

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): October 26, 2021

VELODYNE LIDAR, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

5521 Hellyer Avenue
San Jose, California
(Address of principal executive offices)

001-38703
(Commission
File Number)

83-1138508
(IRS Employer
Identification No.)

95138
(Zip Code)

(669) 275-2251
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value	VLDL	The Nasdaq Stock Market LLC
Warrants, each exercisable for three-quarters of one share of common stock	VLDLW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).
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.

Item 2.02. Results of Operations and Financial Condition.

On November 4, 2021, Velodyne Lidar, Inc. (the “Company” or “Velodyne”) issued a press release reporting its financial results for the quarter ended September 30, 2021. The press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

As provided in General Instruction B.2 of Form 8-K, the information in this Item 2.02 and the exhibit hereto are “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of such section nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, regardless of any general incorporation language in such filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Chief Executive Officer; Appointment of New Director

On November 4, 2021, we announced the appointment of Theodore L. (“Ted”) Tewksbury, Ph.D. as our Chief Executive Officer, effective November 10, 2021. Following the effectiveness of Dr. Tewksbury’s appointment, the previously established Office of the Chief Executive (OCE), consisting of Jim Barnhart, Chief Operating Officer; Drew Hamer, Chief Financial Officer; Kathy McBeath, Chief People Officer, and Sinclair Vass, Chief Commercial Officer, will be dissolved, and the members of the OCE will return to their respective positions at the Company.

The board of directors also appointed Dr. Tewksbury as a Class I director to the Company’s board of directors, effective November 10, 2021. In connection with Dr. Tewksbury’s appointment, the board of directors authorized an increase in the number of directors to eight with the addition of a Class I directorship.

Since August 2019, Theodore L. Tewksbury, Ph.D. has been CEO of Eta Compute, a provider of ultra-low power AI vision systems. Dr. Tewksbury has served as a member of the Board of Directors of Maxlinear, Inc. since May 2015. From February 2017 to March 2019, Dr. Tewksbury was Chairman, President and CEO of Energy Focus, Inc., a provider of high-performance LED lighting technology. Dr. Tewksbury served as interim president and chief executive officer of Entropic from November 2014 until MaxLinear’s acquisition of Entropic in April 2015. Dr. Tewksbury also served as a director of Entropic from September 2010 through April 2015. From 2013 to November 2014, Dr. Tewksbury was an independent consultant to technology companies. From 2008 to 2013, Dr. Tewksbury served as the president and chief executive officer and as a member of the board of directors of Integrated Device Technology, Inc., a publicly traded, mixed signal semiconductor solutions company. Prior to joining Integrated Device Technology, he was the president and chief operating officer of AMI Semiconductor, a mixed signal semiconductor company from 2006 to 2008. Prior to that, Dr. Tewksbury served as managing director at Maxim Integrated Products, Inc., a designer, manufacturer and seller of high-performance semiconductor products, from 2000 to 2006. Dr. Tewksbury was a member of the board of directors of the Global Semiconductor Alliance from 2011 to 2013. Dr. Tewksbury holds a B.S. in Architecture and an M.S. and a Ph.D. in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology. The board of directors believes Dr. Tewksbury is qualified to serve as a director because of his extensive general management and technical expertise, as well as his prior and current experience as a chief executive officer and public company director.

Compensation Arrangements

We entered into an offer letter and change in control and severance agreement with Dr. Tewksbury, each dated October 26, 2021. The offer letter provides for at-will employment. Dr. Tewksbury’s annual base salary will be \$570,000. Dr. Tewksbury will be eligible to cash bonuses to receive an aggregate annual bonus opportunity of up to 100% of his annual base salary, subject to the terms and conditions of the Company’s bonus plan for executives. For 2021, his bonus will be prorated based on his length of service.

In addition, Dr. Tewksbury will receive a restricted stock and a performance-based stock award, each pursuant to our 2020 Equity Incentive Plan. The restricted stock award will have a grant date fair value of \$1,350,000 and will be scheduled to vest and become non-forfeitable over a 4 year period, subject to Dr. Tewksbury's continued service through the applicable vesting dates. The performance-based stock award will have a target value of \$3,150,000, scheduled to vest and become non-forfeitable over a 4 year period. The performance-based stock award is payable in shares and the actual number of shares earned, if any, will be determined based on the Company meeting specific performance objectives to be established by the Compensation Committee and subject to Dr. Tewksbury's continued service through the applicable vesting dates. The maximum payout of shares will be capped at 200% of the target award value.

In addition, the change in control and severance agreement provides that if Dr. Tewksbury's employment is terminated outside the period beginning 3 months before a change in control and ending 12 months following a change in control, or the Change in Control Period, either (1) by the Company (or any of its subsidiaries) without "cause" (excluding by reason of death or disability) or (2) by Dr. Tewksbury for "good reason", Dr. Tewksbury will receive the following benefits if he timely signs and does not revoke a release of claims in our favor: (i) a lump-sum payment equal to 18 months of his annual base salary as in effect immediately prior to such termination (or if such termination is due to a resignation for good reason based on a material reduction in base salary, then as in effect immediately prior to the reduction); (ii) if the termination occurs after December 31, 2022, if less than 50% shares in the initial restricted stock award and performance-based stock award described in the paragraph above have vested, Dr. Tewksbury shall vest the amount of shares equal to the difference between: (a) 50% of the total shares subject to initial awards and (b) the amount of shares vested as of termination, with the performance-based stock award deemed to be met at target; and (iii) payment of premiums for coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or COBRA, for Dr. Tewksbury and his eligible dependents, if any, for up to 18 months, or taxable monthly payments for the equivalent period in the event payment of the COBRA premiums would violate or be subject to an excise tax under applicable law.

If, within the Change in Control Period, Dr. Tewksbury's employment is terminated either (1) by the Company (or any of its subsidiaries) without cause (excluding by reason of death or disability) or (2) by Dr. Tewksbury for good reason, then Dr. Tewksbury will receive the following benefits if he timely signs and does not revoke a release of claims in our favor: (i) a lump-sum payment equal to 12 months of his annual base salary as in effect immediately prior to such termination (or if such termination is due to a resignation for good reason based on a material reduction in base salary, then as in effect immediately prior to the reduction) or if greater, at the level in effect immediately prior to the change in control); (ii) a lump-sum payment equal to 100% of his target annual bonus as in effect for the fiscal year in which such termination occurs; (iii) payment of premiums for coverage under COBRA for Dr. Tewksbury and his eligible dependents, if any, for up to 12 months, or taxable monthly payments for the equivalent period in the event payment of the COBRA premiums would violate or be subject to an excise tax under applicable law; and (iv) 100% accelerated vesting and exercisability of all outstanding equity awards and, in the case of an equity award with performance-based vesting, all performance goals and other vesting criteria will be deemed achieved at target.

A copy of the press release dated November 4, 2021 announcing Dr. Tewksbury's appointment as our Chief Executive Officer is attached hereto as Exhibit 99.2. The summary description of Dr. Tewksbury's offer letter and change in control and severance agreement set forth above does not purport to be complete and is qualified in its entirety by reference to the full text of the offer letter and change in control and severance agreement, copies of which will be filed with our Annual Report on Form 10-K for the year ended December 31, 2021.

Other Matters

In addition, we will enter into our standard form of indemnification agreement with Dr. Tewksbury. The form indemnification agreement was filed with the Securities and Exchange Commission as Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-38703) filed on October 5, 2020 and is incorporated herein by reference. Dr. Tewksbury has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended, nor are any such transactions currently proposed. There are no family relationships between Dr. Tewksbury and any of our directors or executive officers.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release Issued by the Company on November 4, 2021 (earnings)
99.2	Press Release Issued by the Company on November 4, 2021 (CEO)
104	Cover Page Interactive Data File (formatted as Inline XBRL).

Velodyne Lidar Reports Third Quarter 2021 Financial Results

- Proven technology executive, Dr. Theodore L. Tewksbury, to join Velodyne as Chief Executive Officer on November 10, 2021
- 35 total active multi-year agreements as of November 1, 2021
- More than 4,400 sensor units shipped
- Pipeline of 220 projects at November 1, 2021
- \$324.5 million of cash and short-term investments on the balance sheet at September 30, 2021

SAN JOSE – November 4, 2021 – Velodyne Lidar, Inc. (NASDAQ: VLDR, VLDRW), the leading lidar company, known worldwide for its broad portfolio of breakthrough lidar technologies, today announced financial results for its third quarter ended September 30, 2021.

Business and Financial Metrics

- Units: Velodyne shipped a market leading more than 4,400 sensor units in the third quarter of 2021. The company also continued its leadership position in solid state sensor sales with more than 630 sensors sold.
- Agreements: 35 total active multi-year agreements as of November 1, 2021.
- Pipeline Strength: Velodyne's multi-year agreement pipeline of projects grew to 220 at November 1, 2021.
- Third quarter 2021 revenue of \$13.1 million.
- Revised full year 2021 revenue guidance to range between \$60 and \$63 million.
- \$324.5 million of cash and short-term investments on the balance sheet at September 30, 2021.

Drew Hamer, CFO of Velodyne Lidar, commented, "We are very excited that Dr. Theodore L. Tewksbury, a proven technology executive, will be joining Velodyne on November 10th as our Chief Executive Officer. We believe his extensive leadership experience in addition to his engineering expertise will be instrumental in extending our technology and manufacturing leadership and geographic footprint in the lidar industry.

"The use of lidar today in our served markets and emerging target markets continues to gain momentum. We are moving into the first wave of mass commercialization, in certain markets such as Industrial and Robotics, as demonstrated by the larger volumes of product ordered by our customers, who are now expecting consistency of performance across and within our various product lines. This is a natural evolution from the R&D purchases our customers have done with us historically, where test samples were acceptable. As we prepare for large scale volume purchases to satisfy customer demands predicting linearity of shipping orders is uncertain but not indicative of our view of the growing market opportunity. With a robust balance sheet, we are focused on accelerating roadmap improvements in commercial and engineering execution to provide for our customers at the level and consistency of quality we, as the global lidar leader, can deliver. We expect to ship approximately 4,000 sensors in the fourth quarter, for a full year total of over 15,000, which would be up approximately 28% as compared to the full year 2020.

"At Velodyne, we are demonstrating how lidar-based autonomous technology is changing and shaping automotive and industrial sectors and helping create sustainable and efficient infrastructure. We believe we are the only lidar company today, through our hardware and software solutions, that can provide a full circle of autonomy and safety. We continue to work toward long-term stakeholder value through our mission to democratize lidar-based safety and autonomy."

Since the company's earnings call in August, Velodyne announced multiple key business developments and operational developments which affirm the company's ongoing success and support its long-term outlook:

Operational

- Dr. Theodore L. Tewksbury will join Velodyne as its Chief Executive Officer on November 10, 2021. Tewksbury is a proven technology executive with more than 30 years of leadership experience across a series of public and private companies.
- Virginia Boulet was appointed to Velodyne's Board of Directors. A corporate governance expert, Boulet brings to the company more than 30 years of experience in corporate and securities law at New Orleans' three largest firms, more than 22 years of experience serving on public boards and many years of experience teaching corporate and securities law at Loyola Law School.

Business

- The University of California, Irvine selected Velodyne's Intelligent Infrastructure Solution, or IIS, for its Smart Cities Initiative. IIS will be used at 25 intersections as part of a \$6 million road network project in Irvine, California.
- TOPODRONE, which is based in Switzerland and develops affordable, high-precision solutions for aerial surveys, signed a multiyear agreement for Velodyne's sensors to be used for high-precision mapping and 3D modeling in demanding environments including farms, forests, infrastructure and more to support development that advances economic and sustainability goals.
- AGM Systems has deployed the Alpha Prime lidar sensor on the AGM-MS5.Prime, AGM's latest high-performance mobile scanning solution. This is the second sensor type AGM System has purchased from Velodyne.
- MOV.AI is collaborating with Velodyne to provide robot manufacturers with enterprise-grade automation solutions, including mapping, navigation, obstacle avoidance and risk avoidance.
- Announced Renu Robotics signed a multiyear agreement for Velodyne's Puck™ Sensors to revolutionizing vegetation management for solar energy facilities.

Financial Highlights

- **Third Quarter Revenue:** Total revenue of \$13.1 million compared to \$13.6 million in the second quarter of 2021. Product revenue was \$11.8 million compared to \$12.0 million in the second quarter of 2021. The overall product revenue was slightly down due to a combination of lower weighted average ASP than the prior quarter reflecting the ongoing evolution of the company's product mix toward consumer affordable solid-state sensors and the company's decision to standardize quality across and within its product lines, crucial for its customers as they ramp toward mass commercialization. License and services revenue of \$1.3 million compared to \$1.6 million in the second quarter of 2021.
- **Third Quarter Gross Loss:** GAAP gross loss was \$4.7 million and non-GAAP gross loss was \$4.2 million, compared to a second quarter 2021 GAAP gross loss of \$5.8 million and non-GAAP gross loss of \$5.3 million. Both the third and second quarter's GAAP gross loss included \$0.5 million of stock-based compensation expense, including employer taxes.
- **Third Quarter Operating Expenses:** GAAP operating expenses of \$50.0 million and non-GAAP operating expenses of \$33.4 million. Second quarter 2021 GAAP operating expenses were \$83.3 million and non-GAAP operating expenses were \$28.8 million. GAAP operating expenses included \$16.3 million of stock-based compensation expense, including employer taxes, compared to second quarter 2021 GAAP operating expenses that included \$53.6 million of stock-based compensation expense.

- **Third Quarter Net Loss and EPS:** GAAP net loss was \$54.7 million and non-GAAP net loss was \$37.5 million. GAAP net loss per share was \$0.28 and non-GAAP net loss per share was \$0.19. This compared to a second quarter of 2021 GAAP net loss of \$79.2 million and non-GAAP net loss of \$34.4 million. Second quarter of 2021 GAAP net loss per share was \$0.41 and non-GAAP net loss per share was \$0.18.
- **Shares Outstanding:** EPS for the third quarter of 2021 is calculated using weighted average shares outstanding of 196.2 million. As of September 30, 2021, actual shares outstanding were 195.9 million.
- **Liquidity:** Velodyne completed the quarter with \$324.5 million in cash and short-term investments on its balance sheet.
- **Nine Months Revenue:** Total revenue for the nine-month period ended September 30, 2021, was \$44.4 million, comprised of \$34.3 million in product revenue and \$10.0 million in license and services revenue. This compares to \$77.5 million in the nine-month period ended September 30, 2020, of which \$53.9 million was product revenue, including a one-time \$11 million stocking fee, and \$23.6 million was license and services revenue.
- **Nine Months Net Loss:** GAAP net loss for the nine-month period ended September 30, 2021, was \$174.8 million and non-GAAP net loss was \$98.0 million. This compares to a GAAP net loss of \$38.4 million for the nine-month period ended September 30, 2020, and \$45.0 million in non-GAAP net loss.

A reconciliation between historical GAAP and non-GAAP information is provided in the tables below.

Business Outlook and 2021 Guidance

“As we are refining our engineering and production processes to meet customer expectations for consistency of performance, in the third quarter we shifted approximately \$4.3 million of product sales out to the fourth quarter of 2021 and first quarter of 2022. We now expect our full year 2021 revenue guidance to range between \$60 million and \$63 million, which does not include any contribution in the fourth quarter from non-recurring engineering fees,” concluded Hamer.

For the full year of 2021,

- Revenue is now expected to range between \$60 and \$63 million, driven by shipments of product to the company’s global customer base. There are no non-recurring engineering (NRE) fees included in the forecast, and contribution from these efforts would be upside to the guidance range.
- The company expects to produce and ship more than 15,000 sensors, up approximately 28% compared to 2020.
- Non-GAAP Gross margins are expected to range between negative 8% and 10%. This reflects weighted ASP and volume mix, and the delay in moving manufacturing offshore. On a GAAP basis, gross margins will include approximately \$2.3 million of stock-based compensation expense.
- On a non-GAAP basis, operating expenses are expected to range between \$125 and \$129 million. General and administrative expenses are expected to increase by approximately 55% in 2021 due to increased public company and legal expenses. On a GAAP basis, operating expense will include approximately \$89 million of stock-based compensation expense.
- On a GAAP basis, income tax expense is anticipated to be approximately \$800,000.
- Weighted average shares outstanding for the year are estimated to be 193.9 million.

The company remains on track to sign three more multiyear agreements by December 31, 2021, bringing its total to 38 multiyear agreements.

As of the end of the third quarter, Velodyne estimates that it could have the opportunity for approximately \$800 million of revenue from signed and awarded projects through 2025. The company estimates a pipeline of projects that are not yet signed and awarded of \$4.2 billion through 2025.

Conference Call Information

Velodyne will host a conference call and live webcast for analysts and investors at 4:30 p.m. Eastern Time on November 4, 2021. Parties in the United States and Canada can access the call by dialing 877-270-2148. The webcast will be accessible on Velodyne's investor relations website at <https://investors.velodynelidar.com/>. A telephonic replay of the conference call will be available through November 11, 2021. To access the replay, parties in the United States and Canada should call 877-344-7529 and enter conference code 10161061.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook and market positioning. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate", "estimate", "expect", "project", "plan", "intend", "believe", "may", "will", "should", "can have", "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including: the impact on our operations and financial condition from the effects of the current COVID-19 pandemic both on Velodyne's business and those of its customers and suppliers; Velodyne's ability to execute its business plan; the timing of revenue from existing customers, including uncertainties related to the ability of Velodyne's customers to commercialize their products and the ultimate market acceptance of these products; uncertainties related to Velodyne Lidar's estimates of the size of the markets for its products and future revenue opportunities, including projects that are not yet signed or awarded; the rate and degree of market acceptance of Velodyne Lidar's products; the success of other competing lidar and sensor-related products and services that exist or may become available; rising costs adversely affecting Velodyne's profitability; uncertainties related to Velodyne Lidar's current litigation and potential litigation involving Velodyne Lidar or the validity or enforceability of Velodyne Lidar's intellectual property; Velodyne Lidar's ability to partner with and rely on third party manufacturers; general economic and market conditions impacting demand for Velodyne Lidar's products and services; and changes in applicable laws or regulations. Given these factors, as well as other variables that may affect Velodyne Lidar's operating results, you should not rely on forward-looking statements, assume that past financial performance will be a reliable indicator of future performance, or use historical trends to anticipate results or trends in future periods. The forward-looking statements included in this press release relate only to events as of the date hereof. Velodyne Lidar undertakes no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Non-GAAP Financial Measures

In addition to our results determined in accordance with generally accepted accounting principles in the United States ("GAAP"), we believe the non-GAAP measures of non-GAAP gross profit (loss), non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating loss, non-GAAP other income (expenses), non-GAAP provision for (benefit from) income taxes, non-GAAP net loss, non-GAAP net loss per share, and Adjusted EBITDA are useful in evaluating our operating performance. Certain of these non-GAAP measures exclude stock-based compensation and related employer payroll taxes, litigation settlements, gain from sale of held-for-sale assets, write-off of deferred IPO costs, gain from forgiveness of PPP loan, amortization of acquisition-related intangibles assets, restructuring, and discrete tax items. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial

performance and assists in comparisons with other companies, some of which use similar non-GAAP information to supplement their GAAP results. The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. Reconciliation tables of the most comparable GAAP financial measures to the non-GAAP financial measures are used in this press release. The impact of these items in future periods is uncertain and depends on various factors. Accordingly, a reconciliation for forward-looking non-GAAP operating income is not available without unreasonable effort.

About Velodyne Lidar, Inc.

Velodyne Lidar (Nasdaq: VLDR, VLDRW) ushered in a new era of autonomous technology with the invention of real-time surround view lidar sensors. Velodyne, the global leader in lidar, is known for its broad portfolio of breakthrough lidar technologies. Velodyne's revolutionary sensor and software solutions provide flexibility, quality and performance to meet the needs of a wide range of industries, including autonomous vehicles, advanced driver assistance systems (ADAS), robotics, unmanned aerial vehicles (UAV), smart cities and security. Through continuous innovation, Velodyne strives to transform lives and communities by advancing safer mobility for all. For more information, visit www.velodynelidar.com.

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VELOCITY LIDAR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	September 30, 2021 (Unaudited)	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 57,144	\$ 204,648
Short-term investments	267,395	145,636
Accounts receivable, net	9,576	13,979
Inventories, net	11,860	18,132
Prepaid and other current assets	10,862	22,319
Total current assets	356,837	404,714
Property, plant and equipment, net	14,088	16,805
Goodwill	1,189	1,189
Intangible assets, net	338	627
Contract assets	10,148	8,440
Other assets	19,274	937
Total assets	\$ 401,874	\$ 432,712
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 4,325	\$ 7,721
Accrued expense and other current liabilities	32,793	50,349
Contract liabilities	7,609	7,323
Total current liabilities	44,727	65,393
Long-term tax liabilities	563	569
Other long-term liabilities	28,950	25,927
Total liabilities	74,240	91,889
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock	20	18
Additional paid-in capital	816,710	656,717
Accumulated other comprehensive loss	(233)	(230)
Accumulated deficit	(488,863)	(315,682)
Total stockholders' equity	327,634	340,823
Total liabilities and stockholders' equity	\$ 401,874	\$ 432,712

VELOCITY LIDAR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)
(Unaudited)

		Three Months Ended			
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2019
Revenue:					
	Product	\$ 11,782	\$ 11,970	\$ 26,099	\$ 26,099
	License and services	1,278	1,626	6,000	6,000
	Total revenue	13,060	13,596	32,099	32,099
Cost of revenue:					
	Product	17,716	19,210	16,482	16,482
	License and services	84	170	648	648
	Total cost of revenue	17,800	19,380	17,130	17,130
	Gross profit (loss)	(4,740)	(5,784)	14,969	14,969
Operating expenses:					
	Research and development	20,221	17,009	10,535	10,535
	Sales and marketing	6,547	47,176	4,126	4,126
	General and administrative	23,271	19,133	10,579	10,579
	Gain on sale of assets held-for-sale	—	—	(7,529)	(7,529)
	Restructuring	—	—	—	—
	Total operating expenses	50,039	83,318	17,711	17,711
	Operating loss	(54,779)	(89,102)	(2,742)	(2,742)
	Interest income	109	109	2	2
	Interest expense	(6)	(41)	(31)	(31)
	Other income (expense), net	(22)	10,136	38	38
	Loss before income taxes	(54,698)	(78,898)	(2,733)	(2,733)
	Provision for (benefit from) income taxes	14	339	2,562	2,562
	Net loss	\$ (54,712)	\$ (79,237)	\$ (5,295)	\$ (5,295)
Net loss per share:					
	Basic and diluted	\$ (0.28)	\$ (0.41)	\$ (0.04)	\$ (0.04)
Weighted-average shares used in computing net loss per share:					
	Basic and diluted	196,204,671	193,002,807	140,490,370	140,490,370

VELODYNE LIDAR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Cash flows from operating activities:				
Net loss	\$ (54,712)	\$ (5,295)	\$ (174,766)	\$ (38,407)
Adjustments to reconcile net loss to cash used in operating activities:				
Depreciation and amortization	2,094	2,091	6,208	6,342
Reduction in carrying amount of ROU assets	755	—	2,288	—
Write-off of deferred IPO costs	—	3,548	—	3,548
Stock-based compensation	16,645	85	81,370	241
Gain on sale of assets held-for-sale	—	(7,529)	—	(7,529)
Provision for doubtful accounts	(355)	16	2,070	525
Gain from forgiveness of PPP loan	—	—	(10,124)	—
Accretion on short-term investments	1,075	—	1,075	—
Other	(577)	4	(27)	74
Changes in operating assets and liabilities:				
Accounts receivable, net	(10)	15,847	2,072	(8,067)
Inventories, net	4,816	1,134	6,273	3,329
Prepaid and other current assets	(630)	(429)	2,882	2,510
Contract assets	229	—	(2,209)	(8,439)
Other assets	61	94	67	358
Accounts payable	(1,672)	2,543	(3,352)	3,188
Accrued expenses and other liabilities	6,838	(306)	(2,323)	(9,812)
Contract liabilities	(2,004)	(8,885)	(1,740)	2,512
Net cash provided by (used in) operating activities	(27,447)	2,918	(90,236)	(49,627)
Cash flows from investing activities:				
Purchase of property, plant and equipment	(1,434)	(474)	(3,213)	(2,197)
Proceeds from sale of assets held-for-sale	—	12,275	—	12,275
Proceeds from sales of short-term investments	10,207	—	12,207	—
Proceeds from maturities of short-term investments	59,280	—	115,223	2,200
Purchase of short-term investments	(59,581)	—	(249,957)	—
Investment in notes receivable	—	—	(750)	—
Net cash provided by (used in) investing activities	8,472	11,801	(126,490)	12,278
Cash flows from financing activities:				
Proceeds from issuance of preferred stock, net of issuance costs	—	—	—	19,919
Payment of transaction costs related to Business Combination	—	248,303	(20,005)	248,303
Repurchase of common stock	—	(1,801)	—	(1,801)
Proceeds from warrant exercises, net of \$52 issuance costs paid	26	—	89,270	—
Tax withholding payment for vested equity awards	—	—	(37)	—
Cash paid for IPO costs	—	52	—	(1,144)
Proceeds from notes payable	—	—	—	10,000
Net cash provided by financing activities	26	246,554	69,228	275,277
Effect of exchange rate fluctuations on cash and cash equivalents	9	(49)	(6)	(79)
Net increase (decrease) in cash and cash equivalents	(18,940)	261,224	(147,504)	237,849
Beginning cash and cash equivalents	76,084	36,629	204,648	60,004
Ending cash and cash equivalents	\$ 57,144	\$ 297,853	\$ 57,144	\$ 297,853

VELOCITYNE LIDAR, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except share and per share data)
(Unaudited)

		September 30, 2021	
(loss) on GAAP basis	Gross profit	\$	(4,740)
on GAAP basis	Gross margin		(36) %
	Stock-based compensation and related employer payroll taxes		545
(loss) on non-GAAP basis	Gross profit	\$	(4,195)
on non-GAAP basis	Gross margin		(32) %
expenses on GAAP basis	Operating	\$	50,039
	Stock-based compensation and related employer payroll taxes		(16,262)
	settlements		(275)
	deferred IPO costs		—
	of acquisition-related intangible assets		(96)
	charges		—
expenses on non-GAAP basis	Operating	\$	33,406
on GAAP basis	Operating loss	\$	(54,779)
	Stock-based compensation and related employer payroll taxes		16,807
	settlements		275
	sale of held-for-sale assets		—
	deferred IPO costs		—
	of acquisition-related intangible assets		96
	charges		—
on non-GAAP basis	Operating loss	\$	(37,601)
(expense), net	Other income	\$	(22)
	forgiveness of PPP loan		—
(expense), net on non-GAAP basis	Other income	\$	(22)
Provision for (benefit from) income taxes on GAAP basis		\$	14
	tax reconciling adjustments		—
Provision for income taxes on non-GAAP basis		\$	14
GAAP basis	Net loss on	\$	(54,712)
	Stock-based compensation and related employer payroll taxes		16,807
	settlements		275
	sale of held-for-sale assets		—
	deferred IPO costs		—
	of acquisition-related intangible assets		96
	charges		—
	forgiveness of PPP loan		—
	tax reconciling adjustments		—
non-GAAP basis	Net loss on	\$	(37,534)

		September 30, 2021	
per share on GAAP basis	Net loss		
and diluted	Basic	\$	(0.28)
			\$
average shares on GAAP basis	Weighted-		
and diluted	Basic		196,204,671
per share on non-GAAP basis	Net loss		
and diluted	Basic	\$	(0.19)
			\$
average shares on non-GAAP basis	Weighted-		
and diluted	Basic		196,204,671

Velodyne Lidar Announces Appointment of Dr. Theodore L. Tewksbury as Chief Executive Officer

*Proven Executive Brings a Long Track Record and
Decades of Experience Leading Innovative Businesses*

SAN JOSE, Calif. – November 4, 2021 – Velodyne Lidar, Inc. (NASDAQ: VLDR, VLDRW), the leading lidar company, known worldwide for its broad portfolio of breakthrough lidar technologies, today announced the appointment of Theodore “Ted” L. Tewksbury, Ph.D. as Chief Executive Officer, effective November 10, 2021.

Dr. Tewksbury is a proven technology executive with more than 30 years of leadership experience across a series of public and private companies. Dr. Tewksbury most recently served as Chief Executive Officer of Eta Compute, a leading provider of ultra-low power AI vision systems. Prior to Eta Compute, he held several chief executive and board positions at leading high-technology companies, including Entropic Communications and Integrated Device Technology. Dr. Tewksbury is an accomplished engineer, with a Ph.D. in electrical engineering from MIT. He has held a variety of engineering and management positions in his career, including introducing over 180 innovative new product families during his time at Maxim Integrated Products.

“We are pleased to welcome Ted to the Velodyne team. Ted’s extensive leadership experience in addition to engineering expertise, make him an ideal candidate to lead Velodyne as we continue to lead the lidar industry with the most cutting-edge products and scalable manufacturing capacity,” said Michael Dee, Chairman of the Velodyne Board of Directors. “Innovation and execution are our most important priorities and Ted’s direct experience designing and manufacturing leading-edge technologies makes him a natural complement to Velodyne’s world-class technology development and engineering team. Velodyne is far and away the market leader, having sold over 15,000 sensors in the last 12 months with the widest product range in the industry. We are confident that under his leadership, Velodyne is poised to continue expanding its global footprint and drive long-term value for all shareholders.”

“I am thrilled to join Velodyne at such an exciting time in its development. It is an honor to be part of its world class management and engineering team. The opportunity set for Velodyne is vast and mass adoption is just around the corner,” said Dr. Tewksbury. “The Velodyne name is revered in the lidar space and I look forward to advancing the company’s strategy and driving value for all stakeholders for years to come.”

Hamid Zarringhalam, Board member and head of the Board’s CEO search committee said, “I am very proud the Board was able to conduct a robust and comprehensive three-month selection process to evaluate a deep pool of highly qualified candidates and unanimously select a candidate of Ted’s caliber to lead Velodyne forward. I also want to thank the Office of the Chief Executive (“OCE”), consisting of Jim Barnhart, Chief Operating Officer; Drew Hamer, Chief Financial Officer; Kathy McBeath, Chief People Officer, and Sinclair Vass, Chief Commercial Officer, as well as Chief Technology Officer Matt Rekow for their teamwork and critical contributions as we conducted our CEO search. Their teamwork in stepping in to manage the company was significant in helping us achieve this successful search.” With the appointment of Dr. Tewksbury, the OCE has been dissolved and each will remain with the company in their respective positions.

About Theodore L. Tewksbury, Ph.D.

Theodore L. Tewksbury, Ph.D. was previously Chief Executive Officer of Eta Compute, a provider of ultra-low power AI vision systems. Prior to joining Eta Compute, he served as president and chief executive officer for Entropic Communications, an industry leader in connectivity solutions for cable, satellite and broadband infrastructure, until the company's acquisition by MaxLinear Corporation. Before this, as President and Chief Executive Officer of Integrated Device Technology, he led the company's successful turnaround by launching new growth businesses including wireless charging, power management and high-performance radio frequency (RF) products. Dr. Tewksbury was also President and Chief Operating Officer of AMI Semiconductor, a leading developer of semiconductor solutions for automotive, industrial and medical applications before its acquisition by ON Semiconductor. Earlier in his career, Dr. Tewksbury held a variety of engineering and management positions at Maxim Integrated, IBM Microelectronics and Analog Devices.

Dr. Tewksbury holds B.S., M.S. and Ph.D. degrees in electrical engineering from MIT. He is currently on the boards of MaxLinear and Jarret Technologies and previously served on the boards of Global Semiconductor Alliance and Entropic Communications.

About Velodyne Lidar

Velodyne Lidar (Nasdaq: VLDR, VLDRW) ushered in a new era of autonomous technology with the invention of real-time surround view lidar sensors. Velodyne, the global leader in lidar, is known for its broad portfolio of breakthrough lidar technologies. Velodyne's revolutionary sensor and software solutions provide flexibility, quality and performance to meet the needs of a wide range of industries, including autonomous vehicles, advanced driver assistance systems (ADAS), robotics, unmanned aerial vehicles (UAV), smart cities and security. Through continuous innovation, Velodyne strives to transform lives and communities by advancing safer mobility for all. For more information, visit www.velodynelidar.com.

Forward Looking Statements

This press release contains "forward looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 including, without limitation, all statements other than historical fact and include, without limitation, statements regarding Velodyne's target markets, new products, development efforts, and competition. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "can," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside Velodyne's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include uncertainties regarding government regulation and adoption of lidar, the uncertain impact of the COVID-19 pandemic on Velodyne's and its customers' businesses; Velodyne's ability to manage growth; Velodyne's ability to execute its business plan; uncertainties related to the ability of Velodyne's customers to commercialize their products and the ultimate market acceptance of these products; the rate and degree of market acceptance of Velodyne's products; the success of other competing lidar and sensor-related products and services that exist or may become available; uncertainties related to Velodyne's current litigation and potential litigation involving

Velodyne or the validity or enforceability of Velodyne's intellectual property; and general economic and market conditions impacting demand for Velodyne's products and services. For more information about risks and uncertainties associated with Velodyne's business, please refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of Velodyne's SEC filings, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q. All forward-looking statements in this press release are based on information available to Velodyne as of the date hereof, Velodyne undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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