



## AEye Reports Third Quarter 2022 Results

November 10, 2022

*Third quarter revenue in line with expectations  
Product launch, new markets expansion, and continued momentum with existing partners provide foundation for growth*

DUBLIN, Calif.--(BUSINESS WIRE)--Nov. 10, 2022-- AEye, Inc. (Nasdaq: LIDR), a global leader in adaptive, high performance lidar solutions, today announced its results for the third quarter, ended September 30, 2022.

"As planned, today we are excited to launch our 4Sight™ line of products which we believe to be built on the industry's premier high performance adaptive lidar platform. The reaction we are getting from users who require high performance capabilities like autonomous hub-to-hub trucking, true high-speed highway autopilot, and other high-impact industrial, aerospace, and defense applications is incredibly encouraging. We believe the 4Sight platform is groundbreaking and will accelerate the adoption of lidar across diverse markets. The 4Sight platform differs from many other 'point' lidar solutions in that it is natively architected to integrate with other sensors and across networks to not only deliver optimal pre-perception data, but also help users customize how, when, and where they process critical information to make autonomous decisions," said Luis Dussan, founder and chief technology officer of AEye.

"Today, we also are announcing that we have broken ground on our high-volume manufacturing line at Sanmina's future plant in Thailand. The commitment from our partners to build out high-volume and low-cost manufacturing capabilities represents an important accomplishment and is a key component in our differentiated business model to drive market and customer expansion as the lidar industry scales. We believe AEye is the only lidar supplier to have two manufacturing partners, Sanmina and Continental, in a capital-light business model," said Blair LaCorte, chief executive officer of AEye.

### **Q3 2022 Financials**

- Revenue of \$0.8 million in the third quarter of 2022.
- GAAP net loss was \$(23.6) million in the third quarter of 2022, or \$(0.15) per share based on 159.3 million weighted average common shares outstanding.
- Non-GAAP net loss was \$(17.0) million in the third quarter of 2022, or \$(0.11) per share based on 159.3 million weighted average common shares outstanding.
- Cash, cash equivalents, and marketable securities were \$112.2 million as of September 30, 2022. This excludes up to \$122 million in available liquidity from our Common Stock Purchase Agreement with Tumim Stone Capital LLC.

### **Conference Call and Webcast Details**

AEye management will hold a conference call today, November 10, 2022, at 2:00 p.m. Pacific Time (5:00 p.m. Eastern Time) to discuss these results. AEye CEO Blair LaCorte and CFO Bob Brown will host the call, followed by a question-and-answer session.

The webcast and accompanying slides will be accessible via the company's website at <https://investors.aeye.ai>.

The call is also accessible via telephone through the following details:

#### **Dial in Information:**

- *Participant Toll-Free Dial-In Number: 844-763-8274*
- *Participant International Dial-In Number: 412-717-9224*

### **About AEye**

AEye's unique software-defined lidar solution enables advanced driver-assistance, vehicle autonomy, smart infrastructure, logistics and off-highway applications that save lives and propel the future of transportation and mobility. AEye's 4Sight™ Intelligent Sensing Platform, with its adaptive sensor-based operating system, focuses on what matters most; delivering faster, more accurate, and reliable information. AEye's 4Sight™ products, built on this platform, are ideal for dynamic applications which require precise measurement imaging to ensure safety and performance. AEye has a global presence through its offices in Germany, Japan, Korea, and the United States.

### **Non-GAAP Financial Measures**

The non-GAAP measures provided in this press release should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with generally accepted accounting principles (GAAP) in the United States. A reconciliation between GAAP and non-GAAP financial data is included in the supplemental financial data attached to this press release. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similarly titled measures presented by other companies. AEye considers these non-GAAP financial measures to be important because they provide additional insight into the Company's on-going performance. The Company provides this information to investors for a more consistent basis of comparison and to help investors evaluate the results of the Company's on-going operations, and to help enable more meaningful period-to-period comparison. Non-GAAP financial measures are presented only as supplemental information for the purpose of understanding the Company's operating results. The non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP.

This presentation includes non-GAAP financial measures, including:

- Non-GAAP net loss which is defined as GAAP net loss plus stock-based compensation, plus expenses related to registrations on Form S-1/S-3, plus stock issuance costs, less change in fair value of embedded derivative and warrant liabilities, plus debt issuance costs, less the gain on PPP loan forgiveness; and
- Adjusted EBITDA which is defined as non-GAAP net loss plus amortization and depreciation expense, plus interest expense and other, less interest income and other, plus provision for income tax expense.

### **Forward-Looking Statements**

Certain statements included in this press release that are not historical facts are forward-looking statements within the meaning of the federal securities laws, including the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are sometimes accompanied by words such as “believe,” “continue,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “predict,” “plan,” “may,” “should,” “will,” “would,” “potential,” “seem,” “seek,” “outlook,” and similar expressions that predict or indicate future events or trends, or that are not statements of historical matters. Forward-looking statements are predictions, projections, and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Forward looking statements included in this press release include statements about AEye’s products, the Company’s progress in commercialization and manufacturing, the potential of new market segments, and the Company’s expected future growth, among others. These statements are based on various assumptions, whether or not identified in this press release. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as and must not be relied on by an investor as a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Actual events and circumstances are very difficult or impossible to predict and will differ from the assumptions. Many actual events and circumstances are beyond the control of AEye. Many factors could cause actual future events to differ from the forward-looking statements in this press release, including but not limited to: (i) the risks that AEye’s product launch, new markets expansion, or continued momentum with existing partners may not provide a foundation for growth to the extent anticipated or in the timeframe contemplated, or at all; (ii) the risks that AEye’s 4Sight line of products may not be perceived in the marketplace as the industry’s premier high performance adaptive lidar platform to the extent anticipated, or at all; (iii) the risks that AEye’s high performance lidar may not be sufficiently different from other “point” lidar solutions to permit the AEye products to have a competitive advantage in the marketplace or be compelling to customers to the extent anticipated, or at all; (iv) the risks that the 4Sight platform is not perceived by the marketplace as groundbreaking to the extent anticipated, or at all; (v) the risks that the 4Sight platform, by itself, or in conjunction with other lidar products on the market, does not accelerate the adoption of lidar across any markets, to the extent anticipated, or at all; (vi) the risks that AEye’s 4Sight platform may not integrate with other sensors or across networks to deliver optimal pre-perception data, or help users customize how, when, and where they process critical information to make autonomous decisions to the extent anticipated, or at all; (vii) the risks that the reactions AEye has received from users, including those who require high performance capabilities, like autonomous hub-to-hub trucking, true high-speed highway autopilot, and other high-impact industrial, aerospace, and defense applications, will not translate into product orders as anticipated, or at all; (viii) the risks that the low-cost high-volume manufacturing line at Sanmina’s future plant in Thailand will be operational in the timeframe contemplated, or at all, and, that once operational, will achieve the cost structure or volumes anticipated; (ix) the risks that AEye’s competitors adopt a capital-light business model, or such competitors commence operations with additional manufacturing partners; (x) the risks that our partners will not build out the high-volume and low-cost manufacturing capabilities as anticipated, or at all, or in the timeframe anticipated; (xi) the risks that the high-volume and low-cost manufacturing capabilities fail to drive market and customer expansion as anticipated, or at all; (xii) the risks that AEye may not be able to successfully navigate either or both of the supply chain disruptions it faces or the inflationary challenges that currently exist and which may continue for a time period that is longer than anticipated, or is more severe than contemplated; (xiii) the risks that AEye’s innovative, capital-light, and high margin business model will not enable AEye to achieve future growth to the extent anticipated or in the timeframe contemplated, or at all; (xiv) the risks that the traction gained by AEye to date will translate into future growth, revenue, or profitability to the extent anticipated or in the timeframe contemplated, or at all; (xv) the risks that AEye will be unable to strengthen its competitive position or deliver on its key objectives in 2022 due to supply chain disruptions, economic uncertainties, or otherwise; (xvi) the risks that competing technologies will improve over time to become operationally equivalent or more cost-effective, or both, as compared to AEye’s product offering; (xvii) the risks that competitors may introduce products with similar capabilities to AEye’s products and such competitive products are able to take some or all of the market share away from AEye; (xviii) the risks that AEye’s products will not meet the diverse range of performance and functional requirements of AEye’s target markets and customers; (xix) the risks that AEye’s products will not function as anticipated by AEye or by AEye’s target markets and customers; (xx) the risks that the size of the total available market for the use of lidar will be smaller than predicted or take longer to come to fruition than predicted; (xxi) the risk that laws and regulations are adopted impacting the use of lidar that AEye is unable to comply with, in whole or in part; (xxii) changes in competitive and regulated industries in which AEye operates, variations in operating performance across competitors, and changes in laws and regulations affecting AEye’s business; (xxiii) the risks that AEye may not continue to execute against its business plan to the extent anticipated, or at all; (xxiv) the risks that AEye may be unable to deliver on the promise of SAE Level 4 autonomous driving, hub-to-hub autonomous trucking, or highway autopilot, to the extent anticipated, or at all; (xxv) the risks that lidar adoption occurs slower than anticipated or fails to occur at all; (xxvi) the risks that AEye’s products will not function as anticipated by AEye, or by target markets and customers; (xxvii) the risks that AEye may not be in a position to adequately or timely address either the near or long-term opportunities that may or may not exist in the evolving autonomous transportation industry; (xxviii) the risks that laws and regulations are adopted impacting the use of lidar that AEye is unable to comply with, in whole or in part; (xxix) the risks associated with changes in competitive and regulated industries in which AEye operates, variations in operating performance across competitors, and changes in laws and regulations affecting AEye’s business; (xxx) the risks that AEye is unable to adequately implement business plans, forecasts, and other expectations, and identify and realize additional opportunities; and (xxxi) the risks of downturns and a changing regulatory landscape in the highly competitive and evolving industry in which AEye operates. These risks and uncertainties may be amplified by the COVID-19 pandemic, including the Delta and Omicron variants, as well as future variants and subvariants, which has caused significant economic uncertainty. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the “Risk Factors” section of the Quarterly Report on Form 10-Q that AEye has most recently filed with the U.S. Securities and Exchange Commission, or the SEC, and other documents filed by us or that will be filed by us from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made.

Readers are cautioned not to put undue reliance on forward-looking statements; AEye assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. AEye gives no assurance that AEye will achieve any of its expectations.

**AEYE, INC.**  
**Condensed Consolidated Balance Sheets**  
(In thousands)  
(Unaudited)

|   | <u>September 30,</u><br><u>2022</u> | <u>December 31,</u><br><u>2021</u> |
|---|-------------------------------------|------------------------------------|
| <b>ASSETS</b>   |                                     |                                    |
| <b>Current Assets:</b>                                      |                                     |                                    |
| Cash and cash equivalents                                   | \$ 58,490                           | \$ 14,183                          |
| Marketable securities                                       | 53,699                              | 149,824                            |
| Accounts receivable, net                                    | 624                                 | 4,222                              |
| Inventories, net  | 4,024                               | 4,085                              |
| Prepaid and other current assets                            | 5,496                               | 5,051                              |
| <b>Total current assets</b>                                 | <u>122,333</u>                      | <u>177,365</u>                     |
| Right-of-use assets   | 15,847                              | —                                  |
| Property and equipment, net                                 | 7,621                               | 5,129                              |
| Restricted cash   | 2,150                               | 2,150                              |
| Other noncurrent assets                                     | 2,739                               | 1,509                              |
| <b>Total assets</b>   | <u>\$ 150,690</u>                   | <u>\$ 186,153</u>                  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>       |                                     |                                    |
| <b>Current Liabilities:</b>                                 |                                     |                                    |
| Accounts payable  | \$ 1,175                            | \$ 2,542                           |
| Accrued expenses and other current liabilities              | 9,888                               | 8,739                              |
| Contract liabilities  | 1,518                               | 2,287                              |
| Convertible notes   | 9,512                               | —                                  |
| <b>Total current liabilities</b>                            | <u>22,093</u>                       | <u>13,568</u>                      |
| Operating lease liabilities, noncurrent                     | 17,058                              | —                                  |
| Deferred rent, noncurrent                                   | —                                   | 3,032                              |
| Other noncurrent liabilities                                | 518                                 | 786                                |
| <b>Total liabilities</b>                                    | <u>39,669</u>                       | <u>17,386</u>                      |
| <b>Stockholders' Equity (Deficit):</b>                      |                                     |                                    |
| Preferred stock   | —                                   | —                                  |
| Common stock  | 16                                  | 16                                 |
| Additional paid-in capital                                  | 339,408                             | 320,937                            |
| Accumulated other comprehensive loss                        | (1,636)                             | (391)                              |
| Accumulated deficit   | (226,767)                           | (151,795)                          |
| <b>Total stockholders' equity (deficit)</b>                 | <u>111,021</u>                      | <u>168,767</u>                     |
| <b>Total liabilities and stockholders' equity (deficit)</b> | <u>\$ 150,690</u>                   | <u>\$ 186,153</u>                  |

**AEYE, INC.**  
**Condensed Consolidated Statements of Operations**  
(In thousands, except share and per share data)  
(Unaudited)

|                                 | <u>Three months ended September 30,</u> |                 | <u>Nine months ended September 30,</u> |                 |
|---------------------------------|---|-----------------|--|-----------------|
|                                 | <u>2022</u>                             | <u>2021</u>     | <u>2022</u>                            | <u>2021</u>     |
| Revenue:                        |   |                 |  |                 |
| Prototype sales                 | \$ 652                                  | \$ 127          | \$ 1,182                               | \$ 588          |
| Development contracts           | 115                                     | —               | 1,373                                  | 615             |
| <b>Total revenues</b>           | <u>767</u>                              | <u>127</u>      | <u>2,555</u>                           | <u>1,203</u>    |
| Cost of revenue                 | 2,708                                   | 466             | 5,617                                  | 1,537           |
| <b>Gross profit (loss)</b>      | <u>(1,941)</u>                          | <u>(339)</u>    | <u>(3,062)</u>                         | <u>(334)</u>    |
| Operating Expenses:             |   |                 |  |                 |
| Research and development        | 8,971                                   | 7,468           | 28,309                                 | 19,030          |
| Sales and marketing             | 4,466                                   | 2,991           | 14,405                                 | 6,489           |
| General and administrative      | 7,896                                   | 6,086           | 29,053                                 | 13,846          |
| <b>Total operating expenses</b> | <u>21,333</u>                           | <u>16,545</u>   | <u>71,767</u>                          | <u>39,365</u>   |
| <b>Loss from operations</b>     | <u>(23,274)</u>                         | <u>(16,884)</u> | <u>(74,829)</u>                        | <u>(39,699)</u> |

|   |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|
| Other income (expense), net:  |                    |                    |                    |                    |
| Change in fair value of embedded derivative liability and warrant liabilities | 16                 | 341                | 125                | 222                |
| Gain on PPP loan forgiveness  | —                  | —                  | —                  | 2,297              |
| Interest income and other   | 335                | 69                 | 1,109              | 74                 |
| Interest expense and other  | (688)              | (919)              | (1,338)            | (2,871)            |
| Total other income (expense), net   | (337)              | (509)              | (104)              | (278)              |
| Provision for income tax expense  | 13                 | —                  | 39                 | —                  |
| Net loss  | <u>\$ (23,624)</u> | <u>\$ (17,393)</u> | <u>\$ (74,972)</u> | <u>\$ (39,977)</u> |
| Per Share Data  |                    |                    |                    |                    |
| Net loss per common share (basic and diluted)                                 | \$ (0.15)          | \$ (0.15)          | \$ (0.48)          | \$ (0.39)          |
| Weighted average common shares outstanding (basic and diluted)                | <u>159,312,203</u> | <u>114,891,595</u> | <u>156,702,000</u> | <u>102,953,263</u> |

**AEYE, INC.**  
**Condensed Consolidated Statements of Cash Flows**  
(In thousands)  
(Unaudited)

|  | <u>Nine Months Ended September 30,</u> |                  |
|--|--|------------------|
|  | <u>2022</u>                            | <u>2021</u>      |
| <b>Cash flows from operating activities:</b>   |  |                  |
| Net loss   | \$ (74,972)                            | \$ (39,977)      |
| Adjustments to reconcile net loss to net cash used in operating activities:          |  |                  |
| Depreciation and amortization  | 794                                    | 769              |
| Noncash lease expense relating to operating lease right-of-use assets                | 993                                    | —                |
| Inventory write-downs, net of scrapped inventory                                     | 576                                    | —                |
| Change in fair value of embedded derivative liability and warrant liabilities        | (125)                                  | (222)            |
| Noncash gain on PPP loan forgiveness   | —                                      | (2,297)          |
| Stock-based compensation   | 18,003                                 | 6,522            |
| Amortization of debt issuance costs  | —                                      | 725              |
| Amortization of debt discount  | —                                      | 752              |
| Realized loss on redemption of marketable securities                                 | 77                                     | —                |
| Amortization of premiums on marketable securities, net of change in accrued interest | 1,211                                  | 47               |
| Other  | —                                      | 286              |
| Changes in operating assets and liabilities:   |  |                  |
| Accounts receivable, net   | 3,598                                  | 9                |
| Inventories, current and noncurrent, net   | (2,256)                                | (2,197)          |
| Prepaid and other current assets   | (445)                                  | (5,305)          |
| Other noncurrent assets  | 420                                    | (142)            |
| Accounts payable   | (1,236)                                | 840              |
| Accrued expenses and other current liabilities                                       | 220                                    | 1,417            |
| Operating lease liabilities  | (983)                                  | —                |
| Deferred rent  | —                                      | (400)            |
| Contract liabilities   | (1,400)                                | (415)            |
| Net cash used in operating activities  | <u>(55,525)</u>                        | <u>(39,588)</u>  |
| <b>Cash flows from investing activities:</b>   |  |                  |
| Purchase of property and equipment   | (3,402)                                | (713)            |
| Proceeds from redemptions and maturities of marketable securities                    | 93,592                                 | —                |
| Purchase of available-for-sale securities  | —                                      | (129,999)        |
| Net cash provided by (used in) operating activities                                  | <u>90,190</u>                          | <u>(130,712)</u> |
| <b>Cash flows from financing activities:</b>   |  |                  |
| Proceeds from exercise of stock options  | 1,032                                  | 100              |
| Proceeds from Business Combination and PIPE financing                                | —                                      | 256,811          |
| Transaction costs related to Business Combination and PIPE financing                 | —                                      | (50,985)         |
| Proceeds from the issuance of convertible notes                                      | 10,000                                 | 8,045            |
| Proceeds from bank loan  | —                                      | 10,000           |
| Principal payments on bank loans   | —                                      | (13,333)         |

|  |                  |                  |
|--|------------------|------------------|
| Payment of debt issuance costs   | —                | (717)            |
| Taxes paid related to the net share settlement of equity awards                  | (4,252)          | —                |
| Repurchase of stock options  | —                | (1,500)          |
| Proceeds from issuance of common stock under the Common Stock Purchase Agreement | 2,891            | —                |
| Stock issuance costs related to the Common Stock Purchase Agreement              | (29)             | —                |
| Net cash provided by financing activities  | 9,642            | 208,421          |
| <b>Net increase in cash, cash equivalents and restricted cash</b>                | 44,307           | 38,121           |
| Cash, cash equivalents and restricted cash at beginning of period                | 16,333           | 16,497           |
| <b>Cash, cash equivalents and restricted cash at end of period</b>               | <b>\$ 60,640</b> | <b>\$ 54,618</b> |

#### AEYE, INC.

#### Reconciliation of GAAP to Non-GAAP Financial Measures

(In thousands, except share and per share data)

(Unaudited)

|  | Three months ended September 30, |             | Nine months ended September 30, |             |
|--|----------------------------------|-------------|---------------------------------|-------------|
|  | 2022                             | 2021        | 2022                            | 2021        |
| <b>GAAP net loss</b>   | \$ (23,624)                      | \$ (17,393) | \$ (74,972)                     | \$ (39,977) |
| Non-GAAP adjustments:  |                                  |             |                                 |             |
| Stock-based compensation   | 6,106                            | 2,292       | 18,003                          | 6,522       |
| Expenses related to registration statement on Form S-1/S-3s                                      | 54                               | 1,773       | 304                             | 2,198       |
| Change in fair value of embedded derivative and warrant liabilities                              | (16)                             | (341)       | (125)                           | (222)       |
| Stock issuance costs   | —                                | —           | 28                              | —           |
| Debt issuance costs  | 437                              | —           | 437                             | —           |
| Gain on PPP Loan Forgiveness   | —                                | —           | —                               | (2,297)     |
| <b>Non-GAAP net loss</b>   | \$ (17,043)                      | \$ (13,669) | \$ (56,325)                     | \$ (33,776) |
| Depreciation and amortization expense  | 331                              | 271         | 794                             | 769         |
| Interest income and other  | (335)                            | (69)        | (1,109)                         | (74)        |
| Interest expense and other   | 307                              | 919         | 928                             | 2,871       |
| Provision for income tax expense   | 13                               | —           | 39                              | —           |
| <b>Adjusted EBITDA</b>   | \$ (16,727)                      | \$ (12,548) | \$ (55,673)                     | \$ (30,210) |
| <b>GAAP net loss per share attributable to common stockholders:</b>                              |                                  |             |                                 |             |
| Basic and diluted  | \$ (0.15)                        | \$ (0.15)   | \$ (0.48)                       | \$ (0.39)   |
| <b>Non-GAAP net loss per share attributable to common stockholders:</b>                          |                                  |             |                                 |             |
| Basic and diluted  | \$ (0.11)                        | \$ (0.12)   | \$ (0.36)                       | \$ (0.33)   |
| <b>Shares used in computing GAAP net loss per share attributable to common stockholders:</b>     |                                  |             |                                 |             |
| Basic and diluted  | 159,312,203                      | 114,891,595 | 156,702,000                     | 102,953,263 |
| <b>Shares used in computing Non-GAAP net loss per share attributable to common stockholders:</b> |                                  |             |                                 |             |
| Basic and diluted  | 159,312,203                      | 114,891,595 | 156,702,000                     | 102,953,263 |

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