

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2025

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 001-34170



MicroVision, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

91-1600822

(I.R.S. Employer Identification Number)

18390 NE 68th Street

Redmond, Washington 98052

(Address of Principal Executive Offices, including Zip Code)

(425) 936-6847

(Registrant's Telephone Number, including Area Code)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value per share	MVIS	The Nasdaq Stock Market LLC

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 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 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 ☐

Non-accelerated filer ☒

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 ☒

The number of shares of the registrant's common stock outstanding as of November 5, 2025 was 305,397,269.

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PART I.

ITEM 1. FINANCIAL STATEMENTS

MicroVision, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except per share data)
(Unaudited)

	September 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 72,832	\$ 54,486
Investment securities, available-for-sale	26,676	20,216
Restricted cash, current	328	261
Accounts receivable, net of allowances	40	926
Inventory	8,131	2,294
Other current assets	6,969	4,287
Total current assets	114,976	82,470
Property and equipment, net	6,574	7,061
Operating lease right-of-use assets	15,365	16,746
Restricted cash, net of current portion	1,374	1,500
Intangible assets, net	10,281	10,972
Other assets	2,252	2,412
Total assets	\$ 150,822	\$ 121,161
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	\$ 1,339	\$ 1,132
Accrued liabilities	3,754	2,542
Contract liabilities	147	308
Derivative liability	1,856	14,581
Notes payable, current	28,963	24,248
Operating lease liabilities, current	3,154	2,682
Finance lease liabilities, current	14	-
Other current liabilities	672	458
Total current liabilities	39,899	45,951
Notes payable, net of current portion	-	8,754
Warrant liability	4,059	-
Operating lease liabilities, net of current portion	14,434	15,954
Finance lease liabilities, net of current portion	31	-
Other long-term liabilities	1,680	1,733
Total liabilities	60,103	72,392
Commitments and contingencies (Note 11)		
Shareholders' equity		
Preferred stock, par value \$0.001; 25,000 shares authorized; zero and zero shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	-	-
Common stock, par value \$0.001; 510,000 shares authorized; 302,358 and 224,993 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	302	225
Additional paid-in capital	1,009,272	910,825
Accumulated other comprehensive income	651	-
Accumulated deficit	(919,506)	(862,281)
Total shareholders' equity	90,719	48,769
Total liabilities and shareholders' equity	\$ 150,822	\$ 121,161

The accompanying notes are an integral part of these financial statements.

MicroVision, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 241	\$ 190	\$ 985	\$ 3,046
Cost of revenue	957	583	2,223	3,414
Gross loss	(716)	(393)	(1,238)	(368)
Research and development expense	7,978	8,736	23,039	40,251
Sales, marketing, general and administrative expense	4,027	6,599	17,140	23,423
Impairment loss on intangible assets	-	-	-	3,027
Gain on disposal of fixed assets	-	(22)	-	(22)
Total operating expenses	12,005	15,313	40,179	66,679
Loss from operations	(12,721)	(15,706)	(41,417)	(67,047)
Interest expense	(2,197)	(21)	(17,270)	(51)
Unrealized gain on derivative liability	1,059	-	3,853	-
Unrealized (loss) gain on warrant liability	(326)	-	2,238	-
Realized loss on debt extinguishment	-	-	(4,654)	-
Other income	140	318	363	1,764
Net loss before taxes	(14,045)	(15,409)	(56,887)	(65,334)
Income tax expense	(172)	(108)	(338)	(426)
Net loss	<u>\$ (14,217)</u>	<u>\$ (15,517)</u>	<u>\$ (57,225)</u>	<u>\$ (65,760)</u>
Net loss per share - basic and diluted	<u>\$ (0.05)</u>	<u>\$ (0.07)</u>	<u>\$ (0.22)</u>	<u>\$ (0.32)</u>
Weighted-average shares outstanding - basic and diluted	<u>295,461</u>	<u>213,004</u>	<u>262,235</u>	<u>206,164</u>

The accompanying notes are an integral part of these financial statements.

MicroVision, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(In thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Net loss	\$ (14,217)	\$ (15,517)	\$ (57,225)	\$ (65,760)
Other comprehensive income:				
Unrealized gain (loss) on investment securities, available-for-sale	8	78	(14)	33
Unrealized gain on translation	125	165	665	101
Total comprehensive income	133	243	651	134
Comprehensive loss	\$ (14,084)	\$ (15,274)	\$ (56,574)	\$ (65,626)

The accompanying notes are an integral part of these financial statements.

MicroVision, Inc.
Condensed Consolidated Statements of Shareholders' Equity
(In thousands)
(Unaudited)

	Common Stock		Additional	Accumulated		Total
	Shares	Par value	paid-in capital	other comprehensive income	Accumulated deficit	Shareholders' equity
Balance as of June 30, 2024	211,961	\$ 212	\$ 894,005	\$ 101	\$ (815,609)	\$ 78,709
Share-based compensation expense	1,478	1	2,425	-	-	2,426
Sales of common stock, net	-	-	(6)	-	-	(6)
Net loss	-	-	-	-	(15,517)	(15,517)
Other comprehensive income	-	-	-	243	-	243
Balance as of September 30, 2024	<u>213,439</u>	<u>\$ 213</u>	<u>\$ 896,424</u>	<u>\$ 344</u>	<u>\$ (831,126)</u>	<u>\$ 65,855</u>
Balance as of June 30, 2025	278,018	\$ 278	\$ 981,597	\$ 518	\$ (905,289)	\$ 77,104
Share-based compensation expense	1,553	-	(1,603)	-	-	(1,603)
Sales of common stock, net	22,787	24	29,278	-	-	29,302
Net loss	-	-	-	-	(14,217)	(14,217)
Other comprehensive income	-	-	-	133	-	133
Balance as of September 30, 2025	<u>302,358</u>	<u>\$ 302</u>	<u>\$ 1,009,272</u>	<u>\$ 651</u>	<u>\$ (919,506)</u>	<u>\$ 90,719</u>
Balance as of January 1, 2024	194,736	\$ 195	\$ 860,765	\$ 210	\$ (765,366)	\$ 95,804
Share-based compensation expense	3,642	3	9,519	-	-	9,522
Exercise of options	84	-	62	-	-	62
Sales of common stock, net	14,977	15	26,078	-	-	26,093
Net loss	-	-	-	-	(65,760)	(65,760)
Other comprehensive income	-	-	-	134	-	134
Balance as of September 30, 2024	<u>213,439</u>	<u>\$ 213</u>	<u>\$ 896,424</u>	<u>\$ 344</u>	<u>\$ (831,126)</u>	<u>\$ 65,855</u>
Balance as of January 1, 2025	224,993	\$ 225	\$ 910,825	\$ -	\$ (862,281)	\$ 48,769
Share-based compensation expense	3,876	-	2,248	-	-	2,248
Sales of common stock, net and warrants	59,419	63	74,233	-	-	74,296
Conversions of notes payable	14,070	14	21,966	-	-	21,980
Net loss	-	-	-	-	(57,225)	(57,225)
Other comprehensive income	-	-	-	651	-	651
Balance as of September 30, 2025	<u>302,358</u>	<u>\$ 302</u>	<u>\$ 1,009,272</u>	<u>\$ 651</u>	<u>\$ (919,506)</u>	<u>\$ 90,719</u>

The accompanying notes are an integral part of these financial statements.

MicroVision, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (57,225)	\$ (65,760)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	4,347	5,246
Gain on disposal of fixed assets	-	(22)
Impairment of intangible assets	-	3,027
Impairment of operating lease right-of-use assets	-	406
Unrealized gain on derivative liability	(3,853)	-
Unrealized gain on warrant liability	(2,238)	-
Loss on debt extinguishment	4,654	-
Inventory write-downs	-	127
Non-cash interest expense	7,325	-
Amortization of debt discount and issuance costs on notes payable	9,915	-
Share-based compensation expense	2,248	9,522
Net accretion of premium on short-term investments	(284)	(776)
Change in:		
Accounts receivable	886	717
Inventory	(5,798)	(723)
Other current and non-current assets	(2,170)	606
Accounts payable	207	(784)
Accrued liabilities	1,087	(2,747)
Contract liabilities and other current liabilities	32	109
Operating lease liabilities	(2,188)	(1,944)
Other long-term liabilities	(260)	(488)
Net cash used in operating activities	(43,315)	(53,484)
Cash flows from investing activities		
Sales of investment securities	26,688	28,311
Purchases of investment securities	(32,878)	(25,570)
Purchases of property and equipment	(435)	(271)
Cash paid for Ibeo business combination	-	(6,300)
Net cash used in investing activities	(6,625)	(3,830)
Cash flows from financing activities		
Principal payments under finance leases	(10)	-
Principal payments under notes payable	(5,500)	-
Proceeds from stock option exercises	-	62
Net proceeds from issuance of common stock and warrants	73,268	26,093
Net cash provided by financing activities	67,758	26,155
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	469	133
Change in cash, cash equivalents, and restricted cash	18,287	(31,026)
Cash, cash equivalents, and restricted cash at beginning of period	56,247	49,391
Cash, cash equivalents, and restricted cash at end of period	\$ 74,534	\$ 18,365
Supplemental schedule of non-cash investing and financing activities		
Common stock issued in conversions of notes payable	\$ 21,980	\$ -
Issuance of warrants	\$ 6,297	\$ -
Acquisition of right-of-use asset	\$ 139	\$ -
Foreign currency translation adjustment	\$ 665	\$ 101
Unrealized (loss) gain on investment securities, available-for-sale	\$ (14)	\$ 33

The following table provides a reconciliation of the cash, cash equivalents, and restricted cash balances as of September 30, 2025 and September 30, 2024:

	September 30, 2025	September 30, 2024
Cash and cash equivalents	\$ 72,832	\$ 16,523
Restricted cash, current	328	270
Restricted cash, net of current portion	1,374	1,572
Cash, cash equivalents, and restricted cash	\$ 74,534	\$ 18,365

The accompanying notes are an integral part of these financial statements.

MicroVision, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. DESCRIPTION OF BUSINESS

MicroVision, Inc. is committed to driving the global adoption of proprietary products, which leverage deterministic AI at the edge with the Company's innovative perception and application software running on diverse lidar sensors. The Company's solutions enable ADAS and autonomy features for customers in a wide range of industries including robotics, automated warehouse, agriculture, mining, military, and automotive. The Company's deterministic AI at the edge software running on sensors enables intelligent autonomous, active safety, and automation systems which depend on secure, cost-effective and energy-efficient solutions. This software has been developed in close collaboration with automotive customers and the Company is now rapidly expanding with it into new industrial and commercial vehicle sectors.

With engineering teams based in Redmond, Washington and Hamburg, Germany, the Company develops and supplies integrated solutions built on the perception software stack, incorporating application software and processing data from differentiated sensor systems. The Company's extensive experience in developing and productizing core lidar hardware and software components, along with expertise in edge computing, positions the Company as a valuable commercial partner capable of delivering high-value, low-power products.

Liquidity

The Company has incurred significant losses since inception. Operations to date have been funded primarily through the sale of common stock, convertible preferred stock, warrants, the issuance of convertible debt and, to a lesser extent, from development contract revenues, product sales, and licensing activities.

As of September 30, 2025, the Company had total liquidity of \$99.5 million including \$72.8 million in cash and cash equivalents and \$26.7 million in short-term investment securities. In addition, the Company has approximately \$46.2 million availability under its current at-the-market ("ATM") facility as of September 30, 2025, subject to certain market conditions, such as trading prices and volumes. On October 23, 2024, the Company issued \$45.0 million in senior secured convertible notes for gross proceeds of \$41.4 million and has a remaining commitment pursuant to the convertible note facility of \$30.0 million, subject to certain limitations (see *Note 6. Notes Payable and Derivative Liability*). On February 4, 2025, the Company sold shares of common stock and warrants to purchase common stock for net proceeds of approximately \$7.8 million (see *Note 7. Warrant Liability*). Based on the current operating plan, the Company anticipates having sufficient cash and cash equivalents to fund operations for at least the next 12 months from the issuance of these condensed consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The unaudited condensed consolidated financial statements and accompanying notes include the accounts of the Company and its wholly owned subsidiaries, after elimination of all intercompany balances and transactions. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") and the requirements of the U.S. Securities and Exchange Commission (the "SEC") for interim financial information. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with US GAAP have been condensed or omitted. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2024. The information as of December 31, 2024 included in the condensed consolidated balance sheets was derived from those audited financial statements.

The unaudited condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial information for the interim periods presented. The unaudited condensed consolidated results of operations for the interim period are not necessarily indicative of the results to be expected for the year ending December 31, 2025 or for any other future annual or interim period.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires the Company to make estimates and assumptions that affect the reported amounts therein. The most significant estimates and assumptions relate to valuations of intangibles, derivatives, and warrants, revenue recognition, inventory valuation, valuation of share-based payments, income taxes, depreciable lives assessment and related disclosure of contingent assets and liabilities. Due to the inherent uncertainty involved, actual results reported in future periods could differ from those estimates.

Foreign Currency Translation

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Realized gains and losses on those foreign currency transactions are included in determining net loss for the period of exchange and are recorded in other income in the condensed consolidated statements of operations.

Segment Information

The Company determines operating segments based on how the chief operating decision maker (“CODM”) manages the business, makes operating decisions around the allocation of resources, and evaluates operating performance. The CODM is the Executive Management team. The Company has determined that it operates in one operating segment and one reportable segment, relating to the sale and servicing of lidar hardware and software, as the CODM regularly reviews financial information presented on a consolidated basis. Financial information regularly reviewed by the CODM includes revenue, income or loss from operations, and net income or loss.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk are primarily cash, cash equivalents, and investment securities. As of September 30, 2025, cash and cash equivalents are comprised of operating checking accounts and short-term highly rated money market savings accounts. Short-term investments are comprised of highly rated corporate bonds and U.S. Treasury securities.

For the three months ended September 30, 2025, an automotive manufacturer and an automotive supplier accounted for \$0.2 million and \$0.1 million of total revenue, respectively, representing 80% and 12% of total revenue, respectively. For the same period in 2024, three customers accounted for \$0.1 million, \$0.1 million, and \$0.1 million of total revenue, representing 65%, 16%, and 11% of total revenue, respectively.

For the nine months ended September 30, 2025, a leading manufacturer of agricultural equipment, an automotive supplier, and an automotive manufacturer accounted for \$0.5 million, \$0.2 million, and \$0.2 million of total revenue, respectively, representing 51%, 20%, and 18% of total revenue, respectively. For the same period in 2024, three customers accounted for \$1.7 million, \$0.6 million, and \$0.3 million of total revenue, representing 55%, 20%, and 10% of total revenue, respectively.

As of September 30, 2025, accounts receivable related to these customers accounted for 86% of total accounts receivable, net of allowances on the condensed consolidated balance sheets.

Typically, a significant concentration of components and the products sold are manufactured and obtained from single or limited-source suppliers. The loss of any single or limited-source supplier, the failure of any of these suppliers to perform as expected, or the disruption in the supply chain of components from these suppliers could subject the Company to risks and uncertainties including, but not limited to, increased cost of sales, possible loss of revenues, or significant delays in product development or product deliveries, any of which could adversely affect the Company’s financial condition and operating results.

Warrant Liability

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant’s specific terms and applicable authoritative guidance included in Accounting Standards Codification (“ASC”) 480, Distinguishing Liabilities from Equity, and ASC 815, Derivatives and Hedging. The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, whether the warrants meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent reporting period end date while the warrants are outstanding.

Warrants that meet all of the criteria for equity classification are required to be recorded as a component of additional paid-in capital at the time of issuance, or when the conditions for equity classification are met, and are not remeasured. Warrants that do not meet the required criteria for equity classification are classified as liabilities. The Company adjusts such warrants to fair value at each reporting period until the warrants are exercised or expire. Changes in fair value are recognized in the Company's condensed consolidated statements of operations.

Recently Adopted Accounting Pronouncements

In March 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-01, Compensation: Stock Compensation (Topic 718). The amendments in this ASU clarify existing guidance related to profits interest and similar awards. ASU 2024-01 was adopted by the Company beginning January 1, 2025. The adoption of the new standard did not have a material impact on the Company's condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments in this update require disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. ASU 2023-09 is effective for the Company for annual periods beginning January 1, 2025, with early adoption permitted. The ASU is expected to result in incremental disclosures to the Company's financial statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40). The amendments in this ASU require additional disclosure of specified information about certain costs and expenses in the notes to the financial statements. ASU 2024-03 is effective for annual periods for the Company beginning January 1, 2027, with early adoption permitted. The Company is currently evaluating the impact this ASU may have on its financial statement disclosures.

In November 2024, the FASB issued ASU No. 2024-04, Debt—Debt with Conversion and Other Options (Subtopic 470-20). The amendments in this ASU clarify the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The amendments in this Update are effective for all entities for annual reporting periods beginning January 1, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. The ASU is not expected to have a material impact on the Company's financial statements or disclosures.

3. NET LOSS PER SHARE

Basic net loss per share is calculated using the weighted-average number of common shares outstanding during the period. Diluted net loss per share is calculated using the weighted-average number of common shares outstanding and the dilutive effect of all potentially dilutive securities, including common stock equivalents and convertible securities. As the effect of dilutive securities outstanding during the period is anti-dilutive, diluted net loss per share is equal to basic net loss per share.

The components of basic and diluted net loss per share are as follows (in thousands, except loss per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net loss available for common shareholders - basic and diluted	\$ (14,217)	\$ (15,517)	\$ (57,225)	\$ (65,760)
Denominator:				
Weighted-average common shares outstanding - basic and diluted	295,461	213,004	262,235	206,164
Net loss per share - basic and diluted	\$ (0.05)	\$ (0.07)	\$ (0.22)	\$ (0.32)

For the three and nine months ended September 30, 2025 and 2024, the following securities from net loss per share have been excluded as the effect of including them would have been anti-dilutive:

(in millions)	September 30, 2025	September 30, 2024
Outstanding options exercisable	0.7	0.7
Nonvested restricted and performance stock units	14.2	12.7
Shares of common stock that may be issued through conversion of the derivative liability	17.4	-
Shares of common stock that may be issued through the exercise of warrants	5.8	-

4. REVENUE RECOGNITION

Disaggregation of Revenue

The following table provides information about disaggregated revenue by timing of revenue recognition (in thousands):

Three Months Ended September 30, 2025				
	Product Revenue	License and Royalty Revenue	Contract Revenue	Total
Timing of revenue recognition:				
Transferred at a point in time	\$ 28	\$ 213	\$ -	\$ 241
Total	<u>\$ 28</u>	<u>\$ 213</u>	<u>\$ -</u>	<u>\$ 241</u>
Nine Months Ended September 30, 2025				
	Product Revenue	License and Royalty Revenue	Contract Revenue	Total
Timing of revenue recognition:				
Transferred at a point in time	\$ 566	\$ 379	\$ -	\$ 945
Transferred over time	-	-	40	40
Total	<u>\$ 566</u>	<u>\$ 379</u>	<u>\$ 40</u>	<u>\$ 985</u>
Three Months Ended September 30, 2024				
	Product Revenue	License and Royalty Revenue	Contract Revenue	Total
Timing of revenue recognition:				
Transferred at a point in time	\$ 65	\$ 125	\$ -	\$ 190
Total	<u>\$ 65</u>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ 190</u>
Nine Months Ended September 30, 2024				
	Product Revenue	License and Royalty Revenue	Contract Revenue	Total
Timing of revenue recognition:				
Transferred at a point in time	\$ 2,617	\$ 323	\$ 106	\$ 3,046
Total	<u>\$ 2,617</u>	<u>\$ 323</u>	<u>\$ 106</u>	<u>\$ 3,046</u>

Contract Balances

Under Topic 606, the Company's rights to consideration are presented separately depending on whether those rights are conditional or unconditional. Unconditional rights to consideration are included within accounts receivable, net of allowances in the condensed consolidated balance sheets.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows (in thousands, except percentages):

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>\$ Change</u>	<u>% Change</u>
Contract assets and accounts receivable	\$ 40	\$ 926	\$ (886)	(95.7)
Contract liabilities	(147)	(308)	161	(52.3)
Net contract (liabilities) assets	<u>\$ (107)</u>	<u>\$ 618</u>	<u>\$ (725)</u>	<u>(117.3)</u>

Contract Acquisition Costs

The Company is required to capitalize certain contract acquisition costs consisting primarily of commissions paid when contracts are signed. As the Company currently does not pay any commissions upon the signing of a contract, no commission cost has been incurred as of September 30, 2025.

Transaction Price Allocated to the Remaining Performance Obligations

The remaining balance of the contract liabilities was approximately \$0.1 million as of September 30, 2025. The Company expects to recognize 100% of this revenue over the next 12 months.

5. INVESTMENT SECURITIES, AVAILABLE-FOR-SALE AND FAIR VALUE MEASUREMENTS

Investment securities, available-for-sale is comprised of corporate and government debt securities. The principal markets for the debt securities are dealer markets which have a high level of price transparency. The market participants for debt securities are typically large money center banks and regional banks, brokers, dealers, pension funds, and other entities with debt investment portfolios.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the authoritative guidance establishes a three level fair value inputs hierarchy and requires an entity to maximize the use of observable valuation inputs and minimize the use of unobservable inputs. The Company uses market data, assumptions, and risks that market participants would use in measuring the fair value of the asset or liability, including the risks inherent in the inputs and the valuation techniques. The hierarchy is summarized below.

Level 1 - Quoted prices in active markets for identical assets and liabilities at the measurement date that the reporting entity has the ability to access.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs for which there is little or no market data, which requires the reporting entity to develop assumptions, which are significant to the measurement of the fair values.

The valuation inputs hierarchy classification for assets measured at fair value on a recurring basis are summarized below as of September 30, 2025 and December 31, 2024 (in thousands). These tables do not include cash held in money market savings accounts.

<u>As of September 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment securities, available for sale:				
Corporate debt securities	\$ -	\$ 17,034	\$ -	\$ 17,034
U.S. Treasury securities	-	9,642	-	9,642
	<u>\$ -</u>	<u>\$ 26,676</u>	<u>\$ -</u>	<u>\$ 26,676</u>

As of December 31, 2024	Level 1	Level 2	Level 3	Total
Investment securities, available for sale:				
Corporate debt securities	\$ -	\$ 14,001	\$ -	\$ 14,001
U.S. Treasury securities	-	6,215	-	6,215
	<u>\$ -</u>	<u>\$ 20,216</u>	<u>\$ -</u>	<u>\$ 20,216</u>

Short-term investments are summarized below as of September 30, 2025 and December 31, 2024 (in thousands).

	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Investment Securities, Available- For-Sale
As of September 30, 2025				
Investment securities, available for sale:				
Corporate debt securities	\$ 17,024	\$ 11	\$ (1)	\$ 17,034
U.S. Treasury securities	9,639	3	-	9,642
	<u>\$ 26,663</u>	<u>\$ 14</u>	<u>\$ (1)</u>	<u>\$ 26,676</u>

	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Investment Securities, Available- For-Sale
As of December 31, 2024				
Investment securities, available for sale:				
Corporate debt securities	\$ 13,984	\$ 18	\$ -	\$ 14,002
U.S. Treasury securities	6,206	8	-	6,214
	<u>\$ 20,190</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 20,216</u>

The maturities of the investment securities, available-for-sale as of September 30, 2025 and December 31, 2024 are shown below (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
As of September 30, 2025				
Maturity date				
Less than one year	\$ 26,663	\$ 14	\$ (1)	\$ 26,676
	<u>\$ 26,663</u>			<u>\$ 26,676</u>
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
As of December 31, 2024				
Maturity date				
Less than one year	\$ 20,190	\$ 26	\$ -	\$ 20,216
	<u>\$ 20,190</u>			<u>\$ 20,216</u>

The following table summarizes investments that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for more than 12 months as of September 30, 2025 and December 31, 2024 (in thousands):

	Less than Twelve Months		Twelve Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
As of September 30, 2025						
Corporate debt securities	\$ 5,327	\$ (1)	\$ -	\$ -	\$ 5,327	\$ (1)
U.S. Treasury securities	2,668	-	-	-	2,668	-
	<u>\$ 7,995</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,995</u>	<u>\$ (1)</u>
	Less than Twelve Months		Twelve Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
As of December 31, 2024						
Corporate debt securities	\$ 1,245	\$ -	\$ -	\$ -	\$ 1,245	\$ -
U.S. Treasury securities	-	-	-	-	-	-
	<u>\$ 1,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,245</u>	<u>\$ -</u>

6. NOTES PAYABLE AND DERIVATIVE LIABILITY

Background

On October 14, 2024, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) for the purchase of senior secured convertible notes (the “Note”) with an institutional investor (the “Holder”). The principal amount for the initial note is \$45.0 million (the “Initial Principal Amount”), with an option for the Company to issue additional principal in the amount of \$30.0 million (the “Additional Principal Amount” and, together with the Initial Principal Amount, the “Principal Amount”) of convertible notes to the Holder, subject to certain limitations. On October 23, 2024, the Purchase Agreement closed and the Note was issued for net proceeds of approximately \$38.1 million, inclusive of all discounts, fees, and expenses related to the transaction.

On December 30, 2024, pursuant to the terms of the Note, the Holder elected to convert \$1.8 million of outstanding principal into 2,345,068 shares of the Company’s common stock.

On February 3, 2025, the Company entered into a Letter Agreement with the Holder related to the Note. As a result of the Letter Agreement, the Holder elected to early convert \$8.8 million of outstanding principal into 11,725,337 shares of the Company’s common stock. Additionally, as a result of the Letter Agreement, the Holder agreed to defer \$11.6 million of principal repayments to seven monthly payments of \$1.7 million beginning on September 1, 2025 and concluding on March 1, 2026. The Letter Agreement represented a modification requiring extinguishment accounting in accordance with ASC 470. As a result of the modification, a realized loss on debt modification of \$4.7 million and interest expense of \$2.1 million for the nine months ended September 30, 2025 were recorded on the condensed consolidated statement of operations.

On September 2, 2025, the Company repaid \$5.5 million principal in accordance with the Holder’s redemption election pursuant to the terms of the Note. Subsequent to the date of these financial statements, on October 1, 2025 and November 3, 2025, the Company repaid an additional \$5.5 million principal on each date, resulting in \$19.5 million remaining principal outstanding, inclusive of the 10% repayment premium.

Components

The Note is a convertible debt instrument with multiple redemption, conversion, and put features. Certain features qualify as embedded derivatives requiring bifurcation. Therefore, the bifurcated features are accounted for separately as a compound embedded derivative in accordance with ASC 815, “Derivatives and Hedging” and are included in the derivative liability on the condensed consolidated balance sheets. The host contract, which represents the Note excluding the derivative liability, is accounted for as non-convertible debt under ASC 470, “Debt” and is included in notes payable, current and notes payable, net of current portion on the condensed consolidated balance sheets.

Notes Payable

Subsequent to the modification, the host contract is recorded at the total amount repayable at maturity of \$36.0 million, less any unamortized debt discount. The debt discount is equal to the amount repayable at maturity, net of the initial fair value of the bifurcated derivative liability. There were no material qualifying debt issuance costs resulting from the modification.

Supplemental balance sheet information is as follows:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Amount repayable at maturity	\$ 30,525	\$ 47,575
Unamortized debt discount	(1,562)	(12,021)
Unamortized issuance costs	-	(2,552)
Net carrying amount	<u>\$ 28,963</u>	<u>\$ 33,002</u>

Interest expense related to the amortization of the debt discount and issuance costs was \$2.2 million and \$0.0 million for the three months ended September 30, 2025 and 2024, respectively, and \$7.9 million and \$0.0 million for the nine months ended September 30, 2025 and 2024, respectively. Total interest expense for the three and nine months ended September 30, 2025 and 2024 is comprised of the following components:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Amortization of debt discount and issuance costs	\$ (2,191)	\$ -	\$ (7,858)	\$ -
Interest expense from modification of notes payable	-	-	(2,057)	-
Discount on warrants (see <i>Note 7. Warrant Liability</i>)	-	-	(7,325)	-
Other interest expense	(6)	(21)	(30)	(51)
Total interest expense	<u>\$ (2,197)</u>	<u>\$ (21)</u>	<u>\$ (17,270)</u>	<u>\$ (51)</u>

The monthly effective interest rate implicit in the Note as of September 30, 2025 under the interest method was 2.34%.

Maturities of partial repayments, if elected by the Holder, are as follows as of September 30, 2025:

<i>(in thousands)</i>	Maturities
Years Ended December 31,	
2025 (remainder)	\$ 16,500
2026	14,025
Total partial repayments	<u>\$ 30,525</u>

Derivative Liability

As a result of the modification, one embedded feature previously accounted for within the derivative liability no longer required bifurcation and was recombined with the host contract at a fair value of \$0.2 million. Subsequent to the modification, the derivative liability was initially recorded at its fair value of \$7.2 million as of the modification date of February 3, 2025. The derivative liability is subsequently remeasured and reported at fair value each reporting period, with the changes in fair value recorded as an unrealized gain or loss and recognized in earnings.

The fair value of derivatives not designated as hedging instruments as of September 30, 2025 and December 31, 2024 are as follows:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Derivative liability	\$ 1,856	\$ 14,581
Total	<u>\$ 1,856</u>	<u>\$ 14,581</u>

Unrealized gains and losses associated with derivatives not designated as hedging instruments for the three and nine months ended September 30, 2025 and 2024 are as follows:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Unrealized gain on derivative liability	\$ 1,059	\$ -	\$ 3,853	\$ -

Fair Value Measurements

The fair value of the derivative liability is determined utilizing a “with and without” method, in which the fair value is calculated as the difference in the fair value of the entire hybrid instrument and the fair value of the instrument excluding the bifurcated derivative features.

The valuation inputs hierarchy classification for liabilities measured at fair value on a recurring basis are summarized below as of September 30, 2025 and December 31, 2024 (in thousands). See *Note 5. Investment Securities, Available-For-Sale and Fair Value Measurements*, for discussion of the fair value level hierarchy.

As of September 30, 2025	Level 1	Level 2	Level 3
Derivative liability	\$ -	\$ -	\$ 1,856
Total	\$ -	\$ -	\$ 1,856
As of December 31, 2024	Level 1	Level 2	Level 3
Derivative liability	\$ -	\$ -	\$ 14,581
Total	\$ -	\$ -	\$ 14,581

The table below lists the inputs and assumptions for the Company’s valuations as of September 30, 2025 and December 31, 2024:

	September 30, 2025	December 31, 2024
Expected term (years)	1.0	1.75
Risk-free interest rate	3.65%	4.18%
Dividend yield	0%	0%
Volatility	89.14%	78.02%
Discount rate	50.0%	50.0%

7. WARRANT LIABILITY

On February 3, 2025, the Company entered into a new Securities Purchase Agreement (the “2025 Purchase Agreement”) with an institutional investor. In exchange for \$8.0 million, the Holder agreed to purchase 5,750,225 shares of common stock (the “closing shares”) and warrants to purchase up to 5,750,225 shares of common stock at an exercise price of \$1.57 per share (the “warrants”). On February 4, 2025, the 2025 Purchase Agreement closed for net proceeds of approximately \$7.8 million, inclusive of all fees and expenses related to the transaction. The warrants are exercisable beginning August 4, 2025 and expire on August 4, 2030. There have been no exercises of warrants as of September 30, 2025.

The warrants are accounted for as a liability under ASC 480, Distinguishing Liabilities from Equity. Both the closing shares and the warrants are initially recorded on February 4, 2025 at their fair values of \$9.0 million and \$6.3 million, respectively. The warrant liability is subsequently remeasured and reported at fair value each reporting period, with the changes in fair value recorded as an unrealized gain or loss and recognized in earnings.

The fair value of warrants as of September 30, 2025 and December 31, 2024 are as follows:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Warrant liability	\$ 4,059	\$ -
Total	\$ 4,059	\$ -

Unrealized gains and losses associated with warrants are as follows:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Unrealized (loss) gain on warrant liability	\$ (326)	\$ -	\$ 2,238	\$ -

Interest expense of \$7.3 million representing the discount on the transaction was recorded on the condensed consolidated financial statements for the nine months ended September 30, 2025.

The valuation inputs hierarchy classification for liabilities measured at fair value on a recurring basis are summarized below as of September 30, 2025 and December 31, 2024 (in thousands). See *Note 5. Investment Securities, Available-For-Sale and Fair Value Measurements*, for discussion of the fair value level hierarchy.

As of September 30, 2025	Level 1	Level 2	Level 3
Warrant liability	\$ -	\$ -	\$ 4,059
Total	\$ -	\$ -	\$ 4,059
As of December 31, 2024	Level 1	Level 2	Level 3
Warrant liability	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -

The fair value of the warrants is measured using the Black-Scholes option pricing model as of the measurement dates. The table below lists the inputs and assumptions for the Company's valuations as of September 30, 2025 and upon initial measurement as of February 4, 2025:

	September 30, 2025	February 4, 2025
Expected term (years)	4.9	5.5
Risk-free interest rate	3.73%	4.34%
Dividend yield	0%	0%
Volatility	71.25%	80.14%

8. FINANCIAL STATEMENT COMPONENTS

The following financial statement components have significant balances as of September 30, 2025.

Inventory

Inventory consists of the following as of September 30, 2025 and December 31, 2024:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Raw materials	\$ 3,096	\$ 1,616
Work in process	-	-
Finished goods	5,035	678
	<u>\$ 8,131</u>	<u>\$ 2,294</u>

Inventory is computed using the first-in, first-out (FIFO) method and is stated at the lower of cost and net realizable value. Management periodically assesses the need to account for obsolescence of inventory and adjusts the carrying value of inventory to its net realizable value when required.

Property and Equipment

Property and equipment consists of the following as of September 30, 2025 and December 31, 2024:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Production equipment	\$ 6,140	\$ 6,140
Leasehold improvements	4,080	3,957
Computer hardware and software/lab equipment	12,347	12,211
Office furniture and equipment	5,548	4,973
	28,115	27,281
Less: Accumulated depreciation	(21,541)	(20,220)
	<u>\$ 6,574</u>	<u>\$ 7,061</u>

Depreciation expense was \$0.4 million and \$0.6 million for the three months ended September 30, 2025 and 2024, respectively, and \$1.1 million and \$1.7 million for the nine months ended September 30, 2025 and 2024, respectively.

Intangible Assets

The components of intangible assets were as follows as of September 30, 2025 and December 31, 2024:

As of September 30, 2025	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Expense	Net Carrying Amount	Weighted Average Remaining Period (Years)
<i>(in thousands)</i>					
Acquired technology	\$ 20,172	\$ 5,710	\$ 4,181	\$ 10,281	12
	<u>\$ 20,172</u>	<u>\$ 5,710</u>	<u>\$ 4,181</u>	<u>\$ 10,281</u>	

As of December 31, 2024	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Expense	Net Carrying Amount	Weighted Average Remaining Period (Years)
<i>(in thousands)</i>					
Acquired technology	\$ 20,172	\$ 5,019	\$ 4,181	\$ 10,972	13
	<u>\$ 20,172</u>	<u>\$ 5,019</u>	<u>\$ 4,181</u>	<u>\$ 10,972</u>	

Amortization expense was \$0.2 million and \$0.5 million for the three months ended September 30, 2025 and 2024, and \$0.7 million and \$1.6 million for the nine months ended September 30, 2025 and 2024, respectively.

During the quarter ended June 30, 2024, management identified various factors related to the 2024 restructuring events (see *Note 14. Restructuring Charges*) that collectively indicated that it is more-likely-than-not that the fair value of the Company's Reference software intangible asset was less than its carrying amount as of June 30, 2024. As of June 30, 2024, prior to impairment, the fair value was \$4.5 million. As a result, the Company performed an impairment assessment for intangibles in accordance with ASC 360, *Property, Plant and Equipment*. The June 30, 2024 impairment test indicated a decline in the carrying amount of the Reference software intangible asset and a reduction in the asset's useful life, resulting in a non-cash impairment charge of \$3.0 million, which is included in impairment loss on intangible assets on the condensed consolidated statement of operations. The fair value of the Reference software subsequent to impairment was \$1.4 million and is included within intangible assets, net on the condensed consolidated balance sheets. There was no impairment of intangible assets during the nine months ended September 30, 2025.

The following table outlines estimated future amortization expense related to intangible assets held as of September 30, 2025 by line item on the condensed consolidated statement of operations (in thousands):

Years Ended December 31,	Cost of Revenue	Research and Development Expense	Total
2025 (remainder of the year)	\$ 217	\$ 11	\$ 228
2026	869	30	899
2027	829	2	831
2028	825	-	825
2029	825	-	825
Thereafter	6,673	-	6,673
	<u>\$ 10,238</u>	<u>\$ 43</u>	<u>\$ 10,281</u>

9. SHARE-BASED COMPENSATION

The Company issues share-based compensation to employees in the form of restricted stock units (RSUs), performance stock units (PSUs), and stock options. Share-based awards are accounted for by recognizing the fair value of share-based compensation expense on a straight-line basis over the service period of the award, net of estimated forfeitures. The fair value of RSUs and PSUs is determined by the closing price of common stock on the date of grant. The fair value of stock options is estimated on the grant date using the Black-Scholes option pricing model. Changes in estimated inputs or using other option valuation methods may result in materially different option values and share-based compensation expense.

The following table summarizes the amount of share-based compensation expense by line item on the condensed consolidated statements of operations:

Share-based compensation expense (in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Research and development expense	\$ 833	\$ 782	\$ 1,862	\$ 3,378
Sales, marketing, general and administrative expense	(2,436)	1,644	386	6,144
	<u>\$ (1,603)</u>	<u>\$ 2,426</u>	<u>\$ 2,248</u>	<u>\$ 9,522</u>

During the three months ended September 30, 2025, \$4.2 million of expense previously recognized within sales, marketing, general and administrative expense was reversed related to the forfeiture of awards in connection with the CEO separation that occurred during the same period.

Options Activity and Positions

The following table summarizes shares, weighted-average exercise price, weighted-average remaining contractual term, and aggregate intrinsic value of options outstanding and options exercisable as of September 30, 2025 (in thousands, except per share data):

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding as of September 30, 2025	666	\$ 1.43	2.0	\$ 160
Exercisable as of September 30, 2025	666	\$ 1.43	2.0	\$ 160

As of September 30, 2025, there was no unrecognized share-based employee compensation related to stock options.

Restricted Stock Activity and Positions

The following table summarizes activity and positions with respect to RSUs and PSUs for the nine months ended September 30, 2025 (in thousands, except per share data):

	Shares	Weighted-Average Price
Unvested as of December 31, 2024 ¹	12,913	\$ 1.53
Granted	12,002	1.16
Vested	(3,234)	1.65
Forfeited	(7,524)	1.33
Unvested as of September 30, 2025	<u>14,157</u>	<u>\$ 1.29</u>

¹ The number of unvested RSUs and PSUs and the weighted-average price as of December 31, 2024 reported in this Note has been adjusted to 12,913 from 12,013 and to \$1.53 from \$1.51, respectively, as reported in Note 9 of the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, due to the correction of an administrative error. The correction resulted in no change to the previously issued financial statements and the Company deems the administrative error not material from a quantitative or qualitative perspective.

During the nine months ended September 30, 2025, the Company granted 2,640,000 shares to non-executive employees for annual and short-term incentive awards. These shares are valued based on the closing price of common stock on the dates of grant and vest immediately or over three or four years.

During the nine months ended September 30, 2025, the Company granted 9,318,000 shares to executive employees and directors for annual, short-term incentive, and long-term incentive awards. These shares are valued based on the closing price of common stock on the dates of grant and vest immediately, over one year, or over three years.

During the nine months ended September 30, 2025, the Company granted 45,000 shares to non-employees. These shares are valued based on the closing price of common stock on the dates of grant and vest immediately.

As of September 30, 2025, unrecognized share-based compensation related to RSUs was \$7.6 million, which will be expensed over the next 2.0 years. Unrecognized share-based compensation related to executive PSUs was \$3.7 million, which will be expensed over the next 0.7 years.

10. LEASES

The Company leases office space and certain equipment under operating and finance leases. All leases have remaining lease terms of less than eight years. Office lease agreements include both lease and non-lease components, which are accounted for separately. Finance leases contain options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless the Company is reasonably certain to exercise the purchase option.

In September 2021, the Company entered into a lease agreement for product testing and lab space in Redmond, Washington which commenced in November 2021. In addition to base rent, the Company pays additional rent comprised of a proportionate share of any operating expenses, real estate taxes, and management fees. The lease, which expires in July 2032, includes an option to extend the term for one ten-year renewal period.

In September 2021, the Company entered into a lease agreement for office space in Redmond, Washington which commenced in December 2022. In addition to base rent, the Company will pay additional rent comprised of a proportionate share of any operating expenses, real estate taxes, and management fees. The lease, which expires in December 2032, contains an option to extend the term for one ten-year renewal period. On April 21, 2025, the Company signed an agreement with a third party to sublease a portion of this office space. The sublease commenced on July 15, 2025 and provides monthly rent of \$0.1 million. The sublease expires on April 1, 2030 and contains one 32-month extension option.

In April 2022, the Company entered into a lease agreement for product testing for engineering and development activities in Nuremberg, Germany which commenced in May 2022. In June 2024, the Company abandoned the space prior to its expiration of November 2027.

In September 2022, the Company entered into a lease agreement for office space in Nuremberg, Germany which commenced in November 2022. In June 2024, the Company entered into an early termination agreement to decrease the expiration from April 2027 to April 2025, resulting in an insignificant early termination fee.

In December 2023, the Company entered into a lease agreement for office space in Hamburg, Germany which commenced in November 2024. The lease, which expires in November 2029, includes an option to extend the term for two three-year renewal periods.

The components of lease expense are as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease expense	\$ 797	\$ 629	\$ 2,559	\$ 1,964
Finance lease expense:				
Amortization of leased assets	3	-	9	-
Interest on lease liabilities	1	-	1	-
Total finance lease expense	4	-	10	-
Total lease expense	<u>\$ 801</u>	<u>\$ 629</u>	<u>\$ 2,569</u>	<u>\$ 1,964</u>

Supplemental cash flow information related to leases is as follows:

<i>(in thousands)</i>	Nine Months Ended September 30,	
	2025	2024
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 2,188	\$ 1,944
Operating cash flows from finance leases	10	-

Supplemental balance sheet information related to leases is as follows:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Operating leases		
Operating lease right-of-use assets	\$ 15,365	\$ 16,746
Operating lease liabilities, current	3,154	2,682
Operating lease liabilities, net of current portion	14,434	15,954
Total operating lease liabilities	\$ 17,588	\$ 18,636
Finance leases		
Property and equipment, at cost	\$ 157	\$ 112
Accumulated depreciation	(120)	(112)
Property and equipment, net	\$ 37	\$ -
Weighted Average Remaining Lease Term		
Operating leases	6.0 years	6.8 years
Finance leases	2.5 years	n/a
Weighted Average Discount Rate		
Operating leases	4.9%	4.9%
Finance leases	5.5%	n/a

As of September 30, 2025, maturities of lease liabilities are as follows:

<i>(in thousands)</i>	Operating Leases	Finance Leases
Years Ended December 31,		
2025 (remainder of year)	\$ 870	\$ 4
2026	3,420	16
2027	3,449	16
2028	3,386	7
2029	3,309	5
Thereafter	5,716	-
Total minimum lease payments	20,150	48
Less: amount representing interest	(2,562)	(3)
Present value of capital lease liabilities	\$ 17,588	\$ 45

11. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

During the quarter ended September 30, 2023, the Company entered into a \$9.3 million purchase commitment with a contract manufacturing partner for the production of MOVIA L sensor inventory to support direct sales to both automotive and non-automotive customers. During the quarter ended December 31, 2024, the Company entered into an additional purchase commitment with the existing contract manufacturing partner of \$1.8 million. Remaining future minimum payments of approximately \$2.0 million are expected to be made by the Company through the remainder of 2025 and 2026.

Litigation

The Company is subject to various claims and pending or threatened lawsuits in the normal course of business. The Company is not currently party to any legal proceedings that management believes are reasonably possible to have a material adverse effect on financial position, results of operations, or cash flows.

12. COMMON STOCK

In March 2024, the Company entered into a \$150 million ATM equity offering agreement with Deutsche Bank Securities, Inc., Mizuho Securities USA LLC, and Craig-Hallum Capital Group LLC (collectively, the “Agents”). Under the agreement, the Company is able, with discretion, to offer and sell shares of common stock having an aggregate value of up to \$150.0 million through or directly to the Agents. As of September 30, 2025, the sale of 77.6 million shares for net proceeds of \$99.9 million had been completed. As of September 30, 2025, approximately \$46.2 million was available under this sales agreement.

13. INCOME TAXES

The Company recognized income tax expense of \$0.2 million and \$0.1 million during the three months ended September 30, 2025 and 2024, respectively, and \$0.3 million and \$0.4 million during the nine months ended September 30, 2025 and 2024, respectively. Income tax expense for the nine months ended September 30, 2025 was largely the result of income in foreign jurisdictions, partially offset by a deferred income tax benefit generated by the reduction to a deferred tax liability created as a result of the acquisition of Ibeo assets in the first quarter of 2023. The change in income tax expense during the quarter ended September 30, 2025 was largely the result of profitability in foreign jurisdictions.

As of September 30, 2025, the Company continues to have no unrecognized tax positions.

14. RESTRUCTURING CHARGES

In the first half of 2024, to better align the Company’s resources to support business needs, the Company reduced the global workforce by approximately 37%. The Company recognized approximately \$5.8 million in restructuring and related reorganization charges during the nine months ended September 30, 2024 which is recorded within research and development expense and sales, marketing, general and administrative expense on the condensed consolidated statement of operations. The charges were predominately related to employee severance and benefit costs. Consistent with the impairment analysis for this period, the workforce reduction and restructuring included, among other things, impacts from the de-emphasis on the Company’s MOSAIK software business. There were no restructuring charges during the nine months ended September 30, 2025.

15. SUBSEQUENT EVENTS

Subsequent to the date of these financial statements, on October 1, 2025, the Company entered into an Asset Purchase Agreement (the “APA”) with Scantinel Photonics GmbH (“Scantinel”), a Germany-based developer of 1550nm FMCW LiDAR technology, pursuant to which, subject to the satisfaction or waiver of closing conditions, the Company has agreed to acquire from Scantinel certain assets related to Scantinel’s 1550nm FMCW ultra-long range LiDAR sensor business. Under the APA, the Company has also agreed to advance operating funds to support Scantinel’s operations prior to closing.

In preparation for the acquisition, the Company is establishing a new entity pursuant to German law (“NewCo”) to facilitate the purchase of certain assets of Scantinel pursuant to the APA for approximately \$0.4 million. The Company is working with certain strategic funding partners to jointly invest in NewCo, both prior and subsequent to the closing of the acquisition.

The acquisition of Scantinel’s assets by NewCo is expected to close prior to December 31, 2025. Completion of the transaction remains subject to closing conditions, including obtaining clearance from the German Federal Ministry for Economic Affairs and Energy, and will only occur once these closing conditions have been met or waived. The APA also provides the Company with the right to withdraw from the APA if certain conditions are not met prior to closing for a fee of \$0.2 million. The purchase price, advanced funding, and potential breakage fee are not expected to have a material impact on the Company’s consolidated financial statements.

The purpose of the Company’s acquisition of the Scantinel technology and investment in the go-forward business is to expand the Company’s product portfolio, broaden its addressable market, and develop key strategic and commercial partnerships.

On October 17, 2025 and November 7, 2025, the Company advanced operating funds of \$0.6 million on each date to Scantinel. The Company expects to advance up to an additional \$0.6 million in operating funds prior to closing.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking statements

The information set forth in this report in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 3, "Quantitative and Qualitative Disclosures about Market Risk," includes "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"), and is subject to the safe harbor created by those sections. Such statements may include, but are not limited to, projections of revenues and expenses, and measures of income or loss, status of product development and performance, market opportunity and future demand, partner and customer engagement, cooperative arrangements, strategic plans, future operations, financing needs or plans of MicroVision, Inc. ("we," "our," or "us"), as well as assumptions relating to the foregoing. The words "anticipate," "could," "believe," "estimate," "expect," "goal," "may," "plan," "will" and similar expressions identify forward-looking statements. Factors that could cause actual results to differ materially from those projected in our forward-looking statements include risk factors identified below in Item 1A.

Overview

MicroVision, Inc. is committed to driving the global adoption of our proprietary products, which leverage our deterministic AI "at the edge" with our innovative perception and application software running on our diverse lidar sensors. Our solutions enable ADAS and autonomy features for customers in a wide range of industries, including robotics, automated warehouse, agriculture, mining, military, and automotive. Our deterministic AI at the edge software running on our sensors enables intelligent autonomous, active safety, and automation systems which depend on secure, cost-effective, and energy-efficient solutions. This software has been developed in close collaboration with our automotive customers and we are now rapidly expanding with it into new industrial and commercial vehicle sectors.

With engineering teams based in Redmond, Washington and Hamburg, Germany, we develop and supply integrated solutions built on our perception software stack, incorporating application software and processing data from differentiated sensor systems. Our extensive experience in developing and productizing core lidar hardware and software components, along with our expertise in edge computing, positions us as a valuable commercial partner capable of delivering high-value, low-power products.

Founded in 1993, MicroVision, Inc. is a pioneer in laser beam scanning, or LBS technology, which is based on our patented technology in micro-electromechanical systems, or MEMS, laser diodes, opto-mechanics, electronics, algorithms and software and how those elements are packaged into a small form factor. Throughout our history, we have combined our proprietary technology with our development expertise to create innovative solutions to address existing and emerging market needs, such as augmented reality microdisplay engines; interactive display modules; consumer lidar components; and, more recently, lidar sensors and software solutions for industrial, automotive, and military markets.

In January 2023, we acquired certain strategic assets of Germany-based Ibeo Automotive Systems GmbH, which was founded in 1998 as a lidar hardware and software provider. Ibeo developed and launched the first lidar sensor to be automotive qualified for serial production with a premium, or Tier 1, automotive supplier and that is currently available in passenger cars by premium original equipment manufacturers, or OEMs. Ibeo developed software solutions, including perception and validation software, which are also used by premium OEMs. In addition, Ibeo sold its products for non-automotive uses such as industrial, agriculture, smart infrastructure and robotics applications.

Our integrated solution, built on our perception software stack, combines our lidar sensors, both MEMS-based and flash-based, and application software targeted for sale to industrial mobility and autonomy companies, automotive OEMs and Tier 1 suppliers, and defense contractors. Our deterministic AI at the edge enables critical decisions to be made locally and independent of the cloud, leading to faster responses, improved data privacy, and reduced costs. Our mature perception software stack has met the rigorous requirements of automotive qualification and incorporates advanced features, like localization and fusion. Our lidar sensors include MAVIN™, a MEMS-based long-range sensor capable of small object detection, and MOVIA™, a flash-based short- to mid-range sensor, both suitable for industrial and automotive applications. We also develop customer-specific application software, allowing expansion into a wide array of sectors.

Recently, we entered into an Asset Purchase Agreement to acquire Scantinel Photonics GmbH ("Scantinel"), a Germany-based developer of 1550 nm FMCW lidar technology. This acquisition will add the complementary technology of FMCW-based lidar to our product portfolio, giving us the unique advantage amongst our peer of offering both Time-of-Flight and FMCW sensors.

Our product suite also includes our validation software tool, the MOSAIK™ suite, which is targeted for use by OEMs and Tier 1s for validating vehicle sensors for ADAS and autonomous driving, or AD, applications. In 2024, we reduced the dedicated resources and investment into further development of MOSAIK. Specifically, in 2024, in an effort to better align our resources with our product plan, we restructured and reorganized our workforce and related expenditures to strategically focus on our perception software and MAVIN and MOVIA products. While this 41% reduction in workforce added approximately \$6.0 million to our fiscal year 2024 expenses, it reduced go-forward operating expenses through reduced personnel expenses and other operational efficiencies.

In the recent past, we developed micro-display concepts and designs for use in head-mounted augmented reality, or AR, headsets and developed a 1440i MEMS module supporting AR headsets. This technology was integrated into products marketed to consumer and military sectors.

To date, we have been unable to secure customers at the scale needed to successfully launch our products. We have incurred significant losses since inception and we expect to continue to incur significant losses in the near term. We have funded our operations to date primarily through the sale of common stock, convertible preferred stock, warrants, the issuance of convertible debt and, to a lesser extent, from development contract revenues, product sales and licensing activities. In October 2024, we entered into a securities purchase agreement with an institutional investor for the sale of up to \$75.0 million in senior secured convertible notes. See *Part I, Item 1, Note 6. Notes Payable and Derivative Liability*. In February 2025, we entered into another securities purchase agreement with the same institutional investor for the issuance and sale of \$8.0 million in shares of common stock, plus warrants to purchase additional shares of common stock for approximately \$9.0 million. See *Part I, Item 1, Note 7. Warrant Liability*.

Our discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that materially affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent liabilities. We evaluate our estimates on a continuous basis. We base our estimates on historical data, terms of existing contracts, our evaluation of trends in the consumer display and 3D sensing industries, information provided by our current and prospective customers and strategic partners, information available from other outside sources and on various other assumptions we believe to be reasonable under the circumstances. The results form the basis for making judgments regarding the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There have been no significant changes to our critical accounting judgments, policies, and estimates as described in our Annual Report on Form 10-K for the year ended December 31, 2024.

Results of Operations

Revenue

(in thousands)	2025	2024	\$ change	% change
Three Months Ended September 30,	\$ 241	\$ 190	\$ 51	26.8
Nine Months Ended September 30,	985	3,046	(2,061)	(67.7)

Revenues are recognized when control of the promised goods or services are transferred to our customers, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. We recognize revenue either at a point in time, or over time, depending upon the characteristics of the individual contract. If control of the deliverable(s) occurs over time, the revenue is recognized in proportion to the transfer of control. If control passes to the customer only upon completion and transfer of the asset, revenue is recognized at the completion of the contract.

The decrease in revenue for the nine months ended September 30, 2025 compared to the same period in 2024 was primarily due to higher sales of sensors to industrial customers in the 2024 period driven by shipments of MOVIA L sensors to Daimler Truck North America and affiliates as part of RFQ evaluation processes.

Cost of Revenue

(in thousands)	2025	% of revenue	2024	% of revenue	\$ change	% change
Three Months Ended September 30,	\$ 957	397.1	\$ 583	306.8	\$ 374	64.2
Nine Months Ended September 30,	2,223	225.7	3,414	112.1	(1,191)	(34.9)

Cost of revenue includes both direct and allocated indirect costs of products and services sold to customers. Direct costs include labor, materials, reserves for estimated warranty expenses, and other costs incurred directly, or charged to us by our contract manufacturers, in the manufacture of these products. Indirect costs include labor, overhead, and other costs associated with operating our manufacturing capabilities and our research and development department. Overhead includes the costs of procuring, inspecting and storing material, facility and other costs, and is allocated to cost of revenue based on the proportion of indirect labor which supported revenue activities.

Cost of revenue can fluctuate significantly from period to period, depending on the product mix and volume, the level of overhead expense and the volume of direct material purchased. The decrease in cost of revenue for the three and nine months ended September 30, 2025 compared to the same periods in 2024 was primarily due to decreased revenue and the revenue mix.

Research and Development Expense

(in thousands)	2025	2024	\$ change	% change
Three Months Ended September 30,	\$ 7,978	\$ 8,736	\$ (758)	(8.7)
Nine Months Ended September 30,	23,039	40,251	(17,212)	(42.8)

Research and development expense consists of compensation related costs of employees and contractors engaged in internal research and product development activities, direct material to support development programs, laboratory operations, outsourced development and processing work, and other operating expenses. We assign our research and development resources based on the business opportunity of the available projects, the skill mix of the resources available and the contractual commitments we have made to our customers. We believe that a substantial level of continuing research and development expense will be required to further develop our scanning technology.

The decrease in research and development expense during the three months ended September 30, 2025 compared to the same period in 2024 was primarily due to a reduced workforce resulting in lower salary and benefits expense of \$0.5 million and lower IT and software costs of \$0.3 million, partially offset by higher building costs of \$0.4 million and higher travel costs of \$0.3 million.

The decrease in research and development expense during the nine months ended September 30, 2025 compared to the same period in 2024 was primarily due to a reduced workforce resulting in lower salary and benefits expense of \$8.5 million, lower restructuring charges of \$5.1 million, lower purchased services of \$1.7 million, lower IT and software costs of \$0.8 million, and lower direct materials and equipment costs of \$0.4 million, partially offset by higher building costs of \$0.6 million.

Sales, marketing, general and administrative expense

(in thousands)	2025	2024	\$ change	% change
Three Months Ended September 30,	\$ 4,027	\$ 6,599	\$ (2,572)	(39.0)
Nine Months Ended September 30,	17,140	23,423	(6,283)	(26.8)

Sales, marketing, general and administrative expense includes compensation and support costs for marketing, sales, management and administrative staff, and for other general and administrative costs, including legal and accounting services, consultants and other operating expenses.

The decrease in sales, marketing, general and administrative expense during the three months ended September 30, 2025 compared to the same period in 2024 was primarily due to lower non-cash share-based compensation expense of \$4.2 million from the reversal of previously recognized expense related to the forfeiture of awards in connection with the CEO separation that occurred in the three months ended September 30, 2025, and lower professional service fees of \$0.3 million, partially offset by higher severance expense of \$1.2 million and advertising costs of \$0.3 million and higher travel costs of \$0.3 million.

The decrease in sales, marketing, general and administrative expense during the nine months ended September 30, 2025 compared to the same period in 2024 was primarily due to lower non-cash share-based compensation expense of \$4.2 million from the reversal of previously recognized expense related to the forfeiture of awards in connection with the CEO separation that occurred in the three months ended September 30, 2025, lower salary and benefits expense of \$2.8 million, lower restructuring charges of \$0.7 million, and lower trade show expense of \$0.4 million, partially offset by higher purchased services of \$0.4 million, higher building costs of \$0.4 million, higher recruiting costs of \$0.4 million, higher travel costs of \$0.3 million, and higher advertising costs of \$0.3 million.

Impairment loss on intangible assets

(in thousands)

	2025	2024	\$ change	% change
Three Months Ended September 30,	\$ -	\$ -	\$ -	-
Nine Months Ended September 30,	-	3,027	(3,027)	(100.0)

Impairment loss on intangible assets includes impairment charges on intangible assets. During the nine months ended September 30, 2024, management identified impairment indicators related to MOSAIK software. We performed an assessment of projected future cash flows which resulted in a \$3.0 million impairment charge and reduction in the estimated useful life of the asset. See *Item 1, Note 8. Financial Statement Components – Intangible Assets* for additional discussion.

Interest expense

(in thousands)

	2025	2024	\$ change	% change
Three Months Ended September 30,	\$ (2,197)	\$ (21)	\$ (2,176)	10,361.9
Nine Months Ended September 30,	(17,270)	(51)	(17,219)	33,762.7

The increase in interest expense during the three months ended September 30, 2025 compared to the same period in 2024 relates to non-cash interest expense related to amortization of the debt discount on notes payable.

The increase in interest expense during the nine months ended September 30, 2025 compared to the same period in 2024 relates to \$7.3 million of non-cash interest expense representing the discount on the 2025 Purchase Agreement for warrants and shares of common stock (see *Part I, Item 1, Note 7. Warrant Liability*), \$7.9 million of non-cash interest expense related to amortization of the debt discount and issuance costs on notes payable, and \$2.1 million of non-cash interest expense related to the modification of notes payable (see *Part I, Item 1, Note 6. Notes Payable and Derivative Liability*).

Unrealized gain on derivative liability

(in thousands)

	2025	2024	\$ change	% change
Three Months Ended September 30,	\$ 1,059	\$ -	\$ 1,059	-
Nine Months Ended September 30,	3,853	-	3,853	-

Unrealized gain on derivative liability reflects the revaluation of our derivative liability associated with notes payable as of September 30, 2025. Due to the decrease in the fair value of the derivative liability as of September 30, 2025, we recognized an unrealized gain. See *Part I, Item 1, Note 6. Notes Payable and Derivative Liability* for additional discussion.

Unrealized (loss) gain on warrant liability

(in thousands)

	2025	2024	\$ change	% change
Three Months Ended September 30,	\$ (326)	\$ -	\$ (326)	-
Nine Months Ended September 30,	2,238	-	2,238	-

Unrealized (loss) gain on warrant liability reflects the revaluation of our warrant liability as of September 30, 2025. During the three months ended September 30, 2025, due to the increase in the fair value of the warrant liability during the period, we recognized an unrealized loss. During the nine months ended September 30, 2025, due to the decrease in the fair value of the warrant liability during the period, we recognized an unrealized gain. See *Part I, Item 1, Note 7. Warrant Liability* for additional discussion.

Realized loss on debt extinguishment

(in thousands)

	2025	2024	\$ change	% change
Three Months Ended September 30,	\$ -	\$ -	\$ -	-
Nine Months Ended September 30,	(4,654)	-	(4,654)	-

As a result of the debt modification during the nine months ended September 30, 2025, we recognized a loss on extinguishment of notes payable. See *Part I, Item 1, Note 6. Notes Payable and Derivative Liability* for additional discussion.

Other income

(in thousands)

	2025	2024	\$ change	% change
Three Months Ended September 30,	\$ 140	\$ 318	\$ (178)	(56.0)
Nine Months Ended September 30,	363	1,764	(1,401)	(79.4)

The decrease in other income during the three and nine months ended September 30, 2025 compared to the same period in 2024 is primarily due to decreased interest income.

Liquidity and Capital Resources

We have incurred significant losses since inception. We have funded operations to date primarily through the sale of common stock, convertible preferred stock, warrants, the issuance of convertible debt and, to a lesser extent, from development contract revenues, product sales, and licensing activities. As of September 30, 2025, we had \$72.8 million in cash and cash equivalents and \$26.7 million in short-term investment securities. Also on that date, we had approximately \$46.2 million availability left on our existing \$150.0 million ATM facility that was put in place in the first quarter of 2024. In addition, we have a remaining commitment pursuant to the convertible note facility of \$30.0 million, subject to certain limitations. Based on our current operating plan, we anticipate that we have sufficient cash and cash equivalents to fund our operations for at least the next 12 months.

Operating activities

Cash used in operating activities totaled \$43.3 million during the nine months ended September 30, 2025 compared to cash used in operating activities of \$53.5 million during the same period in 2024. Cash used in operating activities resulted primarily from cash used to fund our net loss, after adjusting for non-cash charges such as share-based compensation, intangible impairment expense, depreciation and amortization charges, unrealized gains and losses, and changes in operating assets and liabilities. The changes in cash used in operating activities were primarily attributed to decreased operating expenses related to personnel. We expect to make minimum payments to our contract manufacturing partner in connection with the production of MOVIA L sensor inventory of approximately \$2.0 million during the remainder of 2025 and 2026 in line with agreed-upon deliveries.

Investing activities

During the nine months ended September 30, 2025, net cash used in investing activities was \$6.6 million compared to net cash used in investing activities of \$3.8 million during the same period in 2024. During the nine months ended September 30, 2025, we purchased short-term investment securities totaling \$32.9 million and sold short-term investment securities totaling \$26.7 million, compared to purchases of \$25.6 million and sales of \$28.3 million in the same period of 2024. During the nine months ended September 30, 2024, we made payments totaling \$6.3 million related to the acquisition of Ibeo assets.

Financing activities

Net cash provided by financing activities totaled \$67.8 million during the nine months ended September 30, 2025, compared to net cash provided by financing activities of \$26.2 million during the same period of 2024. During the nine months ended September 30, 2025, we repaid \$5.0 million principal on our outstanding note payable plus a 10% repayment premium. Net proceeds from issuance of common stock and warrants were \$73.3 million during nine months ended September 30, 2025 compared to \$26.1 million during the same period in 2024.

The following is a list of our financing activities during 2025 and 2024.

- In February 2025, we entered into a securities purchase agreement for the purchase of 5,750,225 shares of our common stock and warrants to purchase 5,750,225 shares of our common stock for \$1.57 per share. We received proceeds, net of all costs, of \$7.8 million.
- In October 2024, we entered into a securities purchase agreement for the purchase of senior secured convertible notes with an institutional investor. The principal amount for the initial note is \$45.0 million, with an option for us to issue additional principal in the amount of \$30.0 million of convertible notes to the holder, subject to certain limitations. We received proceeds, net of all costs, of \$38.1 million.
- In March 2024, we entered into a \$150.0 million ATM equity offering agreement with Deutsche Bank Securities, Inc., Mizuho Securities USA LLC and Craig-Hallum Capital Group LLC (collectively, the “Agents”). Under the agreement, we are able, at our discretion, to offer and sell shares of our common stock having an aggregate value of up to \$150.0 million through or directly to the Agents. As of September 30, 2025, we completed sales under such sales agreement of 77.6 million shares for net proceeds of \$99.9 million. As of September 30, 2025, we had approximately \$46.2 million available under this sales agreement.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate and Market Liquidity Risk

As of September 30, 2025, all of our cash and cash equivalents have variable interest rates; however, we believe our exposure to market and interest rate risks is not material. Due to the generally short-term maturities of our investment securities, we believe that the market risk arising from our holdings of these financial instruments is not significant. We do not believe that inflation has had a material effect on our business, financial condition or results of operations; however, we do anticipate our labor costs to increase as a result of inflationary pressures. In the current macroeconomic environment, interests rate changes are unpredictable and inflationary pressures uncertain.

Our investment policy generally directs that the investment managers should select investments to achieve the following goals: principal preservation, adequate liquidity, and return. As of September 30, 2025, our cash and cash equivalents are comprised of short-term highly rated (A rated securities and above) money market savings accounts and our short-term investments are comprised of highly rated corporate and government debt securities (A rated securities and above). The values of cash and cash equivalents and investment securities, available-for-sale as of September 30, 2025, are as follows (in thousands):

<i>(in thousands)</i>	Amount	Percent
Cash and cash equivalents	\$ 72,832	73.2%
Less than one year	26,676	26.8%
	<u>\$ 99,508</u>	<u>100.0%</u>

Foreign Exchange Rate Risk

Our major contract and collaborative research and development agreements, product sales, and licensing activity payments are currently made in U.S. dollars or Euros. Changes in the relative value of the U.S. dollar to the Euro and other currencies may affect revenue and other operating results as expressed in U.S. dollars. In addition, our international subsidiary financial statements are denominated in Euros. As such, the consolidated financial statements will continue to remain subject to the impact of foreign currency translation as our international operations continue to expand. In the future, we may enter into foreign currency hedges to offset material exposure to currency fluctuations when we can adequately determine the timing and amounts of the exposure.

U.S. policy changes and uncertainty about such changes may increase market volatility and currency exchange rate fluctuations. Given the relative significance of our European operations, unfavorable fluctuations in relevant exchange rates will negatively impact our financial condition and results of operations.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered by this report and, based on this evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that these disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934) that occurred during the quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II.

ITEM 1. LEGAL PROCEEDINGS

We are subject to various claims and pending or threatened lawsuits in the normal course of business. We are not currently party to any other legal proceedings that management believes are reasonably possible to have a material adverse effect on our financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below together with the other information set forth in this report, which could materially affect our business, financial condition and future results. The risks described below are not the only risks facing our company. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and operating results.

Risk Factors Related to Our Business

We have a history of operating losses and expect to incur significant losses in the future.

We have had substantial losses since our inception. We cannot assure you that we will ever become or remain profitable.

- As of September 30, 2025, we had an accumulated deficit of \$919.5 million.
- We incurred net losses of \$862.3 million from inception through 2024, and a net loss of \$57.2 million during the nine months ended September 30, 2025.

The likelihood of our success must be considered in light of the expenses, difficulties and delays frequently encountered by companies formed to develop and commercialize new technologies. In particular, our operations to date have focused primarily on research and development of our Laser Beam Scanning, or LBS, technology system, including products built around that technology such as our automotive lidar sensors, and development of demonstration units. We are unable to accurately estimate future revenues and operating expenses based upon historical performance.

We cannot be certain that we will succeed in obtaining additional development revenue or commercializing our technology or products at scale. In light of these factors, we expect to continue to incur significant losses and negative cash flow through the remainder of 2025 and the foreseeable future. There is significant risk that we will not achieve positive cash flow at any time in the future.

We will require additional capital to fund our operations at the level necessary to implement our business plan. Raising additional capital will dilute the value of current shareholders' investment in us. Additionally, we may be unable to raise capital at the level we expect or on terms acceptable to us.

Based on our current operating plan, we anticipate that we have sufficient cash and cash equivalents to fund our operations for at least the next 12 months. We will, however, require additional capital to fund our operating plan past that time. We will seek to obtain additional capital through development revenue, product sales, licensing activities, and/or through the issuance of equity or debt securities. There can be no assurance that any such efforts to obtain additional capital would be successful.

We are currently focused on developing and commercializing our perception software and sensor solutions. This involves introducing new technologies into an emerging market which creates significant uncertainty about our ability to accurately project the amounts and timing of revenue, costs, and cash flows. Our capital requirements will depend on many factors, including, but not limited to, the commercial success of our technologies, the rate at which OEMs and other customers introduce systems incorporating our solutions and technologies and the market acceptance and competitive position of such systems. Our expenses increased significantly as a result of the January 2023 Ibeo acquisition and related headcount increase, though in 2024 we effectuated meaningful headcount reductions. If revenues continue to be less than we anticipate, if the mix of revenues and the associated margins vary from anticipated amounts, or if expenses exceed the amounts budgeted, we may require additional capital earlier than expected to fund our operations. In addition, our operating plan provides for the development of strategic relationships with suppliers of components, products and systems, and equipment manufacturers that may require additional investments by us.

Additional capital may not be available to us or, if available, may not be available at a level or on terms acceptable to us or on a timely basis. Raising additional capital may involve issuing securities with rights and preferences that are senior to our common stock and may dilute the value of our current shareholders' investment in us. Moreover, raising capital through the sale of our equity securities is dependent upon the availability of the requisite shares of authorized stock, which is driven by the market price of our stock and the approval of our stockholders. As of September 30, 2025, we had approximately 158.9 million authorized shares of common stock available for issuance. If adequate capital resources are not available on a timely basis, we may consider limiting our operations substantially and we may be unable to continue as a going concern. This limitation of operations could include reducing investments in our research and development projects, staff, operating costs, and capital expenditures which could jeopardize our ability to achieve our business goals or satisfy our customer requirements.

Risks Related to our Financial Statements and Results

Our revenue is generated from a small number of customers, and as we have experienced recently and in the past, losing a significant customer negatively impacts our revenue.

For the nine months ended September 30, 2025, a leading manufacturer of agriculture equipment accounted for \$0.5 million in revenue, representing 51% of our total revenue. An automotive supplier accounted for \$0.2 million in revenue, representing 20% of our total revenue. An automotive manufacturer accounted for \$0.2 million in revenue, representing 18% of our total revenue. For the nine months ended September 30, 2024, a leading supplier of agricultural equipment accounted for \$1.7 million in revenue, representing 55% of our total revenue as part of a last-time buy of a legacy product. Additionally, a major global trucking OEM accounted for \$0.6 million in revenue, representing 20% of our total revenue, and an automotive supplier accounted for \$0.3 million in revenue, representing 10% of our total revenue. Our revenue has been negatively effected by the loss of certain of these customers and could continue to be if not replaced with new, materially equivalent customer wins.

We have, in the past, identified a material weakness in our internal controls.

In the second quarter of 2021, we identified a material weakness in the controls that support our determination of the grant date of equity awards. If we identify further material weaknesses in our internal controls, our failure to establish and maintain effective disclosure controls and procedures and internal control over financial reporting could result in material misstatements in our financial statements and a failure to meet our reporting obligations. Any such failure could cause investors to lose confidence in the accuracy of our financial reports, harm our reputation, and adversely affect the market price of our common stock.

Our internal controls over financial reporting beginning for fiscal year 2024 include controls of our subsidiary, MicroVision GmbH, which became a significant subsidiary upon the closing of our acquisition of assets from Ibeo in 2023. Given the added complexity stemming from the inclusion of our German subsidiary within our control environment, the risk of a material weakness in internal controls will be higher than it has been to date.

Our stock price has fluctuated in the past, has recently been volatile and may be volatile in the future, and as a result, investors in our common stock could incur substantial losses.

Our stock price has fluctuated significantly in the past, has recently been volatile, and may be volatile in the future. Over the 52-week period ending November 5, 2025, our common stock has traded at a low of \$0.80 and a high of \$1.95. We may continue to experience sustained depression or substantial volatility in our stock price in the foreseeable future unrelated to our operating performance or prospects. For the nine months ended September 30, 2025, we incurred a loss per share of \$0.22.

As a result of this volatility, investors may experience losses on their investment in our common stock. The market price for our common stock may be influenced by many factors, including the following:

- investor reaction to our business strategy;
- the success of competitive products or technologies;
- strategic developments;
- the timing and results of our development and commercialization efforts with respect to our perception solutions and lidar sensors;
- changes in regulatory or industry standards applicable to our solutions or technologies;
- variations in our or our competitors' financial and operating results;
- developments concerning our collaborations or partners;
- developments or disputes with any third parties that supply, manufacture, sell or market any of our products or component parts;
- developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technology;
- actual or perceived defects in any of our products, if commercialized, and any related product liability claims;
- our ability or inability to raise additional capital and the terms on which we raise it;
- declines in the market prices of stocks generally;
- trading volume of our common stock;
- sales of our common stock by us or our stockholders;
- general economic, industry and market conditions; and
- the effects of other events or factors, including war, terrorism and other international conflicts, public health issues including health epidemics or pandemics, and natural disasters such as fire, hurricanes, earthquakes, tornados or other adverse weather and climate conditions, whether occurring in the United States or elsewhere.

Since the price of our common stock has fluctuated in the past, has suffered recent declines and may be volatile in the future, investors in our common stock could incur substantial losses. In the past, following periods of volatility in the market, securities class-action litigation has often been instituted against companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management's attention and resources, which could materially and adversely affect our business, financial condition, results of operations and growth prospects. There can be no guarantee that our stock price will remain at current levels or that future sales of our common stock will not be at prices lower than those sold to investors.

Additionally, securities of certain companies have in the past few years experienced significant and extreme volatility in stock price due to short sellers of shares of common stock, known as a "short squeeze." These short squeezes have caused extreme volatility in both the stock prices of those companies and in the market and have led to the price per share of those companies to trade at a significantly inflated rate that is disconnected from the underlying value of the company. Many investors who have purchased shares in those companies at an inflated rate face the risk of losing a significant portion of their original investment, as in many cases the price per share has declined steadily as interest in those stocks has abated. There can be no assurance that our shares will not be subject to a short squeeze in the future, and investors may lose a significant portion or all of their investment if they purchase our shares at a rate that is significantly disconnected from our underlying value.

If we are unable to maintain our listing on The Nasdaq Global Market, it could become more difficult to sell our stock in the public market.

Our common stock is listed on The Nasdaq Global Market. To maintain our listing on this market, we must meet Nasdaq's listing maintenance standards. As a result of recent declines and volatility in our stock price, there is a significant risk that we could fail to maintain compliance with the minimum bid price requirement of \$1.00 per share for continued listing on The Nasdaq Global Market. If we are unable to continue to meet Nasdaq's listing maintenance standards for any reason, such as our minimum bid price falling below \$1 for 30 consecutive trading days, our common stock could be delisted from The Nasdaq Global Market. If our common stock were delisted, we may seek to list our common stock on The Nasdaq Capital Market, the NYSE American or on a regional stock exchange or, if one or more broker-dealer market makers comply with applicable requirements, the over-the-counter, or OTC, market. Listing on such other market or exchange could reduce the liquidity of our common stock. If our common stock were to trade in the OTC market, an investor would find it more difficult to dispose of, or to obtain accurate quotations for the price of, the common stock.

A delisting from The Nasdaq Global Market and failure to obtain listing on another market or exchange would subject our common stock to so-called penny stock rules that impose additional sales practice and market-making requirements on broker-dealers who sell or make a market in such securities. Consequently, removal from The Nasdaq Global Market and failure to obtain listing on another market or exchange could affect the ability or willingness of broker-dealers to sell or make a market in our common stock and the ability of purchasers of our common stock to sell their securities in the secondary market.

On November 5, 2025, the closing price of our common stock was \$1.08 per share.

Our lack of significant financial resources may limit our revenues, potential profits, overall market share, or value.

Our products and solutions compete with other pureplay lidar developers, most of which have raised and exhausted significant capital in their development and production efforts. We also face competition from OEMs and Tier 1 suppliers that have internally developed lidar sensors. All of these OEMs and Tier 1s are significantly larger, more well-resourced, have long operating histories and enjoy relevant brand recognition. With greater resources over the past several years, our pureplay lidar competitors have in the past developed and commercialized products more quickly than us and may now have access to more entrenched sales channels. This historical imbalance in financial resources and access could result for us in reduced revenues, lower margins or loss of market share, any of which could reduce the value of our business. Additionally, for a variety of reasons, customers may choose to purchase from suppliers that have substantially greater financial or other resources than we have.

Risks Related to Fundraising Transactions and the Convertible Note

Our stockholders will experience further dilution if we issue additional equity securities in future fundraising transactions.

We are generally not restricted from issuing additional common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. If we issue additional common stock, or securities convertible into or exchangeable or exercisable for common stock (including additional convertible notes to the holder of the convertible note issued by us in October 2024 pursuant to the securities purchase agreement dated October 14, 2024), our stockholders could experience additional dilution, and any such issuances may result in downward pressure on the price of our common stock.

Sales of shares of our common stock by the holder of the October 2024 convertible note may cause our stock price to decline.

Sales of substantial amounts of our shares of common stock in the public market by the holder of the convertible note issued by us in October 2024, or the perception that those sales may occur, could cause the market price of shares of our common stock to decline and impair our ability to raise capital through the sale of additional shares of our common stock.

We do not currently intend to pay dividends on our common stock, and any return to investors is expected to come, if at all, only from potential increases in the price of our common stock.

At the present time, we intend to use available funds to finance our operations. Accordingly, while any payment of dividends would be at the discretion of our board of directors, no cash dividends on our common shares have been declared or paid by us and we have no intention of paying any such dividends in the foreseeable future. Any return to investors is expected to come, if at all, only from potential increases in the price of our common stock.

There are risks associated with our outstanding convertible note, and any additional convertible notes that may be issued under the October 2024 securities purchase agreement, that could adversely affect our business and financial condition.

On October 23, 2024, we issued a senior secured convertible note in the principal amount of \$45.0 million. Pursuant to the securities purchase agreement dated October 14, 2024, we can issue up to an aggregate principal amount of \$75.0 million in senior secured convertible notes to the holder of the October 2024 convertible note, subject to certain conditions and limitations. The terms of any additional convertible notes issued pursuant to the October 2024 securities purchase agreement would be similar to the terms of the existing convertible note.

The convertible note provides for certain events of default, such as our failing to make timely payments under the note and failing to timely comply with the reporting requirements of the Exchange Act. The October 2024 securities purchase agreement and the convertible note also contain customary affirmative and negative covenants, including limitations on incurring additional indebtedness, the creation of additional liens on our assets, and entering into investments, as well as a minimum liquidity requirement.

Our ability to remain in compliance with the covenants under the convertible note depends on, among other things, our operating performance, competitive developments, financial market conditions and stock exchange listing of our common stock, all of which are significantly affected by financial, business, economic and other factors. We are not able to control many of these factors. Accordingly, our cash flow may not be sufficient to allow us to pay principal on the note and any additional convertible notes issued under the securities purchase agreement or meet our other obligations thereunder. Our level of indebtedness under the securities purchase agreement could have other important consequences, including the following:

- we may need to use a substantial portion of our cash flow from operations to pay principal on the convertible note and any additional convertible notes issued under the securities purchase agreement, which would reduce funds available to us for other purposes such as working capital, capital expenditures, potential acquisitions and other general corporate purposes;
- we may need to use a substantial portion of our cash flow from operations to pay principal on the convertible note and any additional convertible notes issued under the securities purchase agreement, which would reduce funds available to us for other purposes such as working capital, capital expenditures, potential acquisitions and other general corporate purposes;
- we may be unable to comply with financial and other covenants related to the convertible note, which could result in an event of default that, if not cured or waived, may result in acceleration of the note and any additional convertible notes issued under the securities purchase agreement and would have an adverse effect on our business and prospects, could cause us to lose the rights to our intellectual property, and could force us into bankruptcy or liquidation;
- the conversion of the convertible note and any additional convertible notes issued under the securities purchase agreement could result in significant dilution of our common stock, which could result in significant dilution to our existing stockholders and cause the market price of our common stock to decline; and
- we may be more vulnerable to an economic downturn or recession and adverse developments in our business.

There can be no assurance that we will be able to manage any of these risks successfully.

Our obligations to the holder pursuant to the October 2024 convertible note, and any additional convertible notes, are secured by a security interest in all of our bank and securities accounts, now owned and hereafter created or acquired, and if we default on those obligations, the holder could foreclose on our bank and securities accounts.

Our obligations under the convertible note, and any additional convertible notes issued pursuant to the October 2024 securities purchase agreement, and the related transaction documents, are secured by a security interest in all of our bank and securities accounts, now owned and hereafter created or acquired. As a result, if we default on our obligations under the convertible note, or any additional convertible notes, the collateral agent on behalf of the holder could foreclose on the security interests and liquidate some or all of our bank and securities accounts, which would harm our business, financial condition and results of operations and could require us to reduce or cease operations and investors may lose all or part of your investment.

Risks Related to Our Operations

Difficulty in qualifying a contract manufacturer, Tier 1 partner, or foundry for our products, or experiencing challenges in our supply chain, could cause delays that may result in lost future revenues and damaged customer relationships.

Historically, we have relied on single or limited-source suppliers to manufacture our products. Establishing and maintaining a relationship with a contract manufacturer, automotive Tier 1 partner, or foundry is a time-consuming process, as our unique technologies may require significant manufacturing process adaptation to achieve full manufacturing capacity. To the extent that we are not able to maintain our existing or establish a new relationship with a contract manufacturer, Tier 1 partner, or foundry in a timely manner or at prices or on other terms that are acceptable to us, we may be unable to meet contract or production milestones. Moreover, changes or challenges in our supply chain could result in increased cost and delays and subject us to risks and uncertainties regarding, but not limited to, product warranty, product liability and quality control standards. The loss of any single or limited-source supplier, the failure of any of these suppliers to perform as expected or the disruption in the supply chain of components from these suppliers could cause significant delays in product deliveries, which could result in lost future revenues and damaged customer relationships.

Historically, we have been dependent on third parties to develop, manufacture, sell and market products incorporating our technology.

Our business strategy for commercializing our technology in products has historically included entering into development, manufacturing, licensing, sales and marketing arrangements with OEMs, ODMs and other third parties. These arrangements reduce our level of control over production and distribution and may subject us to risks and uncertainties regarding, but not limited to, product warranty, product liability and quality control standards.

We cannot be certain that we will be able to negotiate arrangements on acceptable terms, if at all, or that these arrangements will be successful in yielding commercially viable products. If we cannot establish or maintain these arrangements, we would require additional capital to undertake such activities on our own and would require extensive manufacturing, sales and marketing expertise that we do not currently possess and that may be difficult to obtain.

In addition, we could encounter significant delays in introducing our products and technology or find that the development, manufacture or sale of products incorporating our technology would not be feasible. To the extent that we enter into development, manufacturing, licensing, sales and marketing or other arrangements, our revenues will depend upon the performance of third parties. We cannot be certain that any such arrangements will be successful.

We could face lawsuits related to our use of LBS technology or other technologies, which would be costly, and any adverse outcome could limit our ability to commercialize our technologies or products.

We are aware of several patents held by third parties that relate to certain aspects of light scanning displays, 3D sensing products, and other technologies that are core to our sensor hardware. These patents could be used as a basis to challenge the validity, limit the scope or limit our ability to obtain additional or broader patent rights of our patents. A successful challenge to the validity of our patents could limit our ability to commercialize our technology or products incorporating our LBS or other technology and, consequently, materially reduce our ability to generate revenues. Moreover, we cannot be certain that patent holders or other third parties will not claim infringement by us with respect to current and future technology. Because U.S. patent applications are held and examined in secrecy, it is also possible that presently pending U.S. applications could eventually be issued with claims that could be infringed by our products or our technology.

The defense and prosecution of a patent suit would be costly and time-consuming, even if the outcome were ultimately favorable to us. An adverse outcome in the defense of a patent suit could subject us to significant costs, require others and us to cease selling products incorporating our technology, require us to cease licensing our technology or require disputed rights to be licensed from third parties. Such licenses, if available, would increase our operating expenses. Moreover, if claims of infringement are asserted against our future co-development partners or customers, those partners or customers may seek indemnification from us for any damages or expenses they incur.

If we fail to manage expansion effectively, our revenue and expenses could be adversely affected.

Our ability to successfully offer products and solutions incorporating our technologies and implement our business plan in a rapidly evolving market requires an effective planning and management process. The growth in business and relationships with customers and other third parties has placed, and will continue to place, a significant strain on our management systems and resources. We will need to continue to improve our financial and managerial controls, reporting systems and procedures, and will need to continue to train and manage our workforce. We continue to strengthen our compliance programs, including our compliance programs related to product certifications (in particular, certifications applicable to the automotive market), export controls, privacy, cybersecurity, and anti-corruption. We may not be able to implement improvements in an efficient or timely manner and may discover deficiencies in existing controls, programs, systems and procedures, which could have an adverse effect on our business, reputation and financial results.

We target customers that are large companies with substantial negotiating power and potentially competitive internal solutions; if we are unable to sell our products to these customers, our prospects will be adversely affected.

Our potential customers, including industrial and automotive OEMs, are large, multinational companies with substantial negotiating power relative to us and, in some instances, may have internal solutions that are competitive to our products. These large, multinational companies also have significant resources, which may allow them to acquire or develop competitive technologies either independently or in partnership with others. Accordingly, even after investing significant resources to develop a product, we may not secure a series production award or, even after securing a series production award, may not be able to commercialize a product on profitable terms. If our products are not selected by these large companies or if these companies develop or acquire competitive technology or negotiate terms that are disadvantageous to us, it will have an adverse effect on our business prospects.

Our technology and products may be subject to environmental, health and safety regulations that could increase our development and production costs.

Our technologies and products could become subject to environmental, health and safety regulations or amendments that could negatively impact our ability to commercialize our technologies and products. Compliance with any such current or new regulations would likely increase the cost to develop and commercialize products, and violations may result in fines, penalties or suspension of production. If we become subject to any environmental, health, or safety laws or regulations that require us to cease or significantly change our operations to comply, our business, financial condition and operating results could be adversely affected.

Our operating results may be adversely impacted by worldwide political and economic uncertainties and specific conditions in the markets we address.

At various times in our history, including currently and in the recent past, general worldwide economic conditions have experienced downturns due to slower economic activity, concerns about inflation, tariffs, increased energy costs, decreased consumer confidence, reduced corporate profits and capital spending, and adverse business conditions. Any continuation or worsening of global economic and financial conditions could materially adversely affect: (i) our ability to raise, or the cost of, needed capital, (ii) demand for our current and future products, and (iii) our ability to commercialize products. Additionally, the outbreak of wars or infectious diseases, as recently experienced, may cause an unexpected deterioration in economic conditions. We cannot predict the timing, strength, or duration of any economic slowdown or subsequent economic recovery, worldwide, regionally or in the industrial, automotive or technology sectors.

Because a significant proportion of our company is outside of the U.S. and we utilize foreign suppliers and manufacturers, our operating results could be harmed by economic, political, regulatory and other factors in foreign countries.

During 2021, we established an office in Germany and on January 31, 2023, we completed our acquisition of certain assets of Ibeo, with the result that we now have more employees and operations in Germany than in the U.S. In addition, we currently use foreign suppliers and partners and plan to continue to do so to manufacture current and future components and products, where appropriate. These international operations are subject to inherent risks, which may adversely affect us, including, but not limited to:

- Political and economic instability, international terrorism and the outbreak of war, such as the Russian invasion and continuing war against Ukraine and the ongoing conflict in the Middle East, as well as potential trade-related conflicts;
- High levels of inflation, as has historically been the case in a number of countries in Asia;
- Burdens and costs of compliance with a variety of foreign laws, regulations and sanctions;
- Foreign taxes and duties;
- Significant instability in tariff rates or other trade, tax or monetary policies;
- Changes or volatility in currency exchange rates and interest rates;
- Global or regional health crises and epidemics; and
- Disruptions in global supply chains.

Over the past several months, the U.S. government's tariff policy has been inconsistent and unpredictable, with a broad range of new tariffs on virtually all imports into the United States. Although the tariff policy environment has been and is expected to continue to be dynamic, and the ultimate impact of any tariffs will depend on the magnitude and duration of the tariffs and the countries impacted, we expect to be negatively impacted by new tariff costs in connection with imports from every country from which we import component parts, as well as tariffs attributable to sales of our products. If we are unable to mitigate tariff-related risks through supply chain adjustments, pricing strategies, sourcing arrangements or other measures, our business, financial condition and results of operations could be materially adversely affected.

Moreover, U.S. policy changes and uncertainty about such changes may increase market volatility and currency exchange rate fluctuations. Given the relative significance of our European operations, unfavorable fluctuations in relevant exchange rates will negatively impact our financial condition and results of operations.

We have recently made and may in the future make acquisitions. If we fail to successfully select, execute or integrate our acquisitions, then our business, results of operations and financial condition could be materially adversely affected.

On December 1, 2022, we entered into an Asset Purchase Agreement to acquire certain assets from Ibeo Automotive Systems GmbH. We expended significant management time and effort, as well as capital, identifying, evaluating, negotiating, and executing this transaction and, since the closing of the acquisition on January 31, 2023, we have invested additional time and capital working to integrate our new Hamburg- and Detroit-based teams and operations. We cannot guarantee that these integration efforts will be successful, that the goals of the acquisition will be realized, or that the increase to our operating expenses or cash requirements will be manageable. During the first half of 2024, we downsized our Germany operations.

In the future, we may again undertake acquisitions to add new products and technologies, acquire talent, gain new sales channels or enter into new markets or sales territories. In addition to possible stockholder approval, we may need approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, which could result in increased delay and costs, and may disrupt our business strategy if we fail to do so. Furthermore, acquisitions and the subsequent integration of new assets, businesses, key personnel, customers, vendors and suppliers require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets, and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant.

Before our acquisition of assets from Ibeo, we had no experience with acquisitions or the integration of acquired technology and personnel. Failure to successfully identify, complete, manage, and integrate acquisitions could materially and adversely affect our business, financial condition, and results of operations and could cause our stock price to decline.

Our suppliers' or manufacturing partners' facilities could be damaged or disrupted by a natural disaster or labor strike, either of which would materially affect our financial position, results of operations and cash flows.

A major catastrophe, such as an earthquake, monsoon, or flood; infectious disease outbreak, such as the COVID-19 virus; or other natural disasters, labor strikes, or work stoppages at our suppliers' or manufacturers partners' facilities or our customers, could result in a prolonged interruption of our business. A disruption resulting from any one of these events could cause significant delays in product shipments and the loss of sales and customers, which could have a material adverse effect on our financial condition, results of operations, and cash flows.

If we are unable to obtain effective intellectual property protection for our products, processes and technologies, we may be unable to compete with other companies.

Intellectual property protection for our products, processes and technologies is important and uncertain. If we do not obtain effective intellectual property protection for our products, processes and technologies, we may be subject to increased competition. Our commercial success will depend, in part, on our ability to maintain the proprietary nature of our key technologies by securing valid and enforceable patents and effectively maintaining unpatented technologies as trade secrets.

We protect our proprietary technologies by seeking to obtain United States and foreign patents in our name, or licenses to third party patents, related to proprietary technologies, inventions, and improvements that may be important to the development of our business. However, our patent position involves complex legal and factual questions. The standards that the United States Patent and Trademark Office and its foreign counterparts use to grant patents are not always applied predictably or uniformly and can change.

Additionally, the scope of patents is subject to interpretation by courts and their validity can be subject to challenges and defenses, including challenges and defenses based on the existence of prior art. Consequently, we cannot be certain as to the extent to which we will be able to obtain patents for our new products and technologies or the extent to which the patents that we already own protect our products and technologies. Reduction in scope of protection or invalidation of our licensed or owned patents, or our inability to obtain new patents, may enable other companies to develop products that compete directly with ours on the basis of the same or similar technologies.

We also rely on the law of trade secrets to protect unpatented know-how and technologies to maintain our competitive position. We try to protect this know-how and our technologies by limiting access to the trade secrets to those of our employees, contractors and partners, with a need-to-know such information and by entering into confidentiality agreements with parties that have access to it, such as our employees, consultants and business partners. Any of these parties could breach the agreements and disclose our trade secrets or confidential information, or our competitors might learn of the information in some other way. If any trade secret not protected by a patent were to be disclosed to or independently developed by a competitor, our competitive position could be negatively affected.

We could be subject to significant product liability claims that could be time consuming and costly, divert management attention and adversely affect our ability to obtain and maintain insurance coverage.

We could be subject to product liability claims if any of the product applications are alleged to be defective or cause harmful effects. For example, because some of the scanning modules incorporating our LBS technology could scan a low power beam of colored light into the user's eye, the testing, manufacture, marketing and sale of these products involve an inherent risk that product liability claims will be asserted against us.

Additionally, any misuse of our technologies or products incorporating our technologies by end users or third parties that obtain access to our technologies could result in negative publicity and could harm our brand and reputation. Product liability claims or other claims related to our products or our technologies, regardless of their outcome, could require us to spend significant time and money in litigation, divert management time and attention, require us to pay significant damages, harm our reputation or hinder acceptance of our products. Any successful product liability claim may prevent us from obtaining adequate product liability insurance in the future on commercially desirable or reasonable terms. An inability to obtain sufficient insurance coverage at an acceptable cost or otherwise to protect against potential product liability claims could prevent or inhibit the commercialization of our products and technologies.

Our operations could be adversely impacted by information technology system failures, network disruptions, or cybersecurity incidents.

We rely on information technology systems to process, transmit, store, and protect electronic data between our employees, customers, manufacturing partners and suppliers. Our systems and the third parties we rely on for related services are vulnerable to actual or attempted cybersecurity incidents, such as attacks by hackers, acts of vandalism, malware, social engineering, denial or degradation of service attacks, computer viruses, software bugs or vulnerabilities, supply chain attacks, phishing attacks, ransomware attacks, misplaced or lost data, human errors, malicious insiders or other similar events. Such systems are also susceptible to other disruptions due to events beyond our control, including, but are not limited to, natural disasters, power loss, and telecommunications failures. Our system redundancy may be inadequate and our disaster recovery planning may be ineffective or insufficient to account for all eventualities.

As security incidents have become more prevalent across industries we will need to continually examine, modify and update our systems. These updates or improvements may require implementation costs. In addition, we may not be able to monitor and react to all developments in a timely manner. The measures we do adopt may prove ineffective.

Any failure, or perceived failure, by us to comply with current and future regulatory or customer-driven privacy, data protection, and information security requirements, or to prevent or mitigate cyber incidents, could harm our business and expose us to potential litigation, liability, remediation costs, investigation costs, loss of revenue, damage to our reputation and loss of customers. While we maintain insurance coverage to address certain aspects of cyber risks, such insurance coverage may be insufficient to cover all losses or all claims that may arise, should such an event occur.

We, and certain of our third-party vendors, collect and store personal information in connection with human resources operations and other aspects of our business. While we obtain assurances that any third parties we provide data to will protect this information and, where we believe appropriate, monitor the protections employed by these third parties, there is a risk the confidentiality of data held by us or by third parties may be compromised and expose us to liability for such breach.

Loss of any of our key personnel or inability to attract new personnel could have a negative effect on the operation of our business.

Our success depends on our executive officers and other key personnel and on our ability to attract and retain qualified new personnel. Achievement of our business objectives will require substantial additional expertise in the areas of sales and marketing, research and product development and manufacturing. Competition for qualified personnel in these fields is intense, and the inability to attract and retain additional highly skilled personnel, or the loss of key personnel, could hinder our ability to compete effectively in the automotive or technology markets and adversely affect our business strategy execution and results of operations.

Risks Related to Development for the Industrial and Automotive Markets

We invest significant time and resources seeking OEM selection of our products and solutions. If our products and solutions are not selected for inclusion in ADAS systems by automotive OEMs or automotive Tier 1 suppliers after incurring substantial expenditures in these efforts, our future business prospects, results of operations, and financial condition will be materially and adversely affected.

Automotive OEMs and Tier 1 suppliers design and develop ADAS technology over several years, undertaking extensive testing and qualification processes prior to selecting a product such as our lidar sensors and software for use in a particular system, product or vehicle model because such products will function as part of a larger system or platform and must meet certain other specifications. We have invested and will continue to invest significant time and resources to have our products considered and possibly selected by OEMs or Tier 1 suppliers for use in a particular system, product or vehicle model, which is known as a “series production win” or a “series production award.” In the case of ADAS technology, a series production award would mean that our lidar sensor and/or ADAS solution had been selected for use in a particular vehicle model. However, if we are unable to achieve a series production award with respect to a particular vehicle model, we may not have an opportunity to supply our products to the automotive OEM for that vehicle model for a period of many years. In many cases, this period can be as long as five to seven or more years. If our products are not selected by an automotive OEM or our suppliers for one vehicle model or if our products are not successful in that vehicle model, it is unlikely that our product will be deployed in other vehicle models of that OEM. If we fail to win a significant number of vehicle models from one or more automotive OEMs or their suppliers, our future business prospects, results of operations, and financial conditions will be materially and adversely affected.

The complexity of our products and the limited visibility into the various environmental and other conditions under which potential customers may use the products could result in unforeseen delays or expenses from undetected defects, errors or reliability issues in hardware or software which could reduce the market adoption of our products, damage our reputation with prospective customers, expose us to product liability and other claims, and adversely affect our operating costs.

Our products are highly technical and complex and require high standards to manufacture and may experience defects, errors or reliability issues at various stages of development and production. We may be unable to timely manufacture or release products, or correct problems that have arisen or correct such problems to the customer's satisfaction. Additionally, undetected errors, defects or security vulnerabilities could result in serious injury to the end users or bystanders of technology incorporating our products, inability of customers to commercialize technology incorporating our products, litigation against us, negative publicity and other consequences. These risks are particularly prevalent in the highly competitive ADAS market. These problems may also result in claims, including class actions, against us that could be costly to defend. Our reputation or brand may be damaged as a result of these problems and potential customers may be reluctant to buy our products, which could adversely affect our financial results.

Adverse conditions in particular industrial sectors, the automotive industry, or the global economy more generally could have adverse effects on our results of operations.

While we make our strategic planning decisions based on the assumption that the markets we are targeting will grow, our business is dependent, in large part on, and directly affected by, business cycles and other factors affecting industrial autonomy, the global automobile industry, and the global economy generally. Automotive production and sales are highly cyclical and depend on general economic conditions and other factors, including consumer spending and preferences, changes in interest rates and credit availability, consumer confidence, fuel costs, fuel availability, environmental impact, governmental incentives and regulatory requirements, and political volatility, especially in energy-producing countries and growth markets. In addition, automotive production and sales can be affected by our automotive OEM customers' ability to continue operating in response to challenging economic conditions and in response to labor relations issues, regulatory requirements, trade agreements and other factors. The volume of automotive production in North America, Europe and the rest of the world has fluctuated, sometimes significantly, from year to year, and we expect such fluctuations to give rise to fluctuations in the demand for our products. Any significant adverse change in any of these factors may result in a reduction in automotive sales and production by our automotive OEM customers and could have a material adverse effect on our business, results of operations and financial condition.

Developments in alternative technology may adversely affect the demand for our lidar technology.

Significant developments in alternative technologies, such as cameras and radar, may materially and adversely affect our business prospects in ways we do not currently anticipate. Existing and other camera and radar technologies may emerge as OEMs' preferred alternative to our solution, which would result in the loss of competitiveness of our lidar solution. Our R&D efforts may not be sufficient to adapt to these changes in technology and our solution may not compete effectively with these alternative systems.

ADAS features may be delayed in adoption by OEMs, which would negatively impact our long-term business prospects.

The ADAS market is fast evolving and there is generally a lack of an established regulatory framework. Vehicle regulators globally continue to consider new and enhanced emissions requirements, including electrification, to meet environmental and economic needs as well as pursue new safety standards to address emerging traffic risks. For instance, in May 2024, the National Highway Traffic Safety Administration, or NHTSA, published a new rule requiring automatic emergency braking systems in U.S. light vehicles and trucks by September 2029, and in December 2024, NHTSA proposed a voluntary program to improve evaluation and oversight of certain vehicles equipped with automated driving systems. To control new vehicle prices, among other concerns, OEMs may need to dedicate technology and cost additions to new vehicle designs to meet these emissions and safety requirements and postpone the consumer cost pressures of new ADAS features. As additional safety requirements are imposed on vehicle manufacturers, our business prospects may be materially impacted. Alternatively, if safety regulations in the U.S. were to become less stringent due to oversight reduction efforts, OEMs could be less inclined to pay for higher cost redundant safety systems and technologies, which could negatively impact the uptake of our sensor solutions.

Because the lidar and ADAS markets are rapidly evolving, it is difficult to forecast customer adoption rates, demand, and selling prices for our products and solutions.

We are pursuing opportunities in rapidly evolving markets, including technological and regulatory changes, and it is difficult to predict the timing and size of the opportunities. For example, lidar-based ADAS solutions require complex technology and because these automotive systems depend on technology from many companies, commercialization of ADAS products could be delayed or impaired on account of certain technological components of ours or others not being ready to be deployed in vehicles. In addition, the selling prices we are able to ultimately charge in the future for the products we are currently developing may be less than what we currently project. Our future financial performance will depend on our ability to make timely investments in the correct market opportunities. If one or more of these markets experience a shift in prospective customer demand, our products may not compete as effectively, if at all, and they may not be designed into commercialized products. Given the evolving nature of the markets in which we operate, it is difficult to predict customer demand or adoption rates for our products, selling prices or the future growth of our target markets. If demand does not develop or if we cannot accurately forecast it, the size of our markets, inventory requirements or future financial results will be adversely affected.

Because perception solutions involving lidar are new in the markets we are seeking to enter, our market forecasts may not materialize as anticipated.

Our market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not materialize as anticipated. These estimates and forecasts relating to the expected size and growth of the markets for lidar-based technology may prove to be inaccurate. Even if these markets experience the forecasted growth we anticipate, we may not grow our business at similar rates, or at all. Our future growth is subject to many factors, including market adoption of our products, which is subject to many risks and uncertainties. Accordingly, we cannot assure you that these forecasts will not be materially inaccurate.

ITEM 5. OTHER INFORMATION

(c) During the three months ended September 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933, as amended).

ITEM 6. EXHIBITS

4.1	<u>Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation (1)</u>
10.1	<u>Employment Letter with Chief Executive Officer G. DeVos dated September 2025</u>
31.1	<u>Principal Executive Officer Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2	<u>Principal Financial Officer Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1	<u>Principal Executive Officer Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) and Section 1350, Chapter 63 of Title 18, United States Code (18 U.S.C. 1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2	<u>Principal Financial Officer Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) and Section 1350, Chapter 63 of Title 18, United States Code (18 U.S.C. 1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
(1)	Incorporated by reference to the Company's Current Report on Form 8-K filed on June 6, 2025

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.

MicroVision, Inc.

Date: November 12, 2025

By /s/ Glen DeVos
Glen DeVos
Chief Executive Officer and Director
(Principal Executive Officer)

Date: November 12, 2025

By /s/ Anubhav Verma
Anubhav Verma
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

MicroVision, Inc.

September 3, 2025

Glen DeVos

Delivered via e-mail

Dear Glen,

On behalf of the Board of Directors (the “**Board**”) of MicroVision, Inc. (the “**Company**”), I am pleased to confirm the terms under which you (“**Executive**”) will serve as the Company’s President and Chief Executive Officer (“**CEO**”). The terms of your continued employment with the Company in a new role as President and CEO will be as provided in this agreement (this “**Agreement**”). This Agreement is effective as of September 30, 2025 (the “**Effective Date**”).

1. **Position.** Executive will serve as President and CEO. Executive will have all of the duties, responsibilities and authority commensurate with the position of President and CEO. Executive’s principal workplace will be remote from Executive’s residence in Michigan, provided that Executive shall travel to the Company’s headquarters, currently located in Redmond, Washington, and to other locations as Executive or the Board determines necessary or appropriate for business purposes.

Executive will perform Executive’s duties under this Agreement faithfully and to the best of Executive’s ability. Executive will devote Executive’s full working time and attention to the business of the Company. Executive will not render services to any other business without the prior approval of the Board. Notwithstanding the foregoing, Executive may manage personal investments, participate in (a non-leadership capacity unless a larger role is approved in advance by the Board) civic, charitable, and academic activities, provided that such activities do not (a) create an actual or potential business or fiduciary conflict of interest, or (b) individually or in the aggregate, interfere materially with the performance of Executive’s duties to the Company.

Executive will be appointed to the Board to serve until the next annual meeting consistent with applicable law. For so long as Executive serves as the President and CEO, subject to the requirements of applicable law (including, without limitation, any rules or regulations of any exchange on which the common stock of the Company is listed), the Board and/or the Nominating and Governance Committee of the Board will nominate Executive for reelection to the Board at each annual meeting at which Executive is subject to reelection. If Executive’s position as President and CEO is terminated by Executive or the Company for any reason, Executive agrees to promptly resign from the Board and any committee thereof and will cooperate with the Company to complete any steps the Board determines to be necessary or appropriate to confirm such resignation.

2. **Compensation.** In exchange for the services rendered by Executive under this Agreement, Executive shall receive base salary and short-term and long-term incentive compensation (including equity compensation), as determined from time to time in the discretion of the Compensation Committee of the Board and/or the Board. Subject to the preceding statement, Executive’s annual base salary as of the date of this Agreement will be \$530,000. Executive’s future annual base salary, target bonus opportunity under the Company’s annual incentive program and the long-term incentive plan will consider the relevant peer group information provided by the Company’s independent compensation consultant. The Compensation Committee will seek input from Executive on the performance goals applicable to Executive and consider any such input in good faith.

3. **Benefits & Vacation.** Executive will be entitled to participate in the employee retirement (401(k)), insurance, benefit and vacation programs of the Company as in effect from time to time and in which other U.S.-based executive officers of the Company are eligible to participate, on terms no less favorable than any other U.S.-based executive officer.

4. **Expenses.** The Company will, in accordance with applicable Company policies and guidelines, reimburse Executive for all reasonable and necessary expenses incurred by Executive in connection with Executive’s employment with the Company, on terms no less favorable than for any other U.S. based executive officer of the Company.

5. Effect of Termination of Employment

(a) Termination for Any Reason. If Executive's employment is terminated for any reason, Executive will be paid: (i) any earned but unpaid Base Salary, (ii) other unpaid and then-vested amounts, unless otherwise specifically provided in this Agreement, and (iii) reimbursement for all reasonable and necessary expenses incurred by Executive in accordance with Section 4 of this Agreement, in each case as of the effective date of such termination of employment.

(b) Severance Plan Participation. Executive will remain eligible to participate in the Company's Key Executive Severance and Change in Control Plan (the "**Severance Plan**"). In connection with the commencement of Executive's role as CEO, Executive will enter into a new Participation Agreement under the Severance Plan, which will specify the severance payments and benefits Executive could be eligible to receive in connection with certain qualifying terminations of Executive's employment with the Company, which will supersede all other arrangement or understandings with respect to Executive's severance payments and benefits. Subject to the terms of the Severance Plan, the Compensation Committee expects that Executive will be a Tier 1 participant in the Severance Plan for as long as Executive serves as CEO.

6. Parachute Payments. If any payment or benefit (including payments and benefits pursuant to this Agreement) that Executive would receive in connection with an event which constitutes a change in ownership or control within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "**Code**") would constitute a "parachute payment" within the meaning of Section 280G of the Code, and otherwise would be subject to the excise tax imposed by Section 4999 of the Code, then such payments or benefits will be treated as provided in the Severance Plan.

7. Section 409A. It is intended that this Agreement comply with the requirements of Section 409A of the Code, and any payments hereunder are intended to be exempt from or to comply with the requirements of Section 409A of the Code, and this Agreement shall be interpreted and administered accordingly.

8. Employee Confidentiality and Invention Assignment. The terms of the Confidentiality and Inventions Agreement previously entered into between Executive and the Company (the "**Confidentiality Agreement**") shall continue to apply. Executive agrees to continue comply with the Confidentiality Agreement.

9. At-Will Employment. Employment with the Company is for no specific period of time and "at-will." Either Executive or the Company may terminate Executive's employment at any time and for any reason, with or without cause. The "at-will" nature of Executive's employment may be changed only in an express written agreement signed by Executive and the Chair of the Board or another member of the Board (in either case, as authorized by the Board).

10. Indemnification. Executive will be named as an insured on the director and officer liability insurance policy currently maintained by the Company, or as may be maintained by the Company from time to time, on terms no less favorable than for any other U.S.-based executive officer of the Company or if Executive is a member of the Board, U.S.-based member of the Board.

11. Compensation Recoupment. All amounts payable to Executive hereunder shall be subject to recoupment pursuant to any Company compensation clawback or recoupment policy in effect, as amended, or adopted by the Board or as required by law during the term of Executive's service with the Company. No recovery of compensation under such a clawback or recoupment policy will be an event giving rise to a right to resign for "Good Reason" or constitute a termination without "Cause" under the Severance Plan, provided that such recovery is consistent with such policy.

12. Miscellaneous.

(a) Absence of Conflicts. Executive represents that Executive's performance of Executive's duties under this Agreement will not breach any other agreement as to which Executive is a party. Executive agrees that Executive has disclosed to the Company all of Executive's existing employment and/or business relationships, including, but not limited to, any consulting or advising relationships, outside directorships, investments in privately held companies, and any other relationships that may create a conflict of interest.

(b) Successors. This Agreement is binding on and may be enforced by the Company and its successors and permitted assigns and is binding on and may be enforced by Executive and Executive's heirs and legal representatives.

(c) Notices. Notices under this Agreement must be in writing and will be deemed to have been given when personally delivered or two days after mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. Mailed notices to Executive will be addressed to Executive at the home address which Executive has most recently communicated to the Company in writing. Notices to the Company will be addressed to the Chairman of the Board at the Company's corporate headquarters.

(d) Waiver. No provision of this Agreement will be modified or waived except in writing signed by Executive and an officer of the Company duly authorized by its Board. No waiver by either party of any breach of this Agreement by the other party will be considered a waiver of any other breach of this Agreement.

(e) Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

(f) Tax Matters; Withholding. All sums payable to Executive hereunder shall be reduced by all federal, state, local and other withholding and similar taxes and payments required by applicable law.

(g) Entire Agreement. This Agreement, along with the Confidentiality Agreement, represents the entire agreement between the parties concerning the subject matter herein. It may be amended, or any of its provisions waived, only by a written document executed by both parties in the case of an amendment, or by the party against whom the waiver is asserted. This Agreement completely replaces and supersedes the offer letter between Executive and the Company dated March 7, 2025 (the "**Prior Agreement**").

(h) Governing Law. This Agreement will be governed by the laws of the State of Washington without reference to conflict of laws provisions, and the parties hereto submit to the exclusive jurisdiction of the state and federal courts in the State of Washington.

(i) Survival. The provisions of this Agreement shall survive the termination of Executive's employment for any reason to the extent necessary to enable the parties to enforce their respective rights under this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement on the respective dates set forth below.

EXECUTIVE

MICROVISION, INC.

/s/ Glen DeVos

/s/ Robert Carlile

Glen DeVos

Robert Carlile

Chairman of the Board

September 3, 2025

September 3, 2025

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

I, Glen DeVos, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2025 of MicroVision, 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 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 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: November 12, 2025

 /s/ Glen DeVos
 Glen DeVos
 Chief Executive Officer

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

I, Anubhav Verma, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2025 of MicroVision, 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 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 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: November 12, 2025

/s/ Anubhav Verma

Anubhav Verma
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
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 MicroVision, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Glen DeVos, Chief Executive Officer of the Company, 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 (15 U.S.C. 78m or 78o(d)); and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 12, 2025

/s/ Glen DeVos
Glen DeVos
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
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 MicroVision, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anubhav Verma, Chief Financial Officer of the Company, 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 (15 U.S.C. 78m or 78o(d)); and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 12, 2025

/s/ Anubhav Verma

Anubhav Verma
Chief Financial Officer
