

Maya Lustig - Introduction – slide #1

- Good morning.
- I would like to welcome you to our Earnings Conference Call. Joining us today are Omer Keilaf, Chief Executive Officer; and Eldar Cegla, Chief Financial Officer. Following their opening remarks, we will open the call to your questions. I would like to remind everyone that this call is being recorded and will be available on the Investor Relations section of our website at ir.innoviz.tech.

Forward Looking Statements – slide #2

- Before we begin, I would like to remind you that our discussion today will include forward-looking statements that are subject to risks and uncertainties relating to future events and the future financial performance of Innoviz. Actual results could differ materially from those anticipated in the forward-looking statements. Forward looking statements made today speak only to our expectations as of today and we undertake no obligation to publicly update or revise them. For a discussion of some important risk factors that could cause actual results to differ materially from any forward-looking statements, please see the risk factors section of our Form 20-F filed with the SEC on March 12, 2024.
- Omer, please go ahead.

Omer Keilaf – Q1 2024 Highlights - slide #4

- Thank you, and good morning, everyone. Thank you for joining us.
- Q1 was a strong start to the fiscal year for Innoviz. We achieved revenues above our guidance range for the second consecutive quarter, once again expanded our relationships with key partners and customers, made significant progress on our strategic realignment and continued to build on our RFI and RFQ pipeline.
- We had another busy quarter full of activity, with our teams travelling globally throughout Japan, China, Korea, Europe and the U.S. to meet with existing and potential new customers. Meanwhile, we have been super focused on supporting RFQs across multiple programs.
- The team also made significant progress in continuing to develop and test our technology, in line with our commitment to providing best-in-class technology to our customers.
- Beginning with our top line performance...
- We delivered revenues of \$7.1 million, up from \$1.0 million in Q1 2023, and above the guidance range of \$5-6 million we provided last quarter.

- Driven by a combination of NREs, samples and product shipments, these results demonstrate the potential power of this three-pronged approach to growing future revenue streams.
- I'll now pivot to a few customer and partner updates.

BMW – slide #5

- As we shared last quarter, the BMW i7 has launched in Germany and we expect BMW to share user experience feedback in the coming weeks.
- While other LiDAR companies have reached SOP allowing level 2, we believe that as of today we are the only pureplay LiDAR company to reach SOP with level 3, with vehicles already on the road using our LiDARs and perception software.
- During the quarter we continued supporting software development specific to the deployment of InnovizOne on BMW 5 Series vehicles in China.
- We continue to see China as a catalyst to accelerate the use of LiDAR in the move towards level 3 autonomy, and we are working closely with the BMW and Magna teams which are performing the on-road testing specific to the Chinese market.
- We believe once China approves level 3 autonomy, the reaction will be similar to what we saw happen with EVs.
- In fact, at least 12 global and local brands, including BMW, have level 3 testing licenses across seven locations in China.

Volkswagen – slide #6

- With Volkswagen, as you know, we secured the series production award in 2022 for Cariad for the different VW brands, which is a passenger vehicle level 3 high volume program based on Qualcomm's platform.
- We also previously disclosed that our second program with the Volkswagen Group is the ID. Buzz, light commercial vehicle program. It will be a Level 4 program with multiple long range LiDARs per vehicle planned to launch in 2026.
- In previous quarters we discussed additional opportunities for expansions. I'm pleased to share that we are working on yet another expansion through our collaboration with Mobileye and Volkswagen Group on an additional high-volume level 3 program with a similar timeline. In parallel, we continued commercial discussions with Volkswagen Group. This progress may add significant additional volume, with more development platforms and sample shipments which will help fund our effort towards volume ramp-up.

- Meanwhile, we are actively working on several exciting new opportunities within the Volkswagen Group, in addition to the three opportunities I just mentioned.

Mobileye and Volkswagen – slide #7

- Regarding Mobileye...
- During the quarter, Mobileye announced another win with our mutual customer Volkswagen.
- Specifically, they announced that they will offer certain production-ready functions for the new level 3 chauffeur platform.
- Mobileye also announced that they will supply their software and hardware to Volkswagen for implementation into the level 4 drive platform, ID. Buzz. Their goal is to bring self-driving ID. Buzz vehicles for ride hailing services to series production in 2026.
- We have a close relationship with both Mobileye and Volkswagen Group.
- Our products are already integrated into both of their platforms through the ID. Buzz program which we believe allows us faster integration into additional opportunities such as the level 3 program mentioned earlier.
- Overall, we're pleased to see one of our key partners and one of our key customers deepen their relationship. We continue to see long potential runways for growth with both Volkswagen Group and Mobileye.

Partner Collaborations - Qualcomm, Nvidia, Mobileye – slide #8

- And as I said earlier, we are working with the Qualcomm platform for the VW Cariad program and we are working with the Mobileye platform for the ID. Buzz and the additional level 3 program.
- We are hopeful that we will benefit from these collaborations across other programs and with additional OEMs.
- And I would also like to update that we are making progress on our collaboration with Nvidia and we are working with OEMs on several Nvidia-based RFQs in our pipeline. We believe that our collaboration with Nvidia and these OEMs could present another opportunity for growth and expansions.

Pipeline Update – slide #9

- I'll now touch on our RFI and RFQ Pipeline.

- Our pipeline is very active and we are continuing to mature the 10-15 programs in the pipeline, most of these are level 3 passenger vehicles.
- I'm happy to share that about 50% of our pipeline is in the RFQ stage, and we're deepening relationships with existing customers while working towards additional programs with potential new customers.
- Last quarter we shared that there were two programs for a global deployment of Level 3 vehicles where the decision timelines were pushed into 2024.
- We continue to work closely with these OEMs and are confident in our position within these RFQs.
- In addition to the level 3 opportunities, we would also like to highlight two level 4 opportunities in the pipeline that progressed well during the quarter.
- Those opportunities are with two leading level 4 platform companies in the trucking and ride hailing spaces who are working with various OEMs.
- Certainly, there is a lot to be excited about...
- Importantly, for each potential program we are quoting, whether it is with a new customer or an expansion with an existing one, we're quoting with NREs.
- This is significant because with the cash we have on hand, together with these potential new business opportunities, we feel confident in our ability to execute our strategy within the remainder of the market capture window.

LiDAR Market Adoption – slide #10

- I'll now share a few recent observations on the LiDAR sector.
- We are very optimistic as we are seeing continuous progress with various platforms and programs.
- As a result, we believe that a meaningful percentage of vehicles in the market will be equipped with LiDAR by 2030.
- To that end, according to the S&P Global's research, in 2030 approximately 10 million LiDAR scanners across various autonomy levels are expected to be sold globally in the automotive market. They also expect the number of LiDAR scanners sold in 2035 to be more than double that.

- Now pivoting to a recent industry development...
- At the end of last month, the U.S. National Highway Traffic Safety Administration, NHTSA, announced a new motor vehicle safety standard that will require all new light vehicles to have automatic emergency braking systems as of September 2029.
- This requirement standardizes a crucial safety feature. It is intended to save lives and prevent injuries by automatically braking a vehicle when a crash with another vehicle or pedestrian is imminent.
- What is important to highlight here about the new publication is the fact that NHTSA's rule adopts testing requirements of emergency braking systems which include compliance in both daylight and dark conditions. As part of the commentary received by NHTSA, the Lidar Coalition stated that the Insurance Institute for Highway Safety found that in darkness conditions, camera and radar based pedestrian emergency braking systems fail in every instance to detect pedestrians.
- Automatic emergency braking systems use sensors to detect objects in front of the vehicle, and we believe LiDAR could provide the technical capabilities to successfully meet this requirement in any weather and lighting conditions.
- We believe that as OEMs work to comply with new regulations, and as the entire automotive industry raises its standards, OEMs will move to implement new capabilities and features, many of which would probably be supported only by LiDAR.
- At Innoviz, we are optimistic about our ability to position ourselves to capitalize on future opportunities for LiDAR.

Winter Testing – slide #11

- Now, moving to the latest update from our winter testing of the InnovizTwo B-sample with our second-generation custom ASIC and our computer vision AI software in Europe.
- As we recently announced, we reached a key milestone after our team successfully completed the winter testing for InnovizTwo.
- The test spanned 18 days of driving across ten countries, demonstrating the robustness and reliability of our technology in the harshest winter conditions.
- InnovizTwo is reaching maturity and is approaching its “design freeze” stage for automotive grade applications, as supported by the results of this winter testing.
- We believe only the most mature and well-developed technologies are able to perform safely and effectively in such strenuous testing.

- InnovizTwo showed resilience in different weather conditions and to potential blockages, including rain, snow and dirt. We believe that this could be a distinct competitive advantage for us in the industry.
- The data and insights accumulated during the testing are being used to improve Innoviz's proprietary AI-backed software and hardware solutions.
- With the successful completion of the advanced winter testing, we have overcome a big hurdle that is challenging for any automotive component producer. We're excited to move our technology to the next stage of development.

Strategic Realignment – slide #12

- I want to briefly touch on the progress we've made on the strategic realignment of our operations announced last quarter. Eldar will provide more color on this shortly as well.
- As of today, we have implemented nearly all of our initiatives of our realignment plan.
- In line with our plan, we have reduced our investment in the development of InnovizOne and are reallocating part of the savings towards the development of the InnovizTwo sensor and perception software platform.
- This includes different configurations of the InnovizTwo, such as level 3 long range LiDAR, short range and trucks, as well as the implementation of our sensors at lower heights and behind the windshield with the InnovizTwo Slim.
- We have also integrated our hardware and software development units into a combined R&D department.
- Taken together, we delivered a decrease in cash burn compared to the first quarter of 2023.

Guidance – slide #13

- Wrapping up with our guidance for the second quarter of 2024...
- As a reminder, we have reverted to providing quarterly revenue guidance instead of annual revenue guidance.
- We expect second quarter 2024 revenues in the range of \$4 million to \$5 million, compared to \$1.5 million for Q2 2023.

- We continue to expect full year 2024 revenues to be more back half weighted based on channel fill and customer activity. We also expect there to be continued lumpiness due to the typical cadence of NREs.
- Last quarter we also guided to two to three additional programs from both existing and new customers and \$20-70 million of new NRE bookings in 2024.
- Given our strong start to the fiscal year and the momentum we are building in our pipeline, we continue to believe that we are on track to meet those targets this year.
- And with that, I will turn the call over to Eldar to review our Q1 2024 financials.

Eldar Cegla – Q1 2024 Financial Update – Slide #15

- Thank you, Omer, and good morning, everyone.
- Starting with cash - we ended Q1 2024 with approximately \$128 million in cash and cash equivalents, bank deposits, marketable securities and short-term restricted cash on the balance sheet.
- As Omer mentioned, our continued solid revenue performance, plus the efficiencies achieved from our operational realignment led to a decreased level of cash burn compared to Q1 of 2023, with cash used in operations and capital expenditures coming in at \$23 million compared to \$29 million in Q1 2023.
- And with InnovizOne now in series production, all quoting and bidding activities in our RFI and RFQ pipeline are focused on the InnovizTwo platform.
- As we remain in this critical market capture window you've heard us talk about in the past, we are maintaining the appropriate level of flexibility to demonstrate we can meet customers' evolving needs.
- The realignment has made Innoviz a more efficient company and we're laser-focused on the InnovizTwo platform.
- Moving to the income statement, revenues in Q1 2024 were \$7.1 million, which is approximately 18% higher than our guidance range.
- This is a significant increase compared to Q1 2023 revenues of \$1 million, demonstrating the positive financial trajectory we are delivering.
- Our operating expenses for Q1 2024 were \$31.7 million, a decrease of 5% from \$33.3 million in Q1 2023. This quarter's operating expenses included \$5.9 million of share-based compensation, compared to \$5.2 million in Q1 2023.

- Research and development expenses for Q1 2024 were \$23.8 million, a decrease from \$26.1 million in Q1 2023.
- The quarter's R&D expenses included \$3.8 million attributable to share-based compensation, compared to \$3.5 million in Q1 2023.
- As you can see, we have maintained decreased levels of operating and R&D expenses. We expect to keep our expenses at these levels in the coming months.
- To summarize, we are pleased by the continued strength of our financial performance.
- Moving forward, we will remain disciplined and run an efficient organization with the goal of optimizing our competitive positioning while maintaining a healthy cash position.
- And with that, I'll hand it back to Omer before we open up the call for Q&A.

Omer Keilaf – Ecomotion - slide #16

- Thanks, Eldar.
- Before I conclude, I'm pleased to share that Innoviz was selected by the Ecomotion community to host the Ecomotion Assembly at Innoviz HQ on the fourth of June.
- The Ecomotion Assembly is an auto technology conference hosted in Israel that brings together many OEMs, auto and technology companies from across the global mobility ecosystem to learn, share knowledge and developments, and look ahead towards shaping the future of mobility.
- We are honored to host this prestigious conference this year and look forward to continuing to support and strengthen the international mobility ecosystem.
- We encourage you to visit the Ecomotion website for additional information and hope that you will join us.

Key Takeaways – slide #17

- To wrap up my remarks...
- As you have heard, Q1 was another busy and productive quarter for Innoviz, with many engagements with existing and potential customers in different regions
- We are already in the middle of the second quarter and are continuing to advance opportunities across different programs, and we look forward to sharing more positive updates going forward.
- We believe that we are well positioned with our customers and partners to win additional programs and cement our place as a leading LiDAR supplier during the market capture phase.
- As the market comes to appreciate this positioning and understands the growing importance of LiDAR across various applications with tailwinds coming from new regulatory requirements, we believe that the perception of the LiDAR sector by the capital markets will increasingly reflect the sector's opportunity.
- With that operator, please turn it over to Q&A.

IR Calendar - Slide #18 – Q&A