

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2025

or

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

For the transition period from to

Commission file number 001-38791

LUMINAR TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

2603 Discovery Drive

Suite 100

Orlando

Florida

(Address of principal executive offices)

83-1804317

(I.R.S. Employer Identification No.)

32826

(Zip Code)

(800) 532-2417

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock, par value of \$0.0001 per share	LAZR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 15, 2025, the registrant had 42,006,245 shares of Class A common stock and 4,872,578 shares of Class B common stock, par value \$0.0001 per share, outstanding.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
FORM 10-Q
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Form 10-Q”) includes forward-looking statements in addition to historical information. These forward-looking statements are included throughout this Form 10-Q, including in the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of operations,” “Risk Factors,” and in other sections in this Form 10-Q. These statements reflect the current views of management with respect to future events and our financial performance. These forward-looking statements include statements regarding the estimated costs and expected benefits of the restructuring plan initiated in May 2024, including the additional actions taken under the restructuring plan in September 2024, the Company’s 2025 restructuring plan, including, without limitation, statements related to the Company’s expected charges for employee severance and other costs associated with the 2025 restructuring plan, including estimates of related cash expenditures by the Company, statements regarding the number of employees subject to the workforce reduction and the timing thereof, and the impact of the 2025 restructuring plan, product plans, future growth, sales estimates, market opportunities, strategic initiatives, industry positioning, customer acquisition and retention, revenue growth, anticipated impacts on our business of current worldwide economic uncertainty, inflation, monetary policy shifts, and other disruptions due to geopolitical conditions and global health emergencies. In some cases, you can identify these statements by forward-looking words such as “outlook,” “believes,” “expects,” “future,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words or phrases, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business.

These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including our history of losses and our expectation that we will continue to incur significant expenses, including substantial research and development (“R&D”) costs, and continuing losses for the foreseeable future as well as our limited operating history which makes it difficult to evaluate our future prospects and the risks and challenges we may encounter; our strategic initiatives which may prove more costly than we currently anticipate and potential failure to increase our revenue to offset these initiatives; whether our LiDAR products are or will continue to be selected for inclusion in autonomous driving or advanced driving assistance systems (“ADAS”) by automotive original equipment manufacturers (“OEMs”) or their suppliers, and whether we will be de-selected by any customers; the lengthy period of time from a major commercial win to implementation and the risks of cancellation or postponement of the contract or unsuccessful implementation; potential inaccuracies in our forward-looking estimates of certain metrics, our future cost of goods sold (“COGS”) and bill of materials (“BOM”) and total addressable market; the discontinuation, lack of success of our customers in developing and commercializing products using our solutions or loss of business with respect to a particular vehicle model or technology package and whether end automotive consumers will demand and be willing to pay for such features; our ability to successfully fund our growth if there are considerable delays in product introductions by us or our OEM customers may face with their products; our inability to reduce and control the cost of the inputs on which we rely, which could negatively impact the adoption of our products and our profitability; the effect of continued pricing pressures, competition from other LiDAR manufacturers, OEM cost reduction initiatives and the ability of automotive OEMs to re-source or cancel vehicle or technology programs which may result in lower than anticipated margins, or losses, which may adversely affect our business; the effect of general economic conditions, including inflation, recession risks and rising interest rates, generally and on our industry and us in particular, including the level of demand and financial performance of the autonomous vehicle industry and the decline in fair value of available-for-sale debt securities in a rising interest rate environment; market adoption of LiDAR as well as developments in alternative technology and the increasingly competitive environment in which we operate, which includes established competitors and market participants that have substantially greater resources; our ability to achieve technological feasibility and commercialize our software products and the requirement to continue to develop new products and product innovations due to rapidly changing markets and government regulations of such technologies; our ability to manage our growth and expand our business operations effectively, including into international markets, such as China, which exposes us to operational, financial, regulatory and geopolitical risks; changes in our government contracts business and our defense customers’ business due to political change and global conflicts; adverse impacts due to limited availability and quality of materials, supplies, and capital equipment, or dependency on third-party service providers and single-source suppliers; the project-based nature of our orders, which can cause our results of operations to fluctuate on a quarterly and annual basis; whether we will be able to successfully transition our engineering designs into high volume manufacturing, including our ability to transition to an outsourced manufacturing business model and whether we and our outsourcing partners and suppliers can successfully operate complex machinery; whether we can successfully select, execute or integrate our acquisitions; defects, reliability and other issues with our products which could reduce market adoption of our new products, limit our ability to manufacture, damage our reputation and expose us to product liability, warranty and other claims; our ability to maintain and adequately manage our inventory; our ability to maintain an effective system of internal control over financial reporting; our ability to protect and enforce our intellectual property rights; availability of

qualified personnel, loss of highly skilled personnel; the transition associated with the appointment of new chief executive officer, the impact of inflation and our stock price on our ability to hire and retain highly skilled personnel; the amount and timing of future sales and whether the average selling prices of our products could decrease rapidly over the life of the product as well as our dependence on a few key customers, who are often large corporations with substantial negotiating power; our ability to establish and maintain confidence in our long-term business prospects among customers and analysts and within our industry; whether we are subject to negative publicity; the effects of infectious diseases, health epidemics, pandemics and natural disasters on Luminar's business; interruption or failure of our information technology and communications systems; cybersecurity risks to our operational systems, security systems, infrastructure, integrated software in our LiDAR solutions; market instability exacerbated by geopolitical conflicts, including the Israel-Hamas war and the conflict between Russia and Ukraine; trade disputes with China and other countries, including the effect of sanctions and trade restrictions, such as tariffs imposed by the U.S. government and any countermeasures by other governments in response to such tariffs, that may affect supply chain or sales opportunities or overall demand; the large amount of our outstanding indebtedness and our ability to comply with covenants contained in the agreements governing our indebtedness; our ability to access sources of capital to repay our indebtedness, and finance operations and growth; our ability to maintain compliance with the Nasdaq continued listing standards for the listing of our Class A common stock; our ability to accurately estimate the charges associated with the reductions under the 2025 restructuring plan, and those other factors discussed in Part 1, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (our "2024 Form 10-K") under the heading "Risk Factors" and in subsequent reports filed with the SEC. You should specifically consider the numerous risks outlined in the Risk Factors section of our 2024 Form 10-K. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. We undertake no obligation to update any forward-looking statements made in this Form 10-Q to reflect events or circumstances after the date of this Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

WEBSITE AND SOCIAL MEDIA DISCLOSURE

We use our website (<https://www.luminartech.com/>) and various social media channels as a means of disclosing information about the Company and its products to its customers, investors and the public (e.g., @luminartech on X (formerly Twitter), Luminartech on YouTube, and Luminar Technologies on LinkedIn). The information on our website (or any webpages referenced in this Form 10-Q) or posted on social media channels is not part of this or any other report that the Company files with, or furnishes to, the Securities and Exchange Commission (the "SEC"). The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In thousands)

	March 31, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 59,322	\$ 82,840
Restricted cash	1,900	1,882
Marketable securities	78,863	99,827
Accounts receivable	28,471	14,272
Inventory	13,916	14,908
Prepaid expenses and other current assets	23,551	31,498
Total current assets	206,023	245,227
Property and equipment, net	49,537	52,281
Operating lease right-of-use assets	29,561	31,479
Intangible assets, net	14,524	15,556
Goodwill	3,994	3,994
Other non-current assets	15,810	16,676
Total assets	\$ 319,449	\$ 365,213
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 27,661	\$ 18,972
Accrued and other current liabilities	35,049	31,567
Operating lease liabilities	9,968	10,049
Total current liabilities	72,678	60,588
Warrant liabilities	1	—
Debt	486,299	500,516
Operating lease liabilities, non-current	22,007	24,083
Other non-current liabilities	134	815
Total liabilities	581,119	586,002
Commitments and contingencies (Note 15)		
Stockholders' deficit:		
Class A common stock	3	3
Class B common stock	1	1
Additional paid-in capital	2,244,742	2,204,814
Accumulated other comprehensive income loss	(413)	(295)
Treasury stock	(312,477)	(312,477)
Accumulated deficit	(2,193,526)	(2,112,835)
Total stockholders' deficit	(261,670)	(220,789)
Total liabilities and stockholders' deficit	\$ 319,449	\$ 365,213

See accompanying notes to the unaudited condensed consolidated financial statements.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(In thousands, except share and per share data)

	Three Months Ended March 31,	
	2025	2024
Revenue:		
Products	\$ 12,972	\$ 15,302
Services	5,914	5,666
Total revenue	<u>18,886</u>	<u>20,968</u>
Cost of sales:		
Products	22,830	24,507
Services	4,156	6,916
Total cost of sales	<u>26,986</u>	<u>31,423</u>
Gross loss	(8,100)	(10,455)
Operating expenses:		
Research and development	38,288	67,750
Sales and marketing	4,904	14,515
General and administrative	20,916	33,049
Restructuring costs	64	—
Total operating expenses	<u>64,172</u>	<u>115,314</u>
Loss from operations	(72,272)	(125,769)
Other income (expense), net:		
Change in fair value of warrant liabilities	—	821
Interest expense	(12,321)	(2,757)
Interest income	1,767	3,430
Gain on extinguishment of debt	6,775	—
Loss from acquisition of EM4, LLC (“EM4”)	(48)	1,752
Changes in fair value of derivative liability	(3,671)	—
Losses and impairments related to investments and certain other assets, and other income (expense)	(774)	(2,604)
Total other income (expense), net	<u>(8,272)</u>	<u>642</u>
Loss before provision for income taxes	(80,544)	(125,127)
Provision for income taxes	147	587
Net loss	<u>\$ (80,691)</u>	<u>\$ (125,714)</u>
Net loss per share:		
Basic and diluted	<u>\$ (1.92)</u>	<u>\$ (4.44)</u>
Shares used in computing net loss per share:		
Basic and diluted	<u>42,093,255</u>	<u>28,307,044</u>
Comprehensive Loss:		
Net loss	\$ (80,691)	\$ (125,714)
Net unrealized loss on available-for-sale debt securities	(118)	(70)
Comprehensive loss	<u>\$ (80,809)</u>	<u>\$ (125,784)</u>

*All periods presented prior to December 31, 2024 have been retroactively adjusted to reflect the 1-for-15 reverse stock split effected on November 20, 2024. Refer to Note 1 for further information.

See accompanying notes to the unaudited condensed consolidated financial statements.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Deficit
(Unaudited)
(In thousands, except share data)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount					
Balance as of December 31, 2023	22,952,280	\$ 2	6,472,578	\$ 1	\$ 1,927,419	\$ —	\$ (312,477)	\$ (1,839,695)	\$ (224,748)
Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units	399,066	—	—	—	373	—	—	—	373
Issuance of Class A common stock under 401(k) Plan	99,652	—	—	—	2,550	—	—	—	2,550
Issuance of Class A common stock under the Equity Financing Program	642,946	—	—	—	17,230	—	—	—	17,230
Issuance of Class A common stock in settlement of certain claims	46,978	—	—	—	1,842	—	—	—	1,842
Vendor payments under the stock-in-lieu of cash program	10,018	—	—	—	2,220	—	—	—	2,220
Milestone awards related to acquisitions	180,618	—	—	—	5,635	—	—	—	5,635
Share-based compensation	—	—	—	—	40,963	—	—	—	40,963
Payments of employee taxes related to vested restricted stock units	—	—	—	—	(126)	—	—	—	(126)
Other comprehensive loss	—	—	—	—	—	(70)	—	—	(70)
Net loss	—	—	—	—	—	—	—	(125,714)	(125,714)
Balance as of March 31, 2024	24,331,558	\$ 2	6,472,578	\$ 1	\$ 1,998,106	\$ (68)	\$ (312,477)	\$ (1,965,409)	\$ (279,845)
Balance as of December 31, 2024	38,056,676	\$ 3	4,872,578	\$ 1	\$ 2,204,814	\$ (295)	\$ (312,477)	\$ (2,112,835)	\$ (220,789)
Issuance of Class A common stock upon vesting of restricted stock units	766,764	—	—	—	—	—	—	—	—
Issuance of Class A common stock upon conversion of 2026 Convertible Senior Notes	1,951,819	—	—	—	11,819	—	—	—	11,819
Issuance of Class A common stock upon conversion of 2030 Convertible Notes	127,466	—	—	—	1,127	—	—	—	1,127
Issuance of Class A common stock under the Equity Financing Program	70,053	—	—	—	394	—	—	—	394
Issuance of Class A common stock to a wholly owned subsidiary of TPK Universal Solutions Limited ("TPK")	1,000,000	—	—	—	6,150	—	—	—	6,150
Expense related to Volvo warrants	—	—	—	—	459	—	—	—	459
Share-based compensation	—	—	—	—	20,089	—	—	—	20,089
Payments of employee taxes related to vested restricted stock units	—	—	—	—	(110)	—	—	—	(110)
Other comprehensive income	—	—	—	—	—	(118)	—	—	(118)
Net loss	—	—	—	—	—	—	—	(80,691)	(80,691)
Balance as of March 31, 2025	41,972,778	\$ 3	4,872,578	\$ 1	\$ 2,244,742	\$ (413)	\$ (312,477)	\$ (2,193,526)	\$ (261,670)

*All periods presented prior to December 31, 2024 have been retroactively adjusted to reflect the 1-for-15 reverse stock split effected on November 20, 2024. Refer to Note 1 for further information.

See accompanying notes to the unaudited condensed consolidated financial statements.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (80,691)	\$ (125,714)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,413	8,066
Amortization of operating lease right-of-use assets	1,918	2,010
Amortization of premium (discount) on marketable securities	(494)	(870)
Loss on marketable securities	1,275	2,320
Change in fair value of private warrants	1	(821)
Vendor stock in lieu of cash program	2,676	4,034
Amortization of debt discount and issuance costs	1,886	809
Inventory write-offs and write-downs	2,264	16,903
Change in the fair value of the derivatives	3,671	—
Gain or write-off on sale or disposal of property and equipment	290	—
Share-based compensation, including restructuring costs	19,380	44,465
Gain on extinguishment of debt	(6,775)	—
Loss from acquisition of EM4	48	(1,752)
Change in product warranty and other	328	(1,684)
Changes in operating assets and liabilities:		
Accounts receivable	(14,198)	(13,846)
Inventories	(1,570)	(17,586)
Prepaid expenses and other current assets	11,110	(7,495)
Other non-current assets	866	(1,071)
Accounts payable	7,623	6,128
Accrued and other current liabilities	3,816	7,445
Other non-current liabilities	(2,066)	(2,570)
Net cash used in operating activities	(44,229)	(81,229)
Cash flows from investing activities:		
Purchases of marketable securities	(34,547)	(48,827)
Proceeds from maturities of marketable securities	40,224	88,990
Proceeds from sales/redemptions of marketable securities	14,388	274
Purchases of property and equipment	(115)	(1,284)
Acquisition of EM4 (net of cash acquired)	242	(4,727)
Proceeds from disposal of property and equipment	253	—
Net cash provided by investing activities	20,445	34,426
Cash flows from financing activities:		
Net proceeds from issuance of Class A common stock under the Equity Financing Program	394	17,230
Proceeds from exercise of stock options	—	371
Payments of employee taxes related to stock-based awards	(110)	(126)
Net cash provided by financing activities	284	17,475
Net increase (decrease) in cash, cash equivalents and restricted cash	(23,500)	(29,328)
Beginning cash, cash equivalents and restricted cash	84,722	140,624
Ending cash, cash equivalents and restricted cash	\$ 61,222	\$ 111,296
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 9,898	\$ —
Supplemental disclosures of noncash investing and financing activities:		
Conversion of 2030 Convertible Notes to Class A common stock	\$ 1,127	\$ —
Conversion of 2026 Convertible Senior Notes to Class A common stock	\$ 11,819	\$ —
Recognition/derecognition of operating lease right-of-use asset and liability	\$ —	\$ 3,842
Purchases of property and equipment recorded in accounts payable and accrued liabilities	\$ 1,066	\$ 299

See accompanying notes to the unaudited condensed consolidated financial statements.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1. Organization and Description of Business

Luminar Technologies, Inc. (together with its wholly-owned subsidiaries, the “Company” or “Luminar”) is incorporated in Delaware. Luminar is a technology company specializing in advanced Light Detection and Ranging (LiDAR) hardware and software solutions to enable the world’s safest and smartest vehicles. Over the past decade, Luminar has been building proprietary LiDAR hardware, core semiconductor components, software in-house to meet the demanding performance, safety, reliability and cost requirements to enable next-generation safety and autonomous capabilities for passenger and commercial vehicles, as well as other adjacent markets. The Company’s Class A common stock is listed on the Nasdaq Global Select Market under the symbol “LAZR.”

The Company is headquartered in Orlando, Florida and has personnel that conducts the Company’s operations from various locations in the United States and internationally including Germany, Sweden, Mexico, China and India.

Reverse Stock Split

In November 2024, following approval by the Company’s stockholders at a special meeting of stockholders (the “Special Meeting”) held in October 2024 of a reverse stock split of all the outstanding Class A common stock and Class B common stock and any common stock held by the Company as treasury shares (the “Reverse Stock Split”), and a determination by the Board of Directors of a reverse stock split ratio of 1-for-15 (the “Reverse Stock Split Ratio”), the Company effected a Reverse Stock Split at the Reverse Stock Split Ratio. All share data and per share data amounts prior to December 31, 2024 included in this Form 10-Q have been retrospectively adjusted to reflect the effect of the Reverse Stock Split.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Annual Report”) filed with the SEC on March 28, 2024. In the opinion of management, the condensed consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, equity, revenues and expenses, and related disclosures. The significant estimates made by management include inventory reserves, useful life of long-lived assets, valuation allowance for deferred tax assets, impairment of goodwill and IPR&D, assets acquired in mergers and acquisitions, including intangible assets, forecasted costs associated with non-recurring engineering (“NRE”) services, restructuring costs, valuation of convertible and senior notes and derivatives associated with them, valuation of distinct goods and services in the purchase contract with customers, and stock-based compensation expense. Management periodically evaluates such estimates and they are adjusted prospectively based upon such periodic evaluation. Actual results could differ from those estimates.

Liquidity

Since inception, the Company has not generated positive cash flows from operating activities and has incurred significant losses from operations. As of March 31, 2025, the Company had an accumulated deficit of \$3.2 billion. The Company expects to continue to incur operating losses for at least the foreseeable future due to continued investments in product and software development, efforts to build customer relations, expansion into additional markets, and investments in developing advanced manufacturing capabilities, including at contract manufacturing partners.

As of March 31, 2025, the Company had cash and cash equivalents totaling \$9.3 million and marketable securities of \$78.9 million, totaling \$138.2 million of total liquidity. For the three months ended March 31, 2025, \$44.2 million of cash was used in operations. The Company’s principal sources of liquidity have been proceeds received from issuances of debt and equity. To execute on its strategic initiatives, the Company will continue to require additional capital resources. The Company continues to assess its liquidity position and opportunities for additional capital, which may be obtained through issuances of equity securities or additional debt financing. In the event that additional liquidity is required, the Company may not be able to

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

obtain funding on acceptable terms, or at all. If the Company is unable to raise additional capital when desired, its business, financial condition, and results of operations could be adversely affected.

The Company expects to fund its operations, product and business development initiatives and associated capital expenditures through cash, cash equivalents and marketable securities, issuance of shares of Class A common stock to vendors and third parties for services provided under its stock in lieu of cash program, issuance of Class A common stock under the Equity Financing Program or the issuance of preferred stock, or any combination of the foregoing. Based on current plans and projections, the Company believes its existing sources of liquidity will be sufficient to satisfy its liquidity requirements and enable it to continue to execute its business strategy for at least 12 months from the date of issuance of these condensed consolidated financial statements.

Segment Information

The Company has determined its operating segments using the same indicators that were used to evaluate its performance internally. The Company's business activities are organized into two operating segments:

(i) "Autonomy Solutions", which includes manufacturing and sale of LiDAR sensors that measure distance using pulsed laser light to generate a 3D environmental model (a.k.a. "point cloud"), non-recurring engineering services related to the Company's LiDAR products, development of software products that enable autonomy capabilities for automotive applications, and licensing of certain data and information. In June 2022, the Company acquired certain assets from Solrice Research, Inc. ("Solrice" or "Civil Maps"). In January 2023, the Company acquired certain assets from Seagate Technology LLC and Seagate Singapore International Headquarters Pte. Ltd. (individually and collectively, "Seagate"). Assets purchased from both Civil Maps and Seagate have been included in the Autonomy Solutions segment.

(ii) "Advanced Technologies and Services ("ATS")", which includes the design, development, manufacturing, packaging, and development services of photonic components and sub-systems (including semiconductor lasers and photodetectors), application-specific integrated circuits, and pixel-based sensors. The Company acquired Optogration, Inc. ("Optogration") in August 2021, Freedom Photonics LLC ("Freedom Photonics") in April 2022, and EM4, LLC ("EM4") in March 2024. Operations of Optogration, Freedom Photonics and EM4 have been included in the ATS segment since their respective acquisition dates.

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, debt securities, and accounts receivable. The Company's deposits exceed federally insured limits. Cash held by foreign subsidiaries of the Company as of March 31, 2025 and December 31, 2024 was not material.

The Company's revenue is derived from customers located in the United States and international markets. Three customers, customer D, customer B and customer A, accounted for 44%, 14% and 13% of the Company's accounts receivable as of March 31, 2025. Two customers, customer B and customer A, accounted for 32% and 22% of the Company's accounts receivable as of December 31, 2024, respectively.

Significant Accounting Policies

The Company's significant accounting policies are disclosed in its Annual Report on Form 10-K for the year ended December 31, 2024. There has been no material change to the Company's significant accounting policies during the three months ended March 31, 2025.

Recent Accounting Pronouncements Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU No. 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments* ("ASU 2024-04"), which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. ASU 2024-04 will be effective for the Company for the fiscal years beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. The Company prospectively early adopted ASU 2024-04 as of January 1, 2025. The Company recorded a gain on extinguishment of \$6.2 million as a result of Troubled Debt Restructuring ("TDR") related to the Exchange Transactions (as defined in Note 8) for the 2026 Convertible Senior Notes (as defined in Note 8), and the extinguishment gain was recorded in the other income (expense), net in the condensed consolidated statements of operations. See Note 8 for additional information.

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Recent Accounting Pronouncements Not Yet Effective

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (“ASU 2024-03”), which requires public business entities to disclose qualitative and quantitative information about certain costs and expenses in the notes to the financial statements on an interim and annual basis. ASU 2024-03 will be effective for the Company for the fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently in the process of evaluating the effects of this pronouncement on the Company’s financial statements and does not expect it to have a material impact on the condensed consolidated financial statements.

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) No. ASU 2023-09, *Income Taxes (Topic 740) Improvements to Income Tax Disclosures* (“ASU 2023-09”). ASU 2023-09 requires a public company to enhance the transparency and decision usefulness of income tax disclosures to provide information to better assess how an entity’s operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. ASU 2023-09 will be effective for the Company for the annual period beginning January 1, 2025 with early adoption permitted. The Company is currently evaluating this guidance and the impact it may have on its financial statement disclosures.

Note 3. Business Combinations and Acquisitions**Acquisition of EM4**

On March 18, 2024 (the “Acquisition Date”), the Company completed its acquisition of EM4, a designer, manufacturer and seller of packaged photonic components and sub-systems for aerospace and industrial markets. The EM4 acquisition is expected to accelerate the Company’s strategy to package lasers, detectors and ASICs into modules and sub-systems.

The Company acquired 100% of the membership interests of EM4 from G&H Investment Holding, Inc. (“G&H”), for an aggregate purchase price of approximately \$2 million in cash, net of working capital adjustments, and up to \$6.75 million in contingent future payments to G&H subject to the achievement of certain financial performance targets. The Company utilized a Monte Carlo simulation model to estimate the probability-weighted fair value of the contingent consideration. This transaction has been accounted for as a business combination. The acquisition related costs incurred as part of the transaction were not material.

Recording of Assets Acquired and Liabilities Assumed

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

	Recorded Value
Cash and cash equivalents	\$ 557
Accounts receivable	1,064
Contract asset	1,644
Inventories, net	3,539
Prepaid expenses and other current assets	252
Property plant and equipment	1,888
Operating lease right-of-use assets	2,072
Total assets acquired	11,016
Current liabilities	(3,148)
Operating lease liabilities, non-current	(1,628)
Total liabilities assumed	(4,776)
Net assets acquired	\$ 6,240

Since the consideration paid by the Company to acquire EM4’s business was lower than the estimated fair value of net assets acquired, the Company recognized a \$3.5 million gain from the acquisition of EM4. The following factors contributed towards the purchase price paid by the Company being lower than the estimated fair value of the net assets acquired: (a) EM4 had historically been incurring losses; (b) G&H viewed EM4 as non-core; (c) although G&H pursued a competitive auction process for the business, the ultimate timeline to completion was drawn-out due to the complexity of the transaction structure; and (d) during the later stages of the sale process, after the Company was selected as the winning bidder, EM4’s business was

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impacted by the cancellation of certain material government programs as well as delays in certain other purchase orders, which also served to significantly reduce the estimated probability of the contingent future payments to G&H. In the first quarter of 2024, the gain from the acquisition of EM4 was estimated to be \$1.8 million, but in the fourth quarter of 2024 the Company and G&H agreed to certain adjustments to EM4's closing balance sheet which resulted in a \$0.3 million reduction in purchase price and a commensurate increase in the gain from the acquisition of EM4.

The results of operations related to EM4 are included in the Company's condensed consolidated statements of operations beginning from the Acquisition Date.

Note 4. Revenue

The Company's revenue is comprised of sales of LiDAR sensors, semiconductor components, NRE services and licensing of certain data and information available with the Company.

Disaggregation of Revenues

The Company disaggregates its revenue from contracts with customers by (1) geographic region based on a customer's billed to location, and (2) type of good or service and timing of transfer of goods or services to customers (point-in-time or over time), as it believes it best depicts how the nature, amount, timing and uncertainty of its revenue and cash flows are affected by economic factors. Total revenue based on the disaggregation criteria described above, as well as revenue by segment, are as follows (in thousands):

	Three Months Ended March 31,			
	2025		2024	
	Revenue	% of Revenue	Revenue	% of Revenue
Revenue by primary geographical market:				
North America	\$ 14,992	79 %	\$ 20,337	97 %
Asia Pacific	230	1 %	81	— %
Europe and Middle East	3,664	19 %	550	3 %
Total	\$ 18,886	100 %	\$ 20,968	100 %
Revenue by timing of recognition:				
Recognized at a point in time	\$ 12,972	69 %	\$ 15,304	73 %
Recognized over time	5,914	31 %	5,664	27 %
Total	\$ 18,886	100 %	\$ 20,968	100 %
Revenue by segment:				
Autonomy Solutions	\$ 13,757	73 %	\$ 16,320	78 %
ATS	5,129	27 %	4,648	22 %
Total	\$ 18,886	100 %	\$ 20,968	100 %

Contract assets and liabilities

Changes in the Company's contract assets and contract liabilities primarily result from the timing difference between the Company's performance and the customer's payment based on contractual terms. Contract assets primarily represent revenues recognized for performance obligations that have been satisfied but for which amounts have not been billed. Contract liabilities consist of the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Customer advance payments represent required customer payments in advance of product shipments. Customer advance payments are recognized in revenue as or when control of the performance obligation is transferred to the customer.

The opening and closing balances of contract assets were as follows (in thousands):

	March 31, 2025	December 31, 2024
Contract assets, current	\$ 2,657	\$ 16,199
Contract assets, non-current	—	—
Ending balance	\$ 2,657	\$ 16,199

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The significant changes in contract assets balances consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Beginning balance	\$ 16,199	\$ 16,603
Amounts billed that were included in the contract assets beginning balance	(14,342)	(3,737)
Contract assets from acquisition of EM4 (See Note 3)	—	1,644
Revenue recognized for performance obligations that have been satisfied but for which amounts have not been billed	800	1,689
Ending balance	<u>\$ 2,657</u>	<u>\$ 16,199</u>

The opening and closing balances of contract liabilities were as follows (in thousands):

	March 31, 2025	December 31, 2024
Contract liabilities, current	\$ 2,178	\$ 1,918
Contract liabilities, non-current	—	—
Ending balance	<u>\$ 2,178</u>	<u>\$ 1,918</u>

The significant changes in contract liabilities balances consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Beginning balance	\$ 1,918	\$ 3,932
Revenue recognized that was included in the contract liabilities beginning balance	(913)	(2,980)
Increase due to cash received and not recognized as revenue and billings in excess of revenue recognized during the period	1,173	966
Ending balance	<u>\$ 2,178</u>	<u>\$ 1,918</u>

Remaining Performance Obligations

Revenue allocated to remaining performance obligations was \$4.5 million as of March 31, 2025 and includes amounts within contract liabilities. The Company expects to recognize approximately 100% of this revenue over the next 12 months.

Note 5. Restructuring

On May 3, 2024, the Company announced a restructuring plan ("2024 Restructuring Plan"), including a reduction in its workforce by approximately 20%. On September 20, 2024, the Company announced additional actions under the 2024 Restructuring Plan that included a cumulative reduction in workforce of approximately 30% of the Company's full-time employees since the beginning of 2024. By March 31, 2025, the reduction in workforce actions resulted in the termination of 212 employees. Total separation costs associated with the 2024 Restructuring Plan amounted to \$0.1 million in the first quarter of 2025 and have been included as restructuring costs in the condensed consolidated statement of operations. The following table summarizes the restructuring charges as of March 31, 2025.

	Severance Expense
Balance as of December 31, 2024	\$ 772
Restructuring charges	64
Cash payments	(257)
Non-cash charges	(32)
Balance payable and accrued liabilities as of March 31, 2025	<u>\$ 547</u>

The entire balance payable of \$0.5 million relates to the Autonomy Solutions segment.

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Note 6. Investments

Debt Securities

The Company's investments in debt securities consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury securities	\$ 24,038	\$ —	\$ (2)	\$ 24,036
Commercial paper	24,676	—	—	24,676
Corporate bonds	43,350	66	(3)	43,413
Total debt securities	\$ 92,064	\$ 66	\$ (5)	\$ 92,125
Included in cash and cash equivalents	\$ 15,152	\$ —	\$ —	\$ 15,152
Included in marketable securities	\$ 76,912	\$ 66	\$ (5)	\$ 76,973

	December 31, 2024			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury securities	\$ 10,933	\$ 22	\$ —	\$ 10,955
Commercial paper	19,067	7	—	19,074
Corporate bonds	81,207	166	(16)	81,357
Certificate of deposits	1,561	—	—	1,561
Total debt securities	\$ 112,768	\$ 195	\$ (16)	\$ 112,947
Included in cash and cash equivalents	\$ 16,280	\$ 5	\$ —	\$ 16,285
Included in marketable securities	\$ 96,488	\$ 190	\$ (16)	\$ 96,662

The following table presents the gross unrealized losses and the fair value for those debt securities that were in an unrealized loss position for less than 12 months as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025		December 31, 2024	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
U.S. treasury securities	\$ (2)	\$ 19,036	\$ —	\$ —
Corporate bonds	(3)	7,573	(16)	31,546
Total	\$ (5)	\$ 26,609	\$ (16)	\$ 31,546

Equity Investments

The Company's equity investments consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	Condensed Consolidated Balance Sheets Location	March 31, 2025		December 31, 2024	
		\$	\$	\$	\$
Money market funds ⁽¹⁾	Cash and cash equivalents	27,457	17,730	17,730	17,730
Marketable equity investments ⁽¹⁾	Marketable securities	1,890	3,165	3,165	3,165
Investment in non-marketable securities ⁽²⁾	Other non-current assets	10,000	10,000	10,000	10,000
Total		\$ 39,347	\$ 30,895	\$ 30,895	\$ 30,895

(1) Investments with readily determinable fair values.

(2) Investment in privately held company without readily determinable fair value.

The Company assesses its non-marketable equity investments quarterly for impairment. Adjustments and impairments are recorded in other income (expense), net on the condensed consolidated statements of operations.

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Note 7. Financial Statement Components

Cash and Cash Equivalents

Cash and cash equivalents consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Cash	\$ 16,713	\$ 48,825
Money market funds	27,457	17,730
U.S. treasury securities	10,182	5,519
Commercial paper	4,970	9,967
Corporate bonds	—	799
Total cash and cash equivalents	<u>\$ 59,322</u>	<u>\$ 82,840</u>

Inventory

Inventory comprised of the following (in thousands):

	March 31, 2025	December 31, 2024
Raw materials	\$ 9,915	\$ 6,932
Work-in-process	1,223	3,917
Finished goods	2,778	4,059
Total inventories, net	<u>\$ 13,916</u>	<u>\$ 14,908</u>

The Company's inventory write-downs were \$2.3 million and \$16.9 million for the three months ended March 31, 2025 and 2024, respectively. The write-downs were primarily due to obsolescence charges as a result of changes in product design, lower of cost or market assessment, yield losses, and other adjustments.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Prepaid expenses	\$ 9,740	\$ 8,321
Contract assets	2,657	16,199
Advance payments to vendors	3,537	274
Other receivables	7,617	6,704
Total prepaid expenses and other current assets	<u>\$ 23,551</u>	<u>\$ 31,498</u>

Property and Equipment

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

	March 31, 2025	December 31, 2024
Machinery and equipment	\$ 63,102	\$ 62,982
Computer hardware and software	8,448	8,404
Land	1,001	1,001
Leasehold improvements	22,620	22,620
Vehicles, including demonstration fleet	2,139	2,139
Furniture and fixtures	398	398
Construction in progress	1,360	887
Total property and equipment	99,068	98,431
Accumulated depreciation	(49,531)	(46,150)
Total property and equipment, net	<u>\$ 49,537</u>	<u>\$ 52,281</u>

Property and equipment capitalized under finance lease were not material.

Depreciation expense associated with property and equipment was \$3.4 million and \$7.1 million for the three months

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ended March 31, 2025 and 2024, respectively.

The Company continually evaluates opportunities for optimizing its manufacturing processes and product design, including evaluating its sourcing strategies to reduce per unit sensor manufacturing costs. In 2023, the Company finalized and committed to a change in sourcing of certain sub-assemblies and components from one supplier to another, which required the Company to abandon certain equipment located at the legacy supplier. As a result, the Company reduced the useful lives of the long-lived assets within the impacted asset group in line with when these assets are expected to be abandoned. The reduction in the estimated useful lives of the impacted assets resulted in the Company recording \$0.1 million and \$2.1 million of incremental accelerated depreciation charges in the three months ended March 31, 2025 and 2024, respectively.

Intangible Assets

The following table summarizes the activity in the Company's intangible assets (in thousands):

	March 31, 2025	December 31, 2024
Beginning of the period	\$ 15,556	\$ 22,994
Additions	—	—
Amortization	(1,032)	(4,188)
Impairment	—	(3,250)
End of the period	<u>\$ 14,524</u>	<u>\$ 15,556</u>

Intangible assets were acquired in connection with the Company's acquisition of Optogration in August 2021, Freedom Photonics in April 2022, and acquisition of certain assets from Solstice in June 2022 and Seagate in January 2023. The components of intangible assets were as follows (in thousands):

	March 31, 2025					December 31, 2024				
	Gross Carrying Amount	Accumulated Amortization	Impairment (1)	Net Carrying Amount	Weighted Average Remaining Period (Years)	Gross Carrying Amount	Accumulated Amortization	Impairment (1)	Net Carrying Amount	Weighted Average Remaining Period (Years)
Customer relationships	\$ 3,730	\$ (2,499)	\$ —	\$ 1,231	3.1	\$ 3,730	\$ (2,295)	\$ —	\$ 1,435	3.2
Customer backlog	650	(650)	—	—	—	650	(650)	—	—	—
Tradename	620	(495)	—	125	1	620	(464)	—	156	1.3
Assembled workforce	130	(130)	—	—	—	130	(130)	—	—	—
Developed technology	21,400	(8,232)	—	13,168	4.7	21,400	(7,435)	—	13,965	4.9
IPR&D	6,250	—	(6,250)	—	—	6,250	—	(6,250)	—	—
Total intangible assets	<u>\$ 32,780</u>	<u>\$ (12,006)</u>	<u>\$ (6,250)</u>	<u>\$ 14,524</u>	<u>4.5</u>	<u>\$ 32,780</u>	<u>\$ (10,974)</u>	<u>\$ (6,250)</u>	<u>\$ 15,556</u>	<u>4.7</u>

(1) See below for discussions related to impairment charges.

Amortization expense related to intangible assets was \$1.0 million and \$1.0 million for the three months ended March 31, 2025 and 2024, respectively.

As of March 31, 2025, the expected future amortization expense for intangible assets was as follows (in thousands):

Period	Expected Future Amortization Expense
2025 (remaining nine months)	\$ 3,095
2026	3,479
2027	3,263
2028	1,771
2029	1,635
Thereafter	1,281
Total	<u>\$ 14,524</u>

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Goodwill

The carrying amount of goodwill allocated to the Company's reportable segments was as follows (in thousands):

	Autonomy Solutions	ATS	Total
Balance as of December 31, 2024	\$ 1,750	\$ 2,244	\$ 3,994
Balance as of March 31, 2025	\$ 1,750	\$ 2,244	\$ 3,994

Total life-to-date goodwill impairment charge recorded by the ATS reportable segment was \$15.9 million. No impairment charge has been recorded by the Autonomy Solutions reportable segment.

Other Non-Current Assets

Other non-current assets consisted of the following (in thousands):

	December 31,	
	March 31, 2025	December 31, 2024
Security deposits	\$ 2,286	\$ 2,285
Non-marketable equity investment (see Note 6 for additional information)	10,000	10,000
Prepaid expenses non-current	2,895	3,587
Other non-current assets	629	804
Total other non-current assets	\$ 15,810	\$ 16,676

Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following (in thousands):

	December 31,	
	March 31, 2025	December 31, 2024
Accrued compensation and benefits	\$ 10,822	\$ 10,284
Accrued expenses	10,223	10,334
Warranty reserves	719	850
Contract liabilities	2,178	1,918
Accrued interest payable and other liabilities	11,107	8,181
Total accrued and other current liabilities	\$ 35,049	\$ 31,567

During the three months ended March 31, 2025 and 2024, the Company recorded \$0.1 million and \$2.3 million, respectively, in cost of sales (services) for estimated losses expected to be incurred on NRE service projects with certain customers. The estimated contract losses recorded in the three months ended March 31, 2025 were primarily driven by changes in scope of project deliverables agreed upon with a customer.

Note 8. Debt

2026 Convertible Senior Notes and Capped Call Transactions

In December 2021, the Company issued \$625.0 million aggregate principal amount of 1.25% Convertible Senior Notes due 2026 in a private placement, which included \$75.0 million aggregate principal amount of such notes pursuant to the exercise in full of the option granted to the initial purchasers to purchase additional notes (collectively, the "2026 Convertible Senior Notes"). The interest on the 2026 Convertible Senior Notes is payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2022. The 2026 Convertible Senior Notes will mature on December 15, 2026, unless repurchased or redeemed earlier by the Company or converted pursuant to their terms.

Each \$1,000 principal amount of the 2026 Convertible Senior Notes is initially convertible into 3.3365 shares of the Company's Class A common stock, par value \$0.0001, which is equivalent to an initial conversion price of approximately \$299.70 per share. The conversion rate is subject to adjustment upon the occurrence of certain specified events prior to the maturity date but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date or if the Company delivers a notice of redemption in respect of some or all of the 2026 Convertible Senior Notes, the Company will, under certain circumstances, increase the conversion rate of the 2026 Convertible Senior Notes for a holder who elects to convert its 2026 Convertible Senior Notes in connection with such a corporate event or convert its 2026 Convertible Senior Notes called for redemption during the related redemption period, as the case may be. The 2026 Convertible Senior Notes are redeemable, in whole or in part (subject to certain limitations), at the Company's option at

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any time, and from time to time on or before the 40th scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount of the 2026 Convertible Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, but only if certain liquidity conditions are satisfied and the last reported sale price per share of the Class A common stock exceeds 130% of the conversion price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice, and (2) the trading day immediately before the date the Company sends such notice. If the Company undergoes a fundamental change (as defined in the indenture governing the 2026 Convertible Senior Notes) prior to the maturity date, holders may require the Company to repurchase for cash all or any portion of their 2026 Convertible Senior Notes in principal amounts of \$1,000 or a multiple thereof at a fundamental change repurchase price equal to 100% of the principal amount of the 2026 Convertible Senior Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Holders of the 2026 Convertible Senior Notes may convert their 2026 Convertible Senior Notes at their option at any time prior to the close of business on the business day immediately preceding December 15, 2026, in multiples of \$1,000 principal amount, only under the following circumstances: (1) during any calendar quarter (and only during such calendar quarter) commencing after the calendar quarter ending on March 31, 2022, if the last reported sale price per share of the Class A common stock exceeds 130% of the conversion price for each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any 10 consecutive trading day period (such 10 consecutive trading day period, the "measurement period") in which the trading price per \$1,000 principal amount of 2026 Convertible Senior Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of the Class A common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of specified corporate events or distributions on the Class A common stock; and (4) if the 2026 Convertible Senior Notes are called for redemption. On or after June 15, 2026, holders may convert all or any portion of their 2026 Convertible Senior Notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date, regardless of the foregoing circumstances. Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of its Class A common stock or a combination of cash and shares of its Class A common stock, at the Company's election. As of March 31, 2025, the conditions allowing holders of the 2026 Convertible Senior Notes to convert were not met.

The 2026 Convertible Senior Notes are senior unsecured obligations and will rank equal in right of payment with the Company's future senior unsecured indebtedness; senior in right of payment to the Company's future indebtedness that is expressly subordinated to the 2026 Convertible Senior Notes; effectively subordinated to the Company's existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness; and structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent the Company is not a holder thereof) preferred equity, if any, of the Company's subsidiaries.

The Company has classified the 2026 Convertible Senior Notes as a non-current liability. Debt discount and issuance costs aggregating approximately \$6.2 million were initially recorded as a reduction to the principal amount of the 2026 Convertible Senior Notes and is being amortized as interest expense on a straight line basis over the contractual terms of the notes. The Company estimates that the difference between amortizing the debt discounts and the issuance costs using the straight line method as compared to using the effective interest rate method is immaterial.

In connection with the offering of the 2026 Convertible Senior Notes, the Company entered into privately negotiated capped call transactions with certain counterparties (the "Capped Calls"). The Capped Calls each have an initial strike price of approximately \$299.70 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2026 Convertible Senior Notes. The Capped Calls have initial cap prices of \$452.40 per share, subject to certain adjustment events. The Capped Calls are generally intended to reduce the potential dilution to the Class A common stock upon any conversion of the 2026 Convertible Senior Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted 2026 Convertible Senior Notes, as the case may be, with such reduction and/or offset subject to a cap based on the cap price. The Capped Calls expire on April 6, 2027, subject to earlier exercise. The Capped Calls are subject to either adjustment or termination upon the occurrence of specified extraordinary events affecting the Company, including a merger event, a tender offer, and a nationalization, insolvency or delisting involving the Company. In addition, the Capped Calls are subject to certain specified additional disruption events that may give rise to a termination of the Capped Calls, including changes in law, failure to deliver, and hedging disruptions. The Capped Calls are recorded in stockholders' equity and are not accounted for as derivatives. The net cost of \$73.4 million incurred to purchase the Capped Calls was recorded as a reduction to additional paid-in capital in the accompanying condensed consolidated balance sheet.

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In August 2024, pursuant to a privately negotiated exchange agreement, the Company exchanged \$421.9 million in aggregate principal amount of the outstanding 2026 Convertible Senior Notes for \$82.3 million in aggregate principal amount of its newly issued 9.0% convertible second lien senior secured notes due 2030 (the “Series 1 Notes”), and \$192.0 million in aggregate principal amount of its newly issued 11.5% convertible second lien senior secured notes due 2030 (the “Series 2 Notes”, and collectively with the Series 1 Notes, the “2030 Convertible Notes”). Concurrently with the Exchange Transaction, the Company also issued \$100.0 million aggregate principal amount of its newly issued first-lien, senior secured floating rate notes due 2028 (the “Senior Notes”) in a private placement for cash consideration of \$97.0 million. As a result of the exchange and purchase transactions (the “Note Purchase and Initial Exchange Transaction”), during the third quarter of 2024, the Company recognized \$142.2 million gain on debt extinguishment which represented the difference between the carrying value of the 2026 Convertible Senior Notes so exchanged and the collective fair value of 2030 Convertible Notes and the Senior Notes, net of the cash payment received from the investors. The extinguishment gain was recorded in other income (expense), net in the condensed consolidated statements of operations.

In March 2025, the Company entered into separate, individually negotiated private exchange agreements with certain holders of the Company’s 2026 Convertible Senior Notes to exchange \$8.2 million aggregate principal amount of 2026 Convertible Senior Notes (the “Exchanged Notes”) for newly issued shares of the Company’s Class A common stock, plus, in certain circumstances, cash in respect of accrued and unpaid interest on the Exchanged Notes (such exchanges, collectively, the “Exchange Transactions”). The Company canceled the Exchanged Notes received in the Exchange Transactions.

The Exchange Transactions settled in four consecutive daily tranches, each for \$4.6 million aggregate principal amount of Exchanged Notes, commencing on March 25, 2025. The number of shares of Class A common stock issued for each \$1,000 principal amount of Exchanged Notes in each tranche was based on a formula set forth in the Exchange Agreements. As of March 28, 2025, which was the final settlement date of the Exchange Transactions, the Company had issued an aggregate of 1,951,819 shares of Class A common stock in the Exchange Transactions. The Company did not receive any cash proceeds from the Exchange Transactions and did not pay cash to the lenders. As a result of the Exchange Transactions, during the first quarter of 2025, the Company recognized \$6.2 million gain on debt extinguishment as a result of TDR, which represented the difference between the carrying value of the 2026 Convertible Senior Notes and fair value of the Class A common stock issued and amount of legal fees incurred. The extinguishment gain was recorded in other income (expense), net in the condensed consolidated statements of operations.

The net carrying amount of the 2026 Convertible Senior Notes was as follows (in thousands):

	March 31, 2025	December 31, 2024
Principal	\$ 184,883	\$ 203,083
Unamortized debt discount and issuance costs	(1,647)	(2,068)
Net carrying amount	\$ 183,236	\$ 201,015

The following table sets forth the interest expense recognized related to the 2026 Convertible Senior Notes (in thousands):

	Three Months Ended March 31,	
	2025	2024
Contractual interest expense	\$ 622	\$ 1,948
Amortization of debt discount and issuance costs	257	809
Total interest expense	\$ 879	\$ 2,757

The remaining term over which the debt discount and issuance costs will be amortized is 2.0 years. Contractual interest expense is reflected as a component of other income (expense), net in the condensed consolidated statement of operations for the three months ended March 31, 2025 and 2024, respectively.

Senior Notes

On August 8, 2024, the Company issued \$100.0 million aggregate principal amount of Senior Notes in a private placement (the “Note Purchase”). At the time of the issuance, the fair value of the Senior Notes was \$97.0 million, resulting in a debt discount of \$3.0 million.

The Senior Notes will mature on the earlier of (i) August 15, 2028 or (ii) if more than \$90.0 million of the 2026 Convertible Senior Notes remain outstanding as of June 30, 2026, then September 15, 2026. The Senior Notes will bear floating interest at a rate equal to Term SOFR plus 9.0%, subject to a Term secured overnight financing rate (“SOFR”) floor of 3.0%.

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resulting in an effective interest rate of 15.0% as of March 31, 2025. Interest is payable quarterly in arrears on February 15, May 15, August 15, and November 15 of each year.

The Company may redeem the Senior Notes at its option, in whole at any time or in part from time to time, at the following redemption prices (expressed as percentages of principal amount) plus accrued and unpaid interest, if redeemed during the following periods, inclusive of the prepayment fee due on any such redemption: on or prior to August 15, 2026: 111%; after August 15, 2026 and on or prior to August 15, 2027: 108%; and after August 15, 2027: 103%. The Senior Notes are also subject to a customary make-whole payment in the event of any redemption or acceleration of the Senior Notes on or prior to August 15, 2025.

In the event of a change of control, as defined in the indenture governing the Senior Notes (the "First Lien Indenture"), the holders of the Senior Notes may require the Company to repurchase their notes at a cash repurchase price equal to 103% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

The Senior Notes are guaranteed by certain of the Company's current and future material subsidiaries on a senior secured basis, subject to certain criteria and exceptions. The Senior Notes and the guarantees are secured by a fully perfected first-priority lien on substantially all of the assets of the Company and certain subsidiary guarantors (the "Guarantors"), subject to certain exceptions, including any first-priority liens on customary asset-based lending collateral, including accounts receivable and inventory, pursuant to a revolving credit facility permitted under the First Lien Indenture.

The First Lien Indenture includes restrictive covenants that, among other things, limit the ability of the Company and its subsidiaries to incur additional debt, make restricted payments and grant or incur liens, in addition to a financial covenant to maintain an unrestricted cash and cash equivalents balance, plus any unused commitments then available to be drawn under any revolving credit facility permitted under the First Lien Indenture, of not less than \$35.0 million as of the last day, or for more than five days, of any calendar month. The First Lien Indenture also contains customary events of default.

The Company has classified the Senior Notes as a non-current liability. Initial debt discount and issuance costs aggregating approximately \$1.9 million were initially recorded as a reduction to the principal amount and will be amortized as interest expense over the contractual terms of the Senior Notes based on the effective interest rate of 16.0%.

The Company recognized interest expense of \$3.5 million for the Senior Notes during the three months ended March 31, 2025, which included \$0.2 million from the amortization of debt discount and issuance costs.

The net carrying amount of the Senior Notes was as follows (in thousands):

	March 31, 2025	December 31, 2024
Principal	\$ 100,000	\$ 100,000
Unamortized debt discount and issuance costs	(4,309)	(4,501)
Net carrying amount	<u>\$ 95,691</u>	<u>\$ 95,499</u>

The remaining term over which the debt discount and issuance costs will be amortized is 3.4 years.

The Company estimated the fair value of the Senior Notes using a binomial model as of August 8, 2024, with the following valuation inputs: payment interest rate of 2.4% - 14.3%, effective borrowing rate of 14.4%, interest rate volatility of 23.0%.

The Company estimated the fair value of the Senior Notes using a binomial model as of March 31, 2025, with the following valuation inputs: payment interest rate of 1.7% - 12.6%, effective borrowing rate of 9.0%, interest rate volatility of 27.3%.

2030 Convertible Notes

On August 8, 2024, the Company issued \$82.3 million in aggregate principal amount of the Series 1 Notes (the "Series 1 Notes") and \$192.0 million in aggregate principal amount of the Series 2 Notes (the "Series 2 Notes" and together with the Series 1 Notes, the "2030 Convertible Notes") (the "Initial Exchange Transaction") in exchange for \$421.9 million aggregate principal amount of outstanding 2026 Convertible Notes. At the time of the exchange, the fair value of the Series 1 Notes and the Series 2 Notes was \$87.5 million and \$186.2 million, respectively, resulting in a debt premium of \$5.2 million and a debt discount of \$5.7 million, respectively.

The 2030 Convertible Notes will mature on the earlier of (i) January 15, 2030 or (ii) if more than \$100.0 million of the 2026 Convertible Senior Notes remain outstanding as of June 30, 2026, then September 15, 2026. The Series 1 Notes bear

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interest at a rate of 9.0% per annum, and the Series 2 Notes bear interest at a rate of 11.5% per annum. Interest is payable quarterly in arrears on January 15, April 15, July 15, and October 15 of each year.

Each \$1,000 principal amount of the Series 1 Notes and Series 2 Notes is initially convertible into 45,856.8 and 27,514.1 shares of the Company's Class A common stock, which is equivalent to an initial conversion price of approximately \$21.75 and \$36.30 per share, respectively. The conversion rate is subject to adjustment upon the occurrence of certain specified events prior to the maturity date.

The 2030 Convertible Notes are convertible at the option of the holders at any time before the maturity date, at the conversion price then in effect plus a make-whole premium (the "Make-Whole Premium") equal to the lesser of (i) all regularly scheduled interest payments that would be due on the portion of such 2030 Convertible Notes being redeemed for the succeeding two year period and (ii) all regularly scheduled interest payments that would be due on the portion of such 2030 Convertible Notes being redeemed through the maturity date, and is capped at the maximum number of shares that would be issuable in connection with a conversion following a "Make-Whole Fundamental Change", as defined in the indenture governing the 2030 Convertible Notes (the "Second Lien Indenture"). The Make-Whole Premium will be payable in either cash or shares, at the Company's option.

The Company accounted for the conversion option of the Series 1 Notes and Series 2 Notes as bifurcated derivatives and are accounted for separately as derivative instruments. The bifurcated derivative instruments are liability classified and the initial fair value of the derivative instruments of \$25.2 million and \$24.0 million was recorded in the consolidated balance sheet with the corresponding amount recorded as a discount to the Series 1 Notes and Series 2 Notes, respectively, upon issuance. The Company remeasures the derivative liabilities at each reporting period with any changes recorded in other income (expense), net in the consolidated statements of operations.

If a fundamental change, as defined in the Second Lien Indenture, occurs, then holders may require the Company to repurchase their 2030 Convertible Notes at a cash repurchase price equal to 100% of the principal amount of the 2030 Convertible Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. A holder that elects to convert its 2030 Convertible Notes in connection with a fundamental change may be entitled to receive a make-whole adjustment in connection with such corporate event in certain circumstances. The definition of fundamental change includes certain business combination transactions involving the Company and certain delisting events with respect to the Company's Class A common stock.

The Company may redeem the 2030 Convertible Notes at its option, in whole at any time or in part from time to time, if the closing price of the Company's Class A common stock exceeds 130% of the conversion price for a given Series then in effect for at least 20 trading days (whether or not consecutive) during any 30 day consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption, and certain liquidity conditions are then satisfied, at a redemption price equal to (i) 100% of the principal amount of the 2030 Convertible Notes to be redeemed, plus (ii) accrued and unpaid interest to, but excluding the redemption date, and (iii) the Make-Whole Premium.

The 2030 Convertible Notes are guaranteed by certain of the Company's current and future material subsidiaries on a second-priority senior secured basis, subject to certain criteria and exceptions. The 2030 Convertible Notes and the guarantees are secured by a fully perfected second-priority lien on substantially all of the assets of the Company and the Guarantors, subject to the first-priority liens securing or otherwise permitted by the Senior Notes and any first-priority liens on customary asset-based lending collateral, including accounts receivable and inventory, pursuant to a revolving credit facility permitted under the Second Lien Indenture.

The Second Lien Indenture includes restrictive covenants substantially similar to the First Lien Indenture that, among other things, limit the ability of the Company and its subsidiaries to incur additional debt, make restricted payments and grant or incur liens, in addition to a financial covenant to maintain an unrestricted cash and cash equivalents balance, plus any unused commitments then available to be drawn under any revolving credit facility permitted under the Second Lien Indenture, of not less than \$31.5 million as of the last day, or for more than five days, of any calendar month. The Second Lien Indenture also contains customary events of default.

The Company has classified the 2030 Convertible Notes as a non-current liability. Initial debt discount (including the initial fair value of the bifurcated derivative liabilities) and issuance costs aggregating approximately \$21.6 million and \$33.3 million were initially recorded as a reduction to the principal amount of the Series 1 Notes and Series 2 Notes, respectively, and will be amortized as interest expense over the contractual terms of the 2030 Convertible Notes based on the effective interest rates of 16.3% and 16.3%, respectively.

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During the three months ending March 31, 2025, \$2.0 million in aggregate principal amount of Series 2 Notes were converted by the holders. The Company issued 127,466 shares of the Class A common stock to settle such conversion. The Company recognized a debt extinguishment gain of \$0.6 million on such conversions which was recorded in other income (expense), net in the condensed consolidated statements of operations.

The Company recognized interest expense of \$1.7 million and \$6.2 million for the Series 1 Notes and Series 2 Notes, respectively, during the three months ended March 31, 2025, which included \$0.5 million and \$1.0 million, respectively, from the amortization of debt discount and issuance costs.

The net carrying amount of the 2030 Convertible Notes was as follows (in thousands):

	March 31, 2025		December 31, 2024	
	Series 1 Notes	Series 2 Notes	Series 1 Notes	Series 2 Notes
Principal	\$ 55,245	\$ 181,453	\$ 55,245	\$ 183,453
Unamortized debt discount and issuance costs	(13,348)	(28,991)	(13,800)	(30,306)
Net carrying amount	<u>\$ 41,897</u>	<u>\$ 152,462</u>	<u>\$ 41,445</u>	<u>\$ 153,147</u>

The remaining term over which the debt discount and issuance costs will be amortized is 4.8 years.

The conversion option and other features of the Series 1 Notes and Series 2 Notes are accounted for as bifurcated derivative liabilities. The derivative liabilities are considered a Level 3 valuation and are recorded at the estimated fair value at the end of each reporting period, with the changes in fair value recognized within other expense, net in the condensed consolidated statements of operations.

The following table shows the estimated fair value of the derivative liabilities and the change in fair value:

	March 31, 2025		March 31, 2024	
	Series 1 Notes	Series 2 Notes	Series 1 Notes	Series 2 Notes
Derivative liability, beginning of period	\$ 3,242	\$ 6,168	\$ —	\$ —
Change in fair value	1,928	1,743	—	—
Decrease of derivative liability upon exercise of conversion option	—	(69)	—	—
Derivative liability, end of period	<u>\$ 5,170</u>	<u>\$ 7,842</u>	<u>\$ —</u>	<u>\$ —</u>

The Company estimated the fair value of the 2030 Convertible Notes and derivative liability using a binomial model, with the following valuation inputs:

	Series 1 Notes		Series 2 Notes	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Conversion price	\$ 21.81	\$ 21.81	\$ 36.35	\$ 36.35
Risk-free rate	3.88 %	4.30 %	3.88 %	4.30 %
Effective borrowing rate	41.97 %	10.75 %	41.97 %	10.75 %
Volatility	70.00 %	50.00 %	70.00 %	50.00 %
Stock price	\$ 5.39	\$ 5.38	\$ 5.39	\$ 5.38
Payment interest rate	9.00 %	9.00 %	11.50 %	11.50 %
Redemption price	\$ 28.35	\$ 28.35	\$ 47.25	\$ 47.25

Credit Facility

In February 2024, the Company entered into two non-recourse loan and securities pledge agreements (the "Loan Agreements") with The St. James Bank & Trust Company Ltd. (the "Lender"), pursuant to which the Company may borrow up to an aggregate of \$50.0 million (the "Credit Facility"). Any loans made by the Lender under the Loan Agreements would be collateralized by shares of the Company's Class A common stock or stock the Company holds as investments in other companies. The Loan Agreements require the Company to pay an up-front structure fee of 1.5% on any amounts borrowed, and any outstanding amounts would bear interest at 8.0% per annum. The Company has not borrowed any amounts under the Credit Facility and had no outstanding balance as of March 31, 2025.

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Note 9. Fair Value Measurements

As of March 31, 2025, the Company carried cash equivalents, marketable investments, bifurcated derivatives associated with the 2030 Convertible Notes and Private Warrants that are measured at fair value on a recurring basis. Additionally, the Company measures its equity-settled fixed value awards at fair value on a recurring basis. See Note 12 for further information on the Company's fixed value equity awards.

Fair value is based on the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 — Observable inputs, which include unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than Level 1 inputs, such as quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are based on management's assumptions, including fair value measurements determined by using pricing models, discounted cash flow methodologies or similar techniques.

The Company determined the fair value of its Level 1 financial instruments, which are traded in active markets, using quoted market prices for identical instruments.

Marketable investments classified within Level 2 of the fair value hierarchy are valued based on other observable inputs, including broker or dealer quotations, alternative pricing sources or U.S. Government Treasury yield of appropriate term. When quoted prices in active markets for identical assets or liabilities are not available, the Company relies on non-binding quotes from its investment managers, which are based on proprietary valuation models of independent pricing services. These models generally use inputs such as observable market data, quoted market prices for similar instruments, or historical pricing trends of a security as relative to its peers. To validate the fair value determination provided by its investment managers, the Company reviews the pricing movement in the context of overall market trends and trading information from its investment managers. The Company performs routine procedures such as comparing prices obtained from independent sources to ensure that appropriate fair values are recorded.

Given that the transfer of Private Warrants to anyone outside of a small group of individuals constituting the sponsors of Gores Metropoulos, Inc. ("Gores") would result in the Private Warrants having substantially the same terms as warrants issued in connection with the initial public offering of Gores ("Public Warrants"), management determined that the fair value of each Private Warrant is the same as that of a Public Warrant, with an insignificant adjustment for short-term marketability restrictions. The fair value of Private Warrants was at de minimis as of March 31, 2025 and December 31, 2024.

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The Company's financial assets and liabilities subject to fair value measurements on a recurring basis and the level of inputs used for such measurements were as follows (in thousands):

	Fair Value Measured as of March 31, 2025:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	\$ 27,457	\$ —	\$ —	\$ 27,457
U.S. treasury securities	10,182	—	—	10,182
Commercial paper	—	4,970	—	4,970
Total cash equivalents	<u>\$ 37,639</u>	<u>\$ 4,970</u>	<u>\$ —</u>	<u>\$ 42,609</u>
Marketable investments:				
U.S. treasury securities	\$ 13,854	\$ —	\$ —	\$ 13,854
Commercial paper	—	19,706	—	19,706
Corporate bonds	—	43,413	—	43,413
Marketable equity investments	1,890	—	—	1,890
Total marketable investments	<u>\$ 15,744</u>	<u>\$ 63,119</u>	<u>\$ —</u>	<u>\$ 78,863</u>
Liabilities:				
Derivative liability	\$ —	\$ —	\$ (13,012)	\$ (13,012)
Private warrant	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

	Fair Value Measured as of December 31, 2024:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	\$ 17,730	\$ —	\$ —	\$ 17,730
U.S. treasury securities	5,519	—	—	5,519
Commercial paper	—	9,967	—	9,967
Corporate bonds	—	799	—	799
Total cash equivalents	<u>\$ 23,249</u>	<u>\$ 10,766</u>	<u>\$ —</u>	<u>\$ 34,015</u>
Marketable investments:				
U.S. treasury securities	\$ 5,436	\$ —	\$ —	\$ 5,436
Certificate of deposits	—	1,561	—	1,561
Commercial paper	—	9,107	—	9,107
Corporate bonds	—	80,558	—	80,558
Marketable equity investments	3,165	—	—	3,165
Total marketable investments	<u>\$ 8,601</u>	<u>\$ 91,226</u>	<u>\$ —</u>	<u>\$ 99,827</u>
Liabilities:				
Derivative liability	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (9,410)</u>	<u>\$ (9,410)</u>

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As of March 31, 2025 and December 31, 2024, the estimated fair value of the Company’s outstanding 2026 Convertible Senior Notes was \$11.3 million and \$93.6 million, respectively. The fair value was determined based on the quoted price of the 2026 Convertible Senior Notes in an inactive market on the last trading day of the reporting period and have been classified as Level 2 in the fair value hierarchy. See Note 8 for further information on the Company’s 2026 Convertible Senior Notes.

As of March 31, 2025, the estimated fair value of the Series 1 Notes and Series 2 Notes of the 2023 Convertible Notes, excluding the bifurcated derivative liabilities value was \$9.5 million and \$178.9 million, respectively. As of December 31, 2024, the estimated fair value of the Series 1 Notes and Series 2 Notes of the 2023 Convertible Notes, excluding the bifurcate derivative liabilities value was \$52.1 million and \$190.8 million, respectively. As of March 31, 2025 and December 31, 2024, the estimated fair value of the Senior Notes was \$109.4 million and \$111.0 million, respectively. The fair value was determined based on a binomial lattice model and have been classified as Level 3 in the fair value hierarchy. See Note 8 for further information on these notes.

The Company’s other financial instruments’ fair value, including accounts receivable, accounts payable and other current liabilities, approximate its carrying value due to the relatively short maturity of those instruments. The carrying amounts of the Company’s finance leases approximate their fair value, which is the present value of expected future cash payments based on assumptions about current interest rates and the creditworthiness of the Company.

Note 10. Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is calculated by dividing net income by the weighted average number of common shares and potentially dilutive securities outstanding during the period, using the treasury stock method for the employee equity incentive plans and stock-based awards, and the if-converted method for the 2026 Convertible Senior Notes and 2030 Convertible Notes. If the Company reports a net loss, the computation of diluted loss per share excludes the effect of dilutive common stock equivalents, as their effect would be antidilutive. The Company computes earnings (loss) per share using the two-class method for its Class A and Class B common stock. Earnings (loss) per share is same for both Class A and Class B common stock since they are entitled to the same liquidation and dividend rights.

The following table sets forth the computation of basic and diluted loss per share for the three months ended March 31, 2025 and 2024 (in thousands, except for share and per share amounts):

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net loss	\$ (80,691)	\$ (125,714)
Denominator:		
Weighted average common shares outstanding—Basic and diluted	42,093,255	28,307,044
Net loss per share—Basic and diluted	\$ (1.92)	\$ (4.44)

The following table presents the potential shares of common stock outstanding that were excluded from the computation of diluted net loss per share of common stock as of March 31, 2025 because including them would have been antidilutive or related contingencies on issuance of shares had not been met for the three months ended March 31, 2025:

	March 31, 2025
Warrants	383,836
Stock-based awards—Equity classified	2,377,917
Stock-based awards—Liability classified	4,101,550
Vendor stock-in-lieu of cash program	984,847
Series 1 Notes	2,533,361
Series 2 Notes	4,992,516
2026 Convertible Senior Notes	616,862
Earn-out shares	573,780
Total	16,564,669

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Note 11. Stockholders' Equity

Class A and Class B Common Stock

The Company's board of directors (the "Board") has authorized two classes of common stock, Class A and Class B. As of March 31, 2025, the Company had authorized 715,000,000 shares of Class A common stock and 121,000,000 shares of Class B common stock with a par value of \$0.0001 per share for each class. As of March 31, 2025, the Company had 41,972,778 shares issued and 40,515,215 shares outstanding of Class A common stock, and 4,872,578 shares issued and outstanding of Class B common stock. Holders of Class A and Class B common stock have identical rights, except that holders of the Class A common stock are entitled to one vote per share and the holder of the Class B common stock is entitled to ten votes per share. Shares of Class B common stock can be converted to shares of Class A common stock at any time at the option of the stockholder and automatically convert upon sale or transfer, except for certain transfers specified in the Company's Second Amended and Restated Certificate of Incorporation.

Equity Financing Program

On February 28, 2023, the Company entered into an agreement (the "2023 Sales Agreement") with Virtu Americas LLC (the "Agent") under which the Company could offer and sell, from time to time in its sole discretion, shares of the Company's Class A common stock with aggregate gross sales proceeds of up to \$75.0 million through an equity offering program under which the Agent will act as sales agent (the "Equity Financing Program"). The Company completed sales of common stock under the 2023 Sales Agreement in March 2024.

On May 3, 2024, the Company entered into an agreement (the "2024 Sales Agreement") with the Agent, which extended the Equity Financing Program under the 2023 Sales Agreement. Under the 2024 Sales Agreement, the Company may offer and sell, from time to time in its sole discretion, shares of the Company's Class A common stock with aggregate gross sales proceeds of up to an additional \$150.0 million under the Equity Financing Program. The Company intends to use the net proceeds, from offerings under this program for expenditures or payments in connection with strategic investments, partnerships and similar transactions, repurchases of outstanding convertible debt securities, and for general corporate and business purposes.

In August 2024, the Company increased the Equity Financing Program by an additional \$50.0 million pursuant to the 2024 Sales Agreement.

Under the 2024 Sales Agreement, the Company sets the parameters for the sale of the shares, including the number of shares to be issued, the time period during which sales are requested to be made, limitations on the number of shares that may be sold in any one trading day and any minimum price below which sales may not be made. Subject to the terms and conditions of the 2024 Sales Agreement, the Agent has agreed to use its commercially reasonable efforts, consistent with its normal trading and sales practices, to sell the shares by methods deemed to be an "at the market" offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, (the "Securities Act"), including sales made through The Nasdaq Global Select Market.

In March 2025, the Company expanded the program under the 2024 Sales Agreement with the Agent, under which the Company may offer and sell, from time to time in its sole discretion, shares of its Class A common stock, with aggregate gross proceeds of up to an additional \$75.0 million under the Equity Financing Program. The Company intends to use the net proceeds from offerings under the Equity Financing Program for general corporate purposes, including payment of interest on debt and otherwise to repay, repurchase, or service such debt.

The Company issued 70,053 shares of Class A common stock under the Equity Financing Program during the three months ended March 31, 2025 for net proceeds of \$0.4 million. As of March 31, 2025, the amount available for sale under the 2024 Sales Agreement was \$208.6 million.

Private Warrants

As of December 31, 2024, the number of shares of Class A common stock issuable upon exercise of the outstanding Private Warrants were 11,218 shares. No Private Warrants were exercised in the three months ended March 31, 2025. The Private Warrants expire on December 2, 2025. Each Private Warrant allows the holder to purchase one share of Class A common stock at \$72.50 per share.

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Stock-in-lieu of Cash Program

The Company has entered into arrangements with certain vendors and other third parties wherein the Company at its discretion may elect to compensate the respective vendors and third parties for services provided either in cash or by issuing shares of the Company's Class A common stock. The Company considers the shares issuable under this Stock-in-lieu of Cash Program as liability classified awards when the arrangement with the vendors requires the Company to issue a variable number of shares to settle amounts owed.

During the three months ended March 31, 2025, the Company issued 1,000,000 shares of Class A common stock to an affiliate of a Company vendor, TPK Holding Co., Ltd. ("TPK"), under the Stock-in-lieu of Cash Program. The shares were issued as consideration for service to be rendered or other payment obligations over the next several fiscal quarters, pursuant to contractual arrangements between the Company and TPK. As of March 31, 2025, the Company had a total of \$4.5 million in prepaid expenses and other current and non-current assets related to its Stock-in-lieu of Cash Program.

The Company's vendor Stock-in-lieu of Cash Program activity for the three months ended March 31, 2025 was as follows:

	Shares	Weighted Average Grant Date Fair Value per Share
Unvested shares as of December 31, 2024	2,632	\$ 91.05
Granted	1,000,000	6.15
Vested	(1,000,000)	6.15
Unvested shares as of March 31, 2025	<u>2,632</u>	<u>91.05</u>

Note 12. Stock-based Compensation

Prior to becoming a publicly traded entity, the Company issued incentive stock options, non-qualified stock options, and restricted stock to employees and non-employee consultants under its 2015 Stock Plan (the "2015 Plan"). Since the closing of the business combination between Gores Metropoulos, Inc. and Luminar Technologies, Inc. on December 2, 2020 (the "Business Combination"), the Company has not issued any new stock-based awards under the 2015 Plan.

In December 2020, the Board adopted, and the Company's stockholders approved the 2020 Equity Incentive Plan (the "2020 Plan"). The 2020 Plan became effective upon the closing of the Business Combination. Under the 2020 Plan, the Company was originally authorized to issue a maximum number of 2,439,218 shares of Class A common stock.

In June 2022, the Company's stockholders approved an amendment and restatement of the Company's 2020 Plan (the "Amended 2020 Plan") to increase the number of shares of Class A common stock authorized for issuance by 2,400,000 additional shares and added an evergreen provision under which the number of shares of Class A common stock available for issuance under the Amended 2020 Plan will be increased on the first day of each fiscal year of the Company beginning with the 2023 fiscal year and ending on (and including) the first day of the 2030 fiscal year, in an amount equal to the lesser of (i) 5% of the outstanding shares of common stock on the last day of the immediately preceding fiscal year, (ii) 2,666,666 shares or (iii) such number of shares determined by the Board. Pursuant to the evergreen provision, 2,073,584 additional shares of Class A common stock were added to the Amended 2020 Plan on January 1, 2025.

In June 2024, the Company's stockholders approved an amendment and restatement of the Company's Amended 2020 Plan (the "Amended and Restated EIP") to increase the number of shares of Class A common stock authorized for issuance by 1,333,333 additional shares of Class A common stock.

Stock Options

Under the terms of the 2015 Plan, incentive stock options had an exercise price at or above the fair market value of the stock on the date of the grant, while non-qualified stock options were permitted to be granted below fair market value of the stock on the date of grant. Stock options granted have service-based vesting conditions only. The service-based vesting conditions vary, though typically, stock options vest over four years with 25% of stock options vesting on the first anniversary of the grant and the remaining 75% vesting monthly over the remaining 36 months. Option holders have a 10-year period to exercise their options before they expire. Forfeitures are recognized in the period of occurrence.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

The Company's stock option activity for the three months ended March 31, 2025 was as follows:

	Number of Common Stock Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In Thousands)
Outstanding as of December 31, 2024	412,207	\$ 24.84	4.68	\$ —
Granted	—	—		
Exercised	—	—		
Cancelled/Forfeited	(11,704)	25.05		
Outstanding as of March 31, 2025	<u>400,503</u>	<u>24.84</u>	4.55	\$ 4

Restricted Stock Units

Since the closing of the Business Combination, the Company has granted restricted stock units ("RSUs") under the Amended and Restated EIP (and prior to its amendment and restatement, under the Amended 2020 Plan and the 2020 Plan). Each RSU granted under the Amended and Restated EIP represents a right to receive one share of the Company's Class A common stock when the RSU vests. RSUs generally vest over a period up to six years. The Company has granted certain performance-based equity awards that vest upon achievement of certain performance milestones. The fair value of RSUs is equal to the fair value of the Company's common stock on the date of grant.

The Company's Time-Based RSUs and Performance-Based and Other RSUs activity for the three months ended March 31, 2025 was as follows:

	Time-Based RSUs		Performance-Based and Other RSUs	
	Shares	Weighted Average Grant Date Fair Value per Share	Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2024	1,765,668	\$ 56.60	864	\$ 231.30
Granted	1,152,157	5.72	308,334	5.60
Forfeited	(160,004)	48.53	—	—
Vested	(780,407)	24.67	—	—
Outstanding as of March 31, 2025	<u>1,977,414</u>	<u>40.21</u>	<u>309,198</u>	<u>6.23</u>

Fixed Value Equity Awards

The Company issues fixed value equity awards to certain employees as a part of their compensation package. These awards are issued as RSUs under the Amended and Restated EIP (and prior to its amendment and restatement, under the Amended 2020 Plan and the 2020 Plan) and are accounted for as liability classified awards under ASC 718 — Stock Compensation. Fixed value equity awards granted have service-based conditions only and vest quarterly over a period of up to six years. These awards represent a fixed dollar amount settled in a variable number of shares determined at each vesting period.

Freedom Photonics Awards

As part of the Freedom Photonics acquisition in April 2022, the Company owed up to \$9.8 million of post combination compensation related to certain service and performance conditions including achievement of certain technical and financial milestones. As of March 31, 2025, it is probable that the remaining conditions will be met for an amount equal to approximately \$4.5 million of post combination compensation.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Management Awards

Activity of the Company's management awards that include market conditions for the three months ended March 31, 2025 was as follows:

	Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2024	915,830	\$ 106.99
Granted	—	—
Forfeited	—	—
Vested	—	—
Outstanding as of March 31, 2025	<u>915,830</u>	<u>106.99</u>

Compensation expense

Stock-based compensation expense by function was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Cost of sales	\$ 1,291	\$ 3,395
Research and development	6,337	14,484
Sales and marketing	1,166	5,223
General and administrative	10,634	21,363
Stock-based compensation related to restructuring	(48)	—
Total	<u>\$ 19,380</u>	<u>\$ 44,465</u>

Stock-based compensation expense by type of award was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Equity Classified Awards:		
Stock options	\$ —	\$ 262
RSUs	12,485	31,339
Management awards	5,546	5,716
ESPP	203	364
Stock-based compensation related to restructuring	(48)	—
Liability Classified Awards:		
Equity-settled fixed value	1,928	4,013
Freedom Photonics	555	2,214
Other	(1,289)	557
Total	<u>\$ 19,380</u>	<u>\$ 44,465</u>

Note 13. Income Taxes

Provision for income taxes for each of the three months ended March 31, 2025 and 2024 was \$0.1 million and \$0.6 million, respectively. The effective tax rate was 0.2% and 0.5% for the three months ended March 31, 2025 and 2024, respectively. The effective tax rates differ significantly from the statutory tax rate of 21%, primarily due to the Company's valuation allowance movement in each period presented and taxes on foreign earnings.

Note 14. Leases

The Company leases office and manufacturing facilities under non-cancelable operating leases expiring at various dates through August 2032. Some of the Company's leases include one or more options to renew, with renewal terms that if exercised by the Company, extend the lease term from one to six years. The exercise of these renewal options is at the Company's

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

discretion. The Company's lease agreements do not contain any material terms and conditions of residual value guarantees or material restrictive covenants. The Company's short-term leases and sublease income were not material.

The components of lease expenses were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Operating lease cost	\$ 2,410	\$ 2,720
Variable lease cost	250	327
Total operating lease cost	\$ 2,660	\$ 3,047

Supplemental cash flow information related to leases was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Cash paid for operating leases included in operating activities	\$ (2,648)	\$ (2,336)
Recognition/derecognition of right-of-use asset in exchange for lease obligations:		
Operating leases	\$ —	\$ 3,842

Supplemental balance sheet information related to leases was as follows (in thousands):

	March 31, 2025	December 31, 2024
Operating leases:		
Operating lease right-of-use assets	\$ 29,561	\$ 31,479
Operating lease liabilities:		
Operating lease liabilities, current	\$ 9,968	\$ 10,049
Operating lease liabilities, non-current	22,007	24,083
Total operating lease liabilities	\$ 31,975	\$ 34,132

Weighted average remaining terms were as follows (in years):

	March 31, 2025	December 31, 2024
Weighted average remaining lease term		
Operating leases	3.98	4.20

Weighted average discount rates were as follows:

	March 31, 2025	December 31, 2024
Weighted average discount rate		
Operating leases	6.26 %	6.25 %

Maturities of lease liabilities were as follows (in thousands):

	Operating Leases
Year Ending March 31,	
2025 (remaining nine months)	\$ 7,669
2026	9,727
2027	8,766
2028	5,872
2029	1,506
Thereafter	2,555
Total lease payments	36,095
Less: imputed interest	(4,120)
Total leases liabilities	\$ 31,975

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 15. Commitments and Contingencies

Purchase Obligations

The Company purchases goods and services from a variety of suppliers in the ordinary course of business. Purchase obligations are defined as agreements that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum, or variable price provisions, and the approximate timing of the transaction. The Company had purchase obligations primarily for purchases of inventory, R&D, and general and administrative activities totaling \$87.4 million as of March 31, 2025.

Legal Matters

From time to time, the Company is involved in actions, claims, suits and other proceedings in the ordinary course of business, including assertions by third parties relating to intellectual property infringement, breaches of contract or warranties or employment-related matters. When it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated, the Company records a liability for such loss contingencies. The Company's estimates regarding potential losses and materiality are based on the Company's judgment and assessment of the claims utilizing currently available information. Although the Company will continue to reassess its reserves and estimates based on future developments, the Company's objective assessment of the legal merits of such claims may not always be predictive of the outcome and actual results may vary from the Company's current estimates. The Company's current legal accrual is not material to the financial statements.

On May 26, 2023, a putative class action styled *Johnson v. Luminar Technologies, Inc., et al.*, Case No. 6:23-cv-00982-PGB-LHP, was filed in the United States District Court for the Middle District of Florida, against the Company and an employee. The suit asserts purported claims on behalf of purchasers of the Company's securities between February 28, 2023 and March 17, 2023 under Sections 10(b) and 20(a) of the Exchange Act for allegedly misleading statements regarding the Company's photonic integrated circuits technology. Defendants filed a motion to dismiss the complaint on December 29, 2023, the motion was granted, and on July 8, 2024 Plaintiff filed a second amended complaint. Defendants filed a motion to dismiss the second amended complaint on August 22, 2024, and the motion was granted on December 12, 2024. Plaintiff filed a third amended complaint and Defendants filed their motion to dismiss the third amended complaint on February 24, 2025. The Company intends to continue to vigorously defend the litigation. The Company presently does not expect this matter to have a material adverse impact on the Company's financial results and did not accrue anything related to this matter as of March 31, 2025. On October 21, 2023, a shareholder derivative suit entitled *Bhavsar v. McAuliffe, et al.* Bhavsar v. McAuliffe, et al., No. 6:23-cv-02037 was filed in the United States District Court for the Middle District of Florida against directors of the Company and an employee. The suit avers claims for purported breaches of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, waste, aiding and abetting, and contribution under Sections 10(b) and 21D of the Exchange Act on the basis of the same purported wrongdoing alleged in the first lawsuit described above. In November 2023, three additional shareholder derivative suits averring similar claims to *Bhavsar* were filed in the United States District Court for the District of Delaware: *Lance Dechant, et al. v. Alec E. Gores, et al.*, C.A. No. 23-cv-01318-UNA, *Hutchinson v. Russell, et al.*, C.A. No. 23-cv-01345-UNA, and *Ulerio v. Russell, et al.*, C.A. No. 23-cv-01359-UNA. The Company disputes the allegations in the complaint and intends to vigorously defend the litigation. The Company has determined that the likelihood of this matter resulting in a material adverse impact on the Company's financial results is remote.

Note 16. Segment and Customer Concentration Information

Reportable segments are (i) Autonomy Solutions and (ii) ATS, which also represent our operating segments. See Note 2 for additional information on the Company's operating segments. These segments reflect the way the chief operating decision maker ("CODM") evaluates the Company's business performance and manages its operations. Each segment has distinct product offerings, customers and market penetration. The Chief Executive Officer is the CODM of the Company.

The Company's CODM evaluates segment performance using segment operating loss and segment assets to allocate operating and capital resources to each segment. The CODM also considers other financial information, including revenue data broken down by products and services within the Autonomy Solutions and ATS segments.

Autonomy Solutions

This segment manufactures and distributes commercial LiDAR sensors that measure distance using laser light for automotive mobility applications. This segment is impacted by trends in the automobile and autonomous vehicles sector and the infrastructure/technology sector.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

ATS

This segment is in the business of development of semiconductor technology based lasers and sensors. This segment also designs, tests and provides consulting services for development of integrated circuits. This segment is impacted by trends in and the strength of the automobile and aeronautics sectors as well as government spending in military and defense activities.

The accounting policies of the operating segments are the same as those described in Note 2. Segment operating results and reconciliations to the Company's condensed consolidated balances are as follows (in thousands):

Three Months Ended March 31, 2025				
	Autonomy Solutions	ATS	Total	
Revenue:				
Products	\$ 9,960	\$ 3,012	\$	12,972
Services	3,797	2,117		5,914
Intersegment revenue	—	3,210		3,210
	13,757	8,339		22,096
<i>Reconciliation of revenue</i>				
Elimination of intersegment revenue				(3,210)
Total revenue				18,886
Less:				
Depreciation and amortization	3,670	743		4,413
Other segment items (a)	77,567	12,388		89,955
Operating loss	\$ (67,480)	\$ (4,792)	\$	(72,272)
<i>Reconciliation of profit or loss</i>				
Other income (expense), net				(8,272)
Loss before provision for income taxes			\$	(80,544)
Other significant items:				
Total assets	\$ 276,753	\$ 42,696	\$	319,449
Inventory	\$ 10,302	\$ 3,614	\$	13,916

(a) For each reportable segment, the other segment items category includes:

- Autonomy Solutions - Professional and contracting service expenses, travel expenses, insurance and maintenance expenses, utility expenses, restructuring costs and certain overhead expenses.
- ATS - Professional and contracting service expenses, courier & postage expenses, insurance expenses, facility maintenance & utility expenses, restructuring costs and certain overhead expenses.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Three Months Ended March 31, 2024

	Autonomy Solutions	ATS	Total
Revenue:			
Products	\$ 14,289	\$ 1,013	\$ 15,302
Services	2,031	3,635	5,666
Intersegment revenue	—	5,511	5,511
	16,320	10,159	26,479
<i>Reconciliation of revenue</i>			
Elimination of intersegment revenue			(5,511)
Total revenue			20,968
Less:			
Depreciation and amortization	7,428	638	8,066
Other segment items (a)	133,910	10,272	144,182
Operating loss	\$ (125,018)	\$ (751)	\$ (125,769)
<i>Reconciliation of profit or loss</i>			
Other income (expense), net			642
Loss before provision for income taxes			\$ (125,127)
Other significant items:			
Total assets	\$ 420,767	\$ 47,178	\$ 467,945
Inventory	\$ 11,825	\$ 4,592	\$ 16,417

(a) For each reportable segment, the other segment items category includes:

- Autonomy Solutions - Professional and contracting service expenses, travel expenses, insurance and maintenance expenses, utility expenses, restructuring costs and certain overhead expenses.
- ATS - Professional and contracting service expenses, courier & postage expenses, insurance expenses, facility maintenance & utility expenses, restructuring costs and certain overhead expenses.

Two customers, customer A and customer B of the Autonomy Solutions segment, accounted for 42% and 20%, respectively, of the Company's revenue for the three months ended March 31, 2025. Three customers, customer B, customer C and customer D of Autonomy Solutions segment, accounted for 48%, 11% and 10% of the Company's revenue for the three months ended March 31, 2024, respectively. A vast majority of the Company's long-lived assets are located in North America.

Note 17. Subsequent Events

Equity Financing Program

In April 2025, the Company issued 1,317,261 shares of Class A common stock under the Equity Financing Program for net proceeds of \$0.1 million.

Restructuring

On May 15, 2025, Luminar Technologies, Inc. (the "Company") began executing additional restructuring efforts ("2025 Restructuring Plan"), including a reduction in its workforce. The actions associated with the 2025 Restructuring Plan commenced immediately and are expected to be substantially complete by the end of 2025. The Company estimates that it will incur approximately \$4.0 million to \$5.0 million in cash charges in connection with the 2025 Restructuring Plan, associated with employee severance and related employee costs, as well as additional non-cash charges related to acceleration of certain previously granted stock-based awards as part of severance packages for employees impacted under the 2025 Restructuring Plan. These charges are expected to be incurred primarily in the second and third quarters of 2025. The Company's estimates are subject to a number of assumptions, and actual results may differ materially. The Company may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the 2025 Restructuring Plan.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Series A Convertible Preferred Stock Financing

On May 19, 2025, the Company entered into a securities purchase agreement (the “Series A Purchase Agreement”) with certain institutional accredited investors, pursuant to which the Company may issue and sell, in a series of registered direct offerings, up to an aggregate of 200,000 shares of newly designated Series A Convertible Preferred Stock, par value \$0.0001 per share, with a stated value of \$1,000 per share (the “Series A Preferred Stock”), to the investors at a purchase price of \$960.00 per share. The initial offering for 35,000 shares of Series A Preferred Stock is expected to close on or about May 21, 2025, following the satisfaction or waiver of certain closing conditions set forth in the Series A Purchase Agreement, for net proceeds to the Company of \$33.6 million, before deducting placement agent fees and other offering expenses.

As consideration for the investors’ commitment to purchase shares of Series A Preferred Stock pursuant to the Series A Purchase Agreement, the Company also agreed to issue 2.0 million in shares of Class A common stock to the lead investor of the Series A Preferred Stock financing.

Each additional closing under the Series A Purchase Agreement is at the option of the Company upon notice to the investors and subject to the satisfaction or waiver of certain closing conditions set forth in the Series A Purchase Agreement, including, among others and subject to certain qualifications, the absence of certain defaults, no material adverse effect, a minimum liquidity requirement, satisfaction of certain trading price and volume thresholds during the ten consecutive trading day period preceding the additional closing, that any such additional closing may be no less than 60 days following the immediately preceding closing (or, if more than 25,000 shares of Series A Preferred Stock were sold at the immediately preceding closing, 90 days or such earlier date after 60 days following the immediately preceding additional closing that the investors no longer hold any shares of the Series A Preferred Stock sold at the immediately preceding closing) and receipt of the stockholder approval for purposes of Nasdaq listing rules (as described below) prior to the first such additional closing.

The terms, rights, obligations and preferences of the Series A Preferred Stock, including voluntary conversion and redemption provisions, as well as beneficial ownership and voting restrictions and share cap limitations, will be set forth in a certificate of designations to be filed with the Delaware Secretary of State prior to the initial closing. The Series A Preferred Stock will be convertible, at the holder’s option at any time, subject to certain exceptions as set forth in the certificate of designations, into shares of the Company’s Class A common stock. The certificate of designations will contain limitations on conversion to prevent the issuance by the Company of more shares of Class A common stock upon conversion of the Series A Preferred Stock than would be permissible under Nasdaq listing rules without first obtaining stockholder approval. The Series A Preferred Stock will also be entitled to receive dividends payable-in-kind at the rate of 18.0% per annum from and after the occurrence of certain triggering events set forth in the certificate of designations, subject to certain restrictions and provisions as set forth in the certificate of designations.

ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion in conjunction with the condensed consolidated financial statements and notes thereto included elsewhere in this Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Annual Report”) filed with the SEC on March 28, 2025. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed under the caption “Risk Factors” in our 2024 Annual Report and elsewhere in this Form 10-Q. See also “Cautionary Note Regarding Forward-Looking Statements” at the beginning of this Form 10-Q.

Overview

We are a technology company specializing in advanced Light Detection and Ranging (LiDAR) hardware and software solutions to enable the world’s safest and smartest vehicles. Over the past decade, we have been developing proprietary LiDAR hardware, core semiconductor components, and software in-house to meet the demanding performance, safety, reliability, and cost requirements to enable next-generation safety and autonomous capabilities for passenger and commercial vehicles, as well as other adjacent markets.

Beyond sensor hardware, our product portfolio has expanded to include semiconductor components of our LiDAR that have utility in adjacent markets, in-development software capabilities such as perception and high-definition “3D” mapping, certain data sets and other information, all of which we anticipate will monetize the ecosystem of improved safety and autonomy created by our LiDAR. Substantially all of our software products have not achieved technological feasibility or have been commercialized.

Industrialization Update

We continue to execute on our industrialization plan in conjunction with our automaker partners. We have contract manufacturing services agreements to enable series production of our Iris LiDAR sensors with Celestica and Fabrinet, whereby Fabrinet is responsible for assembly and testing of our transceiver sub-component based on our design and components and Celestica is responsible for final assembly and testing of our LiDAR sensor including the transceiver from Fabrinet. We also have a partnership with TPK Group, whereby we established an engineering center in China, staffed by TPK, to assist with our industrialization efforts, including manufacturing process design, development and validation, component process verification and validation, supplier development support, system validation, cost analysis, and benchmarking.

We achieved start of production (“SOP”) for Volvo Cars at the manufacturing facility in Mexico in 2024 and began shipping production LiDAR sensors for the Volvo EX90. Through the first quarter of 2025, we continued to meet all key deliverables for our customer’s production ramp.

We continually evaluate opportunities for optimizing our manufacturing and product design processes, including evaluating our sourcing strategies to reduce future per unit sensor manufacturing costs. In 2023, we commenced a change in sourcing of certain sub-assemblies and components from one supplier to another, which required us to abandon certain equipment located at the legacy supplier. As a result, we reduced the useful lives of the long-lived assets within the impacted asset group in line with when these assets are expected to be abandoned. The reduction in the estimated useful lives of the impacted assets resulted in us recording \$0.1 million of accelerated depreciation charges in the three months ended March 31, 2025 and our expected transition to new suppliers has essentially been completed. In 2024, we commenced a change in sourcing of final assembly of components from one contract manufacturer to another. This effort included taking scaled down or production downtime at the dedicated manufacturing facility in Mexico. Our continuing optimization of our manufacturing and product design processes may impact estimated useful lives or carrying values of additional property, plant and equipment or other assets.

Business Updates

In March 2025, we announced that our LiDAR technology will be equipped in the new Volvo ES90. This marks the second Volvo model to feature our technology, following the successful launch of the Volvo EX90. Our LiDAR sensors on initial EX90 vehicles are first being used for road data collection and system training, and will later be activated as part of the vehicle’s active safety system.

In March 2025, we announced a collaboration with Caterpillar Inc. to integrate our LiDAR technology into Caterpillar’s next-generation autonomous solution. Each Caterpillar off-highway truck will feature two Iris LiDARs with a unique integration system designed exclusively for the customer.

In 2024, we executed a restructuring and cost reduction plan (the “Restructuring Plan”), consisting of events in both May and September, which included reducing our workforce by a cumulative 30%, as well as sub-leasing of certain facilities and other actions. We expect the actions outlined will be substantially complete by the end of 2025.

Through March 31, 2025, we incurred \$9.8 million in total charges associated with employee severance and related

costs, including both cash and stock from the actions we took in May 2024 and September 2024.

In March 2025, we entered into separate, individually negotiated private exchange agreements with certain holders of the Company's 2026 Convertible Senior Notes to exchange \$18.2 million aggregate principal amount of 2026 Convertible Senior Notes (the "Exchanged Notes") for newly issued shares of the Company's Class A common stock, plus, in certain circumstances, cash in respect of accrued and unpaid interest on the Exchanged Notes (such exchanges, collectively, the "Exchange Transactions"). The Company canceled the Exchanged Notes received in the Exchange Transactions. The Exchange Transactions settled in four consecutive daily tranches, each for \$4.6 million aggregate principal amount of Exchanged Notes, commencing on March 25, 2025. As of March 28, 2025, which was the final settlement date of the Exchange Transactions, the Company had issued an aggregate of 1,951,819 shares of Class A common stock in the Exchange Transactions. The Company did not receive any cash proceeds from the Exchange Transactions. See Note 8 of the notes to condensed consolidated financial statements included in this Form 10-Q for more detail.

Through the three months ended March 31, 2025, we received notices from holders of Series 2 of the 2030 Convertible Notes (the "Series 2 Notes") to convert the principal amount of \$2.0 million of Series 2 Notes, upon which we issued 127,466 shares of Class A common stock on a reverse split-adjusted basis to settle such conversion of the Series 2 Notes.

Given the customary business practices in the automotive industry, the rapidly changing nature of the markets in which we compete, and the fact that LiDAR is a new technology in the industry, there remains potential risk that our major commercial wins or other milestone achievements may not ultimately generate any significant revenue. See the discussion under the heading "The period of time from a major commercial win to implementation is long and we are subject to risks of cancellation or postponement of the contract or unsuccessful implementation" in "Risk Factors" in Item 1A of Part I in our 2024 Annual Report.

Basis of Presentation

Our condensed consolidated financial statements include the accounts of our wholly owned subsidiaries. We have eliminated intercompany accounts and transactions.

Components of Results of Operations

Revenue

Our business and revenue producing activities are organized in two operating segments: (i) Autonomy Solutions and (ii) Advanced Technologies and Services ("ATS").

The Autonomy Solutions segment is engaged in the design, manufacturing, and sale of LiDAR sensors catering mainly to OEMs in the automotive, commercial vehicle, robo-taxi and adjacent industries. The Autonomy Solutions segment revenue also includes fees earned from non-recurring engineering services provided to customers in connection with customization of our hardware and software products, as well as revenue generated from licensing of certain data and information.

The ATS segment provides advanced semiconductors and related components, as well as design, testing and consulting services to the Autonomy Solutions segment and to various third-party customers, including government agencies and defense contractors, in markets generally unrelated to autonomous vehicles.

Two customers, customer A and customer B of the Autonomy Solutions segment, accounted for 42% and 20%, respectively, of the Company's revenue for the three months ended March 31, 2025. Three customers, customer B, customer C and customer D of autonomy solutions segment, accounted for 48%, 11% and 10% of the Company's revenue for the three months ended March 31, 2024. A vast majority of the Company's long-lived assets are located in North America.

Consideration Payable to Customers

We enter into revenue and purchase contracts with the same customers from time to time. When payments to customers are in exchange for distinct goods and services, we evaluate the underlying economics and fair value of the distinct goods and services. If we determine any portion of the consideration payable to the customer exceeds the fair value of the distinct goods and services, the excess is accounted for as a reduction of the transaction price of the revenue contract.

Cost of sales and gross profit (loss)

Cost of sales includes the fixed and variable manufacturing cost of our LiDAR sensors, which primarily consists of material purchases from third-party contract manufacturers and suppliers that are directly associated with our manufacturing process, as well as personnel-related costs, including stock-based compensation expense for personnel engaged in manufacturing, and engineering. Cost of sales also includes the cost of providing services to customers, depreciation and amortization for manufacturing fixed assets or equipment, cost of components, product testing and launch-related costs, an allocated portion of overhead, facility and information technology ("IT") costs, write-downs for excess and obsolete inventory, as well as shipping costs.

The ATS segment provides certain services and components to the Autonomy Solutions segment, which are recorded as cost of goods sold or research and development costs depending on the nature and use of such services and components by the Autonomy Solutions segment. These inter-segment transactions are eliminated in the consolidated results.

Gross profit (loss) equals revenue less cost of sales. As we transition from prototype production to series production, average selling prices for our products will be lower. We expect these lower average selling prices to temporarily increase our gross loss until we start to realize the benefits of cost reduction and efficiency measures and production scaling.

Operating Expenses

Research and Development (R&D)

R&D costs are expensed as incurred. Design and development costs for products to be sold under long-term supply arrangements are expensed as incurred. Design and development costs for molds, dies, and other tools involved in developing new technologies are expensed as incurred.

Our R&D efforts are focused on enhancing and developing additional functionality for our existing products and on new product development, including new releases and upgrades to our LiDAR hardware and integrated software solutions. R&D expenses consist primarily of:

- Personnel-related expenses, including salaries, benefits, and stock-based compensation expense, for personnel in our research and engineering functions;
- Expenses related to materials, software licenses, supplies, data labeling and other third-party services;
- Prototype expenses; and
- An allocated portion of facility and IT costs and depreciation.

The ATS segment provides certain services and components to the Autonomy Solutions segment, which are recorded as cost of goods sold or R&D costs depending on the nature and use of such services and components by the Autonomy Solutions segment. These inter-segment transactions are eliminated in our consolidated results. We expect our R&D costs to remain elevated for the foreseeable future as we continue to invest in research and development activities to achieve our product roadmap, and we expect to continue to incur operating losses for at least the foreseeable future due to continued R&D investments.

Sales and Marketing Expenses

Sales and marketing expenses consist of personnel and personnel-related expenses, including stock-based compensation of our business development team, as well as advertising and marketing expenses. These include the cost of marketing programs, trade shows, promotional materials, demonstration equipment, an allocated portion of facility and IT costs and depreciation.

General and Administrative Expenses

General and administrative expenses consist of personnel and personnel-related expenses, including stock-based compensation of our executive, finance, human resources, information systems and legal departments as well as legal and accounting fees for professional and contract services.

Other income (expense), net

Other income (expense), net includes change in fair value of warrant liabilities, interest expense, interest income, gain of extinguishment of debt, gain on acquisition of EM4, changes in fair value of derivative liability, and losses and impairments related to investments and certain other assets and other income (expense).

Change in Fair Value of Derivative Liabilities

The derivatives are classified as marked-to-market liabilities, and the corresponding increase or decrease in value is reflected in change in fair value of bifurcated derivatives.

Interest Income and Interest Expense

Interest income consists primarily of income earned on our cash equivalents and marketable securities. These amounts will vary based on our cash, cash equivalents, and marketable securities balances, and also with market rates. Interest expense consists primarily of interest on our notes as well as amortization of premium (discount) on marketable securities.

Losses and Impairments to investments and Certain Other Assets, and Other Income (Expense)

Other income (expense), net includes realized gains and losses related to the marketable securities, as well as impact of gains and losses related to foreign exchange transactions, and impairment of investments and certain other assets.

Results of Operations for the Three Months Ended March 31, 2025 and 2024

The results of operations presented below should be reviewed in conjunction with the condensed consolidated financial statements and notes included elsewhere in this Form 10-Q. The following table sets forth our condensed consolidated results of operations data for the periods presented (in thousands):

	Three Months Ended March 31,			
	2025	2024	\$ Change	% Change
Revenue	\$ 18,886	\$ 20,968	\$ (2,082)	(10) %
Cost of sales	26,986	31,423	(4,437)	(14) %
Gross loss	(8,100)	(10,455)	2,355	(23) %
Operating Expenses:				
Research and development	38,288	67,750	(29,462)	(43) %
Sales and marketing	4,904	14,515	(9,611)	(66) %
General and administrative	20,916	33,049	(12,133)	(37) %
Restructuring costs	64	—	64	nm
Total operating expenses	64,172	115,314	(51,142)	(44) %
Loss from operations	(72,272)	(125,769)	53,497	(43) %
Other income (expense), net:				
Change in fair value of warrant liabilities	—	821	(821)	(100) %
Interest expense	(12,321)	(2,757)	(9,564)	347 %
Interest income	1,767	3,430	(1,663)	(48) %
Gain on extinguishment of debt	6,775	—	6,775	nm
Gain from acquisition of EM4	(48)	1,752	(1,800)	(103) %
Changes in fair value of derivative liability	(3,671)	—	(3,671)	nm
Losses related to investments and certain other assets, and other income (expense)	(774)	(2,604)	1,830	(70) %
Total other income (expense), net	(8,272)	642	(8,914)	(1388) %
Loss before provision for income taxes	(80,544)	(125,127)	44,583	(36) %
Provision for income taxes	147	587	(440)	(75) %
Net loss	\$ (80,691)	\$ (125,714)	\$ 45,023	(36) %

Revenue

The following table sets forth a breakdown of revenue by segments for the periods presented (in thousands):

	Three Months Ended March 31,			
	2025	2024	\$ Change	% Change
Revenue from sales to external customers:				
Autonomy Solutions	\$ 13,757	\$ 16,320	\$ (2,563)	(16) %
ATS	5,129	4,648	481	10 %
Total	\$ 18,886	\$ 20,968	\$ (2,082)	(10) %

The decrease in revenue of our Autonomy Solutions in the three months ended March 31, 2025 compared to the same period in 2024 was primarily due to a \$4.3 million net decrease in product revenue and offset by a \$1.8 million increase in service revenue.

The increase in revenue of our ATS segment in the three months ended March 31, 2025 compared to the same period in 2024 was primarily due to an increase in revenue from the acquisition of EM4 partially offset by a decrease in revenue from non-recurring engineering services.

Cost of Sales

The \$4.4 million decrease in the cost of sales in the three months ended March 31, 2025, compared to the same period in 2024, was primarily due to cost reduction initiatives in 2025 and decrease in costs associated with an Iris+ development contract for non-recurring engineering services terminated in the fourth quarter of 2024.

In 2023, we commenced a change in sourcing strategy of certain sub-assemblies and components from one supplier to another, which resulted in discontinued use of certain plant, property and equipment assets as they were no longer needed for their original intended use and required us to abandon certain equipment at the legacy supplier. As a result, we revised the estimated useful lives of the long-lived assets within the impacted asset group, which resulted in us recording depreciation for these assets over an accelerated period. For certain manufacturing activities is expected to result in discontinued use of certain plant, property and equipment assets as they will no longer be needed for their original intended use. As a result of executing our plan, we revised the estimated useful lives of certain long-lived assets within the impacted asset group. This resulted in

recording depreciation for these assets over an accelerated period. We recorded \$0.1 million and \$2.1 million of incremental accelerated depreciation charges associated with this manufacturing and sourcing change in the three months ended March 31, 2025 and 2024, respectively.

Operating Expenses

Research and Development

The \$29.5 million decrease in research and development expenses in the three months ended March 31, 2025 compared to the same periods in 2024 was primarily due to a \$17.7 million decrease in personnel-related costs driven mainly by decreased headcount, a \$10.4 million decrease in outside consultants and contractor fees and a \$2.2 million decrease in purchased materials offset by a \$1.8 million increase in computer software and other subscriptions.

Sales and Marketing

The \$9.6 million decrease in sales and marketing expenses for the three months ended March 31, 2025 compared to the same periods in 2024 was primarily due a \$5.4 million decrease in personnel related costs including stock-based compensation cost due to lower headcount and a \$4.0 million reduction in sponsorship fees.

General and Administrative

The \$12.1 million decrease in general and administrative expenses for the three months ended March 31, 2025 compared to the same period in 2024 was primarily due to a \$14.8 million decrease in personnel-related costs, including stock-based compensation expense as a result of reduction in headcount and a \$0.9 million decrease in rent expenses, offset by a \$2.4 million increase in higher information technology and facility related costs allocated to general and administrative expenses and a \$1.3 million increase in legal, outside consultants and contractor expenses.

Restructuring Costs

The \$0.1 million in restructuring costs for the three months ended March 31, 2025 was due to actions taken pursuant to the Restructuring Plan announced in May 2024 and expanded in September 2024.

Change in Fair Value of Warrant Liabilities

The change in fair value of warrant liabilities is a non-cash benefit or charge due to the corresponding decrease or increase in the estimated fair value of warrants issued in a private placement on connection with the initial public offering of Gores Metropoulos, Inc. ("Private Warrants").

Gain on Extinguishment of Debt

The change in gain on extinguishment of debt for the three months ended March 31, 2025 compared to same period in 2024 was primarily due to \$6.3 million gain on debt extinguishment from the Exchange Transactions related to the 2026 Convertible Senior Notes and \$0.6 million gain on debt extinguishment on Series 2 Notes conversion.

Change in Fair Value of Derivative Liability

The change in fair value of derivative liability is a non-cash benefit or charge due to the corresponding decrease or increase in the estimated fair value of the bifurcated derivatives in the 2030 Convertible Notes.

Segment Operating Income or Loss

Segment income or loss is defined as income or loss before taxes. Our segment income or loss breakdown is as follows (in thousands):

	Three Months Ended March 31,			
	2025	2024	\$ Change	% Change
Segment operating income (loss)				
Autonomy Solutions	\$ (67,480)	\$ (125,019)	\$ 57,539	(46%)
ATS	(4,792)	(750)	(4,042)	(539%)

Autonomy solutions segment operating loss decreased \$57.5 million in the three months ended March 31, 2025 compared to the same period in 2024. The decrease in operating loss was primarily due to decreases in personnel-related costs driven by decreased headcount and a decrease in stock-based compensation expense and travel related expenses, a decrease in purchased materials, and a reduction in supplies expenses.

ATS segment operating loss increased \$4.0 million in the three months ended March 31, 2025 compared to the same period in 2024. The increase in operating loss was primarily due to a decrease in NRE service revenue and an increase in operating expenses related EM4.

Liquidity and Capital Resources

Sources of Liquidity and Capital Requirements

Our capital requirements will depend on many factors, including:

- market adoption of new and enhanced products and features;
- production capacity and volume;
- the timing and extent of spending to support R&D efforts;
- investments in manufacturing equipment and facilities; and
- investments in information technology systems.

Until we can generate sufficient revenue and profits from the sale of products and services to cover our operating expenses, working capital, and capital expenditures, we expect our cash, cash equivalents and marketable securities, and proceeds from debt and/or equity financings to fund our cash needs.

Issuances of our equity securities have resulted, and any future issuances of our equity securities will result, in dilution to stockholders. Any equity securities issued may also provide for rights, preferences, and privileges senior to those of existing holders of our common stock and may contain terms which impose significant restrictions on our operations. Issuances of our debt securities have resulted in rights, preferences, and privileges senior to holders of our common stock. The indentures governing our outstanding Senior Notes and Convertible Notes contain, and any future indebtedness that we may incur may contain, financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness.

In addition, we may from time to time seek to retire or repurchase material amounts of our outstanding debt securities through open-market purchases, privately negotiated transactions, or otherwise, for cash or through exchanges for debt or equity, such as Exchange Transactions, subject to limitations in the agreements governing our outstanding debt securities. Any repurchases or exchanges would be on terms and at prices that we may determine in our discretion and would depend on prevailing market conditions, our liquidity requirements, our receipt of any necessary corporate approvals, and other factors. The credit market and financial services industry have in the past, and may in the future, experience periods of uncertainty that could impact the availability and cost of equity and debt financing.

We expect to continue to invest in our product and software development, as well as incur efforts to build customer relations and expand into additional markets. Further, we expect to invest in developing advanced manufacturing capabilities, including at our contract manufacturing partners. We expect to fund these product and business development initiatives and associated capital expenditures either through our cash, cash equivalents and marketable securities or through issuance of shares of our Class A common stock to vendors and third parties for services provided under our stock in lieu of cash program ("Stock-in-lieu of Cash Program")

In February 2024, we entered into two non-recourse loan and securities pledge agreements (the "Loan Agreements") with The St. James Bank & Trust Company Ltd. (the "Lender"), pursuant to which we may borrow up to an aggregate of \$50.0 million. Any loans made by the Lender under the Loan Agreements would be collateralized by shares of our Class A common stock or stock we hold of another company. The Loan Agreements require us to pay an up-front structure fee of 1.5% on any amounts borrowed, and any outstanding amounts would bear interest at 8.0% per annum. We did not borrow any amount from this credit facility and had no outstanding balance as of March 31, 2025.

In May, 2024, we entered into a Sales Agreement (the "2024 Sales Agreement") with Virtu Americas LLC (the "Agent") under which we may offer and sell, from time to time at our sole discretion, shares of our Class A common stock with aggregate gross sales proceeds of up to \$150.0 million under our Equity Financing Program. This was an extension of the prior Equity Financing Program we established with the Agent in February 2023. In August 2024, we increased the Equity Financing Program by an additional \$50.0 million pursuant to the 2024 Sales Agreement and in March 2025, we further increased the program by an additional \$75.0 million. We intend to use the net proceeds from offerings under the Equity Financing Program for expenditures or payments in connection with strategic investments, partnerships and similar transactions, repurchases of outstanding debt securities, and for general corporate and business purposes.

Under the 2024 Sales Agreement, we set the parameters for the sale of the shares, including the number of shares to be issued, the time period during which sales are requested to be made, limitations on the number of shares that may be sold in any one trading day, and any minimum price below which sales may not be made. Subject to the terms and conditions of the 2024 Sales Agreement, the Agent has agreed to use its commercially reasonable efforts, consistent with its normal trading and sales practices, to sell the shares by methods deemed to be an "at the market" offering as defined in Rule 415 promulgated under the Securities Act, including sales made through The Nasdaq Global Select Market.

We issued 70,053 shares of Class A common stock under the Equity Financing Program during the three months ended March 31, 2025 for net proceeds of \$0.4 million. As of March 31, 2025, \$208.6 million of Class A Common Stock was available for sale under the program.

In August 2024, we entered into private, separately negotiated agreements for (i) the private offering and sale of \$100 million in aggregate principal amount of first-lien, senior secured floating rate notes due 2028 (the "Senior Notes") and (ii) the exchange of approximately \$421.9 million in aggregate principal amount of 1.25% Convertible Senior Notes due 2026 (the "2026 Convertible Senior Notes") for approximately \$274.2 million in aggregate principal amount of newly issued Convertible Notes due 2030 (the "2030 Convertible Notes"), consisting of two series of second-lien, senior secured notes, both of which have identical terms other than the principal amount, interest rate, and applicable conversion price. We received \$97.0 million net of debt discount of \$3.0 million, in cash proceeds from the offering and sale of the Senior Notes, but did not receive any cash proceeds from the exchange of the 2026 Convertible Senior Notes for the 2030 Convertible Notes. As a result of this transaction, we extended a significant amount of our 2026 maturities into 2030 and raised additional capital to bolster our liquidity position. We expect to incur higher annual interest expense for the Senior Notes and 2030 Convertible Notes. For additional information regarding the notes, including the financial and other restrictive covenants and contractual obligations contained in the indentures governing the notes, see Note 8 of the notes to condensed consolidated financial statements included in this Form 10-Q.

In March 2025, we entered into separate, individually negotiated private exchange agreements with certain holders of the Company's 2026 Convertible Senior Notes to exchange \$18.2 million aggregate principal amount of 2026 Convertible Senior Notes for newly issued shares of the Company's Class A common stock, plus, in certain circumstances, cash in respect of accrued and unpaid interest on the Exchanged Notes. The Company canceled the Exchanged Notes received in the Exchange Transactions. The Exchange Transactions settled in four consecutive daily tranches, each for \$4.6 million aggregate principal amount of Exchanged Notes, commencing on March 25, 2025. As of March 28, 2025, which was the final settlement date of the Exchange Transactions, the Company had issued an aggregate of 1,951,819 shares of Class A common stock in the Exchange Transactions. The Company did not receive any cash proceeds from the Exchange Transactions. See Note 8 of the notes to condensed consolidated financial statements included in this Form 10-Q for more detail.

During the three months ending March 31, 2025, \$2.0 million in aggregate principal amount of 2030 Convertible Notes were converted by the holders. The Company issued 127,466 shares of Class A common stock to settle such conversion.

Since inception, we have not generated positive cash flows from operating activities and have incurred significant losses from operations. As of March 31, 2025, we had accumulated deficit of \$2.2 billion. We expect to continue to incur operating losses for at least the foreseeable future due to continued investments in our product and software development, efforts to build customer relations, expansion into additional markets, and investments in developing advanced manufacturing capabilities, including at contract manufacturing partners.

As of March 31, 2025, we had cash and cash equivalents totaling \$59.3 million and marketable securities of \$78.9 million, totaling \$138.2 million of liquidity. For the three months ended March 31, 2025, \$44.2 million of cash was used in operations. Our principal sources of liquidity have been proceeds received from issuances of debt and equity. To execute on our strategic initiatives, we will continue to require additional capital resources. We continue to assess our liquidity position and opportunities for additional capital, which may be obtained through issuances of equity securities or additional debt financing. In the event that additional liquidity is required, we may not be able to obtain funding on acceptable terms, or at all. If we are unable to raise additional capital when desired, our business, financial condition, and results of operations could be adversely affected.

We expect to fund our operations, product and business development initiatives and associated capital expenditures through cash, cash equivalents and marketable securities, issuance of shares of our Class A common stock to vendors and third parties for services provided under our stock in lieu of cash program, issuance of Class A common stock under the Equity Financing Program or the issuance of preferred stock, or any combination of the foregoing. Based on current plans and projections, we believe our existing sources of liquidity will be sufficient to satisfy our liquidity requirements and enable us to continue to execute our business strategy for at least 12 months from the date of issuance of these condensed consolidated financial statements.

Cash Flow Summary

The following table summarizes our cash flows for the periods presented:

	Three months ended March 31,	
	2025	2024
Net cash provided by (used in):		
Operating activities	\$ (44,229)	\$ (81,229)
Investing activities	20,445	34,426
Financing activities	284	17,475

Operating Activities

Net cash used in operating activities was \$44.2 million during the three months ended March 31, 2025. Net cash used in operating activities was due to our net loss of \$80.7 million adjusted for non-cash items of \$30.9 million, primarily consisting of \$19.4 million of stock-based compensation, \$6.8 million gain on extinguishment of debt, \$4.4 million of depreciation and amortization, \$2.7 million of vendor payments in stock in lieu of cash, \$2.3 million of inventory write-offs and write-downs, \$1.9 million of amortization of operating lease right-of-use assets, \$1.9 million of amortization of debt discount and issuance cost, and cash used for operating assets and liabilities of \$5.6 million due to the timing of cash payments to vendors and cash receipts from customers.

Investing Activities

Net cash provided by investing activities of \$20.4 million in the three months ended March 31, 2025 was comprised of \$40.2 million of proceeds from maturities of marketable securities, \$14.4 million of proceeds from sales and redemptions of marketable securities and \$0.3 million of proceeds from disposals of property and equipment, offset primarily by \$34.5 million related to purchases of marketable securities, \$0.2 million cash paid for the acquisition of EM4 and \$0.1 million of purchases of property and equipment.

Financing Activities

Net cash provided by financing activities of \$0.3 million in the three months ended March 31, 2025 was primarily comprised of \$0.4 million cash received from the sale and issuance of shares of Class A common stock under the Equity Financing Program, offset by \$0.1 million of payments of employee taxes related to stock-based awards.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

We believe our critical accounting policies involve the greatest degree of judgment and complexity and have the greatest potential impact on our condensed consolidated financial statements.

During the three months ended March 31, 2025, there were no significant changes to our critical accounting policies and estimates. For a more detailed discussion of our critical accounting policies and estimates, please refer to our 2024 Annual Report and Note 2 of the notes to condensed consolidated financial statements included in this Form 10-Q.

Smaller Reporting Company Status

Based on the Company's public float as of June 28, 2024, and its revenue, the Company has transitioned to Smaller Reporting Company status and plans to take advantage of certain reduced disclosure requirements.

Recent Accounting Pronouncements

See Note 2 of the notes to condensed consolidated financial statements included in this Form 10-Q.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures that are designed to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act and other securities laws is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decision making and timely required disclosure to investors.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we have evaluated the effectiveness of our disclosure controls and procedures as required under Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of March 31, 2025. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of March 31, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings.

Information with respect to this Item may be found under the heading “Legal Matters” in Note 15 to the condensed consolidated financial statements in this Form 10-Q, which information is incorporated herein by reference.

ITEM 1A. Risk Factors.

Except as set forth below, there have been no material changes from the “Risk Factors” previously disclosed in Part I, Item 1A, of our 2024 Annual Report, other than the updates to the risk factor set forth below. You should carefully consider the “Risk Factors” discussed in our 2024 Annual Report and this Form 10-Q as they could materially affect our business, financial condition and future results of operation.

Changes to trade policy, tariffs and import/export regulations may have a material adverse effect on our business, results of operations, and financial condition

Geopolitical tensions and conflicts worldwide, including but not limited to China, may result in changing regulatory requirements, trade policies, export controls, import duties, and economic disruptions that could impact our operating strategies in the territories or countries where we currently purchase our components, sell our products, or conduct our business, as well as our government contracts and contracts with defense customers.

The increasing focus on the strategic national security importance of advanced semiconductors, autonomous vehicles, and artificial intelligence (“AI”) technologies may result in additional regulatory restrictions that target LiDAR specifically, and products and services capable of enabling or facilitating autonomous vehicle systems or AI systems, including some or all of our components, product, and service offerings. Such restrictions could include additional unilateral or multilateral export controls on certain products or technology, including but not limited to advanced semiconductors and AI technologies, including U.S. restrictions on export of advanced semiconductors to China, designation and restrictions on U.S. military purchases of LiDAR manufactured in China, China’s restriction on the collection and use of mapping data, which is an inhibitor to western companies developing autonomous vehicle software in China, and China’s export restrictions of certain highly specialized LiDARs intended for military use. As geopolitical tensions have increased, products associated with autonomous vehicles and AI, specifically including LiDAR, are increasingly the focus of national security and export control restrictions proposed by stakeholders in the U.S. and its allies, as well as China, and it is likely that additional unilateral or multilateral controls will be adopted. Such controls may be very broad in scope and application, prohibit us from exporting our products to any or all customers in one or more markets, including but not limited to China, and could negatively and materially impact our business, revenue, and financial results. Furthermore, disruption to worldwide semiconductor supply, including non-advanced semiconductors, has and may continue to affect production of vehicles.

The U.S. has recently instituted or proposed changes in trade policies for countries where we conduct our business. Included have been such tariffs on goods imported into the U.S. from Mexico. Given Luminar’s production of products in Mexico, tariffs of this nature could have specific relevance to products we bring into the United States. The impact of such tariffs on our business and financial condition, if any, is subject to a number of factors that are not yet known and may continue to change, including the duration of such tariffs, the scope and nature of any tariffs, the amount of any tariffs, any countermeasures that the target countries may take in response to such tariffs.

Increasing use of economic sanctions or new or higher tariffs may increase prices for vehicles and adversely impact demand for such vehicles, which may negatively impact demand for our products or services, and increase prices for parts imported into the United States which could increase our costs and negatively impact our business and financial results. Additional export restrictions may not only impact our ability to serve international markets, but also provoke responses from foreign governments, including China, that negatively impact our supply chain or our ability to provide our products and services to customers in all markets worldwide, which could also adversely affect our business, results of operations, and financial condition. For example, such changes could adversely affect the automotive market, our ability to access key components or raw materials needed to manufacture our products (including, but not limited to, rare-earth metals), our ability to sell our products to customers outside the U.S. and the demand for our products. It may be time-consuming and expensive for us to alter our business operations to adapt to or comply with any such changes, and any failure to do so could have a material adverse effect on our business, results of operations, and financial condition.

If we do not successfully manage the transition associated with the resignation of our former chief executive officer and the appointment of our new chief executive officer, it could have an adverse impact on our business.

As previously disclosed, the Company’s former President and Chief Executive Officer resigned effective May 14, 2025, and the Company’s Board of Directors appointed Paul Ricci, as Chief Executive Officer effective on or about May 21, 2025. Our new Chief Executive Officer will be critical to executing on our business strategy. Our success will depend, in part, on the effectiveness of this transition, including the successful integration into his role and the continuity of leadership with industry

partners and among the larger workforce. If we do not successfully manage this transition, it could be viewed negatively by our customers, employees, investors, and other third-party partners and could have an adverse impact on our business, results of operations, or our stock price. In addition, if this transition is not successful, we may not be able to achieve our financial and operational goals, which could adversely affect our business and results of operations.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

On March 21 and 23, 2025, the Company entered into Exchange Agreements with certain holders of its outstanding 2026 Convertible Senior Notes to exchange \$18.2 million aggregate principal amount of 2026 Convertible Senior Notes for newly issued shares of the Company's Class A common stock, plus, in certain circumstances, cash in respect of accrued and unpaid interest on the Exchanged Notes. The Exchange Transactions settled in four consecutive daily tranches, commencing on March 25, 2025, subject to customary closing conditions.

The Exchange Transactions were conducted pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering.

As of March 28, 2025, which was the final settlement date of the Exchange Transactions, the Company had issued an aggregate of 1,951,819 shares of Class A common stock in the Exchange Transactions.

ITEM 3. Defaults Upon Senior Securities.

None.

ITEM 4. Mine Safety Disclosures.

Not applicable.

ITEM 5. Other Information.

Our Section 16 officers and directors (as defined in Rule 16a-1 under the Exchange Act) may from time to time enter into plans for the purchase or sale of the Company's stock that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. During the fiscal quarter ended March 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

We are reporting the following information in lieu of reporting on a Current Report on Form 8-K under Item 2.05 – Costs Associated with Exit or Disposal Activities.

On May 15, 2025, Luminar Technologies, Inc. (the "Company") began executing additional restructuring efforts ("2025 Restructuring Plan"), including a reduction in its workforce. The actions associated with the 2025 Restructuring Plan commenced immediately and are expected to be substantially complete by the end of 2025. The Company estimates that it will incur approximately \$4.0 million to \$5.0 million in cash charges in connection with the 2025 Restructuring Plan, associated with employee severance and related employee costs, as well as additional non-cash charges related to acceleration of certain previously granted stock-based awards as part of severance packages for employees impacted under the 2025 Restructuring Plan. These charges are expected to be incurred primarily in the second and third quarters of 2025. The Company's estimates are subject to a number of assumptions, and actual results may differ materially. The Company may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the 2025 Restructuring Plan.

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ITEM 6. Exhibits.

Exhibit Number	Description	Incorporation by Reference				Filed Herewith
		Form	File Number	Exhibit/Appendix Reference	Filing Date	
3.1	Second Amended and Restated Certificate of Incorporation of the Company.	8-K/A	001-38791	3.1	12/8/20	
3.2	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Company.	10-K	001-38791	3.2	02/28/24	
3.3	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Company.	8-K	001-38791	3.1	11/22/24	
3.4	Amended and Restated By-Laws of the Company (as amended on August 28, 2024).	8-K	001-38791	3.1	08/30/24	
10.1+	Form of Securities Exchange Agreement					X
10.2†	Amendment to Executive Compensation Letter Agreement, dated March 27, 2025, between Tom Fennimore and the Company.	10-K	001-38791	10.24	03/28/25	
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15(d)-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15(d)-14(a) under the Securities Exchange Act of 1934, as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL).					X

+ Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

† Indicates a management contract or compensatory plan, contract or arrangement.

SIGNATURES.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Luminar Technologies, Inc.

Date: May 20, 2025

By: /s/ Thomas J. Fennimore
Thomas J. Fennimore
Interim Principal Executive Officer
(Principal Executive Officer)

 /s/ Thomas J. Fennimore
Thomas J. Fennimore
Chief Financial Officer
(Principal Financial Officer)

**FORM OF
LUMINAR TECHNOLOGIES, INC.
SECURITIES EXCHANGE AGREEMENT**

March [], 2025

The undersigned set forth on Exhibit A hereto (each, a “**Holder**”) enters into this Securities Exchange Agreement (this “**Agreement**”) with Luminar Technologies, Inc., a Delaware corporation (the “**Company**”), as of the date first written above whereby the Holders will exchange outstanding 1.25% convertible senior notes due 2026 (CUSIP No. 550424 AA3) issued by the Company (the “**Notes**”) pursuant to the Indenture, dated as of December 17, 2021 (the “**Indenture**”), between the Company and U.S. Bank National Association, as trustee (the “**Trustee**”), for shares of Class A common stock, par value \$0.0001 per share (CUSIP No. 550424 303) (the “**Common Stock**”), of the Company (the “**Exchange Shares**”), plus, to the extent applicable, a cash payment (the “**Cash Payment**” and, together with the Exchange Shares, the “**Consideration**”), each as calculated in Section 1.1 hereto.

On and subject to the terms hereof, the parties hereto agree as follows:

**ARTICLE I
EXCHANGE OF NOTES**

Section 1.1 Exchange.

(a) Upon and subject to the terms set forth in this Agreement, on the first Scheduled Trading Day following each VWAP Trading Day in the Exchange Period (each such day, a “**Closing Date**”), (i) each Holder shall deliver or cause to be delivered to the Company its respective Daily Principal Amount of the aggregate Exchanged Notes of such Holder for such VWAP Trading Day and (ii) in exchange therefor, the Company hereby agrees to issue and deliver to such Holder the Consideration in respect of such VWAP Trading Day with respect to such Daily Principal Amount, comprising (A) such number of shares of Common Stock equal to the Daily Exchange Shares and (B) if (x) the Daily VWAP is less than the Floor Price in effect for such VWAP Trading Day and (y) the Company has elected, pursuant to Section 1.1(b) hereof, a Combination Settlement for such VWAP Trading Day, cash in an amount equal to the Daily Accrued Interest Make-Whole Amount, in each case in respect of such VWAP Trading Day. The Consideration payable on each such Closing Date shall represent satisfaction in full of all principal and interest on such Daily Principal Amount of the Exchanged Notes of each Holder from and after such Closing Date. The transactions contemplated by this Agreement, including, without limitation, the issuance, delivery and acceptance of the aggregate Consideration contemplated hereby in consideration for the exchange of the Exchanged Notes are collectively referred to herein as the “**Transactions.**”

(b) On each Closing Date, if the Daily VWAP for the applicable VWAP Trading Day is less than the Floor Price in effect for such VWAP Trading Day, the Company shall have the

right, in its sole discretion, to elect to settle the Daily Accrued Interest payable on such Closing Date in either (x) shares of Common Stock (a “**Physical Settlement**”) or (y) a combination of shares of Common Stock and cash (a “**Combination Settlement**” and, together with a Physical Settlement, each, a “**Settlement Method**”). The Company may exercise such right by sending notice (which may be via email) of such election to the Holders on or before 8:00 a.m. (New York City time) on such Closing Date. If the Company does not timely elect a Settlement Method with respect to such Closing Date, then the Company will be deemed to have elected Physical Settlement.

(c) For purposes of this Agreement:

“**Ceiling Price**” shall initially mean \$[fixed dollar amount]; provided that, by notice from each of the Holders to the Company, the Holders may unilaterally increase (but not reduce) the Ceiling Price to a higher number for any (or all) VWAP Trading Days after the day on which such notice is delivered.

“**Collared VWAP**” shall mean, with respect to any VWAP Trading Day, (i) if the Daily VWAP is greater than or equal to the Floor Price in effect for such VWAP Trading Day and less than or equal to the Ceiling Price in effect for such VWAP Trading Day, the Daily VWAP; (ii) if the Daily VWAP is less than the Floor Price in effect for such VWAP Trading Day, the Floor Price; and (iii) if the Daily VWAP is greater than the Ceiling Price in effect for such VWAP Trading Day, the Ceiling Price.

“**Daily Accrued Interest**” shall mean, with respect to any VWAP Trading Day, the accrued and unpaid interest that would accrue on the applicable Daily Principal Amount for such VWAP Trading Day from, and including, December 15, 2024, to, but excluding, the applicable Closing Date, calculated in accordance with the Indenture.

“**Daily Accrued Interest Collared Shares**” shall mean, with respect to any VWAP Trading Day, that number of shares of Common Stock equal to the quotient of (i) the Daily Accrued Interest for such VWAP Trading Day, *divided by* (ii) the Collared VWAP for such VWAP Trading Day.

“**Daily Accrued Interest Make-Whole Amount**” shall mean, with respect to any VWAP Trading Day, an amount equal to (i) the excess of (x) the Daily Accrued Interest Uncollared Shares for such VWAP Trading Day *over* (y) the Daily Accrued Interest Collared Shares for such VWAP Trading Day, *multiplied by* (ii) the Daily VWAP for such VWAP Trading Day, rounded down to the nearest whole cent.

“**Daily Accrued Interest Shares**” shall mean, with respect to any VWAP Trading Day:

(i) if (x) the Daily VWAP is less than the Floor Price in effect for such VWAP Trading Day and (y) the Company has elected, pursuant to Section 1.1(b) hereof, a Combination Settlement for such VWAP Trading Day, the Daily Accrued Interest Collared Shares; and

(ii) otherwise, the Daily Accrued Interest Uncollared Shares

(ii) otherwise, the Daily Accrued Interest Uncollected Shares.

“Daily Accrued Interest Uncollared Shares” shall mean, with respect to any VWAP Trading Day, that number of shares of Common Stock equal to the quotient of (i) the Daily Accrued Interest for such VWAP Trading Day, *divided by* (ii) the Daily VWAP for such VWAP Trading Day.

“Daily Exchange Shares” shall mean, with respect to a Daily Principal Amount, that number of shares of Common Stock equal to the sum of (i) the Daily Principal Shares *plus* (ii) the Daily Accrued Interest Shares, rounded down to the nearest whole share.

“Daily Fixed Shares” shall mean, with respect to any VWAP Trading Day, that number of shares of Common Stock equal to the product of (i) the applicable Daily Principal Amount for such VWAP Trading Day, divided by \$1,000, and (ii) [*fixed number of shares*].

“Daily Principal Amount” shall mean, with respect to each Holder, the sum of:

(i) the quotient of (x) the aggregate principal amount of Exchanged Notes of such Holder *divided by* (y) the number of VWAP Trading Days in the Exchange Period, rounded down to the nearest \$1,000 in principal amount, *plus*

(ii) on the last VWAP Trading Day of the Exchange Period, the excess (if any) of (x) the aggregate principal amount of Exchanged Notes of such Holder *over* (y) the sum of the Daily Principal Amounts calculated pursuant to clause (i) for all VWAP Trading Days in the Exchange Period;

provided that, (A) any such Daily Principal Amount shall be in an Authorized Denomination (as defined in the Indenture) and (B) for the avoidance of doubt, the sum of the Daily Principal Amounts for any Holder shall not exceed the aggregate principal amount of Exchanged Notes of such Holder.

“Daily Principal Shares” shall mean, with respect to a Daily Principal Amount, that number of shares of Common Stock equal to the sum of (i) the Daily Fixed Shares *plus* (ii) the Daily Variable Shares.

“Daily Variable Shares” shall mean, with respect to any VWAP Trading Day, that number of shares of Common Stock equal to the product of (i) the applicable Daily Principal Amount for such VWAP Trading Day, divided by \$1,000, and (ii) the quotient of \$[*fixed dollar amount*] divided by the Collared VWAP for such VWAP Trading Day.

“Daily VWAP” shall mean, for any VWAP Trading Day, the per share volume-weighted average price of the Common Stock as displayed under the heading “Bloomberg VWAP” on Bloomberg page “LAZR US <EQUITY> AQR” (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such VWAP Trading Day (or, if such volume-weighted average price is unavailable, the market value of one share of the Common Stock on such VWAP Trading Day, determined, using a volume-weighted average price method, by a nationally recognized independent investment banking firm



retained for this purpose by the Company). The Daily VWAP will be determined without regard to after-hours trading or any other trading outside of the regular trading session.

“**Exchange Period**” shall mean the [*number of days (number of days)*] consecutive VWAP Trading Days beginning on, and including, the VWAP Trading Day occurring immediately after the date of this Agreement.

“**Exchanged Notes**” shall mean, with respect to each Holder, the aggregate principal amount of Notes set forth opposite such Holder’s name under the heading “Exchanged Notes” on Exhibit A hereto.

“**Floor Price**” shall initially mean \$[*fixed dollar amount*]; *provided* that, by notice from the Company to the Holders, the Company may unilaterally reduce (but not increase) the Floor Price to a lower number for any (or all) VWAP Trading Days after the day on which such notice is delivered.

“**Nasdaq**” shall mean The Nasdaq Stock Market LLC.

“**Scheduled Trading Day**” shall mean any day on which Nasdaq is scheduled to be open for trading for its regular trading session.

“**VWAP Market Disruption Event**” shall mean the occurrence or existence on any Scheduled Trading Day of any suspension(s) imposed on trading in the Common Stock aggregating forty-five (45) minutes or longer during the primary trading session of Nasdaq on such day.

“**VWAP Trading Day**” shall mean a day on which (i) there is no VWAP Market Disruption Event and (ii) trading in the Common Stock generally occurs on Nasdaq.

Section 1.2 Closing. Subject to the satisfaction or valid waiver of all closing conditions set forth in Article IV hereto, on or before 9:00 a.m. (New York City time) on each Closing Date, or such other date as the parties may mutually agree, (a) each Holder (i) shall deliver or cause to be delivered to the Company all right, title and interest in and to the applicable Daily Principal Amount of its Exchanged Notes in respect of such Closing Date, free and clear of any mortgage, lien, pledge, charge, security interest, encumbrance, title retention agreement, option, equity or other adverse claim thereto (collectively, “**Liens**”), together with any documents of conveyance or transfer that the Company may reasonably determine to be necessary to transfer to and confirm in the Company all right, title and interest in and to such Exchanged Notes, free and clear of any Liens, and (ii) upon the delivery to such Holder of the Consideration due hereunder for such Exchange Notes, waives any and all other rights with respect to the applicable Daily Principal Amount of its Exchanged Notes in respect of such Closing Date, and releases and discharges the Company from any and all claims such Holder may now have, or may have in the future, arising out of, or related to, such Exchanged Notes, including, without limitation, any claims arising from any existing or past defaults, or any claims that such Holder is entitled to receive additional interest with respect to the Exchanged Notes; and (b) the Company shall deliver to each Holder the Consideration due hereunder with respect thereto (collectively, a “**Closing**”). The cancellation of such Exchanged Notes and delivery of such Consideration shall be effected by the electronic

exchange of documents at such Closing.

Section 1.3 Delivery. At each Closing, (A) each Holder shall deliver the applicable Exchanged Notes to the Trustee via the Deposit or Withdrawal at Custodian (“DWAC”) settlement system of the Depository Trust Company (“DTC”) for the benefit of the Company and (B) the Company shall deliver to each Holder (i) the applicable Exchange Shares to such Holder’s DTC participant as instructed by such Holder through the facilities of DTC and (ii) the applicable Cash Payment, if any, by wire transfer to the account as instructed by such Holder. For the convenience of each Holder, attached hereto as Exhibit B is a summary of the delivery instructions that must be followed to settle the Transactions through DTC.

Section 1.4 No Joint Liability. The obligations of each Holder under this Agreement are several and not joint, and no Holder shall have liability to any person for the performance or non-performance of any obligation of any other Holder hereunder. Notwithstanding that this is a single agreement amongst multiple Holders, the Company covenants and agrees, for the benefit of each Holder, that it will not share or otherwise make available to any other Holder, any banking or DWAC-related information provided by such Holder to the Company.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE HOLDERS

Each Holder, severally and not jointly, hereby covenants as follows, and makes the following representations and warranties, each of which is and shall be true and correct on the date hereof and at each Closing, to the Company, and all such covenants, representations and warranties shall survive all of the Closings.

Section 2.1 Power and Authorization. Such Holder is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation, and has the power, authority and capacity to execute and deliver this Agreement, and to perform its obligations hereunder, and to consummate the Transactions. Exhibit A hereto includes the true, correct and complete name, address and other relevant information of such Holder.

Section 2.2 Valid and Enforceable Agreement; No Violations. This Agreement has been duly executed and delivered by such Holder and constitutes a legal, valid and binding obligation of such Holder, enforceable against such Holder in accordance with its terms, except as such enforcement may be subject to (a) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors’ rights generally, or (b) general principles of equity, whether such enforceability is considered in a proceeding at law or in equity (the “**Enforceability Exceptions**”). The execution and delivery of this Agreement and the consummation of the Transactions will not violate, conflict with or result in a breach of or default under (i) such Holder’s organizational documents, (ii) any agreement or instrument to which such Holder is a party or by which such Holder or any of its assets are bound, or (iii) any laws, regulations or governmental or judicial decrees, injunctions or orders applicable to such Holder, except in the case of clauses (ii) or (iii), where such violations, conflicts, breaches or defaults would not affect such Holder’s ability to consummate the Transactions in any material respect.

Section 2.3 Title to the Exchanged Notes. Such Holder (a) is the sole or direct legal and beneficial owner of the Exchanged Notes set forth opposite its name on Exhibit A hereto;



(b) has good, valid and marketable title to its Exchanged Notes, free and clear of any Liens (other than pledges or security interests that such Holder may have created in favor of a prime broker under and in accordance with its prime brokerage agreement with such broker and any restrictions on transfer arising by operation of applicable securities laws); and (c) has not, in whole or in part, except as described in the preceding clause (b), (i) assigned, transferred, hypothecated, pledged, exchanged or otherwise disposed of any of its Exchanged Notes or its rights, title or interest in and to its Exchanged Notes or (ii) given any person or entity, except for its investment advisor, agents and affiliates, any transfer order, power of attorney or other authority of any nature whatsoever with respect to its Exchanged Notes. Upon such Holder's delivery of its Exchanged Notes to the Company pursuant to the Transactions, such Exchanged Notes shall be free and clear of all Liens created by the Holder or any other person acting for the Holder.

Section 2.4 Institutional Accredited Investor or Qualified Institutional Buyer.

Such Holder is either: (a) an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act") or (b) a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act.

Section 2.5 No Affiliate Status. The Holder is not, and has not been at any time during the consecutive three-month period preceding the date hereof, a director, officer or "affiliate" within the meaning of Rule 144 promulgated under the Securities Act (an "Affiliate") of the Company. Such Holder and its Affiliates collectively beneficially own, and will beneficially own as of each Closing Date, (i) less than 5% of the outstanding shares of Common Stock and (ii) less than 5% of the aggregate number of votes that may be cast by holders of those outstanding securities of the Company that entitle the holders thereof to vote generally on all matters submitted to the Company's stockholders for a vote, in each case, based on the outstanding shares of common stock of the Company set forth in Section 3.4 hereof. To such Holder's reasonable knowledge, and without inquiry, a period of at least one year (calculated in the manner provided in Rule 144(d) under the Securities Act) has lapsed since the Exchanged Notes set forth opposite its name on Exhibit A hereto were acquired from the Company or from a person known by the Holder to be an Affiliate of the Company.

Section 2.6 No Prohibited Transactions. Such Holder has not, directly or indirectly, and no person acting on behalf of or pursuant to any understanding with it has, disclosed to a third party (other than (i) its advisors or as required by Applicable Law (as defined below) or (ii) with the Company's prior approval or consent) any information regarding the Transactions, engaged in any transactions in the securities of the Company (including, without limitation, any Short Sales (as defined below) involving any of the Company's securities) since the time that investment professionals affiliated with such Holder (i.e., persons other than compliance personnel affiliated with such Holder) were first restricted via a "wall-cross" by either the Company, Matthews South, LLC (the "Placement Agent") or any other person acting on the Company's behalf, in each case, regarding the Transactions or this Agreement, and such Holder shall not engage in any such activities until the Disclosure Time (as defined below). "Short Sales" include, without limitation, all "short sales" as defined in Rule 200 of Regulation SHO promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and all types of direct and indirect stock pledges, forward sale contracts, options, puts, calls, short sales, swaps, derivatives and similar arrangements (including, without limitation, on a total return basis) and sales and other



transactions through non-U.S. broker-dealers or foreign regulated brokers. Solely for purposes of this Section 2.6, subject to such Holder's compliance with its obligations under the U.S. federal securities laws and such Holder's internal policies, (a) "Holder" shall not be deemed to include any employees, subsidiaries, desks, groups or affiliates of such Holder that are effectively walled off by appropriate "fire wall" information barriers approved by such Holder's legal or compliance department (and thus such walled off parties have not been privy to any information concerning the Transactions), and (b) the foregoing representations and covenants of this Section 2.6 shall not apply to any transaction by or on behalf of an affiliate of a Holder that was effected without the advice or participation of, or such affiliate's receipt of information regarding the Transactions provided by, such Holder.

Section 2.7 Adequate Information; No Reliance. Such Holder acknowledges and agrees that (a) such Holder has been furnished with all materials it considers relevant to making an investment decision to enter into the Transactions and has had the opportunity to review the Company's filings and submissions with the Securities and Exchange Commission (the "SEC"), including, without limitation, all information filed or furnished pursuant to the Exchange Act on or prior to the date hereof (collectively, the "**Public Filings**"), (b) such Holder has had the opportunity to ask questions of the Company concerning the Company, its business, operations, financial performance, financial condition and prospects and the terms and conditions of the Transactions, (c) such Holder has had the opportunity to consult with its accounting, tax, financial and legal advisors to be able to evaluate the risks involved in the Transactions and to make an informed investment decision with respect to such Transactions, (d) such Holder has evaluated the tax and other consequences of the Transactions and receipt and ownership of the Consideration with its tax, accounting or legal advisors, (e) the Company and the Placement Agent are not acting as a fiduciary or financial or investment advisor to such Holder and (f) such Holder is not relying, and has not relied, upon any statement, advice (whether accounting, tax, financial, legal or other), representation or warranty made by the Company, the Placement Agent or any of their respective affiliates or representatives except for (i) the Public Filings and (ii) the representations and warranties made by the Company in this Agreement. Such Holder (w) is able to fend for itself in the Transactions; (x) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the Exchange Shares; (y) has the ability to bear the economic risks of its prospective investment and can afford the complete loss of such investment; and (z) acknowledges that investment in the Exchange Shares involves a high degree of risk. Such Holder understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Exchange Shares or the fairness or suitability of the investment in the Exchange Shares nor have such authorities passed upon or endorsed the merits of the Transactions.

Section 2.8 Acknowledgements. Such Holder acknowledges that (a) the issuance of the Exchange Shares pursuant to the Transactions has not been registered or qualified under the Securities Act or any state securities laws, and the Exchange Shares are being offered and sold in reliance upon exemptions provided in the Securities Act and state securities laws for transactions not involving any public offering and, therefore, cannot be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of unless they are subsequently registered and qualified under the Securities Act and applicable state laws or unless an exemption from such registration and qualification is available; (b) the Company is under no obligation to register the

registration and qualification is available, (b) the Company is under no obligation to register the

Exchange Shares under any securities laws of the United States or any other jurisdiction or to comply with the terms and conditions of any exemption thereunder; and (c) it is acquiring the Exchange Shares for investment purposes only for its own account and not with any view toward a distribution thereof or with any intention of selling, distributing or otherwise disposing of the Exchange Shares in a manner that would violate the registration requirements of the Securities Act. Such Holder further acknowledges and agrees that (x) such Holder's Exchange Shares will be acquired from the Company solely in exchange for such Holder's Exchanged Notes, including any accrued and unpaid interest thereon; and (y) such Holder's participation in the Transactions was not conditioned by the Company on such Holder's exchange of a minimum principal amount of Notes. Such Holder understands that the Company is relying upon the representations and agreements contained in this Agreement for the purpose of determining whether such Holder's participation in the Transactions meets the requirements for the exemptions referenced in this Section 2.8.

Section 2.9 Taxpayer Information. Such Holder will deliver to the Company a complete and accurate IRS Form W-9 or IRS Form W-8BEN, W-8BEN E or W-8ECI, as appropriate.

Section 2.10 Brokers; Finders. No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses in connection therewith, in connection with the Transactions based upon arrangements made by or on behalf of such Holder. Such Holder understands that the Company intends to pay the Placement Agent a fee in respect of the Transactions.

Section 2.11 No Reliance on the Placement Agent. Such Holder acknowledges and agrees that the Placement Agent has not acted as a financial advisor or fiduciary to such Holder and that the Placement Agent and its directors, officers, employees, representatives and controlling persons have no responsibility for making, and have not made, any independent investigation of the information contained herein or in the Company's SEC filings and make no representation or warranty to such Holder, express or implied, with respect to the Company, the Notes or the Consideration or the accuracy, completeness or adequacy of the information provided to such Holder or any other publicly available information, including, without limitation, the Public Filings, nor will any of the foregoing persons be liable for any loss or damages of any kind resulting from the use of the information contained therein or otherwise supplied to such Holder.

Section 2.12 Further Action. Such Holder agrees that it will, upon request, execute and deliver any additional documents reasonably determined to be necessary by the Company, the Placement Agent, the Trustee or Equiniti Trust Company, LLC, the Company's transfer agent (the "**Transfer Agent**"), to complete the Transactions.

ARTICLE III

COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby covenants as follows, and makes the following representations and warranties, each of which is and shall be true and correct on the date hereof and at each Closing,



to the Holders, and all such covenants, representations and warranties shall survive all of the Closings.

Section 3.1 Power and Authorization; Enforceability. The Company has been duly organized, validly existing as a corporation and in good standing under the laws of its jurisdiction of organization. The Company is duly licensed or qualified as a foreign corporation for transaction of business and in good standing under the laws of each other jurisdiction in which its ownership or lease of property or the conduct of its business requires such license or qualification, and has all corporate power and authority necessary to own or hold its properties and to conduct its business as described in the Public Filings, except where the failure to be so qualified or in good standing or have such power or authority would not, individually or in the aggregate, have a Material Adverse Effect (as defined below). The Company has full legal right, power and authority to enter into this Agreement and perform the Transactions. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforcement may be subject to the Enforceability Exceptions.

Section 3.2 No Consents; No Violations; No Conflicts. Assuming the accuracy of each Holder's representations and warranties hereunder, no consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or any governmental or regulatory authority is required for the execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the Transactions, except for such consents, approvals, authorizations, orders and registrations or qualifications (i) as may be required under applicable state securities laws, (ii) as may be required under the Securities Act and (iii) as have been previously obtained by the Company. Neither the execution of this Agreement, nor the issuance, offering or sale of the Exchange Shares, nor the consummation of any of the Transactions, will conflict with, or will result in a breach of, any of the terms and provisions of, or has constituted or will constitute a default under, or has resulted in or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to the terms of any contract or other agreement to which the Company may be bound or to which any of the property or assets of the Company is subject, except (i) such conflicts, breaches or defaults as may have been waived, (ii) such conflicts, breaches and defaults that would not have a Material Adverse Effect and (iii) Permitted Liens (as defined in the indentures governing the Company's senior secured indebtedness described in the Public Filings (the "**Senior Secured Indentures**")); nor will such action result (x) in any violation of the provisions of the organizational or governing documents of the Company, or (y) in any material violation of the provisions of any statute or any order, rule or regulation applicable to the Company or of any court or of any federal, state or other regulatory authority or other government body having jurisdiction over the Company, except, in the case of this clause (y), where such violation would not have a Material Adverse Effect.

Section 3.3 Validity of the Exchange Shares. The issuance of the Exchange Shares has been duly authorized by the Company and, when issued and delivered to the applicable Holder pursuant to the Transactions against delivery of the Exchanged Notes therefor in accordance with the terms of this Agreement, the Exchange Shares will be validly issued, fully paid and non-assessable and free of any Liens created by the Company, and the issuance of the Exchange



Shares will not be subject to any preemptive, participation, rights of first refusal or other similar rights.

Section 3.4 Capitalization. The issued and outstanding shares of capital stock of the Company have been validly issued, are fully paid and non-assessable and, other than as disclosed in the Public Filings, are not subject to any preemptive rights, rights of first refusal or similar rights. As of [●], 2025, the Company had [●] shares of Common Stock and [●] shares of Class B common stock, par value \$0.0001 per share, outstanding. The Company otherwise has an authorized, issued and outstanding capitalization as set forth in the Public Filings as of the dates referred to therein (other than (i) the grant of additional equity awards, or the exercise, settlement or forfeiture of outstanding equity awards, under the Company's existing equity compensation plans, (ii) changes in the number of outstanding shares of Common Stock due to the issuance of shares upon the exercise or conversion of securities described as outstanding in the Public Filings which are exercisable for, or convertible into, Common Stock, (iii) as a result of the issuance of shares of Common Stock pursuant to that certain financing agreement, dated as of May 3, 2024, between the Company and Virtu Americas LLC (as amended and supplemented from time to time, the "**Financing Agreement**"), (iv) as a result of the issuance of Exchange Shares, (v) as a result of the 1-for-15 reverse stock split of the outstanding shares of the capital stock of the Company effective as of 5:01 p.m., Eastern Time, on November 20, 2024 (the "**Reverse Stock Split**"), or (vi) any repurchases of capital stock of the Company) and such authorized capital stock conforms to the description thereof set forth in the Public Filings. Except as disclosed in or contemplated by the Public Filings, the Company did not have outstanding any options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or exchangeable for, or any contracts or commitments to issue or sell, any shares of capital stock or other securities.

Section 3.5 Private Placement. Assuming the accuracy of each Holder's representations and warranties hereunder, the Exchange Shares (a) will be issued in transactions exempt from the registration requirements of the Securities Act, (b) will be issued in compliance with all applicable state and federal laws and (c) will, at the applicable Closing, be free of any restrictions on resale by such Holder pursuant to Rule 144 promulgated under the Securities Act and will not be subject to any restricted or similar legend unless, at the time of issuance, the Holder is an Affiliate of the Company. Neither the Company nor, to the Company's knowledge, any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the Transactions. For the purposes of Rule 144 promulgated under the Securities Act, the Company acknowledges that, assuming the accuracy of each Holder's representations and warranties hereunder, the holding period of the Exchanged Notes exchanged by such Holder as of each Closing Date may be tacked onto the holding period of such Holder's Daily Exchange Shares with respect to such Exchanged Notes, and the Company agrees not to take a position contrary thereto.

Section 3.6 Listing. At or prior to the first Closing to occur after the date of this Agreement (the "**Initial Closing Date**"), the Company shall have submitted to Nasdaq a Listing of Additional Shares Notification Form in respect of the Exchange Shares, if required, and shall have received no objection thereto from Nasdaq. At each Closing, the Common Stock is listed on Nasdaq, and the Company has taken no action designed to, or likely to have the effect of, delisting the Common Stock from Nasdaq nor, except as disclosed to the Holders, has the Company received any notification that Nasdaq is contemplating terminating such listing.



Section 3.7 Disclosure. On or before 8:00 a.m. (New York City time) on the first business day following the date of this Agreement (the “**Disclosure Time**”), the Company shall file with the SEC a Current Report on Form 8-K disclosing the material terms of the Transactions (to the extent not previously publicly disclosed) (the “**Closing 8-K**”). From and after the filing of the Closing 8-K, the Company represents to each Holder that such Holder shall not be in possession of any material, nonpublic information provided by the Company or any of its officers, directors, employees or agents that is not disclosed in the Closing 8-K. Without the prior written consent of a Holder, the Company shall not disclose the name of such Holder in any filing or announcement, unless such disclosure is in accordance with Section 5.5 below.

Section 3.8 SEC Filings; Disclosure. The Company has filed with the SEC all reports, schedules and statements required to be filed by it under the Exchange Act on a timely basis for the most recent twelve-month period. As of their respective filing dates, the Public Filings filed since January 1, 2024, complied in all material respects with applicable requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to such Public Filings. None of such Public Filings, at the time they were filed with the SEC or, if amended or restated, as of the date of such amendment or restatement, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 3.9 No Material Adverse Effect. Since September 30, 2024, except as disclosed in the Public Filings, the Company and its subsidiaries, considered as a single enterprise, have conducted their business in the ordinary course, and there has not been any material adverse change in, or any development that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on, the legality, validity or enforceability of this Agreement or the ability of the Company to perform its obligations hereunder in connection with the Transactions on a full and timely basis in all material respects, or in or on the assets, business, operations, earnings, properties, condition (financial or otherwise), stockholders’ equity or results of operations of the Company and its subsidiaries, taken as a whole (collectively, a “**Material Adverse Effect**”).

Section 3.10 Investment Company Act. The Company is not and, after giving effect to the Transactions, will not be required to register as, an “investment company” or an entity “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended.

Section 3.11 Brokers. The Company has not incurred any liability for any finder’s fees, brokerage commissions or similar payments in connection with the Transactions for which any Holder may be liable.

Section 3.12 Further Action. The Company agrees that (i) it will cancel all Exchanged Notes acquired in connection with the Transactions, and (ii) it will, upon request, execute and deliver any additional documents reasonably deemed necessary or desirable by the Holders, the Trustee or the Transfer Agent to complete the Transactions.



ARTICLE IV
CLOSING CONDITIONS & NOTIFICATION

Section 4.1 Conditions to Obligations of each Holder and the Company. The obligations of each Holder to deliver the Exchanged Notes and of the Company to deliver the Consideration at each Closing are subject to the satisfaction at or prior to such Closing of the following conditions:

(a) there shall be no action, lawsuit, arbitration, claim or proceeding pending that enjoins the consummation of this Agreement or the Transactions;

(b) solely with regard to the obligations of each Holder to deliver the Exchanged Notes, (i) the representations and warranties of the Company contained in Article III shall be true and correct as of such Closing in all material respects (except for those representations and warranties that are qualified by materiality or material adverse effect, which shall be true and correct in all respects) with the same effect as though such representations and warranties had been made as of such Closing, and, unless notice is given pursuant to Section 4.2 below, each of the representations and warranties contained therein shall be deemed to have been reaffirmed and confirmed as of such Closing Date; and (ii) the Company shall have complied, in all material respects, with all covenants and other agreements in this Agreement required to be performed by the Company at or prior to such Closing; and

(c) solely with regard to the obligation of the Company to deliver the Consideration, (i) the representations and warranties of each Holder contained in Article II shall be true and correct as of such Closing in all material respects (except for those representations and warranties that are qualified by materiality or material adverse effect, which shall be true and correct in all respects) with the same effect as though such representations and warranties had been made as of such Closing, and, unless notice is given pursuant to Section 4.2 below, each of the representations and warranties contained therein shall be deemed to have been reaffirmed and confirmed as of such Closing Date; and (ii) each Holder shall have complied, in all material respects, with all covenants and other agreements in this Agreement required to be performed by them at or prior to such Closing.

Section 4.2 Notification. Each Holder hereby covenants and agrees to promptly notify the Company upon the occurrence of any event prior to any Closing that would cause any representation, warranty, or covenant contained in Article II to be false or incorrect in any material respect (or, with respect to those representations and warranties that are qualified by materiality or material adverse effect, in any respects). The Company hereby covenants and agrees to notify the Holders upon the occurrence of any event prior to any Closing that would cause any representation, warranty, or covenant contained in Article III to be false or incorrect in any material respect (or, with respect to those representations and warranties that are qualified by materiality or material adverse effect, in any respects).



ARTICLE V
MISCELLANEOUS

Section 5.1 Entire Agreement. This Agreement and any documents and agreements executed in connection with the Transactions embody the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous oral or written agreements, representations, warranties, contracts, correspondence, conversations, memoranda and understandings between or among the parties or any of their agents, representatives or affiliates relative to such subject matter, including, without limitation, any term sheets, emails or draft documents.

Section 5.2 Construction. References in the singular shall include the plural, and vice versa, unless the context otherwise requires. References in the masculine shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meanings of the provisions hereof. Neither party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against either party.

Section 5.3 Governing Law; Waiver of Jury Trial. This Agreement shall in all respects be construed in accordance with and governed by the substantive laws of the State of New York, without reference to its choice of law rules. Each of the Company and the Holders irrevocably waives any and all right to trial by jury with respect to any legal proceeding arising out of the Transactions.

Section 5.4 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Any counterpart or other signature hereon delivered by facsimile or any standard form of telecommunication or e-mail shall be deemed for all purposes as constituting good and valid execution and delivery of this Agreement by such party.

Section 5.5 Use of Holder Names. Neither the Company nor any of its affiliates and subsidiaries (if any) (collectively, the “**Company Group**”) shall identify, or permit any of its employees, agents or representatives to identify, any Holder (whether in connection with the Company or in the Holder’s capacity as an investor in the Company) in any written or oral public communications or issue any press release or other disclosure of the Holder’s name or the name of any of its affiliates, or any derivative of any of the foregoing names (collectively, the “**Holder Names**”), in each case except (i) as authorized in writing in advance by the Holder in each such instance (electronic mail to suffice) or (ii) as required by applicable law, legal process or regulatory request (“**Applicable Law**”); provided, that prior to any such disclosure such disclosing member of the Company Group as soon as practicable notifies the Holder of such requirement (except where prohibited by Applicable Law) so that the Holder (or its applicable affiliate) may seek a protective order or other appropriate remedy prior to such disclosure. Notwithstanding the foregoing, the Company may make disclosures to an auditor or governmental or regulatory authority pursuant to any routine investigation, inspection, examination or inquiry without providing the Holder with any notification thereof, unless the Holder is the subject of any such

investigation, inspection, examination or inquiry (in which case the preceding sentence shall govern).

Section 5.6 Fees and Expenses. Except as otherwise set forth in this Agreement, each party to this Agreement shall bear its own fees and expenses in connection with the delivery of the Exchanged Notes and issuance of the Consideration. The Company shall be responsible for the payment of any fees of the Placement Agent, the Trustee or the Transfer Agent relating to or arising out of the Transactions.

Section 5.7 Severability. The invalidity or unenforceability of any provision hereof will in no way affect the validity or enforceability of any other provision or the validity and enforceability of this Agreement.

Section 5.8 Assignment; Binding Effect. No Holder shall convey, assign or otherwise transfer any of its rights or obligations under this Agreement without the express written consent of the Company, except to an affiliate of such Holder who assumes its obligations hereunder pursuant to a joinder or similar agreement reasonably acceptable to the Company, and the Company shall not convey, assign or otherwise transfer any of its rights and obligations under this Agreement without the express written consent of each Holder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement is intended solely for the benefit of the parties hereto and their respective successors and permitted assigns, and, except as set forth in Section 5.9, is not for the benefit of, nor may any provision hereof be enforced by, any other person.

Section 5.9 Reliance by the Placement Agent. The Placement Agent, acting as financial advisor to the Company, may rely on each representation and warranty of the Company and of each Holder, made on behalf of itself, herein or pursuant to the terms hereof with the same force and effect as if such representation or warranty were made directly to the Placement Agent. The Placement Agent will be a third-party beneficiary of this Agreement to the extent provided in this Section 5.9.

Section 5.10 Waiver; Remedies. No delay on the part of any Holder or the Company in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any Holder or the Company of any right, power or privilege under this Agreement operate as a waiver of any other right, power or privilege of such party under this Agreement, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege under this Agreement. All waivers under this Agreement shall be in writing and signed by the party against whom such waiver is to be enforced.

Section 5.11 Amendment. This Agreement may be modified or amended only by written agreement of each of the parties to this Agreement.

Section 5.12 Survival. The provisions of Article II, Article III, Section 4.2 and Article V shall survive each Closing.

Section 5.13 Notice. Any notice or communications hereunder shall be in writing and

will be deemed to have been given if delivered in person or by registered or certified first-class

mail or courier service or sent by electronic transmission to the following addresses, or such other addresses as may be furnished hereafter by notice in writing:

if to the Company:

Luminar Technologies, Inc.
2603 Discovery Drive, Suite 100
Orlando, FL 32826
Attention: Tom Fennimore, CFO
Email: tom@luminartech.com

with a copy (which will not constitute notice) to:

legal.notices@luminartech.com

with a copy (which will not constitute notice) to:

Orrick, Herrington & Sutcliffe LLP
631 Wilshire Boulevard
Santa Monica, CA 90401
Attention: Daniel S. Kim
Email: dan.kim@orrick.com

if to the Holders, as set forth on Exhibit A hereto.

Section 5.14 Termination. The Company may terminate this Agreement if (i) there has occurred any breach or withdrawal by a Holder of any covenant, representation or warranty set forth in Article II in any material respect (or, with respect to those representations and warranties that are qualified by materiality or material adverse effect, in any respect) or (ii) any of the conditions outlined in Section 4.1(a) or Section 4.1(c) is not satisfied or waived by 5:00 p.m. (New York City time) on a Closing Date. A Holder may terminate this Agreement if (i) there has occurred any breach or withdrawal by the Company of any covenant, representation or warranty set forth in Article III in any material respect (or, with respect to those representations and warranties that are qualified by materiality or material adverse effect, in any respect) or (ii) any of the conditions outlined in Section 4.1(a) or Section 4.1(b) is not satisfied or waived by 5:00 p.m. (New York City time) on a Closing Date. Upon a termination of this Agreement in accordance with this Section 5.14, neither the Company nor any Holder shall have any further obligation or liability (including, without limitation, arising from such termination) to the other.

Section 5.15 Other Transactions. Nothing contained herein or in any other document related to the Transactions, and no action taken by any Holder pursuant hereto or thereto or by any other party pursuant to such other documents, shall be deemed to constitute a Holder and any other Holder or any other party hereunder or under such other documents as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that such entities are in any way acting in concert or as a group with respect to their obligations hereunder or thereunder or with respect to the Transactions.

[Signature Page Follows]



IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first above written.

THE COMPANY:

LUMINAR TECHNOLOGIES, INC.

By: _____

Name:

Title:

SIGNATURE PAGE TO
SECURITIES EXCHANGE AGREEMENT

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first above written.

HOLDER:

By: _____
Name:
Title:

SIGNATURE PAGE TO
SECURITIES EXCHANGE AGREEMENT

EXHIBIT A

Holders

Holder Name and Address	Exchanged Notes (aggregate principal amount of Notes to be exchanged)
Total	\$[_____]

EXHIBIT B

Holder Exchange Procedures

LUMINAR TECHNOLOGIES NOTICE TO EXCHANGING HOLDERS

Following are Holder exchange procedures for the settlement of the exchange of 1.25% convertible senior notes due 2026 (CUSIP No. 550424 AA3) (the “**Notes**”), of Luminar Technologies, Inc. (the “**Company**”) for shares of Class A common stock, par value \$0.0001 per share (CUSIP No. 550424 303) (the “**Common Stock**”), of the Company (the “**Exchange Shares**”), plus, to the extent applicable, a cash payment (the “**Cash Payment**” and, together with the Exchange Shares, the “**Consideration**”), pursuant to the Securities Exchange Agreement, dated as of March 23, 2025 (the “**Exchange Agreement**”), between the Company and the Holders party thereto, on each of the Closing Dates (which are expected to commence on March 25, 2025). Capitalized terms used herein and not otherwise defined herein have the meaning given to them in the Exchange Agreement.

To ensure timely settlement on each Closing Date, please follow the instructions as set forth below. *Your failure to comply with the following instructions may delay your receipt of the applicable Consideration for such Closing Date.*

If you have any questions, please contact Jared Kramer of Matthews South, LLC by telephone at (415) 873-4765 or by email to jared@matthewssouth.com.

Thank you.

Delivery of the Exchanged Notes

You must direct the eligible DTC participant through which you hold a beneficial interest in the Exchanged Notes to post **on the applicable Closing Date, no later than 9:00 a.m. (New York City time)**, withdrawal instructions through DTC via DWAC for the aggregate principal amount of Exchanged Notes (CUSIP No. 550424 AA3) to be exchanged on such Closing Date (calculated as described in Section 1.1 of the Exchange Agreement). **It is important that this instruction be submitted and the DWAC posted on the applicable Closing Date—if it is posted before the applicable Closing Date, then it will expire unaccepted and will need to be re-posted on the applicable Closing Date.**

To Receive the Exchange Shares

You must direct your eligible DTC participant through which you wish to hold a beneficial interest in the Exchange Shares to post **on the applicable Closing Date, no later than 9:00 a.m. (New York City time)**, a deposit instruction through DTC via DWAC for the aggregate number of Exchange Shares (CUSIP No. 550424 303) to which you are entitled to receive on such Closing Date (calculated as described in Section 1.1 of the Exchange Agreement). **It is important that this instruction be submitted and the DWAC posted on the applicable Closing Date—if it is posted before the applicable Closing Date, then it will expire unaccepted and will need to be re-posted on the applicable Closing Date.**

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas J. Fennimore, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Luminar Technologies, Inc. for the quarter ended March 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 20, 2025

By: _____
/s/ Thomas J. Fennimore
Thomas J. Fennimore
Interim Principal Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas J. Fennimore, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Luminar Technologies, Inc. for the quarter ended March 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 20, 2025

By:

/s/ Thomas J. Fennimore

Thomas J. Fennimore
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas J. Fennimore, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Luminar Technologies, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of the Company.

Date: May 20, 2025

By: _____ /s/ Thomas J. Fennimore
Thomas J. Fennimore
Interim Principal Executive Officer
(Principal Executive Officer)

I, Thomas J. Fennimore, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Luminar Technologies, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of the Company.

Date: May 20, 2025

By: _____ /s/ Thomas J. Fennimore
Thomas J. Fennimore
Chief Financial Officer
(Principal Financial and Accounting Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Luminar Technologies, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.