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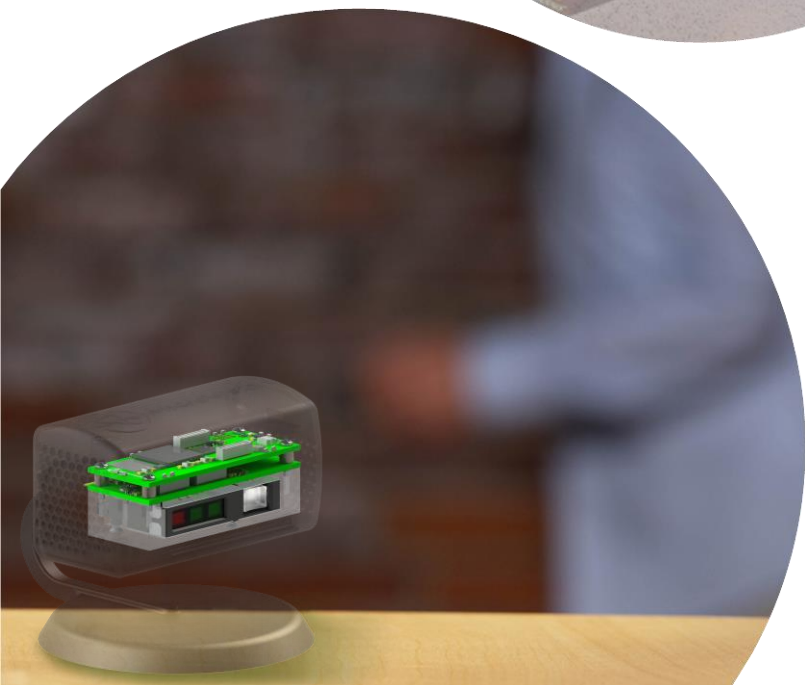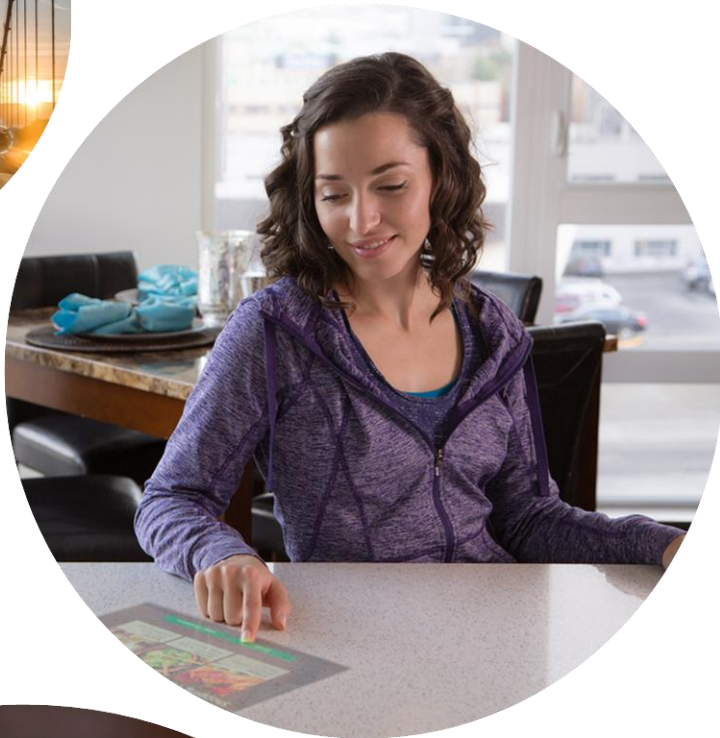
MicroVision

- Laser Beam Scanning technology pioneer
- Creating solutions using visible and IR lasers
- Unlocking value for our customers targeting multiple product verticals
  - Interactive Display – targeting smart speakers with Class 1 modules
  - Consumer LiDAR
  - Automotive LiDAR
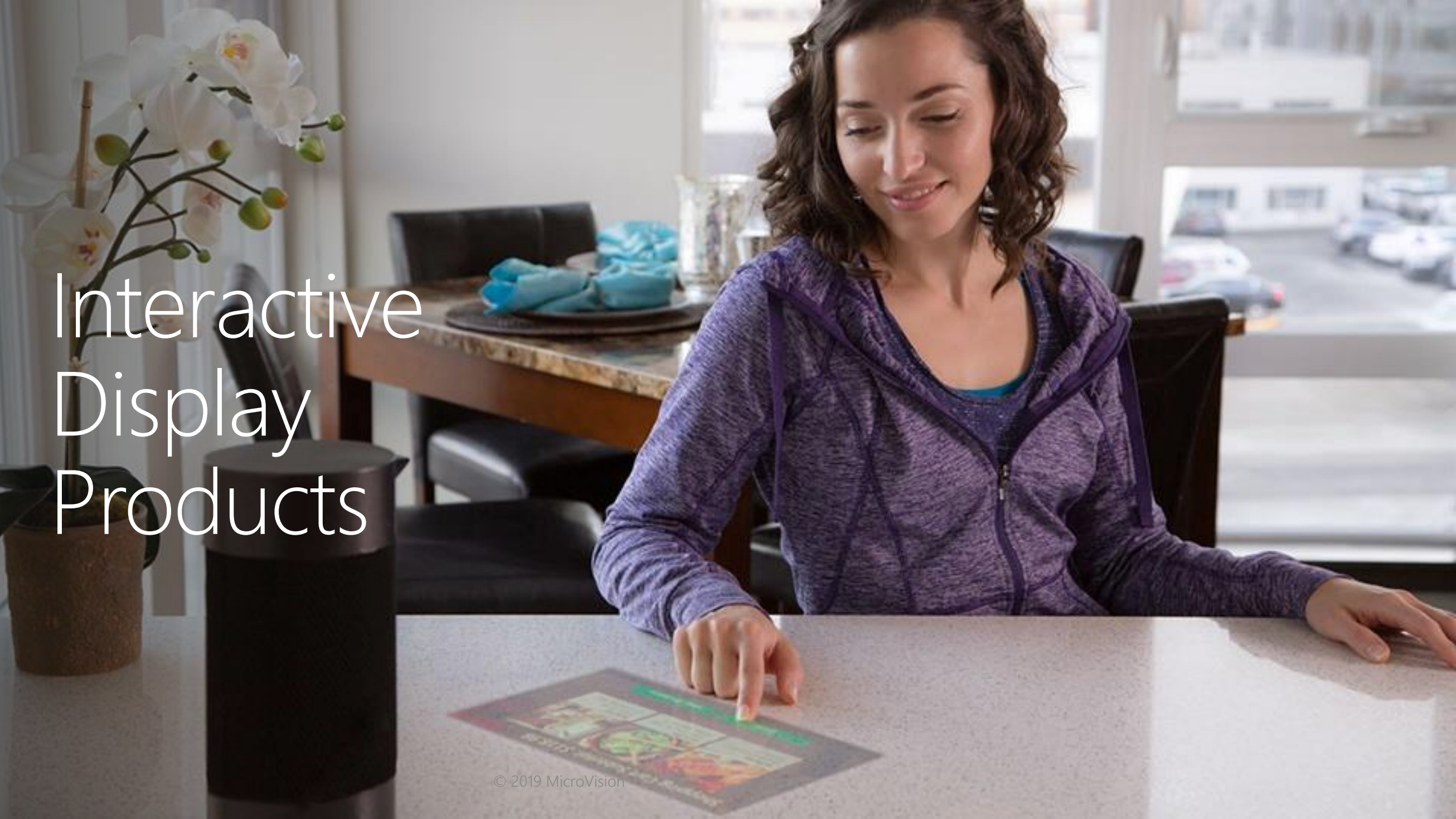
Interactive Display Products

Interactive Display Products: Smart Speakers

Global Smart Speaker Market by Vendor: Q2 2019 vs Q2 2018
(Shipments in Milllions of Units)

Vendor	Q2 2019	Market Share	Q2 2018	Market Share	Growth Y/Y
Amazon	6.6	21.9%	4.5	29.1%	47%
Google	5.6	18.5%	3.2	20.8%	74%
Baidu	4.7	15.3%	0.1	0.8%	3775%
Alibaba	4.3	14.1%	2.7	17.6%	57%
Xiaomi	3.4	11.1%	2.0	12.9%	68%
Apple	1.4	4.7%	0.8	5.1%	81%
Others	4.4	14.4%	2.1	13.8%	105%
Total	30.3	100.0%	15.5	100.0%	96%

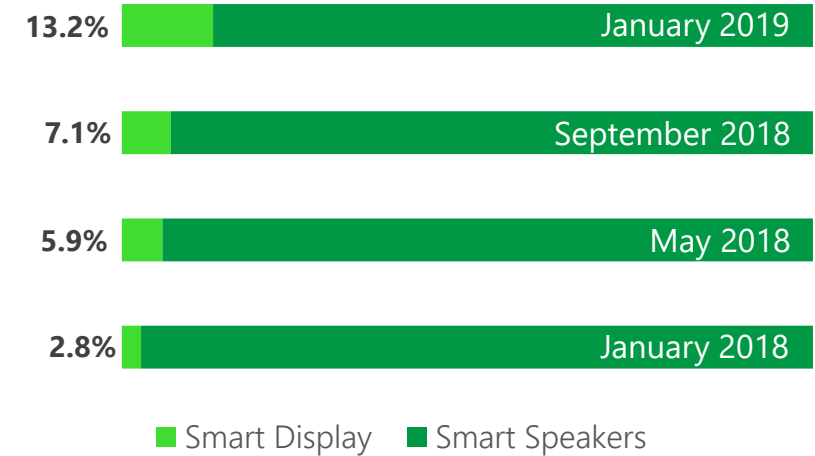Source: Strategy Analytics Smart Speaker Screen Service

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" We expect the majority of voice commerce to be digital purchases, until digital assistants offer truly seamless cross-platform experiences. Connected TVs and **smart displays are vital here, as they can provide a visual context that is lacking in smart speakers**. **"**
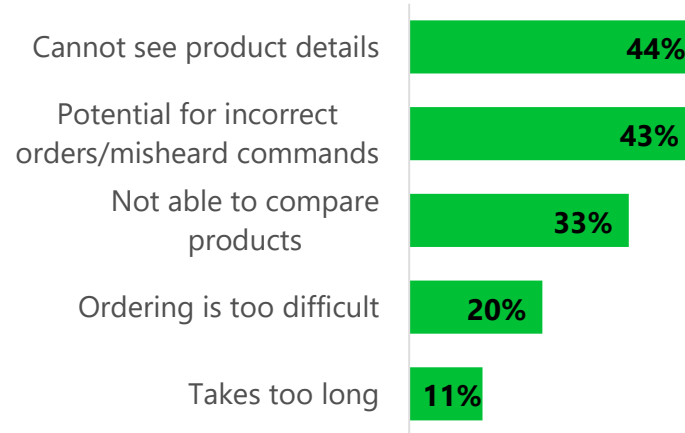
James Moar, Juniper Research

U.S Smart Display Adoption by Smart Speaker Owners[3]

13.2% — January 2019

7.1% — September 2018

5.9% — May 2018

2.8% — January 2018

■ Smart Display ■ Smart Speakers

Top Smart Speaker Uses[4]

% of owners in the U.S. who have used their device to do the following. **Monetizable activities, like shopping (11%), are a rarely done**.

- ☀ Check weather – 81%
- 💬 General questions – 77%
- ♪ Stream music – 74%
- ⏱ Timers/alarms – 60%
- ▦ Reminders/To dos – 44%

Some reasons for not shopping with smart speakers[2]

Cannot see product details	**44%**
Potential for incorrect orders/misheard commands	**43%**
Not able to compare products	**33%**
Ordering is too difficult	**20%**
Takes too long	**11%**

" There is at least a correlation and future evidence may show there is causation as well...that [the rise in voice purchasing] is highly correlated with the new screen-based devices...**I do think multimodal devices and their continued proliferation will also be a contributor to voice commerce**. **"**

Jeff McMahon, Voicify

Interactive Display Products: Sales Activities

- Targeting to close a component purchase agreement with AI-platform owner in Q4
  - Goal to support 2020 product launch
  - Potential to sell 1 to 3 million units during the first 12 to 24 months of production

- Multiple OEMs interested in developing products using our Interactive Display solution

- Future products beyond smart speakers might include high-volume hand-held gaming devices
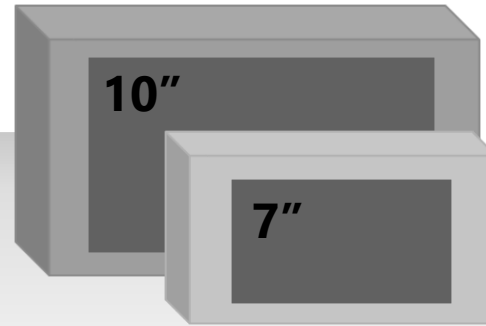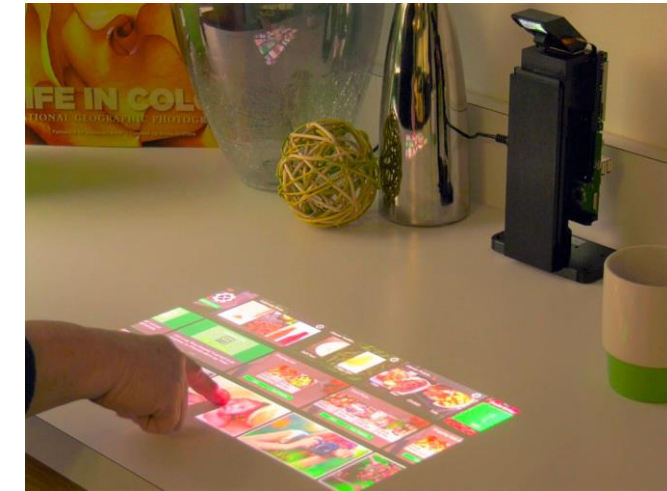
Illustrative application

IoT Products: Interactive Display

Sleek Form Factor & Footprint
Minimizes Space Usage

10"

7"

15.3" Display Size
On-Demand Large Display
Enables More Content

Natural & Comfortable
Touch Ergonomics

More intuitive & natural user experience leads to increased usage, user retention and enables frictionless transactions

Integrated Class 1 display & interactivity module for simplified product design

Embedded edge computing for high accuracy, low latency touch processing

High definition, always in focus images with industry leading 80lm brightness* for superior display quality

* Enhanced brightness, typical video content, for a laser beam scanned display

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Automotive LiDAR

Active Collision Avoidance

Automotive LiDAR: ADAS Level 3 Autonomy

- Factors likely to drive demand
  - Customers interest in safer automobiles
  - New mobility models
  - New Electric Vehicle market
  - New regulations going into effect in US and Europe

- Core technology is a competitive advantage

- Product Engineering Samples expected in Q4 2020

95M cars and light trucks sold world-wide in 2017[1]

Nearly 1.25M people die in road crashes each year. An additional 20-50 million are injured or disabled[2]

- Key requirements
  - 200+ meter range in full sunlight using existing laser technology

  - Capable of discriminating EGO vehicle LiDAR signal vs target vehicle

  - Solid state MEMS scanning LiDAR with active ambient light rejection

  - Proprietary Perceptive LiDAR SoC
    - Velocity Field Tensor updates every 8 milliseconds

1. LMC Automotive Global Light Vehicle Sales Update (1/17/2018)
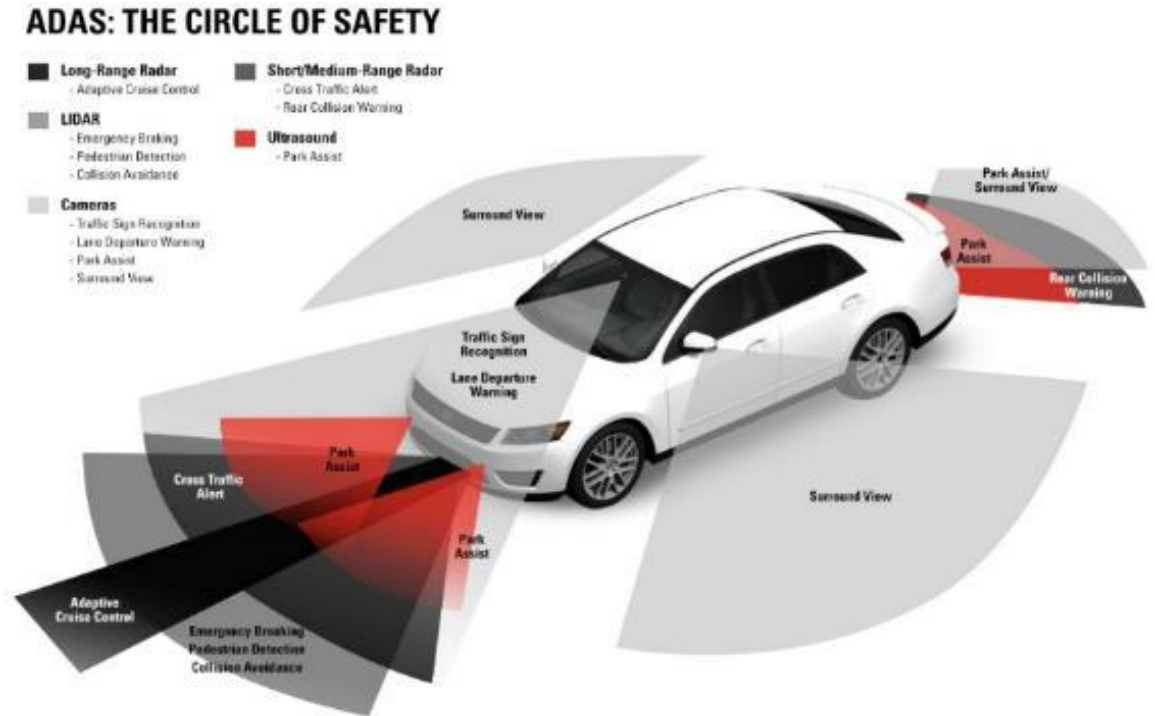2. Annual Global Road Crash Statistics, ASIRT.org

Automotive LiDAR: Development Activities

- Goal to establish leadership position for MicroVision LiDAR technology
  - Leverage existing IP in MEMs systems
  - Modest investment required to develop engineering samples by Q4 2020

- Actively engaging top-tier OEMs and their Tier 1 automotive suppliers to develop partnerships

- Opportunity to participate in large, high-growth, high-value market

- Significant shareholder appreciation potential

ADAS: THE CIRCLE OF SAFETY

Long-Range Radar - Adaptive Cruise Control	**Short/Medium-Range Radar** - Cross Traffic Alert - Rear Collision Warning
LiDAR - Emergency Braking - Pedestrian Detection - Collision Avoidance	**Ultrasound** - Park Assist
Cameras - Traffic Sign Recognition - Lane Departure Warning - Park Assist - Surround View	

Recent transactions in the Automotive Space

- Aptiv and Hyundai Motor Group to Form Autonomous Driving Joint Venture[1]
- Self-driving car startup Aurora acquires Blackmore for Doppler lidar tech[2]
- BMW and Daimler will spend over $1 billion on the future of transportation[3]

1 https://www.aptiv.com/media/article/aptiv-and-hyundai-motor-group-to-form-autonomous-driving-joint-venture
2 https://www.therobotreport.com/self-driving-car-startup-aurora-acquires-blackmore-for-doppler-lidar-tech/
3 https://www.theverge.com/2019/2/22/18235941/daimler-bmw-mobility-joint-venture-billion-dollars

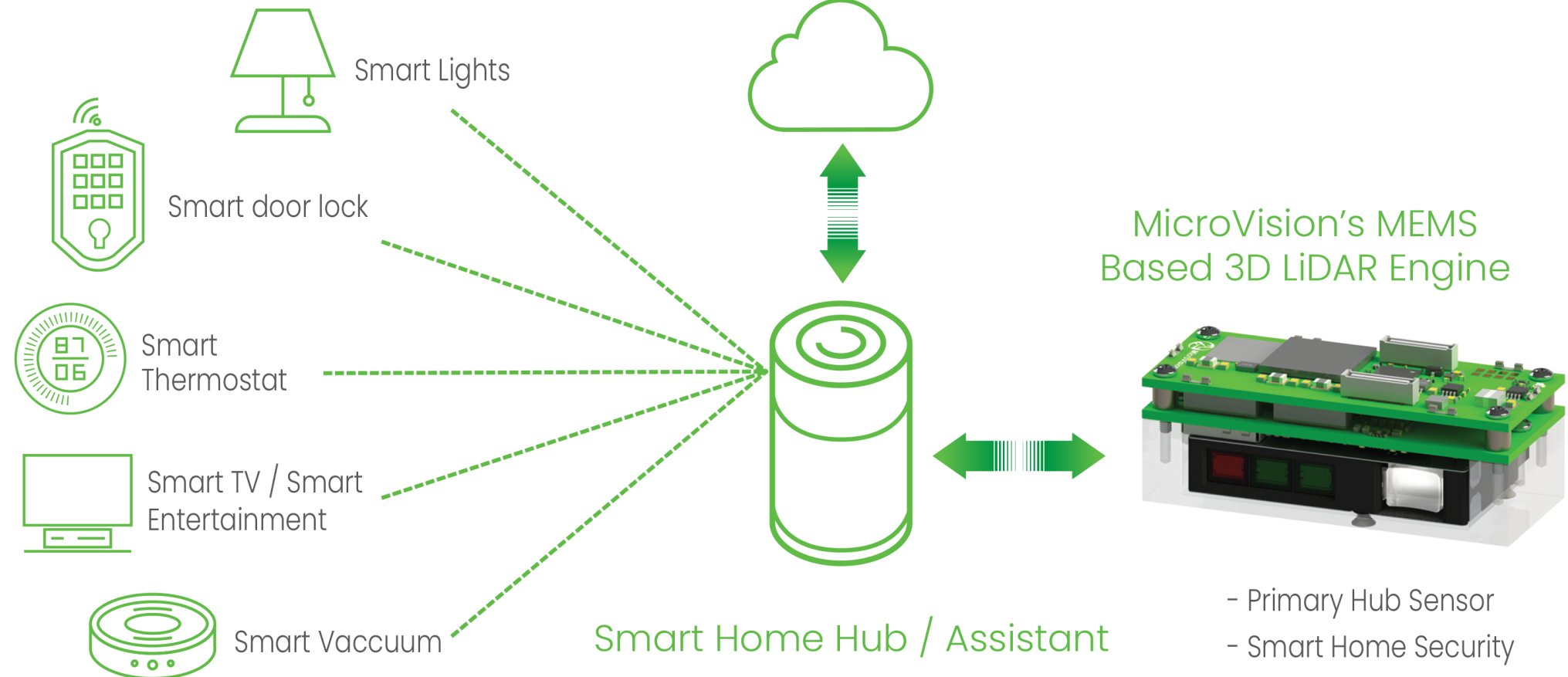# Consumer LiDAR

Smart Home & Security

Consumer LiDAR: IoT Devices

High fidelity sensing and presence detection for AI enabled services through IoT devices

Reference Application

Cloud Services

Smart Lights

Smart door lock

Smart Thermostat

Smart TV / Smart Entertainment

Smart Vaccuum

Smart Home Hub / Assistant

MicroVision's MEMS Based 3D LiDAR Engine

- Primary Hub Sensor
- Smart Home Security

Consumer LiDAR : IoT Devices

Our solution

- Very high-density point cloud (up to 20M points/sec)
- Machine Intelligence for object recognition
- Reduced compute power
- Low latency
- Right size and cost

Market Status

- Started shipping Explorer Edition Starter Kits Q1 2019
- Explorer Kits are designed to allow OEMs to design products that incorporate the Consumer LiDAR
- Targeting OEMs to launch products in 2021-2

Illustrative application
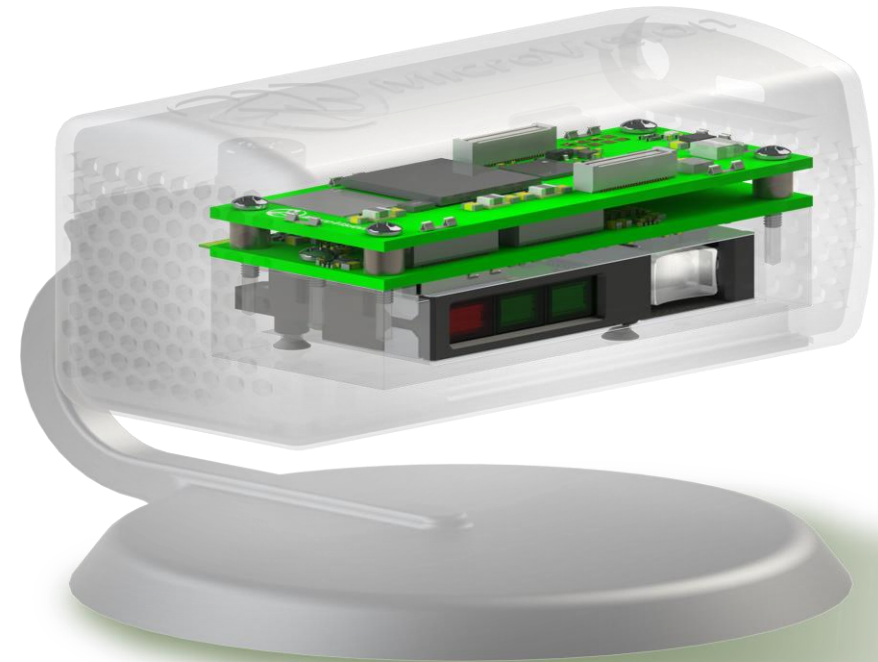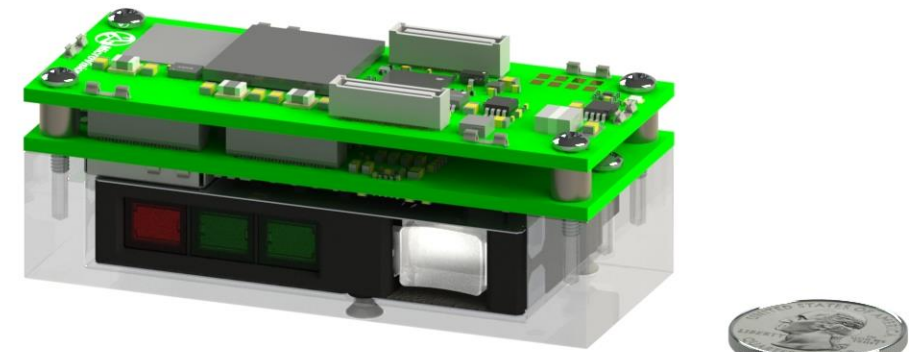
Also Targeting One More Market

IOT Products

Interactive Display

Consumer LiDAR

Smart Home & Security

?

April 2017 Contract

High Definition Display System

Automotive LiDAR

Active Collision Avoidance

April 2017 Contract: High Definition Display System

April 2017 Contract

- MVIS developed MEMS, ASICS, SW for High Definition Display

- Customer to purchase components

- Completed the development work in Q2

- $15.0M in development fees received

Status of the Contract

- Began shipping components in Q3 with revenue of $639K

- $5.5M in backlog at end of Q3

- Received additional POs in Oct. for $5.0M in product

- Expect to ship components totaling $4M-$6M in 2019

Keys to Successful Ramp

ODM partnership

*   Use world-class ODMs, already in the supply chain of OEMs, for modules and components
*   ODMs allows for low manufacturing investment and control of expenses during ramp

Standard processes

*   Leverage industry standard processes for MEMS silicon and ASICs
*   Use highly automated processes proven to operate at high first-pass yields

Reduce financing

*   Working with large contract manufacturer to reduce need to finance working capital

Use Common components

*   Common components between Interactive Display and Consumer LiDAR drive costs down due to shared volume

Path to Profitability

- Increase sales of components to April 2017 contract customer

- Sell Interactive Display Modules to Tier 1 OEMs, Target 2020 Product Launch

- Developing Consumer LiDAR customers targeting 2021 Product Launches

- Ship Product Engineering Samples expected in Q4 2020, Targeting 2023 Automotive module sales

Financial Highlights

In Millions	YTD 2019	2018	2017*
Revenue	$4.3	$17.6	$9.6
Gross Profit	($0.9)	$7.0	($0.2)
Net Loss	($23.2)	($27.3)	($25.5)

In Millions	9/30/19	Notes
Cash & Equivalents	$6.6	
Debt	$0	Excludes operating leases

In millions	Shares	Notes
Shares Outstanding	119.4	As of Nov 1, 2019
Options Outstanding	5.2	Wtd Avg Strike $1.65. As of 9/30

*2017 Adjusted for ASC 606.

Company Highlights

Addressing large emerging market opportunities

- Interactive Display Products
- Automotive LiDAR
- Consumer LiDAR

Near-Term Opportunities

- April 2017 contract customer
- Class 1 Interactive Display modules

- Experienced management team

- Strong intellectual property

MicroVision

BRINGING IO TO AI

microvision.com