

Valens Semiconductor (NYSE:VLN)

August 2025

Valens

Forward-Looking Statements

Certain statements in this presentation (this "Presentation") are “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding our anticipated future results, including financial results such as financial goals for 2029, potential acquisition opportunities, currency exchange rates, contract wins, future economic and market conditions. These statements are based on various assumptions, whether or not identified in this Presentation, and on the current expectations of Valens’ management and are not predictions of actual performance. These forward- looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Valens.

These forward-looking statements are subject to a number of risks and uncertainties, including the cyclicality of the semiconductor industry; the effect of inflation and a rising interest rate environment on our customers and industry; the ability of our customers to absorb inventory; competition in the semiconductor industry, and the failure to introduce new technologies and products in a timely manner to compete successfully against competitors; if Valens fails to adjust its supply chain volume due to changing market conditions or fails to estimate its customers’ demand; disruptions in relationships with any one of Valens’ key customers; any difficulty selling Valens’ products if customers do not design our products into their product offerings; Valens’ dependence on winning selection processes; even if Valens succeeds in winning selection processes for its products, Valens may not generate timely or sufficient net sales or margins from those wins; sustained yield problems or other delays in the manufacturing process of products; our ability to effectively manage, invest in, grow, and retain our sales force, research and development capabilities, marketing team and other key personnel; our ability to timely adjust product prices to customers following price increase by the supply chain; our ability to adjust our inventory level due to reduction in demand due to inventory buffers accrued by customers; our expectations regarding the outcome of any future litigation in which we are named as a party; our ability to adequately protect and defend our intellectual property and other proprietary rights; the market price and trading volume of the Valens ordinary shares may be volatile and could decline significantly; political, economic, governmental and tax consequences associated with our incorporation and location in Israel; and those factors discussed in Valens’ Form 20-F filed with the SEC on February 28, 2024 under the heading “Risk Factors,” and other documents of Valens filed, or to be filed, with the SEC. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that Valens does not presently know or that Valens currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Valens’ expectations, plans or forecasts of future events and views as of the date of this Presentation. Valens anticipates that subsequent events and developments may cause Valens’ assessments to change. However, while Valens may elect to update these forward-looking statements at some point in the future, Valens specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Valens’ assessment as of any date subsequent to the date of this Presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements.

GAAP and non-GAAP Measures

This presentation includes GAAP and non-GAAP measures. Non-GAAP Gross Margin is defined as GAAP Gross Profit excluding share-based compensation, depreciation and amortization expenses, divided by revenue. Non-GAAP Operating Expenses is defined as GAAP Operating Expenses excluding share-based compensation, depreciation and amortization expenses.

Adjusted EBITDA is defined as net profit (loss) before financial income (expense), net, income taxes, equity in earnings of investee, depreciation and amortization, further adjusted to exclude share-based compensation, certain batch production incident expenses and change in the fair value of the Forfeiture Shares and earnout liability, which may vary from period-to-period. We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by other issuers, because not all issuers calculate Adjusted EBITDA in the same manner. Adjusted EBITDA should not be considered as an alternative to net loss or any other performance measures derived in accordance with GAAP or as an alternative to cash flows from operating activities as a measure of our liquidity. For reconciliation of GAAP to non-GAAP measures, see Appendix.

Although we provide guidance for Adjusted EBITDA, we are not able to provide guidance for projected Net profit (loss), the most directly comparable GAAP measures. Certain elements of Net profit (loss), including share-based compensation expenses and forfeiture share valuations, are not predictable due to the high variability and difficulty of making accurate forecasts. As a result, it is impractical for us to provide guidance on Net profit (loss) or to reconcile our Adjusted EBITDA guidance without unreasonable efforts. Consequently, no disclosure of projected Net profit (loss) is included. For the same reasons, we are unable to address the probable significance of the unavailable information.

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The **High-Performance Connectivity** Company

The **Highest** Bandwidth
High-speed connectivity for a variety of applications, with no latency.

The **Longest** Reach
Unprecedented flexibility for system Design over the simplest wiring infrastructure.

The **Lowest** Error Rate
Reliable, error-free connectivity for Safety-critical systems.

19	NYSE:VLN	260	40M+	$17.1M	2	125	~$0.5B	100s	$5B
Years of innovation	Listed fabless semiconductor company	Employees	Chipsets sold	Revenues in Q2 2025	Global Industry Standards	Patents	Cumulative R&D Expenses	Of customers	TAM

The Pain Points of Wired Connectivity



Too many cables

At our homes, offices, plants & vehicles



Distance limitations

Extended reach compromises signal integrity



Video resolution

Handling high-throughput, time-sensitive content transmission



Rough environments

EMC, EMI, temperature changes, cable aging



High costs

Design, development, infrastructure & maintenance costs



Installation complexity

Time consuming, complex architectures, not plug & play

Select Customers & Products Empowered by Valens

Entertainment	Digital Signage	Education	Video Conferencing	Industrial	Medical	Automotive
						
						
						

Sticking to our CORE

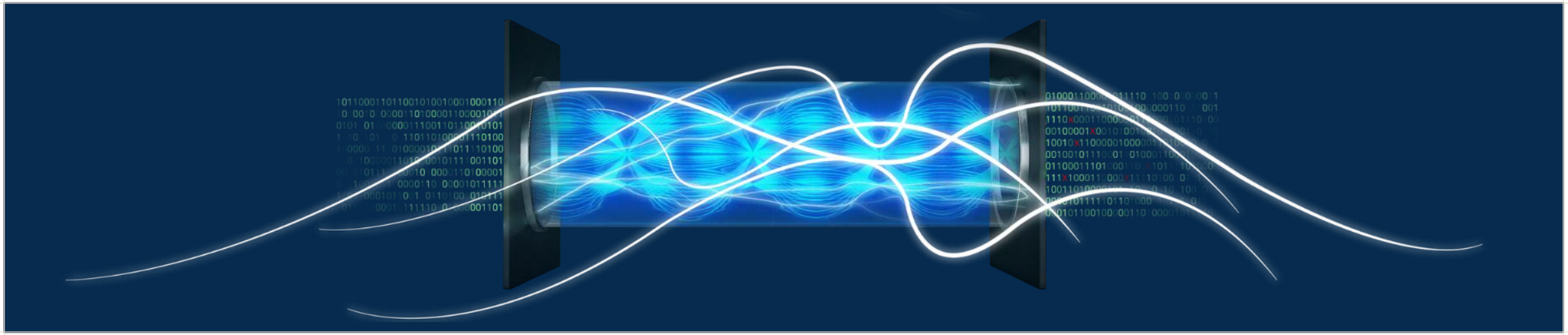


The Valens Edge:
A DSP-Based Approach to Error Handling

Backed by 125 Patents

Valens delivers the most optimized connectivity solutions for long-reach, high-resolution video.
We provide superior performance wherever others can't.

The Valens Difference:
Best-in-class EMC Performance



Legacy connectivity solutions are RESTRICTED by noise, forcing OEMs to:

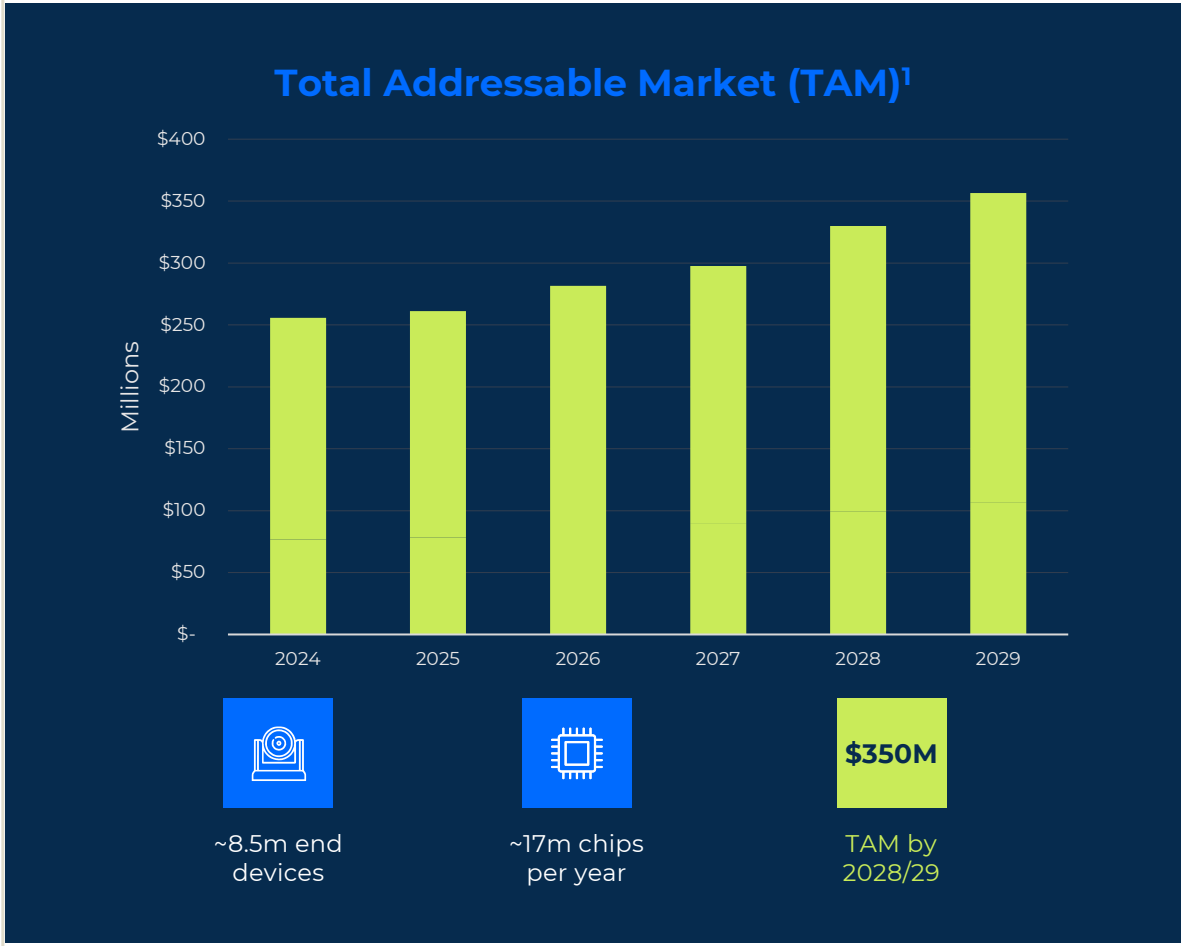
- Reduce bandwidth
- Deploy expensive wiring
- Shorten cable length
- Rely on sub-optimal architecture

Valens' unique approach to noise handling LIBERATES Customers, offering them:

- Scalable Bandwidth
- Simple Wiring
- Long-reach
- Flexible Architecture

Opportunity Spotlight

Video Conferencing: Changing the Way We Work, Learn and Live



Market Drivers

- New AI era of intelligent meeting experiences, led by Microsoft Teams and Zoom
- Democratization of video conferencing for remote and in-room participants
- Growing requirement for bring-your-own-device (BYOD) in huddle and conference rooms
- Increased adoption of USB in ProAV installations

All these trends result in proliferation of video peripherals in in all types of conference rooms.

Video conferencing penetration rate to 2x within 5 years[2]

The combination of increased demand for video, proliferation of USB, and the introduction of the Valens VS6320, represents a unique growth opportunity for Valens

Valens

[1] Future source: Conference Cameras Outlook, Aug 2021; Frost and Sullivan: State of the Global Video Conferencing Devices Market, Dec 2023
[2] Frost and Sullivan: State of the Global Video Conferencing Devices Market, Dec 2023

Spotlight on Pro-AV Success

Valens Created the Leading Industry Standard and Largest Interoperable Ecosystem

HDBT ASE

Founding Members

Valens SAMSUNG SONY PICTURES LG

- Inventor of HDBaseT technology – an audio-video industry standard
- Co-Founder of the HDBaseT Alliance, with Samsung, LG and Sony Pictures. Over 200 members developing HDBaseT-enabled products
- Market leader with unmatched technology for the distribution of ultra high-resolution video and audio

CRESTRON logitech SONY Panasonic

SAMSUNG EPSON NEC

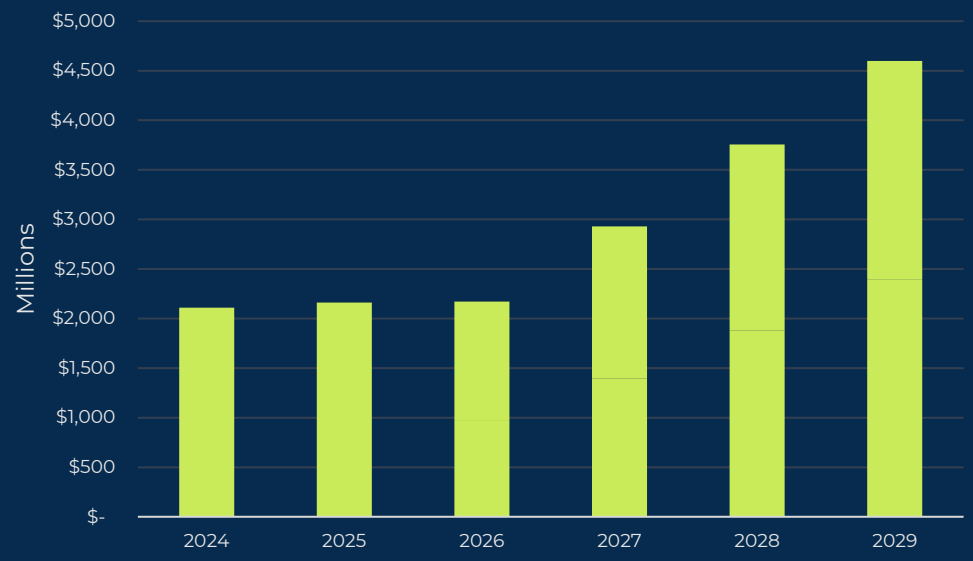
Extron HARMAN LG Electronics



Opportunity Spotlight

Automotive: The Foundation for Next-Gen ADAS & Autonomous Systems

Total Addressable Market (TAM)[1]



95m cars

12 sensors per vehicle

1.4 billion chips per year

TAM by 2029

Market Drivers

- Race towards higher levels of ADAS and Software-Defined Vehicles, leading to:
  - Increasing number of high-resolution sensors
  - Complex, centralized architectures
- Industry striving for standardized connectivity
- Platform lifecycle shortened (due to competition from 'newer' companies like Tesla and Chinese OEMs)

	Level 2/2+	Level 3	Level 4	Level 5
	Feet Off	Hands Off	Eyes Off	Mind Off
Cameras, radars, lidars, displays	4-14	11-23	13-35	19-36+

Only Valens' error-free connectivity can guarantee passenger safety and provide the resilient foundation upon which OEMs can build the cars of the future

[1]*Source: S&P Autonomy Level (Sales) Data, Jan 2023*

Spotlight on Automotive Success







Mercedes-Benz

Enabling State-of-the-Art Infotainment Systems In Mercedes-Benz Vehicles

- On the road with Mercedes since 2020
- The only multi-gig connectivity over unshielded cabling (UTP)

Stoneridge

Providing Unprecedented Visibility to Truck Drivers Around the World

- Exceptional combination of bandwidth and link distances for long vehicles
- Operating over the standard tractor-trailer power cable

mobileye™

Powering Mobileye's next generation of ADAS and autonomous projects

- Valens chips will form the connectivity infrastructure for a variety of Mobileye EyeQ™6 High projects
- Mobileye testing found Valens superior across a variety of parameters

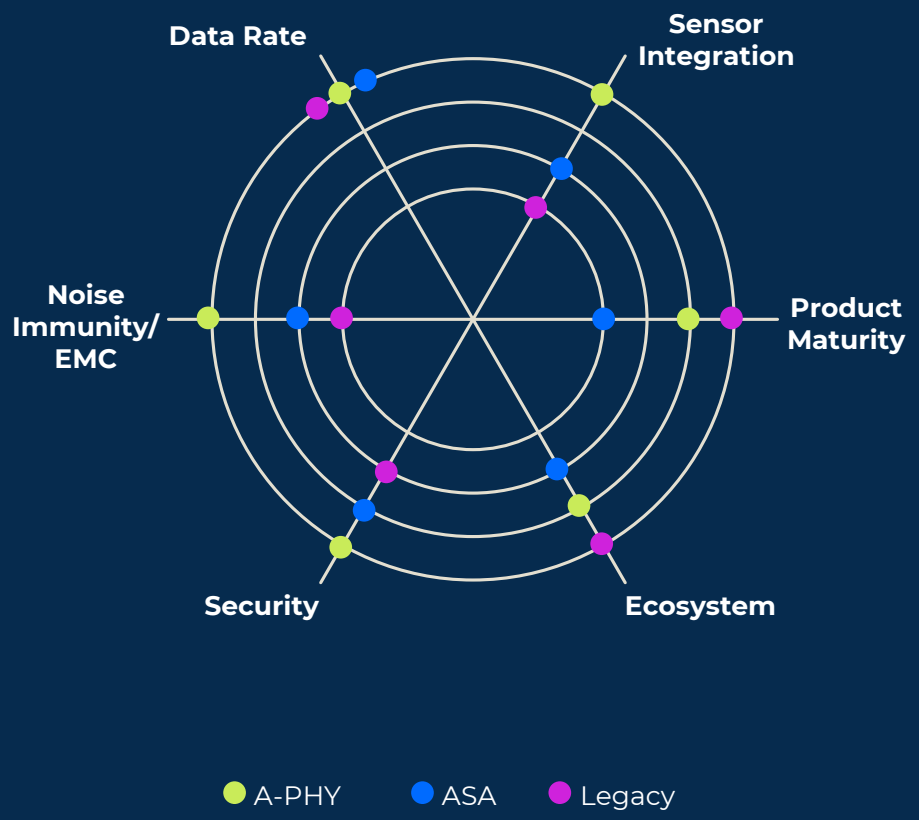
Automotive OEMs have called for a global standard for next-generation sensor connectivity. That standard is MIPI A-PHY.

mipi alliance

- Best-in-class EMC performance
- Clear roadmap to ultra-high bandwidth
- Simple architecture
- End-to-end safety

Valens technology was selected as the basis of the A-PHY standard, and the company is the first in the industry to offer A-PHY-compliant chipsets

Technological Superiority

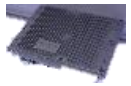


mipi alliance A-PHY Ecosystem

Platform Vendors



BLACK SESAME TECHNOLOGIES
Huashan-2 A1000 L



DESAY SV
Surround View System



Horizon Robotics
ADAS SoC



Qualcomm
Ride platform



LG Electronics
A-PHY platform



mobileye
EyeQ platform



SigmoStar
SoCs supported by A-PHY

Camera & Radar Module Vendors



ARTECH
eiCAM and thinCAM



CHEMI-CON
NCM25-AC module



CHEMTRONICS
A-PHY e-mirror



Continental
FSC300 A-PHY camera



D3 Embedded
A-PHY camera



FRAMOS
FSM:GO modular platform



G-PULSE 金脈
4D A-PHY radar



LEOPARD IMAGING
A-PHY modules



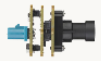
Panasonic AUTOMOTIVE
A-PHY module



MCNEX
A-PHY module



OMNIVISION
ARDS development platform



onsemi
MARS development platform



SAMSUNG
A-PHY module



HYUNDAI MOBIS
ADAS camera



SMART RADAR SYSTEM
Satellite radars with A-PHY



舜宇智领技术 SUNNY SMARTLEAD
3 A-PHY modules

IP & Development Tool Vendors



ADVANTEST
CIS and SOC test platform



BitifEye Digital Test Solutions
Receiver test



cadence
Verification IP



dSPACE
Autera & ESIU Data Simulation



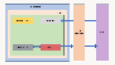
GOPEL electronic
6222 Video Dragon - Frame grabbing and generation



intel foundry
Supporting A-PHY tech



KEYSIGHT TECHNOLOGIES
AE2010R SerDes test platform



MAXYV
Verification IP



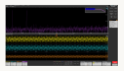
NetVision
SerDes Interface Board (SVM-06) with A-PHY



nextchip
NVS2680 ISP EVB



PROTOCOL INSIGHT
Marlin A200 protocol analyzer



Tektronix
A-PHY Compliance software



Truechip
Verification IP

Silicon & SIP Vendors



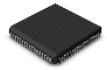
analogix Bring Vision to Life
A-PHY SerDes



ESWIN
A-PHY SerDes



LG Innotek
A-PHY SiP offering



裕太微电子 Motorcomm
YT7917/2 A-PHY SerDes

ram-sCHIP
A-PHY SerDes

SILERGY
A-PHY SerDes

SIMCHIP
SC5501/2 A-PHY SerDes

SONY
CIS, integrated A-PHY

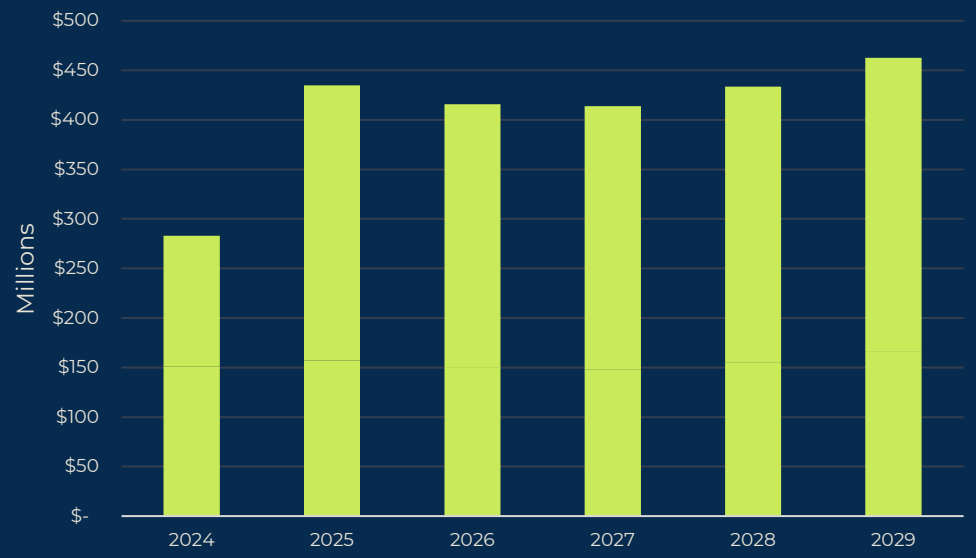
Valens
VA7000 Series A-PHY SerDes

YEUNK 自传微电子
VL77 Series A-PHY SerDes

Opportunity Spotlight

Industrial Machine Vision: Advancing Vision-Driven Automation

Total Addressable Market (TAM)[1]



~16m industrial/ machine vision devices

~32 million chips per year

TAM by 2028/29

Market Drivers

- Rise of machine vision due to:
  - Increased factory automation addressing workforce shortage and increased cost of labor
  - Tighter inspection regulations
  - Increased e-commerce resulting in growth in AMR for warehouses
- Medical imaging trending towards robotic-assisted surgeries and edge AI-assisted diagnoses

3D imaging and AI in machine vision and medical will require higher-performance connectivity solutions

[1] Imaging for Industrial – Machine Vision 2024, Yole Intelligence; custom research, PwC, Apr 2024

Opportunity Spotlight

Spotlight on Industrial Machine Vision Success

Legacy: Industrial PCs and Panels

B&R



BECKHOFF



SIEMENS



ASEM Rockwell Automation



Emerging: Factory Automation and Robotics

RGo CHERRY Robotics



TELEDYNE e2v Everywhereyoulook™



FRAMOS



LEOPARD IMAGING



D3 Embedded



Chipset Enablers

VS2000

VA7000

VS6320

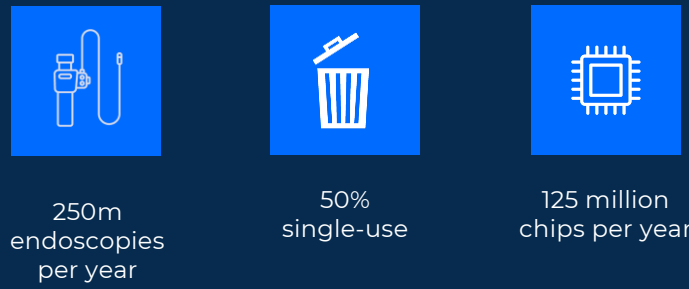
Leveraging Automotive and ProAV chipsets

With a strong foothold in the industrial machine vision market,
Valens is leveraging its newest chipsets to unlock new opportunities

Opportunity Spotlight

Single-Use Endoscopy: An Industry on the Verge of Transformation

Total Addressable Market (TAM)[1]



250m endoscopies per year

50% single-use

125 million chips per year

FDA urging transition to single-use endoscopes for enhanced patient safety; expected CAGR of 10%, reaching $2.5B by 2033

$625M

TAM - Assuming 50% shift to single use (*3% Today)

Market Drivers

- Disposable endoscopes eliminate risk of infection (#2 health hazard, 2024, ECRI)
- Sterilization is timely, expensive and generates toxic waste (ESG)
- Single use will enable procedures to be performed in outpatient clinics

While still in the early stages, we identify a unique opportunity for Valens to become one of the enablers for this industry transformation

[1] Endoscope devices, Grand View Research, Feb 2024; custom research, PwC, Apr 2024

Opportunity Spotlight

Spotlight on Medical Success

Legacy: Medical Imaging

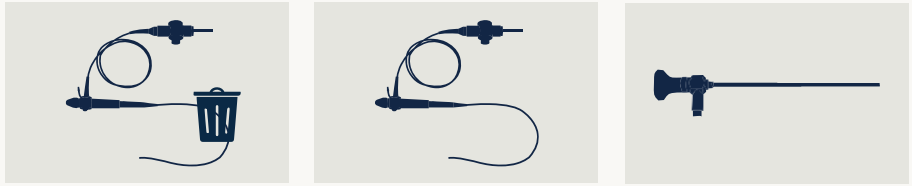
EIZO Medtronic HIKVISION Dräger SIEMENS Healthineers



Emerging: Endoscopes, Including Single Use

Endoscope Projects Under Development

Companies are at various stages of evaluation and development based on Valens technology, including several at FDA approval stages.



Single-Use Flexible Endoscopes

Reusable Flexible Endoscopes

Rigid Endoscopes

Endoscope Requirements

- Error-free links alongside electrosurgical instruments
- 4K — Superior video, 4K, 60fps or higher
- Single cable for both the distal camera and LEDs
- Thin, low-cost cabling
- Small form factor on the sensor side

The benefits of the Valens connectivity chipsets are perfectly suited for endoscopes, and especially for the emerging single-use architecture

One Technology. Infinite Possibilities.

VS100 Series

Breakthrough chipset for ProAV, offering the first standard for long-reach video connectivity



VS2000 Series

Addition of USB opens new appliccations for Industrial and Medical connectivity



VA6000 Series

First automotive-grade chipset, powering the Mercedes-Benz MBUX Infotainment systems



VS3000 Series

The only uncompressed copper solution for HDMI 2.0 4K@60 4:4:4 extension



VA7000 Series

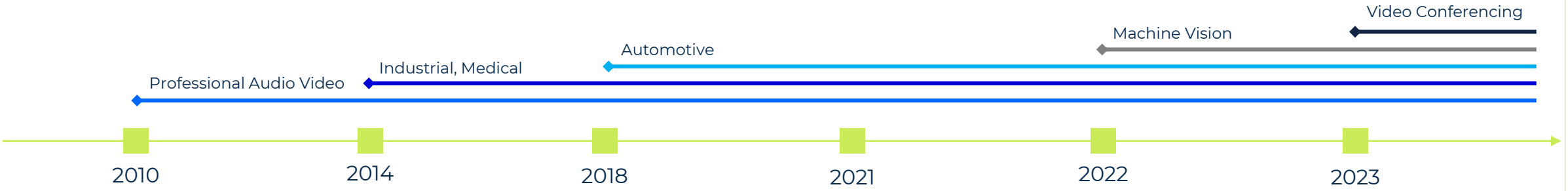
The first MIPI A-PHY standard-compliant SerDes on the market



VS6320 Chip

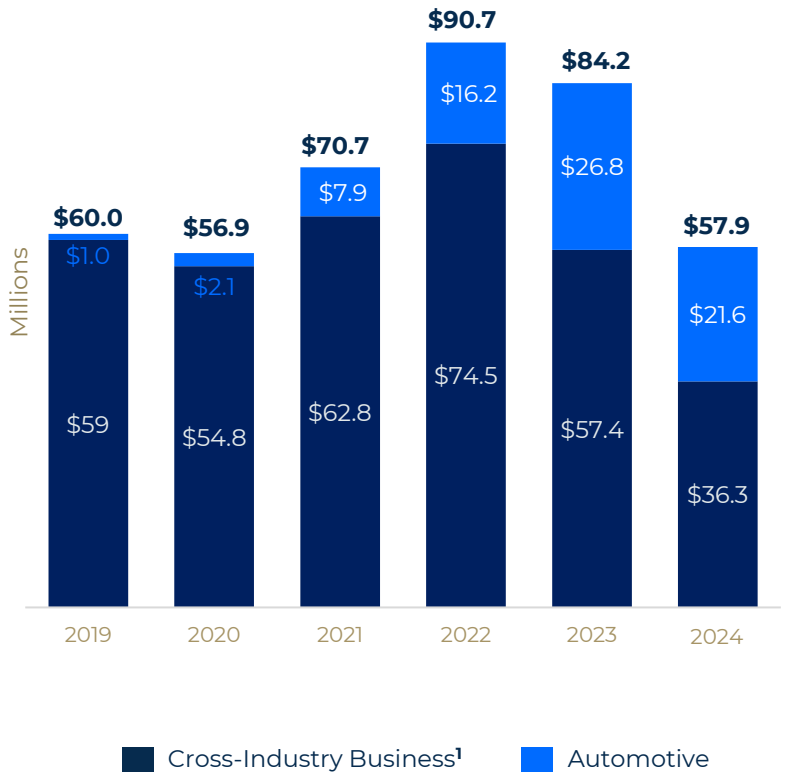
The market's only high-performance, single chip solution for USB3.2 extension



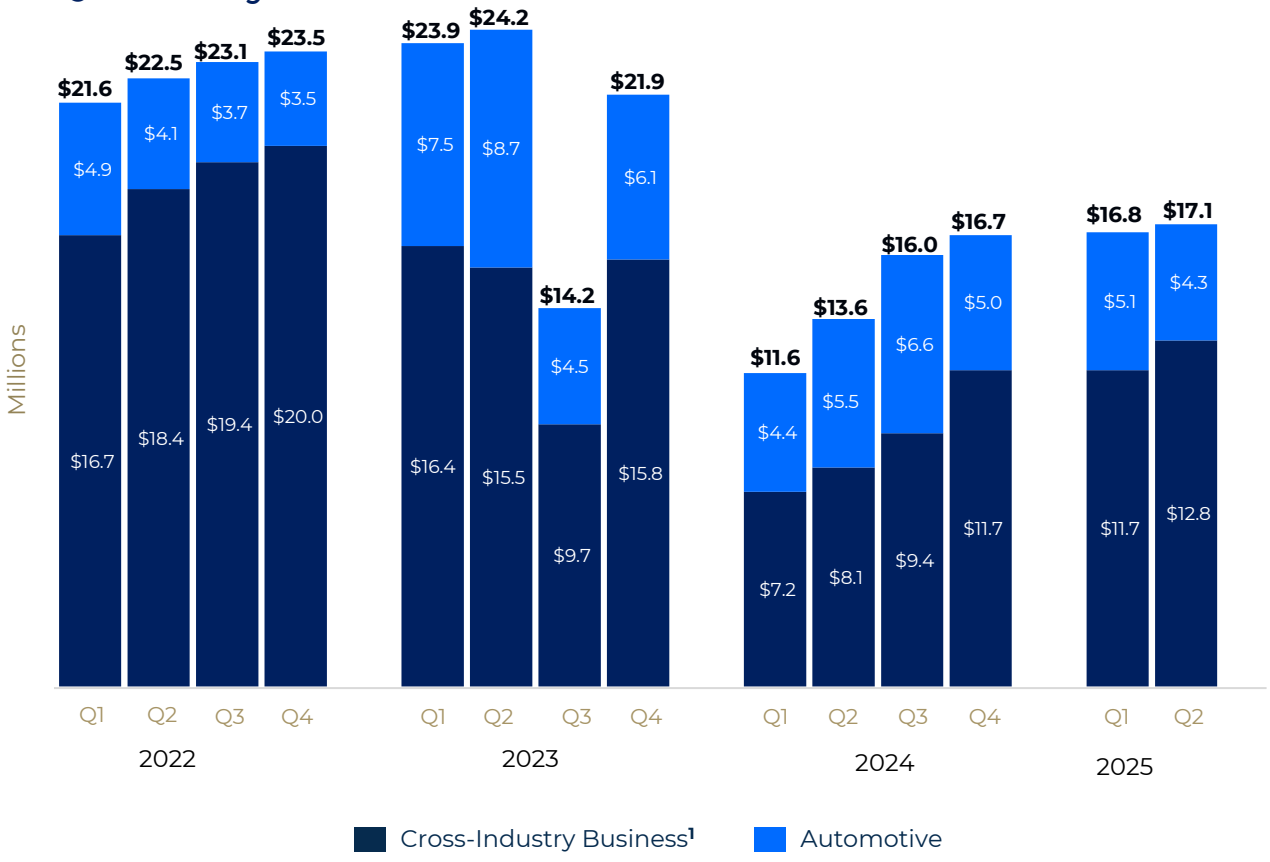


Revenues

Annual



Quarterly



[1]Cross-Industry Business revenues defined as Professional Audio-Video markets (Entertainment, Digital Signage, Education, Video Conferencing) plus Industrial and Medical.

Key Financial Data

US$ Millions		Q1-2024	Q2-2024	Q3-2024	Q4-2024	Annual 2024	Q1-2025	Q2-2025
Revenue	Company	$11.6	$13.6	$16.0	$16.7	$57.9	$16.8	$17.1
	Cross-Industry Business	$7.2	$8.1	$9.4	$11.7	$36.3	$11.7	$12.8
	Automotive	$4.4	$5.5	$6.6	$5.0	$21.6	$5.1	$4.3
GAAP Gross Margin %	Company	59.0%	61.4%	56.4%	60.4%	59.2%	62.9%	63.5%
	Cross-Industry Business	77.2%	75.4%	70.2%	64.7%	71.0%	69.1%	67.8%
	Automotive	29.1%	40.9%	37.0%	50.5%	39.5%	48.4%	50.5%
Adjusted EBITDA (Loss)	Company	$(7.1)	$(5.2)	$(5.1)	$(3.7)	$(21.1)	$(4.3)	$(4.0)
Loss Per Share		$(0.10)	$(0.08)	$(0.10)	$(0.07)	$(0.35)	$(0.08)	$(0.07)

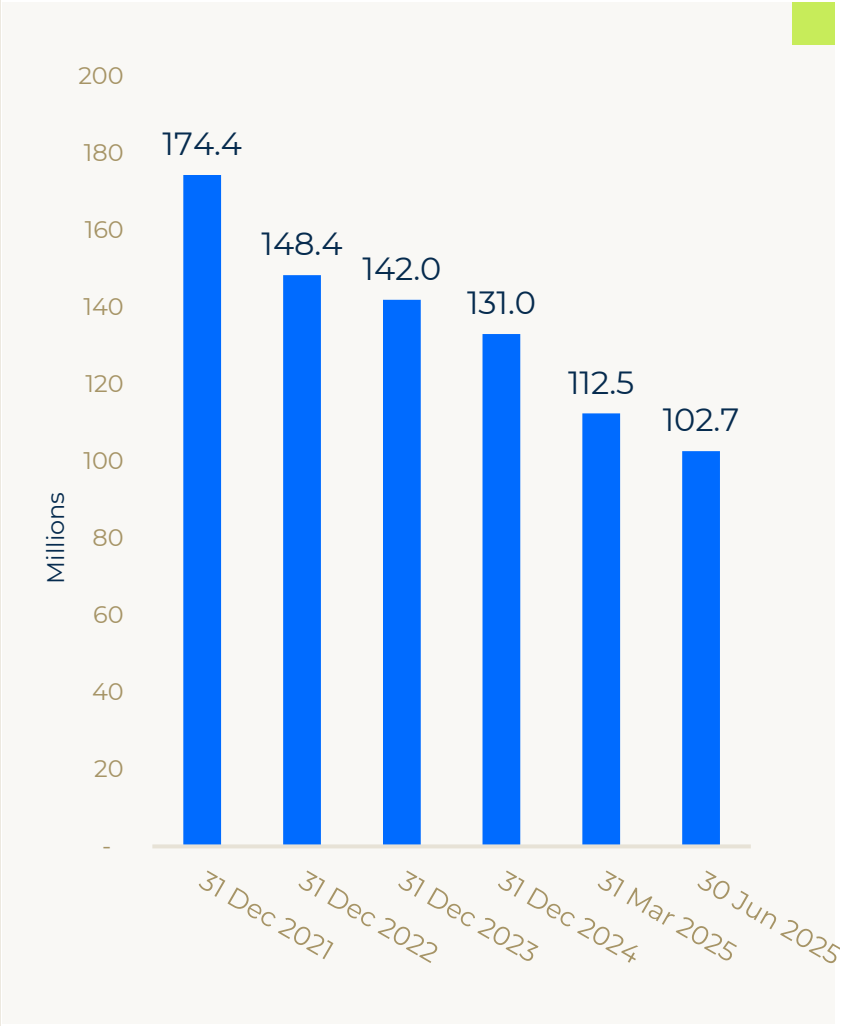
Third Quarter 2025 Guidance

- **Revenue**: $15.1-$15.6 Million
- **Gross Margin**: 58.0%-60.0%
- **Adjusted EBITDA (Loss)**: $(7.4)-$(6.8) Million

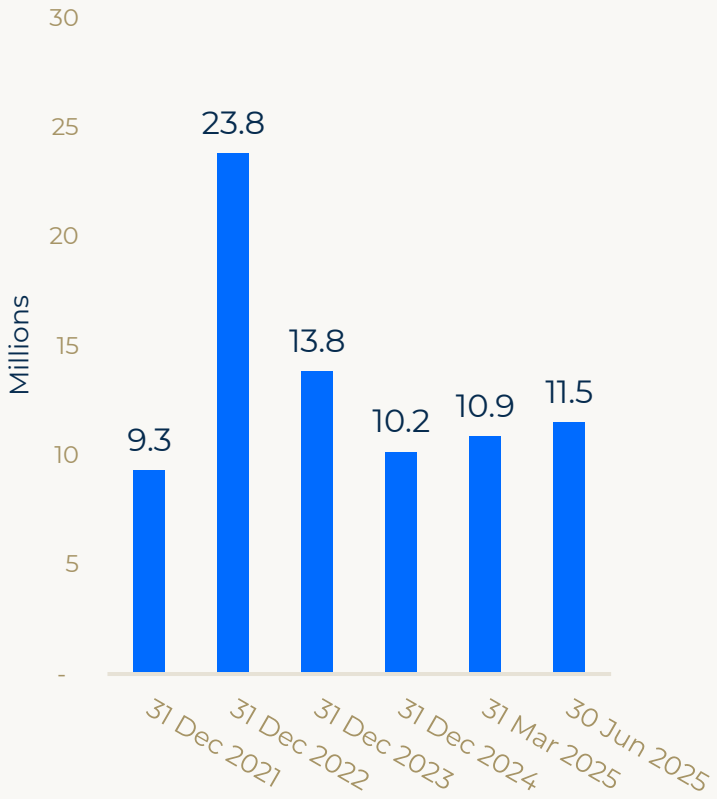
2025 Annual Guidance

- **Revenue**: $66.0-$71.0 Million

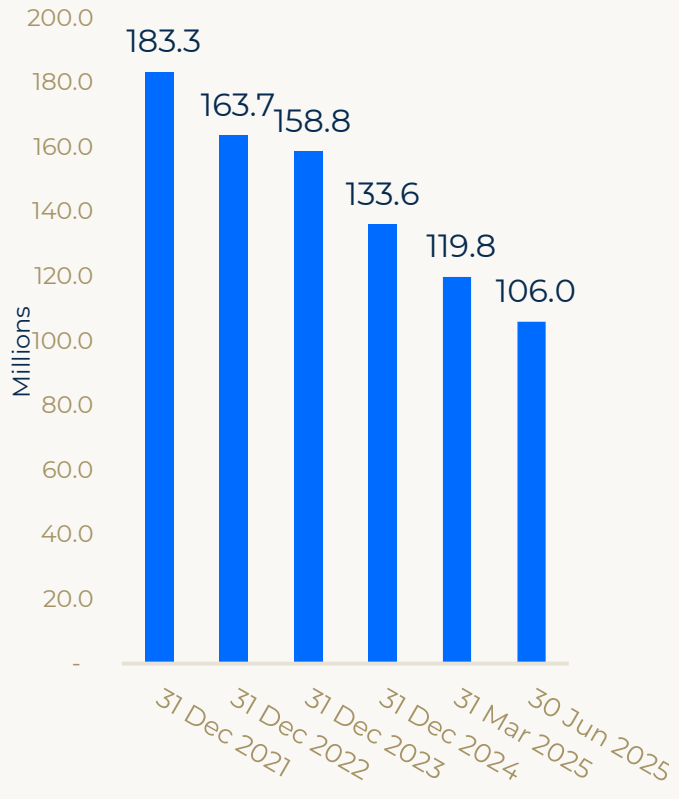
Cash Balance[1,3]



Inventory Level



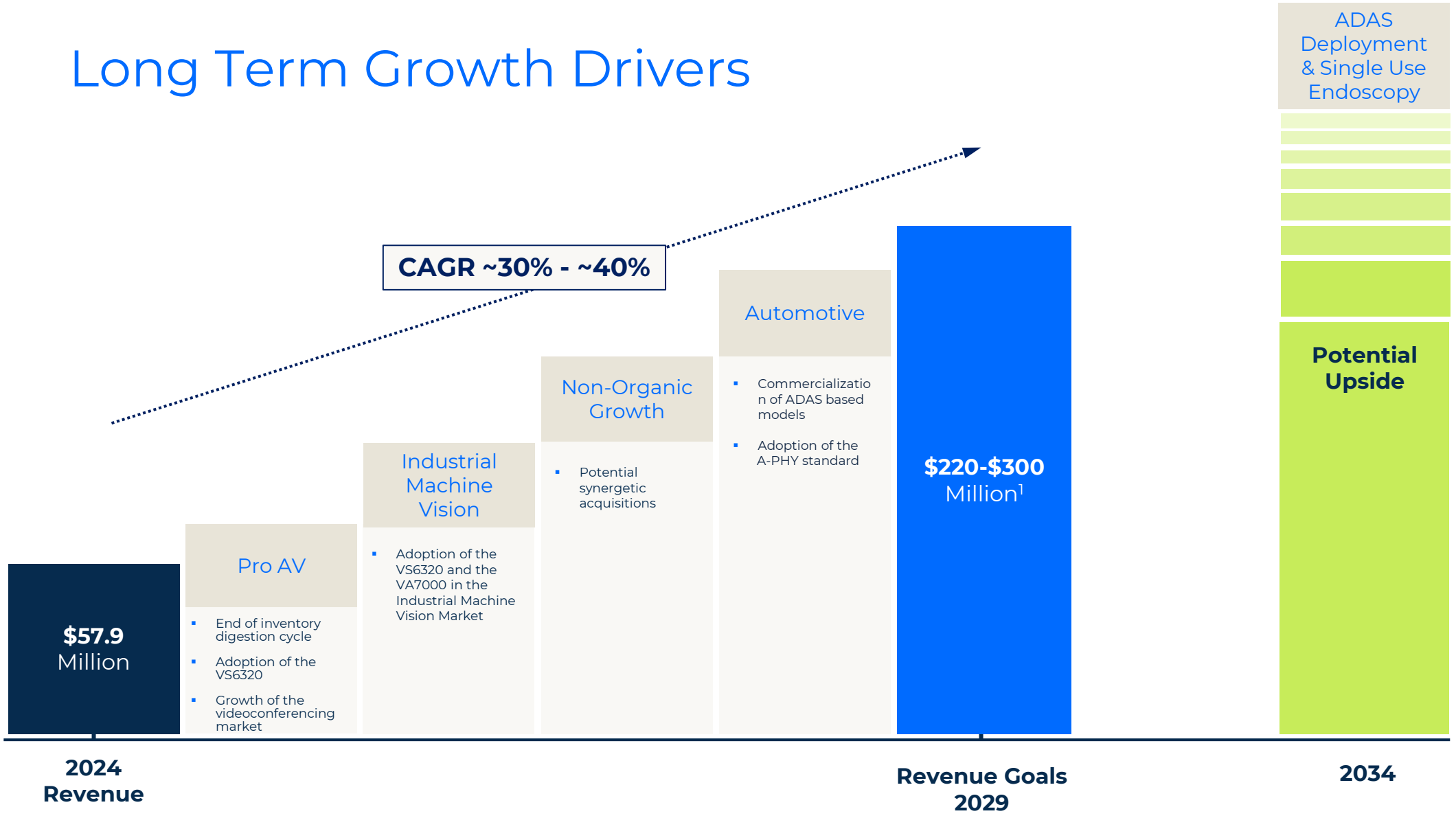
Working Capital[2]



Valens

1 Cash Balance is defined as cash, cash equivalents and short-term deposits, excluding restricted short-term deposit in an amount of $1.2M.
2 Working Capital is defined as Total Current Assets less Total Current Liabilities.
3 The company announced share buybacks of up to $10 million on November 26, 2024, and up to $15 million on February 11, 2025.

Long Term Growth Drivers



[1] Goals for 2029:
ProAV $90M - $100M ; Industrial and Machine Vision $35M - $50M;
Automotive $65M - $110M ; Non-Organic growth $30M - $40M

[1] Goals for 2029:
Gross Margin: 50%-60%
Adjusted EBITDA Margin: 15%-20%

2025 Guidance and Goals

Revenue Guidance
$66-$71 Million
~14%-23% YoY growth

ProAV
Partial recovery from the inventory digestion cycle; adoption and commercialization of VS6320-based products for the video conferencing market

Industrial Machine Vision
New design win announcements based on the VS6320 and VA7000

Automotive
New design win announcements with leading OEMs

Summary



Revenue Growth

Target of X 4-6 within 5 years



Diversification

Among different verticals and industries



Design Wins Cycles

Long sales and products life cycle provides long term customer engagement and good visibility



Profitable Business Model

Goals:
Gross Margin >50%
Adjusted EBITDA Margin >15%



Strong Cash Balance

Allows executing both the organic and the nonorganic growth opportunities

Think Outside
The Square



investors@valens.com

Appendix - GAAP to Non-GAAP Reconciliation ($ Thousands)

	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24
Revenues	17,059	16,828	16,665	16,038	13,597	11,559
COGS	6,224	6,246	6,592	6,993	5,253	4,744
GAAP gross profit	10,835	10,582	10,073	9,045	8,344	6,815
GAAP gross margin	63.5%	62.9%	60.4%	56.4%	61.4%	59.0%
Depreciation and amortization	384	400	433	446	180	116
Share-based compensation	246	250	247	238	243	231
NON-GAAP gross profit	11,465	11,232	10,753	9,729	8,767	7,162
NON-GAAP gross margin	67.2%	66.7%	64.5%	60.7%	64.5%	62.0%
GAAP net loss	-7,184	-8,308	-7,317	-10,355	-8,869	-10,042
Depreciation and amortization	758	770	788	823	480	456
Share-based compensation	3,775	4,166	3,859	3,760	3,735	3,764
Financial income, net	-225	-1,238	-1,136	-1,885	-540	-1,234
Income Taxes	21	93	44	14	21	17
Equity in earnings of investee	-1	-3	-2	-4	-12	-5
Change in fair value of Forfeiture Shares	-	0	1	-3	-10	-25
Change in earnout liability	-837	174	85	264	28	0
Certain batch production incident expenses	-323	0	-10	2,249	0	0
Adjusted EBITDA	-4,016	-4,346	-3,688	-5,137	-5,167	-7,069

Appendix - Company's Profit And Loss

			Year ended December 31		
	Q2-2025	Q1-2025	2024	2023	2022
REVENUES	17,059	16,828	57,859	84,161	90,715
COST OF REVENUES	6,224	6,246	(23,582)	(31,569)	(27,325)
GROSS PROFIT	10,835	10,582	34,277	52,592	63,390
OPERATING EXPENSES:					
Research and development expenses	10,198	10,590	(40,475)	(48,171)	(58,207)
Sales and marketing expenses	5,166	5,607	(18,302)	(17,314)	(16,959)
General and administrative expenses	3,697	3,667	(16,465)	(14,024)	(16,593)
Change in earnout liability	(837)	174	(377)	-	-
TOTAL OPERATING EXPENSES	18,224	20,038	(75,619)	(79,509)	(91,759)
OPERATING LOSS	(7,389)	(9,456)	(41,342)	(26,917)	(28,369)
Change in fair value of Forfeiture Shares	0	0	37	1,713	2,907
Financial income (expenses), net	225	1,238	4,795	5,637	(1,770)
LOSS BEFORE INCOME TAXES	(7,164)	(8,218)	(36,510)	(19,567)	(27,232)
INCOME TAXES	(21)	(93)	(96)	(112)	(451)
LOSS AFTER INCOME TAXES	(7,185)	(8,311)	(36,606)	(19,679)	(27,683)
Equity in earnings of investee	1	3	23	18	16
NET LOSS	(7,184)	(8,308)	(36,583)	(19,661)	(27,667)
Basic and diluted net loss per Ordinary Share	(0.07)	(0.08)	(0.35)	(0.19)	(0.28)
Weighted average number of shares and vested RSUs used in computing net loss per Ordinary Share	103,551,779	105,255,959	105,477,191	101,985,939	97,820,782
Other comprehensive income:					
Change in unrealized gains on cash flow hedges	1,276	(542)	601	-	-
TOTAL COMPREHENSIVE LOSS	**(5,908)**	**(8,850)**	**(35,982)**	**(19,661)**	**(27,667)**