

Velodyne Lidar[®]

Deutsche Bank
Global Auto Industry Conference

June 14, 2022

Safe harbor

This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook and market positioning, business strategy and plans, potential contract opportunities, planned products and services, growth opportunities, market demand and technological developments. These forward-looking statements are based on information available to us as of the date of this presentation and are based on our management’s current views and assumptions. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate”, “estimate”, “expect”, “project”, “plan”, “intend”, “believe”, “may”, “will”, “should”, “can have”, “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including: the impact on our operations and financial condition from the effects of the current COVID-19 pandemic both on Velodyne’s business and those of its customers and suppliers; supply chain issues in the semiconductor market; Velodyne’s ability to execute its business plan; the timing of revenue from existing customers, including uncertainties related to the ability of Velodyne’s customers to commercialize their products and the ultimate market acceptance of these products; uncertainties related to Velodyne Lidar’s estimates of the size of the markets for its products and future revenue opportunities, including projects that are not yet signed or awarded; charges related to the vesting of the Amazon Warrant; the rate and degree of market acceptance of Velodyne Lidar’s products in a variety of industries; the success of other competing lidar and sensor-related products and services that exist or may become available; rising costs adversely affecting Velodyne’s profitability; uncertainties related to Velodyne Lidar’s current litigation and potential litigation involving Velodyne Lidar or the validity or enforceability of Velodyne Lidar’s intellectual property; Velodyne Lidar’s ability to partner with and rely on third party manufacturers; general economic and market conditions impacting demand for Velodyne Lidar’s products and services; and changes in applicable laws or regulations. Given these factors, as well as other variables that may affect Velodyne Lidar’s operating results, you should not rely on forward-looking statements, assume that past financial performance will be a reliable indicator of future performance, or use historical trends to anticipate results or trends in future periods. The forward-looking statements included in this press release relate only to events as of the date hereof. Velodyne Lidar undertakes no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

This presentation includes information concerning economic conditions, our industry, our markets and our competitive position that is based on a variety of sources, including information from independent industry analysts and publications, as well as our own estimates and research. Our estimates are derived from publicly available information released by third party sources, as well as data from its internal research, and are based on such data and our knowledge of our industry, which we believe to be reasonable. The independent industry publications used in this presentation were not prepared on our behalf. While we are not aware of any misstatements regarding any information in this presentation, forecasts, assumptions, expectations, beliefs, estimates and projections involve risk and uncertainties and are subject to change based on various factors.

In addition to our results determined in accordance with generally accepted accounting principles in the United States (“GAAP”), we believe the non-GAAP measures of non-GAAP gross profit (loss), non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating loss, non-GAAP net loss, non-GAAP net loss per share, and Adjusted EBITDA are useful in evaluating our operating performance. Certain of these non-GAAP measures exclude stock-based compensation and related employer payroll taxes, litigation settlements, amortization of acquisition-related intangibles assets, restructuring, and discrete tax items. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP information to supplement their GAAP results. The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. Reconciliation tables of the most comparable GAAP financial measures to the non-GAAP financial measures are used in this press release. The impact of these items in future periods is uncertain and depends on various factors. Accordingly, a reconciliation for forward-looking non-GAAP operating income is not available without unreasonable effort.

The financial results contained herein as of March 31, 2022 and for the three months ended March 31, 2022 and March 31, 2021 are unaudited. These numbers are derived from our unaudited interim consolidated financial statements. The unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, that are necessary for the fair presentation of our unaudited interim consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future, and our interim results are not necessarily indicative of the results that may be expected for the full fiscal year.

Presenter

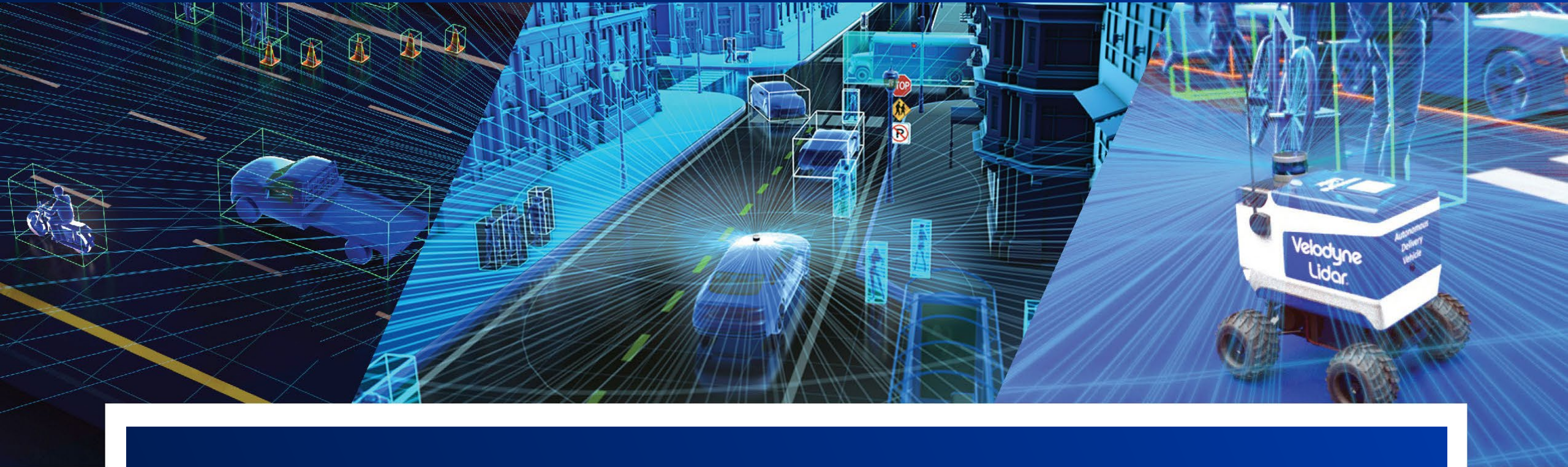


**Ted
Tewksbury**

Chief
Executive
Officer



Velodyne Lidar: Envision the Future™



OUR VISION

Science in service
of safety

OUR MISSION

Creating smart technology
for a world in motion

Investment highlights

Market Leader

69,350+
total lidar sensors shipped to date

450+
end customers across industrial and auto

48%
q/q increase in weighted ASPs reflecting strong demand

25+
industries/verticals

Massive Opportunity

\$5.7B¹
opportunity across industrials & robotics, intelligent infrastructure and automotive by 2026

25%+ CAGR¹
expected across all three verticals by 2026

Broad Product Portfolio

2,350+
lidar sensors shipped in Q1FY2022



~2,110
rotational

~240
solid state

¹Source: LiDAR for Automotive and Industrial Applications report, Yole Développement (Yole), 2021

Delivering full-stack, intelligent vision solutions while accelerating the path to profitable revenue growth

OUR FOUR PILLARS

- 1 Sell existing products into early autonomous markets
- 2 Develop ultra low-cost sensor platform to drive mass adoption in price sensitive markets
- 3 Expand software to enable complete AI-powered vision solutions
- 4 Lead the industry in high-volume manufacturing

Broad portfolio leads the way as lidar revolutionizes lives and makes communities safer

INDUSTRIAL & ROBOTICS



INTELLIGENT INFRASTRUCTURE

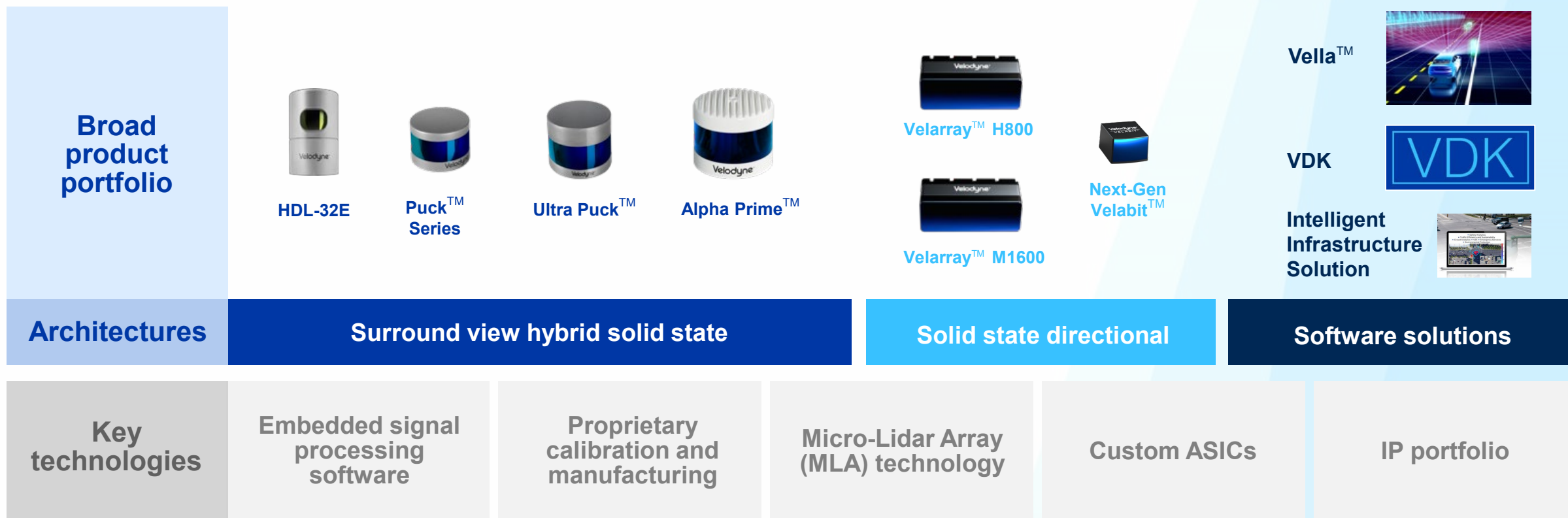


AUTOMOTIVE (AV/ADAS)



Developing high performance sensors at a price point to accelerate mass adoption

Tireless innovation to bring new technologies and products



FULL RANGE OF FORM FACTORS | SUPERIOR PERCEPTION | LOW POWER CONSUMPTION | DURABILITY

Sensors are ruggedized and leverage tightly integrated hardware and software solutions

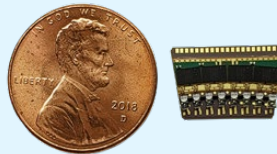
Expand software to deliver complete autonomous vision solutions

Market	<p>Smart infrastructure</p>	<p>Automotive / ADAS</p>	<p>Industrial automation</p>	<p>Ground truthing / map annotation</p>		
Vella	<p>Portal</p> <ul style="list-style-type: none"> • Subscription management • Diagnostic monitoring • Firmware/software apps • Data/perception services • Analytics 	<p>Real-time perception</p> <ul style="list-style-type: none"> • Detection & tracking • Classification • Scene segmentation • Obstacle detection • Path planning • Mapping & localization 	<p>Core</p> <table border="0"> <tr> <td data-bbox="1544 586 1951 1043"> <p>"Out of the Box" UX</p> <ul style="list-style-type: none"> • License • Firmware updates • Device configuration • Diagnostics • Visualization </td> <td data-bbox="1951 586 2484 1043"> <p>Sensor fusion</p> <ul style="list-style-type: none"> • Time synchronization • Calibration • Data framing </td> </tr> </table>		<p>"Out of the Box" UX</p> <ul style="list-style-type: none"> • License • Firmware updates • Device configuration • Diagnostics • Visualization 	<p>Sensor fusion</p> <ul style="list-style-type: none"> • Time synchronization • Calibration • Data framing
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Sensors	<p>Single lidar sensor</p>		<p>Multiple lidar sensors</p>	<p>External sensors, such as IMU, cameras, other lidar sensors</p>		

Lead the industry in operational and manufacturing excellence

Technology miniaturization

Micro-lidar arrays and custom ASICs enable mass production at lower unit cost



Proprietary manufacturing IP

Fully automated wafer-scale lidar manufacturing processes



Manufacturing partnerships

Partnerships add capacity and opportunity for higher margins on higher volumes

Nikon

(TSE: 7731)

f a b r i net

(NYSE: FN)

Overseas production

Established low-cost production in Thailand

Puck



Completed Transition

Velarray



Transitioning 2022

Financial highlights: First Quarter 2022



2,350+ sensors shipped;
69K+ sensors shipped since inception



Billings¹ of \$11.5M in Q1FY22



\$9.5M–\$12M revenue guidance
for Q2FY2022³



\$12M–\$14M billings¹ guidance for
Q2FY2022

Revenue profile

\$6.2M²

revenue

2,350+

sensors
shipped

48%

q/q increase in
weighted ASPs
reflecting strong
demand

Improving foundation

\$11.5M

in billings¹ in
Q1FY22

\$44M

non-GAAP
operating
loss¹

\$256M

cash and
investments on
the balance
sheet

¹ See financial appendix for definition

² Includes \$5.3M non-cash contra revenue

³ Offset by \$2M–\$2.5M in non-cash contra revenue related to the Amazon warrant

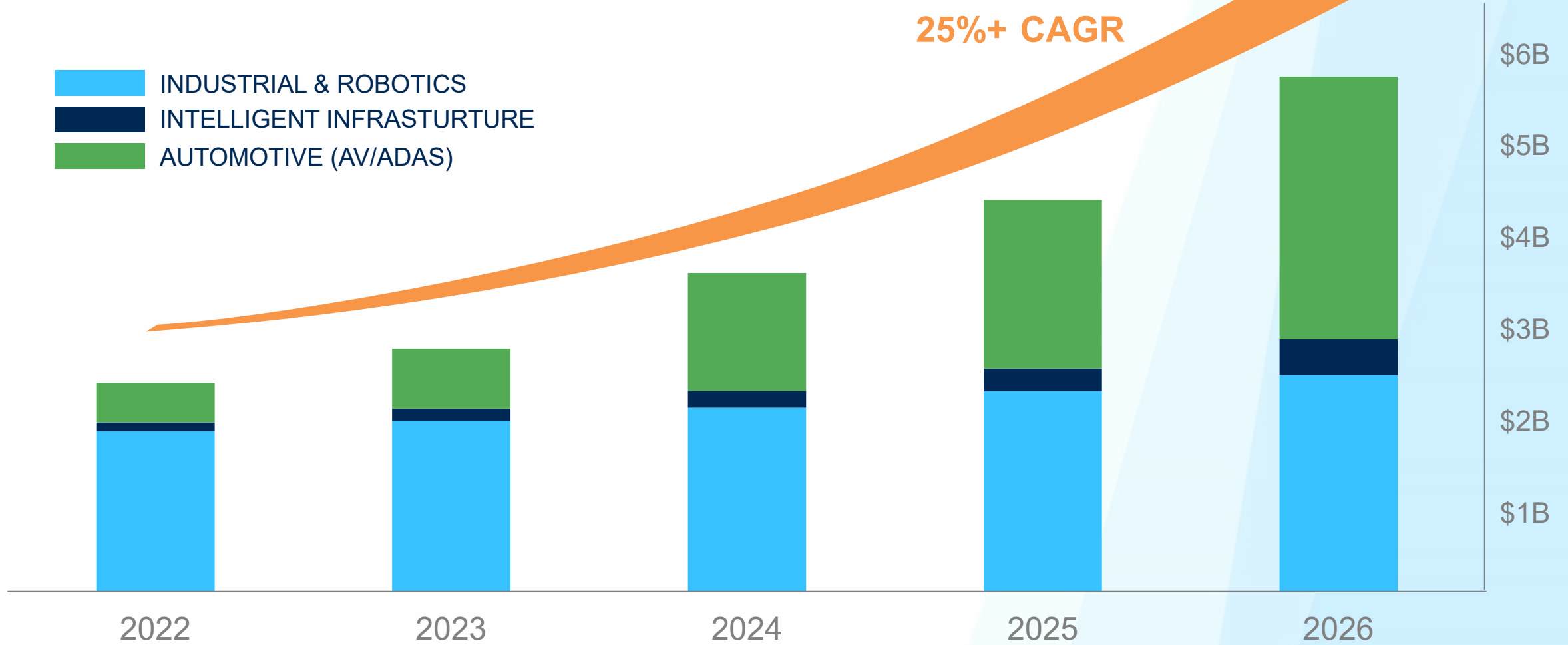


Velodyne Lidar[®]

THANK YOU

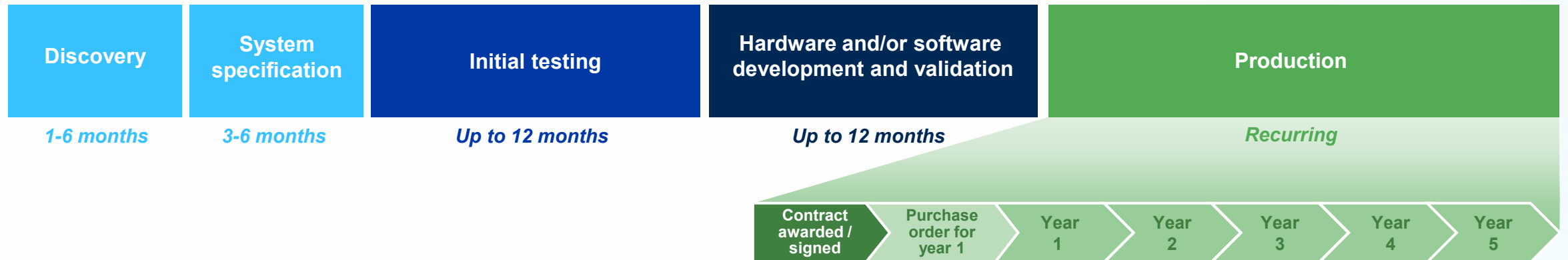
Appendix

Focusing on capturing early autonomous markets first



Source: LiDAR for Automotive and Industrial Applications report, Yole Développement (Yole), 2021

Pathway to revenue: How deals are made



- Customers typically buy products on a spot basis for several years during pre-contract process
- Customers forecast purchase volume for each contract year, with contracted ASPs for indicated volume
- Contracted ASPs drop as volumes increase
- Binding purchase order for Year 1 confirmed upon signing contract
- Non-recurring engineering (NRE) revenues may be generated in pre-production contract
- Purchase orders for subsequent years typically to be confirmed by September, providing solid visibility on production volume and revenues more than a year forward
- Velodyne can typically renegotiate pricing upward, at its discretion, if projected volume for any year drops more than 20% below forecast

Barriers to entry: Robust durability of installed customer base

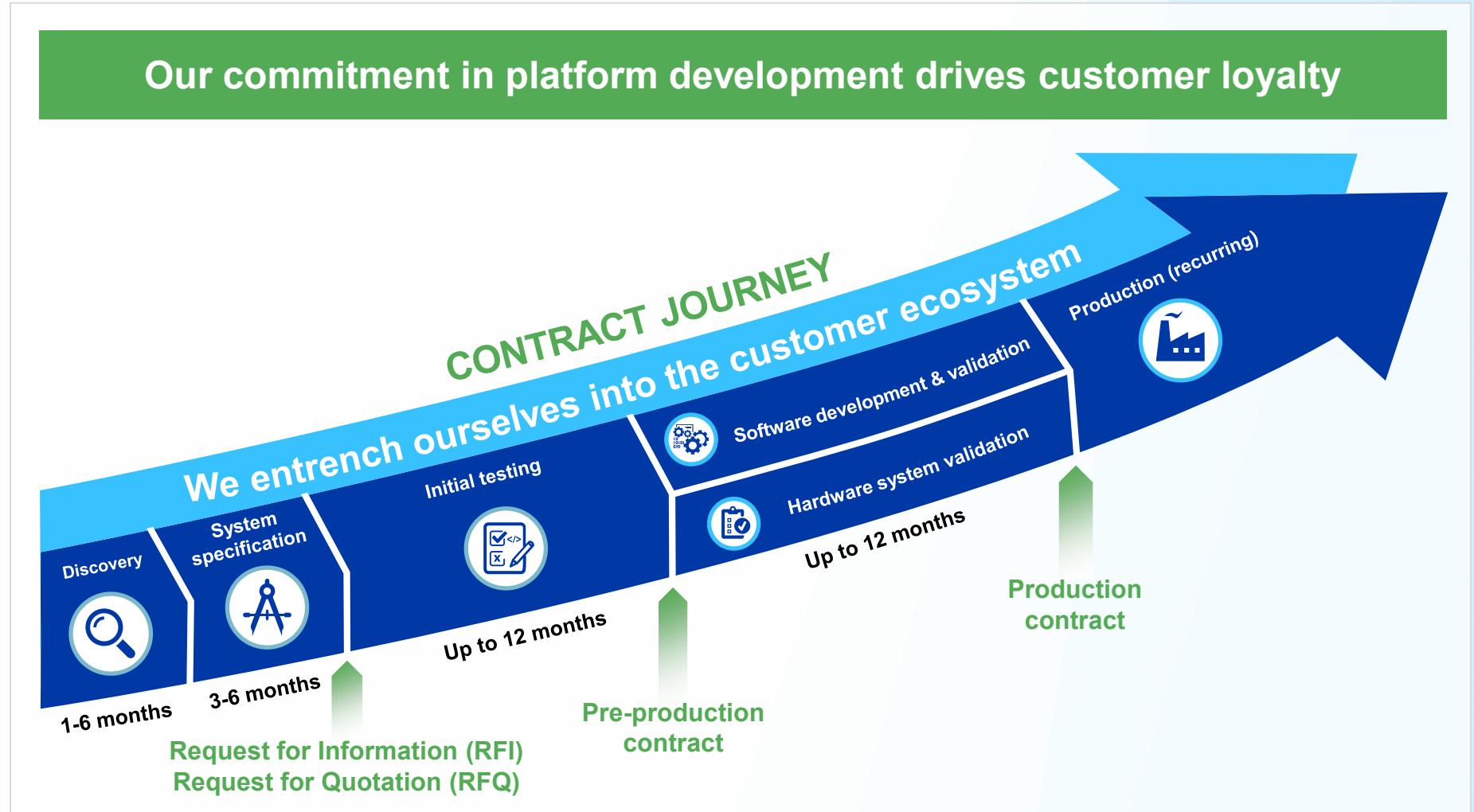
Why we have a sticky customer base

Technology differentiation

Lengthy and rigorous validation process

Long-term contracted volume arrangements

High switching costs



Appendix: Financial

Financial Definitions

- In addition to our results determined in accordance with generally accepted accounting principles in the United States (GAAP), non-GAAP gross profit (loss), non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating loss, non-GAAP net loss, and non-GAAP net loss per share are useful in evaluating our operating performance. Certain of these non-GAAP measures exclude stock-based compensation and related employer payroll taxes, litigation settlements and amortization of acquisition-related intangibles assets. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP information to supplement their GAAP results. The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. Reconciliation tables of the most comparable GAAP financial measures to the non-GAAP financial measures are used in this press release.
- Billings represents the dollar value of products and services provided during the current period and invoiced to the customer. Management uses this metric to track commercial growth, establish performance targets, and make budgeting and operating decisions. Billings does not include effect of the contra revenue associated with the warrants.

GAAP to Non-GAAP reconciliation

GROSS PROFIT

(\$ in millions)	Q1 2021	Q1 2022
GAAP gross profit	\$1.9	(\$9.3)
Stock-based compensation	\$0.8	\$0.5
Non-GAAP gross profit	\$2.7	(\$8.8)
Margin %	15%	(142%)

RESEARCH & DEVELOPMENT

(\$ in millions)	Q1 2021	Q1 2022
GAAP research & development operating expense	\$18.4	\$21.3
Stock-based compensation	(\$6.0)	(\$2.4)
Amortization of acquisition-related intangible assets	(\$0.1)	(\$0.1)
Non-GAAP research & development operating expense	\$12.3	\$18.8

SALES & MARKETING

(\$ in millions)	Q1 2021	Q1 2022
GAAP sales and marketing operating expense	\$7.1	\$6.0
Stock-based compensation	(\$2.7)	(\$0.9)
Non-GAAP sales and marketing operating expense	\$4.4	\$5.1

GENERAL & ADMINISTRATIVE

(\$ in millions)	Q1 2021	Q1 2022
GAAP general & administrative operating expense	\$17.0	\$12.3
Stock-based compensation	(\$4.7)	(\$1.2)
Legal settlements	(\$0.5)	--
Non-GAAP general & administrative operating expense	\$11.8	\$11.1

OPERATING LOSS

(\$ in millions)	Q1 2021	Q1 2022
GAAP operating loss	(\$40.6)	(\$48.9)
Stock-based compensation	\$14.1	\$5.0
Legal settlement	\$0.5	--
Amortization of acquisition-related intangible assets	\$0.1	\$0.1
Non-GAAP operating loss	(\$25.9)	(\$43.8)