

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

**FORM 10-K**

(Mark one)

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

For the fiscal year ended December 31, 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:

Title of Each Class

Common Stock, \$0.001 par value per share

Trading Symbol

MVIS

Name of Each Exchange on Which Registered

The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

The aggregate market value of common stock held by non-affiliates of the registrant as of June 30, 2025 was approximately \$313.8 million (based upon the closing price of \$1.14 per share for the registrant's common stock as reported by the Nasdaq Global Market on that date).

The number of shares of the registrant's common stock outstanding as of February 26, 2026 was 306,579,855.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the registrant's 2026 Annual Meeting of Shareholders (the "2026 Proxy Statement") are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein.

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MICROVISION, INC.  
ANNUAL REPORT ON FORM 10-K  
FOR THE YEAR ENDED DECEMBER 31, 2025

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## PART I.

### Preliminary Note Regarding Forward-Looking Statements

*This Annual Report contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 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 agreements, 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.*

### ITEM 1. BUSINESS

#### Overview

MicroVision, Inc. is defining the next generation of lidar-based perception solutions for automotive, industrial, and security & defense markets. We deliver integrated hardware and software solutions designed for real-world performance, automotive-grade reliability, and economic scalability. Our diverse portfolio of lidar sensors, with both short- and long-range lidar solutions, feature solid-state sensors with varying wavelengths, advanced sensor architectures, design-to-cost engineering, and open software solutions.

Our solutions enable advanced driver assistance systems, or ADAS, and autonomy features for customers in a wide range of markets, including automotive, industrial, and security & defense. Target industrial sectors include robotics, automated warehouse, agriculture, and mining. Our integrated hardware and software solutions enable intelligent autonomous, active safety, and automation systems which depend on secure, cost-effective, and energy-efficient solutions. Our software has been developed in close collaboration with automotive customers and also has broad application in industrial, defense, and commercial vehicle sectors.

With engineering teams in the U.S. and Germany, we develop and supply integrated solutions, 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 automotive, industrial, and security & defense 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, also used by premium OEMs. In addition, Ibeo sold its products for non-automotive uses such as industrial, agriculture, smart infrastructure, and robotics applications.

In January 2026, we completed the acquisition of assets from Scantinel Photonics GmbH, based in Germany. Scantinel develops a unique lidar-on-chip solution, utilizing 1550nm frequency-modulated continuous wave, or FMCW, technology. Our 1550nm FMCW lidar solution has applications for long-range use cases across our target markets, with particularly compelling advantages for the commercial vehicle market.

In February 2026, we completed the strategic acquisition of assets primarily comprising the worldwide lidar business of Luminar Technologies, Inc. The acquired assets include the IRIS sensor, a 1550nm time-of-flight long-range lidar, and its next generation HALO sensor, built off the same architecture as IRIS but with improved performance and reduced size and cost. The automotive-grade IRIS sensor achieved start of production in April 2024, with subsequent deliveries used in vehicles for road data collection and system training. The acquisition also included SENTINEL, under development as a full-stack software platform supporting safety and autonomy applications for passenger vehicles and commercial trucks.

Our hardware solutions include a broad and multi-featured portfolio of lidar sensors, which can be integrated with our software or with our customers' software, targeted for sale to automotive OEMs and Tier 1 suppliers, industrial mobility and autonomy companies, and security & defense contractors. Our lidar sensors, all solid state, include MOVIA™, a flash-based short- to mid-range sensor; MAVIN™, a MEMS-based 905nm long-range sensor capable of small object detection; IRIS and HALO, each a 1550nm long-range sensor; and our Scantinel 1550nm long-range FMCW lidar. Our software stack has met the rigorous requirements of automotive qualification and incorporates advanced features, like localization and fusion. We also develop customer-specific application software, allowing expansion into a wide array of sectors.

In 2025, we recorded an impairment charge of \$10.1 million in connection with perception software acquired from Ibeo, a \$9.9 million write-down of select MOVIA L sensor inventory, as well as a \$2.2 million impairment charge associated with certain production machinery and tooling equipment related to our MAVIN sensor. Additionally, in 2025, we recorded an adverse purchase commitment of \$3.2 million related to the production of select MOVIA L sensor inventory. See *Part II, Item 8, Note 9. Financial Statement Components* for additional discussion. (Note that the application of accounting rules related to asset impairment involve assessment of recorded book value but do not necessarily impact resale value.)

In 2024, we reduced the dedicated resources and investment into further development of our MOSAIK™ suite a tool for validating vehicle sensors for ADAS and autonomous driving, or AD, applications. 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, this action extended our financial runway through reduced personnel expenses and other operational efficiencies. See *Part II, Item 8, Note 14. Restructuring Charges* for additional discussion.

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.

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 II, Item 8, Note 7. 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 II, Item 8, Note 8. Warrant Liability*. In February 2026, we entered into a securities purchase and exchange agreement with the same investor, pursuant to which we issued two senior secured convertible notes due March 2028 – one for approximately \$20.6 million in exchange for the previously existing senior secured convertible note due March 2026 and the other for approximately \$22.4 million. See *Part II, Item 8, Note 17. Subsequent Events* for additional discussion.

MicroVision, Inc. was founded in 1993 as a Washington corporation and reincorporated in 2003 under the laws of the State of Delaware. Our headquarters is located at 18390 NE 68th Street, Redmond, Washington 98052, and our telephone number is (425) 936-6847.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are available free-of-charge from the investor page of our website, accessible at [www.microvision.com](http://www.microvision.com), as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission, or SEC. Copies of these filings may also be obtained by visiting the SEC's website, [www.sec.gov](http://www.sec.gov), which contains current, quarterly and annual reports, proxy and information statements and other information regarding issuers that file electronically.

### **Our Industry and Market Strategy**

Our perception solutions address autonomy and mobility opportunities and challenges in a variety of markets, with our primary focus being automotive ADAS and AD, industrial markets, including robotics, warehouse automation, agriculture, and mining; and security & defense applications.

Our lidar sensors and software were initially developed to address the needs of the Level 2+, or L2+, and Level 3, or L3, ADAS markets to be used in automotive safety and autonomous driving applications. Our solution-based development approach recognizes two key realities of the L2+ and L3 markets: that safety is mission critical and that automotive OEMs require cost efficiency and integration adaptability. With these factors in mind, we believe that our wide array of technologically diverse lidar sensors and software support critical safety needs by providing ADAS features, such as automatic emergency braking, forward collision warning, and automatic emergency steering, and other performance attributes that passenger vehicle and commercial trucking OEMs require at an acceptable price point.

In the industrial sector, we believe that our core technology is integral in the automated guided vehicle, or AGV, and autonomous mobile robot, or AMR, markets. We target our solutions for sale to OEMs in the AGV and AMR markets, as well as to companies in sectors that use their products. The advancement of warehouse and stockyard automation, integrated autonomous supply chains, and enhanced pickup and delivery systems requires cutting-edge innovation in the sensor systems guiding AMRs and traditional AGVs. Smart farming and automated mining operations improve safety, efficiency, productivity, and sustainability by leveraging our lidar sensors and software solutions.

Moreover, we tailor our solutions to meet the needs of industrial and automotive OEMs, integrating our lidar and edge computing to support high-level capabilities, save development cost and time for OEMs with no training required for our sensor-fused output, reduce system cost by requiring fewer and cheaper sensors and reduced processing, and enable seamless integration with an OEM's existing architecture. Our unique solution for the AGV/AMR and the L2+/L3 markets, we believe, has the potential to achieve our goal of enabling mission-critical safety systems while solving for OEMs' cost and integration objectives.

With this customer-centric approach, our go-to-market strategy depends on building partnerships with OEMs, Tier-1 automotive suppliers, and industrial operators, and also with silicon companies to support our solution on their compute platforms. Our strategy includes working to establish direct marketing and co-development relationships and we may also derive revenue in the form of licensing revenue.

Beyond industrial and automotive, our strategy includes targeting our hardware-only and integrated solutions and core technologies for security & defense applications. Drawing on MicroVision's history as a supplier of innovative technology to the military, such as its high-definition wearable display technologies, we believe our solutions and technologies provide compelling use cases in the expanding defense tech sector.

In 2025, we established our Aerial Systems team, with deep experience in aeronautical engineering, avionics, unmanned aerial systems, or UAS, development, and related software, to accelerate development of our lidar-based perception systems for drones, unmanned guided vehicles, or UGVs, and mobile autonomous vehicles. Our solid-state lidar imaging and advanced software offers a drone-agnostic solution for a broad range of intelligence, surveillance, and reconnaissance, or ISR, mapping, and other security & defense applications.

### **Our Technology and Competitive Strength**

We believe a significant competitive strength for us today is the technological depth and breadth of our lidar sensors, as well as our related software. The key differentiator for our offerings lies in our capability to provide an integrated and validated hardware and software solution for automotive and industrial customers. Core to our lidar sensors, software, and custom ASICs is proprietary technology that we have been developing, refining, productizing and protecting for nearly 30 years.

Our flash-based, solid-state lidar technology, which comprises our MOVIA family of sensors, was developed according to highly rigorous automotive-grade standards, delivering reliability in a small form factor suitable for a variety of applications in automotive, industrial, and other rugged environments. The robust and versatile MOVIA L sensor has no moving parts and sustains a 50G shock load, while it outputs a high-resolution, 4D point cloud. The smaller MOVIA S is intended to address short-range automotive applications, while also meeting unique needs in industrial and security & defense applications. Integrated with our software, MOVIA sensors have low power consumption requirements and perform well in adverse weather conditions.

Our newly acquired IRIS lidar and variants combine a 1550nm laser, transmitter, and receiver and provide long-range sensing that we expect will meet OEM specifications for advanced safety and autonomy. This technology provides automotive-grade, efficient, and affordable solutions that are scalable, reliable, and optimal for series production. These sensors are dynamically configurable dual-axis scan sensors that detect objects up to 600 meters away over a horizontal field of view of 120° and a software configurable vertical field of view of up to 30°. This provides high point densities in excess of 200 points per square degree that enables long-range detection, tracking, and classification over the whole field of view. IRIS and its variants have been refined to meet the size, weight, cost, power, and reliability requirements of automotive qualified series production sensors.

The IRIS next-generation sensor, called HALO, is being designed for mass adoption in the automotive market. Building off the same 1550nm laser architecture of IRIS, the HALO sensor will incorporate next-generation chip technologies expected to enable a 4x improvement in performance, a 3x reduction in size, a 2x improvement in thermal efficiency, and more than a 2x improvement in cost. HALO is being designed to provide backwards system compatibility to existing customers of IRIS, with a reduced form factor and greater energy efficiency.

Our micro-electromechanical systems, or MEMS-based high-speed lidar sensor, which we call MAVIN, use our pioneering laser beam scanning (LBS) technology. Our patented LBS technology combines a MEMS scanning mirror, laser diode light sources, electronics, and optics that are controlled using our proprietary system control algorithms along with edge computing and machine learning in some systems. The MEMS scanning mirror is a key component of our technology system and is one of our core competencies. Our MEMS scanning mirror is a silicon device that oscillates in a precisely controlled closed loop pattern so that we can place a pixel of light at a precise point. This allows us to generate a projected image pixel-by-pixel for use in lidar sensing and display. Scanning modules with our technology can be designed to operate in one of three different modes: lidar sensing only, display and lidar sensing combined, and display only. Our proprietary scan locking feature ensures that our sensors are immune from interference from sunlight and from other lidar sensors. Although developed for automotive applications, MAVIN is suitable for industrial and security & defense applications that require long-range solutions.

Early applications of our proprietary MEMS and laser-scanning technologies included heads up displays for the U.S. military and automotive systems. The contemplated uses of our technology require incorporation of our components into the products of other companies or partners. More recently, our technology can be found in a Microsoft heads up display product. In the past, we have worked with other global brands to incorporate our core technology into their consumer products.

MicroVision's perception software efficiently enables small object detection, lane detection, road boundaries, and dynamic object tracking and classification. Object recognition is at the core of our perception solution, classifying objects and road users as well as small obstacles and overhanging loads, which is achieved using sophisticated algorithms to interpret complex visual information from one or multiple sensors. Our perception solution delivers highly accurate environment representation, thus enabling industrial and automotive customers to achieve reliable and efficient autonomous and mobility applications.

The integration of our perception software into our lidar sensors reduces power consumption and space needs by utilizing a highly efficient system-on-chip, or SoC, and optimizing our perception software for processing sensor measurements directly on the sensors. As external ECU hardware is expensive, our integrated solution lowers costs and the system architecture is simplified as the sensor-specific perception processing occurs seamlessly within the sensor.

## **Our Products and Revenue Strategy**

Our product suite includes our diverse and multi-featured lidar sensor hardware, as well as integrated software. Our highly diverse array of lidar sensors includes short-, mid-, and long-range sensors, time-of-flight and FMCW, varying wavelengths including 905nm, 940nm, and 1550nm, and flash-based and MEMS-based. Our high-performance, solid-state sensors address mission-critical safety and security applications in automotive, industrial, and security & defense sectors. Our sensor hardware solutions are well augmented by our software. We also provide engineering services in connection with these hardware and software products, as well as development of custom application software.

Our perception solutions are targeted for sale to a wide variety of markets, including automotive, industrial, and security & defense. Our software was developed in collaboration with an automotive OEM customer and successfully passed through that OEM's development qualification processes. Our IRIS, HALO, and MOVIA sensors are also based on technology developed according to automotive-grade standards. The immediate availability of our MOVIA and IRIS sensors support a revenue strategy that includes royalty revenues from automotive production, as well as sales in multiple markets including industrial, smart infrastructure, robotics, and commercial vehicles. Our HALO, FMCW, and MAVIN lidar systems are targeted for sale to automotive OEMs and Tier 1 automotive suppliers, though also suitable for industrial and security & defense applications that require a robust solution with long-range detection.

Our solutions in the automotive industry target ADAS and AD needs of automotive OEMs and Tier 1 automotive suppliers with revenue derived from high-volume supply agreements, as well as non-recurring development revenue.

In the industrial sector, we are focused on opportunities involving AGVs and AMRs, cobots, and mobile autonomous vehicles, or MAVs, where our key differentiating features include various combinations of low power consumption, an integrated solution, embedded localization software, and small object detection. Revenue would be derived from volume supply and licensing arrangements with automated warehouse operators, materials handling OEMs, and robotics manufacturers, among others in the industrial sector.

## **Research and Development**

We believe our research and development efforts have earned us a leadership position in the field of lidar sensors and applications as applied to automotive, industrial, security & defense markets. Our ability to attract customers and grow revenue will depend on our ability to maintain our technology leadership, to continually improve performance, reduce costs, and ensure functional safety and flexible design. Our research and development teams as of December 31, 2025 were located in the U.S. and Germany and were comprised of approximately 135 engineering and technical staff in optics, software engineering, electrical engineering, product engineering, aeronautical engineering, avionics, and photonics.

## **Sales and Marketing**

Our sales and marketing approach is account based, business-to-business targeting of automotive OEMs, industrial automation equipment, and security & defense contractors, automated warehouse operators, agriculture and mining companies, automotive Tier 1 suppliers, defense tech companies, and potential customers in several other industrial markets. Our business development efforts are headed by executive management and business development representatives and are supported by engineers that assist customers during the design cycles of products. We have business development offices for our automotive, industrial, and security & defense solutions located in the United States, Europe, and Asia. We engage potential customers directly, participate in trade shows, and maintain a website. In 2025, we established a Defense Advisory Board, whose members have extensive networks and deep expertise in the security and defense sector, to support our pursuit of commercial opportunities and strategic partnerships in that market.

## **Manufacturing**

We continue to invest in our manufacturing capabilities, evaluating long-term Tier 1 relationships and establishing new relationships with contract manufacturers. When we have produced products or components, our products were manufactured by a contract manufacturer based on our proprietary design, process, test, quality, and reliability standards and incorporated our core technologies, including MEMS and ASICs that were produced to order by semiconductor foundries. To date, our manufacturing has not been subject to seasonal variations as our shipments have been relatively small and in the early stages of product introduction. In the future, depending on our customers' product mix, we may be affected by seasonal fluctuations which could affect working capital demands. Many of the raw materials used in our components are standard, although our MEMS, MEMS die, and ASICs have historically been manufactured to our specifications by separate single-source suppliers.

## **Competitive Conditions**

Many companies have developed and are attempting to develop lidar sensors and autonomy and mobility solutions; the competitive landscape is highly crowded and rapidly evolving. We compete with pureplay lidar developers, most of which have raised and exhausted significant capital in their development and production efforts. Some of these companies have announced partnerships with OEMs, Tier 1 suppliers, and contract manufacturers that, even if nonexclusive, may appear more credible than we do in the marketplace. We also face competition from industrial and automotive OEMs and automotive 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. Many lidar developers are also building ADAS solutions with which our solutions compete. Our competitors may succeed in developing innovative technologies and products that could render our technology or products commercially infeasible or technologically obsolete.

The autonomy, mobility, and lidar sensing industries have been characterized by rapid and significant technological advances. Our perception solutions, technology systems, and sensor products may not be competitive with such advances, and we may not have sufficient funds to invest in new technologies, products or processes. Although we believe our technology and solutions could deliver higher performance and have other advantages, manufacturers of competing technologies may develop improvements that could reduce or eliminate the anticipated advantages of our solutions.

## **Intellectual Property and Proprietary Rights**

We create intellectual property from three sources: internal research and development activities, technology acquisitions, and performance on development contracts. The inventions covered by our patent applications generally relate to systems controls in our LBS technology, component miniaturization, power reduction, feature enhancements, specific implementation of various system components, and design elements to facilitate mass production. Protecting these key-enabling technologies and components is a fundamental aspect of our strategy to penetrate diverse markets with unique products. As such, we intend to continue to develop our portfolio of proprietary and patented technologies at the system, component, and process levels.

Our extensive patent portfolio is large and broad, and we currently have over 700 issued patents and pending patents worldwide. As our technology develops, we not only apply for new patents, but we also periodically review our patent portfolio and eliminate patents that are deemed of low value. Moreover, the number of patents in our portfolio will vary at any given time as patents may expire or be abandoned to better utilize resources expended to maintain and generate new intellectual property.

Our ability to compete effectively in the markets we may enter may depend, in part, on our ability and the ability of our licensors to maintain the proprietary nature of the relevant technologies.

We also rely on unpatented proprietary technology. To protect our rights in these areas, we require all employees, and where appropriate, contractors, consultants, advisors and collaborators, to enter into confidentiality and non-compete agreements. There can be no assurance, however, that these agreements will provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information.

We have registered names and phrases, including “MAVIN™,” “MOVIA™,” “MOSAIK™,” “SAFE MOBILITY AT THE SPEED OF LIFE,” and “MicroVision®,” with the United States Patent and Trademark Office and in various foreign countries.

### **Our Employees, People Operations, and Workplace Safety**

At the end of fiscal year 2025, throughout our global offices, we had approximately 190 predominantly full-time employees. We do not hire seasonal workers and none of our employees are represented by a labor union or works council.

Our principal objectives with respect to our workforce are to attract, retain, motivate, and reward our employees to achieve positive results for our customers and for MicroVision. To achieve these objectives, our employee benefit programs seek to (i) support skill building and prepare our employees for advancement through continuous learning, (ii) reward our employees through compensation awards and resources intended to motivate our employees and promote well-being, and (iii) continuously identify opportunities for development through regular employee input and engagement. We offer competitive compensation and benefits.

We also strive for excellence and inclusivity among our employees, management, and board of directors, and seek to promote job opportunities to a wide pool of qualified candidates who can bring multiple perspectives and a variety of backgrounds and experiences into our workplace. We are also committed to providing an inclusive work environment free of discrimination or harassment of any kind, supported by our leadership team and through our policies, communications, and reporting and resolution resources.

Protecting the safety, health, and well-being of our employees is also a key priority and we have implemented policies and practices to support this. In particular, given the work that we do, we engage third party independent experts in the field of laser safety to assist in meeting safety specifications. In addition, we monitor developments in the area of permissible laser exposure limits as established by International Electrotechnical Commission, or IEC, and others. Independent experts have concluded that laser exposure to the eye resulting from use of LBS devices under normal operating conditions would be below the calculated maximum permissible exposure level set by the IEC.

### **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 December 31, 2025, we had an accumulated deficit of \$957.3 million.
- We incurred net losses of \$862.3 million from inception through 2024, and a net loss of \$95.0 million during the year ended December 31, 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, initially of our Laser Beam Scanning, or LBS, technology system, including products built around that technology, and more recently of other core technologies around which our automotive lidar sensors are built. 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 2026 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 the issuance of equity or debt securities, development revenue, product sales, and/or licensing activities. 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 lidar sensors and perception 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 have increased significantly as a result of recent asset acquisitions, including Ibeo in January 2023, Scantinel Photonics in January 2026, and Luminar Technologies in February 2026, and related headcount increases with each acquisition. 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 investment 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. 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 year ended December 31, 2025, a leading manufacturer of agricultural equipment accounted for \$0.5 million in revenue, an automotive supplier accounted for \$0.2 million in revenue, an automotive manufacturer accounted for \$0.2 million in revenue, and an automotive driving solutions provider accounted for \$0.1 million in revenue. This represents 42%, 19%, 15%, and 12% of our total revenue, respectively. For the year ended December 31, 2024, a leading manufacturer of agricultural equipment accounted for \$2.8 million in revenue, a major global trucking OEM accounted for \$0.6 million in revenue, and an automotive supplier accounted for \$0.5 million in revenue. This represents 60%, 13%, and 10% of our total revenue, respectively. Our revenue has been negatively affected 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.**

We have in the past and may in the future identify material weaknesses in our internal controls, or fail to establish and maintain effective disclosure controls and procedures and internal control over financial reporting, either of which 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 in 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 February 26, 2026, our common stock has traded at a low of \$0.65 and a high of \$1.73. 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 fiscal year ended December 31, 2025, we incurred a loss per share of \$0.35.

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. On January 12, 2026, we received a notification letter from Nasdaq advising that, based upon the closing bid price for the last 30 consecutive business days, the Company no longer met the continued listing requirement to maintain a minimum bid price of \$1 per share, as set forth in Nasdaq Listing Rule 5450(a)(1).

As a result of recent declines and volatility in our stock price, there is a significant risk that we could fail to regain compliance with the minimum bid price requirement. If we are unable to regain compliance within the 180-day period and then 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 February 26, 2026, the closing price of our common stock was \$0.78 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 (such as the recent issuance by us pursuant to the securities purchase and exchange agreement dated February 23, 2026), 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 February 2026 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 February 2026, 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 that could adversely affect our business and financial condition.**

On February 23, 2026, we issued two senior secured convertible notes in the aggregate principal amount of \$43.0 million pursuant to the securities purchase and exchange agreement dated February 23, 2026. The convertible notes provide 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 February 2026 securities purchase and exchange agreement and the convertible notes 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 notes 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 notes or meet our other obligations thereunder. Our level of indebtedness under the securities purchase and exchange 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 notes, 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 refinance our indebtedness under the securities purchase and exchange agreement or to obtain additional financing for working capital, capital expenditures, acquisitions, or general corporate purposes;
- we may be unable to comply with financial and other covenants related to the convertible notes, which could result in an event of default that, if not cured or waived, may result in acceleration of the notes 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 notes 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 February 2026 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 notes 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 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.

The production of our sensors is dependent on producing or sourcing certain key components and raw materials at acceptable price levels. If we are unable to adequately reduce and control the costs of such key components, we will be unable to realize manufacturing cost targets, which could reduce the market adoption of our products, damage our reputation with current or prospective customers, and harm our brand, business, prospects, financial condition and operating results.

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 our core 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 the relevant technologies 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. In particular following our recent asset acquisitions, 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 or scale. 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 instability in global tariffs, to slower economic activity, concerns about inflation, 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 experienced currently and in the recent past, 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 automotive, the industrial, or security & defense 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 recent aggressions and ongoing conflict in the Middle East and the Russian invasion and continuing war against Ukraine;
- 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.

**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.**

In January 2023, January 2026, and February 2026, we completed acquisitions of certain assets from Ibeo Automotive Systems GmbH, Scantinel Photonics GmbH, and Luminar Technologies, Inc., respectively. For each of these acquisitions, we expended significant management time and effort, as well as capital, identifying, evaluating, negotiating, and executing these transactions. We have also invested, and continue to invest, time and capital working to integrate employees and operations from each of these acquisitions into our global organization. We cannot guarantee that these integration efforts will be successful, that the goals of the acquisitions will be realized, or that the increase to our operating expenses or cash requirements will be manageable.

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 and other acquired-asset 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, engineering, project management, operations, 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.

**We are exposed to risks related to the use of AI tools by us and others.**

Although we are evaluating and, where we believe appropriate, incorporating the use of AI tools into our operations, such as the use of generative AI tools to assist in the development of code, our use of such tools may subject us to significant competitive, legal, regulatory and other risks, and there can be no assurance that our use of AI tools will enhance our business operations or result in a benefit to us. Our competitors may be more successful in their use of AI tools, including by developing superior products or improving their operations with the assistance of AI. Additionally, there could be adverse impacts from inaccurate or flawed algorithms. Our use of AI tools could also result in the loss of confidential information or intellectual property or an inability to claim or enforce intellectual property rights, as well as subject us to risks related to intellectual property infringement or misappropriation, data privacy, cybersecurity, and the unauthorized use of our data.

## **Risks Related to Development for our Target 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. We expect to be subject to substantial pressure from automotive OEMs and Tier 1 suppliers to reduce the price of our products. It is possible that pricing pressures beyond our expectations could intensify as automotive OEMs pursue restructuring, consolidation, and cost-cutting initiatives. If we are unable to generate sufficient production cost savings in the future to offset price reductions, our gross margin and profitability would be adversely affected.

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, opportunities in those market and related forecasts may not materialize as anticipated.**

In addition to automotive markets, we are investing in and pursuing market opportunities in industrial and security & defense markets. We believe that our future revenue growth, if any, will depend in part on our ability to expand within new markets such as these and to enter new markets as they emerge. Each of these markets presents distinct risks and, in many cases, requires us to address the particular requirements of that market.

Addressing the unique requirements of adjacent markets can be time-consuming and costly. The market for lidar technology and perception solutions outside of automotive applications is relatively new, rapidly developing, and unproven in many markets or industries. Many of our customers and potential customers outside of the automotive industry remain in the testing and development phases, and we cannot be certain that they will commercialize products or systems with our products or at all. Additionally, we cannot be certain that lidar-based solutions will be sold into these markets at prices or scale needed to achieve profitability.

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 1B. UNRESOLVED STAFF COMMENTS

None.

## ITEM 1C. CYBERSECURITY

### Risk Management and Strategy.

#### **Our Cybersecurity Processes**

We continue to strengthen our cybersecurity measures to safeguard our information systems based on industry standards. Our measures include policies to promote internal compliance by our employees, policies and procedures to regularly evaluate the security of our information systems and implementation of third-party products, including intrusion prevention and detection solutions, multifactor identification and anti-virus software, to help detect and protect against potential cybersecurity threats. We educate our staff on cybersecurity matters with periodic risk awareness information, phishing awareness campaigns, and training materials. Moreover, given the rapid growth of our global operations due to recent acquisitions, and our expectations for near- and long-term strategic growth, our Information Technology, or IT, team is prioritizing enhancements to our response system and continuity plans.

A key dimension to the security and effectiveness of our information system is our compliance with standards that are unique to the industries in which we operate. For instance, it is critical that our information system achieves TISAX compliance. Established by the German Association of the Automotive Industry, Trusted Information Security Assessment Exchange, or TISAX, is a globally recognized assessment and exchange mechanism for information security in the automotive industry. Automotive OEMs rely on the TISAX label to ensure that suppliers and partners have a solid information security management system in place. Our German subsidiary completed the TISAX assessment and became registered as a TISAX participant in April 2025. To successfully complete the TISAX assessment process in our U.S. operations, we are actively evaluating our cybersecurity measures and seeking enhancements, including engaging a third-party auditor and global standardization of our cybersecurity training program, to ensure a comprehensive and robust system.

We evaluate our third-party information system providers, as well as any other provider that may have access to our data, for their maturity and reliability, and as a matter of policy we choose to only work with reputable vendors.

#### **Risks from Cybersecurity Threats**

We have not encountered cybersecurity incidents that have materially affected or are reasonably likely to materially affect us, including our operations or financial condition. A cybersecurity incident could be deemed to have a material impact on our operations if it caused a disruption to our ability to function as a global organization, including the interruption of our internal and external communications, public reporting, or management of our operations. Refer to “Item 1A. Risk Factors” in this annual report on Form 10-K, including “Our operations could be adversely impacted by information technology system failures, network disruptions, or cybersecurity breaches,” for additional discussion about cybersecurity-related risks.

### Governance

#### **Board of Directors and Audit Committee**

With delegated authority from our Board of Directors and in accordance with its charter, our Audit Committee is charged with the oversight of enterprise risk, including risk related to cybersecurity threats. Our Audit Committee Chair is expected to report regularly to our Board of Directors about our Audit Committee’s oversight of enterprise risk. Our Audit Committee Chair reports quarterly to our Board of Directors specifically about our cybersecurity incident management and governance.

Management reports quarterly to our Audit Committee on cybersecurity, including initiatives and strategies, and incident reporting and any lessons learned. From time to time, management will also engage in informal discussions with members of the Audit Committee about our cybersecurity practices and risks, including informing our Audit Committee Chair in a timely manner about any cybersecurity incidents that management determines may have a significant impact on our operations or that may trigger any reporting obligations.

Our Audit Committee will conduct an annual review of our cybersecurity measures and the effectiveness of our risk management strategies.

## Management

Stephen Hrynewich joined MicroVision in 2023 and was named as our Interim Chief Financial Officer in December 2025. He is an experienced risk management professional and currently oversees the Company's accounting and finance strategies, including risk management. Mr. Hrynewich also oversees our IT team and, with regular communication with the team, is responsible for approving the IT budget, hiring of IT personnel, including third-party consultants, and, along with our General Counsel, approving cybersecurity processes and other cybersecurity-related matters. Although we do not currently employ a chief information security officer, we are working with an outside consulting firm that is serving in this role and assisting our internal team with the primary responsibility of overseeing our cybersecurity measures and risks.

The day-to-day responsibility for assessing, monitoring and managing our cybersecurity risks resides with our IT team, with supervision from our General Counsel. Across the IT team we have a dedicated cybersecurity analyst as well as employees who have in-depth knowledge and decades of cybersecurity industry experience, including prior experience with developing and overseeing cybersecurity policies and processes for companies required to comply with NIST SP800-171, cybersecurity standards for companies that store sensitive unclassified information on behalf of the United States government, and experience with TISAX compliance. Yet, we recognize the evolving and increasing threat that cybersecurity will have on our operations. As part of our long-term growth strategy, we expect to build out our dedicated cybersecurity team to oversee our cybersecurity risk management.

The IT Team Director regularly meets with the General Counsel and Chief Financial Officer and, as appropriate, the Chief Executive Officer to discuss cybersecurity risks. This ensures that management is informed about our current cybersecurity measures and aware of any potential risks facing our operations. In the event of a cybersecurity incident, we have put in place a reporting structure to inform the General Counsel, Chief Financial Officer, and Chief Executive Officer promptly of any incident so that they may assess the appropriate response to the incident and any reporting concerns that may be triggered by the incident.

## ITEM 2. PROPERTIES

In September 2021, we entered into a lease on approximately 16,681 square feet of space located in Redmond, Washington that we use primarily for product testing and lab space. The lease provides for an initial term of 128 months that commenced November 1, 2021.

In September 2021, we entered into a second lease on approximately 36,062 square feet of space located in Redmond, Washington that we use primarily for general office space. The lease provides for an initial term of 120 months and commenced on December 1, 2022.

In December 2023, we entered into a lease on approximately 60,000 square feet of space located in Hamburg, Germany that we use primarily for general office space and product testing. The lease provides for an initial term of 60 months and commenced on November 1, 2024.

In September 2025, we entered into a lease on approximately 253 acres of space located in Warrenton, Virginia that we use for drone flight testing. The lease provides for an initial term of 12 months and commenced on October 1, 2025.

We believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional or substitute space will be available to accommodate any such expansion of our operations. For a further description of our leased properties, see *Part II, Item 8, Note 11. Leases*, of the notes to our consolidated financial statements, which is incorporated by reference in response to this item.

## ITEM 3. 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 4. MINE SAFETY DISCLOSURES

Not applicable.

#### ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

Executive officers are appointed by our Board of Directors and hold office until their successors are elected and duly qualified. The following persons serve as executive officers of MicroVision, Inc.:

Glen W. DeVos, age 64, was named Chief Executive Officer in September 2025, having joined MicroVision in March 2025 as Senior Vice President and Chief Technology Officer. Prior to MicroVision, he served in various business leadership and technology roles at Aptiv and its predecessor Delphi Automotive from 1992 to March 2024. From March 2017 to March 2024, he was a Senior Vice President and he served as Chief Technology Officer until January 2023. Also during that time, he served as President of Aptiv's Advanced Safety and User Experience business unit from April 2021 to January 2023 and as President of its Mobility and Services Group from December 2017 to March 2020. Aptiv PLC, an Irish company headquartered in Switzerland with securities traded on the NYSE, is an engineering company focused on mobility and autonomous technologies for the automotive and commercial vehicle industries. Aptiv was spun out of Delphi Automotive in March 2017; Delphi was spun out of GM in 1999.

Drew Markham, age 57, was named Senior Vice President, General Counsel & Secretary, and Head of People Operations in June 2024, having joined MicroVision in June 2021 as Vice President, General Counsel & Secretary. Before joining MicroVision, from January 2017 through June 2021, Ms. Markham was President at Avisé, a social purpose corporation, where she was a legal consultant to publicly traded technology companies. From January 2013 to December 2016, she was Vice President, Deputy General Counsel & Assistant Secretary at RealNetworks, Inc. From June 1999 to December 2012, she was an attorney with Wilson Sonsini Goodrich & Rosati. Ms. Markham received her Juris Doctor degree from the University of Washington School of Law and her Bachelor of Science degree in Accounting from the University of Florida.

Stephen Hrynewich, age 59, was named Interim Chief Financial Officer in December 2025, after having served as the Company's Vice President, Global Finance & Operations since August 2023. Prior to that, starting 2021, Mr. Hrynewich served as Director, Corporate Finance at Lucid Group, Inc., with previous finance roles at Republic Services from 2018 to 2020, as well as several automotive OEMs, including General Motors, Nissan North America, Mazda Motor Corporation, and Ford Motor Company.

Simon Biddiscombe, age 58, was named Executive Vice Chair in September 2025 to serve as a resource to Mr. DeVos, at the request of Mr. DeVos, for a temporary period of no more than twelve months. Mr. Biddiscombe has served as a director on the Board since 2018. Mr. Biddiscombe is an advisor to privately held Third Wave Automation, a provider of high-reach autonomous forklifts having previously served as their Chief Financial Officer from August 2022 to December 2024. He also served as Executive Partner at Thomas H. Lee Partners, a premier private equity firm investing in middle market growth companies, from May 2022 to October 2023. Mr. Biddiscombe was Chief Executive Officer and a board member at publicly traded MobileIron, Inc., a security software provider for the digital enterprise protecting corporate data across apps, networks, and clouds, from October 2017 until its sale to Ivanti, Inc. in December 2020. From May 2015 to October 2017, Mr. Biddiscombe served as MobileIron's Chief Financial Officer. He previously served in several executive leadership roles including Chief Financial Officer at ServiceSource International, Chief Financial Officer and Chief Executive Officer at QLogic, Chief Financial Officer at Mindspeed Technologies, and Chief Financial Officer at Wyle Electronics. He began his career at PricewaterhouseCoopers LLP where he spent nine years, including the firm's Silicon Valley technology accounting and audit practice. Mr. Biddiscombe holds a BA in business studies from the University of Glamorgan and is a Fellow of the Institute of Chartered Accountants in England and Wales.

PART II.

**ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

**Market Information**

Our common stock began trading publicly on August 27, 1996. Our common stock trades on The Nasdaq Global Market under the ticker symbol “MVIS.” We have never declared or paid cash dividends on our common stock. We currently anticipate that we will retain all future earnings to fund the operations of our business and do not anticipate paying dividends on the common stock in the foreseeable future.

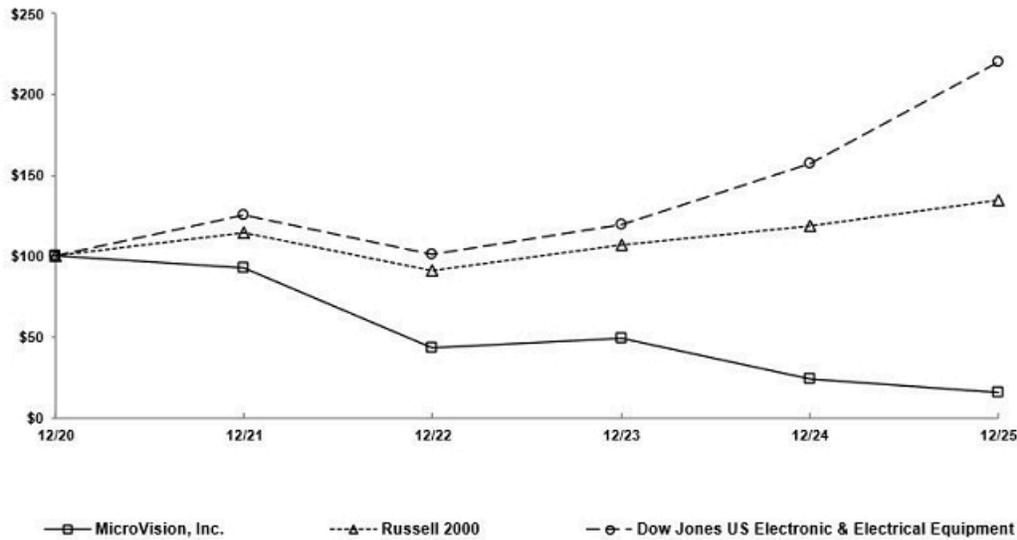
As of February 26, 2026, there were approximately 133 holders of record of 306,579,855 shares of common stock outstanding. As many of our shares of common stock are held by brokerages and institutions on behalf of shareholders, we are unable to estimate the total number of beneficial holders of our common stock represented by these record holders.

**Stock Performance Graph**

This performance graph shall not be deemed to be “soliciting material” or “filed” or incorporated by reference in future filings with the Securities and Exchange Commission, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

The following graph shows a comparison from 2020 through 2025 of the cumulative total return for our common stock, the Russell 2000 Index and the Dow Jones US Electronic and Electrical Equipment Index. Our prior annual reports had included cumulative total return from the NASDAQ Electrical Components Index, however it is not included on this graph because the index has been discontinued. The comparisons in the graph are historical and are not intended to forecast or be indicative of possible future performance of our common stock.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\***  
 Among MicroVision, Inc., the Russell 2000 Index  
 and the Dow Jones US Electronic & Electrical Equipment Index



\*\$100 invested on 12/31/20 in stock or index, including reinvestment of dividends.  
 Fiscal year ending December 31.

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 Copyright© 2026 Russell Investment Group. All rights reserved.

## Recent Sales of Unregistered Securities

On November 21, 2023, pursuant to subscription agreements dated as of November 14, 2023, between us and each of the purchasers, we sold in the aggregate 50,761 shares of our common stock, par value \$0.001 per share (“Common Stock”), at \$1.97 per share, for an aggregate purchase price of approximately \$0.1 million. The purchasers consisted of our then-Chief Executive Officer, then-Chief Financial Officer, General Counsel and certain members of our Board of Directors.

On March 13, 2023, pursuant to a subscription agreement dated as of March 13, 2023, we sold to our then-Chief Executive Officer 100,000 shares of Common Stock, at \$2.14 per share, for an aggregate purchase price of \$0.2 million.

The sales of our Common Stock described above were each undertaken in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), pursuant to Section 4(a)(2).

## ITEM 6. RESERVED

## ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the related notes included in Part II, Item 8 of this Form 10-K. The following discussion focuses on the results of our operations for the year ended December 31, 2025 compared to the year ended December 31, 2024. Similar discussion of the results of our operations for the year ended December 31, 2024 compared to the year ended December 31, 2023 can be found in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024.

### Overview

MicroVision, Inc. is defining the next generation of lidar-based perception solutions for automotive, industrial, and security & defense markets. We deliver integrated hardware and software solutions designed for real-world performance, automotive-grade reliability, and economic scalability. Our diverse portfolio of lidar sensors, with both short- and long-range lidar solutions, feature solid-state sensors with varying wavelengths, advanced sensor architectures, design-to-cost engineering, and open software solutions.

Our solutions enable advanced driver assistance systems, or ADAS, and autonomy features for customers in a wide range of markets, including automotive, industrial, and security & defense. Target industrial sectors include robotics, automated warehouse, agriculture, and mining. Our integrated hardware and software solutions enable intelligent autonomous, active safety, and automation systems which depend on secure, cost-effective, and energy-efficient solutions. Our software has been developed in close collaboration with automotive customers and also has broad application in industrial, defense, and commercial vehicle sectors.

We have incurred substantial losses since inception and expect to incur a significant loss during the fiscal year ending December 31, 2025. 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. In October 2024, we entered into a securities purchase agreement with an institutional investor for the purchase of senior secured convertible notes of up to \$75.0 million. See *Part II, Item 8, Note 7. 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 II, Item 8, Note 8. Warrant Liability*. In February 2026, we entered into a securities purchase and exchange agreement with the same investor, pursuant to which we issued two senior secured convertible notes due March 2028 – one for approximately \$20.6 million in exchange for the previously existing senior secured convertible note due March 2026 and the other for approximately \$22.4 million. See *Part II, Item 8, Note 17. Subsequent Events* for additional discussion.

There can be no assurance that additional capital will be available or that, if available, it will be available on terms acceptable to us on a timely basis. We cannot be certain that we will succeed in commercializing our technology or products.

### ***Critical Accounting Policies and Estimates***

Our discussion and analysis of our financial condition and results of operations are based upon our 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.

We believe the following key accounting policies require significant judgments and estimates used in the preparation of our consolidated financial statements.

### ***Business Combination***

Our business combination is accounted for under the acquisition method. We allocate the fair value of purchase consideration to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the fair value of the underlying net assets acquired and liabilities assumed over the purchase consideration is included in bargain purchase gain in the consolidated statements of operations. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets.

### ***Intangible Assets***

Our intangible assets consist of acquired technology from the January 2023 Ibeo asset purchase and purchased patents. The estimated fair value of acquired technology was calculated through the income approach using the multi-period excess earnings and relief from royalty methodologies. The intangible assets are amortized using the straight-line method over their estimated period of benefit, ranging from one to seventeen years. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Recoverability of these assets is measured by comparison of their carrying values to the projected undiscounted net cash flows associated with the related intangible assets or group of assets over their remaining lives. Measurement of an impairment loss for our intangible assets is based on the difference between the fair value of the asset and its carrying value. During 2025 and 2024, we recorded non-cash impairment charges of \$10.1 million and \$4.2 million primarily related to our perception software and reference software, respectively. See *Part II, Item 8, Note 9. Financial Statement Components – Intangible Assets*.

### ***Share-Based Compensation***

We issue share-based compensation to employees in the form of stock options, restricted stock units (RSUs), and performance stock units (PSUs). We account for the share-based awards 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 stock options is estimated on the grant date using the Black-Scholes option pricing model. The fair value of RSUs and non-executive PSUs is determined by the closing price of our common stock on the grant date or the period end date for the awards that are being measured by the service inception date. For performance-based awards, expense is recognized when it is probable the performance criteria will be achieved. If the likelihood becomes improbable that the performance criteria will be achieved, the expense is reversed. The fair value of RSUs and PSUs (other than certain executive PSUs) is determined by the closing price of our common stock on the grant date or the period end date for the awards that are being measured by the service inception date. Executive PSUs issued in 2022 were valued using a Monte Carlo simulation model using the following inputs: stock price, volatility, and risk-free interest rates. Changes in estimated inputs or using other option valuation methods may result in materially different option values and share-based compensation expense.

## Leases

Significant judgment may be required when determining whether a contract contains a lease, the length of the lease term, the allocation of the consideration in a contract between lease and non-lease components, and the determination of the discount rate included in our office lease. We review the underlying objective of each contract, the terms of the contract, and consider our current and future business conditions when making these judgments.

## Derivative Liability

We evaluate our financial instruments, specifically, our notes payable, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC 815, "Derivatives and Hedging". For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value on the issuance date and is then re-valued at each reporting date, with changes in the fair value reported as an unrealized gain or loss in earnings on the consolidated statements of operations.

## Warrant Liability

We account 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 ASC 480, "Distinguishing Liabilities from Equity", and ASC 815. 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. We adjust such warrants to fair value at each reporting period until the warrants are exercised or expire. Changes in fair value are recognized in our consolidated statements of operations.

## Results of Operations

### Revenue

	<u>2025</u>	<u>2024</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>				
Revenue	\$ 1,208	\$ 4,696	(3,488)	(74.3)

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) transfers 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 year ended December 31, 2025 compared to the same period in 2024 was primarily due a lower sales to a leading manufacturer of agriculture equipment, as well as lower sales of MOVIA L sensors as part of RFQ evaluation processes to an industrial customer and to Daimler Truck North America and affiliates.

### Cost of revenue

	<u>2025</u>	<u>% of revenue</u>	<u>2024</u>	<u>% of revenue</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>						
Cost of revenue	\$ 18,548	1,535.4	\$ 7,530	160.3	\$ 11,018	146.3

Cost of revenue includes the 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. 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 increase in cost of revenue for the year ended December 31, 2025 compared to the same period in 2024 was primarily due to \$9.9 million of obsolete inventory associated with older configurations of short-range MOVIA L sensors and \$3.2 million of adverse purchase commitments related to the production of select MOVIA L sensor inventory. See *Part II, Item 8, Note 9. Financial Statement Components* for additional discussion.

### Research and development expense

	<u>2025</u>	<u>2024</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>				
Research and development expense	\$ 31,720	\$ 49,015	\$ (17,295)	(35.3)

Research and development expense consists of compensation related costs of employees and contractors engaged in internal research and product development activities, direct materials 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 expenses will be required to further develop our scanning technology.

The decrease in research and development expense during the year ended December 31, 2025 compared to the same period in 2024 was primarily due to a reduced workforce resulting in lower salary and benefits expense of \$7.9 million, lower restructuring charges of \$5.4 million, lower purchased services of \$2.1 million, and lower IT and software costs of \$1.1 million. These decreases were partially offset by higher building expenses of \$0.9 million.

### Sales, marketing, general and administrative expense

	<u>2025</u>	<u>2024</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>				
Sales, marketing, general and administrative expense	\$ 20,325	\$ 29,346	\$ (9,021)	(30.7)

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 year ended December 31, 2025 as compared to the same period in 2024 was primarily due to lower non-cash share based compensation expense of \$7.6 million from the reversal of previously recognized expense related to the forfeiture of awards in connection with the executive separations that occurred during the year ended December 31, 2025, lower salary and benefits expense and non-cash compensation of \$1.5 million, lower restructuring charges of \$0.6 million, and lower trade show expense of \$0.4 million. These decreases were partially offset by higher recruiting expenses of \$0.6 million, higher building expenses of \$0.4 million, higher purchased services fees of \$0.3 million, and higher advertising costs of \$0.3 million.

*Impairment loss on intangible assets*

	<u>2025</u>	<u>2024</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>				
Impairment loss on intangible assets	\$ 10,057	\$ 4,181	\$ 5,876	140.5

During the year ended December 31, 2025, management identified impairment indicators related to perception software, which resulted in a \$10.1 million non-cash impairment charge. During the year ended December 31, 2024, management identified impairment indicators related to MOSAIK software. We performed an assessment of projected future cash flows and determined the software was fully impaired, which resulted in a \$4.2 million non-cash impairment charge. See *Part II, Item 8, Note 9. Financial Statement Components* for additional discussion.

*Impairment loss on operating lease right-of-use assets*

	<u>2025</u>	<u>2024</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>				
Impairment loss on operating lease right-of-use assets	\$ 1,201	\$ -	\$ 1,201	-

Impairment loss on operating lease right-of-use assets includes non-cash charges during the year ended December 31, 2025 related to our Hamburg office space lease. See *Part II, Item 8, Note 10. Leases* for additional discussion.

*Impairment loss on property and equipment, net*

	<u>2025</u>	<u>2024</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>				
Impairment loss on property and equipment, net	\$ 2,185	\$ -	\$ 2,185	-

Impairment loss on property and equipment, net includes non-cash charges during the year ended December 31, 2025 related to abandoned production equipment for prior designs of our long-range MAVIN sensors. See *Part II, Item 8, Note 9. Financial Statement Components* for additional discussion.

*Interest expense*

	<u>2025</u>	<u>2024</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>				
Interest expense	\$ (18,531)	\$ (4,457)	\$ (14,074)	315.8

The increase in interest expense during the year ended December 31, 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 II, Item 8, Note 8. Warrant Liability*), \$9.1 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 II, Item 8, Note 7. Notes Payable and Derivative Liability*).

*Unrealized gain (loss) on derivative liability*

	<u>2025</u>	<u>2024</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>				
Unrealized gain (loss) on derivative liability	\$ 5,709	\$ (8,866)	\$ 14,575	(164.4)

Unrealized gain (loss) on derivative liability reflects the revaluation of our derivative liability associated with notes payable as of December 31, 2025 and 2024. Due to the decrease in the fair value of the derivative liability as of December 31, 2025 relative to December 31, 2024, we recognized an unrealized gain during 2025. Due to the increase in the fair value of the derivative liability as of December 31, 2024 relative to its initial measurement on October 23, 2024, we recognized an unrealized loss during 2024. See *Part II, Item 8, Note 7. Notes Payable and Derivative Liability* for additional discussion.

### Unrealized gain on warrant liability

	<u>2025</u>	<u>2024</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>				
Unrealized gain on warrant liability	\$ 4,422	\$ -	\$ 4,422	-

Unrealized gain on warrant liability reflects the revaluation of our warrant liability as of December 31, 2025. Due to the decrease in the fair value of the warrant liability during the period, we recognized an unrealized gain during 2025. See *Part II, Item 8, Note 8. Warrant Liability* for additional discussion of warrants issued during 2025.

### Realized loss on debt extinguishment

	<u>2025</u>	<u>2024</u>	<u>\$ change</u>	<u>% change</u>
<i>(In thousands)</i>				
Realized loss on debt extinguishment	\$ (4,654)	\$ -	\$ (4,654)	-

As a result of the debt modification during the year ended December 31, 2025, we recognized a loss on extinguishment of notes payable. See *Part II, Item 8, Note 7. Notes Payable and Derivative Liability* for additional discussion.

### Income Taxes

During the years ended December 31, 2025 and 2024, we recognized a tax benefit of \$0.1 million and tax expense \$0.5 million, respectively, mainly related to income in foreign jurisdictions, partially offset by a deferred income tax benefit generated by a 2025 loss provision on our Hamburg, Germany office lease. As of December 31, 2025, we had net operating loss carryforwards of approximately \$549.4 million for federal income tax reporting purposes. In addition, we have research and development tax credits of \$11.2 million. During 2025, \$16.0 million federal net operating losses and \$0.3 million general business credits expired unused. A majority of the net operating loss carryforwards and research and development credits available to offset future taxable income, if any, will expire in varying amounts from 2026 to 2044, if not previously used.

In certain circumstances, as specified in the Internal Revenue Code, a 50% or more ownership change by certain combinations of our shareholders during any three-year period would result in a limitation on our ability to use a portion of our net operating loss carryforwards.

We recognize interest accrued and penalties related to unrecognized tax benefits in tax expense. We did not have any unrecognized tax benefits at December 31, 2025 or at December 31, 2024.

### 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 December 31, 2025, the Company had \$32.3 million in cash and cash equivalents and \$42.5 million in short-term investment securities, or \$74.8 million total. In February 2026, we raised net proceeds of \$20.9 million from the exchange and issuance of senior secured convertible notes to an existing investor. In addition to cash and cash equivalents, the Company also has potential availability of \$42.0 million left on our existing \$150.0 million ATM facility that was put in place in the first quarter of 2024, subject to certain limitations.

In consideration of the above, after factoring in the \$33.2 million purchase price of the Luminar asset acquisition in February 2026 (see *Part II, Item 8, Note 17. Subsequent Events*), the Company has total liquidity of \$104.5 million. Pursuant to terms of the securities purchase and exchange agreement entered into in February 2026, we will maintain minimum cash liquidity of the lesser of \$21.5 million or 110% of the then outstanding balance of the Note for the remaining duration of the Note term. 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 \$58.7 million during 2025, compared to \$68.5 million in 2024. During the years ended December 31, 2025 and 2024, we made payments of \$7.7 million and \$1.9 million, respectively, to our contract manufacturing partner in connection with the buildup of MOVIA sensor inventory for direct sales to both automotive and non-automotive customers. As of December 31, 2025, we had open purchase commitments of \$3.2 million related to the production of MOVIA L sensor inventory. We have determined that certain of the sensors are obsolete and an adverse purchase commitment for the entire balance of open purchase commitments has been recorded as of December 31, 2025.

### *Investing activities*

During the year ended December 31, 2025, cash used in investing activities was \$24.6 million compared to cash provided by investment activities of \$2.7 million during the same period in 2024. During the year ended December 31, 2025, we purchased short-term investment securities totaling \$51.9 million and sold short-term investment securities totaling \$30.1 million, compared to purchases of \$26.1 million and sales of \$35.4 million in the same period of 2024. During the year ended December 31, 2024, we made advances of \$2.2 million related to the acquisition of Scantinel assets (see *Part II, Item 8. Note 17, Subsequent Events*). During the same period in 2024, we made payments totaling \$6.3 million related to the acquisition of Ibeo assets.

### *Financing activities*

Net cash provided by financing activities totaled \$60.9 million during the year ended December 31, 2025, compared to \$72.9 million during the same period of 2024. Net proceeds from issuance of common stock and warrants were \$77.4 million during the year ended December 31, 2025, compared to \$34.7 million during the same period in 2024. In 2025, we made scheduled principal repayments of \$16.5 million associated with our senior secured convertible notes. In 2024, we received approximately \$38.1 million in net proceeds, inclusive of debt issuance costs, from the issuance of \$45.0 million senior secured convertible notes. See *Part II, Item 8. Note 7, Notes Payable and Derivative Liabilities*.

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

- In February 2026, we entered into a securities purchase and exchange agreement with an institutional investor, pursuant to which we issued two senior secured convertible notes due March 2028 – one for approximately \$20.6 million in exchange for the previously existing senior secured convertible note due March 2026 and the other for approximately \$22.4 million. See *Part II, Item 8, Note 17. Subsequent Events* for additional discussion.
- 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 (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 was \$45.0 million. 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 December 2025, we completed sales under such sales agreement of 80.6 million shares for net proceeds of \$104.0 million. As of December 31, 2025, we have approximately \$42.0 million available under this sales agreement.

Our capital requirements will depend on many factors, including, but not limited to, the rate at which OEMs and other potential customers introduce products incorporating our technology and the market acceptance and competitive position of such products. Our ability to raise capital will depend on numerous factors, including the following:

- Perceptions of our ability to continue as a going concern;
- Market acceptance of products incorporating our technology;
- Changes in evaluations and recommendations by any securities analysts following our stock or our industry generally;
- Announcements by other companies in our industry;
- Changes in business or regulatory conditions;
- Announcements or implementation by our competitors of technological innovations or new products;
- The status of particular development programs and the timing of performance under specific development agreements;
- Economic and stock market conditions;
- The cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- Our ability to establish cooperative development or licensing arrangements;
- Our authorized shares available for sale; or
- Other factors unrelated to our company or industry.

If we are successful in establishing OEM co-development arrangements, we may receive full or partial funding for certain non-recurring engineering costs for technology development and/or product development. Nevertheless, we expect our capital requirements to remain high as we expand our activities and operations with the objective of commercializing our technology.

#### Recent Accounting Pronouncements

See Note 2, “Summary of significant accounting policies,” in the notes to the consolidated financial statements found in Part II, Item 8 of this Form 10-K.

### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

#### Interest Rate and Market Liquidity Risks

As of December 31, 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.

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 December 31, 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 December 31, 2025, are as follows (in thousands):

	<b>Amount</b>	<b>Percent</b>
Cash and cash equivalents	\$ 32,363	43.2%
Less than one year	42,471	56.8
	<u>\$ 74,834</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.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of  
MicroVision, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of MicroVision, Inc. (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive loss, stockholders’ equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and schedules (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments.

The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

#### *Impairment of Intangible Assets*

##### *Critical Audit Matter Description*

As described in Notes 2 and 9 to the consolidated financial statements, intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Recoverability of these assets is measured by comparison of their carrying values to the projected undiscounted net cash flows associated with the related intangible assets or group of assets over their remaining lives. Measurement of an impairment loss for intangible assets is based on the difference between the fair value of the asset and its carrying value. The December 31, 2025 impairment test indicated the carrying amount of the perception software intangible asset is not recoverable, resulting in a non-cash impairment charge of \$10.1 million, thereby fully writing off the asset.

We identified the impairment assessment of intangible assets as a critical audit matter. Performing audit procedures to evaluate the significant assumptions used by management when developing the undiscounted cash flows to be generated by the assets required a high degree of auditor judgment, subjectivity and effort when performing and evaluating the results of those procedures.

*How We Addressed the Matter in Our Audit*

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming an overall opinion on the consolidated financial statements. Our audit procedures related to the matter included the following, among others:

- Evaluating management’s process for identifying indicators of impairment.
- Testing management’s process for developing the estimated future undiscounted cash flows used in the impairment assessment.
- Testing the completeness and accuracy of the underlying data used in the model.
- Evaluating the reasonableness of the significant assumptions used by management related to estimated future undiscounted cash flows.
- Evaluating management’s ability to forecast cash flows by comparing actual results to management’s historical forecasts.

***Valuation of Derivative Liability***

*Critical Audit Matter Description*

As described in Note 7, 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 fair value of the hybrid instrument is estimated using a binomial lattice model. The fair value of the host contract excluding embedded derivative features is estimated using a debt discounted cash flow model, which assumes that the contract is a debt instrument with only the option to redeem partial principal payments prior to maturity.

We identified the valuation of derivative liability as a critical audit matter. Performing audit procedures to evaluate the reasonableness of the fair value estimates and underlying inputs and assumptions required especially challenging and subjective auditor judgment and an increased extent of effort, including the need to involve of our valuation professionals.

*How We Addressed the Matter in Our Audit*

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming an overall opinion on the consolidated financial statements. Our audit procedures related to the matter included the following, among others:

- Testing management’s process used in determining the estimated fair value of the derivative liability by:
  - Involving our valuation professionals with specialized skills and knowledge who assisted in evaluating the valuation methodologies and the reasonableness of significant assumptions.
  - Testing the mathematical accuracy of management’s calculations.
  - Testing the completeness, accuracy and reliability of the underlying data used in the estimate, such as historical volatility, stock price, and daily trading volume.
  - Evaluated the knowledge, skill, and ability of the Company’s third-party specialist that was used to estimate the fair value of the derivative liability.

/s/ Baker Tilly US, LLP

Seattle, Washington

March 4, 2026

We have served as the Company’s auditor since 2012.

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

	December 31,	
	2025	2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 32,363	\$ 54,486
Investment securities, available-for-sale	42,471	20,216
Restricted cash, current	497	261
Accounts receivable, net of allowances	47	926
Inventory	745	2,294
Other current assets	4,989	4,287
Total current assets	<u>81,112</u>	<u>82,470</u>
Property and equipment, net	4,280	7,061
Operating lease right-of-use assets	14,075	16,746
Restricted cash, net of current portion	1,204	1,500
Intangible assets, net	32	10,972
Other assets	2,416	2,412
Total assets	<u>\$ 103,119</u>	<u>\$ 121,161</u>
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Accounts payable	\$ 1,628	\$ 1,132
Accrued liabilities	5,426	2,542
Contract liabilities	-	308
Derivative liability	-	14,581
Notes payable, current	19,212	24,248
Operating lease liabilities, current	3,481	2,682
Finance lease liabilities, current	14	-
Other current liabilities	388	458
Total current liabilities	<u>30,149</u>	<u>45,951</u>
Notes payable, net of current portion	-	8,754
Warrant liability	1,875	-
Operating lease liabilities, net of current portion	14,034	15,954
Finance lease liabilities, net of current portion	27	-
Other long-term liabilities	1,486	1,733
Total liabilities	<u>47,571</u>	<u>72,392</u>
Commitments and contingencies (Note 12)		
Shareholders' equity		
Preferred stock, par value \$0.001; 25,000 shares authorized; zero and zero shares issued and outstanding as of December 31, 2025 and 2024	-	-
Common stock, par value \$0.001; 510,000 shares authorized; 306,509 and 224,993 shares issued and outstanding as of December 31, 2025 and 2024, respectively	306	225
Additional paid-in capital	1,011,835	910,825
Accumulated other comprehensive income	669	-
Accumulated deficit	(957,262)	(862,281)
Total shareholders' equity	<u>55,548</u>	<u>48,769</u>
Total liabilities and shareholders' equity	<u>\$ 103,119</u>	<u>\$ 121,161</u>

**The accompanying notes are an integral part of these consolidated financial statements**

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

	Year Ended December 31,		
	2025	2024	2023
Revenue	\$ 1,208	\$ 4,696	\$ 7,259
Cost of revenue	18,548	7,530	2,772
Gross (loss) profit	<u>(17,340)</u>	<u>(2,834)</u>	<u>4,487</u>
Research and development expense	31,720	49,015	56,707
Sales, marketing, general and administrative expense	20,325	29,346	36,689
Impairment loss on intangible assets	10,057	4,181	-
Impairment loss on operating lease right-of-use assets	1,201	-	-
Impairment loss on property and equipment, net	2,185	-	-
Loss (gain) on disposal of fixed assets	-	143	(34)
Total operating expenses	<u>65,488</u>	<u>82,685</u>	<u>93,362</u>
Loss from operations	(82,828)	(85,519)	(88,875)
Bargain purchase gain, net of tax	-	-	1,669
Interest expense	(18,531)	(4,457)	(80)
Unrealized gain (loss) on derivative liability	5,709	(8,866)	-
Unrealized gain on warrant liability	4,422	-	-
Realized loss on debt extinguishment	(4,654)	-	-
Other income	817	2,434	5,590
Net loss before taxes	\$ (95,065)	\$ (96,408)	\$ (81,696)
Income tax benefit (expense)	84	(507)	(1,146)
Net loss	<u>\$ (94,981)</u>	<u>\$ (96,915)</u>	<u>\$ (82,842)</u>
Net loss per share - basic and diluted	<u>\$ (0.35)</u>	<u>\$ (0.46)</u>	<u>\$ (0.45)</u>
Weighted-average shares outstanding - basic and diluted	<u>273,136</u>	<u>209,510</u>	<u>182,802</u>

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

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

	Year Ended December 31,		
	2025	2024	2023
Net loss	\$ (94,981)	\$ (96,915)	\$ (82,842)
<b>Other comprehensive income</b>			
Unrealized (loss) gain on investment securities, available-for-sale	(2)	-	153
Unrealized gain (loss) on translation	671	(210)	184
Total comprehensive income (loss)	669	(210)	337
Comprehensive loss	\$ (94,312)	\$ (97,125)	\$ (82,505)

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

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

	Common Stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
	Shares	Par value				
<b>Balance at December 31, 2022</b>	170,503	\$ 171	\$ 772,221	\$ (127)	\$ (682,524)	\$ 89,741
Share-based compensation expense	1,946	2	16,139	-	-	16,141
Exercise of options	191	-	175	-	-	175
Sales of common stock, net	22,096	22	72,230	-	-	72,252
Net loss	-	-	-	-	(82,842)	(82,842)
Other comprehensive income	-	-	-	337	-	337
<b>Balance at December 31, 2023</b>	194,736	\$ 195	\$ 860,765	\$ 210	\$ (765,366)	\$ 95,804
Share-based compensation expense	4,537	5	11,530	-	-	11,535
Exercise of options	84	-	62	-	-	62
Sales of common stock, net	23,291	23	34,725	-	-	34,748
Conversions of notes payable	2,345	2	3,743	-	-	3,745
Net loss	-	-	-	-	(96,915)	(96,915)
Other comprehensive loss	-	-	-	(210)	-	(210)
<b>Balance at December 31, 2024</b>	224,993	\$ 225	\$ 910,825	\$ -	\$ (862,281)	\$ 48,769
Share-based compensation expense	4,397	4	697	-	-	701
Exercise of options	14	-	8	-	-	8
Sales of common stock, net and warrants	63,035	63	78,339	-	-	78,402
Conversions of notes payable	14,070	14	21,966	-	-	21,980
Net loss	-	-	-	-	(94,981)	(94,981)
Other comprehensive income	-	-	-	669	-	669
<b>Balance at December 31, 2025</b>	<u>306,509</u>	<u>\$ 306</u>	<u>\$ 1,011,835</u>	<u>\$ 669</u>	<u>\$ (957,262)</u>	<u>\$ 55,548</u>

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

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

	Year Ended December 31,		
	2025	2024	2023
<b>Cash flows from operating activities</b>			
Net loss	\$ (94,981)	\$ (96,915)	\$ (82,842)
Adjustments to reconcile net loss to net cash used in operations:			
Depreciation and amortization	5,824	6,920	7,864
Bargain purchase gain, net of tax	-	-	(1,669)
Loss (gain) on disposal of fixed assets	-	143	(34)
Unrealized (gain) loss on derivative liability	(5,709)	8,866	-
Unrealized gain on warrant liability	(4,422)	-	-
Loss on debt extinguishment	4,654	-	-
Impairment of intangible assets	10,057	4,181	-
Impairment of operating lease right-of-use assets	1,201	405	-
Impairment of property and equipment	2,185	-	12
Inventory write-downs	9,864	2,045	76
Non-cash interest expense	7,325	-	-
Amortization of debt discount and issuance costs on notes payable	11,164	4,382	-
Share-based compensation expense	701	11,535	16,141
Net accretion of premium on short-term investments	(532)	(951)	(1,275)
Change in:			
Accounts receivable	879	23	(949)
Inventory	(8,276)	(495)	(892)
Other current and non-current assets	1,858	85	(2,096)
Accounts payable	496	(1,139)	942
Accrued liabilities	2,884	(6,098)	6,571
Contract liabilities and other current liabilities	(399)	(188)	(6,452)
Operating lease liabilities	(3,036)	(2,491)	(2,500)
Other long-term liabilities	(457)	1,152	13
Net cash used in operating activities	<u>(58,720)</u>	<u>(68,540)</u>	<u>(67,090)</u>
<b>Cash flows from investing activities</b>			
Sales of investment securities	30,134	35,411	76,700
Purchases of investment securities	(51,859)	(26,065)	(41,710)
Advance to Scantinel	(2,244)	-	-
Cash paid for Ibeo business combination	-	(6,300)	(11,233)
Purchases of property and equipment	(679)	(374)	(1,935)
Net cash provided by (used in) investing activities	<u>(24,648)</u>	<u>2,672</u>	<u>21,822</u>
<b>Cash flows from financing activities</b>			
Principal payments under finance leases	(13)	-	(21)
Principal payments under notes payable	(16,500)	-	-
Principal proceeds from notes payable, net of debt discount and issuance costs	-	38,080	-
Proceeds from stock option exercises	8	62	175
Net proceeds from issuance of common stock and warrants	77,374	34,748	72,284
Net cash provided by financing activities	<u>60,869</u>	<u>72,890</u>	<u>72,438</u>
Effect of exchange rate changes on cash and cash equivalents and restricted cash	316	(166)	267
Change in cash, cash equivalents, and restricted cash	(22,183)	6,856	27,437
Cash, cash equivalents, and restricted cash at beginning of period	56,247	49,391	21,954
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 34,064</u>	<u>\$ 56,247</u>	<u>\$ 49,391</u>
<b>Supplemental schedule of non-cash investing and financing activities</b>			
Common stock issued in conversion of note payable	\$ 21,980	\$ 3,745	\$ -
Issuance of warrants	\$ 6,297	\$ -	\$ -
Amounts issued to escrow for acquisition consideration	\$ -	\$ -	\$ 6,300
Acquisition of right-of-use asset	\$ 137	\$ 5,395	\$ 1,338
Accrued financing fees	\$ -	\$ -	\$ (32)
Foreign currency translation adjustments	\$ 671	\$ (210)	\$ 184
Unrealized (loss) gain on investment securities, available-for-sale	\$ (2)	\$ -	\$ 153

The following table provides a reconciliation of the cash, cash equivalents, and restricted cash balances as of December 31, 2025, 2024 and 2023:

	Year Ended December 31,		
	2025	2024	2023
Cash and cash equivalents	\$ 32,363	\$ 54,486	\$ 45,167
Restricted cash, current	497	261	3,263
Restricted cash, net of current portion	1,204	1,500	961
Cash, cash equivalents and restricted cash	<u>\$ 34,064</u>	<u>\$ 56,247</u>	<u>\$ 49,391</u>

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

**MicroVision, Inc.**  
**Notes to Consolidated Financial Statements**

## **1. DESCRIPTION OF BUSINESS**

MicroVision, Inc. is defining the next generation of lidar-based perception solutions for automotive, industrial, and security & defense markets. The Company delivers integrated hardware and software solutions designed for real-world performance, automotive-grade reliability, and economic scalability. The Company's diverse portfolio of lidar sensors, with both short- and long-range lidar solutions, feature solid-state sensors with varying wavelengths, advanced sensor architectures, design-to-cost engineering, and open software solutions.

The Company's solutions enable advanced driver assistance systems, or ADAS, and autonomy features for customers in a wide range of markets, including automotive, industrial, and security & defense. Target industrial sectors include robotics, automated warehouse, agriculture, and mining. The Company's integrated hardware and software solutions enable intelligent autonomous, active safety, and automation systems which depend on secure, cost-effective, and energy-efficient solutions. Software has been developed in close collaboration with automotive customers and also has broad application in industrial, defense, and commercial vehicle sectors.

With engineering teams in the U.S. and Germany, the Company develops and supplies integrated solutions, 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 December 31, 2025, the Company had total liquidity of \$74.8 million including \$32.3 million in cash and cash equivalents and \$42.5 million in short-term investment securities. In addition, the Company has approximately \$42.0 million availability under its current at-the-market ("ATM") facility as of December 31, 2025, subject to certain conditions. On October 23, 2024, the Company issued \$45.0 million in senior secured convertible notes for gross proceeds of \$41.4 million. Additionally, in February 2026, the Company entered into a securities purchase and exchange agreement with an institutional investor, pursuant to which the Company issued two senior secured convertible notes due March 2028 – one for approximately \$20.6 million in exchange for the previously existing senior secured convertible note due March 2026 and the other for approximately \$22.4 million. See *Note 17. Subsequent Events* for additional discussion.

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 consolidated financial statements.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Principles of Consolidation***

The 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. Certain reclassifications have been made to prior year financial statements to conform to classifications used in the current year. These reclassifications had no impact on net loss, shareholders' equity or cash flows, as previously reported.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires the Company to make estimates and assumptions that affect the reported amounts therein. The most significant estimates and assumptions relate to business combinations, valuation of intangibles, valuation of derivative liabilities, 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 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 Chief Executive Officer. 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.

### ***Business Combination***

Business combinations are accounted for under the acquisition method. As such, the fair value of the Ibeo purchase consideration was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the fair value of the underlying net assets acquired and liabilities assumed over the purchase consideration was included in bargain purchase gain, net of tax in the consolidated statements of operations. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets.

### ***Cash and Cash Equivalents and Fair Value of Financial Instruments***

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.

Financial instruments include cash and cash equivalents, investment securities, accounts receivable, accounts payable and accrued liabilities. The carrying value of financial instruments approximate fair value due to their short maturities. Cash equivalents are comprised of short-term highly rated (A rated securities and above) money market savings accounts.

Short-term investment securities primarily consist of debt securities. The Company has classified its entire investment portfolio as available-for-sale. Available-for-sale securities are stated at fair value with unrealized gains and losses included in other comprehensive income (loss). Dividend and interest income are recognized when earned. Realized gains and losses, if any, are presented separately on the income statement.

### ***Restricted Cash***

Restricted cash is held in money market savings accounts and serves as collateral for irrevocable letters of credit related to our facility lease agreements. The restricted cash balance as of December 31, 2025 includes \$0.3 million and \$0.2 million of collateral under two letters of credit issued in connection with lease agreements for the Company’s headquarters and general office and lab space, respectively, in Redmond, Washington. The restricted cash balance also includes approximately \$1.1 million for a security deposit associated with a lease agreement for office space in Hamburg, Germany.

### ***Inventory***

Inventory consists of raw materials, work in process and finished goods assemblies. 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.

### ***Intangible Assets***

Intangible assets consist of acquired technology from the January 2023 Ibeo asset purchase and purchased patents. As part of the Ibeo asset acquisition, two intangible assets were primarily acquired in the form of Perception software and Reference software, with initial useful lives of 15 years and 8 years, respectively. The estimated fair value of acquired technology was calculated through the income approach using the multi-period excess earnings and relief from royalty methodologies. The intangible assets are amortized using the straight-line method over their estimated period of benefit, ranging from one to seventeen years. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable (see *Note 9. Financial Statement Components – Intangible Assets* for discussions of impairment). Recoverability of these assets is measured by comparison of their carrying values to the projected undiscounted net cash flows associated with the related intangible assets or group of assets over their remaining lives. Measurement of an impairment loss for intangible assets is based on the difference between the fair value of the asset and its carrying value.

### ***Property and Equipment***

Property and equipment are stated at cost and depreciated over the estimated useful lives of the assets (two to five years) using the straight-line method. Property and equipment may include assets related to future product lines. As production needs change, management will periodically assess the remaining estimated useful life of production equipment. If necessary, depreciation on production equipment will be adjusted to reflect the remaining estimated useful life. Leasehold improvements are depreciated over the lesser of the estimated useful life or the lease term. Costs for repairs and maintenance are charged to expense as incurred and expenditures for major improvements are capitalized at cost. Gains or losses on the disposition of assets are reflected in the consolidated statements of operations at the time of disposal.

### ***Leases***

Management assesses all contracts executed to determine whether the agreements contain a lease component. Significant judgment may be required to determine whether a contract contains a lease, the length of the lease term, the allocation of the consideration between lease and non-lease components, and the appropriate discount rate to be applied. Management reviews the underlying objective of each contract, the terms of the contract, and considers current and future business conditions when making these judgments.

The Company's lease obligations consist of various office and equipment operating leases. Operating lease assets are recorded under the operating lease right-of-use asset ("ROU") line item, while liabilities are recorded under the current portion of operating lease liability and operating lease liability, net of current portion line items on the consolidated balance sheets.

Operating lease ROU assets and liabilities are recognized upon lease commencement based on the present value of payments over the lease term. For leases which do not provide an implicit rate, the Company's incremental borrowing rate as of the commencement date serves as the discount rate to determine the present value of lease payments. Lease expense from operating leases is recognized on a straight-line basis over the lease term.

### ***Notes Payable***

The Company evaluates all conversion, redemption, and put features contained in its debt instruments to determine if there are any embedded features that require bifurcation as a derivative. The Company accounts for debt as a long-term liability, with the current portion classified as a short-term liability, equal to the amount repayable at maturity, net of any debt discount and issuance costs, within notes payable on the consolidated balance sheets. The debt discount and issuance costs are amortized over the term of the Note, using the effective interest method, as interest expense in the accompanying consolidated statements of operations. Conversions of principal are accounted for in accordance with ASC 470-20, "Debt with Conversion and Other Options," with immediate expense of the unamortized discount associated with the converted principal.

### ***Derivative Liability***

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC 815, "Derivatives and Hedging". For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value on the issuance date and is then re-valued at each reporting date, with changes in the fair value reported as an unrealized gain or loss in earnings on the consolidated statements of operations. The Company has elected to classify the entirety of its derivatives in current liabilities.

### ***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 ASC 480, "Distinguishing Liabilities from Equity", and ASC 815. 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 consolidated statements of operations.

### ***Revenue Recognition***

The following is a description of principal activities from which the Company generates revenue. Revenues are recognized when control of the promised goods or services are transferred to customers, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services.

The Company evaluates contracts based on the 5-step model as stated in Topic 606 as follows: (i) identify the contract, (ii) identify the performance obligations, (iii) determine the transaction price, (iv) allocate the transaction price, and (v) recognize revenue when (or as) performance obligations are satisfied.

A contract contains a promise (or promises) to transfer goods or services to a customer. A performance obligation is a promise (or a group of promises) that is distinct, as defined in the revenue standard.

The transaction price is the amount of consideration an entity expects to be entitled to from a customer in exchange for providing the goods or services. A number of factors should be considered to determine the transaction price, including whether there is variable consideration, a significant financing component, noncash consideration, or amounts payable to the customer. The determination of variable consideration will require a significant amount of judgment. In estimating the transaction price, the Company will use either the expected value method or the most likely amount method.

The transaction price is allocated to the separate performance obligations in the contract based on relative standalone selling prices. Determining the relative standalone selling price can be challenging when goods or services are not sold on a standalone basis. The revenue standard sets out several methods that can be used to estimate a standalone selling price when one is not directly observable. Allocating discounts and variable consideration must also be considered. Allocating the transaction price can require significant judgement on the Company's part.

Revenue is recognized when (or as) the customer obtains control of the good or service/performance obligations are satisfied. Topic 606 provides guidance to help determine if a performance obligation is satisfied at a point in time or over time. Where a performance obligation is satisfied over time, the related revenue is also recognized over time.

### ***Product Revenue***

Product revenue is primarily derived from sales of lidar hardware and systems. While each contract is individually assessed to identify separate performance obligations, a performance obligation generally consists of an individual sensor or sensor system, inclusive of all materials and integrated software. Transaction prices are normally fixed, as the Company does not include variable consideration or the exchange of any other goods as part of the contract. Revenue is recognized upon shipment of the product to the customer, as control and title of the product passes to the customer at the point of shipment. Product sales generally include acceptance provisions, however, as it can be objectively determined that agreed-upon customer specifications have been met prior to shipment, control of the item passes at the time of shipment.

### *License and Royalty Revenue*

License and royalty revenue consists of revenue from the licensing of various software and intellectual property owned by MicroVision, and any royalties generated from their use in products sold by customers.

Software licenses sold are either a license to install and use, whether perpetual or fixed-term, or a license to access the software, which is normally a volume-based license. Revenue from licenses to install is recognized at the point when the customer is granted the ability to install the software, as these licenses represent functional intellectual property with significant standalone functionality. Revenue from licenses to access is recognized over the period of time in which the Company has ongoing obligations under the agreement, as these licenses represent symbolic intellectual property, which exclude significant standalone functionality. Revenue recognized each period is based on the appropriate measure of progress, typically being the number of usage hours consumed.

Revenue from sales-based royalties is recognized based on reports provided by customers which identify the number of royalty-bearing products sold or otherwise distributed. For any customers that fail to provide timely reports, management estimates the number of royalty-bearing products sold based on historical sales volume and available forecast data.

### *Contract Revenue*

Contract revenue in a particular period is dependent upon when the contract is entered into, the value of the contract, and the availability of technical resources to perform work on the contract. Each performance obligation associated with development contracts is identified at contract inception. The contracts generally include product development and customization specified by the customer. For contracts with multiple product development or customization components, each component is evaluated to determine whether it is distinct within the context of the contract and represents a standalone performance obligation. Components which are deemed not distinct at contract inception are combined into a single performance obligation.

Development contracts are primarily fixed-fee contracts. Contract revenue is recognized either at a point in time, or over time, depending upon the characteristics of the individual contract. If control of the deliverable(s) passes to the customer 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 upon completion of the contract. For contracts which include significant customer acceptance provisions, revenue is recognized only upon acceptance of the deliverable(s).

If control of deliverables passes to the customer over time, revenue is recognized based on the proportion of total cost expended to the total cost expected to complete the contract performance obligation (defined as the 'input method' under Topic 606). For contracts which require the input method of revenue recognition, the determination of the total cost expected to complete the performance obligation(s) involves significant judgment. Management initially estimates the resources required to complete each relevant performance obligation, and incorporates revisions to hour and cost estimates throughout the course of the contract as necessary.

### *Cost of Product Revenue*

Cost of product revenue includes the direct and allocated indirect costs of products sold to customers. Direct costs include labor, materials, reserves for estimated warranty expenses, and other costs incurred directly, or charged by contract manufacturers in the manufacture of these products. Indirect costs include labor, manufacturing overhead, and other costs associated with manufacturing activities. Manufacturing overhead includes the costs of procuring, inspecting and storing material, facility and other costs, and is allocated to cost of product revenue based on the proportion of indirect labor which supported production activities. The cost of product revenue can fluctuate significantly from period to period, depending on product mix and volume, the level of manufacturing overhead expense and the volume of direct material purchased.

### *Cost of Contract Revenue*

Cost of contract revenue includes both direct and allocated indirect costs of performing work on contracts and producing prototype units and evaluation kits. Direct costs include labor, materials and other costs incurred directly in producing prototype units and evaluation kits or performing work on a contract. Indirect costs include labor and other costs associated with research and development and building technical capabilities and capacity. Cost of contract revenue is determined by the level of direct and indirect costs incurred, which can fluctuate substantially from period to period.

Manufacturing overhead, which includes the costs of procuring, inspecting and storing material, and facility and depreciation costs, is allocated to inventory, cost of product revenue, cost of contract revenue, and research and development expense based on the level of effort supporting production or research and development activity.

### *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 December 31, 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 year ended December 31, 2025, four customers accounted for 42%, 19%, 15%, and 12% of total revenue, or \$0.5 million, \$0.2 million, \$0.2 million, and \$0.1 million of total revenue, respectively. For the same period in 2024, three customers accounted for 60%, 13%, and 10% of total revenue, or \$2.8 million, \$0.6 million, and \$0.5 million of total revenue, respectively.

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.

### *Income Taxes*

Deferred tax assets and liabilities are recorded for differences between the financial statement and tax bases of the assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is recorded for the amount of income tax payable for the period increased or decreased by the change in deferred tax assets and liabilities during the period.

### *Research and Development*

Research and development expense consists of labor and subcontractor costs for internal research and product development activities, direct material to support development programs, laboratory operations, outsourced development and processing work, and other operating expenses. Research and development resources are assigned based on the business opportunity of the available projects, the skill mix of the resources available and the contractual commitments have been made to customers. Research and development costs are expensed as incurred. It is highly likely that a substantial level of continuing research and development expense will be required for the Company to further develop its technology.

### *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.

### Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments in this update expand annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. All disclosure requirements under this standard will also be required for public entities with a single reportable segment. The Company adopted ASU 2023-07 during the year ended December 31, 2024.

In March 2024, the FASB issued 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 consolidated financial statements.

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. The Company retrospectively adopted ASU 2023-09 during the year ended December 31, 2025. The adoption of the new standard did not have a material impact on the Company’s consolidated financial statements. See *Note 14. Income Taxes* for enhanced disclosures pursuant to the standard.

### Recently Issued Accounting Pronouncements

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 Update 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):

	Year Ended December 31,		
	2025	2024	2023
Numerator:			
Net loss available for common shareholders - basic and diluted	\$ (94,981)	\$ (96,915)	\$ (82,842)
Denominator:			
Weighted-average common shares outstanding - basic and diluted	273,136	209,510	182,802
Net loss per share - basic and diluted	\$ (0.35)	\$ (0.46)	\$ (0.45)

For the years ended December 31, 2025, 2024 and 2023, the following securities from net loss per share have been excluded as the effect of including them would have been anti-dilutive:

<i>(in millions)</i>	<b>December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Outstanding options exercisable	0.6	0.7	0.8
Nonvested restricted and performance stock units	9.9	12.0	10.0
Shares of common stock that may be issued through conversion of the derivative liability	11.1	34.6	-
Shares of common stock that may be issued through the exercise of warrants	5.8	-	-

#### 4. BUSINESS COMBINATION

On January 31, 2023, the Company completed the acquisition of certain net assets of Ibeo, a lidar hardware and software provider based in Hamburg, Germany. The purpose of the acquisition was to acquire certain Ibeo assets, primarily intellectual property and personnel, which enabled the Company to expand their technology and product portfolio and diversify revenue streams.

Total consideration related to this transaction was approximately EUR 20.0 million or \$21.6 million, consisting of approximately (i) EUR 7.0 million or \$7.6 million in cash paid at closing, (ii) EUR 6.6 million or \$7.1 million in cash advanced to Ibeo prior to closing, (iii) EUR 3.0 million or \$3.3 million released from escrow during the quarter ended March 31, 2024, (iv) EUR 0.6 million or \$0.7 million in costs paid on behalf of the seller, and (v) EUR 2.7 million or approximately \$3.0 million after calculating the deduction in purchase price agreed between both the parties. The remaining balance of approximately EUR 2.7 million was paid during the three months ended June 30, 2024 and was previously recorded as an accrued liability for Ibeo business combination on the consolidated balance sheet. In addition, the Company incurred \$0.6 million of acquisition-related costs associated with the acquisition during the three months ended March 31, 2023, which were included in Sales, marketing, general and administrative expense.

The transaction was accounted for as a business combination. The results of operations for the acquisition are included in the consolidated financial statements from the date of acquisition onwards.

The following table summarizes the final purchase price allocation to assets acquired and liabilities assumed (in thousands):

	<b>Amount</b>	<b>Weighted Average Useful Life (in years)</b>
Total purchase consideration	\$ 21,611	
Inventory	\$ 1,197	
Other current assets	703	
Operating lease right-of-use assets	234	
Property and equipment, net	5,330	
Intangible assets:		
Acquired technology <sup>(1)</sup>	17,987	13
Order backlog	26	1
Contract liabilities	(1,178)	
Operating lease liabilities	(234)	
Deferred tax liabilities	(785)	
Total identifiable net assets	\$ 23,280	
Bargain purchase gain <sup>(2)</sup>	(1,669)	

(1) During the years ended December 31, 2025 and 2024, the Company recognized a \$10.1 million and \$4.2 million impairment charge, respectively, on certain identified intangible assets acquired in this business combination. See Note 9. Financial Statement Components.

(2) The bargain purchase gain represents the excess of the fair value of the underlying net assets acquired and liabilities assumed over the purchase consideration and is included in bargain purchase gain, net of tax in the consolidated statements of operations. The bargain purchase gain was attributable to the negotiation process with Ibeo during its insolvency proceedings resulting in cash consideration paid being less than the fair value of the net assets acquired.

The estimated fair value of acquired technology was calculated through the income approach using the multi-period excess earnings and relief from royalty methodologies. The estimated fair value of the order backlog was calculated through the income approach using the multi-period excess earnings methodology.

Revenue and net income from the acquisition included in the consolidated statement of operations from the acquisition date through December 31, 2023 is \$2.3 million and \$3.9 million, respectively.

## 5. REVENUE RECOGNITION

### Disaggregation of Revenue

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

	Year Ended December 31, 2025			
	Product Revenue	License and Royalty Revenue	Contract Revenue	Total
Timing of revenue recognition:				
Products and services transferred at a point in time	\$ 610	\$ 550	\$ 8	\$ 1,168
Products and services transferred over time	-	-	40	40
Total	<u>\$ 610</u>	<u>\$ 550</u>	<u>\$ 48</u>	<u>\$ 1,208</u>
	Year Ended December 31, 2024			
	Product Revenue	License and Royalty Revenue	Contract Revenue	Total
Timing of revenue recognition:				
Products and services transferred at a point in time	\$ 4,117	\$ 475	\$ 104	\$ 4,696
Products and services transferred over time	-	-	-	-
Total	<u>\$ 4,117</u>	<u>\$ 475</u>	<u>\$ 104</u>	<u>\$ 4,696</u>
	Year Ended December 31, 2023			
	Product Revenue	License and Royalty Revenue	Contract Revenue	Total
Timing of revenue recognition:				
Products and services transferred at a point in time	\$ 1,019	\$ 4,888	\$ 1,106	\$ 7,013
Products and services transferred over time	-	-	246	246
Total	<u>\$ 1,019</u>	<u>\$ 4,888</u>	<u>\$ 1,352</u>	<u>\$ 7,259</u>

The following table provides information about revenue and long-lived assets, which is comprised of property and equipment, net, and operating lease right-of-use assets, by geographic area (in thousands):

Geographic Area	December 31, 2025		December 31, 2024		December 31, 2023	
	Revenue	Long-Lived Assets	Revenue	Long-Lived Assets	Revenue	Long-Lived Assets
United States	\$ 260	\$ 13,943	\$ 1,058	\$ 17,583	\$ 4,627	\$ 19,580
Germany	945	4,412	3,628	6,224	2,138	3,210
Other foreign countries	3	-	10	-	494	-
Total	<u>\$ 1,208</u>	<u>\$ 18,355</u>	<u>\$ 4,696</u>	<u>\$ 23,807</u>	<u>\$ 7,259</u>	<u>\$ 22,790</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 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>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Contract assets and accounts receivable	\$ 47	\$ 926	\$ (879)	(94.9)
Contract liabilities	-	(308)	308	100.0
Net contract assets (liabilities)	<u>\$ 47</u>	<u>\$ 618</u>	<u>\$ (571)</u>	<u>(92.4)</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 December 31, 2025.

## **6. 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 us to develop our own 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 December 31, 2025 and 2024 (in thousands). These tables do not include cash held in money market savings accounts.

<b>As of December 31, 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investment securities, available for sale:				
Corporate debt securities	\$ -	\$ 26,882	\$ -	\$ 26,882
U.S. Treasury securities	-	15,589	-	15,589
	<u>\$ -</u>	<u>\$ 42,471</u>	<u>\$ -</u>	<u>\$ 42,471</u>
<b>As of December 31, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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 December 31, 2025 and 2024 (in thousands).

	<b>Cost/ Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Investment Securities, Available- For-Sale</b>
<b>As of December 31, 2025</b>				
Investment securities, available for sale:				
Corporate debt securities	\$ 26,869	\$ 13	\$ -	\$ 26,882
U.S. Treasury securities	15,577	12	-	15,589
	<u>\$ 42,446</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 42,471</u>
<b>As of December 31, 2024</b>				
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 December 31, 2025 and 2024 are shown below (in thousands):

	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Estimated Fair Value</b>
<b>As of December 31, 2025</b>				
Maturity date				
Less than one year	\$ 42,446	\$ 25	\$ -	\$ 42,471
<b>As of December 31, 2024</b>				
Maturity date				
Less than one year	\$ 20,190	\$ 26	\$ -	\$ 20,216

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 December 31, 2025 and 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
<b>As of December 31, 2025</b>						
Corporate debt securities	\$ 1,042	\$ -	\$ -	\$ -	\$ 1,042	\$ -
U.S. Treasury securities	-	-	-	-	-	-
	<u>\$ 1,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,042</u>	<u>\$ -</u>
<b>As of December 31, 2024</b>						
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>

## 7. 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 limitation.

The Note will rank senior to any outstanding and future indebtedness of the Company. Beginning on January 1, 2025, the Holder may elect to require the Company to partially repay the Notes up to \$1.8 million monthly prior to April 1, 2025, and up to \$3.5 million monthly on and after April 1, 2025, plus a 10% premium. In lieu of electing a partial repayment in each of the stated months, the Holder has the right to convert the Note to shares of the Company’s common stock at a conversion price of \$0.7462 prior to June 1, 2025 and \$1.5960 on or after June 1, 2025, subject to certain conditions.

Additionally, the Company has the option to require the Holder to convert the entire Note to shares of common stock if the share price exceeds \$2.3940 on each of 20 consecutive VWAP Trading Days, subject to certain other equity conditions. If not fully repaid or converted, the end of term maturity balance is the outstanding principal balance of the Note multiplied by 110% and matures on October 1, 2026. The Note bears zero coupon. Pursuant to terms of the Note, the Company will maintain minimum cash liquidity of 110% of the then outstanding balance of the Note for the remaining duration of the Note term, or \$19.5 million as of December 31, 2025.

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 year ended December 31, 2025 were recorded on the consolidated statement of operations.

On September 2, 2025, October 1, 2025, and November 3, 2025 the Company repaid \$5.5 million principal on each date in accordance with the Holder’s redemption election pursuant to the terms of the Note.

As of December 31, 2025, \$19.5 million principal was outstanding, inclusive of the 10% repayment premium. Subsequent to the dates of these financial statements, on February 23, 2026, the Company entered into a securities purchase and exchange agreement for the exchange of the Note and issuance of new senior secured convertible notes. See *Note 17. Subsequent Events* for additional information.

## 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 ASC 815, "Derivatives and Hedging" and are included in the derivative liability on the 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 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>	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Amount repayable at maturity	\$ 19,525	\$ 47,575
Unamortized debt discount	(313)	(12,021)
Unamortized issuance costs	-	(2,552)
Net carrying amount	<u>\$ 19,212</u>	<u>\$ 33,002</u>

Interest expense related to the amortization of the debt discount and issuance costs for the years ended December 31, 2025, 2024, and 2023 was \$9.1 million, \$4.4 million, and \$0.0 million, respectively. Total interest expense for the years ended December 31, 2025, 2024, and 2023 is comprised of the following components:

<i>(in thousands)</i>	<b>Year Ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Amortization of debt discount and issuance costs	\$ (9,107)	\$ (4,381)	\$ -
Interest expense from modification of notes payable	(2,057)	-	-
Discount on warrants (see Note 8. Warrant Liability)	(7,325)	-	-
Other interest expense	(42)	(76)	(80)
Total interest expense	<u>\$ (18,531)</u>	<u>\$ (4,457)</u>	<u>\$ (80)</u>

The monthly effective interest rate implicit in the Note as of December 31, 2025 under the interest method was 2.2%.

### Derivative Liability

The derivative liability was initially recorded at its fair value of \$7.5 million as of the issuance date of October 23, 2024. 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 are as follows:

<i>(in thousands)</i>	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Derivative liability	\$ -	\$ 14,581
Total	<u>\$ -</u>	<u>\$ 14,581</u>

Unrealized gains and losses associated with derivatives not designated as hedging instruments are as follows:

(in thousands)	Year Ended December 31,		
	2025	2024	2023
Unrealized gain (loss) on derivative liability	\$ 5,709	\$ (8,866)	\$ -
Total	\$ 5,709	\$ (8,866)	\$ -

#### 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 fair value of the hybrid instrument is estimated using a binomial lattice model, which projects future movements of the underlying instrument over the remaining term. The model then calculates the fair value of the instrument by discounting projected cash flows based on the optimal action at each point in time. Optimal actions for both the Company and the Holder are determined by the projected stock price at a point in time, in addition to the probabilities of the occurrence of certain events. At initial measurement on October 23, 2024, a Monte Carlo simulation was further incorporated in order to simulate the Company’s share price as of the registration date, which occurred on November 21, 2024.

The fair value of the host contract excluding embedded derivative features is estimated using a debt discounted cash flow model, which assumes that the contract is a debt instrument with only the option to redeem partial principal payments prior to maturity. Projected cash flows are based on the assumption that the Holder will fully exercise early redemption options, based on the estimated internal rate of return for the Holder resulting from early redemption as compared to redemption at maturity. The debt discount rate is estimated based on the rate of similar non-convertible debt instruments reflecting the Company’s credit risk.

The valuation inputs hierarchy classification for liabilities measured at fair value on a recurring basis are summarized below as of December 31, 2025 and 2024 (in thousands). See Note 6. *Investment Securities, Available-For-Sale and Fair Value Measurements* for discussion of the fair value level hierarchy.

As of December 31, 2025	Level 1	Level 2	Level 3
Derivative liability	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -
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 initial valuation as of December 31, 2024 and re-valuation of the derivative liability as of December 31, 2025:

	December 31, 2025	December 31, 2024
Expected term (years)	0.75	1.75
Risk-free interest rate	3.50%	4.18%
Dividend yield	0%	0%
Volatility	67.16%	78.02%
Discount rate	50.0%	50.0%

#### 8. 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 December 31, 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 December 31, 2025 and 2024 are as follows:

(in thousands)	December 31,	
	2025	2024
Warrant liability	\$ 1,875	\$ -
Total	\$ 1,875	\$ -

Unrealized gains and losses associated with warrants are as follows:

(in thousands)	Year Ended December 31,		
	2025	2024	2023
Unrealized gain on warrant liability	\$ 4,422	\$ -	\$ -

Interest expense of \$7.3 million representing the discount on the transaction was recorded on the consolidated financial statements for the year ended December 31, 2025.

The valuation inputs hierarchy classification for liabilities measured at fair value on a recurring basis are summarized below as of December 31, 2025 and 2024 (in thousands). See Note 6. *Investment Securities, Available-For-Sale and Fair Value Measurements* for discussion of the fair value level hierarchy.

As of December 31, 2025	Level 1	Level 2	Level 3
Warrant liability	\$ -	\$ -	\$ 1,875
Total	\$ -	\$ -	\$ 1,875

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 December 31, 2025 and upon initial measurement as of February 4, 2025:

	December 31, 2025	February 4, 2025
Expected term (years)	4.6	5.5
Risk-free interest rate	3.69%	4.34%
Dividend yield	0%	0%
Volatility	62.27%	80.14%

## 9. FINANCIAL STATEMENT COMPONENTS

### *Inventory*

Inventory consists of the following (in thousands):

	December 31,	
	2025	2024
Raw materials	\$ -	\$ 1,616
Work in process	-	-
Finished goods	745	678
	\$ 745	\$ 2,294

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.

During the year ended December 31, 2025, the Company recorded a \$9.9 million reduction to inventory due to obsolescence, primarily related to short-range MOVIA L sensors. During the year ended December 31, 2024, the Company recorded a \$2.0 million reduction to inventory due to obsolescence.

### Property and Equipment

Property and equipment consists of the following (in thousands):

	December 31,	
	2025	2024
Production equipment	\$ 6,140	\$ 6,140
Leasehold improvements	4,067	3,957
Computer hardware and software/lab equipment	10,364	12,211
Office furniture and equipment	5,575	4,973
	26,146	27,281
Less: Accumulated depreciation	(21,866)	(20,220)
	<u>\$ 4,280</u>	<u>\$ 7,061</u>

During the year ended December 31, 2025, the Company abandoned \$2.2 million of production equipment related to prior designs of the Company's long-range MAVIN sensors.

Depreciation expense was \$1.4 million, \$2.1 million, and \$3.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

### Intangible Assets

The components of intangible assets are as follows:

As of December 31, 2025 (in thousands)	Gross Carrying Amount	Accumulated Amortization	Impairment Expense	Net Carrying Amount	Weighted Average Remaining Period (Years)
Acquired technology	\$ 16,027	\$ 5,938	\$ 10,057	\$ 32	1
Backlog	-	-	-	-	-
	<u>\$ 16,027</u>	<u>\$ 5,938</u>	<u>\$ 10,057</u>	<u>\$ 32</u>	

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

Amortization expense was \$0.9 million, \$2.1 million, and \$2.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

During the year ended December 31, 2025, management identified various factors that collectively indicated that it is more-likely-than-not that the fair value of the Company's perception software intangible asset was less than its carrying amount as of December 31, 2025. As a result, the Company performed an impairment assessment for intangibles in accordance with ASC 360, Property, Plant and Equipment. The December 31, 2025 impairment test indicated that the carrying amount of the perception software intangible asset is not recoverable, resulting in a non-cash impairment charge of \$10.1 million, thereby fully writing off the asset.

During the year ended December 31, 2024, management identified various factors related to the 2024 restructuring events (see *Note 15. 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 December 31, 2024. Prior to impairment, the fair value was \$4.2 million. As a result, the Company performed an impairment assessment for intangibles in accordance with ASC 360. The 2024 impairment tests indicated a decline in the carrying amount of the reference software intangible asset, resulting in a non-cash impairment charge of \$4.2 million, thereby fully writing off the asset.

The following table outlines estimated future amortization expense related to intangible assets held as of December 31, 2025 (in thousands):

Years Ended December 31,	Research and Development Expense
2026	\$ -
2027	30
2028	2
2029	-
2030	-
Thereafter	-
	<u>\$ 32</u>

#### Accrued Liabilities

Accrued liabilities consists of the following (in thousands):

	December 31,	
	2025	2024
Bonuses	\$ 445	\$ 571
Payroll and payroll taxes	1,124	1,127
Income taxes payable	21	20
Accrued professional fees	366	140
Liabilities to suppliers	666	381
Adverse purchase commitment	3,158	-
Other	(354)	303
	<u>\$ 5,426</u>	<u>\$ 2,542</u>

As of December 31, 2025, the Company had open purchase commitments of \$3.2 million related to the production of select MOVIA L sensor inventory. The Company has determined that the sensors are obsolete and an adverse purchase commitment for the entire balance of open purchase commitments has been recorded as of December 31, 2025.

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

	Year Ended December 31,		
	2025	2024	2023
Research and development expense	\$ 2,577	\$ 3,973	\$ 6,531
Sales, marketing, general and administrative expense	(1,876)	7,562	9,610
	<u>\$ 701</u>	<u>\$ 11,535</u>	<u>\$ 16,141</u>

During the year ended December 31, 2025, \$4.4 million and \$3.2 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 and CFO separations, respectively, 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 December 31, 2025 (in thousands, except per share data):

Options	Shares	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (thousands)
Outstanding as of December 31, 2022	945	\$ 1.26	5.7	\$ 1,137
Granted	-	-	-	-
Exercised	(191)	0.92	-	-
Forfeited or expired	(2)	0.28	-	-
Outstanding as of December 31, 2023	752	\$ 1.35	4.6	\$ 1,083
Granted	-	-	-	-
Exercised	(84)	0.73	-	-
Forfeited or expired	(2)	1.18	-	-
Outstanding as of December 31, 2024	666	\$ 1.43	3.5	\$ 185
Granted	-	-	-	-
Exercised	(14)	-	-	-
Forfeited or expired	(50)	-	-	-
Outstanding as of December 31, 2025	602	\$ 1.40	2.0	\$ 44
Vested and expected to vest as of December 31, 2025	602	\$ 1.40	2.0	\$ 44
Exercisable as of December 31, 2025	602	\$ 1.40	2.0	\$ 44

As of December 31, 2025, there is 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 years ended December 31, 2025, 2024 and 2023 (in thousands, except per share data):

	Shares	Weighted-average price
Unvested as of December 31, 2022	8,866	\$ 3.85
Granted	3,491	3.89
Vested	(1,872)	6.98
Forfeited	(502)	7.47
Unvested as of December 31, 2023	9,983	3.09
Granted	9,234	1.26
Vested	(4,537)	3.63
Forfeited	(1,767)	2.65
Unvested as of December 31, 2024 <sup>1</sup>	12,913	1.53
Granted	12,730	1.16
Vested	(4,373)	1.59
Forfeited	(11,408)	1.34
Unvested as of December 31, 2025	9,862	\$ 1.24

<sup>1</sup> 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 deem the administrative error not material from a quantitative or qualitative perspective.

During the year ended December 31, 2025, the Company granted 3,064,000 shares to non-executive employees for annual, short-term incentive, and new hire 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 year ended December 31, 2025, the Company granted 78,000 shares to non-employees. These shares are valued based on the closing price of common stock on the dates of grant and vest immediately.

During the year ended December 31, 2025, the Company granted 9,589,000 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

As of December 31, 2025, unrecognized share-based compensation related to RSUs was \$6.2 million, which will be expensed over the next 1.9 years. Unrecognized share-based compensation related to executive PSUs was \$1.2 million, which will be expensed over the next 0.4 years.

## 11. 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. During the quarter ended June 30, 2023, a payment of \$3.0 million was received as an incentive to terminate the Company's previous lease. The gain is recorded as other income in the consolidated statements of operations. 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. During the year ended December 31, 2024, impairment expense of \$0.2 million was incurred and is recorded within sales, marketing, general and administrative expense on the consolidated statements of operations.

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. During the year ended December 31, 2024, impairment expense of \$0.1 million was incurred and is recorded within sales, marketing, general and administrative expense on the consolidated statements of operations.

Additionally, in connection with the January 2023 acquisition of assets from Ibeo, the Company assumed three leases in Hamburg, Germany. Each lease was abandoned or expired in 2024, resulting in impairment expense of \$0.1 million during the year ended December 31, 2024.

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 October 2029, includes an option to extend the term for two three-year renewal periods. During the year ended December 31, 2025, the Company determined that the associated operating lease right-of-use asset was impaired. Impairment expense of \$1.2 million is recorded within operating expenses on the consolidated statement of operations.

In September 2025, the Company entered into a lease agreement for an airplane runway strip in Warrenton, Virginia which commenced in October 2025. In addition to base rent, the Company pays additional rent comprised of a proportionate share of any operating expenses and real estate taxes. The lease, which expires in September 2026, includes an option to extend the term for two one-year renewal periods.

The components of lease expense are as follows:

<i>(in thousands)</i>	Year Ended December 31,		
	2025	2024	2023
Operating lease expense	\$ 3,710	\$ 2,701	\$ 2,625
Finance lease expense:			
Amortization of leased assets	13	-	21
Interest on lease liabilities	-	-	-
Total finance lease expense	13	-	21
Sublease income	(250)	-	-
Total lease expense	\$ 3,473	\$ 2,701	\$ 2,646

Supplemental cash flow information related to leases is as follows:

<i>(in thousands)</i>	Year Ended December 31,		
	2025	2024	2023
Cash paid for amounts included in measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 3,036	\$ 2,491	\$ 2,500
Operating cash flows from finance leases	-	-	-
Financing cash flows from finance leases	13	-	21

Supplemental balance sheet information related to leases is as follows:

<i>(in thousands)</i>	December 31,	
	2025	2024
Operating leases		
Operating lease right-of-use assets	\$ 14,075	\$ 16,746
Current portion of operating lease liabilities	3,481	2,682
Operating lease liabilities, net of current portion	14,034	15,954
Total operating lease liabilities	\$ 17,515	\$ 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	5.7 years	6.8 years
Finance leases	2.3 years	na
Weighted Average Discount Rate		
Operating leases	4.9%	4.9%
Finance leases	5.5%	na

As of December 31, 2025, maturities of lease liabilities are as follows:

<i>(in thousands)</i>	Operating Leases	Finance Leases
Years Ended December 31,		
2026	\$ 3,737	\$ 16
2027	3,625	16
2028	3,522	7
2029	3,308	5
2030	2,062	-
Thereafter	3,654	-
Total minimum lease payments	19,908	44
Less: amount representing interest	(2,393)	(3)
Present value of capital lease liabilities	\$ 17,515	\$ 41

## 12. 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 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. As of December 31, 2025, the Company had open purchase commitments to the partner of \$2.3 million that were included within the adverse purchase commitment record within accrued liabilities on the consolidated balance sheets and within cost of revenue within the consolidated statements of operations. See *Note 9. Financial Statement Components* for additional discussion.

### *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.

## 13. COMMON STOCK

In March 2024, the Company 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, 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 December 31, 2025, the sale of 80.6 million shares for net proceeds of \$104.0 million had been completed. As of December 31, 2025, approximately \$42.0 million is available under this sales agreement, subject to certain limitations.

## 14. INCOME TAXES

Components of net loss before income taxes are as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
United States	\$ (94,627)	\$ (97,893)	\$ (86,730)
Foreign	(438)	1,485	5,034
Total	<u>\$ (95,065)</u>	<u>\$ (96,408)</u>	<u>\$ (81,696)</u>

Components of income taxes paid, net of refunds received are as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Federal	-	-	-
State			
Other states	-	-	-
Total state	-	-	-
Foreign			
Germany	615	2,855	-
Other foreign	-	-	-
Total foreign	<u>615</u>	<u>2,855</u>	-
Total income taxes paid	<u>615</u>	<u>2,855</u>	-

Components of income tax expense (benefit) are as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
<b>Current</b>			
Federal	\$ -	\$ -	\$ -
State	-	-	-
International	332	581	2,061
<b>Total current tax expense</b>	<b>332</b>	<b>581</b>	<b>2,061</b>
<b>Deferred</b>			
Federal	-	-	-
State	-	-	-
International	(416)	(74)	(915)
<b>Total deferred tax expense</b>	<b>(416)</b>	<b>(74)</b>	<b>(915)</b>
Federal	-	-	-
State	-	-	-
International	(84)	507	1,146
<b>Total tax (benefit) expense</b>	<b>\$ (84)</b>	<b>\$ 507</b>	<b>\$ 1,146</b>

The difference between the effective tax rate of the provision (benefit) for income taxes and the Federal statutory rate is as follows (in thousands):

	Year Ended December 31,					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
U.S. federal statutory rate	\$ (19,964)	21.0%	\$ (20,246)	21.0%	\$ (17,156)	21.0%
State income taxes, net of federal effect	-	-	-	-	-	-
Change in valuation allowance	16,278	(17.1)	16,508	(17.2)	17,430	(21.3)
Nontaxable or nondeductible items:						
Share-based compensation	1,325	(1.4)	2,357	(2.4)	1,343	(1.7)
Notes payable related	1,668	(1.8)	2,621	(2.7)	-	-
Other nondeductible items	1,073	(1.1)	39	-	251	(0.3)
Tax credits						
Other tax credits	(453)	0.5	(964)	1.0	(811)	1.0
Other	-	-	2	-	-	-
Foreign tax effects						
Other foreign jurisdictions	(11)	-	190	(0.2)	89	(0.1)
<b>Total</b>	<b>\$ (84)</b>	<b>0.1%</b>	<b>\$ 507</b>	<b>(0.5)%</b>	<b>\$ 1,146</b>	<b>(1.4)%</b>

Components of deferred tax assets are as follows (in thousands):

	December 31,	
	2025	2024
<b>Deferred tax assets</b>		
Reserves	\$ 2,422	\$ 430
Net operating loss carryforwards	115,405	104,575
R&D credit carryforwards	11,164	11,052
Depreciation/amortization deferred	30,884	29,618
Operating lease liabilities	4,975	5,099
Other	4,662	6,475
<b>Total deferred tax assets</b>	<b>169,512</b>	<b>157,249</b>
<b>Deferred tax liabilities</b>		
Operating lease right-of-use assets	(3,355)	(4,106)
<b>Total deferred tax liabilities</b>	<b>(3,355)</b>	<b>(4,106)</b>
Net valuation allowances	(165,507)	(152,935)
<b>Deferred tax assets</b>	<b>\$ 650</b>	<b>\$ 208</b>

As of December 31, 2025, a valuation allowance of \$165.5 million was maintained for deferred tax assets which have been deemed not more likely than not to be realized.

As of December 31, 2025, the Company has net operating loss carryforwards of approximately \$549.5 million for federal income tax reporting purposes. In addition, the Company has research and development tax credits of \$11.2 million. During 2025, \$16.0 million federal net operating losses and \$0.3 million general business credits expired unused. A majority of the net operating loss carryforwards and research and development credits available to offset future taxable income, if any, will expire in varying amounts from 2026 to 2044, if not previously used.

Certain net operating losses arise from the deductibility for tax purposes of compensation under nonqualified stock options equal to the difference between the fair value of the stock on the date of exercise and the exercise price of the options. For financial reporting purposes, the tax effect of this deduction, when recognized, is accounted for as an income tax benefit.

In certain circumstances, as specified in the Internal Revenue Code, a 50% or more ownership change by certain combinations of shareholders during any three-year period would result in limitations on the ability to use a portion of net operating loss carryforwards.

The One Big Beautiful Bill Act (“OBBBA”), which was enacted on July 4, 2025, introduced notable changes to the U.S. Internal Revenue Code, including the option to elect immediate expensing of domestic Section 174 costs. Section 174 costs are expenditures which represent research and development costs that are incident to the development or improvement of a product, process, formula, invention, computer software, or technique. As previously required under the Tax Cuts and Jobs Act, the Company capitalized research and development expenditures during the years ended December 31, 2022 through December 31, 2024. With the enactment of the OBBBA, the Company has continued to capitalize domestic Section 174 costs during the year ended December 31, 2025.

The Company had no unrecognized tax benefits as of December 31, 2025 or 2024.

Interest accrued and penalties related to unrecognized tax benefits are recognized in tax expense. During the years ended December 31, 2025, 2024 and 2023, no interest or penalties were recognized.

Income tax returns are filed in the U.S. federal jurisdiction, certain U.S. states, and in Germany. Due to the Company’s operating loss and credit carryforwards, the U.S. federal statute of limitations remains open for 2006 and onward. Tax years 2022 and forward remain open in Germany.

## **15. RESTRUCTURING CHARGES**

In 2024, to better align the Company’s resources to support business needs, the Company reduced the global workforce by approximately 41%. The Company recognized approximately \$6.0 million in restructuring and related reorganization charges during the year ended December 31, 2024, of which \$5.4 million is recorded within research and development expense and \$0.6 million within sales, marketing, general and administrative expense on the consolidated statements of operations. The charges were predominately related to employee severance and benefit costs. Consistent with the impairment analyses performed during 2024, 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 year ended December 31, 2025.

## **16. RETIREMENT SAVINGS PLAN**

The Company maintains a retirement savings plan which qualifies under Internal Revenue Code Section 401(k). The plan covers all qualified employees. Contributions to the plan are made at the discretion of the Board of Directors. During the years ended December 31, 2025, 2024 and 2023, contributions of \$0.3 million, \$0.5 million, and \$0.5 million were made to the plan, respectively.

## **17. SUBSEQUENT EVENTS**

Subsequent to the date of these financial statements, on January 1, 2026, the Company acquired from Scantinel Photonics GmbH (“Scantinel”) certain assets related to Scantinel’s 1550nm FMCW ultra-long-range LiDAR sensor business. The purchase price of \$0.4 million was paid on December 31, 2025 and is reflected in other current assets on the consolidated balance sheets. During the fourth quarter of 2025, prior to the closing of the acquisition on January 1, 2026, the Company advanced operating funds of \$1.8 million to Scantinel.

On January 26, 2026, the Company entered into an agreement with Luminar Technologies, Inc. (“Luminar”), pursuant to which MicroVision agreed to acquire from Luminar certain assets related to Luminar’s worldwide lidar sensor business, including intellectual property and inventory related to its IRIS and HALO sensors. The acquisition was approved by the U.S. Bankruptcy Court on January 27, 2026. On February 3, 2026, the acquisition closed and MicroVision paid to Luminar the purchase price of \$33.0 million (less the previously paid 10% deposit) plus cure costs of \$0.2 million, funded through cash on hand.

On February 23, 2026, the Company entered into a Securities Purchase and Exchange Agreement (the “2026 Purchase Agreement”) with an institutional investor, pursuant to which the Company issued two senior secured convertible notes – one for approximately \$20.6 million in exchange for the previously existing senior secured convertible note due March 2026 and the other for approximately \$22.4 million (combined, the “2026 Convertible Notes”). Net cash proceeds from the issuance are approximately \$20.9 million, inclusive of initial discounts, fees, and expenses related to the transaction.

The 2026 Convertible Notes will rank senior to all outstanding and future indebtedness of the Company. Immediately upon closing and monthly beginning on April 1, 2026, the Holder may elect to require the Company to partially redeem the Notes. The Company has the right to optionally convert any partial redemption of the Notes to shares of the Company’s common stock, subject to certain conditions. If conversion is elected by the Company, the partial repayment amount is the greater of \$3.0 million monthly, plus a 10% premium, or 110% of 7% of the aggregate daily volume of common stock for all VWAP trading days over a specified period. If cash settlement is elected by the Company, the partial repayment amount is \$3.0 million monthly, plus a 10% premium. The end of term maturity balance is the outstanding principal balance of the Notes multiplied by 110% and matures on March 1, 2028. The Notes bear zero coupon.

Subsequent to closing the 2026 Purchase Agreement, on February 23, 2026, the Holder elected a partial redemption. The Company elected to settle through shares of common stock, which are expected to be issued on or before March 31, 2026.

On February 27, 2026, the Company committed to a plan to consolidate its Redmond, Washington-based engineering, manufacturing, supply chain, and quality activities into the Company’s new Orlando, Florida facility (the “Consolidation Plan”). The decision is part of the Company’s ongoing efforts to reduce operating expenses and cash usage, improve organizational efficiency, and align resources to support strategic priorities. See *Part II, Item 9B, Other Information* for additional discussion.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in or disagreements with accountants on accounting or financial disclosure matters during our fiscal years ended December 31, 2025, 2024 and 2023.

### ITEM 9A. CONTROLS AND PROCEDURES

(a) *Evaluation of Disclosure Controls and Procedures.* Our Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) evaluated our disclosure controls and procedures (as defined in Rules 13a-15(e)) under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), prior to the filing of this Form 10-K. Based upon that evaluation, our CEO and CFO concluded that, as of December 31, 2025, our disclosure controls and procedures were effective.

(b) *Management’s Report on Internal Control Over Financial Reporting.* Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation under the framework in *Internal Control — Integrated Framework (2013)*, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

(c) *Limitations on the Effectiveness of Controls.* Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

(d) *Changes in Internal Control Over Financial Reporting.* There were no changes in our internal control over financial reporting during the period ended December 31, 2025 which has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### ITEM 9B. OTHER INFORMATION

(a) We are providing the following disclosure in lieu of filing a Current Report on Form 8-K relating to Item 2.05 Costs Associated with Exit or Disposal Activities:

On February 27, 2026, MicroVision, Inc. committed to a plan to consolidate its Redmond, Washington-based engineering, manufacturing, supply chain, and quality activities into the Company’s new Orlando, Florida facility (the “Consolidation Plan”). The decision is part of the Company’s ongoing efforts to reduce operating expenses and cash usage, improve organizational efficiency, and align resources to support strategic priorities.

In connection with the Consolidation Plan, in order to reduce operating expenses, the Company plans to reduce its Redmond-based workforce resulting in an approximately 20% reduction in the Company’s total global workforce. The reduction will commence in the first quarter of 2026 and is expected to be substantially completed by the end of the second quarter of 2026. During the second and third fiscal quarters of 2026, the Company estimates that it will incur one-time cash charges within the range of \$1 million to \$2 million associated with employee severance and related employee costs, as well as non-cash share-based compensation expense.

In addition, in connection with the Consolidation Plan, the Company expects to record a non-cash accounting charge estimated to be within the range of \$8 million to \$12 million due to the impairment of certain assets, including office leases, leasehold improvements, and related assets, stemming from the eventual closure of the Redmond facility.

The Company’s estimates are based on assumptions and actual results may materially differ. The Company may incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the workforce reduction and facility closure.

(b) During the three months ended December 31, 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 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

### PART III.

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding executive officers is included in Part I of this Annual Report on Form 10-K in Item 4A. The information required by this Item 10 of Form 10-K and not provided in Item 4A will be included under the caption “Proposal One – Election of Directors” and “Board of Directors & Governance Matters” in our 2026 Proxy Statement and is incorporated herein by reference. Our 2026 Proxy Statement will be filed with the SEC prior to our 2026 Annual Meeting of Shareholders.

#### ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 of Form 10-K will be included under the captions “Executive Compensation,” “Compensation Committee Interlocks and Insider Participation,” and “Director Compensation for 2025” in our 2026 Proxy Statement and are incorporated herein by reference.

#### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information as of December 31, 2025, regarding equity compensation plans approved and not approved by shareholders is summarized in the following table (in thousands, except per share data):

Plan Category	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for further issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders			14,794
Options to purchase common stock	602	\$	
Restricted stock units and performance stock units	9,862	-	
Equity compensation plans not approved by shareholders	-	-	-
Total	10,464		14,794

The other information required by this Item 12 of Form 10-K will be included under the caption “Information about MicroVision Common Stock” in our 2026 Proxy Statement and is incorporated herein by reference.

#### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item 13 of Form 10-K will be included under the captions “Certain Relationships and Related Transactions” and “Board of Directors & Governance Matters” in our 2026 Proxy Statement and are incorporated herein by reference.

#### ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 of Form 10-K will be included under the caption “Independent Registered Public Accounting Firm” in our 2026 Proxy Statement and is incorporated herein by reference.

PART IV.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(A) Documents filed as part of this Annual Report on Form 10-K:

1. Consolidated Financial Statements

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of December 31, 2025 and 2024
- Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023
- Consolidated Statements of Comprehensive Loss for the years ended December 31, 2025, 2024 and 2023
- Consolidated Statements of Shareholders' Equity for the years ended December 31, 2025, 2024 and 2023
- Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023
- Notes to Consolidated Financial Statements

2. Financial Statement Schedules

Schedule II

MicroVision, Inc.  
Valuation and Qualifying Accounts and Reserves Schedule  
(In thousands)

Year Ended December 31,	Balance at beginning of fiscal period	Additions		Deductions	Balance at end of fiscal period
		Charges to costs and expenses	Charges to other accounts		
<b>2023</b>					
Tax valuation allowance	\$ 130,125	\$ 12,252	\$ -	\$ -	\$ 142,377
<b>2024</b>					
Tax valuation allowance	\$ 142,377	\$ 10,558	\$ -	\$ -	\$ 152,935
<b>2025</b>					
Tax valuation allowance	\$ 152,935	\$ 12,572	\$ -	\$ -	\$ 165,507

All other schedules are omitted because they are not applicable, or because the information required is included in the consolidated financial statements and notes thereto.

### 3. Exhibits

The following exhibits are referenced or included in this Annual Report on Form 10-K.

Exhibit Number	Description
2.1	<a href="#"><u>Asset Purchase Agreement, dated December 1, 2022, by and between Ibeo Automotive Systems GmbH and MicroVision GmbH</u></a> <sup>(14)</sup>
2.2	<a href="#"><u>Amendment Agreement, dated January 31, 2023, to the Asset Purchase Agreement, dated December 1, 2022, by and between Ibeo Automotive Systems GmbH and MicroVision GmbH</u></a> <sup>(14)</sup>
3.1	<a href="#"><u>Amended and Restated Certificate of Incorporation of MicroVision, Inc., as amended</u></a> <sup>(2)</sup>
3.2	<a href="#"><u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of MicroVision, Inc</u></a> <sup>(4)</sup>
3.3	<a href="#"><u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of MicroVision, Inc. dated June 7, 2018</u></a> <sup>(6)</sup>
3.4	<a href="#"><u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of MicroVision, Inc. dated October 8, 2020</u></a> <sup>(8)</sup>
3.5	<a href="#"><u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of MicroVision, Inc. dated May, 18, 2023</u></a> <sup>(7)</sup>
3.6	<a href="#"><u>Amended and Restated Bylaws of MicroVision, Inc</u></a> <sup>(5)</sup>
4.1	<a href="#"><u>Form of Specimen Stock Certificate for Common Stock</u></a> <sup>(1)</sup>
4.2	<a href="#"><u>Description of Common Stock</u></a> <sup>(9)</sup>
4.3	<a href="#"><u>Form of Senior Secured Convertible Note</u></a> <sup>(19)</sup>
10.1	<a href="#"><u>2022 MicroVision, Inc. Incentive Plan</u></a> <sup>(13)*</sup>
10.2	<a href="#"><u>Lease Agreement Concerning Office Premises between Victoria Immo Properties I S.à r.l., dated December 15, 2023 (covering approximately 60,000 square feet)</u></a> <sup>(20)</sup>
10.3	<a href="#"><u>Key Executive Severance and Change in Control Plan</u></a> <sup>(3)*</sup>
10.4	<a href="#"><u>2025 CEO Agreement (G. DeVos)</u></a> <sup>(11)</sup>
10.5	<a href="#"><u>At-the-Market Issuance Sales Agreement, dated August 29, 2023, by and between the Company and Craig-Hallum Capital Group LLC</u></a> <sup>(10)</sup>
10.6	<a href="#"><u>Lease Agreement between Redmond East Office Park LLC and MicroVision, Inc. dated September 24, 2021 (covering approximately 16,681 square feet)</u></a> <sup>(12)</sup>
10.7	<a href="#"><u>Lease Agreement between Redmond East Office Park LLC and MicroVision, Inc. dated September 24, 2021 (covering approximately 36,062 square feet)</u></a> <sup>(12)</sup>
10.8	<a href="#"><u>Form of Performance-Based Restricted Stock Unit Agreement</u></a> <sup>(13)*</sup>
10.9	<a href="#"><u>Form of Restricted Stock Unit Agreement</u></a> <sup>(15)*</sup>
10.10	<a href="#"><u>At-the-Market Issuance Sales Agreement, dated June 16, 2023, by and between the Company and Craig-Hallum Capital Group LLC</u></a> <sup>(16)</sup>
10.11	<a href="#"><u>2024 Executive Bonus Plan</u></a> <sup>(3)</sup>
10.12	<a href="#"><u>At-the-Market Issuance Sales Agreement, dated March 5, 2024, by and among the Company and various banks</u></a> <sup>(17)</sup>
10.13	<a href="#"><u>2024 CEO Agreement (S. Sharma)</u></a> <sup>(18)*</sup>
10.14	<a href="#"><u>Securities Purchase Agreement</u></a> <sup>(19)</sup>
10.15	<a href="#"><u>2025 Executive Bonus Plan</u></a> <sup>(21)</sup>
19.1	<a href="#"><u>MicroVision Statement of Policy on Insider Trading and Pre-Clearance Procedures</u></a>
21.1	<a href="#"><u>List of Subsidiaries of the Registrant</u></a>
23.1	<a href="#"><u>Consent of Independent Registered Public Accounting Firm – Baker Tilly US, LLP</u></a>
31.1	<a href="#"><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></a>
31.2	<a href="#"><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></a>
32.1	<a href="#"><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 Sarbanes-Oxley Act of 2002</u></a>
32.2	<a href="#"><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 Sarbanes-Oxley Act of 2002</u></a>
97.1	<a href="#"><u>Policy on Recoupment of Incentive Compensation</u></a>

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 Post-Effective Amendment to Form S-3 Registration Statement, Registration No. 333-102244.
- (2) Incorporated by reference to the Company's Form 10-Q for the quarterly period ended September 30, 2009.
- (3) Incorporated by reference to the Company's Form 10-Q for the quarterly period ended June 30, 2024.
- (4) Incorporated by reference to the Company's Current Report on Form 8-K filed on February 17, 2012.
- (5) Incorporated by reference to the Company's Current Report on Form 8-K filed on July 14, 2023.
- (6) Incorporated by reference to the Company's Amendment No. 2 to Form S-1 Registration Statement, Registration No. 333-222857.
- (7) Incorporated by reference to the Company's Current Report on Form 8-K filed on May 19, 2023.
- (8) Incorporated by reference to the Company's Form 10-Q for the quarterly period ended September 30, 2020.
- (9) Incorporated by reference to the Company's Form 10-K for the year ended December 31, 2020.
- (10) Incorporated by reference to the Company's Current Report on Form 8-K filed on August 29, 2023.
- (11) Incorporated by reference to the Company's Form 10-Q for the quarterly period ended September 30, 2025.
- (12) Incorporated by reference to the Company's Form 10-Q for the quarterly period ended September 30, 2021.
- (13) Incorporated by reference to the Company's Form S-8 filed on June 8, 2022.
- (14) Incorporated by reference to the Company's Current Report on Form 8-K filed on February 3, 2023.
- (15) Incorporated by reference to the Company's Form 10-K for the year ended December 31, 2022.
- (16) Incorporated by reference to the Company's Current Report on Form 8-K filed on June 16, 2023.
- (17) Incorporated by reference to the Company's Current Report on Form 8-K filed on March 5, 2024.
- (18) Incorporated by reference to the Company's Form 10-Q for the quarterly period ended September 30, 2024.
- (19) Incorporated by reference to the Company's Current Report on Form 8-K filed on October 15, 2024.
- (20) Incorporated by reference to the Company's Form 10-K for the year ended December 31, 2023.
- (21) Incorporated by reference to the Company's Quarterly Report on Form 10-Q filed for the quarterly period ended June 30, 2025.

\* *Management contracts and compensatory plans and arrangements required to be filed as exhibits pursuant to Item 15(b) of this Annual Report on Form 10-K.*

#### **ITEM 16. FORM 10-K SUMMARY**

**None.**



**MicroVision Statement of Policy on Insider Trading****Overview**

It is illegal for any person, either personally or on behalf of others, to trade in securities on the basis of material, nonpublic information. It is also illegal to communicate (to “tip”) material, nonpublic information to others so that they may trade in securities on the basis of that information. These illegal activities are commonly referred to as “insider trading.”

In the course of your employment or service with MicroVision and its subsidiaries (the “Company”) you may become aware of material, nonpublic information (defined below) about the Company or other companies. The Company’s policy is applicable to all directors, executive officers, and employees, and prohibits trading and tipping others to trade, when you know material, nonpublic information. You will also be precluded from trading the Company’s securities during certain periods as further described below.

Rule 10b-5 under the Securities and Exchange Act of 1934, in conjunction with Rule 10b5-1, specifically addresses insider trading. Insider trading violations are pursued vigorously by the Securities and Exchange Commission (the “SEC”) and the Office of the Attorney General of the United States.

Penalties for insider trading violations include civil fines of up to three times the profit gain or loss avoided by the trading, criminal fines of up to \$1 million and imprisonment for up to 10 years. There may also be liability to those damaged by the trading.

While the regulatory authorities concentrate their efforts on the individuals who trade or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other “controlling persons” if they fail to take reasonable steps to prevent insider trading by the Company’s personnel.

A company whose employee violates the insider trading prohibitions may be liable for a civil fine of up to the greater of \$1 million or three times the profit gain or loss avoided as a result of the employee’s insider trading violation. The failure of any director, officer or employee to comply with the Company’s policy on insider trading may also subject him or her to sanctions by the Company, including dismissal for cause, whether or not the failure to comply results in a violation of law.

MicroVision has adopted this policy statement both to protect you and the Company against claims of insider trading and the severe consequences associated with the violations of the insider trading laws. This statement of policy is also intended to prevent improper conduct on the part of anyone employed by or associated with the Company and to stipulate when an insider may trade in the Company’s securities.

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## **General**

**Material, Nonpublic Information** Material information is any information that a reasonable investor would consider important in making a decision to buy, hold or sell securities. Any information that could be expected to affect the Company's stock price, positively or negatively, is considered material. Information is considered nonpublic if the information has not been broadly disseminated to the public for a sufficient period to be reflected in the price of the security. The information must not only be publicly disclosed, there must also be adequate time for the market as a whole to digest the information. As a general rule, information should not be considered fully absorbed by the marketplace until after the second full business day following an announcement or disclosure to the marketplace via a press release or through a filing with the SEC.

Some examples of material, nonpublic information are:

- Financial information (i.e. projections of future earnings or losses, or other earnings guidance);
- Earnings that are inconsistent with the consensus expectations of the investment community;
- A pending or proposed merger, acquisition or tender offer;
- A pending or proposed acquisition or disposition of a significant asset;
- The development of a significant new product or process;
- The gain or loss of a significant customer or supplier;
- Significant legal, regulatory or legislative developments affecting the Company;
- A change in senior management;
- A change in dividend policy or the declaration of a stock split;
- An offering of additional securities; and
- The existence of liquidity problems or impending bankruptcy.

**Insiders** According to court interpretation of Rule 10b-5, an "insider" is any director, officer or employee of the Company who possesses knowledge of material, nonpublic information about the Company and who has a duty to the Company to keep this information confidential. In addition, family members and friends of directors, officers or employees as well as professional advisors (i.e. accountants, attorneys, investment bankers and consultants) who receive material, nonpublic information about the Company may be considered "temporary insiders" of the Company.

## **Statement of Policy**

It is the policy of the Company that no director, officer or other employee of the Company who is aware of material, nonpublic information relating to the Company may, directly or through family members or other persons or entities, (a) pass that information on to others outside the Company, including family and friends, (b) buy or sell securities of the Company (other than pursuant to a pre-approved trading plan complying with Rule 10b5-1), or (c) engage in any other action to take personal advantage of that information. In addition, it is the policy of the Company that no director, officer or other employee of the Company who, in the course of working for the Company, learns of material, nonpublic information about a company with which the Company does business, (including a customer or supplier of the Company), may trade in that company's securities until the information becomes public or is no longer material.

Transactions that may be necessary or that may appear justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are not exempted from the policy. The securities laws do not recognize such mitigating circumstances, and in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to our high standards of conduct and ethical behavior.

**Disclosure of Material, Nonpublic Information** No director, officer, employee or agent may disclose material, nonpublic information about the Company unless authorized to do so by the Company's Chief Executive Officer or General Counsel. Only certain employees are authorized to disclose material, nonpublic information. Unless you are authorized by the Chief Executive Officer or the General Counsel, you should refrain from discussing material, nonpublic information with anyone not subject to this policy.

**Transactions by Family Members** This Statement of Policy also applies to your family members who reside with you, anyone else who lives in your household and any family members who do not live in your household but whose transactions in the Company's securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in the Company's securities). You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in the Company's securities.

**Twenty-Twenty Hindsight** Before engaging in any transaction, you should carefully consider how enforcement authorities and others might view the transaction in hindsight.

**Quarterly Blackout Periods** The Company's announcement of its quarterly and annual financial results has the potential to have a material effect on the market for the Company's securities. Therefore, to avoid even the appearance of trading while aware of material, nonpublic information, all directors, officers, employees, and their family members, are prohibited from trading in the Company's securities during the period beginning two weeks before the last day of each fiscal quarter and fiscal year of the Company and ending after the first full business day following the Company's issuance of its quarterly or annual earnings release. Exceptions to this requirement are permitted only by the written approval of the General Counsel. However, no employee may buy or sell Company securities even during the window periods if he or she is in possession of material, nonpublic information.

**Hardship Exceptions** A person who is subject to a quarterly earnings blackout period and who has an unexpected and urgent need to sell the Company's stock in order to generate cash may, in appropriate circumstances, be permitted to sell the Company's stock even during the blackout period. Hardship exceptions may be granted only by the General Counsel and must be requested at least two business days in advance of the proposed trade. A hardship exception may be granted only if the General Counsel concludes that the Company's earnings information for the applicable quarter does not constitute material, nonpublic information. Under no circumstance will a hardship exception be granted if the applicant is in possession of material, nonpublic information.

**Stock Option Plans** This Statement of Policy also applies to the exercise of an option to purchase stock if proceeds from the sale of Company stock are being used to pay the exercise price of such options in a so-called “cashless exercise.”

**Post-Termination Transactions** This Statement of Policy continues to apply to your transactions in Company securities even after you have terminated employment or service with the Company. If you are in possession of material, nonpublic information when your employment terminates, you may not trade in the Company’s securities until that information has become public or is no longer material.

**Additional Prohibited Transactions** The Company considers it improper and inappropriate for any director, officer or other employee of the Company to engage in speculative transactions in the Company’s securities. It therefore is the Company’s policy that directors, officers and other employees may not engage in any of the following transactions with respect to the Company’s securities:

**Short Sales** A short sale is the sale of a security that one does not own but has borrowed in anticipation of making a profit by paying for it after its price has fallen. Short sales of the Company’s securities portray an expectation on the part of the seller that the securities will decline in value and could signal to the market that the seller has no confidence in the Company or its short-term prospects. For these reasons, short sales of the Company’s securities are prohibited by this Statement of Policy.

**Publicly Traded Options** A transaction in options is, in effect, a bet on the short-term movement of the Company’s stock and therefore creates the appearance that an insider is trading based on inside information. Transactions in options also may focus the person’s attention on short-term performance at the expense of the Company’s long-term objectives. Accordingly, transactions in puts, calls or other derivative securities, on an exchange or in any other organized market, are prohibited by this Statement of Policy.

**Hedging Transactions** Certain forms of hedging, such as zero-cost collars and forward sale contracts, allow a stockholder to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow a person to continue to own the covered securities but without the full risks and rewards of ownership. When that occurs, he or she may no longer have the same objectives as the Company’s other shareholders. Therefore the Company strongly discourages hedging transactions of the Company’s securities. Any requests to engage in hedging transactions of the Company’s stock must be submitted to the General Counsel (or the Board of Directors for the CEO, CFO and General Counsel) at least two business days in advance of the proposed transaction.

**Margin Accounts and Pledges** Securities held in a margin account may be sold without consent to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material, nonpublic information or otherwise is not permitted to trade in the Company’s securities, directors, officers and other employees are prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan, except to the Company. In the event that a director, officer or other employee has pledged the Company’s securities as collateral for a loan as of the date of this Statement of Policy, then such person may request permission to continue to pledge Company securities for an existing loan or renewal or refinancing of such loan. In such event, the director, officer or other employee of the company must submit a request for approval to the General Counsel at least two weeks prior to the proposed execution of documents evidencing the proposed pledge.

Limit Orders A limit order is a specific order that sets a specific period in time in which to buy securities at or below a specific maximum price or to sell securities above or at specific minimum price. The General Counsel must approve any transaction using a limit order for the Company's securities. The General Counsel must review the effective period and timing of any limit order in advance of placing such an order. In general, limit orders will not be approved that begin before or extend after the trading window guidelines discussed above. Despite prior approval, you must cancel any limit order if you later learn material, nonpublic information before the execution of the trade.

**MicroVision's Assistance**

Any questions regarding this Statement of Policy or its application to any proposed transaction may be directed to the Company's General Counsel. Ultimately, however, the responsibility for adhering to this Statement of Policy and avoiding unlawful transactions rests with the individual director, officer, employee or other related parties that must comply with this policy.

**Certification**

All directors, executive officers and employees must certify their understanding of and agree to comply with this Statement of Policy by signing the attached Certification.

**Amendment**

This Statement of Policy on Insider Trading may be amended by the Company from time to time, and a copy of this Statement of Policy on Insider Trading shall be posted on the Company's intranet or otherwise made available to those covered by it.

INSIDER TRADING CERTIFICATION

I certify that I have read and will comply with the MicroVision's Statement of Policy on Insider Trading as amended from time to time. I understand that the Company's General Counsel is available to answer any questions I have regarding the Statement. I will comply with the Statement of Policy on Insider Trading for as long as I am subject thereto.

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_

Date: \_\_\_\_\_

## MicroVision Pre-Clearance Procedures

### Overview

MicroVision, Inc. (the “Company”) has approved a Statement of Policy on Insider Trading relating to securities trades by all of the Company’s directors, executive officers and employees. **This document describes additional procedures that apply to directors, executive officers and those non-executive employees who regularly become aware of earnings information or other material, nonpublic information about the Company.**

### General

The Company’s Pre-Clearance Procedures have been established to:

- help prevent violations of the federal securities laws and to avoid both the trading and the appearance of trading on inside information;
- assist directors and executive officers in complying with their SEC filing obligations; and
- help directors and executive officers avoid inadvertent “short swing” (i.e., six months) profit liability.

These Pre-Clearance Procedures are applicable to (i) all directors, (ii) all executive officers and their administrative assistants, and (iii) all other persons who are informed by the General Counsel that they are subject to the Company’s Pre-Clearance Procedures (each a “Company Insider”). No Company Insider may engage in any transaction in the Company’s securities (including hedging transactions, transactions in derivative securities, gifts, contributions to a trust or similar transfers) at any time without first obtaining pre-clearance of the transaction from the General Counsel. A request for pre-clearance should be submitted to the General Counsel at least two business days in advance of the proposed transaction. Additionally, pre-clearance for the General Counsel will also require approval by the Chief Executive Officer; pre-clearance for the Chief Executive Officer, Chief Financial Officer and other Section 16 Officers will require approval by the Audit Committee Chair; pre-clearance for directors will require approval by the Board Chair and pre-clearance for the Board Chair requires approval of the Audit Committee Chair.

Any Company Insider who wishes to implement, modify or terminate a trading plan under SEC Rule 10b5-1 must first pre-clear the plan with the General Counsel. As required by Rule 10b5-1, a Company Insider may enter into or modify a trading plan only when he or she is not in possession of material, nonpublic information. In addition, a Company Insider may not enter into or modify a trading plan during a blackout period. A trading plan is a pre-established plan that directs one’s broker to buy or sell securities according to pre-established parameters. Transactions effected pursuant to a pre-cleared trading plan will not require further pre-clearance at the time of the transaction if the plan complies with Rule 10b5-1 by specifying the dates, prices and amounts of the contemplated trades, or by establishing a formula for determining such dates, prices and amounts.

### **Event Specific Blackout Periods**

In addition to the quarterly blackout periods described in the Company's Policy on Insider Trading, from time to time an event may occur that is material to the Company and is known only by some or all of the Company Insiders. As long as the event remains material and nonpublic, no Company Insider may trade in the Company's securities. The existence of an event-specific blackout period will not be announced, other than to those who are aware of the event giving rise to the blackout period. If, however, another Company Insider, requests permission to trade in the Company's securities during an event-specific blackout period, the General Counsel will inform the requester of the existence of a blackout period without disclosing the reason for the blackout period. Any person made aware of the existence of an event-specific blackout period should not disclose the existence of the blackout period to any other person. The failure of the General Counsel to designate a person as being subject to an event-specific blackout period will not relieve that person of the obligation not to trade while aware of material, nonpublic information.

### **Short-Swing Profit Transactions**

As described in the Company's Policy on Insider Trading, the Company considers it improper and inappropriate for any Company Insider or any other Company employee to engage in speculative transactions in the Company's securities. The Company expects each Company Insider who is subject to Section 16 of the Securities Exchange Act of 1934 and the rules thereunder to monitor his or her own compliance with such rules and to avoid entering into prohibited transactions or recognizing short-swing profits.

The rules under Section 16 are complex, and Company Insiders should consult with the General Counsel or outside counsel prior to trading in the Company's securities in order to maintain compliance with those rules. In general, however, Section 16 prohibits short sales (i.e. a sale of stock that is not owned by the seller or a sale of stock where the seller does not deliver the stock within 20 days or deposit the stock in the mail within five days of the sale) by executive officers and directors. Section 16 also discourages directors and executive officers from engaging in short-term trading of the Company's securities, because such short-term trading may focus Company Insiders on the Company's short-term stock market performance instead of the Company's long-term business objectives. Section 16 provides that a Company Insider must disgorge to the Company any profits made on short-term transactions in the Company's securities.

A trade will be considered short-term if a Company director or executive officer buys or sells a Company security and offsets that transaction within six months of the original transaction date. For example, a short-term trade would occur if a person buys shares in January and then sells shares before June or conversely the person sells shares in January and then buys shares before June. With limited exceptions, any such matched transactions within a six-month window that give rise to profits will be subject to disgorgement. Any shareholder of the Company, including members of the public, may insist on the Company's right to enforce such disgorgement.

### **Post-Termination Transactions**

A Company Insider who is aware of material, nonpublic information when he or she terminates service as a Company Insider, may not trade in the Company's securities until that information has become public or is no longer material. In all other respects, the Pre-Clearance Procedures set forth in this document will cease to apply to a Company Insider upon the later of (i) such Company Insider's termination of service to the Company or (ii) expiration of any blackout period in effect at the time of such termination of service.

### **Company Assistance**

Any questions regarding this memorandum or its application to any proposed transaction should be directed to the Company's General Counsel.

### **Certification**

All Company Insiders must certify their understanding of and agreement to comply with the Company's Pre-Clearance Procedures set forth in this document, by signing the attached Certification.

### **Amendment**

These Pre-Clearance Procedures may be amended by the Company from time to time, and a copy of these Pre-Clearance Procedures shall be posted on the Company's intranet or otherwise be made available to those covered by these Procedures.

**PRE-CLEARANCE PROCEDURES CERTIFICATION**

I certify that I have read and will comply with the MicroVision's Pre-Clearance Procedures as amended from time to time. I understand that the Company's General Counsel is available to answer any questions I have regarding this policy. I will comply with the Company's Pre-Clearance Procedures for as long as I am subject thereto.

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_

Date: \_\_\_\_\_

**LIST OF SUBSIDIARIES**

**Subsidiaries of the Registrant as of December 31, 2025**

**Jurisdiction of Organization**

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MicroVision GmbH

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Germany

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**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statements on Form S-3 ((No. 333-184703, No. 333-184702, No. 333-182462, No. 333-175419, No. 333-160577, No. 333-228113, No. 333-253145, No. 333-272616 and No. 333-282840) and Form S-8 (No. 333-265489, No. 333-184701, No. 333-173114, No. 333-163929, No. 333-19011, No. 333-71373, No. 333-42276, No. 333-45534, No. 333-73652, No. 333-89176, No. 333-141458, No. 333-249418, No. 333-286142 and No. 333-287862) of MicroVision, Inc. (the “Company”) of our report dated March 4, 2026, relating to the consolidated financial statements of the Company, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2025.

/s/ Baker Tilly US, LLP

Seattle, Washington  
March 4, 2026

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**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 annual report on Form 10-K for the period ended December 31, 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: March 4, 2026

*/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, Stephen Hrynewich, certify that:

1. I have reviewed this annual report on Form 10-K for the period ended December 31, 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: March 4, 2026

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*/s/ Stephen Hrynewich*  
Stephen Hrynewich  
Chief Financial Officer

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**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 Annual Report of MicroVision, Inc. (the "Company") on Form 10-K for the year ended December 31, 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: March 4, 2026

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*/s/ Glen DeVos*  
Glen DeVos  
*Chief Executive Officer*

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**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 Annual Report of MicroVision, Inc. (the "Company") on Form 10-K for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen Hrynewich, 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: March 4, 2026

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*/s/ Stephen Hrynewich*  
Stephen Hrynewich  
Chief Financial Officer

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**MICROVISION, INC.**  
Policy on Recoupment of Incentive Compensation  
**Amended and Restated: November 6, 2023**

The Board of Directors (the “**Board**”) of MicroVision, Inc. (the “**Company**”) has adopted this Policy on Recoupment of Incentive Compensation (this “**Policy**”), which provides for the recovery of certain executive compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with, and will be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), Rule 10D-1 promulgated under the Exchange Act (“**Rule 10D-1**”) and Nasdaq Listing Rule 5608 (the “**Listing Standards**”).

**1. Definitions.**

The following capitalized terms will have the meanings set forth below.

- a. “**Accounting Restatement**” means an accounting restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under U.S. securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. For the avoidance of doubt, recovery of any Erroneously Awarded Compensation under this Policy is not dependent on fault, fraud, or misconduct by any person in connection with the Accounting Restatement.
- b. “**Administrator**” means the Compensation Committee, if composed entirely of independent directors, or in the absence of such a committee, a majority of independent directors serving on the Board.
- c. “**Applicable Period**” means the three completed fiscal years of the Company immediately preceding the Restatement Date, and if the Company changes its fiscal year, any transition period within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months will count as a completed fiscal year).
- d. “**Covered Executives**” means the Company’s current and former executive officers, as determined by the Administrator in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards. For the avoidance of doubt, the identification of an executive officer for purposes of this Policy will include at least each executive officer who is or was identified pursuant to Item 401(b) of Regulation S-K as well as the principal financial officer and principal accounting officer (or, if there is no principal accounting officer, the controller).
- e. “**Erroneously Awarded Compensation**” means, in connection with an Accounting Restatement, the amount of Incentive-Based Compensation Received by a Covered Executive that exceeds the amount of Incentive-Based Compensation that would have been Received by the Covered Executive had it been determined based on the restated amounts, computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return (“**TSR**”), where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Accounting Restatement, the Administrator will determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was Received and the Company will maintain documentation of such determination and provide such documentation to The Nasdaq Stock Market (“**Nasdaq**”).

- f. “**Financial Reporting Measure**” means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measure that is derived wholly or in part from any such measure. Stock price and TSR and any measure that are derived wholly or in part from stock price or TSR are considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company’s financial statements or included in a filing with the Securities and Exchange Commission (the “SEC”).
- g. “**Incentive-Based Compensation**” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is deemed “**Received**” for purposes of this Policy, as of the date during an applicable fiscal period of the Company in which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment, grant, or issuance of the Incentive-Based Compensation occurs after the end of such fiscal period.
- h. “**Restatement Date**” means the earlier to occur of (i) the date the Board, a committee of the Board, or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement, in each case irrespective as to when or if the restated financial statements are filed.

**2. Covered Executives; Incentive-Based Compensation.**

This Policy applies to Incentive-Based Compensation Received by a Covered Executive, (a) after beginning services as a Covered Executive, (b) if that person served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation (whether or not such Covered Executive is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company), and (c) while the Company had a listed class of securities on a national securities exchange.

**3. Required Recoupment of Erroneously Awarded Compensation in the Event of an Accounting Restatement and Disclosure.**

In the event of an Accounting Restatement, the Company is authorized and obligated pursuant to this Policy to:

- a. Recover reasonably promptly the amount of any Erroneously Awarded Compensation unless the Administrator has determined that recovery would be impracticable in accordance *solely* with the following limited reasons, and subject to the following procedural and disclosure requirements.
  - i. That the direct expenses paid to a third party to assist in enforcing this Policy would exceed the Erroneously Awarded Compensation to be recovered, however, before concluding it would be impracticable to recover any amount of Erroneously Awarded Compensation based on such expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) and provide such documentation to Nasdaq; or

- ii. That recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to the Company's employees, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.
- b. file all disclosures with respect to this Policy as required by the Listing Standards and applicable U.S. securities laws, including the disclosure required by applicable SEC filings.

#### **4. Erroneously Awarded Compensation: Recovery Amount and Method**

The Administrator will determine the amount of Erroneously Awarded Compensation Received by each Covered Executive.

Upon determining the amount of Erroneously Awarded Compensation, the Administrator will promptly notify each Covered Executive with a written notice containing the amount of any Erroneously Awarded Compensation and the manner and terms of the repayment or forfeiture, as applicable, to recoup the Erroneously Awarded Compensation.

The Administrator will (a) determine, in its sole discretion, the appropriate means of recovering Erroneously Awarded Compensation based on the particular facts and circumstances and (b) direct the Company to pursue any method permitted by applicable law or contract, *provided*, however that unless the Administrator has determined that recovery would be impracticable pursuant to the limitations described above in Section 3.a, in no event may the Company accept an amount that is less than the total amount of Erroneously Awarded Compensation in satisfaction of a Covered Executive's obligations under this Policy.

To the extent that a Covered Executive fails to repay all Erroneously Awarded Compensation to the Company when due, the Company is authorized to take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Covered Executive. The applicable Covered Executive will be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

#### **5. No Indemnification**

The Company is not permitted to insure or indemnify any Covered Executive against (a) the loss of any Erroneously Awarded Compensation that is repaid, returned, or recovered pursuant to the terms of this Policy, or (b) any claims relating to the Company's enforcement of its rights under this Policy. Further, the Company will not enter into any agreement that exempts any Incentive-based Compensation that is granted, paid, or awarded to a Covered Executive from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy will supersede any such agreement (whether entered into before, on or after the effective date of this Policy).

#### **6. Effective Date and Retroactive Application**

This Policy will be effective as of December 1, 2023, and supersedes the Company's Executive Compensation Recoupment Policy, effective March 9, 2020. The terms of this Policy will apply to any Incentive-Based Compensation that is Received by Covered Executives on or after October 2, 2023, even if such Incentive-Based Compensation was approved, awarded, granted, or paid to Covered Executives prior to such date.

#### **7. Policy Administration, Amendment and Termination**

This Policy will be administered by the Administrator. The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. Any determinations made by the Administrator will be final and binding on all affected individuals and need not be uniform with respect to each individual covered by this Policy.

Subject to any limitation under applicable law, the Administrator may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

The Administrator may amend, modify, suspend, or terminate all or any portion of this Policy at any time and from time to time in its sole discretion. Notwithstanding anything in this Section 7 to the contrary, no amendment or termination of this Policy will be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or Nasdaq rule.

**8. Not Exclusive; Other Rights**

Any right of recoupment, forfeiture or cancellation under this Policy is in addition to, and not in lieu of, any other remedies or rights that may be available to the Company (a) under applicable law, (b) pursuant to the terms of any similar policy in any employment agreement, incentive or equity compensation plan or award agreement, or any other similar agreement, or (c) any other legal rights or remedies available to the Company (“**Additional Company Rights**”).

Nothing contained in this Policy, will be deemed to limit the Company’s right to terminate employment of any Covered Executive or limit any claims, damages, or other legal remedies the Company or any of its affiliates may have against a Covered Executive arising out of or resulting from any actions or omissions by the Covered Executive.

Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with a Covered Executive is and will be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Covered Executive to abide by the terms of this Policy.

To the extent a Covered Executive has already returned or reimbursed the Company for any Erroneously Awarded Compensation under any Additional Company Rights, it will be appropriate for the Administrator to credit such amount to the amount of such Covered Executive’s Erroneously Awarded Compensation that is subject to recovery under this Policy and vice versa.

**9. Successors**

This Policy will be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators, or other legal representatives.

**10. Severability**

The Board intends that this Policy apply to the fullest extent permitted by law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and will automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy will not affect the validity or enforceability of any other provision of this Policy.

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**Acknowledgment  
Of  
Policy on Recoupment of Incentive Compensation**

I, the undersigned, agree and acknowledge that:

- I am fully bound by, and subject to, all of the terms and conditions of MicroVision, Inc.'s Policy on Recoupment of Incentive Compensation (as may be amended, restated, supplemented, or otherwise modified from time to time, the "**Policy**");
- in the event of any inconsistency between the Policy and the terms of any employment agreement to which I am a party, or the terms of any compensation plan, program, or agreement under which any compensation has been granted, awarded, earned, or paid, the terms of the Policy shall govern; and
- in the event it is determined by the Administrator that any amounts granted, awarded, earned, or paid to me must be forfeited or reimbursed to the Company, I will promptly take any action necessary to effectuate such forfeiture or reimbursement. Any capitalized terms used in this Acknowledgment without definition shall have the meaning set forth in the Policy.

By: \_\_\_\_\_

[Name]

[Title]

\_\_\_\_\_  
Date