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# EDITED TRANSCRIPT

MVIS - Q3 2019 MicroVision Inc Earnings Call

EVENT DATE/TIME: NOVEMBER 06, 2019 / 10:00PM GMT



NOVEMBER 06, 2019 / 10:00PM, MVIS - Q3 2019 MicroVision Inc Earnings Call

## CORPORATE PARTICIPANTS

**Lindsey L. Stibbard** *MicroVision, Inc*

**Perry M. Mulligan** *MicroVision, Inc. - CEO & Director*

**Stephen P. Holt** *MicroVision, Inc. - CFO*

## CONFERENCE CALL PARTICIPANTS

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**Glenn George Mattson** *Ladenburg Thalmann & Co. Inc., Research Division - VP of Equity Research*

**Kevin Darryl Dede** *H.C. Wainwright & Co, LLC, Research Division - MD of Equity Research & Senior Technology Analyst*

**Michael Fawzy Malouf** *Craig-Hallum Capital Group LLC, Research Division - Partner, Senior Research Analyst & Head of Boston Team*

## PRESENTATION

### Operator

Good day, and welcome to the MicroVision Third Quarter 2019 Financial and Operating Results Conference Call. (Operator Instructions) Please note this event is being recorded.

I would now like to turn the conference over to Lindsey Stibbard. Please go ahead.

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### Lindsey L. Stibbard - *MicroVision, Inc*

Thank you. Good afternoon, and welcome, everyone, to MicroVision's third quarter 2019 financial and operating results conference call.

Joining me on today's call are Perry Mulligan, Chief Executive Officer; Steve Holt, Chief Financial Officer; and Sumit Sharma, Chief Operating Officer.

The information in today's conference call includes forward-looking statements, including statements regarding expected customer orders; progress under and benefits of existing contracts and license agreements and the negotiation of future agreements; customer product launches; advantages of our technology; litigation; progress with prospective customers; business execution; projections of future operations and financial results; product development applications and benefits; availability and supply of products and key components; commercialization of our technology; market opportunities and growth in demand; as well as statements containing words like opportunity, significant, target, intend, confident, believe, goals, focus, path, expects, plans, will, could, would, likely, resulting, optimistic and other similar expressions.

These statements are not guarantees of future performance. Actual results could differ materially from the future results implied or expressed in the forward-looking statements.

We encourage you to review our various SEC filings, including our annual report on Form 10-K filed on March 6, 2019, our Form 10-Qs filed on April 26, 2019, July 19, 2019, and other SEC filings made from time to time in which we discuss risk factors associated with investing in MicroVision.

These risk factors could cause results to differ from those implied or expressed in our forward-looking statements. All forward-looking statements are made as of the date of this call. And except as required by law, we undertake no obligation to update this information.

The financial numbers presented on the call today are included in our press release and in the 8-K filed today. Both are available from the Investor Relations section of our website. This conference call will also be available for audio replay in the Investor Relations section of MicroVision's website at [www.microvision.com](http://www.microvision.com).



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And now I'd like to turn the call over to Perry Mulligan. Perry?

**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Thank you, Lindsey, and good afternoon, everyone.

We made considerable progress in the third quarter with OEMs across multiple segments in our product portfolio that could have significant positive impact on our 2020 results.

Production unit shipments for our April 2017 contract customer began in the third quarter and continue to proceed smoothly, meeting our customers production schedule. Our activities related to our Interactive Display solutions resulted in a major step forward during the past few months as customer due diligence work has now led to negotiations for component purchase agreement that we aim to complete this quarter for a targeted launch of our interactive display module in 2020.

As customer products come to market, we expect our company revenues could reach \$100 million over a 12-month period, following product launches that we expect to start in the second half of 2020.

On today's call, I'll provide you updates on the Interactive Display products, automotive LiDAR and our April 2017 contract. While we continue to work with customers on our Consumer LiDAR solution, we plan to provide updates on that product in future calls.

So let's take a look at some of the details. Our Interactive Display module has been exceptionally well received by multiple top-tier OEMs. The capability of instantly producing a large, bright, wide area, short-throw display on virtually any surface and allowing the user to interact with the image using multi-finger touch is very powerful. Coupled with our OEM AI platforms, we believe that this module significantly augments users' access to the customer solutions.

Since this module follows on from previous generations of our Laser Beam Scanning designs, our manufacturing capabilities are already in place and ready to support the 2020 production ramp.

So where are we with our customers?

During the past few months, we've been actively engaged with our customers. They have vetted our manufacturing processes, supply chain and pricing models. We are currently working on a component purchase agreement with the goal to close by the end of the current quarter to support the 2020 product launch. These engagements over the past few quarters continue to reinforce our belief that MicroVision has the potential with our Interactive Display product to sell 1 million to 3 million units during the first 12 to 24 months of production.

On our previous call, we discussed how our Class 1 laser safety solution was truly unique, meeting safety requirements, while still producing a large bright image. We believe that this capability expands the potential market for our Interactive Display products to include personal mobile gaming devices.

With a larger potential market, we believe that we have increased the opportunity for our Interactive Display product to sell well in excess of 10 million units to multiple customers.

So let's recap.

The capabilities of our Interactive Display module and our overall ability to support the business have been well received by customers. We're working to close OEM agreements. We are preparing for product launch in 2020. We have multiple OEMs interested in developing products that use our solution. We believe that our future products could be very significant to our current targeted AI-platform customers and also opens markets beyond smart speakers for us, such as high-volume handheld gaming devices.

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I think that's pretty exciting.

Let's move on to our automotive LiDAR product. The markets for advanced driver assistance systems is experiencing high growth that we expect to accelerate with the need for safety features and new regulations targeted to come into effect in the next 3 to 4 years.

As the era of new mobility models appears, including expected high growth in electric vehicle market, we believe the need for supporting autonomous driving in the near future is clear. Combining these influencing factors, customers looking for safer automobiles, new mobility models, new electric vehicle market, new regulations going into effect in the U.S. and Europe, there will be a large market for sensors.

We believe that a small form factor of MEMS-based scanning LiDAR is key to achieving the solid-state LiDAR that will be required.

Leveraging our years of laser beam scanning experience and our demonstrated capabilities in LiDAR, the automotive LiDAR vertical is a natural fit for MicroVision. That said, we needed to develop critical additional capabilities to meet some of the performance requirements in this space.

With new IP for these innovations recently filed, we believe we have the right solution at the right time.

Early in 2019, we engaged several top-tier automotive OEMs and presented an outline of our first product to market. This product would be intended to support ADAS Level 3 autonomy.

MicroVision's 200-plus meter LiDAR module would include our proprietary perception System on a Chip (SoC). Key innovations we've developed will allow this LiDAR module, which is targeted to be 80 millimeters by 80 millimeters by 35 millimeters in size, to operate in full sunlight conditions at range and be immune to other LiDARs present within view.

Our innovative LiDAR captures high-density point cloud data in 3 different ranges, which would allow safety and path planning at speeds, at full far-field range, while maintaining safety boundaries with car's near and midfield from the same LiDAR. We believe a vehicle with our module as part of its safety system would have the ability to predict the intent of other cars around it with high accuracy and low latency at highway speeds.

We are actively engaging top-tier OEMs and their Tier 1 automotive suppliers to develop partnerships and expect to have engineering samples available in Q4 of 2020. With this schedule, we believe, we would be able to support a 2023 launch.

Finally, let me cover the products we are supplying under the April 2017 contract.

We are currently running production per the customers' plans and our products are shipping smoothly.

At the end of Q3, we had a backlog of \$5.5 million. In addition to that backlog, we have received additional component orders in Q4 that represent approximately \$5 million.

With the product update complete, I'll turn the call over to Steve, our CFO, who will discuss the financial side of our business.

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**Stephen P. Holt** - *MicroVision, Inc. - CFO*

Thank you, Perry. Good afternoon, everyone.

For the third quarter, revenue was \$1.2 million, with approximately \$1 million of the revenue related to product revenue, \$174,000 of contract revenue and the balance due to license revenue.

The product revenue came from 2 sources: first, we began shipping components to our April 2017 customer for about \$639,000; and second, we recognized \$360,000 of revenue on projection engines we built for Ragentek and were able to sell to another customer.

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In comparison, last quarter, we recognized \$1.2 million of revenue with virtually all of it from contract revenue related to the development portion of the April 2017 contract.

Cost of revenue was \$2.1 million, resulting in a negative gross profit of \$882,000. During the third quarter, we wrote off \$1.3 million worth of MEMS die that were incompatible with our Class 1 solution.

On the April 2017 customer we had negative gross profit of \$23,000. Although we experienced good yields and have had no product credit quality issues, the negative gross profit was a function of the low volume. Because the Ragentek units have been previously written off, they have a positive gross profit of \$360,000.

Contract revenue had gross profit of \$141,000 and license and royalties contributed \$17,000 in gross profit.

In comparison, gross profit was negative \$583,000 in Q2.

Third quarter operating expenses were \$5.3 million, a 37% reduction compared to the prior quarter's \$8.4 million. The reduction in OpEx in the third quarter was caused by reduced spending on ASICS and other outside services, and since we're nearing the completion of our large development contract, we reduced our workforce in Q2.

At the end of Q3, our headcount was 82. At the end of Q2, headcount was 80. And a year ago, it stood at 109.

For the third quarter, our net loss was \$6.1 million or \$0.05 per share. This compares to a loss of \$9 million or \$0.08 per share last quarter.

For the third quarter, cash used in operations was \$3.4 million, which compares to cash used of \$8.7 million in the prior quarter. We ended the third quarter with cash and cash equivalents of \$6.6 million, and we ended the second quarter with \$4.6 million.

During the third quarter, we raised \$2 million from an investment from a long-time shareholder and we raised \$3.7 million from the Lincoln Park facility that we announced in April. \$2.7 million remains available on the Lincoln Park facility, should we choose to utilize it.

So with the cash balance at \$6.6 million, our significantly lowered cash usage rate and access to the Lincoln Park facility, we expect that we have cash to carry us into Q1. And additionally, we have the expectation that we will receive payments for capital equipment and/or other customizations from a customer in the fourth quarter.

Now I'd like to go back for a minute and talk about the April 2017 contract. You may recall that when the agreement was signed, the customer made a \$10 million prepayment to MicroVision. If we failed to perform our development obligations, the \$10 million would be refundable to the customer. If they canceled the program, the \$10 million would be ours to keep. If the customer moved forward with the program, the \$10 million would be used as a prepayment toward future purchases of components.

Fortunately, the program did move forward, and as a result of our completing the development portion of the agreement, we have passed the point where we might have to repay the \$10 million for failure to perform. The \$10 million is now classified on the balance sheet as a "Contract Liability", previously was classified as in "Other Current Liability". As we ship components to the April 2017 customer, a portion of the invoice will be paid in cash and a portion of the invoice will be credited against the \$10 million prepayments.

Additionally, MicroVision is entitled to a payment on each unit our customer ships. We record that payment as License and Royalty revenue. And that payment will be applied toward the \$10 million prepayment until it is consumed. If the \$10 million has been fully used, the per unit payment will be made in cash.

Naturally, many of you would want to know the timing of the application of the prepayment against future invoices. This amount will be disclosed in the revenue footnote in our 10-Qs and 10-Ks that we file in the future. The amount we disclosed will be based on the forecast and the orders that we have from the customer, which will be subject to change.



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But based on the orders we had at the end of the quarter, we estimate that the amount of the \$10 million prepayment to be applied to invoices should be about \$800,000 to \$1 million over the next 6 months, that's over Q4 of 2019 and Q1 of 2020.

Finally, I'd like to give you an update on backlog and 2019 revenue. All of the backlog relates to our April 2017 customer. At September 30, we had \$5.5 million of product orders in backlog.

As for 2019 revenue, we said on the last call we expected product revenue from the April 2017 customer to be between \$3 million and \$5 million over the last half of 2019. We currently don't see any change from that guidance. So since we shipped around \$600,000 in Q3, that would indicate that we would do \$2.4 million to \$4.4 million of shipments in the fourth quarter.

Since our revenue through the third quarter is \$4.3 million, we see total revenue for 2019 to be in the \$6.5 million to \$8.5 million range.

I'll now turn the call back over to Perry for some comments before opening the call to questions

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**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Thank you, Steve.

I'm pleased to report that we are delivering on the plan we discussed in the past and reiterated today. We have successfully vetted our manufacturing process, supply chain and pricing models with customer in the IoT space. We are working to close agreements to launch our interactive display module in 2020.

We have outlined on this call and shared with potential customers our capabilities in the automotive LiDAR space. As a result, we've seen significant interest in our planned automotive LiDAR product.

We are executing on the April 2017 contract and are on track with product shipments. The major takeaways from today's call are

- 1) we are executing on our strategy;
- 2) we are working to close the commercial agreement this quarter and have never been in a better position to have production solutions and mass production in the market in 2020; and
- 3) our future products are targeting high-growth markets.

With that, we will now open the call for questions.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) Our first question comes from Aman Gulani with B. Riley FBR.

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**Aman Raj Gulani** - *B. Riley FBR, Inc., Research Division - Associate Analyst*

So I guess, first, I wanted to talk about the April 2017 contract. I mean now that you started shipping units, are you able to disclose who the customer is?



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**Stephen P. Holt** - *MicroVision, Inc. - CFO*

It seems like, we're having trouble with the operator getting to the question section.

(technical difficulty)

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**Operator**

Aman, you are live to the questioners.

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**Aman Raj Gulani** - *B. Riley FBR, Inc., Research Division - Associate Analyst*

Yes. So my question is about the 2017 April contract. Now that you're shipping units, are you able to disclose who the customer is?

(technical difficulty)

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**Operator**

Pardon me, everyone, we have reconnected with the speakers. Perry, are you still able to hear me?

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**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

We can hear you. And I think we are ready to take questions if other ...

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**Operator**

Our first question comes from Aman Gulani with FBR.

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**Aman Raj Gulani** - *B. Riley FBR, Inc., Research Division - Associate Analyst*

So yes. Regarding the April 2017 contract. Now that you are shipping units, are you able to disclose who the customer is?

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**Stephen P. Holt** - *MicroVision, Inc. - CFO*

We are not allowed to do that at this time.

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**Aman Raj Gulani** - *B. Riley FBR, Inc., Research Division - Associate Analyst*

Okay. All right. And are you able to disclose if the customer is -- if the product's available in the market?

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**Stephen P. Holt** - *MicroVision, Inc. - CFO*

No. We can't make any comments about the customer, their product or their launch plans.

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**Aman Raj Gulani** - *B. Riley FBR, Inc., Research Division - Associate Analyst*

Okay. All right. Okay, just moving on to LiDAR and your Explorer Kits. Are you able to maybe quantify how many customers you've delivered the Explorer Kit to?

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**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Yes. We had targeted a handful of AI platform owners that were important for us to get these kits too and they've all received their Explorer Kits and they're evaluating them.

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**Aman Raj Gulani** - *B. Riley FBR, Inc., Research Division - Associate Analyst*

Got it. Okay. But are you seeing a little bit more interest this quarter relative to the last quarter with those Explorer Kits?

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**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Yes. It -- there -- the people that we have provided the kits too, as we outlined I think in the last call, recognize that this is pretty innovative technology and they're evaluating to see how this can be integrated into their product roadmaps. So...

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**Aman Raj Gulani** - *B. Riley FBR, Inc., Research Division - Associate Analyst*

Okay, okay. And then maybe just looking at OpEx, obviously, it's come down quite a bit, I think, largely due to the headcount reduction. Is the OpEx for this quarter is that sort of a good run rate to look at for the remainder of this year and next year?

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**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Well, we expect to start preparing for 2020 product launches. So we could see some increases in OpEx in Q4, though, we expect it to stay below last year's levels.

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**Aman Raj Gulani** - *B. Riley FBR, Inc., Research Division - Associate Analyst*

Okay. And then is there any updates on the litigation? It seems like that sort of resolved now. Is that the case?

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**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

No. We're still pursuing some legal remedies with the customer that we had and there's nothing to report on that this time. It's just making its way through the process.

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**Aman Raj Gulani** - *B. Riley FBR, Inc., Research Division - Associate Analyst*

Okay, okay. And then you mentioned you're getting a lot of positive feedback for your Class 1 laser. Any updates on that front? Are you seeing more activity this quarter relative to the second and first quarter?





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**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Yes. I think significant, and now with the intent of us describing the fact that we are in discussions on commercial agreements that we expect to close this quarter and it is in fact for that interactive display module, the Class 1 version of the device that we've been sharing with customers.

**Operator**

Our next question comes from Glenn Mattson with Ladenburg Thalmann.

**Glenn George Mattson** - *Ladenburg Thalmann & Co. Inc., Research Division - VP of Equity Research*

So Perry, a lot of color on the commentary there, but -- and I know you talked about this potential customer last quarter a bit as far as the Interactive Display goes. But can you just give us a little bit more color as to why you feel so confident as to kind of put yourself out there to say that you expect to sign a deal this quarter? Just maybe a little bit more color on the background behind those comments.

**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Well, I think -- first of all, again, Glenn, I appreciate, and I think you understand that this is a journey that's taken us a while to get here. And with that, we're now at a point where I think we've demonstrated the requirements necessary to move to the next stage. And the next stage that we're discussing is this agreement that we're working on closing. So the fact that it's in-flight and the fact that we're working to bring it to fruition, I think, this is why we are confident.

**Glenn George Mattson** - *Ladenburg Thalmann & Co. Inc., Research Division - VP of Equity Research*

Is the -- the timing of the contract signing this year, is that relevant to kind of the ability for the customer to get the product out on a timely basis next year? I just wonder about their urgency as far as closing a deal this quarter? Or is it just that you feel like you've reached a point in the negotiations or in the discussions that it's getting pretty close to being finalized?

**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Well, I think, you covered a couple of points, Glenn. Maybe I'll just try to attack -- try to update you on thoughts for a couple of them. First, the thing we said during the call today was that our processes and the product reviews have been exhaustive and been going on for a while. And it's nice to get confirmation that those past the scrutiny and appear to be adequate and sufficient for our product launches. So it's great to hear from customers that they're comfortable with where we are.

And the second, relative to just general timing, the customer will be turning the timing of how they want to bring things to closure. We think the cadence that they have is in keeping with supporting of the 2020 launch that we're describing and that's why we're putting the 2 together. There's no restrictions in any way, shape or form that I can think of. It's just the natural cadence that seems to be fitting.

**Glenn George Mattson** - *Ladenburg Thalmann & Co. Inc., Research Division - VP of Equity Research*

Okay. Great. And then 2 more quick ones. On the backlog, the -- or on the new order, I think, you've said you had a second order for \$5 million from the April '17 customer. Is that -- any thoughts on how the timing of how that would ship? Would that be like first half? Or over the course of the year? May be first quickly comments on that.



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**Stephen P. Holt** - *MicroVision, Inc. - CFO*

Yes. I think it would be -- we expect it to ship over the first half of next year.

We don't have it in the quarter break down, yet, the order just came in and we're looking through it, but it'd be front end loaded in the year.

**Glenn George Mattson** - *Ladenburg Thalmann & Co. Inc., Research Division - VP of Equity Research*

Okay. Great. And then just a clarification, on the last comment, you said it would be up -- as far as OpEx, because you said it might be up from this quarter sequentially, but less than last year, but that's a very wide margin because last year it was almost 2x what it was this quarter, not quite, but something close to that? So eventually down a bit.

**Stephen P. Holt** - *MicroVision, Inc. - CFO*

Well -- yes, we're focused on keeping it down and the timing and the ramp, which we need to prepare for the launch may dictate what -- we'll dictate what that OpEx spend is. We're not seeing it, though, get up high. I just don't -- because I'm a little unsure about exactly what we're going to be doing in the fourth quarter here, I think, I'm a little uncomfortable giving you a forecast, but I don't think it's going to go up very much.

**Operator**

Our next question comes from Mike Malouf with Craig-Hallum.

**Michael Fawzy Malouf** - *Craig-Hallum Capital Group LLC, Research Division - Partner, Senior Research Analyst & Head of Boston Team*

First off, if I could just get a little bit deeper on this commercial agreement that you're looking to sign this quarter. I know that we've been focused heavily on the Interactive Display and the display-only sort of separate agreements. I'm wondering, are you talking about getting 2 separate commercial agreements signed? Or is 1 going to encompass both of those? And then just maybe a little bit of color on the multiple OEMs. Are we talking about just 1 OEM for both of them? Or multiple OEMs?

**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

I think we've got to break this apart a little bit, Mike.

So if you recall, we're dealing exclusively with our Interactive Display modules here. We had previously licensed our Display-only technology to a global technology leader, and they were pursuing similar engagements. We are not commenting on where they are in those engagements in this call. We're simply talking about the progress we're making for our Class 1 Interactive Display product with Tier 1 OEMs.

So as we talk about the agreement, we keep it singular, but we talk about the fact that we're in discussions with multiple OEMs for -- who are interested in using this products in their applications. Does that clarify it for you, Mike?

**Michael Fawzy Malouf** - *Craig-Hallum Capital Group LLC, Research Division - Partner, Senior Research Analyst & Head of Boston Team*

Yes. That's helpful. I didn't realize if this was specifically for Interactive Display only. So that's helpful.

And then if I could just ask 1 more question. Just recently, Alex Kipman, who has been really the guru behind the HoloLens 2 did this whole presentation about a month ago, talking about the HoloLens 2 and in that he showed a slide actually of the prototype of the device and its clearly



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seen on their the MicroVision logo on the PCB Board. So I'm just kind of curious, is that sort of a public validation that you're on the HoloLens 2? And I would love to get a little bit of comments, specifically, tied to that presentation that Alex gave?

**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Yes. So just that we're on the same page, Mike, I believe that this is -- you're referencing the presentation that Alex made on October 3rd at the ETH Global Lecture Series in Zurich? And...

**Michael Fawzy Malouf** - *Craig-Hallum Capital Group LLC, Research Division - Partner, Senior Research Analyst & Head of Boston Team*

That's right. In fact, it was titled the HoloLens 2 - Unpacked.

**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Right. So he called -- he referenced some of the pictures I think the HoloLens 2 model. And in that picture, it looks like you can see the MicroVision logo on some of those components. We can confirm that it appears to be our logo. And beyond that, I can't make any other comment.

**Operator**

Our next question comes from Kevin Dede with H.C. Wainwright.

**Kevin Darryl Dede** - *H.C. Wainwright & Co, LLC, Research Division - MD of Equity Research & Senior Technology Analyst*

Steve, just some clarification on that facility you still have available to you. I missed the number that you offered.

**Stephen P. Holt** - *MicroVision, Inc. - CFO*

\$2.7 million is still available.

**Kevin Darryl Dede** - *H.C. Wainwright & Co, LLC, Research Division - MD of Equity Research & Senior Technology Analyst*

Okay. And what's been used?

**Stephen P. Holt** - *MicroVision, Inc. - CFO*

Yes, I think for the total...

**Kevin Darryl Dede** - *H.C. Wainwright & Co, LLC, Research Division - MD of Equity Research & Senior Technology Analyst*

You gave us that number too. It's in your prepared remarks.

**Stephen P. Holt** - *MicroVision, Inc. - CFO*

In the quarter, it was \$3.7 million. And with -- over the -- and in Q2, it was \$4.6 million. That comes to \$8.3 million.



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**Kevin Darryl Dede** - *H.C. Wainwright & Co, LLC, Research Division - MD of Equity Research & Senior Technology Analyst*

Okay. What's the full share count, not average, but full share count as of the end of the quarter? And what do you expect it to be at the end of the year?

**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

We're currently at 119 million. I don't have a forecast on what's it going to be at the end of the year, but we're currently at 119 million.

**Kevin Darryl Dede** - *H.C. Wainwright & Co, LLC, Research Division - MD of Equity Research & Senior Technology Analyst*

Right. Okay. Fair enough. Perry, I -- the HoloLens thing is really cool. I haven't heard about that, but you mentioned handheld gaming. And I don't know that I've heard you talk to that before. Can you just kind of help me conceptualize how your product works in that application?

**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

I think there is a capability that we've demonstrated and that we're bringing to market, right? We talked about our Interactive Display, having Class 1 laser safety at the module level. And by doing that, Kevin, and maintaining brightness of the display, we're enabled to now explore higher power, larger field of view kinds of displays, larger projection displays that are still interactive. So beyond the smart speaker application, we look at these handheld devices. Think of the portable handheld solutions that companies, like Nintendo or Sony as examples, might be using, not cellphones, but these handheld gaming devices that these companies bring to market could leverage our larger, brighter, interactive displays. And we think it's an interesting opportunity for us to go explore.

**Operator**

This concludes our question-and-answer session. I would like to turn the conference back over to Perry Mulligan for any closing remarks.

**Perry M. Mulligan** - *MicroVision, Inc. - CEO & Director*

Thank you, operator. We appreciated the pause in the call and everybody had a coffee.

In closing, I'd like, once again, to thank our employees, our business partners and our investors for their continued support.

We are committed to keeping you informed of our progress as we go forward and remain excited for the opportunities ahead of us. Thank you, operator.

**Operator**

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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