REFINITIV

DELTA REPORT

10-Q

LAZR - LUMINAR TECHNOLOGIES, INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1191
CHANGES	214
DELETIONS	640
ADDITIONS	337

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 September 30, 2023 March 31, 2024

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				**83-1804317**
(State or other jurisdiction of incorporation or organization)				(I.R.S. Employer Identification No.)
2603 Discovery Drive	**Suite 100**	**Orlando**	**Florida**	**32826**
(Address of Principal Executive Offices)				(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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 Act). Yes ☐ No ☒

As of October 31, 2023 April 30, 2024, the registrant had 304,866,400 348,535,064 shares of Class A common stock and 97,088,670 shares of Class B common stock, par value $0.0001 per share, outstanding.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES

FORM 10-Q

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Form 10-Q") includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which involve substantial risks and uncertainties. These statements reflect the current views of management with respect to future events and our financial performance. These forward-looking statements include statements regarding product plans, and performance, future growth, sales estimates/Order Book numbers, market opportunities, strategic initiatives, industry positioning, customer acquisition and financial performance, purchase price allocations with respect to acquired assets, anticipated cost efficiencies associated with locating certain manufacturing assembly activities in the new Mexico manufacturing facility and timing for completion of validation processes with respect to the facility, timing for retention, revenue recognition and validation processes, expectations regarding funding of product and business development initiatives and capital expenditures, growth and anticipated impacts on our business of COVID-19 any future health epidemics and related public health measures. outbreaks. 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 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 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, including Order Book, our future cost of goods sold (COGS) ("COGS") and bill of materials (BOM) (“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 customers; 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 build, launch, receive regulatory approval, sell, and service insurance products as well as market and differentiate the benefits of LiDAR-based ADAS to consumers; 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 regulatory 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; whether the complexity of our products results in undetected defects and reliability issues 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 and dependence on Austin Russell, our Founder, President and 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 COVID-19 pandemic or other 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 conflicts involving the conflict between Russia and Ukraine, as well as trade disputes with China and including the effect of sanctions and trade restrictions that may affect supply chain or sales opportunities; 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, 2022 December 31, 2023 (our “2022 “2023 Annual Report”) under the heading “Risk Factors” and in subsequent reports filed with the SEC which we encourage you to carefully read. 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 Quarterly Report on 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 Twitter, Luminartech on YouTube, and Luminar Technologies on LinkedIn). The information on our website (or any webpages referenced in this Quarterly Report on 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)

		September 30, 2023	December 31, 2022
		(Unaudited)	

	March 31, 2024	March 31, 2024	December 31, 2023
	(Unaudited)		
ASSETS			
ASSETS			
ASSETS	ASSETS		
Current assets:	Current assets:		

Current assets:			
Current assets:			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	$ 74,723	$ 69,552
Restricted cash	Restricted cash	3,465	1,553
Marketable securities	Marketable securities	246,242	419,314
Accounts receivable	Accounts receivable	18,903	11,172
Inventory	Inventory	16,698	8,792
Prepaid expenses and other current assets	Prepaid expenses and other current assets	29,389	44,203
Total current assets	Total current assets	389,420	554,586
Property and equipment, net	Property and equipment, net	72,647	30,260
Operating lease right-of-use assets	Operating lease right-of-use assets	19,660	21,244
Intangible assets, net	Intangible assets, net	27,059	22,077
Goodwill	Goodwill	19,879	18,816
Other non-current assets	Other non-current assets	24,213	40,344
Total assets	Total assets	$ 552,878	$ 687,327
LIABILITIES AND STOCKHOLDERS' DEFICIT	LIABILITIES AND STOCKHOLDERS' DEFICIT		
LIABILITIES AND STOCKHOLDERS' DEFICIT			
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current liabilities:	Current liabilities:		
Current liabilities:			
Current liabilities:			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	$ 20,732	$ 18,626
Accrued and other current liabilities	Accrued and other current liabilities	58,489	52,962
Operating lease liabilities	Operating lease liabilities	6,475	5,953
Total current liabilities	Total current liabilities	85,696	77,541
Total current liabilities			
Total current liabilities			
Warrant liabilities	Warrant liabilities	1,660	3,005
Convertible senior notes			
Convertible senior notes			

Convertible senior notes	Convertible senior notes	614,619	612,192
Operating lease liabilities, non-current	Operating lease liabilities, non-current	15,551	16,989
Other non-current liabilities	Other non-current liabilities	1,017	4,005
Total liabilities	Total liabilities	718,543	713,732
Commitments and contingencies (Note 14)	Commitments and contingencies (Note 14)		
Stockholders' deficit:	Stockholders' deficit:		
Class A common stock	Class A common stock	32	29
Class A common stock			
Class A common stock			
Class B common stock	Class B common stock	10	10
Additional paid-in capital	Additional paid-in capital	1,838,299	1,558,685
Accumulated other comprehensive loss		(235)	(4,226)
Accumulated other comprehensive income (loss)			
Treasury stock	Treasury stock	(312,477)	(312,477)
Accumulated deficit	Accumulated deficit	(1,691,294)	(1,268,426)
Total stockholders' deficit	Total stockholders' deficit	(165,665)	(26,405)
Total liabilities and stockholders' deficit	Total liabilities and stockholders' deficit	$ 552,878	$ 687,327

Commitments and contingencies (Note 14)

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 September 30,		Nine Months Ended September 30,	
		2023	**2022**	**2023**	**2022**
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Revenue:					
Revenue:					
Revenue:	Revenue:				
Products	Products	$ 10,753	$ 6,796	$ 28,043	$ 10,135

Products					
Products					
Services					
Services					
Services	Services	6,206	5,989	19,622	19,437
Total revenue	Total revenue	16,959	12,785	47,665	29,572
Total revenue					
Total revenue					
Cost of sales:					
Cost of sales:					
Cost of sales:	Cost of sales:				
Products	Products	27,273	18,364	71,535	47,169
Products					
Products					
Services					
Services					
Services	Services	7,846	10,147	27,249	26,088
Total cost of sales	Total cost of sales	35,119	28,511	98,784	73,257
Total cost of sales					
Total cost of sales					
Gross loss					
Gross loss					
Gross loss	Gross loss	(18,160)	(15,726)	(51,119)	(43,685)
Operating expenses:	Operating expenses:				
Operating expenses:					
Operating expenses:					
Research and development					
Research and development					
Research and development	Research and development	62,937	46,308	199,472	120,358
Sales and marketing	Sales and marketing	12,397	10,111	41,780	26,698
Sales and marketing					
Sales and marketing					
General and administrative					
General and administrative					
General and administrative	General and administrative	35,435	42,809	122,345	110,984
Total operating expenses	Total operating expenses	110,769	99,228	363,597	258,040
Total operating expenses					
Total operating expenses					
Loss from operations					
Loss from operations					
Loss from operations	Loss from operations	(128,929)	(114,954)	(414,716)	(301,725)
Other income (expense), net:	Other income (expense), net:				
Other income (expense), net:					
Other income (expense), net:					
Change in fair value of warrant liabilities					
Change in fair value of warrant liabilities					

Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	2,373	(1,231)	1,345	6,645
Interest expense	Interest expense	(2,779)	(2,660)	(5,717)	(9,088)
Interest expense					
Interest expense					
Interest income	Interest income	1,260	1,553	4,770	3,970
Other income (expense)		(5,967)	(83)	(8,245)	(358)
Interest income					
Interest income					
Gain from acquisition of EM4, LLC (“EM4”)					
Gain from acquisition of EM4, LLC (“EM4”)					
Gain from acquisition of EM4, LLC (“EM4”)					
Losses related to investments and certain other assets, and other income (expense)					
Losses related to investments and certain other assets, and other income (expense)					
Losses related to investments and certain other assets, and other income (expense)					
Total other income (expense), net					
Total other income (expense), net					
Total other income (expense), net	Total other income (expense), net	(5,113)	(2,421)	(7,847)	1,169
Loss before provision for income taxes	Loss before provision for income taxes	(134,042)	(117,375)	(422,563)	(300,556)
Loss before provision for income taxes					
Loss before provision for income taxes					
Provision for income taxes	Provision for income taxes	296	175	305	566
Provision for income taxes					
Provision for income taxes					
Net loss					
Net loss					
Net loss	Net loss	$ (134,338)	$ (117,550)	$ (422,868)	$ (301,122)
Net loss per share:	Net loss per share:				
Net loss per share:					
Net loss per share:					
Basic and diluted					
Basic and diluted					
Basic and diluted	Basic and diluted	$ (0.34)	$ (0.33)	$ (1.11)	$ (0.85)
Shares used in computing net loss per share:	Shares used in computing net loss per share:				
Shares used in computing net loss per share:					
Shares used in computing net loss per share:					
Basic and diluted					
Basic and diluted					
Basic and diluted	Basic and diluted	394,591,942	359,753,254	382,673,871	353,537,754
Comprehensive Loss:	**Comprehensive Loss:**				
Comprehensive Loss:					
Comprehensive Loss:					
Net loss					

Net loss					
Net loss	Net loss	$ (134,338)	$ (117,550)	$ (422,868)	$ (301,122)
Net unrealized gain (loss) on available-for-sale debt securities	Net unrealized gain (loss) on available-for-sale debt securities	573	16	3,991	(5,081)
Net unrealized gain (loss) on available-for-sale debt securities					
Net unrealized gain (loss) on available-for-sale debt securities					
Comprehensive loss	Comprehensive loss	$ (133,765)	$ (117,534)	$ (418,877)	$ (306,203)
Comprehensive loss					
Comprehensive loss					

See accompanying notes to the unaudited condensed consolidated financial statements.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Stockholders' Equity (Deficit) Deficit

(Unaudited)

(In thousands, except share data)

	Class A Common Stock Shares	Class A Common Stock Amount	Class B Common Stock Shares	Class B Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance as of June 30, 2022	282,211,182	$ 28	97,088,670	$ 10	$ 1,413,064	$ (6,005)	$ (312,477)	$ (1,006,059)	$ 88,561
	Class A Common Stock								
	Class A Common Stock								
Shares	**Class A Common Stock**		**Class B Common Stock**		**Additional Paid-in Capital**	**Accumulated Other Comprehensive Income (Loss)**	**Treasury Stock**	**Accumulated Deficit**	**Total Stockholders' Deficit**
Balance as of December 31, 2022									
Balance as of December 31, 2022									
Balance as of December 31, 2022									
Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units / Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units	2,735,219	1	—	—	1,101	—	—	—	1,102
Retirement of unvested restricted common stock	(4,648)	—	—	—	—	—	—	—	—
Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units									
Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units									

Issuance of Class A common stock under the Equity Financing Program										
Vendor payments under the stock-in-lieu of cash program										
Vendor payments under the stock-in-lieu of cash program										
Vendor payments under the stock-in-lieu of cash program	Vendor payments under the stock-in-lieu of cash program	537,720	—	—	—	16,920	—	—	—	16,920
Optogration milestone awards		1,632,056	—	—	—	11,751	—	—	—	11,751
Share-based compensation										
Share-based compensation										
Share-based compensation	Share-based compensation	—	—	—	—	43,209	—	—	—	43,209
Payments of employee taxes related to stock-based awards	Payments of employee taxes related to stock-based awards	—	—	—	—	(1,049)	—	—	—	(1,049)
Other comprehensive income	Other comprehensive income	—	—	—	—	—	16	—	—	16
Other comprehensive income										
Other comprehensive income										
Net loss	Net loss	—	—	—	—	—	—	—	(117,550)	(117,550)
Balance as of September 30, 2022		287,111,529	$ 29	97,088,670	$ 10	$ 1,484,996	$ (5,989)	$ (312,477)	$ (1,123,609)	$ 42,960
Balance as of March 31, 2023										
Balance as of June 30, 2023		313,888,629	$ 31	97,088,670	$ 10	$ 1,741,053	$ (808)	$ (312,477)	$ (1,556,956)	$ (129,147)
Balance as of December 31, 2023										
Balance as of December 31, 2023										
Balance as of December 31, 2023										
Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units	Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units	4,688,949	1	—	—	903	—	—	—	904
Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units										
Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units										
Issuance of Class A common stock under 401(k) Plan										
Issuance of Class A common stock under 401(k) Plan										
Issuance of Class A common stock under 401(k) Plan										

Issuance of Class A common stock under the Equity Financing Program	Issuance of Class A common stock under the Equity Financing Program	1,833,829	—	—	—	9,107	—	—	—	9,107
Issuance of Class A common stock to a wholly owned subsidiary of TPK Universal Solutions Limited (“TPK”)		1,652,892	—	—	—	10,000	—	—	—	10,000
Issuance of Class A common stock to Plus Automation, Inc. (“Plus”)		1,926,471	—	—	—	12,141	—	—	—	12,141
Issuance of Class A common stock under the Equity Financing Program										
Issuance of Class A common stock under the Equity Financing Program										
Issuance of Class A common stock in settlement of certain claims										
Vendor payments under the stock-in-lieu of cash program										
Vendor payments under the stock-in-lieu of cash program										
Vendor payments under the stock-in-lieu of cash program	Vendor payments under the stock-in-lieu of cash program	389,920	—	—	—	9,734	—	—	—	9,734
Milestone awards related to acquisition	Milestone awards related to acquisition	1,527,788	—	—	—	11,336	—	—	—	11,336
Share-based compensation	Share-based compensation	—	—	—	—	44,025	—	—	—	44,025
Share-based compensation										
Share-based compensation										
Payments of employee taxes related to vested restricted stock units										
Other comprehensive income	Other comprehensive income	—	—	—	—	—	573	—	—	573
Net loss	Net loss	—	—	—	—	—	—	—	(134,338)	(134,338)
Balance as of September 30, 2023		325,908,478	$ 32	97,088,670	$ 10	$ 1,838,299	$ (235)	$ (312,477)	$ (1,691,294)	$ (165,665)
Balance as of March 31, 2024										

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balance as of December 31, 2021	266,076,525	$ 27	97,088,670	$ 10	$ 1,257,214	$ (908)	$ (235,871)	$ (822,487)	$ 197,985
Shares repurchased	—	—	—	—	—	—	(76,606)		(76,606)
Issuance of Class A common stock upon exercise of Private Warrants	405,752	—	—	—	19,003	—	—	—	19,003
Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units	6,920,617	1	—	—	2,845	—	—	—	2,846
Retirement of unvested restricted common stock	(48,204)	—	—	—	—	—	—	—	—
Vendor payments under the stock-in-lieu of cash program	9,574,385	1	—	—	60,677	—	—	—	60,678
Optogration milestone awards	1,632,056	—	—	—	11,751	—	—	—	11,751
Acquisition of Freedom Photonics LLC	2,176,205	—	—	—	30,510	—	—	—	30,510
Acquisition of certain assets from Solfice Research, Inc.	374,193	—	—	—	3,361	—	—	—	3,361
Share-based compensation	—	—	—	—	102,408	—	—	—	102,408
Payments of employee taxes related to stock-based awards	—	—	—	—	(2,773)	—	—	—	(2,773)
Other comprehensive loss	—	—	—	—	—	(5,081)	—	—	(5,081)
Net loss	—	—	—	—	—	—	—	(301,122)	(301,122)
Balance as of September 30, 2022	287,111,529	$ 29	97,088,670	$ 10	$ 1,484,996	$ (5,989)	$ (312,477)	$ (1,123,609)	$ 42,960
Balance as of December 31, 2022	291,942,087	$ 29	97,088,670	$ 10	$ 1,558,685	$ (4,226)	$ (312,477)	$ (1,268,426)	$ (26,405)
Issuance of Class A common stock upon exercise of stock options and vesting of restricted stock units	13,414,078	2	—	—	2,551	—	—	—	2,553
Issuance of Class A common stock under ESPP	272,524	—	—	—	1,406	—	—	—	1,406
Issuance of Class A common stock under the Equity Financing Program	5,599,121	—	—	—	38,711	—	—	—	38,711
Issuance of Class A common stock to a wholly owned subsidiary of TPK	3,305,784	—	—	—	20,000	—	—	—	20,000
Issuance of Class A common stock to Plus	1,926,471	—	—	—	12,141	—	—	—	12,141
Vendor payments under the stock-in-lieu of cash program	6,505,012	1	—	—	43,328	—	—	—	43,329
Milestone awards related to acquisitions	2,943,401	—	—	—	20,656	—	—	—	20,656
Share-based compensation	—	—	—	—	141,393	—	—	—	141,393
Payments of employee taxes related to stock-based awards	—	—	—	—	(572)	—	—	—	(572)
Other comprehensive income	—	—	—	—	—	3,991	—	—	3,991
Net loss	—	—	—	—	—	—	—	(422,868)	(422,868)
Balance as of September 30, 2023	325,908,478	$ 32	97,088,670	$ 10	$ 1,838,299	$ (235)	$ (312,477)	$ (1,691,294)	$ (165,665)

See accompanying notes to the unaudited condensed consolidated financial statements.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(In thousands)

		Nine Months Ended September 30,			
		2023	**2022**		
	Three Months Ended March 31,			**Three Months Ended March 31,**	
	2024			**2024**	**2023**
Cash flows from operating activities:	**Cash flows from operating activities:**				
Net loss	Net loss	$(422,868)	$(301,122)		
Net loss					
Net loss					
Adjustments to reconcile net loss to net cash used in operating activities:	Adjustments to reconcile net loss to net cash used in operating activities:				

Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization	Depreciation and amortization	19,468	4,374
Amortization of operating lease right-of-use assets	Amortization of operating lease right-of-use assets	5,095	3,531
Amortization of premium (discount) on marketable securities	Amortization of premium (discount) on marketable securities	(3,952)	1,111
Loss on marketable securities	Loss on marketable securities	7,774	—
Change in fair value of private warrants	Change in fair value of private warrants	(1,345)	(6,645)
Vendor stock-in-lieu of cash program	Vendor stock-in-lieu of cash program	31,487	32,487
Gain from acquisition of EM4			
Amortization of debt discount and issuance costs	Amortization of debt discount and issuance costs	2,427	2,427
Inventory write-offs and write-downs	Inventory write-offs and write-downs	17,343	8,750
Share-based compensation	Share-based compensation	160,031	117,874
Share-based compensation			
Share-based compensation			
Loss on investment in non-marketable securities		2,141	—
Product warranty and other			
Product warranty and other			
Product warranty and other	Product warranty and other	4,273	(623)
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:		
Accounts receivable			
Accounts receivable			
Accounts receivable	Accounts receivable	(7,729)	6,457
Inventories	Inventories	(25,249)	(6,648)
Prepaid expenses and other current assets	Prepaid expenses and other current assets	10,858	(4,685)

Other non-current assets	Other non-current assets	(3,458)	(1,371)
Accounts payable	Accounts payable	4,018	8,379
Accrued and other current liabilities	Accrued and other current liabilities	14,379	5,716
Other non-current liabilities	Other non-current liabilities	(9,219)	(3,571)
Net cash used in operating activities	Net cash used in operating activities	(194,526)	(133,559)
Cash flows from investing activities:	**Cash flows from investing activities:**		
Acquisition of Freedom Photonics LLC (net of cash acquired)		—	(2,759)
Acquisition of certain assets from Solfice		—	(2,001)
Acquisition of EM4 (net of cash acquired)			
Acquisition of EM4 (net of cash acquired)			
Acquisition of EM4 (net of cash acquired)			
Acquisition of Seagate's lidar business	Acquisition of Seagate's lidar business	(12,608)	—
Purchases of marketable securities	Purchases of marketable securities	(269,164)	(363,906)
Proceeds from maturities of marketable securities	Proceeds from maturities of marketable securities	390,836	254,068
Proceeds from sales/redemptions of marketable securities	Proceeds from sales/redemptions of marketable securities	51,569	68,804
Purchases of property and equipment	Purchases of property and equipment	(21,129)	(11,277)
Advances for capital projects and equipment		—	(2,009)
Purchases of property and equipment			
Purchases of property and equipment			
Net cash provided by (used in) investing activities		139,504	(59,080)
Net cash provided by investing activities			
Net cash provided by investing activities			
Net cash provided by investing activities			
Cash flows from financing activities:	**Cash flows from financing activities:**		

Net proceeds from issuance of Class A common stock under the Equity Financing Program	Net proceeds from issuance of Class A common stock under the Equity Financing Program	38,711	—
Proceeds from issuance of Class A common stock to a wholly owned subsidiary of TPK		20,000	—
Net proceeds from issuance of Class A common stock under the Equity Financing Program			
Net proceeds from issuance of Class A common stock under the Equity Financing Program			
Proceeds from exercise of stock options	Proceeds from exercise of stock options	2,560	2,891
Proceeds from sale of Class A common stock under ESPP		1,406	—
Proceeds from exercise of stock options			
Proceeds from exercise of stock options			
Payments of employee taxes related to stock-based awards	Payments of employee taxes related to stock-based awards	(572)	(2,773)
Repurchase of common stock		—	(80,878)
Payments of employee taxes related to stock-based awards			
Payments of employee taxes related to stock-based awards			
Net cash provided by (used in) financing activities		62,105	(80,760)
Net cash provided by financing activities			
Net cash provided by financing activities			
Net cash provided by financing activities			
Net increase (decrease) in cash, cash equivalents and restricted cash	Net increase (decrease) in cash, cash equivalents and restricted cash	7,083	(273,399)
Beginning cash, cash equivalents and restricted cash	Beginning cash, cash equivalents and restricted cash	71,105	330,702
Ending cash, cash equivalents and restricted cash	Ending cash, cash equivalents and restricted cash	$ 78,188	$ 57,303
Supplemental disclosures of cash flow information:			
Cash paid for interest		$ 3,906	$ 3,863

Supplemental disclosures of noncash investing and financing activities:	**Supplemental disclosures of noncash investing and financing activities:**		
Issuance of Class A common stock upon exercise of warrants		$ —	$ 19,003
Supplemental disclosures of noncash investing and financing activities:			
Supplemental disclosures of noncash investing and financing activities:			
Operating lease right-of-use assets obtained in exchange for lease obligations			
Operating lease right-of-use assets obtained in exchange for lease obligations			
Operating lease right-of-use assets obtained in exchange for lease obligations	Operating lease right-of-use assets obtained in exchange for lease obligations	3,335	16,749
Purchases of property and equipment recorded in accounts payable and accrued liabilities	Purchases of property and equipment recorded in accounts payable and accrued liabilities	2,194	1,663
Purchases of property and equipment recorded in accounts payable and accrued liabilities			
Purchases of property and equipment recorded in accounts payable and accrued liabilities			
Vendor stock-in-lieu of cash program—advances for capital projects and equipment	Vendor stock-in-lieu of cash program—advances for capital projects and equipment	7,411	21,024
Investment in Plus		10,000	—

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 wholly-owned subsidiaries, the “Company” or “Luminar”) is incorporated in Delaware. Luminar is a global automotive technology company ushering in a new era of vehicle safety and autonomy. Over the past decade, Luminar has been building from the chip-level up, its light detection and ranging sensor, or LiDAR, which is expected to meet the demanding performance, safety, reliability and cost requirements to enable next generation 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 NASDAQ 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.

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, 2022 December 31, 2023 (the “2022 “2023 Annual Report”) filed with the SEC on February 28, 2023 February 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 condensed 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, valuation of warrants issued in a private placement (“Private Warrants”), valuation of contingent consideration payable, and assets acquired in mergers and acquisitions including intangible assets, forecasted costs associated with non-recurring engineering (“NRE”) services, product warranty reserves, restructuring costs and stock-based compensation expense and other loss contingencies. expense. Management periodically evaluates such estimates and they are adjusted prospectively based upon such periodic evaluation. Actual results could differ from those estimates.

Segment Information

The Company has determined its operating segments using the same indicators which are used to evaluate its performance internally. The Company’s business activities are organized in two operating segments:

(i) “Autonomy Solutions,” Solutions” which includes manufacturing and distribution of LiDAR sensors that measure distance using laser light to generate a 3D map, 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 information. In June 2022, the Company’s intellectual property Company acquired certain assets from Solfice Research, Inc. (“IP” Solfice” 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” Services (“ATS”), ” which includes development of application-specific integrated circuits, pixel-based sensors, advanced lasers, as well as designing, testing and providing consulting services for non-standard integrated circuits. In August 2021 and in April 2022, the Company acquired Optogration, Inc. (“Optogration”) and Freedom Photonics LLC (“Freedom Photonics”), respectively. Operations of Optogration and Freedom Photonics have been included in the ATS segment. In March 2024, the Company acquired EM4, LLC (“EM4”) and included operations of EM4 in the ATS segment.

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

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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 was not material.

The Company’s revenue is derived from customers located in the United States and international markets. Two customers One customer, Scale AI, Inc., accounted for 56% 69% and 13% 71% of the Company’s accounts receivable as of September 30, 2023. Three customers accounted for 27% March 31, 2024 and December 31, 2023, 23% and 11% of the Company’s accounts receivable as of December 31, 2022.

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

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, 2022 December 31, 2023. There has been no material change to the Company’s significant accounting policies during the nine three months ended September 30, 2023 March 31, 2024.

Recent Accounting Pronouncements Not Yet Effective

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 has reviewed, or is in currently evaluating this guidance and the process of evaluating, all issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such accounting pronouncements will cause a material impact it may have on its consolidated financial position, operating results or statements of cash flows. statement disclosures.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): *Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). ASU 2023-07 requires a public company to enhance disclosures about significant segment expenses and provide incremental segment information on an annual and interim basis to enable investors to develop more decision-useful financial analyses. ASU 2023-07 will be effective for the Company for fiscal year beginning January 1, 2024, and interim periods within fiscal year 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 Seagate's LiDAR Business EM4

On January 18, 2023 March 18, 2024 (the "Acquisition Date"), the Company acquired certain assets (including intellectual property ("IP"), equipment completed its acquisition of EM4, a designer, manufacturer and other assets) seller of packaged photonic components and employees from Seagate Technology LLC sub-systems for industrial markets. The EM4 acquisition is expected to accelerate the Company's strategy to package lasers, detectors and its affiliates (together "Seagate"). ASICs.

The Company simultaneously licensed IP acquired 100% of the membership interests of EM4 from Seagate. The G&H Investment Holding, Inc. ("G&H"), for an aggregate purchase price of $12.6 approximately $4.5 million for in cash, net of working capital adjustments, and up to $6.75 million in contingent future payments to G&H subject to the said acquired assets and achievement of certain financial performance targets. The fair value of the license contingent consideration at the Acquisition Date was paid in cash.estimated to be $0.1 million. The acquired assets and employees comprised Seagate's LiDAR development operations and have been combined into Company utilized a Monte Carlo simulation model to estimate the Company's research and development team. 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

Price allocation includes preliminary estimates of deferred tax balances, certain tax liabilities, for which the Company is in the process of collecting documentation to ascertain potential amounts, and fair value of certain working capital and deferred tax balances. During components. Preliminary estimates of fair values included in the second quarter ended June 30, 2023, condensed consolidated financial statements are expected to be finalized within a one-year measurement period following the Company finalized its determination relating acquisition date after which any subsequent adjustments will be reflected in the consolidated statements of operations.

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to the fair value of assets acquired from Seagate. Condensed Consolidated Financial Statements (Unaudited)

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

	Preliminary Recorded Value
Cash and cash equivalents	$ Recorded Value 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 3,163
Developed Technology (1) Operating lease right-of-use assets	8,240 2,072
Goodwill (2) Total assets acquired	1,063 11,016
Other assets Current liabilities	142 (3,148)
Operating lease liabilities, non-current	(1,628)
Total liabilities assumed	(4,776)
Net assets acquired	$ 12,608 6,240

(1) Technology and IP Licenses were measured using the cost approach. Significant inputs used as part of the valuation of intangible assets include personnel costs, overhead costs, developer's profit, and expected time to reproduce.

(2) Goodwill is the excess of Since the consideration transferred over paid by the Company to acquire EM4's business was lower than the estimated fair value of net assets acquired, the Company recognized a $1.8 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 recognized acquired: (a) EM4 had historically been incurring losses and represents G&H viewed it as non-core; (b) although G&H pursued a competitive auction process for the expected business, the ultimate timeline to completion was drawn-out due to the complexity of the transaction structure; and (c) during the later stages of the sale process, after the Company was selected as the winning bidder, EM4's business was 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 economic benefits as a result payments to G&H.

The results of other assets acquired that could not be individually identified and separately recognized. Goodwill is not amortized. The factors that made up the goodwill recognized operations related to EM4 are included workforce and expected synergies derived in our condensed consolidated statements of operations beginning from the technology application to the Company's current technological platforms. Acquisition Date. The entire amount of goodwill is expected to be deductible for tax purposes and is allocated to the Autonomy Solutions segment, which is also deemed the reporting unit.

Identifiable intangible assets recognized (in thousands):

	Useful Life	Recorded Value
Developed technology	4 — 6 years	$ 8,240

The acquired business did not contribute distinct revenues but added additional operating expenses primarily related to personnel-related costs impact of the hired team of former Seagate employees and related facilities costs in acquisition on the period from January 18, 2023 to September 30, 2023. Such operating expenses were not material to the operating consolidated financial results of the Company for the three and nine months ended September 30, 2023. March 31, 2024 was not material.

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

Note 4. Revenue

The Company's revenue is comprised of sales of LiDAR sensors hardware, components, NRE services and licensing of certain 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 September 30,			
		2023		2022	
		Revenue	% of Revenue	Revenue	% of Revenue
Revenue by primary geographical market:	**Revenue by primary geographical market:**				
North America	North America	$16,367	97 %	$12,440	97 %
Europe and Middle East and other		592	3 %	345	3 %
Total	Total	$16,959	100 %	$12,785	100 %
Revenue by timing of recognition:	**Revenue by timing of recognition:**				

Three Months Ended March 31, 2024 Revenue		Three Months Ended March 31,						
		2024			2023			
		Revenue		% of Revenue		Revenue		% of Revenue
North America								
North America		$20,337		97 %	$	13,198		91 %
Asia Pacific	Asia Pacific	81		— %		592		4 %
Europe and Middle East	Europe and Middle East	550		3 %		719		5 %
Total	Total	$20,968	100	100 %	$	14,509	100	100 %
Recognized at a point in time								
Recognized at a point in time								

Recognized at a point in time	Recognized at a point in time	$10,753	63 %	$ 6,728	53 %	$	15,304	73	73 %	$7,358	51	51 %
Recognized over time	Recognized over time	6,206	37 %	6,057	47 %	Recognized over time	5,664	27	27 %	7,151	49	49 %
Total	Total	$16,959	100 %	$12,785	100 %	Total	$20,968	100	100 %	$ 14,509	100	100 %
Revenue by segment:	**Revenue by segment:**											
Autonomy Solutions	Autonomy Solutions	$11,229	66 %	$ 6,777	53 %							
Autonomy Solutions												
Autonomy Solutions							$16,320		78 %	$ 10,673		74 %
ATS	ATS	5,730	34 %	6,008	47 %	ATS	4,648	22	22 %	3,836	26	26 %
Total	Total	$16,959	100 %	$12,785	100 %	Total	$20,968	100	100 %	$ 14,509	100	100 %

	Nine Months Ended September 30,			
	2023		2022	
	Revenue	% of Revenue	Revenue	% of Revenue
Revenue by primary geographical market:				
North America	$ 43,341	91 %	$ 26,124	88 %
Asia Pacific	1,022	2 %	2,960	10 %
Europe and Middle East	3,302	7 %	488	2 %
Total	$ 47,665	100 %	$ 29,572	100 %
Revenue by timing of recognition:				
Recognized at a point in time	$ 28,043	59 %	$ 10,067	34 %
Recognized over time	19,622	41 %	19,505	66 %
Total	$ 47,665	100 %	$ 29,572	100 %
Revenue by segment:				
Autonomy Solutions	$ 31,640	66 %	$ 16,854	57 %
ATS	16,025	34 %	12,718	43 %
Total	$ 47,665	100 %	$ 29,572	100 %

Volvo Stock Purchase Warrant

As disclosed in the Company's 2022 Annual Report, the The Company had previously issued certain stock purchase warrants ("Volvo Warrants") to Volvo Car Technology Fund AB ("VCTF") in connection with an engineering services contract. The Volvo Warrants vest and become exercisable in two tranches based on satisfaction of certain commercial milestones. The fair value of the first tranche of the Volvo Warrants was recorded as a reduction in revenue in 2021. The second tranche of the Volvo warrants will be recorded as reduction in revenue upon achievement of to be amortized over sales of a certain number of the Company's sensors to Volvo for use in their commercial vehicles, which had not commenced as in the second quarter of the end of September 30, 2023.

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

2024.

Contract assets and liabilities

Changes in our the Company's contract assets and contract liabilities primarily result from the timing difference between our 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 advanced 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):

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Contract assets, current	Contract assets, current	$ 15,302	$ 15,395		

Contract assets, non-current	Contract assets, non-current	2,081	2,575
Ending balance	Ending balance	$ 17,383	$ 17,970

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

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Beginning balance	Beginning balance	$ 17,970	$ 9,907		
Amounts billed that were included in the contract assets beginning balance	Amounts billed that were included in the contract assets beginning balance	(8,379)	(4,228)		
Contract assets from acquisition of EM4 (See Note 3)					
Revenue recognized for performance obligations that have been satisfied but for which amounts have not been billed	Revenue recognized for performance obligations that have been satisfied but for which amounts have not been billed	7,792	12,291		
Ending balance	Ending balance	$ 17,383	$ 17,970		

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

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Contract liabilities, current	Contract liabilities, current	$ 3,019	$ 1,993		
Contract liabilities, non-current	Contract liabilities, non-current	250	1,015		
Ending balance	Ending balance	$ 3,269	$ 3,008		

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

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Beginning balance	Beginning balance	$ 3,008	$ 898		
Revenue recognized that was included in the contract liabilities beginning balance	Revenue recognized that was included in the contract liabilities beginning balance	(2,083)	(489)		
Revenue recognized that was included in the contract liabilities beginning balance					
Revenue recognized that was included in the contract liabilities beginning balance					
Increase due to cash received and not recognized as revenue and billings in excess of revenue recognized during the period	Increase due to cash received and not recognized as revenue and billings in excess of revenue recognized during the period	2,344	2,599		
Ending balance	Ending balance	$ 3,269	$ 3,008		

Remaining Performance Obligations

Revenue allocated to remaining performance obligations was $23.0 $8.9 million as of September 30, 2023 March 31, 2024 and includes amounts within contract liabilities. The Company expects to recognize approximately 80% 94% of this revenue over the next 12 months and the remainder thereafter.

Note 5. Investments

Debt Securities

The Company’s investments in debt securities consisted of the following as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (in thousands):

September 30, 2023	
March 31, 2024	March 31, 2024

		Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury securities	U.S. treasury securities	$205,977	$ 4	$ (189)	$205,792				
U.S. agency and government sponsored securities	U.S. agency and government sponsored securities	5,691	1	(1)	5,691				
Commercial paper									
Corporate bonds									
Certificate of deposit									
Corporate bonds		31,570	—	(50)	31,520				
Total debt securities									
Total debt securities									
Total debt securities	Total debt securities	$243,238	$ 5	$ (240)	$243,003				
Included in cash and cash equivalents	Included in cash and cash equivalents	$ 5,015	$ 1	$ —	$ 5,016				
Included in marketable securities	Included in marketable securities	$238,223	$ 4	$ (240)	$237,987				

		December 31, 2022							
		December 31, 2023				December 31, 2023			
		Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury securities	U.S. treasury securities	$191,075	$ 3	$ (2,598)	$188,480				
U.S. agency and government sponsored securities	U.S. agency and government sponsored securities	4,999	—	(75)	4,924				
Commercial paper	Commercial paper	74,755	—	(232)	74,523				
Corporate bonds	Corporate bonds	111,123	—	(1,214)	109,909				
Asset-backed securities		11,945	—	(110)	11,835				
Total debt securities	Total debt securities	$393,897	$ 3	$ (4,229)	$389,671				
Total debt securities									
Total debt securities									
Included in cash and cash equivalents									

Included in marketable securities	Included in marketable securities	$393,897	$ 3	$ (4,229)	$389,671

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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (in thousands):

	September 30, 2023		December 31, 2022	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
U.S. treasury securities	$ (189)	$ 158,051	$ (2,598)	$ 158,888
U.S. agency and government sponsored securities	(1)	2,969	(75)	4,924
Commercial paper	—	—	(232)	74,523
Corporate bonds	(50)	30,794	(1,214)	109,909
Asset-backed securities	—	—	(110)	11,835
Total	$ (240)	$ 191,814	$ (4,229)	$ 360,079

As of September 30, 2023, the total amortized cost basis of the Company's available-for-sale securities exceeded its fair value by $0.2 million, which was primarily attributable to widening credit spreads and rising interest rates since purchase. The Company reviewed its available-for-sale securities and concluded that the decline in fair value was not related to credit losses and that it is more likely than not that the entire amortized cost of each security will be recoverable before the Company is required to sell them or when the security matures. Accordingly, during the three and nine months ended September 30, 2023, no allowance for credit losses was recorded and instead the unrealized losses are reported as a component of accumulated other comprehensive loss.

	March 31, 2024		December 31, 2023	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
U.S. treasury securities	$ (2)	$ 9,263	$ —	$ —
U.S. agency and government sponsored securities	(1)	1,522	—	741
Corporate bonds	(75)	37,552	(27)	30,621
Total	$ (78)	$ 48,337	$ (27)	$ 31,362

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

Equity Investments

The Company's equity investments consisted of the following as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 (in thousands):

		Condensed Consolidated Balance Sheets Location	September 30, 2023	December 31, 2022
	Condensed Consolidated Balance Sheets Location	Condensed Consolidated Balance Sheets Location	March 31, 2024	December 31, 2023
Money market funds(1)	Money market funds(1)	Cash and cash equivalents	$ 28,916	$42,056
Marketable equity investments(1)	Marketable equity investments(1)	Marketable securities	8,255	29,643
Investment in non-marketable securities		Other non-current assets	10,000	—

Investment in non-marketable securities(2)				
Non-marketable equity investment measured using the measurement alternative(2)	Non-marketable equity investment measured using the measurement alternative(2)	Other non-current assets	4,000	4,000
Total	Total		$ 51,171	$ 75,699

(1) Investments with readily determinable fair values.
(2) Investment in privately held company without readily determinable fair value.

In August 2023, the Company made an investment in a Simple Agreement for Future Equity ("SAFE") of Plus Automation, Inc. ("Plus") for consideration of $10.0 million, towards which the Company initially issued 1,490,313 shares of Class A common stock of the Company. In September 2023, the Company settled the consideration owed by issuing an additional 436,158 shares of Class A common stock. The Company's investment in Plus represents less than 5% of Plus's capitalization. The Company neither has a significant influence over Plus nor does its investment amount to a controlling financial interest in Plus.

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.

Note 6. Financial Statement Components

Cash and Cash Equivalents

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

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Cash	Cash	$ 40,791	$ 27,496		
Money market funds	Money market funds	28,916	42,056		
U.S. treasury securities	U.S. treasury securities	4,021	—		
U.S. agency and government sponsored securities		995	—		
Commercial paper					
Commercial paper					
Commercial paper					
Corporate bonds					
Total cash and cash equivalents	Total cash and cash equivalents	$ 74,723	$ 69,552		

Inventory

Inventory comprised of the following (in thousands):

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Raw materials	Raw materials	$ 8,846	$ 3,614		
Work-in-process	Work-in-process	3,656	2,329		
Finished goods	Finished goods	4,196	2,849		
Total inventories, net	Total inventories, net	$ 16,698	$ 8,792		

The Company's inventory write-offs write-downs were $16.9 million and $5.5 million for the three months ended March 31, 2024 and 2023, respectively. The write-downs were primarily due to obsolescence due to charges as a result of change in product design, lower of cost or market assessment, yield losses, and other adjustments were $3.9 million and $17.3 million for the three and nine months ended September 30, 2023 and $4.0 million and $8.8 million for the three and nine months ended September 30, 2022, respectively.

adjustments.

Prepaid Expenses and Other Current Assets

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

			September 30, 2023		December 31, 2022	March 31, 2024	December 31, 2023
Prepaid expenses	Prepaid expenses	$	9,031	$	15,653		
Contract assets	Contract assets		15,302		15,395		
Advance payments to vendors	Advance payments to vendors		2,109		7,919		
Other receivables	Other receivables		2,947		5,236		
Other receivables							
Other receivables							
Total prepaid expenses and other current assets	Total prepaid expenses and other current assets	$	29,389	$	44,203		

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

Property and Equipment

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

			September 30, 2023		December 31, 2022	March 31, 2024	December 31, 2023
Machinery and equipment	Machinery and equipment	$	59,495	$	14,047		
Computer hardware and software	Computer hardware and software		8,777		6,797		
Land	Land		1,001		1,001		
Leasehold improvements	Leasehold improvements		20,539		885		
Vehicles, including demonstration fleet	Vehicles, including demonstration fleet		3,331		3,222		
Furniture and fixtures	Furniture and fixtures		858		818		
Construction in progress	Construction in progress		4,891		13,642		
Total property and equipment	Total property and equipment		98,892		40,412		
Accumulated depreciation and amortization	Accumulated depreciation and amortization		(26,245)		(10,152)		
Total property and equipment, net	Total property and equipment, net	$	72,647	$	30,260		

Property and equipment capitalized under finance lease were not material.

Depreciation and amortization expense associated with property and equipment was $10.8 million $7.1 million and $16.2 million $1.9 million for the three and nine months ended September 30, 2023 March 31, 2024 and $1.1 million and $2.8 million for the three and nine months ended September 30, 2022, 2023, respectively.

The Company continually evaluates opportunities for optimizing its manufacturing processes and product design. In the second quarter of 2023, the Company's management began evaluating options for changing sourcing of certain sub-assemblies and components which is expected to reduce future per unit sensor manufacturing costs. In the third quarter of 2023, the Company finalized and committed to a plan to proceed with a change in its sourcing strategy. of certain sub-assemblies and components from one supplier to another which requires the Company to abandon certain equipment located at the legacy supplier. As a result, the Company has 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 Company expects the transition to the new suppliers supplier to be completed in 2024. The reduction in the estimated useful lives of the impacted assets resulted in the Company recording $6.6 $2.1 million of incremental accelerated depreciation charges in the third quarter of 2023.three months ended March 31, 2024.

Intangible Assets

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

			September 30, 2023		December 31, 2022
			March 31, 2024		
			March 31, 2024		
			March 31, 2024		
Beginning of the period					
Beginning of the period					
Beginning of the period	Beginning of the period	$	22,077	$	2,424
Additions	Additions		8,240		21,890
Amortization expense			(3,258)		(2,237)
Additions					

Additions			
Amortization			
Amortization			
Amortization			
Impairment			
Impairment			
Impairment			
End of the period	End of the period	$ 27,059	$ 22,077
End of the period			
End of the period			

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

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

		September 30, 2023				December 31, 2022		
		March 31, 2024						
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Period (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	Customer relationships	$ 3,730	$ (1,275)	$ 2,455	3.8	$ 3,730	$ (664)	$ 3,066
Customer backlog	Customer backlog	650	(586)	64	0.2	650	(292)	358
Tradename	Tradename	620	(307)	313	2.5	620	(214)	406
Assembled workforce	Assembled workforce	130	(130)	—	—	130	(130)	—
Developed technology	Developed technology	20,150	(3,423)	16,727	5.7	11,910	(1,163)	10,747
IPR&D	IPR&D	7,500	—	7,500	—	7,500	—	7,500
Total intangible assets	Total intangible assets	$ 32,780	$ (5,721)	$ 27,059	5.4	$ 24,540	$ (2,463)	$ 22,077

Amortization expense related to intangible assets was $1.1 million $1.0 million and $3.3 million $1.1 million for the three and nine months ended September 30, 2023 March 31, 2024 and $0.7 million and $1.5 million for the three and nine months ended September 30, 2022, 2023, respectively.

As of September 30, 2023 March 31, 2024, the expected future amortization expense for intangible assets was as follows (in thousands):

Period	Period	Expected Future Amortization Expense	Period	Expected Future Amortization Expense
2023 (remaining three months)		$ 1,065		
2024		4,001		
2024 (remaining nine months)				
2025	2025	4,001		
2026	2026	3,354		

2027	2027		3,138
2028			
Thereafter	Thereafter		4,000
IPR&D	IPR&D		7,500
Total	Total	$	27,059

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, 2022	$ 687	$ 18,129	$ 18,816
Goodwill related to acquisition of Seagate's lidar business (see Note 3)	1,063	—	1,063
Balance as of September 30, 2023	$ 1,750	$ 18,129	$ 19,879

	Autonomy Solutions	ATS	Total
Balance as of December 31, 2022	$ 687	$ 18,129	$ 18,816
Goodwill related to acquisition of Seagate's lidar business	1,063	—	1,063
Impairment of goodwill related to Freedom Photonics	—	(12,489)	(12,489)
Balance as of December 31, 2023	$ 1,750	$ 5,640	$ 7,390
Balance as of March 31, 2024	$ 1,750	$ 5,640	$ 7,390

Other Non-Current Assets

Other non-current assets consisted During the year ended December 31, 2023, the Company recognized impairment charges of $12.5 million and $3.0 million related to goodwill and IPR&D related to Freedom Photonics. These impairment charges were due to events which occurred during the fourth quarter of 2023, including a decision to delay development activities on certain new products resulting from an increase in focus on supporting the product roadmap of the following (in thousands):

	September 30, 2023	December 31, 2022
Security deposits	$ 2,359	$ 5,495
Non-marketable equity investment (see Note 5 for additional information)	14,000	4,000
Advance payment for capital projects	—	27,683
Deferred tax assets	3,780	—
Contract assets	2,081	2,575
Other non-current assets	1,993	591
Total other non-current assets	$ 24,213	$ 40,344

Autonomy Solutions segment, and a lowering of the growth outlook for the business due to less than anticipated traction in sales of new products. Total life-to-date goodwill impairment charge recorded by the ATS reportable segment was $12.5 million and no impairment charge has been recorded by the Autonomy Solutions reportable segment.

In relation to the goodwill, the Company engaged third-party valuation specialists and used industry accepted valuation models and criteria that were reviewed and approved by various levels of management. The Company assessed the fair value of the Freedom Photonics reporting during the fourth quarter of 2023, using the discounted cash flow method under the income approach, utilizing estimated cash flows and a terminal value, discounted at a rate of return that reflects the relative risk of the cash flows. The significant assumptions used in the assessment of the reporting unit included revenue growth rates, profit margins, operating expenses, capital expenditures, terminal value and a discount rate. As a result of this assessment, the Company concluded that the carrying value of the Freedom Photonics reporting unit exceeded the estimated fair value by $12.5 million, which was recorded as a noncash impairment charge to goodwill.

In relation to the intangibles, the significant assumptions used in the assessment of the IPR&D intangible asset included revenue growth rates, a discount rate and a royalty rate. Based on this assessment, the Company recorded a $3.0 million noncash impairment charge related to the IPR&D intangible asset.

Other Non-Current Assets

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

	March 31, 2024	December 31, 2023

Security deposits	$	2,604	$	2,410
Non-marketable equity investment		14,000		14,000
Contract assets		3,827		2,471
Other non-current assets		2,735		3,475
Total other non-current assets	$	23,166	$	22,356

Accrued and Other Current Liabilities

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

			September 30, 2023		December 31, 2022	March 31, 2024	December 31, 2023
Accrued compensation and benefits	Accrued compensation and benefits	$	19,463	$	16,682		
Accrued expenses	Accrued expenses		20,875		22,358		
Contract losses	Contract losses		7,558		7,526		
Warranty reserves	Warranty reserves		4,700		3,584		
Contract liabilities	Contract liabilities		3,019		1,993		
Accrued interest payable and other liabilities							
Accrued interest payable and other liabilities			2,874		819		
Total accrued and other current liabilities	Total accrued and other current liabilities	$	58,489	$	52,962		
Total accrued and other current liabilities							
Total accrued and other current liabilities							

During the three and nine months ended September 30, 2023, March 31, 2024 and 2023, the Company recorded $3.9 $2.3 million and $11.0 million, respectively, and $6.1 million and $10.6 million for the three and nine months ended September 30, 2022 $3.3 million, respectively, in cost of sales (services) estimated losses expected to be incurred on NRE projects with certain customers. The estimated contract losses recorded in the three months ended March 31, 2024 and 2023 were primarily a result of (a) changes in estimates related to costs expected to be incurred for contractual milestones based on actual experience on similar projects and (b) driven by changes in scope of project deliverables agreed upon with the respective customers during the year. a customer.

Note 7. Debt

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 “Convertible Senior Notes”). The interest on the Convertible Senior Notes is payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2022. The Convertible Senior Notes will mature on December 15, 2026, unless repurchased or redeemed earlier by the Company or converted pursuant to their terms.

The total net proceeds from the debt offering, after deducting fees paid to the initial purchasers paid by the Company, was approximately $609.4 million.

Each $1,000 principal amount of the Convertible Senior Notes is initially convertible into 50.0475 shares of the Company’s Class A common stock, par value $0.0001, which is equivalent to an initial conversion price of approximately $19.98 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 Convertible Senior Notes, the Company will, under certain circumstances, increase the conversion rate of the Convertible Senior Notes for a holder who elects to convert its Convertible Senior Notes in connection with such a corporate event or convert its Convertible Senior Notes called for redemption during the related redemption period, as the case may be. The Convertible Senior Notes are redeemable, in whole or in part (subject to certain limitations), at the Company’s option at any time, and from time to time, on or after December 20, 2024, and 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 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 Convertible Senior Notes) prior to the maturity date, holders may require the Company to repurchase for cash all or any portion of their 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 Convertible Senior Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Holders of the Convertible Senior Notes may convert their 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)

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

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 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 Convertible Senior Notes are called for redemption. On or after June 15, 2026, holders may convert all or any portion of their 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 September 30, 2023 March 31, 2024, the conditions allowing holders of the Convertible Senior Notes to convert were not met.

The Company currently intends to settle the principal amount of its outstanding Convertible Senior Notes in cash and any excess in shares of the Company's Class A common stock.

The 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 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 Convertible Senior Notes as a non-current liability under the guidance in ASC 470-20, as amended by ASU 2020-06. Debt discount and issuance costs aggregating approximately $16.2 million were initially recorded as a reduction to the principal amount of the 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.

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

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Principal	Principal	$ 625,000	$ 625,000		
Unamortized debt discount and issuance costs	Unamortized debt discount and issuance costs	(10,381)	(12,808)		
Net carrying amount	Net carrying amount	$ 614,619	$ 612,192		

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

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

		Three Months Ended March 31,			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		2023	2022	2023	2022
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Contractual interest expense					
Contractual interest expense					
Contractual interest expense	Contractual interest expense	$ 1,969	$ 1,969	$ 5,843	$ 5,843

Amortization of debt discount and issuance costs	Amortization of debt discount and issuance costs	809	809	2,427	2,427
Amortization of debt discount and issuance costs					
Amortization of debt discount and issuance costs					
Total interest expense	Total interest expense	$ 2,778	$ 2,778	$ 8,270	$ 8,270
Total interest expense					
Total interest expense					

The remaining term over which the debt discount and issuance costs will be amortized is 3.2 2.7 years. Contractual interest expense is reflected as a component of other income (expense) income, net in the accompanying condensed consolidated statement of operations for the three and nine months ended September 30, 2023 and 2022.

In connection with the offering of the Convertible Senior Notes, the Company entered into privately negotiated capped call option transactions with certain counterparties (the "Capped Calls"). The Capped Calls each have an initial strike price of approximately $19.98 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Convertible Senior Notes. The Capped Calls have initial cap prices of $30.16 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 Convertible Senior Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted 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 consolidated balance sheet.

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. 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 of another company. 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 did not borrow any amounts from the credit facility and had no outstanding balance as of March 31, 2024.

Note 8. Fair Value Measurements

As of September 30, 2023 March 31, 2024, the Company carried cash equivalents, marketable investments 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 11 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, 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 source 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, 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. As of September 30, 2023 March 31, 2024, management determined the fair value of the Private Warrants using observable inputs in the Black-Scholes valuation model, which used the remaining term of warrants of 2.18 1.67 years volatility of 77.6% 88.89% and a risk-free rate of 4.99% 4.73%. Accordingly, the Private Warrants are classified as Level 3 financial instruments.

The following table presents changes in Level 3 liabilities relating to Private Warrants measured at fair value (in thousands):

		Private Warrants
Balance as of December 31, 2022 December 31, 2023	$	3,005 1,069
Change in fair value of outstanding warrants		(1,345) (821)
Balance as of September 30, 2023 March 31, 2024	$	1,660 248

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

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 (in thousands) Measured as of March 31, 2024:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Cash equivalents:				
Cash equivalents:				
Money market funds				
Money market funds				
Money market funds				
U.S. treasury securities				
Total cash equivalents				
Total cash equivalents				
Total cash equivalents				
Marketable investments:				
U.S. treasury securities				

	Fair Value (in thousands) Measured as of September 30, 2023:							
	Level 1		Level 2		Level 3		Total	
Assets:								
Cash equivalents:								
Money market funds	$	28,916	$	—	$	—	$	28,916
U.S. treasury securities		4,021		—		—		4,021
U.S. agency and government sponsored securities		—		995		—		995
Total cash equivalents	$	32,937	$	995	$	—	$	33,932
Marketable investments:								
U.S. treasury securities	$	201,771	$	—	$	—	$	201,771

	Level 1	Level 2	Level 3	Total
U.S. treasury securities				
U.S. treasury securities				
U.S. agency and government sponsored securities	—	4,696	—	4,696
Commercial paper				
Corporate bonds				
Certificate of deposit				
Corporate bonds	—	31,520	—	31,520
Marketable equity investments				
Marketable equity investments				
Marketable equity investments	8,255	—	—	8,255
Total marketable investments	$ 210,026	$ 36,216	$ —	$ 246,242
Liabilities:				
Private Warrants	$ —	$ —	$ 1,660	$ 1,660
Private Warrants				
Private Warrants				

	Fair Value (in thousands) Measured as of December 31, 2022:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 42,056	$ —	$ —	$ 42,056
Total cash equivalents	$ 42,056	$ —	$ —	$ 42,056
Marketable investments:				
U.S. treasury securities	$ 188,480	$ —	$ —	$ 188,480
U.S. agency and government sponsored securities	—	4,924	—	4,924
Commercial paper	—	74,523	—	74,523
Corporate bonds	—	109,909	—	109,909
Asset-backed securities	—	11,835	—	11,835
Marketable equity investments	29,643	—	—	29,643
Total marketable investments	$ 218,123	$ 201,191	$ —	$ 419,314
Liabilities:				
Private Warrants	$ —	$ —	$ 3,005	$ 3,005

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

	Fair Value (in thousands) Measured as of December 31, 2023:

	Level 1		Level 2		Level 3		Total	
Assets:								
Cash equivalents:								
Money market funds	$	101,842	$	—	$	—	$	101,842
Commercial paper		—		497		—		497
Corporate bonds		—		1,097		—		1,097
Total cash equivalents	$	101,842	$	1,594	$	—	$	103,436
Marketable investments:								
U.S. treasury securities	$	86,784	$	—	$	—	$	86,784
U.S. agency and government sponsored securities		—		2,732		—		2,732
Commercial paper		—		9,647		—		9,647
Corporate bonds		—		43,809		—		43,809
Marketable equity investments		7,755		—		—		7,755
Total marketable investments	$	94,539	$	56,188	$	—	$	150,727
Liabilities:								
Private Warrants	$	—	$	—	$	1,069	$	1,069

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the estimated fair value of the Company's outstanding Convertible Senior Notes was $409.4 $214.4 million and $352.5 $296.3 million, respectively. The fair value was determined based on the quoted price of the 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 7 for further information on the Company's Convertible Senior Notes.

The fair value of Company's other financial instruments, including accounts receivable, accounts payable and other current liabilities, approximate their 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 9. 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 computed by dividing net income by the weighted average number of shares of common stock during the period plus common stock equivalents, as calculated under the treasury

stock method, outstanding during the period. 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 and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands, except for share and per share amounts):

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Numerator:	Numerator:				
Numerator:					
Numerator:					
Net loss					
Net loss					
Net loss	Net loss	$ (134,338)	$ (117,550)	$ (422,868)	$ (301,122)
Denominator:	Denominator:				
Denominator:					

Denominator:					
Weighted average common shares outstanding—Basic					
Weighted average common shares outstanding—Basic					
Weighted average common shares outstanding—Basic	Weighted average common shares outstanding—Basic	394,591,942	359,753,254	382,673,871	353,537,754
Weighted average common shares outstanding—Diluted	Weighted average common shares outstanding—Diluted	394,591,942	359,753,254	382,673,871	353,537,754
Weighted average common shares outstanding—Diluted					
Weighted average common shares outstanding—Diluted					
Net loss per share—Basic and Diluted	Net loss per share—Basic and Diluted	$ (0.34)	$ (0.33)	$ (1.11)	$ (0.85)
Net loss per share—Basic and Diluted					
Net loss per share—Basic and Diluted					

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

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 the periods presented because including them would have been antidilutive or related contingencies on issuance of shares had not been met as of September 30, 2023 March 31, 2024:

	September 30, 2023 March 31, 2024
Warrants	5,757,549
Stock-based awards—Equity classified	36,794,743 37,170,747
Stock-based awards—Liability classified	12,355,018 27,582,139
Vendor stock-in-lieu of cash program	565,476 1,996,615
Convertible Senior Notes	31,279,716
Earn-out shares	8,606,717
Total	95,359,219 112,393,483

The Company uses the if converted method for calculating the dilutive effect of the Convertible Senior Notes using the initial conversion price of $19.981 per share. The closing price of Class A common stock as of September 30, 2023 March 31, 2024 was less than the initial conversion price.

Note 10. 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 September 30, 2023 March 31, 2024, 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 September 30, 2023 March 31, 2024, the Company had 325,908,478 365,309,068 shares issued and 304,045,028 343,445,618 shares outstanding of Class A common stock, and 97,088,670 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.

Equity Financing Program

On February 28, 2023, the Company entered into an agreement (the "Sales Agreement") with Virtu Americas LLC (the "Agent") under which 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 $75.0 million through an equity offering program under which the Agent will act as sales agent (the "Equity Financing Program"). The Company intends to use the net proceeds from offerings under the Equity Financing Program primarily for expenditures or payments in connection with strategic merger and acquisition opportunities, as well as potential strategic investments, partnerships and similar transactions.

Under the 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 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.

The Company issued 1,833,829 and 5,599,121 9,644,286 shares of Class A common stock under the Equity Financing Program during the three and nine months ended September 30, 2023 March 31, 2024 for net proceeds of $9.1 million and $38.7 million, respectively. $17.2 million. As of September 30, 2023 March 31, 2024, $35.9 million of Class A common stock was no amounts were available for sale under the program.

Strategic Investment Agreement
On May 8, 2023, the Company entered into an agreement

LUMINAR TECHNOLOGIES, INC. AND SUBSIDIARIES
Notes to issue 1,652,892 shares of Class A common stock to a wholly owned subsidiary of TPK, for a cash purchase price of $10.0 million pursuant to a private placement in reliance on Section 4(a)(2) of the Securities Act. The Company received proceeds of $10.0 million and issued 1,652,892 shares of Class A common stock on May 15, 2023. Additionally, the Company had granted an option to purchase 1,652,892 additional shares of Class A common stock worth $10.0 million, which was exercised on August 9, 2023. Condensed Consolidated Financial Statements (Unaudited)

Private Warrants

The Company had 1,668,269 Private Warrants outstanding as of December 31, 2022 December 31, 2023. No Private Warrants were exercised in the nine three months ended September 30, 2023 March 31, 2024. The Private Warrants are set to expire on December 2, 2025. Each Private Warrant allows the holder to purchase one share of Class A common stock at $11.50 per share.

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 / third parties for services provided in either cash or by issuing shares of the Company’s Class A common stock (“Stock-in-lieu of Cash Program”). The Company considers the shares issuable under the 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 nine three months ended September 30, 2023 March 31, 2024, the Company issued 6,505,012 151,206 shares of Class A common stock as part of the Stock-in-lieu of Cash Program, including 1,564,822 shares of Class A common stock in lieu of cash to a certain vendor for purchases of certain data, hardware and software pursuant to a private placement.

Program. As of September 30, 2023 March 31, 2024, the Company had a total of $6.1 $9.4 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 nine three months ended September 30, 2023 March 31, 2024 was as follows:

Shares	Shares	Weighted Average Grant Date Fair Value per Share

	Shares	Weighted Average Grant Date Fair Value per Share
Unvested shares as of December 31, 2023		
Unvested shares as of December 31, 2022	1,047,151	$ 11.90
Unvested shares as of December 31, 2023		
Unvested shares as of December 31, 2023		

Granted	Granted	6,505,012	6.13
Vested	Vested	(6,038,523)	6.55
Unvested shares as of September 30, 2023		1,513,640	8.45
Vested			
Vested			
Unvested shares as of March 31, 2024			

Note 11. 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 36,588,278 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 36,000,000 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) 40,000,000 shares or (iii) such number of shares determined by the Board. Pursuant to the evergreen provision, 18,358,365 20,991,566 additional shares of Class A common stock were added to the Amended 2020 Plan on January 1, 2023 January 1, 2024.

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 nine three months ended September 30, 2023 March 31, 2024 was as follows:

	Number of Common Stock Options	Number of Common Stock Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In Thousands)

	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, 2023				
Outstanding as of December 31, 2022	8,162,850	$ 1.74		
Outstanding as of December 31, 2023				
Outstanding as of December 31, 2023				

Exercised						
Exercised						
Exercised	Exercised	(1,528,472)	1.67			
Cancelled/Forfeited	Cancelled/Forfeited	(125,909)	1.67			
Outstanding as of September 30, 2023		6,508,469	1.76	6.33	$	18,342
Cancelled/Forfeited						
Cancelled/Forfeited						
Outstanding as of March 31, 2024						
Outstanding as of March 31, 2024						
Outstanding as of March 31, 2024						

The aggregate intrinsic value of stock options exercised during the nine three months ended September 30, 2023 March 31, 2024 was $7.4 $0.2 million. The intrinsic value is calculated as the difference between the exercise price and the fair value of the common stock on the exercise date. The total grant-date grant date fair value of stock options vested during the nine three months ended September 30, 2023 March 31, 2024 was $1.6 $0.3 million.

Restricted Stock Awards

Prior to June 30, 2019, the Company granted restricted stock awards (“RSAs”) to employees. Recipients purchased the restricted stock on the grant date and the Company has the right to repurchase the restricted shares at the same price recipients paid to obtain those shares. The restrictions lapse solely based on continued service, and generally lapse over 4 years —25% on the first anniversary of the date of issuance, and the remaining 75% monthly over the remaining 36 months. At the grant date of the award, recipients of restricted stock are granted voting rights and receive dividends on unvested shares. No restricted stock awards have been granted since June 30, 2019.

The Company’s RSAs activity for the nine months ended September 30, 2023 was as follows:

	Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2022	64,486	$ 1.29
Vested	(64,486)	1.29
Outstanding as of September 30, 2023	—	—

Restricted Stock units

Since the closing of the Business Combination, the Company has granted restricted stock units (“RSUs”) under the Amended 2020 Plan (and prior to its amendment and restatement, under the 2020 Plan). Each RSU granted under the Amended 2020 Plan 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 nine three months ended September 30, 2023 March 31, 2024 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, 2022	25,010,688	$ 12.76	583,347	$ 8.39

	Time-Based RSUs			Performance-Based and Other RSUs	
	Shares	Shares	Weighted Average Grant Date Fair Value per Share	Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2023					

Granted	Granted	19,351,770	6.75	961,187	8.58
Forfeited	Forfeited	(3,038,849)	11.07	(750,301)	8.15

Vested	Vested	(11,376,691)	11.01	(284,046)	7.45
Change in units based on performance	Change in units based on performance	—	—	(206,785)	9.65
Outstanding as of September 30, 2023		29,946,918	9.71	303,402	9.60
Outstanding as of March 31, 2024					

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 2020 Plan (and prior to its amendment and restatement, under 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 four six years. These awards represent a fixed dollar amount settled in a variable number of shares determined at each vesting period. Stock-based compensation expense related to these awards was $4.2 $4.0 million and $10.1 $2.9 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $1.9 million and $5.4 million for the three and nine months ended September 30, 2022, 2023, respectively.

Optogration Milestone Awards

As part of the acquisition of Optogration, Inc. in August 2021, the Company owed up to $22.0 million of post combination compensation related to certain service and performance conditions ("Optogration Milestone Awards"). In August 2022, the Company issued 1,632,056 shares of Class A common stock for $11.0 million of the Optogration Milestone Awards and in August 2023, the Company issued 1,527,788 shares of Class A common stock for the remaining $11.0 million obligation.

Freedom Photonics Awards

As part of the acquisition of Freedom Photonics LLC ("Freedom Photonics") in April 2022, the Company owed up to $29.8 million of post combination compensation related to certain service and performance conditions including achievement of certain technical and financial milestones. In May 2023, March 2024, the Company issued 634,994 2,651,085 shares of Class A common stock and 492,176 RSUs for $3.9 $5.4 million and $3.5 million, respectively, of the post combination compensation due to achievement of the service and performance conditions. As of September 30, 2023 March 31, 2024, it is probable that the remaining conditions will be met for an amount equal to approximately $20.9 $15.4 million of post combination compensation.

Solfice Awards

The service and performance conditions related to the post combination compensation associated with the acquisition of certain assets from Solfice Research, Inc. ("Solfice") were met in June 2023.

Management Awards

On May 2, 2022, the Board granted an award of 10.8 million RSUs to Austin Russell, the Company's Chief Executive Officer. The grant date fair value per share of the award granted to Mr. Russell was $8.70 per share. On August 19, 2022, the Board granted 500,000 RSUs to each of Thomas Fennimore, the Company's Chief Financial Officer, and Alan Prescott, the Company's Chief Legal Officer. The grant date fair value per share of the awards granted to Mr. Fennimore and Mr. Prescott was $6.12 per share.

These awards to Mr. Russell, Mr. Fennimore and Mr. Prescott are subject to all of the following vesting conditions:

- Public Market condition: Achievement of three stock price milestones: $50 or more, $60 or more, and $70 or more. The stock price will be measured based on the volume-weighted average price per share for 90 consecutive trading days;
- Service condition: Approximately 7-years of vesting; and
- Performance condition: Start of production for at least one series production program.

On March 16, 2023, the Board granted a $12.0 million stock-price based award to the Company's Executive Vice President & General Manager that vested in six tranches of $2.0 million each, upon achievement of the six stock price milestones of $20, $25, $30, $40, $50 and $60 based on 90 trading day volume-weighted average price of a share of common stock over a 7.0 years performance period. The grant date fair value per share of the award granted to the said executive was $8.58 per share. On June 20, 2023, this award was modified to settle in a fixed number of shares and the impact of modification was not material. In September 2023, this award was forfeited and the impact of forfeiture was not material.

The Company measured the compensation cost for the management awards outlined above using a Monte Carlo simulation model and recorded $5.6 million and $16.9 $5.7 million in stock-based compensation expense related to these awards in the three and nine months ended September 30, 2023, respectively. March 31, 2024.

The Company's management awards activity for the nine three months ended September 30, 2023 March 31, 2024 was as follows:

	Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2022	11,800,000	$ 8.48
Granted	370,000	6.80

Forfeited	(370,000)	6.80
Outstanding as of September 30, 2023	11,800,000	8.48

	Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2023	11,800,000	$ 8.48
Outstanding as of March 31, 2024	11,800,000	8.48

On November 8, 2023, the Board approved a formula for RSU grants to Messrs. Fennimore and Prescott for each year from 2024 through 2029 for Mr. Fennimore and through 2026 for Mr. Prescott based on achievement of annual performance goals with respect to the immediately preceding year (“Annual Performance Award”). The number of RSUs to be awarded in a year will be determined at the sole discretion of the Human Resources and Compensation Committee of the Board (the “Compensation Committee”) based on actual achievement of the annual performance goals established by the Board based on the Company’s approved operating plan in respect of the immediately preceding year, with such awards ranging from 137,500 RSUs at the threshold level, 550,000 RSUs at the target level, and 825,000 RSUs at the maximum level for extraordinary performance (interpolated linearly between target levels, as applicable). For a potential award to be made in 2024, the Compensation Committee had determined that annual performance goals will be weighted 50% based on revenue and 50% based on free cash flow, with target performance for the revenue performance goal equal to $81.4 million and target performance for the 2023 fourth quarter free cash flow goal equal to $(37) million. In March 2024, the Compensation Committee determined that the achievement of the 2023 performance goals was below the threshold level. Accordingly, no 2023 Annual Performance Award was granted to Messrs. Fennimore and Prescott in March 2024.

Compensation expense

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Cost of sales					
Cost of sales					
Cost of sales	Cost of sales	$ 2,255	$ 5,430	$ 6,842	$ 14,205
Research and development	Research and development	12,886	11,326	50,898	27,142
Research and development					
Research and development					
Sales and marketing					
Sales and marketing					
Sales and marketing	Sales and marketing	6,536	3,821	22,156	9,430
General and administrative	General and administrative	23,205	31,974	80,135	67,097
General and administrative					
General and administrative					
Total	Total	$ 44,882	$ 52,551	$ 160,031	$ 117,874
Total					
Total					

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Equity Classified Awards:					
Equity Classified Awards:					
Equity Classified Awards:	Equity Classified Awards:				
Stock options	Stock options	$ 491	$ 714	$ 1,752	$ 1,984
Stock options					
Stock options					
RSAs					
RSAs					
RSAs	RSAs	—	162	61	183
RSUs	RSUs	33,593	33,930	106,631	84,484
RSUs					
RSUs					
Management awards					
Management awards					
Management awards	Management awards	5,560	5,522	17,059	9,017
ESPP	ESPP	402	293	1,150	450
ESPP					
ESPP					
Liability Classified Awards:					
Liability Classified Awards:					
Liability Classified Awards:	Liability Classified Awards:				
Equity-settled fixed value	Equity-settled fixed value	4,150	1,894	10,066	5,013
Equity-settled fixed value					
Equity-settled fixed value					
Optogration					
Optogration					
Optogration	Optogration	495	5,312	6,154	8,759
Freedom Photonics	Freedom Photonics	687	3,155	10,219	5,955
Freedom Photonics					
Freedom Photonics					
Other					
Other					
Other	Other	(496)	1,569	6,939	2,029
Total	Total	$ 44,882	$ 52,551	$ 160,031	$ 117,874
Total					
Total					

Note 12. Income Taxes

Provision for income taxes for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 was not material. The effective tax rate was 0.1% (0.5)% and 0.2% 0.0% for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, 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.

Note 13. Leases

The Company leases office and manufacturing facilities under non-cancelable operating leases expiring at various dates through November 2028. 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 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,			
		Three Months Ended September 30,		**Nine Months Ended September 30,**	
		Three Months Ended March 31,			
		2023	**2022**	**2023**	**2022**
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Operating lease cost					
Operating lease cost					
Operating lease cost	Operating lease cost	$ 2,111	$ 1,722	$ 6,111	$ 4,435
Variable lease cost	Variable lease cost	494	546	1,528	1,616
Variable lease cost					
Variable lease cost					
Total operating lease cost					
Total operating lease cost					
Total operating lease cost	Total operating lease cost	$ 2,605	$ 2,268	$ 7,639	$ 6,051

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

		Nine Months Ended September 30,			
		2023	**2022**		
	Three Months Ended March 31,				**Three Months Ended March 31,**
	2024			**2024**	**2023**
Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:				
Cash paid for operating leases included in operating activities					
Cash paid for operating leases included in operating activities					

Cash paid for operating leases included in operating activities	Cash paid for operating leases included in operating activities	$(5,358)	$(4,430)
Right of use assets obtained in exchange for lease obligations:	Right of use assets obtained in exchange for lease obligations:		
Operating leases	Operating leases	3,335	16,749
Operating leases			
Operating leases			

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

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

		March 31, 2024		
		September 30, 2023		December 31, 2022
		March 31, 2024		
		March 31, 2024		
Operating leases:				
Operating leases:				
Operating leases:	**Operating leases:**			
Operating lease right-of-use assets	Operating lease right-of-use assets	$ 19,660		$ 21,244
Operating lease right-of-use assets				
Operating lease right-of-use assets				
Operating lease liabilities:				
Operating lease liabilities:				
Operating lease liabilities:	Operating lease liabilities:			
Operating lease liabilities, current	Operating lease liabilities, current	$ 6,475		$ 5,953
Operating lease liabilities, current				
Operating lease liabilities, current				
Operating lease liabilities, non-current	Operating lease liabilities, non-current	15,551		16,989
Operating lease liabilities, non-current				
Operating lease liabilities, non-current				
Total operating lease liabilities				
Total operating lease liabilities				
Total operating lease liabilities	Total operating lease liabilities	$ 22,026		$ 22,942

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

	March 31, 2024	
	September 30, 2023	December 31, 2022
	March 31, 2024	

		March 31, 2024	
Weighted average remaining lease term			
Weighted average remaining lease term			
Weighted average remaining lease term	**Weighted average remaining lease term**		
Operating leases	Operating leases	4.01	4.43
Operating leases			
Operating leases			

Weighted average discount rates were as follows:

		March 31, 2024	
		September 30, 2023	December 31, 2022
		March 31, 2024	
		March 31, 2024	
Weighted average discount rate			
Weighted average discount rate			
Weighted average discount rate	**Weighted average discount rate**		
Operating leases	Operating leases	5.97 %	5.45 %
Operating leases			
Operating leases			

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

		Operating Leases
		Operating Leases
		Operating Leases
		Operating Leases
Year Ending December 31,	**Year Ending December 31,**	
2023 (remaining three months)		$ 1,951
2024		6,123
Year Ending December 31,		
Year Ending December 31,		
2024 (remaining nine months)		
2024 (remaining nine months)		
2024 (remaining nine months)		
2025		
2025		
2025	2025	5,789
2026	2026	5,310
2026		
2026		
2027		
2027		
2027	2027	4,208
2028	2028	1,363
2028		
2028		
2029		
2029		
2029		
Thereafter		
Thereafter		
Thereafter		

Total lease payments			
Total lease payments			
Total lease payments	Total lease payments		24,744
Less: imputed interest	Less: imputed interest		(2,718)
Less: imputed interest			
Less: imputed interest			
Total leases liabilities	Total leases liabilities	$	22,026
Total leases liabilities			
Total leases liabilities			

Note 14. Commitments and Contingencies

Purchase and Other 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 $104.1 million $181.2 million as of September 30, 2023 March 31, 2024.

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.

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

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 Company disputes the allegations in the complaint and intends 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 September 30, 2023 March 31, 2024. 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 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.

On March 21, 2024, a putative class action styled Smith v. Gores, et al., C.A. No. 2024-0285-MTZ (Del. Ch.) was filed in the Delaware Court of Chancery against the Company and the members of its Board of Directors. The lawsuit asserts claims on behalf of a putative class comprised of all stockholders other than defendants and any current directors or officers of the Company. The plaintiff alleges that certain provisions in the Company's advance notice bylaws (the "Challenged Provisions") are invalid and void and that the members of the Board have breached their fiduciary duty of loyalty by adopting and maintaining the Challenged Provisions. In addition to seeking declaratory, equitable, and injunctive relief, the plaintiff seeks an award of attorneys' fees and other costs and expenses on behalf of the putative class. On April 15, 2024, the Company moved to dismiss the complaint. 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 15. Segment and Customer Concentration Information

Reportable segments are (i) Autonomy Solutions and (ii) ATS. 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.

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 associated the infrastructure/technology sector.

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 sector sectors as well as government spending in military and defense activities.

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

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 consolidated balances are as follows (in thousands):

	Three Months Ended March 31, 2024					
	Autonomy Solutions	Autonomy Solutions	ATS	Total reportable segments	Eliminations (1)	Total Consolidated
Revenues from external customers						
Revenues from external customers						
Revenues from external customers						

		Three Months Ended September 30, 2023				
Depreciation and amortization						
		Autonomy Solutions	ATS	Total reportable segments	Eliminations (1)	Total Consolidated
Revenues from external customers		$ 11,229	$5,730	$ 16,959	$ —	$ 16,959
Depreciation and amortization						
Depreciation and amortization	Depreciation and amortization	11,231	701	11,932	—	11,932
Operating income (loss)	Operating income (loss)	(131,943)	673	(131,270)	2,341	(128,929)
Other significant items:	Other significant items:					
Segment assets	Segment assets	676,874	79,237	756,111	(203,233)	552,878
Segment assets						
Segment assets						
Inventories, net	Inventories, net	15,800	935	16,735	(37)	16,698

	Three Months Ended September 30, 2022				
	Autonomy Solutions	ATS	Total reportable segments	Eliminations (1)	Total Consolidated
Revenues from external customers	$ 6,777	$ 6,008	$ 12,785	$ —	$ 12,785
Depreciation and amortization	1,176	654	1,830	—	1,830

Operating income (loss)	(116,601)	1,868	(114,733)	(221)	(114,954)
Other significant items:					
Segment assets	765,241	53,000	818,241	(75,733)	742,508
Inventory	8,838	536	9,374	(221)	9,153

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

	Nine Months Ended September 30, 2023				
	Autonomy Solutions	ATS	Total reportable segments	Eliminations (1)	Total Consolidated
Revenues from external customers	$ 31,640	$ 16,025	$ 47,665	$ —	$ 47,665
Depreciation and amortization	17,423	2,045	19,468	—	19,468
Operating income (loss)	(393,794)	(22,157)	(415,951)	1,235	(414,716)
Other significant items:					
Segment assets	676,874	79,237	756,111	(203,233)	552,878
Inventory	15,800	935	16,735	(37)	16,698

	Three Months Ended March 31, 2023				
	Autonomy Solutions	ATS	Total reportable segments	Eliminations (1)	Total Consolidated
Revenues from external customers					
Revenues from external customers					
Revenues from external customers					

	Nine Months Ended September 30, 2022				
Depreciation and amortization					
	Autonomy Solutions	ATS	Total reportable segments	Eliminations (1)	Total Consolidated
Revenues from external customers	$ 16,854	$12,718	$ 29,572	$ —	$ 29,572
Depreciation and amortization					
Depreciation and amortization Depreciation and amortization	2,696	1,678	4,374	—	4,374
Operating income (loss) Operating income (loss)	(304,370)	2,866	(301,504)	(221)	(301,725)
Other significant items: Other significant items:					
Segment assets Segment assets	765,241	53,000	818,241	(75,733)	742,508
Segment assets					
Segment assets					
Inventory Inventory	8,838	536	9,374	(221)	9,153

(1) Represents the eliminations of all intercompany balances and transactions during the period presented.

Three customers, customers A, B Scale AI, Inc., Tesla, Inc. and C Mercedes-Benz ExTra, LLC of Autonomy Solutions segment, accounted for 32% 48%, 14% 11% and 14% 10% of the Company's revenue for the three months ended September 30, 2023. March 31, 2024, respectively. Two customers, customers A Scale AI, Inc. and B, Mercedes-Benz ExTra, LLC of Autonomy Solutions segment, accounted for 30% 28% and 16% of the Company's revenue for the nine months ended September 30, 2023. Two customers, customers A and B, accounted for 30% and 12% 24% of the Company's revenue for the three months ended September 30, 2022. Two customers, customers B and March 31, 2023, respectively. A accounted for 25% and 13% vast majority of the Company's revenue for the nine months ended September 30, 2022. long-lived assets are located in North America.

Note 16. Subsequent Event

Equity Financing Program

The Company sold 2,915,534 and 954,000 shares of Class A common stock on March 27, 2024 and March 28, 2024, respectively. Upon settlement of these sales, the Company received net proceeds of $6.9 million and issued shares of Class A common stock in April 2024.

On November 7, 2023 May 3, 2024, the Compensation Committee Company entered into a Financing Agreement with the Agent under which 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 $150.0 million under the Equity Financing Program. This is an extension of the prior Equity Financing Program the Company established with the Agent in February 2023. The Company intends to use the net proceeds from offerings under the Equity Financing Program for expenditures or payments in connection with strategic merger and acquisitions, strategic investments, partnerships and similar transactions, repurchases of convertible debt securities, and if needed, for general corporate and business purposes.

Restructuring

On May 3, 2024, the Company approved and announced a restructuring plan (the "2024 Restructuring Plan") consisting of the following:

- a reduction in its workforce by approximately 20%, which is intended to realign its employee base to its highest priorities and core competencies as a company, eliminate redundancies with resources gained through the expanded

TPK partnership, and reduce operating costs and drive operating leverage as the Company continues to scale in the future; and

- a reduction in its global footprint by sub-leasing portions or the entirety of certain facilities.

The actions associated with the 2024 Restructuring Plan commenced in May 2024 and are estimated to be substantially complete by the end of 2024. The Company estimates that it will incur approximately $6 million to $8 million in cash charges associated with employee severance and related employee costs, to be incurred primarily in the second quarter and third quarter of 2024. Incrementally, the Company expects to incur charges related to acceleration of certain previously granted stock-based awards and grants of new cash awards as part of severance packages for employees impacted under the 2024 Restructuring Plan. The Company expects to incur $2 million to $5 million in losses from sub-leasing of facilities, to be incurred during the remainder of 2024. The Company's estimates are subject to a number of assumptions, and stock based awards for Thomas J. Fennimore, Chief Financial Officer and Alan Prescott, Chief Legal Officer. See Item 5 for details. actual results may materially differ.

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, 2022 December 31, 2023 (the "2022 "2023 Annual Report") filed with the SEC on February 28, 2023 February 28, 2024. 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 2022 2023 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 global automotive technology company ushering a new era of vehicle safety and autonomy. We are enabling solutions for series production passenger cars and commercial trucks as well as other targeted markets.

We have built a new type of LiDAR Over the past decade, Luminar has been building our light detection and ranging (LiDAR) sensor from the chip-level up, which we believe meets is expected to meet the demanding performance, safety, reliability and cost requirements for autonomous vehicles in production, while also enabling Advanced Driving Assistance Systems ("ADAS").

Our LiDAR hardware and software products help set the standard for safety in the industry and are designed to enable accurate next-generation safety and reliable detections of some of the most challenging "edge cases" autonomous vehicles can encounter on a regular basis. This is achieved by advancing existing LiDAR range capabilities for passenger and resolution to new levels, ensuring hard-to-see objects like a tire on the road ahead or a child that runs into the street are not missed, commercial vehicles as well as by other adjacent markets.

We are in the process of developing perception, decision-making and mapping software. As of the end of the first quarter of 2024, most of our software to interpret the data needed to inform autonomous and assisted driving decisions. products had not achieved technological feasibility.

Acquisition of Seagate's LiDAR Business EM4

On January 18, 2023 March 18, 2024, we completed our purchase the acquisition of certain assets (including intellectual property ("IP"), equipment EM4, a designer, manufacturer and other assets) seller of packaged photonic components and hired employees from Seagate Technology LLC and Seagate Singapore International Headquarters Pte. Ltd. (individually and collectively, "Seagate"). sub-systems for industrial markets. The said assets and workforce are EM4 acquisition is expected to contribute towards continued development of accelerate our lidar technology. This transaction has been accounted for as a business combination.

COVID-19 Impact

COVID-19 strategy to package lasers, detectors and any new developments relating to COVID-19 could adversely impact certain aspects of our business, including product development and industrialization initiatives, timing of shipment of products and provision of services to customers, supply chain, and may impact our financial position and results of operations. We are unable to predict at this time the potential adverse impacts. For more information on our operations and risks related to health epidemics, including COVID-19, see Item 1A. Risk Factors in our 2022 Annual Report. ASICs.

Industrialization Update

We continue to execute on our industrialization plan in conjunction with our automaker partners.

We remain on track to complete the validation process in the rest announced our achievement of 2023 to achieve start of production ("SOP") readiness for Volvo Cars at the new manufacturing facility in Mexico built in conjunction with our contract manufacturing partner Celestica, which will support our customer's planned SOP in April 2024 and began shipping production LiDAR sensors for the first half of 2024. Volvo EX90.

We continually evaluate opportunities for optimizing our manufacturing processes and product design. In the second quarter of During 2023,, we began evaluating options for changing our sourcing of certain sub-assemblies and components which is expected strategy with the objective to reduce future per unit sensor manufacturing costs. In the third quarter of 2023, we costs, and then finalized and committed to a plan to proceed with a change in our sourcing strategy. of certain sub-assemblies and components from one supplier to another, which will require us to abandon certain equipment located at the legacy supplier. As a result, we have 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. We expect the transition to new suppliers to be completed in 2024. The reduction in the estimated useful lives of the impacted assets resulted in us recording $6.6 $2.1 million of accelerated depreciation charges in the third first quarter of 2023. 2024. We expect to record additional accelerated depreciation in the range of $9.0 $5.0 million to $10.0 $6.0 million by end of 2024. 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.

In the first quarter of 2024, we agreed to establish an engineering center in Xiamen, China to be staffed by TPK, one of our existing contract manufacturing partners 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. TPK is also in the process of building a high volume facility in Asia.

Business Updates

In the third first quarter of 2023, 2024, we successfully passed the initial final Run at Rate production audit for Volvo Cars at the manufacturing facility in Mexico, which is a critical our final milestone ahead of SOP. With the passing of the initial Run at Rate, we are now shifting our primary focus to optimizing our production processes and unit economic costs, as well as ensuring our entire supply chain can ramp up with us in similar quantity and quality. In addition to passing the Run at Rate audit, our Iris LiDAR also completed one of the first official installations onto a Volvo EX90 at Volvo's Charleston plant in the US.

Given the customary business practices in the automotive industry, the rapidly changing nature of the markets in which we compete and that LiDAR is new, there remains potential risk that our major commercial wins 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 IA of Part I in our 2022 2023 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 design, manufacturing, and sale of LiDAR sensors catering mainly to the OEMs in the automobile, 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 sensor and software products, as well as revenue generated from licensing of certain information.

The ATS segment provides advanced semiconductors and related components, as well as design, test 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.

Three customers, Scale AI, Inc., Tesla, Inc. and Mercedes-Benz ExTra, LLC of Autonomy Solutions segment, accounted for 32% 48%, 14% 11% and 14% 10% of the Company's revenue for the three months ended September 30, 2023. March 31, 2024, respectively. Two customers, Scale AI, Inc. and Mercedes-Benz ExTra, LLC of Autonomy Solutions segment, accounted for 30% 28% and 16% of the Company's revenue for the nine months ended September 30, 2023. Two customers accounted for 30% and 12% 24% of the Company's revenue for the three months ended September 30, 2022. Two customers accounted for 25% and 13% of the Company's revenue for the nine months ended September 30, 2022. March 31, 2023, respectively.

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 personnel-related costs, including stock-based compensation expense for personnel engaged in manufacturing, engineering, and material purchases from third-party contract manufacturers and suppliers which are directly associated with our manufacturing process. Cost of sales includes 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 and 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 will be lower and we expect these lower average selling prices to temporarily increase our gross loss over the next few quarters 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 sensors 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 and 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 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 our consolidated results. We expect our R&D costs to increase 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.

We expect to increase our sales and marketing activities, mainly in order to continue to build out our geographic presence to be closer to our partners and better serve them. We also expect that our sales and marketing expenses will increase over time as we continue to hire additional personnel to scale our business.

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.

We expect our general and administrative expenses to increase for the foreseeable future as we scale headcount with the growth of our business, and as a result of operating as a public company, including compliance with the rules and regulations of the SEC, legal, audit, additional insurance expenses, investor relations activities, and other administrative and professional services.

Change in Fair Value of Warrants

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

Other income (expense), net

Interest income consists 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 consisted consists primarily of interest on convertible senior notes as well as amortization of premium (discount) on marketable securities. Other income (expense) includes realized gains and losses related to the marketable securities, as well as impact of gains and losses related to foreign exchange transactions.

Results of Operations for the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023

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 consolidated results of operations data for the periods presented (in thousands):

		Three Months Ended September 30,				Nine Months Ended September 30,		
		2023	2022	$ Change	% Change	2023	2022	$ Change
			Three Months Ended March 31,					
			Three Months Ended March 31,					
			Three Months Ended March 31,					
		2024						
		2024						
		2024						
Revenue								
Revenue								
Revenue	Revenue	$ 16,959	$ 12,785	$ 4,174	33 %	$ 47,665	$ 29,572	$ 18,093
Cost of sales	Cost of sales	35,119	28,511	6,608	23 %	98,784	73,257	25,527
Cost of sales								
Cost of sales								
Gross loss								
Gross loss								
Gross loss	Gross loss	(18,160)	(15,726)	(2,434)	15 %	(51,119)	(43,685)	(7,434)
Operating Expenses:	Operating Expenses:							
Operating Expenses:								
Operating Expenses:								
Research and development								
Research and development								
Research and development	Research and development	62,937	46,308	16,629	36 %	199,472	120,358	79,114
Sales and marketing	Sales and marketing	12,397	10,111	2,286	23 %	41,780	26,698	15,082
Sales and marketing								
Sales and marketing								
General and administrative								
General and administrative								
General and administrative	General and administrative	35,435	42,809	(7,374)	(17) %	122,345	110,984	11,361
Total operating expenses	Total operating expenses	110,769	99,228	11,541	12 %	363,597	258,040	105,557
Total operating expenses								
Total operating expenses								
Loss from operations								
Loss from operations								
Loss from operations	Loss from operations	(128,929)	(114,954)	(13,975)	12 %	(414,716)	(301,725)	(112,991)
Other income (expense), net:	Other income (expense), net:							
Other income (expense), net:								
Other income (expense), net:								
Change in fair value of warrants		2,373	(1,231)	3,604	(293) %	1,345	6,645	(5,300)

Change in fair value of warrant liabilities								
Change in fair value of warrant liabilities								
Change in fair value of warrant liabilities								
Interest expense								
Interest expense								
Interest expense	Interest expense	(2,779)	(2,660)	(119)	4 %	(5,717)	(9,088)	3,371
Interest income	Interest income	1,260	1,553	(293)	(19) %	4,770	3,970	800
Other income (expense)		(5,967)	(83)	(5,884)	7089 %	(8,245)	(358)	(7,887)
Interest income								
Interest income								
Gain from acquisition of EM4								
Gain from acquisition of EM4								
Gain from acquisition of EM4								
Losses related to investments and certain other assets, and other income (expense)								
Losses related to investments and certain other assets, and other income (expense)								
Losses related to investments and certain other assets, and other income (expense)								
Total other income (expense), net	Total other income (expense), net	(5,113)	(2,421)	(2,692)	111 %	(7,847)	1,169	(9,016)
Loss before provision for (benefit from) income taxes		(134,042)	(117,375)	(16,667)	14 %	(422,563)	(300,556)	(122,007)
Provision for (benefit from) income taxes		296	175	121	nm	305	566	(261)
Total other income (expense), net								
Total other income (expense), net								
Loss before provision for income taxes								
Loss before provision for income taxes								
Loss before provision for income taxes								
Provision for income taxes								
Provision for income taxes								
Provision for income taxes								
Net loss	Net loss	$ (134,338)	$ (117,550)	$ (16,788)	14 %	$ (422,868)	$ (301,122)	$ (121,746)
Net loss								
Net loss								

Revenue

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
	Three Months Ended March 31,							
	Three Months Ended March 31,							

		Three Months Ended March 31,							
		2024							
		2024							
		2024							
Revenue from sales to external customers:									
Revenue from sales to external customers:									
Revenue from sales to external customers:	Revenue from sales to external customers:								
Autonomy Solutions	Autonomy Solutions	$ 11,229	$ 6,777	$ 4,452	66 %	$ 31,640	$ 16,854	$ 14,786	88 %
Autonomy Solutions									
Autonomy Solutions									
ATS									
ATS									
ATS	ATS	5,730	6,008	(278)	(5) %	16,025	12,718	3,307	26 %
Total	Total	$ 16,959	$ 12,785	$ 4,174	33 %	$ 47,665	$ 29,572	$ 18,093	61 %
Total									
Total									

The increase in revenue of our Autonomy Solutions segment in the three and nine months ended September 30, 2023 March 31, 2024 compared to the same periods period in 2022 2023 was primarily due to revenue from an increase in sales of our LiDAR sensors and licensing of certain of our intellectual property. information.

The decrease increase in revenue of our ATS segment in the three months ended September 30, 2023 March 31, 2024 compared to the same period in 2022 2023 primarily resulted from a decrease due to an increase in revenue from non-recurring engineering services. The increase in revenue of our ATS segment in the nine months ended September 30, 2023 compared to the same period in 2022 resulted from an increase in sales of our photodetector chips and the acquisition of Freedom Photonics LLC ("Freedom Photonics") in April 2022. EM4 and non-recurring engineering services.

Cost of Sales

The $6.6 million and $25.5 million $2.3 million increase in the cost of sales in the three and nine months ended September 30, 2023 March 31, 2024, compared to the same periods period in 2022, 2023, was primarily due to costs associated with increase in sales of sensors, accrual for loss in certain NRE arrangements, Iris industrialization and launch expenses as we approach closer to series production readiness, yield losses, claims from certain contract manufacturers and impairment in carrying value of inventory due to (a) obsolescence caused by changes in design of our sensors as we get closer to series production and other reasons. In (b) net realizable value reserves caused by expected selling prices for the third quarter of inventory in hand being lower than cost.

In 2023, we finalized and committed to a plan to proceed with a change in our sourcing strategy for certain manufacturing activities. Implementation of this plan 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. We have revised the estimated useful lives of said long-lived assets within the impacted asset group, which resulted in recording depreciation for these assets over an accelerated period. In the third first quarter of 2023, 2024, we recorded $6.6 $2.1 million of accelerated depreciation charges associated with this manufacturing and sourcing change.

Operating Expenses

Research and Development

The $16.6 million and $79.1 million increase $1.3 million decrease in research and development expenses in the three and nine months ended September 30, 2023 March 31, 2024 compared to the same periods period in 2022 2023 was primarily due to:

- to a $5.3 million and $37.9 million increase decreases in personnel-related costs, driven mainly by increased headcount and an increase in stock-based compensation expense; and
- a $5.5 million and $30.7 million increase decrease in purchased materials, contractor fees and external spend in relation related to continued development and testing as we get closer to industrialization of our sensor and software products, development activities related to advanced manufacturing as well as data labeling services. LiDAR sensors.

Sales and Marketing

The $2.3 million and $15.1 million $0.8 million increase in sales and marketing expenses for the three and nine months ended September 30, 2023 March 31, 2024 compared to the same periods period in 2022 were 2023 was primarily due to increases Formula 1 sponsorship, partially offset by lower marketing spend related to trade shows and presentations in personnel related costs including stock-based compensation costs due to increased headcount. auto industry conventions.

General and Administrative

The $7.4 million $11.4 million decrease in general and administrative expenses for the three months ended September 30, 2023 March 31, 2024 compared to the same period in 2022 2023 was primarily due to to:

- a $7.2 million decrease in personnel-related costs driven mainly by a decrease in stock-based compensation costs.

The $11.4 million increase in general and administrative expenses for the nine months ended September 30, 2023 compared to the same period in 2022 was primarily due to a $18.2 million increase in personnel costs, including stock-based compensation costs, partially offset by expense;

- a $3.1 $2.9 million decrease in legal, outside consultants, contractors and other costs; and
- a $2.3 $0.6 million decrease in general liability insurance travel related costs.

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 in connection with the initial public offering of Gores Metropoulos, Inc. ("Private Warrants").

The non-cash gain related to the Private Warrants was $2.4 million and $1.3 $0.8 million for the three and nine months ended September 30, 2023 March 31, 2024.

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 September 30,				Nine Months Ended September 30,			
		2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
			Three Months Ended March 31,						
			Three Months Ended March 31,						
			Three Months Ended March 31,						
		2024							
		2024							
		2024							
Segment operating income (loss)									
Segment operating income (loss)									
Segment operating income (loss)	Segment operating income (loss)								
Autonomy Solutions	Autonomy Solutions	$ (131,943)	$ (116,601)	$ (15,342)	13 %	$ (393,794)	$ (304,370)	$ (89,424)	29 %
Autonomy Solutions									
Autonomy Solutions									
ATS	ATS	673	1,868	(1,195)	64 %	(22,157)	2,866	(25,023)	873 %
ATS									
ATS									

Liquidity and Capital Resources

Sources of Liquidity and Capital Requirements

Our capital requirements will depend on many factors, including:

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

Until we can generate sufficient revenue and profits from 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. If we are required to raise additional funds by issuing equity securities, dilution to stockholders would result. Any equity securities issued may also provide for rights, preferences or privileges senior to those of holders of our common stock. If we raise funds by issuing debt securities, these debt securities may have rights, preferences and privileges senior to those of holders of our common stock. The terms of debt securities or borrowings could impose significant restrictions on our operations. 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. 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 markets. Further, we expect to invest in developing advanced manufacturing capabilities, both, internally as well as with our contract manufacturing partners. We expect to fund these product and business development initiatives and 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 ("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, 2024.

On February 28, 2023, we entered into an agreement (the "Sales "2023 Sales Agreement") with Virtu Americas LLC (the "Agent") under which we 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 $75,000,000 through an equity offering program under which Virtu Americas LLC will act as sales agent (the "Equity Financing Program"). We intend to use the net proceeds from offerings under the Equity Financing Program primarily for expenditures or payments in connection with strategic merger and acquisition opportunities, as well as potential strategic investments, partnerships and similar transactions.

Under the 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 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 1,833,829 and 5,599,121 9,644,286 shares of Class A common stock under the Equity Financing Program during the three and nine months ended September 30, 2023 March 31, 2024 for net proceeds of $9.1 million and $38.7 million, respectively. $17.2 million. As of September 30, 2023 March 31, 2024, $35.9 million of Class A Common Stock was no amounts were available for sale under the program.

On May 8, 2023, we entered into an agreement to issue 1,652,892 We sold 2,915,534 and 954,000 shares of Class A common stock to a wholly owned subsidiary on March 27, 2024 and March 28, 2024, respectively. Upon settlement of TPK, for a these sales, we received $6.9 million cash purchase price of $10.0 million. The 1,652,892 in net proceeds and issued shares of Class A common stock were issued pursuant in April 2024 and completed sales under the 2023 Sales Agreement.

On May 3, 2024, we entered into another Sales Agreement with the Agent under which we may offer and sell, from time to a private placement time in reliance on Section 4(a)(2) our sole discretion, shares of the Securities Act on May 15, 2023.

Additionally, we had granted an option to purchase 1,652,892 additional shares of our Class A common stock worth $10.0 with aggregate gross sales proceeds of up to $150.0 million which was exercised on August 9, 2023. under the Equity Financing Program. This is an extension of the prior Equity Financing Program we established with the Agent in February 2023. We intend to use the net proceeds from offerings under the Equity Financing Program for expenditures or payments in connection with strategic merger and acquisitions, strategic investments, partnerships and similar transactions, repurchases of convertible debt securities, and if needed, for general corporate and business purposes.

As of September 30, 2023 March 31, 2024, we had cash and cash equivalents totaling $74.7 million $109.6 million and marketable securities of $246.2 million $108.8 million, totaling $321.0 million $218.3 million of total liquidity. To date, our principal sources of liquidity have been proceeds received from issuances of debt and equity. Market and economic conditions, such as the increase in interest rates by federal agencies, may materially impact relative cost and mix of these sources of liquidity.

To date, we have not generated positive cash flows from operating activities and have incurred significant losses from operations in the past as reflected in our accumulated deficit of $1.7 billion $2.0 billion as of September 30, 2023 March 31, 2024. We expect to continue to incur operating losses for at least the foreseeable future due to continued R&D investments that we intend to make in our business and, as a result, we may require additional capital resources to grow our business. We believe that current cash, cash equivalents, and marketable securities will be sufficient to continue to execute our business strategy in the next 12 months.

Cash Flow Summary

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

		Nine months ended September 30,		Three months ended March 31,	
		2023	2022		
	Three months ended March 31, 2024			2024	2023
Net cash provided by (used in):	Net cash provided by (used in):				
Operating activities					
Operating activities					
Operating activities	Operating activities	$(194,526)	$(133,559)		
Investing activities	Investing activities	139,504	(59,080)		
Financing activities	Financing activities	62,105	(80,760)		

Operating Activities

Net cash used in operating activities was $194.5 million $81.2 million during the nine three months ended September 30, 2023 March 31, 2024. Net cash used in operating activities was due to our net loss of $422.9 million $125.7 million adjusted for non-cash items of $244.7 million $73.5 million, primarily consisting of $160.0 million $44.5 million of stock-based compensation, $31.5 million $16.9 million of inventory write-offs and write-downs, $8.1 million of depreciation and amortization, $4.0 million of vendor payments in stock in lieu of cash, $17.3 million of inventory write-offs and write-downs, $19.5 million of depreciation and amortization, $7.8 million $2.3 million of loss on marketable securities and $1.3 million $0.8 million of change in fair value of warrant liabilities, and cash used for operating assets and liabilities of $16.4 million $29.0 million due to the timing of cash payments to vendors and cash receipts from customers.

Investing Activities

Net cash provided by investing activities of $139.5 million $34.4 million in the nine three months ended September 30, 2023 March 31, 2024 was comprised of cash proceeds from sales and maturities of marketable securities of $51.6 million and $390.8 million $89.0 million, respectively, offset by $269.2 million $48.8 million related to purchases of marketable securities, $21.1 million $1.3 million in cash spent for capital expenditures, and $12.6 million $4.7 million cash paid for acquisition of certain assets of Seagate. EM4.

Financing Activities

Net cash provided by financing activities of $62.1 million $17.5 million in the nine three months ended September 30, 2023 March 31, 2024 was comprised of $38.7 million $17.2 million cash received from the sale and issuance of shares of Class A common stock under the Equity Financing Program $20.0 million cash received from issuance of shares of Class A common stock to a wholly owned subsidiary of TPK, $2.6 million and $0.4 million cash received from exercises of stock options, $1.4 million of proceeds from sale of Class A common stock under our employee stock purchase plan, offset by $0.6 million $0.1 million cash paid for 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 nine three months ended September 30, 2023 March 31, 2024, 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 2022 2023 Annual Report and Note 2 of the notes to condensed consolidated financial statements included in this Form 10-Q.

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 exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in interest rates and foreign currency exchange rates. We do not hold or issue financial instruments for trading purposes. For a discussion of market risk, see “Quantitative and Qualitative Disclosure about Market Risk” in Item 7A of our 2022 2023 Annual Report. Our exposure to market risk has not changed materially since December 31, 2022 December 31, 2023.

We had cash and cash equivalents, and marketable securities totaling $321.0 million $218.3 million as of September 30, 2023 March 31, 2024. Cash equivalents and marketable securities were invested primarily in U.S. treasury securities, commercial paper, corporate bonds, U.S. agency and government sponsored securities, equity investments and asset-backed securities. Our investment policy is focused on the preservation of capital and supporting our liquidity needs. Under the policy, we invest in highly rated securities, while limiting the amount of credit exposure to any one issuer other than the U.S. government. We do not invest in financial instruments for trading or speculative purposes, nor do we use leveraged financial instruments. We utilize external investment managers who adhere to the guidelines of our investment policy. A hypothetical 100 basis point change in interest rates would not have a material impact on the value of our cash and cash equivalents or marketable investments.

As of September 30, 2023 March 31, 2024, the principal amount outstanding of our Convertible Senior Notes was $625.0 million. The fair value of the Convertible Senior Notes is subject to interest rate risk, market risk and other factors due to their conversion features. The fair value of the Convertible Senior Notes will generally increase as our common stock price increases and will generally decrease as our common stock price declines. The interest and market value changes affect the fair value of the Convertible Senior Notes but do not impact our financial position, cash flows or results of operations due to the fixed nature of the debt obligations. We carry the Convertible Senior Notes at face value less unamortized discount on our consolidated balance sheets.

Our Convertible Senior Notes bear a fixed interest rate, and therefore, are not subject to interest rate risk. We have not utilized derivative financial instruments, derivative commodity instruments or other market risk sensitive instruments, positions or transactions in any material fashion, except for the privately negotiated capped call transactions entered into in December 2021 related to the issuance of our Convertible Senior Notes.

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. Currently, all of our revenue is generated in U.S. dollars. Our expenses are generally denominated in the currencies of the jurisdictions in which we conduct our operations, which are primarily in the U.S. and in Europe. Luminar’s results of operations and cash flows in the future may be adversely affected due to an expansion of non-U.S. dollar denominated contracts, growth of its international entities, and changes in foreign exchange rates. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have a material impact on our historical or current consolidated financial statements. To date, we have not engaged in any hedging strategies. As our international operations grow, we will continue to reassess our approach to manage the risk relating to fluctuations in currency rates.

ITEM 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of September 30, 2023 March 31, 2024.

Based on management’s evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2023 March 31, 2024, our disclosure controls and procedures were designed, and were effective, to provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosures.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Changes in Internal Control Over Financial Reporting

During the three months ended September 30, 2023 March 31, 2024, there was no change in our internal control over financial reporting that has materially affected, or is 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 14 to the condensed consolidated financial statements in this Form 10-Q, which information is incorporated herein by reference.

ITEM 1A. Risk Factors.

There have been no material changes from the "Risk Factors" previously disclosed in Part 1, Item 1A, of our 2022 2023 Annual Report. You should carefully consider the "Risk Factors" discussed in our 2022 2023 Annual Report as they could materially affect our business, financial condition and future results of operation.

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

Unregistered Sales of Equity Securities

On August 9, 2023 and September 20, 2023, we issued 1,490,313 shares and 436,158 shares, respectively, of Class A common stock in lieu of cash for an investment in a SAFE of Plus Automation, Inc. We also issued 298,062 shares, 91,858 shares and 142,247 shares of Class A common stock to certain service providers for services rendered to us pursuant to a private placement on August 9, 2023, September 20, 2023 and November 1, 2023, respectively. These issuances were made in reliance on Section 4(a)(2) of the Securities Act of 1933. None.

ITEM 3. Defaults Upon Senior Securities.

None.

ITEM 4. Mine Safety Disclosures.

Not applicable.

ITEM 5. Other Information.

Our Section 16 During the three months ended March 31, 2024, none of our directors or officers and directors (as defined in Rule 16a-1 16a-1(f) under the Securities Exchange Act) may from time to time enter into plans for the purchase Act adopted 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 quarter ended September 30, 2023, the following Section 16 officers adopted terminated a "Rule 10b5-1 trading arrangements" (as arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 under of Regulation S-K of the Exchange Act) as described in the table below, which were subsequently terminated on November 8, 2023:

Name and Title	Date Adopted	Aggregate Number of Shares of Class A Common Stock to be Sold Pursuant to Trading Arrangement	Duration
Thomas J. Fennimore Chief Financial Officer	September 15, 2023	Up to 375,000 shares of Class A common stock to be sold	Until June 17, 2024 or earlier as provided in the Plan(1)
Alan Prescott Chief Legal Officer	September 19, 2023	Up to 180,000 shares of Class A common stock to be sold	Until August 5, 2024 or earlier as provided in the Plan(1)

(1) Plans were terminated on November 8, 2023.

We are reporting the following information in lieu of reporting on a Current Report on Form 8-K under Item 5.02 – Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 8, 2023, the Compensation & Human Capital Management Committee (the "Compensation Committee") of the Board of Directors of the Company approved executive compensation letter agreements (the "Executive Compensation Letter Agreements") with its named executive officers, Thomas Fennimore, the Company's Chief Financial Officer, and Alan Prescott, the Company's Chief Legal Officer. The Executive Compensation Letter Agreements were approved in recognition of Messrs. Fennimore's and Prescott's dedication and commitment to the Company and to incentivize them to continue their efforts to grow long-term stockholder value.

Cash Awards

Pursuant to the Executive Compensation Letter Agreements, Mr. Fennimore and Mr. Prescott each will receive the following cash bonuses in lieu of the annual discretionary performance-based cash bonuses described in their existing offer letters with the Company:

- *Thomas Fennimore*: Quarterly bonus of $75,000, commencing with the fourth quarter of the Company's 2023 fiscal year and ending with the quarter ending December 31, 2029, subject to his continuous active employment through the end of each quarter.
- *Alan Prescott*: Quarterly bonus of $37,500, commencing with the fourth quarter of the Company's 2023 fiscal year and ending with the quarter ending December 31, 2026, subject to his continuous active employment through the end of each quarter.

In addition, Messrs. Fennimore and Prescott will be eligible to receive a special bonus; in the case of Mr. Fennimore of $700,000 for five installments and in the case of Mr. Prescott of $300,000 for one installment and $425,000 for 4 installments, both commencing November 15, 2023 through October 15, 2024, subject to the officer's continuous active employment through each payment date, which special bonuses are subject to a ratable clawback of net post-tax amounts paid in the event of a resignation or termination for "cause" (defined to be generally consistent with the definition under the Company's 2020 Amended and Restated Equity Incentive Plan (the "Equity Plan")) within two years of the first payment date.

Additionally, for Mr. Fennimore, the Company will make a charitable donation on his behalf of 50,000 shares of Company stock in each of 2023 and 2024 or its cash equivalent.

Equity Awards

Messrs. Fennimore and Prescott will be eligible to receive restricted stock units ("RSUs") for each year from 2024 through 2029 for Mr. Fennimore and through 2026 for Mr. Prescott based on achievement of annual performance goals with respect to the immediately preceding year ("Annual Performance Awards"). The number of RSUs to be awarded in a year will be determined based on actual achievement of the annual performance goals established by the Compensation Committee based on the Company's approved operating plan in respect of the immediately preceding year, with such awards ranging from 137,500 RSUs at threshold level, 550,000 RSUs at the target level, and 825,000 RSUs at the maximum level for extraordinary performance (interpolated linearly between target levels, as applicable) as set forth in the Executive Compensation Letter Agreements. For calendar year 2023, related to the potential award to be made in 2024, the Compensation Committee has determined that annual performance goals will be weighted 50% based on revenue and 50% based on free cash flow, with target performance for the revenue performance goal equal to $81.4 million and target performance for the 2023 4th quarter free cash flow goal equal to $(37) million. Each Annual Performance Award will vest over time as to 1/3 annually for 3 years from the beginning of the performance period to incentivize performance and retention, subject to continues active employment through each vesting date.

Mr. Fennimore and Mr. Prescott will each also receive annual "fixed value" RSU grants (the "Fixed Value Equity Awards"), subject to approval by the Compensation Committee and continuous active service through each annual grant date, with Mr. Fennimore receiving $1,500,000 of Fixed Value Equity Awards annually commencing December 5, 2023 through December 5, 2023 2028 and Mr. Prescott receiving $1,500,000 of Fixed Value Equity Awards annually commencing December 5, 2023 through December 5, 2025.

In the event of a "Change in Control" (as defined in the Equity Plan), and subject to continuous active service through the Change in Control, all then-outstanding unvested RSUs held by Messrs. Fennimore and Prescott which are subject to Fixed Value Equity Awards and Annual Performance Awards will immediately vest as of such Change in Control.

Lock-up

Mr. Fennimore and Mr. Prescott have each agreed to certain "lock-up" arrangements restricting their sale or disposition of shares of the Company's Class A Common Stock, subject to certain exceptions, until April 30, 2025.

Involuntary Termination

If Mr. Fennimore or Mr. Prescott is terminated by the Company "without cause" or due to his death, then subject to the officer's execution and nonrevocation of a customary severance agreement and release of all claims (the "Release"), (i) the Company will pay an amount equal to twelve (12) months of his base salary, payable in a lump sum on the effective date of the Release and (ii) 100% of any then-outstanding and unvested shares subject to any Annual Performance Award(s) granted to him will immediately vest as of the date of termination. S-K.

ITEM 6. Exhibits.

		Incorporation by Reference				
Exhibit Number	**Description**	**Form**	**File Number**	**Exhibit/Appendix Reference**	**Filing Date**	**Filed Herewith**
3.1	Second Amended and Restated Certificate of Incorporation of the Company.	8-K/A	001-38791	3.1	12/8/20	
3.2	Amended and Restated Bylaws of the Company (as amended on March 17. 2023).	8-K	001-38791	3.1	03/21/23	
					12/8/20	
10.1†	Luminar Technologies, Inc. Amended and Restated Director Compensation Policy.					X
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.					Furnished herewith

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

		Incorporation by Reference				
Exhibit Number	Description	Form	File Number	Exhibit/Appendix Reference	Filing Date	Filed Herewith
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	Amended and Restated Bylaws of the Company (as amended on March 17. 2023).	8-K	001-38791	3.1	03/21/23	
10.1	Non-Recourse Loan and Securities Pledge Agreement, dated as of February 23, 2024, by and between The St. James Bank & Trust Company Ltd. and the Company.	10-K	001-38791	10.20	02/28/24	
					12/8/20	
10.2	Non-Recourse Loan and Securities Pledge Agreement, dated as of February 23, 2024, by and between The St. James Bank & Trust Company Ltd. and the Company.	10-K	001-38791	10.21	02/28/24	
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.					Furnished herewith
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

†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: November 8, 2023 May 10, 2024

By: /s/ Austin Russell
Austin Russell
President, Chief Executive Officer and Chairperson of the Board
(Principal Executive Officer)

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

Exhibit 10.1

LUMINAR TECHNOLOGIES, INC.

AMENDED AND RESTATED DIRECTOR COMPENSATION POLICY

Adopted and approved on March 24, 2021

Amended and restated on September 26, 2023

Each member of the Board of Directors (the "***Board***") of Luminar Technologies, Inc. (the "***Company***") who is not an employee of the Company (each such member, an "***Outside Director***") will receive the compensation described in this Amended and Restated Director Compensation Policy (the "***Director Compensation Policy***") for his or her Board service following the Effective Date.

The Director Compensation Policy became effective on March 24, 2021, and, as amended, shall be effective as of the amendment date set forth above (the "***Effective Date***"). The Director Compensation Policy may be further amended at any time in the sole discretion of the Board.

Annual Cash Compensation

Each Outside Director will receive the cash compensation set forth below for service on the Board (the "***Annual Cash Compensation***"). The annual cash compensation amounts will be payable in arrears, in equal quarterly installments on the first day following the end of each fiscal quarter of the Company in which the service occurred (or, if not a business day, then the next business day). Any amount payable for a partial quarter of service will be pro-rated by multiplying such amount by a fraction, the numerator of which will be the number of days of service that the Outside Director provided in such quarter and the denominator of which will be the number of days in such quarter inclusive. All annual cash fees are vested upon payment. For purposes of clarity, the first quarterly installment of the annual retainers set forth below shall be paid for the first quarter that ends on or after the Effective Date, with the amount of such payment equal to the full quarterly installment, pro-rated as applicable based on the days of service that the Outside Director provided in such quarter.

1. **Annual Board Member Service Retainer:**
    a. All Outside Directors: **$50,000**.
    b. Outside Director serving as Lead Independent Director: **$30,000** (in addition to above).
2. **Annual Committee Member Service Retainer:**
    a. Member of the Audit Committee: **$12,500**.
    b. Member of the Compensation & Human Capital Management Committee: **$10,000**.
    c. Member of the Nominating and ESG Committee: **$5,000**.
3. **Annual Committee Chair Service Retainer (in lieu of Annual Committee Member Service Retainer):**
    a. Chairperson of the Audit Committee: **$25,000**.

b. Chairperson of the Compensation & Human Capital Management Committee: **$20,000**.

c. Chairperson of the Nominating and ESG Committee: **$10,000**.

Equity Compensation

Equity awards will be granted under the Company's 2020 Equity Incentive Plan or any successor equity incentive plan adopted by the Board and the stockholders of the Company (the "***Plan***").

1. **Automatic Equity Grants**

a. **Annual Grant for Continuing Outside Directors and Certain New Outside Directors**.Without any further action of the Board, at the close of business on the date of each annual meeting of the Company's stockholders (an "***Annual Meeting***") following the Effective Date, each continuing Outside Director and each new Outside Director who commenced such service prior to the date that is at least three (3) months prior to such Annual Meeting shall be granted restricted stock units ("***RSUs***") under the Plan covering shares of the Company's Class A Common Stock ("***Shares***") having an RSU Value (as defined below) of **$200,000** (an "***Annual RSU Award***"); provided that the number of Shares covered by each Annual RSU Award will be rounded down to the nearest whole Share.Each Annual RSU Award shall vest in full on the first to occur of (i) the 1-year anniversary of the grant date or (ii) the date of the next Annual Meeting, subject to the applicable Outside Director's continued service as a member of the Board through such vesting date.

b. **Initial Grant for New Outside Directors**. Without any further action of the Board, each person who after the Effective Date is elected or appointed for the first time to be an Outside Director will in each case automatically, upon the first practicable date following their initial election or appointment to be an Outside Director, be granted, in addition to any grant pursuant to clause (a) above, RSUs under the Plan covering Shares having an RSU Value of **$400,000** (an "***Initial RSU Award***"); provided that the number of Shares covered by each Initial RSU Award will be rounded down to the nearest whole Share. Each Initial RSU Award shall vest in equal annual installments over the 3-year period following the grant date, subject to the applicable Outside Director's continued service as a member of the Board through each such vesting date.

c. **RSU Value**. The number of Shares that comprise the "***RSU Value***" of an Annual RSU Award, an Initial RSU Award or a Cash to RSU Election shall equal the RSU Value divided by the average closing price of a Share on the stock exchange or a national market system on which the Shares are listed over the 30 trading days preceding the grant date.

2. **Change in Control**.Notwithstanding the foregoing, for each Outside Director who remains in continuous service as a member of the Board until immediately prior to the closing of a "***Change in Control***" (as defined in the Plan), any unvested portion of any RSU award granted in consideration of such Outside Director's service as a member of

2

the Board shall vest in full immediately prior to, and contingent upon, the consummation of the Change in Control.

3. **Discretionary Grants**. In addition to the automatic grants described herein, the Board, in its sole discretion, may grant additional equity awards to certain Outside Directors for services to the Company that exceed the standard expectations of an Outside Director or for other circumstances determined to be appropriate by the Board, including, without limitation, an inducement for the Outside Director to remain on the Board.

4. **Remaining Terms**. The remaining terms and conditions of each RSU award granted under this Director Compensation Policy will be as set forth in the Plan and the Company's standard form of RSU award agreement, as amended from time to time by the Board or the Compensation

& Human Capital Management Committee, as applicable.

Discretion to Receive RSUs in Lieu of Annual Cash Compensation

1. **Cash to RSU Election**. Each Outside Director may elect to convert up to 100% of their Annual Cash Compensation (including any annual retainer that an Outside Director may receive for serving as Lead Independent Director and including any annual retainers for committee service and Chair service) into RSUs which would be awarded as follows (such election, a "***Cash to RSU Election***"):

   a. **Cash to RSU Election**. If an Outside Director timely makes a Cash to RSU Election, then, subject to the terms hereof and any other conditions specified by the Board or Compensation & Human Capital Management Committee, such Outside Director will automatically and in lieu of each subsequent cash retainer payment payable thereto (including any then-unpaid cash retainer payments with respect to any completed or in-progress fiscal quarters of the Company) be granted, on the date each applicable cash retainer payment would otherwise be paid thereto (or, if not a business day, then the next business day), a number of RSUs equal to (x) an amount equal to the product of (i) the Election Percentage (as defined below) and (ii) such cash retainer payment divided by (y) the applicable RSU Value on such date. Such RSUs will be fully vested and paid in arrears for service rendered, and subject to the same conditions, as applied to the equivalent annual cash retainer. Any amount payable for a partial quarter of service during which an Outside Director commenced service will be pro-rated by multiplying such amount by a fraction, the numerator of which will be the number of days of service that the Outside Director provided in such quarter and the denominator of which will be the number of days in such quarter inclusive.

2. **Cash to RSU Election Mechanics**. To receive RSUs in lieu of the Annual Cash Compensation, a Cash to RSU Election in a form substantially as set forth on **<u>Exhibit A</u>** hereto (the "***Cash to RSU Election Form***" must be submitted to the Company's Chief Legal Officer in writing by the date designated by the Board or Compensation & Human Capital Management Committee (from time to time, the "***Election Deadline***"), provided that, with respect to each Election Deadline other than the initial Election Deadline offered under this Director Compensation Policy, no Election Deadline may be later than November 30 of the year prior to the year in which such Cash to RSU Election shall take

effect, and subject to any other conditions specified by the Board or Compensation & Human Capital Management Committee. An Outside Director must indicate in the Cash to RSU Election Form the percentage of such Outside Director's Annual Cash Compensation (in multiples of 1%) that the Outside Director is electing to receive in the form of RSUs (the "***Election Percentage***"). An Outside Director may only make a Cash to RSU Election if there is an effective Form S-8 on file with the Securities and Exchange Commission (an "***Effective S-8***"). Once a Cash to RSU Election is properly submitted, it will remain in effect for successive cash retainer payment dates unless and until the Outside Director revokes it in accordance with clause 3 below or there ceases to be an Effective S-8.

3. **Cash to RSU Election Revocation Mechanics**. The revocation of any Cash to RSU Election must be submitted to the Company's Chief Legal Officer in writing no later than November 30 of any given year, and will become effective with respect to Annual Cash Compensation earned on the following January 1 or later (excluding, for avoidance of doubt, any RSUs issued on or around January 1 of such year with respect to the prior quarter's services), and subject to any other conditions specified by the Board or Compensation & Human Capital Management Committee. Once the revocation of the Cash to RSU Election is properly submitted, it will remain in effect for successive cash retainer payment dates unless and until the Outside Director makes a new RSU Election in accordance with clause 2 above. Outside Directors are strongly encouraged to consult with the Company's Chief Legal Officer prior to revoking a Cash to RSU Election.

4. **Advance Payments Subject to Cash to RSU Election**. If an Outside Director has an effective Cash to RSU Election on file with the Company as of the effective date of any advance retainer payment issued thereto, then such Outside Director's Cash to RSU Election shall apply to such advance payment.

5. **Departure from the Board Prior to Annual Meeting**. In the event that an Outside Director who has made a Cash to RSU Election departs from the Board prior to the next Annual Meeting at which time he/she would have received RSUs, such Outside Director shall not receive RSUs for the prorated period in which service occurred, and instead, such Outside Director shall receive the applicable Annual Cash Compensation for such prorated period in which the service occurred.

Discretion to Defer Settlement of RSUs

1. **RSU Deferral Election**. Each Outside Director may elect in a form substantially as set forth on **<u>Exhibit B</u>** hereto (a "***RSU Deferral Election Form***") and pursuant to the terms and conditions and within the timeframe prescribed by the Company from time to time to defer all or a portion

of the RSUs issuable to them pursuant to this Director Compensation Policy (including pursuant to Cash to RSU Elections) into deferred RSUs (such election, an "***RSU Deferral Election***") that will be distributed (or, in the case of installments, to commence being distributed) pursuant to the applicable completed RSU Deferral Election Form from time to time.

2. **Section 409A**. All RSU Deferral Elections must comply with Section 409A of the Internal Revenue Code of 1986, the Treasury Regulations and other official guidance thereunder.

3. **RSU Elections Irrevocable**. All RSU Deferral Elections are irrevocable.

Expenses

The Company will reimburse each Outside Director for ordinary, necessary and reasonable out-of-pocket travel expenses to cover in-person attendance at, and participation in, Board and committee meetings; *provided*, that the Outside Director timely submits to the Company appropriate documentation substantiating such expenses in accordance with the Company's travel and expense policy, as in effect from time to time.

Exhibit A

Cash to RSU Election Form

LUMINAR TECHNOLOGIES, INC
OUTSIDE DIRECTORS COMPENSATION PLAN

CASH TO RESTRICTED STOCK UNIT ELECTION

The individual whose name appears below (the "***Outside Director***") is a non-employee director of Luminar Technologies, Inc. (the "***Company***") and, therefore, is entitled to receive the compensation set forth in the Company's Amended and Restated Director Compensation Policy (the "***DCP***"). Any term capitalized herein but not defined will have the meaning set forth in the DCP.

As of the date set forth on the signature page hereto, the Outside Director hereby irrevocably elects to receive all or a portion of their Annual Cash Compensation in the form of restricted stock units ("***RSUs***") pursuant to the DCP. If the Outside Director timely completes and submits this Cash to RSU Election form to the Company by the Election Deadline (as set forth on the signature page hereto), then such Outside Director will automatically and in lieu of each subsequent cash retainer payment payable thereto (including any then-unpaid cash retainer payments with respect to any completed or in-progress fiscal quarters of the Company) be granted, on the date the applicable cash retainer payment would otherwise be paid thereto (or, if not a business day, then the next business day), a number of RSUs equal to (x) an amount equal to the product of (i) the Election Percentage (as defined below) and (ii) such cash retainer payment divided by (y) the applicable RSU Value on such date. Such RSUs will be fully vested and paid in arrears for service rendered, and subject to the same conditions, as applied to the equivalent annual cash retainer. Any Shares of the Company's common stock delivered in settlement of an RSU pursuant to this Cash to RSU Election shall also be delivered from the available share reserve of the Plan.

1. Election Percentage. In accordance with the terms of the DCP and this Cash to RSU Election, the Outside Director hereby irrevocably elects to receive (*enter in the blank any whole percentage less than or equal to 100%*):

____% of the cash retainer payments payable thereto (including any then-unpaid cash retainer payments with respect to completed or in-progress fiscal quarter of the Company)

2. Timing of Settlement. The RSUs shall be settled in accordance with the terms of the Plan and the award agreement governing the RSUs.

3. DCP and Section 409A. This Cash to RSU Election is subject to the terms of the Plan and the DCP, including, but not limited to, those in the Section entitled "Discretion to Receive RSUs in Lieu of Annual Cash Compensation." The Plan, DCP and this Cash to RSU Election are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidelines promulgated thereunder, and will be administered and interpreted in accordance with such intent.

4. Miscellaneous and Acknowledgements.

(a) The Compensation Committee of the Company (the "***Committee***") shall have the discretion to make all determinations and decisions regarding this Cash to RSU Election.

To the extent the Committee determines that this election does not comply with applicable laws, now or in the future, this election shall be null and void.

(b) By signing this Cash to RSU Election, I authorize implementation of the above instructions. I understand that the elections that I have made on this Cash to RSU Election may not be changed in the future except in accordance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the procedures specified by the Committee.

(c) Please return a signed copy of this Election Form by the Election Deadline to the Company representative set forth on the signature page hereto. If you fail to make an election by the Election Deadline and you have an existing Cash to RSU Election in effect, you will be deemed to have elected to continue your existing Cash to RSU Election at such time. If you fail to make an election by the Election Deadline and you do not have a Cash to RSU Election in effect, you will be deemed to have elected not to receive any portion of your Annual Cash Compensation in the form of RSUs.

[Signature Page Follows]

IN WITNESS WHEREOF, the Outside Director has duly executed this Cash to RSU Election as of the date first written above.

Outside Director's Signature

Outside Director's Name *(please print)*

Date

Election Deadline: September 21, 2023

Please return executed form to Alan Prescott

Exhibit B

RSU Deferral Election Form

LUMINAR TECHNOLOGIES, INC
OUTSIDE DIRECTORS COMPENSATION PLAN

RESTRICTED STOCK UNIT GRANT DEFERRAL ELECTION

The individual whose name appears below (the "***Outside Director***") is a non-employee director of Luminar Technologies, Inc. (the "***Company***") and, therefore, is entitled to receive the compensation set forth the Company's Amended and Restated Director Compensation Policy (the "***DCP***"). Any term capitalized herein but not defined will have the meaning set forth in the DCP.

As of the date set forth on the signature page hereto, the Outside Director hereby irrevocably elects to defer all or a portion of the restricted stock units ("***RSUs***") issuable to the Outside Director pursuant to the DCP related to service periods commencing no sooner than the first day of the taxable year following the year in which this election is made (the "***Eligible RSUs***"). Any Shares of the Company's common stock delivered on a deferred basis pursuant to this deferral election shall also be delivered from the available share reserve of the Plan.

1. Deferral Election. In accordance with the terms of the Plan and this Deferral Election, the Outside Director hereby irrevocably elects to defer (*enter in the blank any whole percentage less than or equal to 100%*):

____% of the Eligible RSUs.

2. Stock Account. The amount deferred under Section 1 above will be credited in the form of stock units to a bookkeeping account (the "***Stock Account***") as of the date the underlying Eligible RSUs would otherwise have been issued to the Outside Director. Such stock units are notional Shares that are payable in the form of Shares upon the distribution date. The number of stock units so credited will equal the number of RSUs that are deferred pursuant to the election above.

3. Timing of Payout. Subject to the terms of the Plan and the award agreement governing the RSUs, the Outside Director hereby elects for amounts in his or her Stock Account that are deferred pursuant to the election above to be distributed (or, in the case of installments, to commence being distributed) on the **earliest** of (a) the ninetieth (90th) day following the date he or she ceases to be an Outside Director, (b) within ten (10) days following the date on which a Change in Control occurs, and (c) within ten (10) days following February 20, 20__ (*insert a year 2030 or later or circle "N/A"*). For the avoidance of doubt, if the RSUs are forfeited in accordance with the terms of the applicable award agreement, this Deferral Election shall be null and void, and in no event shall distribution of the RSUs pursuant to this Deferral Election occur before the RSUs have vested pursuant to the applicable award agreement.

4. Form of Payout. In accordance with the terms of the Plan, the Outside Director hereby elects the following schedule for payment of the amounts in his or her Stock Account that are deferred pursuant to the election above (*elect one*):

_____ single total distribution of the Stock Account, or

_____ equal annual installments of the Stock Account (*insert a whole number, not to exceed five (5) installments*).

5. Plan and Section 409A. This Deferral Election is subject to the terms of the Plan and the DCP, including, but not limited to, those in the Section entitled "Equity Compensation" applicable to deferrals. The Plan, the DCP and this Deferral Election are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidelines promulgated thereunder, and will be administered and interpreted in accordance with such intent.

6. Miscellaneous and Acknowledgements.

(a) The Compensation Committee of the Company (the "***Committee***") shall have the discretion to make all determinations and decisions regarding this deferral election. To the extent the Committee determines that this election does not comply with applicable laws, now or in the future, this election shall be null and void.

(b) By signing this Deferral Election, I authorize implementation of the above instructions. I understand that the deferral elections that I have made on this Deferral Election may not be changed in the future except in accordance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the procedures specified by the Committee.

(c) Please return a signed copy of this Election Form by the Election Deadline to the Company representative set forth on the signature page hereto. If the Outside Director fails to make an election by the Election Deadline and the Outside Director has an existing deferral election in effect, the Outside Director will be deemed to have elected to continue the Outside Director's existing deferral election at such time. If the Outside Director fails to make an election by the Election Deadline and the Outside Director does not have a deferral election in effect, the Outside Director will be deemed to have elected not to defer the Outside Director's Eligible RSUs.

[Signature Page Follows]

IN WITNESS WHEREOF, the Outside Director has duly executed this Restricted Stock Unit Grant Deferral Election as of the date first written above.

Outside Director's Signature

Outside Director's Name *(please print)*

Date

Election Deadline: December 31, 2023

Please return executed form to Alan Prescott

Exhibit 31.1

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, Austin Russell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Luminar Technologies, Inc. for the quarter ended September 30, 2023 March 31, 2024;
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: November 8, 2023 May 10, 2024

By: /s/ Austin Russell

Austin Russell

Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

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 September 30, 2023 March 31, 2024;
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: November 8, 2023 May 10, 2024

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

Exhibit 32.1

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, Austin Russell, 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 September 30, 2023 March 31, 2024 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: November 8, 2023 May 10, 2024	By:	/s/ Austin Russell
		Austin Russell
		Chief 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 September 30, 2023 March 31, 2024 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: November 8, 2023 May 10, 2024	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.

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