UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO SECTION 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2022

Commission File Number: 001-40310

INNOVIZ TECHNOLOGIES LTD.

(Translation of registrant’s name into English)

Innoviz Technologies Campus
5 Uri Ariav Street, Bldg. C
Nitzba 300, Rosh HaAin, Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

EXPLANATORY NOTE

Innoviz Technologies Ltd. (the "**Company**") hereby furnishes the following documents as exhibits 99.1 and 99.2:

99.1 Company's Interim Unaudited Consolidated Financial Statements as of June 30, 2022 and for the Six Months ended June 30, 2022 and June 30, 2021; and

99.2 Operating and Financial Review and Prospects.

This Report on Form 6-K and related exhibits are incorporated by reference into the Company's registration statements on Form F-3 (File No. 333-265170) and Form S-8 (File No.333-255511 and 333-265169), and shall be a part thereof from the date on which this Form 6-K is furnished, to the extent not superseded by documents or reports subsequently filed or furnished.

SIGNATURES

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

	INNOVIZ TECHNOLOGIES LTD.
Date: August 18, 2022	By: /s/ Eldar Cegla
	Name: Eldar Cegla
	Title: Chief Financial Officer

Exhibit 99.1

INNOVIZ TECHNOLOGIES LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

UNAUDITED

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INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

U.S. dollars in thousands (except share and per share data)

	June 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 50,279	$ 23,640
Short term restricted cash	718	901
Bank deposits	145,728	230,483
Marketable securities	21,886	11,607
Trade receivables	1,075	513
Inventory	4,651	4,256
Prepaid expenses and other current assets	6,145	3,029
Total current assets	230,482	274,429
LONG-TERM ASSETS:		
Marketable securities	27,303	38,289
Restricted deposits	2,482	-
Property and equipment, net	21,485	14,502
Operating lease right-of-use assets, net	27,361	-
Total long-term assets	78,631	52,791
Total assets	$ 309,113	$ 327,220

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

U.S. dollars in thousands (except share and per share data)

	June 30, 2022 (Unaudited)	December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 5,824	$ 5,764
Advances from customers and deferred revenues	334	196
Employees and payroll accruals	8,439	8,997
Accrued expenses and other current liabilities	11,716	6,708
Operating lease liabilities	1,481	-
Total current liabilities	27,794	21,665
LONG-TERM LIABILITIES:		
Advances from customers and deferred revenues	4,622	4,517
Other liabilities	-	597
Operating lease liabilities	25,914	-
Warrants liability	835	1,639
Total long-term liabilities	31,371	6,753
SHAREHOLDERS' EQUITY:		
Ordinary Shares of no-par value: Authorized: 500,000,000 shares as of June 30, 2022 and December 31, 2021; Issued and outstanding: 135,271,769 and 134,098,120 shares as of June 30, 2022 and December 31, 2021, respectively	-	-
Additional paid-in capital	693,256	683,764
Accumulated deficit	(443,308)	(384,962)
Total shareholders' equity	249,948	298,802
Total liabilities and shareholders' equity	$ 309,113	$ 327,220

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

U.S. dollars in thousands (except share and per share data)

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(Unaudited)	
Revenues	$ 3,571	$ 1,735
Cost of revenues	(6,084)	(3,536)
Gross loss	(2,513)	(1,801)
Operating expenses:		
Research and development	44,700	48,822
Selling and marketing	5,381	17,181
General and administrative	9,744	24,427
Total operating expenses	59,825	90,430
Operating loss	(62,338)	(92,231)
Financial income (expenses), net	4,040	(907)
Loss before taxes on income	(58,298)	(93,138)
Taxes on income	(48)	(72)
Net loss	$ (58,346)	$ (93,210)
Basic and diluted net loss per ordinary share	$ (0.43)	$ (1.37)
Weighted average number of ordinary shares used in computing basic and diluted net loss per ordinary share	134,607,839	71,458,394

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY (DEFICIT) (UNAUDITED)

U.S. dollars in thousands (except share and per share data)

	Convertible Preferred Shares															
	Convertible Preferred Shares A		Convertible Preferred Shares B		Convertible Preferred Shares B-1		Convertible Preferred Shares C		Convertible Preferred Shares C-1		Total	Ordinary Shares		Additional Paid-in	Accumulated	Total Shareholders' Equity
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Amount	Number	Amount	Capital	Deficit	(Deficit)
Balance as of December 31, 2020	20,418,209	$ 9,000	15,906,053	$ 66,348	3,032,940	$ 12,500	28,216,005	$ 161,233	2,699,114	$ 23,734	$ 272,815	16,948,226	$ -	$ 7,658	$ (231,403)	$ (223,745)
Issuance of Convertible Preferred Shares C-1	-	-	-	-	-	-	-	-	346,678	-	-	-	-	-	-	-
conversion of convertible preferred shares	(20,418,209)	(9,000)	(15,906,053)	(66,348)	(3,032,940)	(12,500)	(28,216,005)	(161,233)	(3,045,792)	(23,734)	(272,815)	70,618,999	-	272,815	-	272,815
Issuance of common shares in connection with PIPE offering, net of issuance costs	-	-	-	-	-	-	-	-	-	-	-	25,952,674	-	164,133	-	164,133
Transactions, net of issuance cost	-	-	-	-	-	-	-	-	-	-	-	16,246,454	-	168,352	-	168,352
Exercise of shares options	-	-	-	-	-	-	-	-	-	-	-	1,071,897	-	468	-	468
Vesting of RSUs	-	-	-	-	-	-	-	-	-	-	-	2,369,667	-	-	-	-
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	51,662	-	51,662
Net Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(93,210)	(93,210)
Balance as of June 30, 2021	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	133,207,917	$ -	$ 665,088	$ (324,613)	$ 340,475
Balance as of December 31, 2021	-	-	-	-	-	-	-	-	-	-	-	134,098,120	$ -	$ 683,764	$ (384,962)	$ 298,802
Reclassification of warrants liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-	15
Exercise of shares options	-	-	-	-	-	-	-	-	-	-	-	524,938	-	311	-	311
Exercise of public warrants	-	-	-	-	-	-	-	-	-	-	-	100	-	1	-	1
Vesting of RSUs	-	-	-	-	-	-	-	-	-	-	-	648,611	-	-	-	-
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	9,165	-	9,165
Net Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(58,346)	(58,346)
Balance as of June 30, 2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	135,271,769	$ -	$ 693,256	$ (443,308)	$ 249,948

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

U.S. dollars in thousands (except share and per share data)

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(Unaudited)	
Cash Flows from Operating Activities:		
Net loss	$ (58,346)	$ (93,210)
Adjustments required to reconcile net loss to net cash used in Operating Activities:		
Depreciation and amortization	4,192	1,325
Remeasurement of warrants liability	(789)	845
Increase in accrued interest on bank deposits	(245)	-
Remeasurement of marketable securities	707	-
Share-based compensation	9,165	51,662
Foreign exchange loss (gain), net	1,220	(56)
Increase in prepaid expenses and other assets	(3,186)	(5,748)
Decrease (increase) in trade receivables	(562)	507
Increase in inventories	(395)	(1,500)
Changes in operating lease assets and liabilities, net	(430)	-
Increase in trade payables	60	2,770
Increase (decrease) in accrued expenses and other liabilities	(1,185)	870
Increase (decrease) in employees and payroll accruals	(558)	4,162
Increase in advances from customers and deferred revenues	243	1,537
Net cash used in operating activities	(50,109)	(36,836)
Cash flows from investing activities:		
Purchase of property and equipment	(5,026)	(2,133)
Investment in bank deposits	(50,000)	(195,000)
Withdrawal of bank deposits	135,000	-
Decrease (increase) in restricted deposits	(2,580)	1
Net cash provided by (used in) investing activities	$ 77,394	$ (197,132)

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

U.S. dollars in thousands (except share and per share data)

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(Unaudited)	
Cash flows from financing activities:		
Cash received from Transactions, net of issuance cost	-	122,728
Issuance of ordinary shares, net of issuance cost	-	217,343
Proceeds from exercise of options	293	468
Repayment of loans	-	(134)
Net cash provided by financing activities	293	340,405
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,122)	20
Increase in cash, cash equivalents and restricted cash	26,456	106,457
Cash, cash equivalents and restricted cash at beginning of the period	24,541	50,766
Cash, cash equivalents and restricted cash at end of the period	$ 50,997	$ 157,223
Supplementary disclosure of cash flows activities:		
(1) Cash received during the period for:		
Interest	$ 1,223	$ 6
(2) Cash paid during the period for:		
Interest	$ -	$ 43
Income taxes	$ 48	$ 69
(3) Non-cash transactions:		
Conversion of preferred shares to ordinary shares	$ -	$ 272,815
Purchase of property and equipment	7,582	-
Reclassification of warrants liability to equity	15	-
Exercise of options	19	-
Issuance cost paid in equity	-	77,309
Right-of-use assets recognized with corresponding lease liabilities	$ 29,267	$ -
(4) Cash, cash equivalents and restricted cash at end of the period:		
Cash and cash equivalents	$ 50,279	$ 156,418
Short-term restricted cash	718	8
Restricted cash	-	797
	$ 50,997	$ 157,223

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTE 1:- GENERAL

a. Innoviz Technologies Ltd. and its subsidiaries (the “Company” or “Innoviz”) is a leading provider of high-performance, solid-state LiDAR and perception solutions that bring enhanced vision and superior performance to enable safe autonomous driving at a mass scale. The Company provides a complete and comprehensive solution for OEMs and Tier-1 partners that are developing and marketing autonomous driving vehicles to the passenger car and other relevant markets, such as robotaxis, shuttles and trucking. Innoviz’ unique LiDAR and perception solutions, which feature technological breakthroughs across core components, have propelled Innoviz to the first Level 3 LiDAR Automotive series production contract in its industry. In addition, Innoviz’ solutions can enable safe autonomy for other industries, including drones, robotics and mapping.

b. The Company was incorporated on January 18, 2016, under the laws of the state of Israel.

c. On December 10, 2020, the Company entered into definitive agreements in connection with a merger (the “Transactions”) with Collective Growth Corporation (“Collective Growth”), a special purpose acquisition company, that resulted in Collective Growth becoming a wholly owned subsidiary of the Company upon the consummation of the Transactions on April 5, 2021 (the “Closing Date”).

The Transactions were accounted for as a recapitalization in accordance with accounting principles generally accepted in the United States (“GAAP”).

The Company's ordinary shares and warrants were listed on the Nasdaq Stock Market LLC under the trading symbols “INVZ” and “INVZW,” respectively, on April 5, 2021.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. Interim Financial Statements

The accompanying interim consolidated balance sheet as of June 30, 2022, the interim consolidated statements of operations and the interim consolidated statements of cash flows for the six months ended June 30, 2022 and 2021, as well as the interim statement of changes in shareholders’ equity for the six months ended June 30, 2022, are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and applicable rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. In management’s opinion, the unaudited interim consolidated financial statements include all adjustments of a normal recurring nature necessary for the fair presentation of the Company’s financial position as of June 30, 2022, as well as its results of operations and cash flows for the six months ended June 30, 2022 and 2021. The results of operations for the six months ended June 30, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022 or for other interim periods or for future years.

b. Significant accounting policies

The accompanying unaudited interim financial statements should be read in conjunction with the Company’s Annual Report on Form 20-F for the fiscal year ended December 31, 2021 (the “2021 Annual Report”) filed with the Securities and Exchange Commission (the “SEC”) on March 30, 2022.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

There have been no changes to the significant accounting policies described in the 2021 Annual Report that have had a material impact on the unaudited interim consolidated financial statements and related notes, except as mentioned below (see also Note 2e).

c. Use of estimates:

The preparation of interim consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant items subject to such estimates and assumptions include inventory reserves, warranty provision, valuation allowance for deferred tax assets, share-based compensation including the fair value of the Company's ordinary shares before the Company became public, fair value of warrants liability and useful lives of property, plant, and equipment. The Company bases these estimates on historical and anticipated results, trends and various other assumptions that it believes are reasonable under the circumstances, including assumptions as to future events. Actual results could differ from those estimates.

The novel coronavirus ("COVID-19") pandemic has created, and may continue to create, significant uncertainty in macroeconomic conditions, and the extent of its impact on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Company's customers. The Company considered the impact of COVID-19 on the estimates and assumptions and determined that there were no material adverse impacts on the interim consolidated financial statements for the period ended June 30, 2022. As events continue to evolve and additional information becomes available, the Company's estimates and assumptions may change materially in future periods.

d. Concentration of credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, trade receivables, marketable securities, bank deposits, restricted deposits and restricted cash.

Trade receivable of the Company are mainly derived from customers located globally. The Company mitigates its credit risks by performing credit evaluations of its customers' financial conditions and requires customer advance payments in certain circumstances. The Company generally does not require collateral.

The Company invests in marketable securities with an average credit rating of "A" and a maturity of up to three years. The Company's investment policy is not to invest more than 5% of its investment portfolio in a single security.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

e. Recently adopted accounting pronouncement:

On January 1, 2022, the Company adopted ASU No. 2016-02, "Leases (Topic 842)", using the modified retrospective method by applying the new standard to all leases existing at the date of initial application. Results and disclosure requirements for reporting periods beginning after January 1, 2022 are presented under Topic 842, while prior period amounts have not been adjusted and continue to be reported in accordance with our historical accounting under Topic 840. The Company has elected the package of practical expedients permitted under the transition guidance, which allows the Company not to reassess (1) whether any expired or existing contracts as of the adoption date are or contain a lease, (2) lease classification for any expired or existing leases as of the adoption date and (3) initial direct costs for any expired or existing leases as of the adoption date. The Company elected to not recognize a lease liability and a right-of-use ("ROU") asset for leases with a term of twelve months or less. Lease payments on short-term leases are recognized as an expense on a straight-line basis over the lease term, not included in lease liabilities. Lastly, the Company also elected the practical expedient to not separate lease and non-lease components for its leases.

The Company determines if an arrangement is a lease and the classification of that lease at inception based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Company obtains the right to substantially all the economic benefits from the use of the asset throughout the period, and (3) whether the Company has a right to direct the use of the asset.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make minimum lease payments arising from the lease. ROU assets are initially measured at amounts, which represents the discounted present value of the lease payments over the lease, plus any initial direct costs incurred. The lease liability is initially measured at lease commencement date based on the discounted present value of minimum lease payments over the lease term. The implicit rate within the operating leases is generally not determinable, therefore the Company uses its Incremental Borrowing Rate ("IBR") based on the information available at commencement date in determining the present value of lease payments. The Company's IBR is estimated to approximate the interest rate for collateralized borrowing with similar terms and payments and in economic environments where the leased asset is located. Certain leases include options to extend or terminate the lease. An option to extend the lease is considered in connection with determining the ROU asset and lease liability when it is reasonably certain that the Company will exercise that option. An option to terminate is considered unless it is reasonably certain that the Company will not exercise the option.

The adoption of this standard had a material effect on the Company’s financial statements. The most significant impact is reflected in: (i) effective as of January 1, 2022, the recognition of $29 million ROU assets and lease liabilities on the Company’s balance sheet for its operating leases of real estate, with no impact on retained earnings, (ii) the Company’s financial income (expenses), net which is impacted by foreign exchange gain and losses arising from its non U.S. Dollars denominated lease liabilities, and (iii) the requirement to provide significant new disclosures regarding the Company’s leasing activities and to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The adoption of this standard does not have a significant impact on the Company’s consolidated statements cash flows.

For further information on the Company’s leasing activities see Note 5.

U.S. dollars in thousands (except share and per share data)

NOTE 3:- CONTRACT BALANCES AND REMAINING PERFORMANCE OBLIGATIONS

Contract liabilities consisted of the following as of June 30, 2022 and December 31, 2021:

	June 30, 2022 (Unaudited)	December 31, 2021
Contract Liabilities, Current		
Deferred Revenues	$ 268	$ 135
Advances From Customers	66	61
Total	$ 334	$ 196
Contract Liabilities, Long-Term		
Deferred Revenues	$ 4,622	$ 4,517
Total Contract Liabilities	$ 4,956	$ 4,713

During the six months ended June 30, 2022, the Company recognized $161 that was included in deferred revenues balance at December 31, 2021.

Remaining Performance Obligation

The Company’s remaining performance obligations are comprised of product and engineering services not yet satisfied. As of June 30, 2022, the aggregate amount of the transaction price allocated to remaining performance obligations was $10.2 million, which the Company expects to recognize as revenues.

U.S. dollars in thousands (except share and per share data)

NOTE 4:- FAIR VALUE MEASUREMENTS

The below table sets forth the Company's assets and liabilities that were measured at fair value as of June 30, 2022 and December 31, 2021 by level within the fair value hierarchy.

	June 30, 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	$ -	$ 49,189	$ -	$ 49,189
Total financial assets	$ -	$ 49,189	$ -	$ 49,189
Liabilities:				
Warrants (1)	$ -	$ -	$ 835	$ 835
Total financial liabilities	$ -	$ -	$ 835	$ 835

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	$ -	$ 49,896	$ -	$ 49,896
Total financial assets	$ -	$ 49,896	$ -	$ 49,896
Liabilities:				
Warrants (1)	$ -	$ -	$ 1,639	$ 1,639
Total financial liabilities	$ -	$ -	$ 1,639	$ 1,639

During the six months ended June 30, 2022, the Company recognized net trading losses of $707 which relates to marketable securities held by the Company.

U.S. dollars in thousands (except share and per share data)

NOTE 4:- FAIR VALUE MEASUREMENTS (Cont.)

(1) As part of the Transactions (see Note 1c), the Company assumed a derivative warrants liability related to previously issued private placement warrants in connection with Collective Growth's initial public offering. The Company utilizes a Black-Scholes option pricing model to estimate the fair value of the private placement warrants which is considered a Level 3 fair value measurement. The warrants are measured at each reporting period, with changes in fair value recognized in financing income, net.

The change in the fair value of the derivative private warrants liability is summarized as follows:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(Unaudited)	
Balance as of January 1	$ 1,639	$ -
Private warrants liability assumed in Transactions	-	7,291
Change in fair value of warrants liability	(789)	845
Reclassification of warrants liability to equity	(15)	-
Balance as of June 30	$ 835	$ 8,136

The estimated fair value of the private placement warrant derivative liabilities is determined using Level 3 inputs. Inherent in a Black-Scholes option pricing model are assumptions related to expected share price volatility, expiration, risk-free interest rate and dividend yield. The Company estimates the volatility of its private warrants based on implied volatility of the publicly traded warrants and the historical volatility of the company's share price and of a selected peer companies that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve as of the valuation date for a maturity similar to the expiration of the warrants. The dividend yield is based on the historical rate, which the Company anticipates remaining at zero. The following table provides quantitative information regarding Level 3 fair value measurements inputs as their measurement dates:

	June 30, 2022	December 31, 2021
	(Unaudited)	
Fair vale determined per warrant	$ 1.80	$ 3.46
Expected volatility	95%	90%
Expected annual dividend yield	0%	0%
Expected term (years)	3.8	4.3
Risk-free rate	3.0%	1.2%

U.S. dollars in thousands (except share and per share data)

NOTE 5:- LEASES

Below is a summary of the Company operating right-of-use assets and operating lease liabilities as of June 30, 2022:

Operating lease right-of-use assets, net	$	27,361
Operating lease liabilities, current	$	1,481
Operating lease liabilities, non-current		25,914
Total operating lease liabilities	$	27,395
Weighted average remaining lease term (years)		10.48
Weighted average discount rate for lease liabilities		4.5%

Additional information regarding the Company's operating leases:

		Six Months Ended June 30, 2022
Operating lease costs	$	2,460
Variable lease payments	$	9
Short term lease costs	$	90
Operating cash flows from lease incentives received, net of cash paid for operating leases	$	(296)

Minimum lease payments over the remaining lease periods as of June 30, 2022, are as follows:

Year ended December 31,		
2022	$	237
2023		2,861
2024		3,104
2025		3,411
2026		3,411
Thereafter		21,851
Total undiscounted lease payments	$	34,875
Less: Interest		(7,480)
Present value of lease liabilities	$	27,395

U.S. dollars in thousands (except share and per share data)

NOTE 6:- COMMITMENTS AND CONTINGENCIES

Legal proceedings:

The Company is currently not part, as plaintiff or defendant, to any legal proceedings that, individually or in the aggregate, are expected by the Company to have a material effect on the Company's business, financial position, results of operations or cash flows. The Company reviews the status of each matter and assesses its potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. These accruals are reviewed at least yearly and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a matter.

NOTE 7:- SHARE-BASED COMPENSATION

a. Options granted:

A summary of option balances as of June 30, 2022, and changes during the year then ended are as follows:

	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding as of December 31, 2021	16,237,346	$ 5.55	6.95	$ 43,173,240
Granted	819,904	3.85		-
Exercised	(524,938)	0.59		1,716,500
Forfeited	(608,861)	4.28		880,993
Outstanding as of June 30, 2022	15,923,451	$ 5.67	6.41	$ 21,233,790
Exercisable as of June 30, 2022	9,162,637	$ 5.68	6.16	$ 15,481,896

b. RSUs granted:

A summary of RSUs activity for the year ended June 30, 2022, is as follows:

	Number of shares	Weighted average grant date fair value per share
Unvested as of January 1, 2022	3,910,601	$ 8.87
Granted	1,046,856	3.94
Vested	(648,611)	9.88
Forfeited	(128,864)	8.10
Expired	(6,667)	9.04
Unvested as of June 30, 2022	4,173,315	$ 7.50

U.S. dollars in thousands (except share and per share data)

NOTE 7:- SHARE-BASED COMPENSATION (Cont.)

c. Share-based compensation expenses:

The total share-based compensation expenses related to all of the Company's equity-based awards, which include options and RSUs recognized in the Company's consolidated statements of operations for the six and six months ended June 30, 2022, and 2021, are as follows:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(Unaudited)	
Cost of revenues	$ 76	$ -
Research and development	5,380	18,858
Selling and marketing	1,367	14,584
General and administrative	2,342	18,220
	$ 9,165	$ 51,662

As of June 30, 2022, unrecognized compensation cost related to share options and RSUs was $43,133, which is expected to be recognized over a weighted average period of 2.68 years.

NOTE 8:- BASIC AND DILUTED NET LOSS PER SHARE

The following table sets forth the computation of the net loss per share for the period presented:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(Unaudited)	
Numerator:		
Net loss	$ (58,346)	$ (93,210)
Preferred share accrued cumulative dividend rights	-	(5,044)
Total loss attributable to ordinary shares	$ (58,346)	$ (98,254)
Denominator:		
	134,607,839	71,458,394

The following potential ordinary shares have been excluded from the calculation of diluted net loss per share for the period presented due to their anti-dilutive effect:

a. 16,231,141 warrants, 2,402,178 sponsors earnout shares, 20,096,766 outstanding options to purchase Ordinary Shares and unvested RSUs as of June 30, 2022.

b. 16,231,241 warrants, 2,402,178 sponsors earnout shares, 19,570,523 outstanding options to purchase Ordinary Shares and unvested RSUs as of June 30, 2021 (in addition to 70,618,999 underlying the Company's Preferred Shares that were outstanding prior to April 5, 2021).

U.S. dollars in thousands (except share and per share data)

NOTE 9:- GEOGRAPHIC AND CUSTOMER INFORMATION

a. Geographic information:

Following is a summary of revenues by geographic areas. Revenues attributed to geographic areas, based on the location where the customers accept delivery of the products and services:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(Unaudited)	
Europe, Middle East and Africa (*)	$ 2,000	$ 1,423
Asia Pacific	334	271
North America (**)	1,237	41
	$ 3,571	$ 1,735

(*) Includes revenue from Germany in the amount of $1,926 thousand and $1,351 thousand for the six months ended June 30, 2022 and June 30, 2021, respectively.

(**) Include revenues from United States only.

b. Customers accounted for over 10% of revenue:

As of June 30, 2022, the Company had one customer that accounted for 81% of revenues.

As of June 30, 2021, the Company had one customer that accounted for 66% of revenues.

NOTE 10:- RELATED PARTY BALANCES AND TRANSACTIONS

a. Balances with the related parties:

	June 30, 2022	December 31, 2021
	(Unaudited)	
Trade receivables	$ 927	$ 420
Trade payables	$ 28	$ -
Long term deferred revenues	$ 3,822	$ 3,717

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

U.S. dollars in thousands (except share and per share data)

NOTE 10:- RELATED PARTY BALANCES AND TRANSACTIONS (Cont.)

b. Transactions with the related parties:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(Unaudited)	
Revenues	$ 2,908	$ 1,151
Research and development	$ 32	$ 47

During the six months ended June 30, 2022 and 2021, the Company recognized revenue of $2,908 and $1,151, respectively in revenues from the sale of services and goods to a shareholder.

As of June 30 ,2022 and December 31, 2021, the Company recorded receivables of $927 and $420, respectively from the same shareholder mentioned above in connection with the revenues earned, included as Trade receivables on the accompanying consolidated balance sheets. The receivables are collected in the ordinary course of business.

As of June 30, 2022 and December 31, 2021, the Company recorded deferred revenues of $3,822 and $3,717, respectively from the same shareholder mentioned above in connection with the revenues earned, included as Long-term advances from customers and deferred revenues on the accompanying consolidated balance sheets.

Exhibit 99.2

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited interim consolidated financial statements as of and for the six months ended June 30, 2022, included as Exhibit 99.1 to this Report on Form 6-K (this "Report") and our audited consolidated financial statements and other financial information as of and for the year ended December 31, 2021 appearing in our Annual Report on Form 20-F for the year ended December 31, 2021 (our "Annual Report") and Item 5 — "Operating and Financial Review and Prospects" of that Annual Report. Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the section entitled "Cautionary Statement Regarding Forward-Looking Statement" and in the section entitled Item 3.D. "Risk Factors" of our Annual Report, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Unless otherwise designated, the terms "we", "us", "our", "Innoviz", "the Company" and "our company" refer to Innoviz Technologies Ltd.

Forward-Looking Statements

Statements in this Report may constitute "forward-looking statements" within the meaning of the United States Federal securities laws. These forward-looking statements can generally be identified as such because the context of the statement will include words such as "may," "might," "will," "could," "would," "intends," "plans," "believes," "anticipates," "expects," "seeks," "estimates," "predicts," "potential," "continue," "contemplate" or "opportunity," the negative of these words or words of similar import. Similarly, statements that describe our business outlook or future economic performance, anticipated revenues, expenses or other financial items, introductions and advancements in development of products, and plans and objectives related thereto, and statements concerning assumptions made or expectations as to any future events, conditions, performance or other matters, are also forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those stated in such statements. Factors that could cause or contribute to such differences include, but are not limited to, those set forth *Item 3.D. "Risk Factors* in our Annual Report, as well as those discussed elsewhere in our Annual Report and in our other filings with the Securities and Exchange Commission.

Overview

We are a leading provider of high-performance, solid-state LiDAR and perception solutions that bring enhanced vision and superior performance to enable safe autonomous driving at a mass scale. We believe that we provide a complete and comprehensive solution for OEMs and Tier-1 partners that are developing and marketing autonomous driving vehicles to the passenger car and other relevant markets, such as robotaxis, shuttles, delivery vehicles, buses trucking, and other industries that require 3-dimensional high-resolution sensors. Our unique LiDAR and perception solutions, feature technological breakthroughs across core components. In addition, our solutions can enable safe autonomy for other industries, including drones, robotics, construction and other industrial applications, agriculture, smart city, smart infrastructures, security and mapping.

We created a new type of LiDAR sensor from the chip-level up, including a suite of powerful and sophisticated software applications for high-performance computer vision to allow superior perception. We have a design win from 2018, to power BMW's Level 3 autonomous platform.

In addition, we were recently selected by CARIAD SE to be its direct LiDAR supplier for the segment of Automated Vehicles within the Volkswagen brands. The selection, our third major design win, followed more than two years of extensive diligence and qualification.

Business Combination

On December 10, 2020, Innoviz entered into the Business Combination Agreement with Collective Growth Corporation, Perception Capital Partners LLC, Antara Capital LP and Hatzata Merger Sub, Inc. ("Merger Sub"). Pursuant to the Business Combination Agreement, Merger Sub merged with and into Collective Growth Corporation, with Collective Growth Corporation surviving the merger (the "Business Combination"). Upon consummation of the Business Combination and the other transactions contemplated by the Business Combination Agreement on April 5, 2021, Collective Growth Corporation became a wholly owned subsidiary of Innoviz.

COVID-19 Impact

The COVID-19 pandemic has created and continues to create delays in obtaining materials and components from our suppliers located in different parts of the world which have, in some instances, led to delays in the delivery of our products and have increased the time needed to build our equipment. In addition, we may face increased costs related to delays in production due to supplier and manufacturer delays.

Our executive offices and research and development and manufacturing locations have been, and may continue to be, impacted due to national and regional government declarations requiring closures, quarantines and travel restrictions, mainly in China and Japan. The COVID-19 pandemic is also adversely affecting our customers' business operations. The extent of the continued impact of the coronavirus pandemic on our operational and financial performance will depend on various future developments, including the impact of the COVID-19 pandemic on our customers, suppliers, contract manufacturers and employees, all of which is uncertain at this time. We expect the COVID-19 pandemic to adversely impact our revenue and results of operations but are unable to predict at this time the size and duration of this adverse impact.

Results of Operations

The results of operations presented below should be reviewed together with our unaudited interim consolidated financial statements as of and for the six months ended June 30, 2022, appearing elsewhere in this Report, and our audited consolidated financial statements as of and for the year ended December 31, 2021 appearing in our Annual Report.

The following table sets forth our consolidated results of operations data for the periods presented:

	Six Months Ended June 30, (Unaudited)	
	2022	**2021**
Revenues	$ 3,571	$ 1,735
Cost of Revenues	(6,084)	(3,536)
Gross Loss	$ (2,513)	$ (1,801)
Operating Expenses:		
Research and Development	44,700	48,822
Selling and Marketing	5,381	17,181
General and Administrative	9,744	24,427
Total Operating Expenses	59,825	90,430
Operating Loss	(62,338)	(92,231)
Financial Income (Expenses), net	4,040	(907)
Loss before Taxes on Income	(58,298))	(93,138)
Taxes on Income	(48)	(72)
Net Loss	$ (58,346)	$ (93,210)
Basic and Diluted Net Loss per Ordinary Share	$ (0.43)	$ (1.37)
Weighted Average Number Of Ordinary Shares Used In Computing Basic And Diluted Net Loss Per Ordinary Share	134,607,839	71,458,394

Comparison of the Six Months Ended June 30, 2022 and 2021

Revenues

	Six Months Ended June 30, 2022 (In Thousands)	Six Months Ended June 30, 2021 (In Thousands)	Change $ (In Thousands)	Change %
Total Revenues	$ 3,571	$ 1,735	$ 1,836	106%

Revenues increased by approximately $1.8 million, or 106%, to approximately $3.6 million for the six months ended June 30, 2022, from approximately $1.7 million for the six months ended June 30, 2021.

The increase in revenues was primarily related to InnovizOne, which contributed $3.6 million in revenues during the six months ended June 30, 2022 compared to $1.7 million in revenues during the six month ended June 30, 2021.

	Six Months Ended June 30, 2022 (In Thousands)	Six Months Ended June 30, 2021 (In Thousands)	Change $ (In Thousands)	Change %
Cost of Revenues	$ 6,084	$ 3,536	2,548	72%
Gross Margin	(70)%	(104)%		

Cost of Revenue and Gross Margin

Cost of revenues increased by approximately $2.5 million, or 72%, to approximately $6.1 million for the six months ended June 30, 2022, from approximately $3.5 million for the six months ended June 30, 2021.

The increase in cost of revenues was primarily due to an increase in revenue. Gross margin increased to approximately (70)% for the six months ended June 30, 2022, from approximately (104)% for the six months ended June 30, 2021 due to the maturity of our production line and the increased yields.

Operating Expenses

	Six Months Ended June 30, 2022 (In Thousands)	Six Months Ended June 30, 2021 (In Thousands)	Change $ (In Thousands)	Change %
Research and development	$ 44,700	$ 48,822	$ (4,122)	(8)%
Selling and marketing	5,381	17,181	(11,800)	(69)%
General and administrative	9,744	24,427	(14,683)	(60)%
Total Operating Expenses	$ 59,825	$ 90,430	$ (30,605)	(34)%

Research and Development

Research and development expenses decreased by approximately $4.1 million, or 8%, to approximately $44.7 million for the six months ended June 30, 2022, from approximately $48.8 million for the six months ended June 30, 2021.

The decrease was primarily attributable to stock-based compensation related to the Business Combination. The decrease was partly offset by an increase in headcount, which is mainly due to recruitment of additional engineers to develop the InnovizTwo product.

Sales and Marketing

Sales and marketing expenses decreased by approximately $11.8 million, or 69%, to approximately $5.4 million for the six months ended June 30, 2022, from approximately $17.2 million for the six months ended June 30, 2021.

The decrease was primarily attributable to stock-based compensation related to the Business Combination. The decrease was partly offset by increases in headcount and marketing expenses.

General and Administrative

General and administrative expenses decreased by approximately $14.7 million, or 60%, to approximately $9.7 million for the six months ended June 30, 2022, from approximately $24.4 million for the six months ended June 30, 2021.

The decrease was primarily attributable to stock-based compensation and transaction costs related to the Business Combination. The decrease was partly offset by an increase in headcount, which is related to the Company becoming a public company.

Financial Income (Expenses), net

	Six Months Ended June 30, 2022 (In Thousands)	Six Months Ended June 30, 2021 (In Thousands)	Change $ (In Thousands)	Change %
Financial Income (Expenses), net	$ 4,040	$ (907)	$ 4,947	545%

Financial income was $4.0 million for the six months ended June 30, 2022, compared to financial expenses of $0.9 million for the six months ended June 30, 2021.

The change from financial expenses for the six months ended June 30, 2021 to a financial income for the six months ended June 30, 2022 was primarily related to exchange rate differences of $3.3 million arising from our Israeli New Shekel ("ILS") denominated lease liabilities under ASC 842 (the ILS was devaluated compared to the U.S. dollars ("USD") during the six months ended June 30, 2022), in addition to warrants liability revaluation income of $0.8 million for the six months ended June 30, 2022 compared to $0.8 million revaluation loss for the six months ended June 30, 2021.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to a variety of risks, including foreign currency exchange fluctuations, changes in interest rates and inflation. We regularly assess currency, interest rate and inflation risks to minimize any adverse effects on our business as a result of those factors.

Foreign Currency Risk

Our financial results are reported in USD, and changes in the exchange rate between USD and local currencies in those countries in which we operate (primarily the ILS) may affect the results of our operations. In the six months ended June 30, 2022, approximately 94% of our revenues were denominated in USD. The USD cost of our operations in countries other than the United States may be negatively influenced by devaluation of the USD against other currencies.

During the six months ended June 30, 2022, the value of the USD appreciated against the ILS by approximately 12.5%. Our most significant foreign currency exposures are related to our operations in Israel. The Company hedges its anticipated exposure by exchanging USD into ILS in amounts sufficient to fund 3-4 months of operations and monitors foreign currency exchange rates over time.

Interest Rate Risk

Our investment strategy is to achieve a return that will allow us to preserve capital and meet our liquidity requirements. We invest in bank deposits and marketable securities, mainly in USD.

Our cash and cash equivalents are exposed to market risk related to changes in interest rate, which is affected by changes in the general level of the Bank of Israel interest rates and United States Federal Reserve interest rates. Due to the short-term nature and the low-risk profile of our interest-bearing accounts, an immediate 10% change in interest rates would not have a material effect on the fair market value of our cash and cash equivalents, bank deposits and restricted bank deposits or on our financial position or results of operations.

Our investments in marketable securities are primarily in securities with an average credit rating of "A" and a maturity of up to three years. We do not intend to invest more than 5% of our investment portfolio in a single security.

Other Market Risks

We do not believe that inflation had a material effect on our business, financial conditions or results of operations during the six months ended June 30, 2022.

Cash Flow Summary

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

	Six Months Ended June 30,	
	2022	2021
	(In Thousands)	(In Thousands)
Net Cash used in Operating Activities	$ (50,109)	$ (36,836)
Net Cash provided by (used in) Investing Activities	77,394	(197,132)
Net Cash provided by Financing Activities	293	340,405
Effect of exchange rate changes on Cash, Cash Equivalents and Restricted Cash	(1,122)	20
Net Increase in Cash, Cash Equivalents and Restricted Cash	$ 26,456	$ 106,457

Operating Activities

During the six months ended June 30, 2022, operating activities used approximately $50.1 million. The primary factors affecting operating cash flows during the six months ended June 30, 2022 were the net loss of approximately $58.3 million, impacted by non-cash charges of approximately $8.2 million consisting of stock-based compensation of approximately $9.2 million, depreciation and amortization of approximately $4.2 million, partially offset by an increase in working capital of approximately $5.2 million.

During the six months ended June 30, 2021, operating activities used approximately $36.8 million. The primary factors affecting operating cash flows during this period were net loss of approximately $93.2 million, impacted by non-cash charges of approximately $56.4 million consisting of depreciation and amortization of approximately $1.3 million, stock-based compensation of approximately $51.7 million and a decrease in working capital of approximately $3.4 million.

Investing Activities

During the six months ended June 30, 2022, cash provided by investing activities was approximately $77.4 million, which was primarily from withdrawal of bank deposits of approximately $135.0 million, partially offset by investment in bank deposits of approximately $50.0 million, purchase of property, plant, and equipment of approximately $5.0 million and increase in restricted deposits of approximately $2.6 million.

During the six months ended June 30, 2021, cash provided by investing activities was approximately $197.1 million, which was primarily from investment in bank deposits of approximately $195.0 million and purchase of property, plant, and equipment of approximately $2.1 million.

Financing Activities

During the six months ended June 30, 2022, cash provided by financing activities was approximately $0.3 million, which was related to exercise of options.

During the six months ended June 30, 2021, cash provided by financing activities was approximately $340.4 million, which consisted primarily of issuance of ordinary shares and cash received from reverse capitalization (net of issuance cost).

Funding Requirements

We expect our expenses to gradually increase in connection with our ongoing activities. To the extent and at such time as necessary for our business progress, particularly as we continue research and development activities, commercialization expenses related to product sales, marketing, manufacturing and distribution, such expenses may increase. In the event of significant business progress, we may need to obtain additional funding in connection with our continuing operations. If we are unable to raise capital when and if needed or on attractive terms, we could be forced to delay, reduce or eliminate some of our research and development programs or future commercialization efforts.

As of June 30, 2022, we had cash and cash equivalents, short term bank deposits and marketable securities of approximately $245.2 million. We expect those funds to be sufficient to continue to execute our business plan for at least the next 12 months.

We also expect our losses to be significantly higher in future periods as we:

- expand production capabilities to produce our LiDAR solutions, and accordingly incur costs associated with outsourcing the production of our LiDAR solutions;
- expand our design, development, installation and servicing capabilities;
- increase our investment in research and development;
- produce an inventory of our LiDAR solutions; and
- increase our selling and marketing activities and develop our distribution infrastructure.

Because we will incur costs and expenses from these efforts before we receive incremental revenues with respect thereto, losses in future periods will be significant. In addition, we may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses.

Off-Balance Sheet Arrangements

The Company's remaining performance obligations are comprised of product and engineering services not yet satisfied. As of June 30, 2022, the aggregate amount of the transaction price allocated to remaining performance obligations was $10.2 million, which we expect to recognize as revenue in future years.

Other than as set forth above, we have not entered into any off-balance sheet arrangements and do not have any holdings in variable interest entities.