

March 31, 2020



MicroVision Announces Agreement to Transfer Component Production to its April 2017 Customer

REDMOND, Wash., March 31, 2020 (GLOBE NEWSWIRE) -- MicroVision, Inc. ([NASDAQ:MVIS](#)), a leader in innovative ultra-miniature projection display and sensing technology, today announced it has completed an agreement for its April 2017 customer to take over production of the components MicroVision had been producing for the customer. Beginning in March MicroVision expects to earn a royalty on each component shipped that is approximately equal to the gross profit it earned on each component it had previously produced.

“We are pleased to complete this agreement to support our customer’s needs which provides manufacturing stability while at the same time reduces our cash requirements. The agreement with our April 2017 contract customer is expected to generate the same gross profit dollars that we would have earned if we continued to be responsible for the production. The new arrangement would allow us to enjoy the upside if the customer’s product experiences much higher volumes in the future, while allowing for a lower cost structure and reducing our expected working capital requirements in 2020,” said MicroVision CEO Sumit Sharma.

As part of the agreement, MicroVision also sold certain assets needed for production for approximately \$525,000. The net book value, after previously recorded depreciation of the assets sold, was approximately \$81,000.

MicroVision began selling production components in the third quarter of 2019 that it had developed for a leading technology customer under a development and supply agreement announced in April 2017. Under the new arrangement, the royalties MicroVision expects to receive will be applied against the remaining \$9.8 million prepayment that MicroVision had previously received from the customer until the prepayment is exhausted.

About MicroVision

MicroVision is the creator of PicoP® scanning technology, an ultra-miniature sensing and projection solution based on the laser beam scanning methodology pioneered by the company. MicroVision’s platform approach for this sensing and display solution means that its technology can be adapted to a wide array of applications and form factors. We combine our hardware, software, and algorithms to unlock value for our customers by providing them a differentiated advanced solution for a rapidly evolving, always-on world.

MicroVision has a substantial portfolio of patents relating to laser beam scanning projection and sensing. MicroVision’s industry leading technology is a result of its extensive research and development. The company is based in Redmond, Washington.

MicroVision and PicoP are trademarks of MicroVision, Inc. in the United States and other countries. All other trademarks are the properties of their respective owners.

Forward-Looking Statements

Certain statements contained in this release, including those relating to transfer of production, payment of royalties, profits, future production volume, lower cost and working capital requirements, the company's future products, product applications and solutions and statements using words such as "expect" and "would" are forward-looking statements that involve a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those projected in our forward-looking statements include the risk that the company may not succeed in finding strategic solutions with acceptable timing, benefits or costs, the company may be unable to evidence compliance with Nasdaq criteria within the period of time that was granted by the Nasdaq panel, our ability to operate with limited cash or to raise additional capital when needed; market acceptance of our technologies and products; and for products incorporating our technologies; the failure of our commercial partners to perform as expected under our agreements, including from the impact of the COVID-19 (coronavirus); our ability to identify parties interested in paying any amounts or amounts we deem desirable for the purchase or license of intellectual property assets; our or our customers' failure to perform under open purchase orders, our financial and technical resources relative to those of our competitors; our ability to keep up with rapid technological change; government regulation of our technologies; our ability to enforce our intellectual property rights and protect our proprietary technologies; the ability to obtain additional contract awards and develop partnership opportunities; the timing of commercial product launches and delays in product development; the ability to achieve key technical milestones in key products; dependence on third parties to develop, manufacture, sell and market our products; potential product liability claims; our ability to maintain our listing on the Nasdaq Stock Market, and other risk factors identified from time to time in the company's SEC reports, including the company's Annual Report on Form 10-K filed with the SEC. These factors are not intended to represent a complete list of the general or specific factors that may affect us. It should be recognized that other factors, including general economic factors and business strategies, may be significant, now or in the future, and the factors set forth in this release may affect us to a greater extent than indicated. Except as expressly required by federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changes in circumstances or any other reason.

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