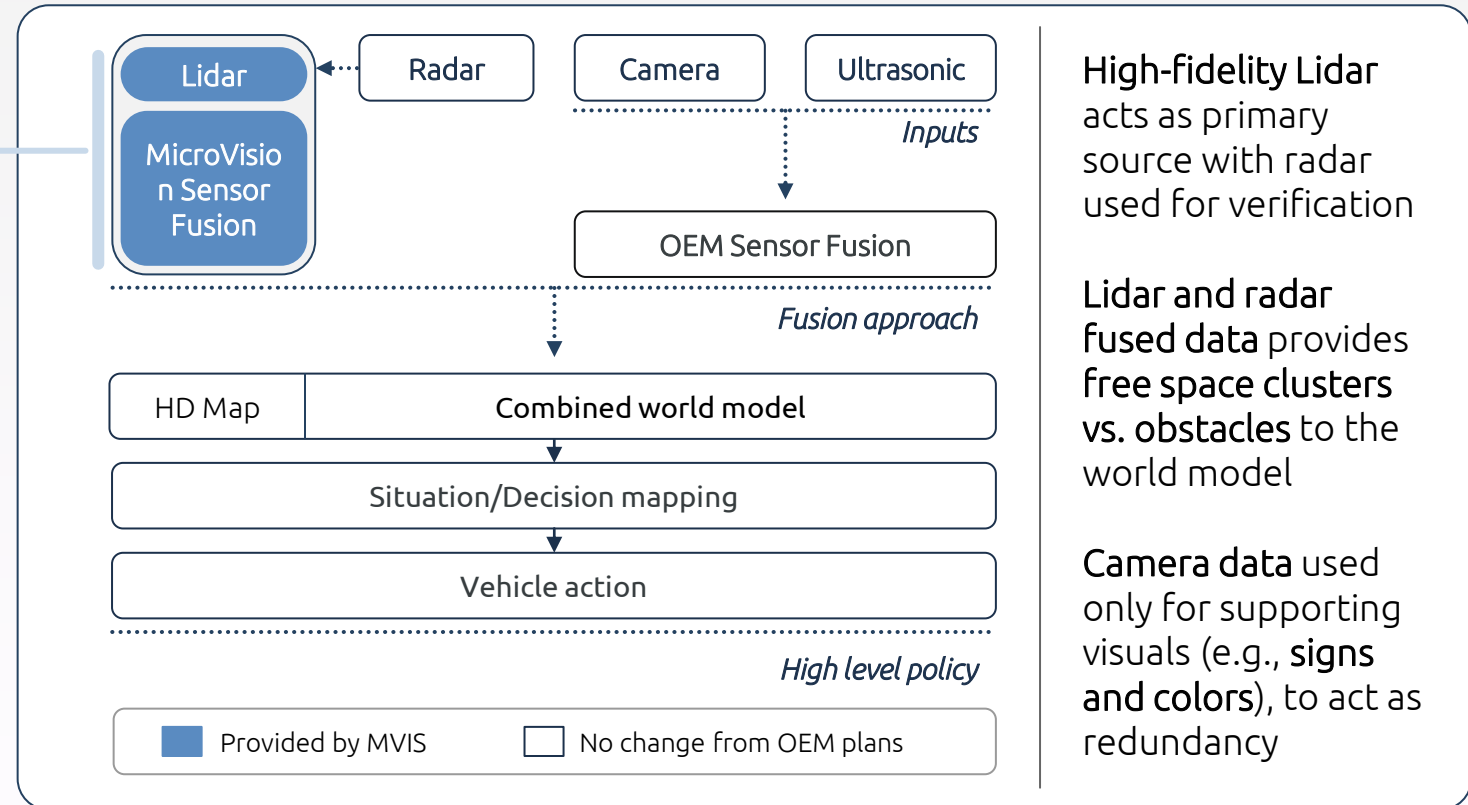


# Our Unique Approach

## MicroVision's Offering



## How MicroVision Integrates into the ADAS Stack



High-fidelity Lidar acts as primary source with radar used for verification

Lidar and radar fused data provides free space clusters vs. obstacles to the world model

Camera data used only for supporting visuals (e.g., signs and colors), to act as redundancy

**Our Sensor Fusion approach enables low latency with increased performance.**





# Financial Results Overview



# Q3 2022 Financial Results Highlights

(\$ in millions)	Q3 2022	Q3 2021
<b>Income Statement</b>		
License & Royalty Revenue	\$0.0	\$0.7
R&D Expense	\$7.5	\$5.8
SG&A Expense	\$5.5	\$5.0
<b>Non-Cash Expenses</b>		
Depreciation & Amortization incl. impairment	\$0.5	\$0.4
Stock-based compensation expense	\$4.1	\$2.8
<b>Cash flow items</b>		
Cash used in Operating activities	\$9.0	\$10.0
Purchases of property & equipment	\$0.9	\$0.2
Net Proceeds from ATM	\$0.0	\$0.0
<b>Balance Sheet</b>		
Cash & cash equivalents	\$22.0	\$125.1
Investment securities	\$61.3	\$0.0

- **Revenue:** License and royalty revenue of \$0.0 earned under license agreements with Microsoft
- **R&D Expense:** \$7.5 million for 2022 included higher salary and benefits expenses and higher non-cash stock-based compensation expense
- **SG&A Expense:** \$5.5 million for 2022 included higher non-cash stock-based compensation and higher salary and benefits expense
- **Proceeds from ATM:** ~\$70 million on ATM program currently available. Previously raised ~\$68 million of net proceeds under this program: issued ~4 million shares during H1 2021; Program not used since June 2021
- **Strong Liquidity:** \$83.3 million of cash and cash equivalents including investment securities

**Disciplined use of cash as we prudently invest in growth**



# Key Investment Highlights

Large SAM

1

Uniquely positioned to capture the cumulative potential revenue opportunity of **\$80 Billion** through 2030

Best-in-Class Lidar Specifications

2

Highway Pilot capabilities up to 130 km/h enabled by our MEMS-based Lidar and edge computing with significantly reduced training and development costs for OEMs

Unique Go-to-Market Strategy

3

Establish attractive **software-centric margins** with low operating expenses through direct partnerships with OEMs and production relationships with Tier 1s

Mature Technology and Strong IP Portfolio

4

Over **430 issued patents** in MEMS-based core technology (more patents than any other publicly traded Lidar company) with 20+ years developing and productizing our technology

Compelling Financial Profile

5

**Strong balance sheet**, attractive business model, low asset intensity, and high margins



Thank you

