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 2024

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): ☐

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

Exhibit No.	Description
99.1	Company's Interim Unaudited Consolidated Financial Statements as of June 30, 2024 and for the Six Months ended June 30, 2024 and June 30, 2023
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 Nos. 333-265170 and 333-267646) and Form S-8 (File Nos.333-255511, 333-265169, 333-270416 and 333-277852), and shall be a part thereof from the date on which this Form 6-K is furnished, to the extent not superseded by documents or reports subsequently filed or furnished.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, thereunto duly authorized.

Innoviz Technologies Ltd.

By: /s/ Eldar Cegla
Name: Eldar Cegla
Title: Chief Financial Officer

Date: August 8, 2024

Exhibit 99.1

INNOVIZ TECHNOLOGIES LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2024

UNAUDITED

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INNOVIZ TECHNOLOGIES LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

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

	June 30, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 24,012	$ 26,283
Short term restricted cash	67	53
Bank deposits	65,785	105,750
Marketable securities	15,281	13,335
Trade receivables, net	5,418	7,395
Inventory	1,753	1,868
Prepaid expenses and other current assets	2,122	5,774
Total current assets	114,438	160,458
LONG-TERM ASSETS:		
Marketable securities	1,227	4,813
Restricted deposits	2,539	2,623
Property and equipment, net	24,182	25,770
Operating lease right-of-use assets, net	24,358	25,486
Other long-term assets	82	84
Total long-term assets	52,388	58,776
Total assets	$ 166,826	$ 219,234

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

INNOVIZ TECHNOLOGIES LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

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

	June 30, 2024	December 31, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 6,364	$ 8,036
Deferred revenues	462	6,949
Employees and payroll accruals	9,716	9,468
Accrued expenses and other current liabilities	7,400	8,743
Operating lease liabilities	4,048	4,034
Total current liabilities	27,990	37,230
LONG-TERM LIABILITIES:		
Operating lease liabilities	26,006	28,475
Warrants liability	91	240
Total long-term liabilities	26,097	28,715
SHAREHOLDERS' EQUITY:		
Ordinary Shares of no-par value: Authorized: 500,000,000 shares as of June 30, 2024 and December 31, 2023; Issued and outstanding: 166,859,797 and 165,387,098 shares as of June 30, 2024 and December 31, 2023, respectively	-	-
Additional paid-in capital	799,332	788,577
Accumulated deficit	(686,593)	(635,288)
Total shareholders' equity	112,739	153,289
Total liabilities and shareholders' equity	$ 166,826	$ 219,234

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

INNOVIZ TECHNOLOGIES LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

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

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Revenues	$ 13,721	$ 2,476
Cost of revenues	(15,255)	(9,572)
Gross loss	(1,534)	(7,096)
Operating expenses:		
Research and development	40,606	49,888
Sales and marketing	4,116	4,620
General and administrative	10,233	9,169
Total operating expenses	54,955	63,677
Operating loss	(56,489)	(70,773)
Financial income, net	5,261	5,267
Loss before taxes on income	(51,228)	(65,506)
Taxes on income	(77)	(468)
Net loss	$ (51,305)	$ (65,974)
Basic and diluted net loss per ordinary share	$ (0.31)	$ (0.48)
Weighted average number of ordinary shares used in computing basic and diluted net loss per ordinary share	166,095,197	136,640,997

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

INNOVIZ TECHNOLOGIES LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS'EQUITY (UNAUDITED)

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

	Ordinary Shares		Additional	Accumulated	Total Shareholders'
	Number	Amount	Paid-in Capital	Deficit	Equity
Balance as of January 1, 2023	136,185,264	$ -	$ 703,851	$ (511,834)	$ 192,017
Reclassification of warrants liability to equity	-	-	8	-	8
Exercise of shares options	289,851	-	232	-	232
Vesting of RSUs	661,280	-	-	-	-
Share-based compensation	-	-	10,443	-	10,443
Net Loss	-	-	-	(65,974)	(65,974)
Balance as of June 30, 2023	137,136,395	$ -	$ 714,534	$ (577,808)	$ 136,726
Balance as of January 1, 2024	165,387,098	$ -	$ 788,577	$ (635,288)	$ 153,289
Exercise of shares options	277,507	-	152	-	152
Vesting of RSUs	1,195,192	-	-	-	-
Share-based compensation	-	-	10,603	-	10,603
Net Loss	-	-	-	(51,305)	(51,305)
Balance as of June 30, 2024	166,859,797	$ -	$ 799,332	$ (686,593)	$ 112,739

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, 2024	Six Months Ended June 30, 2023
Cash Flows from Operating Activities:		
Net loss	$ (51,305)	$ (65,974)
Adjustments required to reconcile net loss to net cash used in Operating Activities:		
Depreciation and amortization	4,036	2,954
Remeasurement of warrants liability	(149)	(245)
Change in accrued interest on bank deposits	(465)	455
Change in marketable securities	(259)	(237)
Share-based compensation	11,145	10,443
Foreign exchange loss, net	124	65
Change in prepaid expenses and other assets	3,153	1,014
Change in trade receivables, net	1,977	(620)
Change in inventory	115	(348)
Changes in operating lease assets and liabilities, net	(1,327)	202
Change in trade payables	(2,247)	(134)
Change in accrued expenses and other liabilities	(1,187)	110
Change in employees and payroll accruals	248	686
Change in deferred revenues	(6,487)	197
Net cash used in operating activities	(42,628)	(51,432)
Cash flows from investing activities:		
Purchase of property and equipment	(2,029)	(5,136)
Investment in bank deposits	(15,500)	(62,000)
Withdrawal of bank deposits	56,000	79,500
Investment in restricted deposits	(67)	(40)
Investment in marketable securities	(14,795)	(23,004)
Proceeds from sales and maturities of marketable securities	16,694	40,285
Net cash provided by investing activities	$ 40,303	$ 29,605

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

INNOVIZ TECHNOLOGIES LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

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

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash flows from financing activities:		
Proceeds from exercise of options	111	227
Net cash provided by financing activities	111	227
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(43)	29
Decrease in cash, cash equivalents and restricted cash	(2,257)	(21,571)
Cash, cash equivalents and restricted cash at the beginning of the period	26,336	55,954
Cash, cash equivalents and restricted cash at the end of the period	$ 24,079	$ 34,383
Supplementary disclosure of cash flows activities:		
(1) Cash paid during the period for:		
Income taxes	$ 129	$ 255
(2) Non-cash transactions:		
Purchase of property and equipment	$ 1,250	$ 564
Reclassification of warrants liability to equity	$ -	$ 8
Exercise of options	$ 41	$ 5
Right-of-use assets recognized with corresponding lease liabilities	$ -	$ 749
(3) Cash, cash equivalents and restricted cash at the end of the period:		
Cash and cash equivalents	$ 24,012	$ 34,331
Short-term restricted cash	67	52
	$ 24,079	$ 34,383

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 Tier-1 direct supplier of high-performance, automotive grade LiDAR sensors and perception solutions that feature technological breakthroughs across core components and 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 passenger cars and other relevant markets, such as robotaxis, shuttles, delivery vehicles and trucks. The Company operates as a single operating segment.

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 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.

d. As of June 30, 2024, the Company’s principal source of liquidity includes its cash and cash equivalents in the amount of $24,012, bank deposits in the amount of $65,785 and marketable securities in the amount of $16,508, which is sufficient to finance its business plan for at least the next 12 months from the date these financial statements are issued. As the Company achieves further commercial success, it may need to obtain additional funding to support its continuing operations. If the Company is unable to raise capital when and if needed, it may need to reduce or eliminate some of its research and development programs.

e. In October 2023, Israel was attacked by a terrorist organization and entered a state of war. As of the date of these interim consolidated financial statements, the war in Israel is ongoing and continues to evolve. The intensity and duration of the war is difficult to predict, as such are the war’s economic implications on the Company’s operational and financial performance. The Company considered the impact of the war and determined that there were no material adverse impacts on the interim consolidated financial statements, including related significant estimates made by management, for the period ended June 30, 2024.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. Interim Financial Statements

The accompanying interim consolidated balance sheet as of June 30, 2024, the interim consolidated statements of operations and the interim consolidated statements of cash flows for the six months ended June 30, 2024 and 2023, as well as the interim statement of changes in shareholders’ equity for the six months ended June 30, 2024 and 2023, 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.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

In management's opinion, the unaudited interim consolidated financial statements include all adjustments of a normal recurring nature necessary for the fair statement of the Company's financial position as of June 30, 2024, as well as its results of operations and cash flows for the six months ended June 30, 2024 and 2023. The results of operations for the six months ended June 30, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2024 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, 2023 (the "2023 Annual Report") filed with the Securities and Exchange Commission (the "SEC") on March 12, 2024.

There have been no changes to the significant accounting policies described in the 2023 Annual Report that have had a material impact on the unaudited interim consolidated financial statements and related notes.

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 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.

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 and restricted deposits.

The majority of the Company's cash and cash equivalents and short-term bank deposits are invested with major banks in Israel. The Company believes that the financial institutions that hold the Company's cash deposits are financially sound and, accordingly, bear minimal risk.

Trade receivables 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 at time of purchase.

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

NOTE 3:- INVENTORY

Inventory is comprised of the following:

	June 30, 2024	December 31, 2023
Raw materials	$ 396	$ 640
Work in process	289	803
Finished goods	1,068	425
	$ 1,753	$ 1,868

NOTE 4:- REVENUE RECOGNITION

During the six months ended June 30, 2024, the Company recognized revenue at a point in time of $10,405 for application engineering services, after receiving customer acceptance. The Company did not recognize revenue related to application engineering services during the six months ended June 30, 2023.

Deferred Revenues

During the six months ended June 30, 2024, the Company recognized $6,583 that was included in deferred revenues balance at December 31, 2023.

Remaining Performance Obligation

The Company's remaining performance obligations are comprised of application engineering services revenues not yet rendered. As of June 30, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was $1,040 (out of which none is recorded as deferred revenues), which the Company expects to recognize as revenues within the next 12 months.

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

NOTE 5:- FAIR VALUE MEASUREMENTS

The below tables set forth the Company's assets and liabilities that were measured at fair value as of June 30, 2024 and December 31, 2023 by level within the fair value hierarchy.

	June 30, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Marketable securities	$ -	$ 16,508	$ -	$ 16,508
Total financial assets	$ -	$ 16,508	$ -	$ 16,508
Liabilities:				
Warrants (1)	$ -	$ -	$ 91	$ 91
Total financial liabilities	$ -	$ -	$ 91	$ 91

	December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Marketable securities	$ -	$ 18,148	$ -	$ 18,148
Total financial assets	$ -	$ 18,148	$ -	$ 18,148
Liabilities:				
Warrants (1)	$ -	$ -	$ 240	$ 240
Total financial liabilities	$ -	$ -	$ 240	$ 240

(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.

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

NOTE 5:- FAIR VALUE MEASUREMENTS (Cont.)

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

	Six Months Ended June 30,	
	2024	2023
Balance as of January 1	$ 240	$ 720
Change in fair value of warrants liability	(149)	(245)
Reclassification of warrants liability to equity	-	(8)
Balance as of June 30	$ 91	$ 467

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, 2024	December 31, 2023
Fair value determined per warrant	$ 0.20	$ 0.53
Expected volatility	140%	95%
Expected annual dividend yield	0%	0%
Expected term (years)	1.8	2.3
Risk-free rate	4.8%	4.2%

NOTE 6:- COMMITMENTS AND CONTINGENCIES

Legal proceedings:

On March 28, 2024, a putative class action lawsuit was filed in the Delaware Court of Chancery against several former officers and directors of Collective Growth (the "Defendants") which relates to events preceding the Transactions. Under the Transactions agreements, the Company may be required to honor all rights to indemnification or exculpation existing in favor of the directors and officers of Collective Growth, as were in effect prior to the Closing Date, solely with respect to any matters occurring on or prior to the Closing Date. The lawsuit generally alleges that the Defendants impaired Collective Growth's public stockholders' ability to exercise their redemption on an informed basis in connection with the Transactions, by failing to disclose material information in the proxy statement concerning the Defendants' interests relating to the Transactions and the net cash per share that Collective Growth could contribute to the Transactions. The lawsuit asserts claims for breach of fiduciary duty and unjust enrichment.

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

NOTE 6:- COMMITMENTS AND CONTINGENCIES (Cont.)

On June 21, 2024, the Defendants' legal counsel filed a motion to dismiss. Briefing on the motion to dismiss is scheduled to be completed on September 6, 2024. The Defendants intend to vigorously defend against the claim.

As of the date hereof, the Company, with advice of its legal counsel, is unable to estimate the likelihood of an outcome, favorable or unfavorable to the Company. Hence, an estimated liability has not been recorded in the interim consolidated financial statements.

Other than noted above, 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.

NOTE 7:- 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, 2024	Six Months Ended June 30, 2023
Numerator:		
Net Loss	$ (51,305)	$ (65,974)
Denominator:		
	166,095,197	136,640,997

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, 22,294,103 outstanding options to purchase Ordinary Shares and unvested RSUs as of June 30, 2024.

b. 16,231,141 warrants, 2,402,178 sponsors earnout shares, 20,866,559 outstanding options to purchase Ordinary Shares and unvested RSUs as of June 30, 2023.

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

NOTE 8:- 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,	
	2024	2023
Europe, Middle East and Africa (*)	$ 13,181	$ 1,640
North America (**)	451	576
Asia Pacific	89	260
	$ 13,721	$ 2,476

(*) Includes revenues from Germany in the amount of $12,450 and $1,500 for the six months ended June 30, 2024 and 2023, respectively.

Includes revenues from Israel in the amount of $731 and $18 for the six months ended June 30, 2024 and 2023, respectively.

(**) Includes revenues from United States only.

b. Concentration of credit risk from major customers:

As of June 30, 2024, Customer A accounted for approximately73% of the Company’s trade receivables.

As of December 31, 2023, Customer B accounted for approximately91% of the Company’s trade receivables.

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 (i) our unaudited interim consolidated financial statements as of and for the six months ended June 30, 2024, included as Exhibit 99.1 to this Report on Form 6-K (this "Report"), (ii) our audited consolidated financial statements and other financial information as of and for the year ended December 31, 2023 appearing in our Annual Report on Form 20-F for the year ended December 31, 2023 (our "Annual Report") and (iii) Item 5 — "Operating and Financial Review and Prospects" of our 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.

All references in this Report to "Israeli currency" and "ILS" refer to Israeli New Shekels, the terms "dollar," "USD" or "$" refer to U.S. dollars.

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 in *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.

Company Overview

We are a leading Tier-1 direct supplier of high-performance, automotive grade LiDAR sensors and perception software that feature technological breakthroughs across core components and 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 and trucks.

We were founded in 2016. From our founding, our culture drew from our core values of solving sophisticated technological problems through creativity and agile thinking. We have relied on these values to address the needs of autonomous vehicles in a manner that strikes the desired balance between performance and cost. 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. In 2018, we achieved a design win to power BMW's Level 3 autonomous platform, a program which reached maturity during 2024 and with vehicles already being sold with our LiDARs and perception software.

During 2022, we made the major strategic decision to become a Tier-1 supplier of LiDAR and perception software to the automotive industry. This decision allows us to have direct technical discussions with end customers and to improve pricing to automotive OEMs with the goal of continuing to strengthen our position in the automotive market. This strategic decision has already played a significant role in our major OEM program wins since, as discussed below.

In 2022, following more than two years of extensive diligence and qualification, we were selected by Volkswagen as its direct LiDAR supplier for automated vehicles within the Volkswagen brands with our InnovizTwo next generation high-performance automotive-grade LiDAR sensor. BMW and Volkswagen are leaders in deploying new technologies into the automotive industry. We believe that our close cooperation with these OEMs uniquely positions us to make Level 3 and Level 4 autonomous driving a commercial reality.

The sustained cooperation with our customers provides our engineers and other research and development personnel with a valuable competitive edge. These engineers and other research and development personnel have been meticulously trained to design, operate and verify our many ground-breaking innovations in accordance and in compliance with the ISO26262 standard for Functional Safety in the automotive industry. Compliance with this and other standards have been enforced by regular ongoing audits of Innoviz and rigorous testing by our key suppliers, existing customers and prospective customers that thoroughly review the performance of various elements of our operations. As a result, our products have been constructed from the bottom up with hardware and software technology that meets the most stringent automotive safety, quality, environmental, manufacturing, and other standards.

Our innovation has produced LiDAR solutions that deliver market leading performance and that meet the current demanding safety requirements for Level 2+ through Level 5 autonomous vehicles at price points suitable for mass produced passenger vehicles. Our robust software suite enables our ~905nm wavelength laser-based LiDAR architecture to be easily leveraged to provide compelling solutions for Level 2+ through Level 4 (and Level 5 when applicable). Our integrated custom design of advanced hardware and software components, which leverages the multidisciplinary expertise and experience of our team, enables us to provide autonomous solutions that are likely to accelerate widespread adoption across automakers at serial production scale. This means that we are positioned to penetrate the current market, which is focused primarily on Level 2+ and Level 3 production, and to continue to capture and extend our market share to Levels 4 and 5 as the market continues to mature.

We are currently expanding our third-party manufacturing capacity through contract manufacturers to meet an anticipated increase in customer demand for our products, while also further developing a next generation high-performance automotive-grade LiDAR sensor, the InnovizTwo, that is expected to provide further cost efficiencies, while enabling even higher performance solutions for vehicles offering driving automations levels of Level 2+ and above.

A. Results of Operations

The results of operations presented below should be reviewed in conjunction with our unaudited interim consolidated financial statements as of and for the six months ended June 30, 2024, included in Exhibit 99.1 to this Report, our audited consolidated financial statements as of and for the year ended December 31, 2023 appearing in our Annual Report, and Item 5 - “Operating and Financial Review and Prospects” of our Annual Report. The following table sets forth our consolidated results of operations data for the periods presented:

	Six Months Ended June 30,	
	2024	**2023**
	(In thousands, except share and per share data) (Unaudited)	
Revenues	$ 13,721	$ 2,476
Cost of revenues	(15,255)	(9,572)
Gross loss	(1,534)	(7,096)
Operating expenses:		
Research and development	40,606	49,888
Sales and marketing	4,116	4,620
General and administrative	10,233	9,169
Total operating expenses	54,955	63,677
Operating loss	(56,489)	(70,773)
Financial income, net	5,261	5,267
Loss before taxes on income	(51,228)	(65,506)
Taxes on income	(77)	(468)
Net loss	$ (51,305)	$ (65,974)
Basic and diluted net loss per ordinary share	$ (0.31)	$ (0.48)
Weighted average number of ordinary shares used in computing basic and diluted net loss per ordinary share	166,095,197	136,640,997

Comparison of the Six Months Ended June 30, 2024 and 2023

Revenues

	Six Months Ended June 30,		Change	Change
	2024	2023	$	%
	(In thousands)	(In thousands)	(In thousands)	
Revenues	$ 13,721	$ 2,476	$ 11,245	454%

Revenues increased by approximately $11.2 million, or 454%, to approximately $13.7 million for the six months ended June 30, 2024, from approximately $2.5 million for the six months ended June 30, 2023.

The increase in revenues was primarily due to increased sales of non-recurring engineering or application engineering services (“NRE”), which contributed $10.4 million in revenues during the six months ended June 30, 2024 compared to $0.0 million in revenues during the six months ended June 30, 2023.

Cost of Revenues and Gross Margin

	Six Months Ended June 30,		Change	Change
	2024	2023	$	%
	(In thousands except percentages)		(In thousands)	
Cost of revenues	$ 15,255	$ 9,572	$ 5,683	59%
Gross margin	(11)%	(287)%		

Cost of revenues increased by approximately $5.7 million, or 59%, to approximately $15.3 million for the six months ended June 30, 2024, from approximately $9.6 million for the six months ended June 30, 2023.

The increase in cost of revenues was primarily due to cost related to sales of NRE. Gross margin increased to approximately (11)% for the six months ended June 30, 2024, from approximately (287)% for the six months ended June 30, 2023, primarily due to sales of NRE during the six months ended June 30, 2024.

Operating Expenses

	Six Months Ended June 30,		Change	Change
	2024	2023	$	%
	(In thousands)	(In thousands)	(In thousands)	
Research and development	$ 40,606	$ 49,888	$ (9,282)	(19)%
Sales and marketing	4,116	4,620	(504)	(11)%
General and administrative	10,233	9,169	1,064	12%
Total operating expenses	$ 54,955	$ 63,677	$ (8,722)	(14)%

Research and Development

Research and development expenses decreased by approximately $9.3 million, or 19%, to approximately $40.6 million for the six months ended June 30, 2024, from approximately $49.9 million for the six months ended June 30, 2023.

The decrease was primarily attributable to decrease in payroll of $4.7 million (primarily related to allocation of direct costs related to sales of NRE), third-party software and consulting services of $2.5 million, stock-based compensation of $0.5 million, as well as facilities cost of $0.4 million.

Sales and Marketing

Sales and marketing expenses decreased by approximately $0.5 million, or 11%, to approximately $4.1 million for the six months ended June 30, 2024, from approximately $4.6 million for the six months ended June 30, 2023.

The decrease was primarily attributable to a decrease in headcount.

General and Administrative

General and administrative expenses increased by approximately $1.1 million, or 12%, to approximately $10.2 million for the six months ended June 30, 2024, from approximately $9.2 million for the six months ended June 30, 2023.

The increase was primarily attributable to an increase in consulting services (primarily legal).

Financial Income, net

	Six Months Ended June 30,		Change	Change
	2024	2023	$	%
	(In thousands)	(In thousands)	(In thousands)	
Financial income, net	$ 5,261	$ 5,267	$ (6)	(0)%

Financial income, net was approximately $5.3 million for the six months ended June 30, 2024, compared to financial income, net of approximately $5.3 million for the six months ended June 30, 2023.

The difference was primarily related to lower net gain of $0.5 million related to marketable securities, foreign currency exchange differences of $0.2 million, as well as warrants liability revaluation income of $0.1 million. These were partially offset by an increase in bank deposit interest income of $0.8 million.

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 the countries in which we operate (primarily ILS) may affect the results of our operations. In the six months ended June 30, 2024, approximately 91% 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, 2024, the value of the USD appreciated against the value of the ILS by approximately 3.6%. Our most significant foreign currency exposures are related to our operations in Israel. We hedge our anticipated exposure by exchanging USD into ILS in amounts sufficient to fund up to three months of operations and monitoring 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, primarily in USD.

Our cash and cash equivalents are exposed to market risk related to changes in interest rates, 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 at time of purchase.

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, 2024 and 2023.

B. Liquidity and Capital Resources

Sources of Liquidity

During the six months ended June 30, 2024 and 2023, we funded our operations primarily from the proceeds of the Business Combination (completed in April 2021) of approximately $370 million and, to a lesser extent, from revenues generated from the sale of goods and services.

In the third quarter of 2023, we completed an underwritten public offering in which we issued and sold an aggregate of 26,352,878 ordinary shares for proceeds of approximately $61.4 million, net of the underwriting discount and before deducting offering expenses.

As of June 30, 2024, we had approximately $106.4 million in cash and cash equivalents, short term deposits, short term restricted cash and marketable securities. Cash equivalents and marketable securities are invested in accordance with our investment policy.

Cash Flow Summary

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

	Six Months Ended June 30,	
	2024	2023
	(In thousands)	(In thousands)
Net cash used in operating activities	$ (42,628)	$ (51,432)
Net cash provided by investing activities	40,303	29,605
Net cash provided by financing activities	111	227
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(43)	29
Decrease in cash, cash equivalents and restricted cash	$ (2,257)	$ (21,571)

Operating Activities

During the six months ended June 30, 2024, operating activities used approximately $42.6 million. The primary factors affecting operating cash flows during the six months ended June 30, 2024 were the net loss of approximately $51.3 million, impacted by non-cash charges of approximately $8.7 million consisting of stock-based compensation of approximately $11.1 million, depreciation and amortization of approximately $4.0 million and an increase in working capital of approximately $(6.4) million.

During the six months ended June 30, 2023, operating activities used approximately $51.4 million. The primary factors affecting operating cash flows during the six months ended June 30, 2023 were the net loss of approximately $66.0 million, impacted by non-cash charges of approximately $14.6 million consisting of stock-based compensation of approximately $10.4 million, depreciation and amortization of approximately $3.0 million and a decrease in working capital of approximately $1.2 million.

Investing Activities

During the six months ended June 30, 2024, cash provided by investing activities was approximately $40.3 million, which primarily resulted from withdrawal of bank deposits of approximately $56.0 million and proceeds from sales and maturities of marketable securities of approximately $16.7 million, partially offset by investment in bank deposits of approximately $15.5 million, investment in marketable securities of approximately $14.8 million and purchase of property and equipment of approximately $2.0 million.

During the six months ended June 30, 2023, cash provided by investing activities was approximately $29.6 million, which primarily resulted from withdrawal of bank deposits of approximately $79.5 million, proceeds from sales and maturities of marketable securities of approximately $40.3 million, partially offset by investment in bank deposits of approximately $62.0 million, investment in marketable securities of approximately $23.0 million and purchase of property and equipment of approximately $5.1 million.

Financing Activities

During the six months ended June 30, 2024, cash provided by financing activities was approximately $0.1 million resulting from the exercise of employee stock options.

During the six months ended June 30, 2023, cash provided by financing activities was approximately $0.2 million resulting from the exercise of employee stock options.

Funding Requirements

We expect to continue to invest substantially in our research and development activities and incur commercialization expenses related to product sales, marketing, manufacturing and distribution. As we achieve further commercial success, we may need to obtain additional funding to support our continuing operations. In addition, our financial stability is reviewed by existing and potential customers from time to time and we believe that a stronger cash position provides us additional time to execute our growth strategy and is perceived positively by such customers and may also provide us with higher grading in such customers' diligence processes. 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, 2024, we had cash and cash equivalents, short term bank deposits, short term restricted cash and marketable securities of approximately $106.4 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 similar 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;
- continue to invest in research and development;
- increase our test and validation activities as part of our Tier 1 responsibilities;
- produce an inventory of our LiDAR solutions; and
- continue to invest in sales 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

Our remaining performance obligations are comprised of application engineering services not yet rendered. As of June 30, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was $1.0 million, which we expect to recognize as revenues within the next 12 months.

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.