

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

**Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 7, 2002

MICROVISION, INC.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of incorporation)

0-21221
(Commission File Number)

91-1600822
(IRS Employer Identification No.)

19910 North Creek Parkway
Bothell, Washington 98011
(Address of Principal Executive Office) (Zip Code)

Registrant's telephone number, including area code: **(425) 415-6847**

Item 5. Other Events.

Microvision, Inc. (the "Company") has commenced an offering of up to \$6,862,480 of its common stock, no par value per share, under the Company's Registration Statement on Form S-3, registration no. 333-69652. This Current Report is being filed so that the form of stock purchase agreement, legality opinion, and the Company's press release, dated March 7, 2002, filed as exhibits hereto will be incorporated by reference into the registration statement.

Item 7. Financial Statements and Exhibits.

c) Exhibits.

- 5.1 Legal Opinion
- 10.1 Form of Stock Purchase Agreement
- 10.2 Finder's Agreement dated August 14, 2001 between Microvision, Inc. and Brookehill Capital Partners(1)
- 23.1 Consent of Stoel Rives LLP (see Exhibit 5.1)
- 99.1 Company press release, dated March 7, 2002

(1) Incorporated by reference to the Company's Current Report on Form 8-K for the event of October 17, 2001, as filed on October 17, 2001.

SIGNATURES

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

MICROVISION, INC.

By: _____ /s/ RICHARD RAISIG

Richard Raisig
Chief Financial Officer

Date: March 22, 2001

[SIGNATURES](#)

March 26, 2002

Microvision, Inc.
19910 North Creek Parkway
Bothell, WA 98011

Re: Registration Statement on Form S-3, Registration No. 333-69652

Ladies and Gentlemen:

We have acted as counsel for Microvision, Inc., a Washington corporation (the "Company"), in connection with the preparation of a Registration Statement on Form S-3, Registration No. 333-69652, filed on September 10, 2001 and amended on September 26, 2001 (together, the "Registration Statement"), in accordance with the rules and regulations promulgated under the Securities Act of 1933, as amended (the "Securities Act"), relating to the offer and sale of up to \$20,000,000 of the Company's common stock, no par value, preferred stock, no par value, common stock purchase warrants, and convertible debt, including the offer and sale of 524,131 shares of the Company's common stock (the "Shares") to six purchasers pursuant to purchase agreements dated March 22, 2002.

We have reviewed the corporate action of the Company in connection with the foregoing and have examined such documents, corporate records, and other instruments as we have deemed necessary for the purposes of this opinion. In such examination, we have assumed (i) the authenticity of original documents and the genuineness of all signatures, (ii) the conformity to the originals of all documents submitted to us as copies, and (iii) the truth, accuracy, and completeness of the information, representations, and warranties contained in the records, documents, instruments, and certificates we have reviewed.

Based on such examination, we are of the opinion that the Shares have been duly authorized and when issued, delivered and paid for pursuant to the terms of the purchase agreements therefor, will be validly issued, fully paid and nonassessable by the Company.

The opinions expressed herein are limited solely to the laws of the State of Washington. We express no opinion as to any matter other than expressly set forth above, and no other opinion is intended to be implied or inferred herefrom. The opinions expressed herein are opinions on legal and not factual matters. Our opinions are given as of the date hereof, and we undertake no obligation and hereby disclaim any obligation to advise upon of any change in law, facts or circumstances, occurring after the date hereof.

We hereby consent to the filing of this opinion as an exhibit to the Current Report on Form 8-K and to the use of our name in the prospectus forming part of the Registration Statement. In giving this consent, we do not hereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

STOEL RIVES LLP

FORM OF STOCK PURCHASE AGREEMENT

This agreement is dated March , 2002 between [] ("Purchaser"), and Microvision, Inc., a Washington corporation ("Company").

1. *Purchase and Sale.* Purchaser agrees to buy and the Company agrees to sell and issue to Purchaser [] shares of the Company's common stock (the "Shares") at a price of [\$] per share, for an aggregate purchase price of [\$] (the "Purchase Price").

2. *Registered Offering.* The offer and sale of the Shares have been registered on a Form S-3 registration statement, Registration No. 333-69652 ("Registration Statement"), which Registration Statement has been declared effective by the Securities and Exchange Commission. When issued against payment therefore, the Shares will be free of any resale restrictions and the certificates representing the Shares will not contain any restrictive legends. The Company shall deliver to Purchaser the prospectus that constitutes a part of the Registration Statement and a prospectus supplement regarding the sale of the Shares pursuant hereto.

3. *Purchaser's Due Diligence.* Purchaser acknowledges that Purchaser has been given the opportunity to ask questions of, and receive answers from, the Company's officers concerning the Company, its business, results, and financial condition, and to obtain any additional information Purchaser needs in making a decision to invest in the Company. Purchaser further acknowledges that all of Purchaser's questions have been answered to Purchaser's satisfaction, and all information and documents pertaining to Purchaser's investment that Purchaser has requested have been made available.

4. *Payment.* Purchaser shall wire the Purchase Price to the Company in accordance with the wire transfer instructions attached hereto at *Exhibit A*. Concurrent with confirmation of receipt of the Purchase Price, the Company shall cause its transfer agent to transmit the Shares electronically to Purchaser by crediting the account set forth below through the Deposit Withdrawal Agent Commission (DWAC) system.

[]
[]
[]

5. *Counterparts.* This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

6. *Entire Agreement.* This Agreement contains the entire understanding of the parties with respect to the matters covered herein and, except as specifically set forth herein, neither the Company nor the Purchaser make any representation, warranty, covenant or undertaking with respect to such

matters. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and Purchaser.

AGREED AND ACCEPTED:

COMPANY: MICROVISION, INC.

By: _____

Name: _____

Title: _____

PURCHASER:

By: _____

Name: _____

Title: _____

Address: []
[]
[]

Microvision Reports Record Revenue for Fourth Quarter and FY 2001; Revenue Increases 48% for the Fourth Quarter; Up 33% for the Year

BOTHELL, Wash., Mar 7, 2002 (BUSINESS WIRE)—Microvision, Inc. (Nasdaq:MVIS), a leader in light scanning technologies, today reported financial results for the fourth quarter and full year of 2001.

Revenue for the fourth quarter of 2001 rose 48% to \$4.3 million compared to \$2.9 million for the same period in 2000. Revenue for the twelve months ended December 31, 2001 increased 33% to \$10.8 million compared to \$8.1 million for the same period in 2000. Revenue for both the fourth quarter of 2001 and the full year were the highest in the Company's history.

For the three months ended December 31, 2001, Microvision reported a consolidated net loss of \$7.8 million or \$.61 per share compared to a net loss of \$6.9 million or \$.58 per share for the same period in 2000. For the year ended December 31, 2001, the Company reported a consolidated net loss of \$34.8 million or \$2.85 per share compared to a consolidated net loss of \$26.6 million or \$2.33 per share for the same period in 2000. Consolidated results include Microvision, Inc. and the company's subsidiary, Lumera Corporation. For the three months and twelve months ended December 31, 2001, the portion of the consolidated loss attributable to Lumera was \$100,000 or \$.01 per share and \$3.0 million or \$.25 per share, respectively, compared to \$2.2 million or \$.19 per share and \$2.9 million or \$.25 per share for the three and twelve months ended December 31, 2000, respectively.

The Company, including Lumera, ended the year with \$33.7 million in cash, cash equivalents and investment securities and a contract backlog of \$6.8 million.

"We have just completed the most successful year in Microvision's history, achieving significant product milestones and recording record revenue for the fourth quarter and the full year," said Microvision CEO Rick Rutkowski. "2001 was also a year in which we undertook the development of compelling products featuring Microvision's proprietary microscanning and electro-optics technology: the recently-launched Nomad personal display and the soon-to-be-launched Flic personal barcode scanner. Early in the year, we completed a \$24 million funding for our Lumera subsidiary with Cisco as lead investor, and we continue to look forward to developments from Lumera in the future as they develop powerful products based on their proprietary electro-optic polymer technology."

"During the first months of this year, we successfully completed the pilot production, vendor quality assurance and field qualification for the commercial launch of our Nomad display system, and are now ramping production to support growing and more visible demand for the product. We continue to receive excellent feedback from the first Nomad units delivered to customers, and to see growing quotation activity from our direct sales effort. We are also having early successes in signing qualified channel partners to address a variety of market opportunities for the Nomad display, and expect to execute a number of additional channel partnerships this quarter and next."

"Since first introducing a pre-production prototype of our Flic personal barcode scanner in November, we have had a strong response from both channel partners and several potential OEM partners, as well as from large potential end-users. We continue to target a mid-year commercial launch, and we look forward to reporting on further developments with OEM and channel partners leading up to the product launch. Early indications suggest that we may see robust sales activity from Flic during the second half of this year."

"In addition to the launch of two commercial products this year, we continue to make significant progress in developing powerful technology to address the potential for high volume consumer display applications. Our recent prototypes are notable for their extraordinary image quality. Featuring full SVGA (800 X 600) resolution, the display's color saturation and color gamut are both superior to other miniature displays. Dynamic range has been tested at greater than 50,000 to 1, pointing the way to contrast ratios in excess of 200 to 1, and we are just getting started. Through partnerships with Wahlsin Lihwa and others, we believe that we can produce these superior quality displays for much lower costs

than competing miniature displays. We fully expect to develop additional strategic relationships in higher volume product categories such as digital cameras, and consumer and enterprise mobile communications devices.

We are also progressing with our development of laser-scanning cameras for a variety of image capture applications, ranging from two-dimensional barcode readers to machine vision systems and advanced medical scopes. Interest from prospective partners in a variety of image capture applications and products continues to grow, and we expect additional partnering developments relating to these future products as well.

During the year we delivered prototype systems of unique laser-scanning projection systems to leading automobile manufacturers. The systems have been very well received, and we currently anticipate that we will soon be able to report on one or more projects that will continue this work.

Our ongoing contract work for the U.S. military has achieved unmatched technical successes in terms of overall system performance. New contracts initiated late in 2001 have broadened the scope of our funded projects to include developments that build on and leverage our ongoing work in the category of wearable displays for military surgeons, medics and dismounted troops, in addition to our work with the Army on helmet mounted displays for rotorcraft. We expect to announce several new contract awards in the weeks ahead.

"We expect revenue for the first quarter of 2002 to be in the range of \$3.5 million, by far the best first quarter in our history, and a substantial increase compared to the same period last year. We continue to target triple digit growth for 2002, with revenue for the year increasing in the range of 125% to 150% versus 2001. Revenue growth in Q2 through Q4 is expected to benefit from increasing sales and production volumes of the Nomad display as well as the introduction of the Flic barcode scanner product at the end of Q2."

Conference Call

Microvision will host a conference call to discuss its fourth quarter and full year 2001 financial results at 8:00 a.m. PT. Participants may join the conference call by dialing 800/997-8642 (for U.S. participants) ten minutes prior to the start of the conference. International participants can dial 973/694-6836. Additionally, the call will be broadcast over the Internet and can be accessed from the company's web site at www.mvis.com. A telephone replay of the call will be available through 11:00 p.m. ET March 14, 2002 and can be accessed by dialing 800/428-6051 (for U.S. participants) or 973/709-2089 (for international participants). The confirmation code is 234191.

About Microvision

Headquartered in Bothell, Wash., Microvision, Inc. is the developer of the proprietary Retinal Scanning Display technology and a world leader in micro miniature optical scanning technology for display and imaging applications. The company's technology has applications in a broad range of military, medical, industrial, professional and consumer information products. Additional information can be found at the company's Web site at <http://www.mvis.com>.

About Lumera

As a subsidiary of Microvision, Inc., Lumera is a leader in the development of electro-optic devices based on proprietary optical polymers. The company plans to deliver

superior and unique component solutions to optical systems suppliers. Lumera plans to supply standard and custom components to systems providers in multiple high-growth product categories. Additional information can be found at Lumera's Web site at <http://www.lumera.com>.

Forward-Looking Statements Disclaimer

Certain statements contained in this release, including projections of revenues, income, expenses, and loss, plans for product development, future operations, and financing needs or plans, as well as

statements containing words like "believe," "anticipate," "estimate," "intend," "seek," "expect," and other similar expressions, are forward-looking statements that involve a number of risks and uncertainties. Factors that could cause actual results to differ materially from those projected in the company's forward-looking statements include the following: market acceptance of our technologies and products; 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 to develop partnership opportunities; the timing of commercial product launches; the ability to achieve key technical milestones in key products; and other risk factors identified from time to time in the company's SEC reports, including in its Annual Report on 10-K for the year ended December 31, 2000 and its Quarterly Reports on Form 10-Q.

Microvision, Inc.

Consolidated Balance Sheet

(In thousands)

	December 31, 2001	December 31, 2000
	(Unaudited)	
Assets		
Current Assets		
Cash and cash equivalents	\$ 15,587	\$ 7,307
Investment securities, available-for-sale	18,065	33,410
Accounts receivable, net	1,712	1,033
Costs and estimated earnings in excess of billings on uncompleted contracts	1,584	2,116
Inventory, net	99	—
Current restricted investments	102	1,125
Other current assets	2,302	976
Total current assets	39,451	45,967
Long-term investment, at cost	624	624
Property and equipment, net	8,960	7,516
Restricted investments	1,434	951
Receivables from related parties	2,252	1,000
Other assets	1,334	114
Total assets	\$ 54,055	\$ 56,172
Liabilities, Minority Interest and Shareholders' Equity		
Current Liabilities		
Accounts payable	\$ 1,613	\$ 1,974
Accrued liabilities	4,298	2,359
Allowance for estimated contract losses	155	295
Billings in excess of costs and estimated earnings on uncompleted contracts	60	419
Current portion of capital lease obligations	170	317
Current portion of long-term debt	57	52
Total current liabilities	6,353	5,416
Capital lease obligations, net of current portion	61	182
Long-term debt, net of current portion	232	290
Deferred rent, net of current portion	259	242
Total liabilities	6,905	6,130
Commitments and Contingencies	—	—
Minority Interest	14,824	—
Shareholders' Equity		
Common stock and paid-in capital	135,954	120,506
Deferred compensation	(2,803)	(4,378)
Subscriptions receivable from related parties	(321)	(403)
Accumulated other comprehensive income	427	454
Accumulated deficit	(100,931)	(66,137)

Total shareholders' equity		32,326		50,042
Total liabilities, minority interest and shareholders' equity	\$	54,055	\$	56,172

Microvision, Inc.

Consolidated Statement of Operations

(In thousands, except earnings per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2001	2000	2001	2000
	(Unaudited)		(Unaudited)	
Revenue	\$ 4,251	\$ 2,865	\$ 10,762	\$ 8,121
Cost of revenue	2,128	2,008	6,109	6,076
Gross margin	2,123	857	4,653	2,045
Research and development expense	7,410	5,669	31,899	19,520
Marketing, general and administrative expense	3,536	2,465	14,356	10,475
Non-cash compensation expense	664	441	2,533	1,592
Total operating expenses	11,610	8,575	48,788	31,587
Loss from operations	(9,487)	(7,718)	(44,135)	(29,542)
Interest income	541	837	2,523	3,105
Interest expense	(22)	(31)	(92)	(164)
Realized gain on sale of investment securities	21	—	316	—
Loss before minority interests	(8,947)	(6,912)	(41,388)	(26,601)
Minority interests in loss of consolidated subsidiary	1,137	—	6,594	—
Net loss	\$ (7,810)	\$ (6,912)	\$ (34,794)	\$ (26,601)
Net loss per share before non-cash compensation expense	\$ (0.56)	\$ (0.54)	\$ (2.64)	\$ (2.19)
Non-cash compensation expense	(0.05)	(0.04)	(0.21)	(0.14)
Net loss per share—basic and diluted	\$ (0.61)	\$ (0.58)	\$ (2.85)	\$ (2.33)
Weighted-average shares outstanding—basic and diluted	12,892	11,855	12,200	11,421

CONTACT: Microvision, Inc.

Brian Heagler (investors), 425/415-6794

brian_heagler@mvis.com

or

Matt Nichols (media), 425/415-6852

matt_nichols@mvis.com

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