UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 29, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

Commission file number 001-41541

Mobileye Global Inc.

(Exact name of registrant as specified in its charter)

Delaware	**88-0666433**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
c/o Mobileye B.V. Har Hotzvim, 1 Shlomo Momo HaLevi Street Jerusalem 9777015, Israel	+972-2-541-7333
(Address of principal executive offices) (Zip Code)	(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Class A common stock, par value $0.01	MBLY	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 99,548,127 shares of Class A common stock, $0.01 par value, outstanding at July 31, 2024.

MOBILEYE GLOBAL INC.

FORM 10-Q

For the quarterly period ended June 29, 2024

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In this report, references to “we,” “us,” “our,” our “company,” “Mobileye,” the “Company,” and similar terms refer to Mobileye Global Inc. and, unless the context requires otherwise, its consolidated subsidiaries, except with respect to our historical business, operations, financial performance, and financial condition prior to our initial public offering, where such terms refer to Mobileye Group, which combines the operations of Cyclops Holdings Corporation, Mobileye B.V., GG Acquisition Ltd., Moovit App Global Ltd., and their respective subsidiaries, along with certain Intel employees mainly in research and development. References to “Moovit” refer to GG Acquisition Ltd., Moovit App Global Ltd., and their consolidated subsidiaries.

We have a 52 or 53-week fiscal year that ends on the last Saturday in December. Fiscal year 2023 was a 52-week fiscal year; fiscal year 2024 is also a 52-week fiscal year. Certain amounts, percentages, and other figures presented in this report have been subject to rounding adjustments. Accordingly, figures shown as totals, dollars, or percentage amounts of changes may not represent the arithmetic summation or calculation of the figures that precede them.

Part 1: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MOBILEYE GLOBAL INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

U.S. dollars in millions	June 29, 2024	December 30, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 1,203	$ 1,212
Trade accounts receivable, net	204	357
Inventories	485	391
Other current assets	115	106
Total current assets	**2,007**	**2,066**
Non-current assets		
Property and equipment, net	456	447
Intangible assets, net	1,831	2,053
Goodwill	10,895	10,895
Other long-term assets	118	116
Total non-current assets	**13,300**	**13,511**
TOTAL ASSETS	**$ 15,307**	**$ 15,577**
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued expenses	$ 171	$ 229
Employee related accrued expenses	91	87
Related party payable	53	39
Other current liabilities	31	48
Total current liabilities	**346**	**403**
Non-current liabilities		
Long-term employee benefits	55	56
Deferred tax liabilities	137	148
Other long-term liabilities	50	46
Total non-current liabilities	**242**	**250**
Contingencies (see note 11)		
TOTAL LIABILITIES	**$ 588**	**$ 653**
Equity		
Class A common stock: $0.01 par value; 4,000,000,000 shares authorized; shares issued and outstanding: 97,736,898 as of June 29, 2024 and 94,652,348 as of December 30, 2023	1	1
Class B common stock: $0.01 par value; 1,500,000,000 shares authorized; shares issued and outstanding: 711,500,000 as of June 29, 2024 and December 30, 2023	7	7
Additional paid-in capital	14,985	14,886
Retained earnings (accumulated deficit)	(274)	30
TOTAL EQUITY	**14,719**	**14,924**
TOTAL LIABILITIES AND EQUITY	**$ 15,307**	**$ 15,577**

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

MOBILEYE GLOBAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(UNAUDITED)

	Three months ended		Six months ended	
U.S. dollars in millions, except per share amounts	**June 29, 2024**	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Revenue	$ 439	$ 454	$ 678	$ 912
Cost of revenue	230	230	415	481
Gross profit	**209**	**224**	**263**	**431**
Research and development, net	256	211	499	446
Sales and marketing	28	29	62	62
General and administrative	19	17	34	37
Total operating expenses	**303**	**257**	**595**	**545**
Operating income (loss)	**(94)**	**(33)**	**(332)**	**(114)**
Other financial income (expense), net	13	15	30	23
Income (loss) before income taxes	**(81)**	**(18)**	**(302)**	**(91)**
Benefit (provision) for income taxes	(5)	(10)	(2)	(16)
Net income (loss)	**$ (86)**	**$ (28)**	**$ (304)**	**$ (107)**
Earnings (loss) per share attributed to Class A and Class B stockholders:				
Basic and diluted	$ (0.11)	$ (0.04)	$ (0.38)	$ (0.13)
Weighted-average number of shares used in computation of earnings (loss) per share attributed to Class A and Class B stockholders (in millions):				
Basic and diluted	806	805	806	803
Net income (loss)	**(86)**	**(28)**	**(304)**	**(107)**
Other comprehensive income (loss)	—	—	—	**9**
TOTAL COMPREHENSIVE INCOME (LOSS)	**$ (86)**	**$ (28)**	**$ (304)**	**$ (98)**

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

MOBILEYE GLOBAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED)

U.S. dollars in millions, except per share amounts	Common Stock Number of shares	Common Stock Amount	Additional paid-in capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated deficit)	Total Shareholders' Equity
Three Months Ended						
Balance as of March 30, 2024	**806**	**$ 8**	**$ 14,943**	**$ —**	**$ (188)**	**$ 14,763**
Net income (loss)	—	—	—	—	(86)	(86)
Share-based compensation expense	—	—	62	—	—	62
Recharge to Parent for Share-based compensation	—	—	(20)	—	—	(20)
Issuance of common stock under employee share-based compensation plans	3	—	—	—	—	—
Balance as of June 29, 2024	**809**	**$ 8**	**$ 14,985**	**$ —**	**$ (274)**	**$ 14,719**
Balance as of April 1, 2023	**802**	**$ 9**	**$ 14,800**	**$ —**	**$ (22)**	**$ 14,787**
Net income (loss)	—	—	—	—	(28)	(28)
Tax sharing agreement with Parent	—	—	5	—	—	5
Share-based compensation expense	—	—	55	—	—	55
Recharge to Parent for Share-based compensation	—	—	(18)	—	—	(18)
Issuance of common stock under employee share-based compensation plans	4	—	—	—	—	—
Secondary offering	—	*	—	—	—	*
Balance as of July 1, 2023	**806**	**$ 8**	**$ 14,842**	**$ —**	**$ (50)**	**$ 14,800**
Six Months Ended						
Balance as of December 30, 2023	**806**	**$ 8**	**$ 14,886**	**$ —**	**$ 30**	**$ 14,924**
Net income (loss)	—	—	—	—	(304)	(304)
Share-based compensation expense	—	—	124	—	—	124
Recharge to Parent for Share-based compensation	—	—	(25)	—	—	(25)
Issuance of common stock under employee share-based compensation plans	3	—	—	—	—	—
Balance as of June 29, 2024	**809**	**$ 8**	**$ 14,985**	**$ —**	**$ (274)**	**$ 14,719**
Balance as of December 31, 2022	**802**	**$ 9**	**$ 14,737**	**$ (9)**	**$ 57**	**$ 14,794**
Net income (loss)	—	—	—	—	(107)	(107)
Other comprehensive income (loss), net	—	—	—	9	—	9
Share-based compensation expense	—	—	127	—	—	127
Recharge to Parent for Share-based compensation	—	—	(22)	—	—	(22)
Issuance of common stock under employee share-based compensation plans	4	—	—	—	—	—
Secondary offering	—	*	—	—	—	*
Balance as of July 1, 2023	**806**	**$ 8**	**$ 14,842**	**$ —**	**$ (50)**	**$ 14,800**

*Rounding of Class A and Class B share amounts due to Secondary offering.

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

MOBILEYE GLOBAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

U.S. dollars in millions	Six months ended June 29, 2024	Six months ended July 1, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ (304)	$ (107)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation of property and equipment	30	15
Share-based compensation	124	127
Amortization of intangible assets	222	251
Exchange rate differences on cash and cash equivalents	5	5
Deferred income taxes	(11)	(10)
Interest with related party, net	—	16
(Gains) losses on equity and debt investments, net	1	—
Other	(1)	—
Changes in operating assets and liabilities:		
Decrease (increase) in trade accounts receivable	133	29
Decrease (increase) in other current assets	8	21
Decrease (increase) in inventories	(94)	(150)
Increase (decrease) in accounts payable, accrued expenses and related party payable	(52)	3
Increase (decrease) in employee-related accrued expenses and long term benefits	3	(2)
Increase (decrease) in other current liabilities	5	(2)
Decrease (increase) in other long term assets	(2)	1
Increase (decrease) in other long term liabilities	3	—
Net cash provided by (used in) operating activities	**70**	**197**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(46)	(58)
Purchases of debt and equity investments	(18)	—
Net cash provided by (used in) investing activities	**(64)**	**(58)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Share-based compensation recharge	(11)	(12)
Net cash provided by (used in) financing activities	**(11)**	**(12)**
Effect of foreign exchange rate changes on cash and cash equivalents	(5)	(5)
Increase (decrease) in cash, cash equivalents and restricted cash	(10)	122
Balance of cash, cash equivalents and restricted cash, at beginning of year	1,226	1,035
Balance of cash, cash equivalents and restricted cash, at end of period	**$ 1,216**	**$ 1,157**
Supplementary non-cash investing and financing activities:		
Non-cash purchase of property and equipment	$ 10	$ 8
Non-cash share based compensation recharge	14	10
Supplemental cash flow information:		
Cash received (paid) for income taxes, net of refunds	$ (15)	$ (29)
Interest received from related party	—	16

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

MOBILEYE GLOBAL INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - GENERAL

Background

Mobileye Global Inc. (“Mobileye”, “the Company” or “we”) is a leader in the development and deployment of advanced driver assistance systems (“ADAS”) and autonomous driving technologies and solutions, aimed to provide the capabilities required for the future of autonomous driving, leveraging a comprehensive suite of purpose-built software and hardware technologies.

Intel Corporation (“Intel” or the “Parent”) directly or indirectly hold all of the Class B common stock of Mobileye, which as of June 29, 2024, represents approximately 87.9% of our outstanding common stock and 98.6% of the voting power of our common stock.

Operations in Israel

On October 7, 2023, Hamas launched a series of attacks on civilian and military targets in Southern and Central Israel, to which the Israel Defense Forces have responded. In addition, Hezbollah has attacked military and civilian targets in Northern Israel, to which Israel has responded. Further, on April 13, 2024, Iran launched a series of drone and missile strikes against Israel, to which Israel has responded. How long and how severe the current conflict in Gaza, Northern Israel or the broader region becomes is unknown at this time and any continued clash among Israel, Hamas, Hezbollah, Iran or other countries or militant groups in the region may escalate in the future into a greater regional conflict. To date our operations and financial results have not been materially affected, although as of July 31, 2024 approximately 3.6% of our employees have been called to reserve duty in the Israel Defense Forces. We expect that the current conflict in the Gaza Strip and the security escalation in Israel will not have a material impact on our business results in the short term. However, since this is an event beyond our control, its continuation or cessation may affect our expectations. We continue to monitor political and military developments closely and examine the consequences for our business, results of operations and financial condition.

Other events during the reporting period

On March 18, 2024, the Company announced the winding down of the Aftermarket Solutions Unit that provides retrofitted advanced driver assistance technology. This decision was made following a thorough review of this unit’s business prospects and investment needs showing that since automakers and other vehicle manufacturers have steadily increased the rate at which integrated ADAS solutions are installed on new vehicles, the demand and future addressable market for retrofitted ADAS solutions has declined. As a result, this division has seen its revenues decline meaningfully, and in recent years has not positively contributed to Mobileye’s profitability. The plan for winding down of the Aftermarket Solutions Unit includes a reduction in workforce of over 100 employees worldwide. The affected employees are entitled to additional termination costs in the amount of approximately $4 million, which was recognized as an expense in the six months ended June 29, 2024.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial reporting.

Certain information and footnote disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. These condensed consolidated financial statements have been prepared on the same basis as the Company’s annual audited consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for the fair statement of the Company’s financial information.

MOBILEYE GLOBAL INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

We have a 52- or 53-week fiscal year that ends on the last Saturday in December. Fiscal year 2023 was a 52 week fiscal year; fiscal year 2024 is also a 52 week fiscal year.

The results of operations for the three and six months ended June 29, 2024 shown in this report are not necessarily indicative of the results to be expected for the full year ending 2024. The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 30, 2023.

There have been no material changes in our significant accounting policies as described in our consolidated financial statements for the fiscal year ended December 30, 2023, except as detailed below regarding accounting for investments. For further detail, see Note 2 in the audited consolidated financial statements for the fiscal year ended December 30, 2023.

Use of estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts and events reported and disclosed in the condensed consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions and factors, including the current economic environment, that we believe to be reasonable under the circumstances. Actual results could differ from those estimates.

On an on-going basis, management evaluates its estimates, judgments, and assumptions. The most significant estimates and assumptions relate to useful lives of intangible assets, impairment assessment of intangible assets and goodwill and income taxes.

Investments

Debt Investments

Marketable debt securities consist of highly liquid U.S. government bonds with maturities of up to six months when purchased. These debt investments are classified as Available For Sale investments and measured at fair value with unrealized gains and losses, net of tax, recorded in accumulated other comprehensive income (loss). We consider all highly liquid debt investments that are readily convertible into cash and have an original maturity of three months or less at the time of purchase to be cash equivalents. Debt investments with original maturities of greater than three months and less than one year, are classified within other current assets.

Available for sale debt investments are subject to a periodic impairment review. For investments in an unrealized loss position, we determine whether a credit loss exists. We recognize an allowance for credit losses, up to the amount of the unrealized loss when appropriate, and write down the amortized cost basis of the investment if it is more likely than not we will be required or we intend to sell the investment before recovery of its amortized cost basis.

Equity Investments

Equity investments consist of investments in marketable equity securities. Equity investments are measured and recorded at fair value with changes in fair value, whether realized or unrealized, recorded in the statement of operations. Equity investments are classified within other current assets.

MOBILEYE GLOBAL INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Cash, cash equivalents and restricted cash

The following is a reconciliation of cash, cash equivalents and restricted cash as of each period end:

	As of	
U.S. dollars in millions	**June 29, 2024**	**December 30, 2023**
Cash	$ 50	$ 58
Short term deposits	224	222
Money market funds	927	932
U.S. Government bonds	2	—
Restricted cash (within other current and other long-term assets)	13	14
Cash, cash equivalents and restricted cash presented in the consolidated statements of cash flows	**$ 1,216**	**$ 1,226**

Fair value measurement

The carrying value of short term deposits classified as cash equivalents approximates their fair value due to the short maturity of these items.

The Company's investment in money market funds is measured at fair value within Level 1 of the fair value hierarchy because they consist of financial assets for which quoted prices are available in an active market. Interest income related to money market funds for the three months ended June 29, 2024 and July 1, 2023 amounted to $12 million and $12 million, respectively; and $24 million and $20 million for the six months ended June 29, 2024 and July 1, 2023, respectively.

The Company's investment in U.S. government bonds is measured at fair value within Level 1 of the fair value hierarchy because they consist of U.S. government bonds for which quoted prices are available in an active market.

The Company's marketable equity investments are measured at fair value within Level 1 of the fair value hierarchy because they consist of investments in marketable equity securities for which quoted prices are available in an active market.

The carrying amounts of trade accounts receivable and accounts payable approximate fair value because of their generally short maturities.

Research and development, net

Research and development expenses are expensed as incurred, and consist primarily of personnel, facilities, equipment, and supplies for research and development activities.

The Company occasionally enters into best-efforts nonrefundable, non-recurring engineering ("NRE") arrangements pursuant to which the Company is reimbursed for a portion of the research and development expenses attributable to specific development programs. The Company does not receive any additional compensation or royalties upon completion of such projects and the potential customer does not commit to purchase the resulting product in the future. The participation reimbursement received by the Company does not depend on whether there are future benefits from the project. All intellectual property generated from these arrangements is exclusively owned by the Company.

Participation in expenses for research and development projects are recognized on the basis of the costs incurred and are netted against research and development expenses in the condensed consolidated statements of operations and comprehensive income (loss). Research and development reimbursements of $12 million and $16 million were offset against research and development costs in the three months ended June 29, 2024 and July 1, 2023, respectively; and $48 million and $33 million were offset in the six months ended June 29, 2024 and July 1, 2023, respectively.

MOBILEYE GLOBAL INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Derivatives and hedging

Beginning in 2021, as part of Intel’s corporate hedging program, Intel hedges forecasted cash flows denominated in Israeli Shekels (“ILS”) related to the Company. ILS is the largest operating expense currency of the Company. Intel combines all of its ILS exposures, and as part of Intel’s hedging program enters into hedging contracts to hedge Intel’s combined ILS exposure. Derivative gains and losses attributed to these condensed consolidated financial statements are recorded under accumulated other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction affects the statement of operations.

During the fourth quarter of 2022, the Company de-designated its remaining cash flow hedges for forecasted operating expenses denominated in ILS and no longer participates in the hedging services agreement with Intel. As the hedged transactions and cash flows related to the outstanding instruments were expected to occur as originally forecasted, the associated gains and losses deferred in accumulated other comprehensive income (loss) on the Company’s consolidated balance sheet were reclassified into earnings in the same period or periods during which the originally hedged transactions affect earnings. Any subsequent changes in the fair value of the outstanding derivative instruments after the de-designation and termination of hedge accounting were immediately reflected in operating expenses.

The change in accumulated other comprehensive income (loss) relating to gains (losses) on derivatives used for hedging was as follows:

	Three Months Ended		Six Months Ended	
U.S. dollars in millions	**June 29, 2024**	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Amounts reclassified out of accumulated other comprehensive income (loss)	—	—	—	10
Tax effects	—	—	—	(1)
Other comprehensive income (loss), net	**$ —**	**$ —**	**$ —**	**$ 9**

Income Tax

The provision for income tax consists of income taxes in the various jurisdictions where the Company is subject to taxation, primarily the United States and Israel. For interim periods, the Company recognizes an income tax benefit (provision) based on the estimated annual effective tax rate, calculated on a worldwide consolidated basis, expected for the entire year. The Company applies this rate to the year-to-date pre-tax income. The overall effective tax rate is influenced by valuation allowances on tax assets for which no benefit can be recognized due to the Company’s recent history of pretax losses sustained. Tax jurisdictions with forecasted pretax losses for the year for which no benefit can be recognized are excluded from the calculation of the worldwide estimated annual effective tax rate, and any associated tax provision or benefit for those jurisdictions is recorded separately.

During the periods presented in the condensed consolidated financial statements, certain components of the Company’s business operations were included in the consolidated U.S. domestic income tax return filed by the Company’s Parent. The Company also files various foreign income tax returns on a separate basis, distinct from its Parent. The income tax provision included in the Company’s condensed consolidated financial statements has been calculated using the separate return method, as if the Company had filed its own tax returns.

The Company has entered into a Tax Sharing Agreement with its Parent that establishes the amount of cash payable for the Company’s share of the tax liability owed on consolidated tax return filings with its Parent. Any differences between taxes payable to the Company’s Parent under the Tax Sharing Agreement and the current tax provision computed on a separate return basis, is reflected as adjustments to additional paid-in capital in the condensed consolidated statement of changes in equity and financing activities within the condensed consolidated statement of cash flows (see also Note 7).

The Company reflects tax loss and tax credit carry-forward attributes under the separate return method approach. Such tax attributes may not be benefited in the same period as the Company’s Parent on a consolidated tax return. As a result, there are inherent differences between the Company’s separate tax return method approach and certain actual tax returns filed on a consolidated basis with Intel.

MOBILEYE GLOBAL INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Concentration of credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, which include: short-term deposits, money market funds and U.S. government bonds; and also trade accounts receivable.

The majority of the Company's cash and cash equivalents are invested in banks domiciled in the U.S. and Europe, as well as in Israel. Generally, these cash equivalents may be redeemed upon demand. Short term bank deposits are held in the aforementioned banks. The money market funds consist of institutional investor money market funds and are readily redeemable to cash, and the U.S. government bonds are also highly liquid. Accordingly, management believes that these bank deposits, money market funds and U.S. government bonds, have minimal credit risk.

The Company's accounts receivables are derived primarily from sales to Tier 1 suppliers to the automotive manufacturing industry located mainly in the U.S., Europe, and China. Concentration of credit risk with respect to accounts receivables is mitigated by credit limits, ongoing credit evaluation, and account monitoring procedures. Credit is granted based on an evaluation of a customer's financial condition and, generally, collateral is not required. Trade accounts receivable are typically due from customers within 30 to 60 days.

The Company performs ongoing credit evaluations of its customers and has not experienced any material losses in the periods presented. The Company recognizes an allowance for credit losses for any potential uncollectible amounts. The allowance is based on various factors, including historical experience, the age of the accounts receivable balances, credit quality of the customers, and other reasonable and supportable information. This allowance consists of an amount based on overall estimated exposure for the receivable portfolio and amounts identified for specific customers. Expected credit losses are recorded as general and administrative expenses in the Company's condensed consolidated statement of operations and comprehensive income. As of June 29, 2024 and December 30, 2023, the credit loss allowance of trade accounts receivable was not material. For the three and six months ended June 29, 2024 and July 1, 2023, the charge-offs and recoveries in relation to the credit losses were not material.

Customer concentration risk

The Company's business, results of operations, and financial condition for the foreseeable future will likely continue to depend on sales to a relatively small number of customers. In the future, these customers may decide not to purchase the Company's products, may purchase fewer products than in previous years, or may alter their purchasing patterns. Further, the amount of revenue attributable to any single customer or customer concentration generally may fluctuate in any given period. In addition, a decline in the production levels of one or more of the Company's major customers, particularly with respect to vehicle models for which the Company is a significant supplier, could reduce revenue. The loss of one or more key customers, a reduction in sales to any key customer or the Company's inability to attract new significant customers could negatively impact revenue and adversely affect the Company's business, results of operations, and financial condition. See Note 9 related to customers that accounted for more than 10% of the Company's total revenue and more than 10% of the total accounts receivable balance for each of the periods presented in these condensed consolidated financial statements.

Dependence on a single supplier risk

The Company purchases all its System on Chip ("EyeQ™ SoC") from a single supplier. Any issues that occur and persist in connection with the manufacture, delivery, quality, or cost of the assembly and testing of inventory could have a material adverse effect on the Company's business, results of operations and financial condition. See below regarding a shortage in EyeQ™ SoCs that the Company experienced during 2021 and 2022 and may experience in the future, including in ECUs for SuperVision™ and other components for our products.

MOBILEYE GLOBAL INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Supply chain risk

During the fiscal years 2022 and 2021, the semiconductor industry experienced widespread shortages of substrates and other components and available foundry manufacturing capacity. Furthermore, STMicroelectronics, the Company’s sole supplier, was not able to meet our demand for EyeQ™ SoCs during 2022, causing a significant reduction in the Company’s inventory levels. Starting in late 2022 and early 2023, such supply chain disruptions, raw material shortages and manufacturing limitations abated and during 2023, we successfully increased levels of EyeQ™ SoC inventory on hand, mitigating the potential for future supply constraints to cause a shortfall of chips. However, in the event of a reoccurrence of supply chain constraints, and subject to the duration and severity thereof, we may be required to operate with minimal or no inventory of EyeQ™ SoCs or SuperVision™ ECUs on hand. As a result, we are substantially reliant on timely shipments of EyeQ™ SoCs from STMicroelectronics and ECUs from Quanta Computer (or other suppliers) to fulfill customer orders and if such a shortfall of chips of ECUs were to occur, we may be unable to offset future supply constraints through the use of inventory on hand. Our results of operations in the three and six months ended June 29, 2024 have not been impacted by any shortfall of chips. Although we cannot fully predict the length and the severity of the impact these pressures would have on a long-term basis, we do not anticipate that our current supply chain constraints would materially adversely affect our results of operations, capital resources, sales, profits, and liquidity on a long-term basis.

New Accounting pronouncements

Accounting Pronouncements effective in future periods

In December 2023, the FASB issued ASU 2023-09 Improvements to Income Tax Disclosures. The ASU improves the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. For public business entities, the ASU is effective for annual periods beginning after December 15, 2024. The Company is evaluating the potential impact of this guidance on its consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The ASU improves reportable segments disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is evaluating the potential impact of this guidance on its consolidated financial statements.

NOTE 3 - OTHER FINANCIAL STATEMENT DETAILS

Inventories

	As of	
U.S. dollars in millions	**June 29, 2024**	**December 30, 2023**
Raw materials	$ 40	$ 46
Work in process	—	1
Finished goods	445	344
Total inventories	**$ 485**	**$ 391**

Inventory write-downs and write-offs totaled $1 million for the three and six months ended June 29, 2024 and were not material for the three and six months ended July 1, 2023.

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Property and equipment

U.S. dollars in millions	As of June 29, 2024	As of December 30, 2023
Computers, electronic equipment and software	$ 192	$ 167
Vehicles	14	14
Office furniture and equipment	11	11
Buildings	319	315
Leasehold improvements	40	37
Total property and equipment, gross	**$ 576**	**$ 544**
Less: accumulated depreciation	(120)	(97)
Total property and equipment, net	**$ 456**	**$ 447**

Depreciation expenses totaled $16 million and $8 million for the three months ended June 29, 2024 and July 1, 2023, respectively; and $30 million and $15 million for the six months ended June 29, 2024 and July 1, 2023, respectively. During the six months ended June 29, 2024, the Company derecognized the cost and accumulated depreciation of fully depreciated assets in the amount of $7 million.

NOTE 4 - EQUITY

A. Share-based compensation plans

Mobileye Plan

Following the Mobileye IPO in October 2022, the Company's employees are incentivized and rewarded through the grant of the Company's equity awards under the Mobileye Global Inc. 2022 Equity Incentive Plan ("the 2022 Plan"), which are granted for Class A shares and vest upon the satisfaction of a service-based vesting condition, mostly over service periods of three years.

Restricted Stock Units

The RSUs activity for the six months ended June 29, 2024 for RSUs granted to Company's employees under the 2022 Plan was as follows:

	Number of RSUs	Weighted average grant date fair value
	In thousands	U.S. dollars
Outstanding as of December 30, 2023	**14,778**	**$ 29.5**
Granted	1,571	26.9
Vested	(3,084)	22.4
Forfeited	(384)	30.8
Outstanding as of June 29, 2024	**12,881**	**$ 30.9**

The RSUs activity for the three months ended June 29, 2024 for RSUs granted to Company's employees under the 2022 Plan was as follows:

	Number of RSUs	Weighted average grant date fair value
	In thousands	U.S. dollars
Outstanding as of March 30, 2024	**15,170**	**$ 29.3**
Granted	975	27.6
Vested	(3,005)	21.9
Forfeited	(259)	30.6
Outstanding as of June 29, 2024	**12,881**	**$ 30.9**

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As of June 29, 2024, the unrecognized compensation cost related to all unvested RSUs granted under the 2022 Plan, was $274 million, which is expected to be recognized as expense over a weighted-average period of 1.95 years.

Intel Plan

Prior to the Mobileye IPO, since 2017, employees of the Company had been incentivized and rewarded through the grant of Intel equity awards under Intel's equity incentive plan which contains only a service condition. The equity awards granted generally vest over the course of three years from the grant date.

Options

Outstanding and exercisable options for Intel's common stock under Intel's plan as of June 29, 2024 were as follows:

	Outstanding			Exercisable	
Exercise price	**Number of options**	**Weighted average remaining contractual life**	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
U.S. dollars	**In thousands**	**In years**	**U.S. dollars**	**In thousands**	**U.S. dollars**
$ 4.0 - 21.6	59	1.6	$ 6.1	52	$ 4.0
Total	**59**	**1.6**	**$ 6.1**	**52**	**$ 4.0**

The option activity for the six months ended June 29, 2024 for options granted to the Company's employees for Intel's common stock was as follows:

	Number of options	**Weighted average remaining contractual Life**	**Weighted average exercise price**	**Aggregated intrinsic value(1)**
	In thousands	**In years**	**U.S. dollars**	**U.S. dollars in millions**
Options outstanding as of December 30, 2023	**135**	**1.0**	**$ 31.7**	**$ 3**
Exercised	(5)	—	24.3	—
Expired	(71)	—	53.6	—
Options outstanding as of June 29, 2024	**59**	**1.6**	**$ 6.1**	**$ 1**
Options exercisable as of June 29, 2024	**52**	**1.6**	**$ 4.0**	**$ 1**

The option activity for the three months ended June 29, 2024 for options granted to the Company's employees for Intel's common stock was as follows:

	Number of options	**Weighted average remaining contractual Life**	**Weighted average exercise price**	**Aggregated intrinsic value(1)**
	In thousands	**In years**	**U.S. dollars**	**U.S. dollars in millions**
Options outstanding as of March 30, 2024	**59**	**$ 1.8**	**$ 6.1**	**$ 2**
Exercised	—	—	—	—
Expired	—	—	—	—
Options outstanding as of June 29, 2024	**59**	**1.6**	**$ 6.1**	**$ 1**
Options exercisable as of June 29, 2024	**52**	**1.6**	**$ 4.0**	**$ 1**

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the closing stock price of Intel's ordinary share. On June 29, 2024, Intel's ordinary share price was $31.0. This represents the potential pre-tax amount receivable by the option holders had all option holders exercised their options as of such date.

(2) The remaining options expected to vest as of June 29, 2024 are 7 thousand options with an average weighted exercise price of $21.6.

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RSUs

The RSUs activity for the six months ended June 29, 2024 for RSUs granted to the Company's employees for Intel's common stock was as follows:

	Number of RSUs In thousands	Weighted average grant date fair value U.S. dollars
Outstanding as of December 30, 2023	**2,711**	**$ 44.4**
Vested	(735)	44.6
Forfeited	(63)	45.3
Outstanding as of June 29, 2024	**1,913**	**$ 44.3**

The RSUs activity for the three months ended June 29, 2024 for RSUs granted to the Company's employees for Intel's common stock was as follows:

	Number of RSUs In thousands	Weighted average grant date fair value U.S. dollars
Outstanding as of March 30, 2024	**2,575**	**$ 44.3**
Vested	(634)	44.3
Forfeited	(28)	45.4
Outstanding as of June 29, 2024	**1,913**	**$ 44.3**

Unrecognized expenses

As of June 29, 2024, the unrecognized compensation cost related to stock options and RSUs granted under the Intel 2006 Plan was $38 million, which will be recognized over a weighted average period of 0.6 years.

Share-based compensation expense summary (for both Mobileye and Intel Plans)

Share-based compensation expenses included in the condensed consolidated statements of operations and comprehensive income (loss) was as follows:

	Three months ended		Six months ended	
U.S. dollars in millions	**June 29, 2024**	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Cost of revenue	$ 1	$ 1	$ 1	$ 2
Research and development, net	55	45	108	105
Sales and marketing	—	2	2	4
General and administrative	6	7	13	16
Total share-based compensation	**$ 62**	**$ 55**	**$ 124**	**$ 127**

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NOTE 5 - EARNINGS (LOSS) PER SHARE

The following table summarizes the calculation of basic earnings (loss) per share for the periods presented:

In millions, except per share amounts	Three months ended June 29, 2024	Three months ended July 1, 2023	Six months ended June 29, 2024	Six months ended July 1, 2023
Numerator:				
Net income (loss)	$ (86)	$ (28)	$ (304)	$ (107)
Denominator:				
Weighted average common shares - basic and diluted	806	805	806	803
Earnings (loss) per share:				
Basic and diluted	(0.11)	(0.04)	(0.38)	(0.13)

For the three months ended June 29, 2024 and July 1, 2023, the computation of diluted earnings (loss) per share attributable to common stockholders does not include 15.4 million and 6.2 million potential common shares, respectively; and 15.2 million and 6.7 million potential common shares for the six months ended June 29, 2024 and July 1, 2023, respectively, related to restricted stock units granted under the 2022 plan to the Company's employees, as the effect of their inclusion would have been anti-dilutive.

NOTE 6 - INCOME TAXES

The Company's quarterly benefit (provision) for income taxes and the estimates of its annual effective tax rate, are subject to fluctuation due to several factors, principally including variability in overall pre-tax income and the mix of tax paying components to which such income relates.

The income tax benefit (provision) included in these condensed consolidated financial statements has been calculated using the separate return method, as if the Company had filed its own tax returns. Net operating losses generated by the Company that have been utilized as part of the Parent's consolidated income tax return filings but have not been utilized by the Company under the separate return method approach, have been reflected in these condensed consolidated financial statements because the Company will recognize a benefit for the separate return method net operating losses when determined to be realizable, whether as a deduction against current taxable income in future periods or upon recognition of associated deferred tax assets based on valuation allowance assessments.

As the Company has jurisdictions that have sustained recent losses based on the separate return method, a valuation allowance is required for deferred tax assets for which no benefit can be currently realized.

Provision for income tax in the six months ended June 29, 2024 was $2 million compared to a provision of $16 million in the six months ended July 1, 2023, mainly due to a higher loss before income taxes in the six months ended June 29, 2024 compared to prior year period.

Similarly, the provision for income tax in the three months ended June 29, 2024, was $5 million compared to a provision for income tax of $10 million in the three months ended July 1, 2023, mainly due to a greater loss before income taxes in the three months ended June 29, 2024 compared to prior year period.

NOTE 7 - RELATED PARTIES TRANSACTIONS

The Company has entered into a series of related party arrangements with Intel. For further description of the arrangements refer to Note 9 of the notes to the consolidated financial statements for the year ended December 30, 2023.

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Stock Compensation Recharge Agreement

The Company entered into a stock compensation recharge agreement with Intel, which requires the Company to reimburse Intel for certain amounts, net of any related withholding tax, relating to the value of share-based compensation provided to the Company's employees for RSUs or stock options exercisable in Intel stock. The reimbursement amounts recorded as an adjustment to additional paid-in capital in the condensed consolidated statement of changes in equity were $20 million and $18 million for the three months ended June 29, 2024 and July 1, 2023, respectively and $25 million and $22 million for the six months ended June 29, 2024 and July 1, 2023, respectively.

Lease agreements

Under lease agreements with Intel, the Company leases office space in Intel's buildings. The costs are included in the condensed consolidated statements of operations and comprehensive income (loss) primarily on a specific and direct attribution basis. The leasing costs for the three months ended June 29, 2024 and July 1, 2023, were $0.6 million and $1.1 million, respectively and $1.2 million and $2.4 million for the six months ended June 29, 2024 and July 1, 2023, respectively.

Other services to a related party

The Company reimbursed its Chief Executive Officer for reasonable travel related expenses incurred while conducting business on behalf of the Company. Travel related reimbursements totaled $0.5 million and $0.5 million for the three months ended June 29, 2024 and July 1, 2023, respectively and $1.1 million and $1.2 million for the six months ended June 29, 2024 and July 1, 2023, respectively.

Administrative Services Agreement

Under the Administrative Services Agreement, Intel provides the Company with administrative and other services. The Company pays fees to Intel for the services rendered based on pricing per service agreed between the Company and Intel.

The costs incurred under this agreement for the three months ended June 29, 2024 and July 1, 2023 were $0.2 million and $0.8 million, respectively and $1.7 million and $1.2 million for the six months ended June 29, 2024 and July 1, 2023, respectively.

Technology and Services Agreement

The Technology and Services Agreement, provides a framework for the collaboration on technology projects and services between the Company and Intel ("Technology Projects"), and sets out the licenses granted by each party to its respective technology for the conduct of the Technology Projects, provisions relating to the ownership of certain existing technology, the allocation of rights in any new technology created in the course of the Technology Projects, and certain provisions applicable to the development of a certain radar product of the Company. The Technology and Services Agreement will not apply to projects for the development and manufacture of a Lidar sensor system for automobiles, for which the LiDAR Product Collaboration Agreement will apply. Pursuant to the Technology and Services Agreement, the Company and Intel will agree to statements of work with additional terms for Technology Projects.

The amount incurred under this agreement for the three months ended June 29, 2024 and July 1, 2023 were $1.1 million and $1.4 million, respectively and $2.2 million and $2.4 million for the six months ended June 29, 2024 and July 1, 2023, respectively.

LiDAR Product Collaboration Agreement

The LiDAR Product Collaboration Agreement, provides the terms that will apply to the Company's collaboration with Intel for the development and manufacture of a Lidar sensor system for ADAS and AV in automobiles ("LiDAR Projects"). On some of the LiDAR programs joint funding will apply between Intel and Mobileye until the end of 2027 whereby Mobileye will bear its own Lidar sensor system development costs up to the first $40 million per year and Intel will bear up to $20 million per year of Mobileye's Lidar sensor system development costs that are greater than $40 million per year.

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The LiDAR Product Collaboration Agreement further provides that Intel will manufacture certain components for the Company to market and sell as part of a FMCW (frequency-modulated continuous wave) lidar sensor system solely for external environment sensing for ADAS and AV in automobiles. The price for the components Intel will manufacture for the Company will be based on a cost-plus model. In addition, the agreement also includes a profit-sharing model under which Mobileye will pay Intel a share of the gross profit for each LiDAR sensor system or components thereof, based on Intel technology, sold by Mobileye.

In 2023, Mobileye opted to pursue a different lidar technology, and as a result, Mobileye and Intel are no longer actively working on developing the LiDAR Project under the LiDAR Product Collaboration Agreement. Mobileye and Intel have begun negotiation of an amendment to the LiDAR Product Collaboration Agreement which contemplates the parties' cessation of lidar development work and Mobileye's potential, continued use of certain licenses granted by Intel under the LiDAR Product Collaboration Agreement. In connection with the foregoing, Mobileye would no longer be obligated to share its profits associated with the LiDAR Project with Intel, and Intel would no longer be obligated to provide development services for the LiDAR Project and fund Mobileye's lidar investments beyond the $40 million per year threshold set forth in the LiDAR Product Collaboration Agreement. Final commercial terms for this amendment remain subject to further negotiation by Mobileye and Intel.

There were no amounts received or receivable from Intel under this agreement for the three and six months ended June 29, 2024.

Tax Sharing Agreement

The Tax Sharing Agreement establishes the respective rights, responsibilities and obligations of the Company and Intel after the completion of the Mobileye IPO with respect to tax matters, including the amount of cash the Company will pay to Intel for its share of the tax liability owed on the consolidated filings in which the Company or any of the Company's subsidiaries are included, audit or other tax proceedings. As of June 29, 2024 and December 30, 2023, the related party payable to Intel, pursuant to the Tax Sharing Agreement was $37 million.

Intel Sublicense

In June 2024, Intel and its affiliates, including Mobileye, were granted a sublicense to certain patents relating to network-on-chip and other technologies (the "Sublicense"). In connection with Mobileye's use of the Sublicense, Intel and Mobileye agreed that Mobileye would pay to Intel $0.3 million as Mobileye's allocation of the consideration paid by Intel for the Sublicense.

NOTE 8 - IDENTIFIED INTANGIBLE ASSETS

	As of					
	June 29, 2024			December 30, 2023		
U.S. dollars in millions	Gross Assets	Accumulated Amortization	Net	Gross Assets	Accumulated Amortization	Net
Developed technology	$ 3,705	$ 2,196	$ 1,509	$ 3,705	$ 2,008	$ 1,697
Customer relationships & brands	786	464	322	786	430	356
Total	$ 4,491	$ 2,660	$ 1,831	$ 4,491	$ 2,438	$ 2,053

The following table presents the amortization expenses recorded for these identified intangible assets and their weighted average useful lives:

	Three months ended		Six months ended		
U.S. dollars in millions	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023	Weighted Average Useful Life
Developed technology	$ 94	$ 101	$ 188	$ 217	10
Customer relationships & brands	17	17	34	34	12
Total amortization expenses	**$ 111**	**$ 118**	**$ 222**	**$ 251**	

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The Company expects future amortization expenses for the next five years and thereafter to be as follows:

U.S. dollars in millions	Remainder of 2024	2025	2026	2027	2028	Thereafter	Total
Future amortization expenses	$ 222	$ 443	$ 332	$ 179	$ 176	$ 479	$ 1,831

NOTE 9 - SEGMENT INFORMATION

An operating segment is defined as a component of an enterprise for which discrete financial information is available and is reviewed regularly by the Chief Operating Decision Maker ("CODM"), or decision-making group, to evaluate performance and make operating decisions. The Company has identified its CODM as the Chief Executive Officer ("CEO").

The Company's organizational structure and management reporting supports two operating segments: Mobileye and Moovit. The CODM evaluates performance, makes operating decisions and allocates resources based on the financial data of these operating segments. Operating segments do not record inter-segment revenue.

Mobileye is the Company's only reportable operating segment and Moovit is presented within "Other" as per ASC 280, Segment Reporting.

Segment performance is the operating income reported excluding the amortization of acquisition-related intangible assets. The CODM uses segment performance to allocate resources (including employees and financial resources) to segments in the annual budget and forecasting process and also uses that measure to assess the segment performance. The measure of assets has not been disclosed for each segment as it is not regularly reviewed by the CODM.

The accounting policies of the individual segments are the same as those described in the summary of significant accounting policies in Note 2 to the audited consolidated financial statements for the fiscal year ended December 30, 2023.

The following are segment results for each period as follows:

	Three months ended June 29, 2024			
U.S. dollars in millions	Mobileye	Other	Amounts not allocated to segments	Consolidated
Revenues	$ 428	$ 11	$ —	$ 439
Cost of revenues	134	2	94	230
Research and development, net	246	10	—	256
Sales and marketing	5	6	17	28
General and administrative	17	2	—	19
Segment performance	**$ 26**	**$ (9)**	**$ (111)**	**$ (94)**
Other financial income (expense), net				13
Income (loss) before taxes on income				**(81)**
Share-based compensation	59	3	—	62
Depreciation of property and equipment	16	—	—	16

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	Three months ended July 1, 2023			
U.S. dollars in millions	Mobileye	Other	Amounts not allocated to segments	Consolidated
Revenues	$ 446	$ 8	$ —	$ 454
Cost of revenues	127	2	101	230
Research and development, net	201	10	—	211
Sales and marketing	9	3	17	29
General and administrative	15	2	—	17
Segment performance	**$ 94**	**$ (9)**	**$ (118)**	**$ (33)**
Other financial income (expense), net				15
Income (loss) before taxes on income				**(18)**
Share-based compensation	50	5	—	55
Depreciation of property and equipment	8	—	—	8

	Six months ended June 29, 2024			
U.S. dollars in millions	Mobileye	Other	Amounts not allocated to segments	Consolidated
Revenues	$ 659	$ 19	$ —	$ 678
Cost of revenues	224	3	188	415
Research and development, net	480	19	—	499
Sales and marketing	20	8	34	62
General and administrative	29	5	—	34
Segment performance	**$ (94)**	**$ (16)**	**$ (222)**	**$ (332)**
Other financial income (expense), net	—	—	—	30
Income (loss) before taxes on income	—	—	—	**(302)**
Share-based compensation	117	7	—	124
Depreciation of property and equipment	30	—	—	30

	Six months ended July 1, 2023			
U.S. dollars in millions	Mobileye	Other	Amounts not allocated to segments	Consolidated
Revenues	$ 896	$ 16	$ —	$ 912
Cost of revenues	261	3	217	481
Research and development, net	425	21	—	446
Sales and marketing	22	6	34	62
General and administrative	32	5	—	37
Segment performance	**$ 156**	**$ (19)**	**$ (251)**	**$ (114)**
Other financial income (expense), net	—	—	—	23
Income (loss) before taxes on income	—	—	—	**(91)**
Share-based compensation	116	11	—	127
Depreciation of property and equipment	15	—	—	15

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Total revenues based on the country that the product was shipped to were as follows:

U.S. dollars in millions	Three months ended June 29, 2024	Three months ended July 1, 2023	Six months ended June 29, 2024	Six months ended July 1, 2023
China	113	110	199	269
USA	91	93	109	173
Germany	57	86	96	169
South Korea	45	41	92	81
United Kingdom	42	46	55	77
Poland	27	20	31	42
Hungary	23	25	35	34
Czech Republic	11	14	16	30
Portugal	9	—	9	—
Slovakia	5	—	10	—
Rest of World	16	19	26	37
Total	**$ 439**	**$ 454**	**$ 678**	**$ 912**

We generate the majority of our revenue from the sale of our EyeQ™ SoCs to OEMs through sales to Tier 1 automotive suppliers. EyeQ™ SoC sales represented approximately 86% and 92% of our revenue for each of the three months ended June 29, 2024 and July 1, 2023, respectively and 81% and 90% of our revenue for each of the six months ended June 29, 2024 and July 1, 2023, respectively.

Major Customers

Revenue from major customers that amount to 10% or more of total revenue:

	Three months ended June 29, 2024	Three months ended July 1, 2023	Six months ended June 29, 2024	Six months ended July 1, 2023
Percent of total revenues:				
Customer A	32 %	32 %	24 %	28 %
Customer B	15 %	23 %	17 %	27 %
Customer C	17 %	14 %	13 %	13 %
Customer D	*	*	11 %	*
Customer E	10 %	*	13 %	*
Customer F	*	*	12 %	*

*Less than 10%

Accounts receivable balances of major customers that amount to 10% or more of total accounts receivable balance:

	As of June 29, 2024	As of December 30, 2023
Percent of total accounts receivables balance:		
Customer A	46 %	44 %
Customer B	*	10 %
Customer C	20 %	22 %

*Less than 10%

MOBILEYE GLOBAL INC.

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NOTE 10 - INVESTMENTS

Debt Investments

Debt investments include U.S. government bonds and money market funds. U.S. government bonds are for original maturities of up to six months and are classified as available for sale and measured at fair value with the related unrealized gains and losses included in other comprehensive income (expense), net. Money market funds, measured at fair value, consist of institutional investors money market funds and are readily redeemable to cash.

The following tables summarize the Company's marketable debt securities:

	June 29, 2024					
					Reported as	
U.S. dollars in millions	Amortized cost	Unrealized gain	Unrealized loss	Fair value	Cash and cash equivalents	Other current assets
U.S. government bonds	$ 10	$ —	$ —	$ 10	$ 2	$ 8
Money market funds	927	—	—	927	927	—
Total	**$ 937**	**$ —**	**$ —**	**$ 937**	**$ 929**	**$ 8**

	December 30, 2023					
					Reported as	
U.S. dollars in millions	Amortized cost	Unrealized gain	Unrealized loss	Fair value	Cash and cash equivalents	Other current assets
Money market funds	$ 932	$ —	$ —	$ 932	$ 932	$ —
Total	**$ 932**	**$ —**	**$ —**	**$ 932**	**$ 932**	**$ —**

Equity Investments

The fair value of equity investments which were purchased during the period and classified within other current assets, was $9 million as of June 29, 2024. Unrealized gains and losses recorded in other financial income (expense), net for the three and six months ended June 29, 2024 amounted to $(1) million.

NOTE 11 - CONTINGENCIES

U.S. Class Action

On January 16, 2024, a putative class action captioned McAuliffe v. Mobileye Global Inc., et al., 1:24-CV-00310 (S.D.N.Y.), was filed in the United States District Court for the Southern District of New York against Mobileye and certain of its current and former officers, asserting violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 in connection with defendants' alleged misstatements and omissions concerning the build-up of excess inventory by certain Tier 1 Mobileye customers. The complaint seeks unspecified damages and other relief on behalf of all persons and entities who purchased or otherwise acquired Mobileye securities between January 26, 2023 and January 3, 2024. On July 12, 2024, the court consolidated the McAuliffe case with a substantively identical case, Le v. Mobileye Global Inc., et al., 1:24-CV-01390 (S.D.N.Y.), appointed a lead plaintiff, and set an initial schedule for the consolidated case. We intend to defend the matter vigorously. No provision was recorded in the financial statements as of June 29, 2024.

U.S. Derivative Action

On April 12, 2024, a derivative lawsuit was filed against the members of the Mobileye Board of Directors and Intel Corporation, in its capacity as Mobileye's controlling shareholder. Mobileye was also named as a nominal defendant. The complaint principally asserts claims for breach of fiduciary duty and unjust enrichment based on alleged failures to take steps to prevent the Company from making allegedly false and misleading statements concerning the build-up of excess inventory by certain Tier 1 Mobileye customers. The complaint also asserts a claim for violation of Section 14(a) of the Securities Exchange Act of 1934 based on alleged misstatements and omissions in Mobileye's 2023 proxy statement. The complaint seeks unspecified damages and other relief. Since May 24, 2024, the derivative action has been stayed by the court pending resolution of the anticipated motion to dismiss in the consolidated securities action.

On June 27, 2024, an additional derivative lawsuit was filed in the United States District Court for the Southern District of New York against certain members of the Mobileye Board of Directors, certain of Mobileye's current and former officers, and Intel Corporation, in its capacity as Mobileye's controlling shareholder. Mobileye was also named as a nominal defendant. On July 9, 2024, this derivative action was consolidated with the derivative action originally filed on April 12, 2024 and the consolidated derivative action was stayed by the court pending resolution of the anticipated motion to dismiss in the consolidated securities action. We intend to defend the derivative claims vigorously. No provision for the consolidated derivative action was recorded in the financial statements as of June 29, 2024.

NOTE 12 - SUBSEQUENT EVENTS

In July 2024, the Company's compensation committee approved the issuance of restricted stock units to be issued under our 2022 Equity Incentive Plan. The total aggregate fair value of RSUs granted was $278 million, which consisted of 10,391 thousand RSUs, which will vest over a service period of three years.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this report. Some of the information contained in this discussion and analysis includes forward-looking statements that involve risks and uncertainties. You should review the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" included elsewhere in this report for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Company Overview

Mobileye is a leader in the development and deployment of advanced driver assistance systems ("ADAS") and autonomous driving technologies and solutions. We pioneered ADAS technology more than 20 years ago and have continuously expanded the scope of our ADAS offerings, while leading the evolution to autonomous driving solutions.

Our portfolio of solutions is built upon a comprehensive suite of purpose-built software and hardware technologies designed to provide the capabilities needed to make the future of ADAS and autonomous driving a reality. These technologies can be harnessed to deliver mission-critical capabilities at the edge and in the cloud, advancing the safety of road users, and revolutionizing the driving experience and the movement of people and goods globally.

As of June 29, 2024, our solutions had been installed in approximately 800 vehicle models (including local country, year, and other vehicle model variations), and our System-on-Chips ("SoCs") had been deployed in approximately 180 million vehicles. We are actively working with more than 50 Original Equipment Manufacturers ("OEMs") worldwide on the implementation of our ADAS solutions. In the six months ended June 29, 2024, we shipped approximately 11.2 million of our systems, the substantial majority of which were EyeQ™ SoCs. This represents a decrease from the approximately 16.4 million of our systems that we shipped in the six months ended July 1, 2023.

We were founded in Israel in 1999. Our co-founder, Professor Amnon Shashua, is our President and Chief Executive Officer. In 2014, we completed an initial public offering as a foreign private issuer and traded under the symbol "MBLY" on the New York Stock Exchange. Intel Corporation ("Intel") acquired Mobileye for $15.3 billion in 2017, after which we became a wholly-owned subsidiary of Intel. We completed the internal reorganization and design of our new public entity (the "Reorganization") and our initial public offering (the "Mobileye IPO") in October 2022.

Operations in Israel.

On October 7, 2023, Hamas launched a series of attacks on civilian and military targets in Southern Israel and Central Israel, to which the Israel Defense Forces have responded. In addition, Hezbollah has attacked military and civilian targets in Northern Israel, to which Israel has responded. Further, on April 13, 2024, Iran launched a series of drone and missile strikes against Israel, to which Israel has responded. How long and how severe the current conflict in Gaza, Northern Israel or the broader region becomes is unknown at this time and any continued clash among Israel, Hamas, Hezbollah, Iran or other countries or militant groups in the region may escalate in the future into a greater regional conflict. To date, our operations have not been materially affected, although as of July 31, 2024 approximately 3.6% of our employees have been called to reserve duty in the Israel Defense Forces. We expect that the current conflict in the Gaza Strip and the security escalation in Israel will not have a material impact on our business results in the short term. However, since this is an event beyond our control, its continuation or cessation may affect our expectations. We continue to monitor political and military developments closely and examine the consequences for our operations and assets.

Our Business Model

We currently derive substantially all of our revenue from our commercially deployed ADAS solutions, including our Premium ADAS solutions. In the future, propelled by our next generation of EyeQ™ SoCs, our surround computer vision Mobileye SuperVision™ solution, productization of software-defined imaging radars and our True Redundancy™ architecture, we believe that we will be positioned to deliver an autonomous driving solution that can enable the mass adoption of AV.

We generate the majority of our revenue from the sale of our EyeQ™ SoCs to OEMs through sales to Tier 1 automotive suppliers. We typically sell our products with volume-based pricing and recognize the revenue and costs associated with our products upon shipment.

We invest significant time and other resources early in the process of new program sourcing as part of our relationship with an OEM. We typically have visibility into the number of models that are expected to include our products at least two to three years in advance based on OEM information provided during the sourcing and nomination process, although there is no contractual commitment by the OEM to purchase particular volumes, and programs are subject to changes with respect to timing and volumes. The revenue that we may recognize in any given year is attributable to program design wins in previous years.

We partner with STMicroelectronics, a leading supplier and innovator of semiconductor devices for automotive applications, in manufacturing, design, and research and development. We have co-developed six generations of our automotive grade SOC, EyeQ™, with STMicroelectronics, including EyeQ™5 and EyeQ™6. We have also established relationships with several suppliers, such as Quanta Computer, to develop and assemble our ECUs, including the design for our Mobileye SuperVision™, which includes our EyeQ™5 SoCs manufactured by STMicroelectronics.

Our close partnership with Intel exists on multiple fronts. As a result of our relationship with Intel, we have access to unique and differentiating technologies. For example, we may license certain technologies from Intel that support the development of our FMCW lidar, and the design and development of our software-defined radar, including Intel's mmWave technologies. Additionally, we intend to explore a collaboration with Intel on a technology platform to integrate our EyeQ™ SoC with Intel's market leading central compute capability, with plans to utilize Intel Foundry Services' advanced packaging capabilities. This potential platform is intended to enable functions essential to safety, entertainment, and cloud connectivity. Intel's strength in government affairs and policy development around the world will continue to be of significant value to us as we collaborate with regulators who are preparing frameworks to enable commercial deployment of AVs.

Key Factors Affecting Our Performance

We believe there are several important factors that have affected and that we expect to continue to affect our results of operations:

Global demand for automotive vehicles. Our business performance is related to global automotive sales and automotive vehicle production by our OEM customers. Economic conditions in North America, Europe and Asia can have a large impact on the production volume of new vehicles, and, accordingly, have an impact on our revenue. Towards the end of the first half of 2024, global automotive production forecasts weakened, which disproportionately impacted our core customers, primarily due to their continued market share losses in China. We cannot be certain of the severity and length of the continued volatility and weakness in the global automotive market, including macro-factors impacting our sales to OEMs in China, and the extent of the adverse effect that such weakness and volatility will have on our results of operations, financial condition and business in the long term. Our OEM customers' production can vary from period to period due to global demand, market conditions and competitive conditions, geopolitical issues including trade restrictions and tariffs, as well as other factors. For example, we expect a reduction in production estimates and orders from customers in the second half of 2024, primarily due to China related macro-factors. While automotive production has now recovered to approximately 2019 levels, current uncertain economic conditions and inflation may contribute to a reduction in consumer demand. On the other hand, pent up demand from years of below peak production levels could lead to better than expected production. In addition to economic conditions, in prior periods, including during the supply chain crisis and semi-conductor shortage of 2021 and 2022, certain Tier 1 customers increased their orders for components and parts, including our solutions, to counteract the impact of supply chain shortages for auto parts. As a result, some demand for our solutions and the corresponding revenue from these customers were shifted to earlier time periods than otherwise would have occurred absent a general supply chain shortage and inflationary environment. As a result of our standard planning process for 2024, including discussions with our Tier 1 customers, we became aware in late 2023 of significant excess inventory at our customers. This as well as lower than expected production at certain OEMs during 2023 led to the decision by our Tier 1 customers to prioritize in the first quarter of 2024 the utilization of excess inventory on hand before using new shipments to meet the demand of OEMs. We estimate that our customers have used the vast majority of this excess customer inventory in the first and second quarters of 2024, in accordance with our expectations, but there is no guarantee that orders will continue to normalize during the remainder of 2024. ADAS volumes have grown faster in recent years than the overall automotive market as ADAS penetration rates have increased, and we believe that we will continue to benefit from that trend. However, our revenue of $678 million in the six months ended June 29, 2024 was down (26)% year-over-year, primarily due to the aforementioned utilization of excess inventory by our customers during the first and second quarters of 2024. Continued or future constraint on global automotive production resulting from the effects of economic uncertainty, both global and in specific markets in which we operate, may be a limiting factor on our ability to increase revenue. We expect to continue to capitalize on our strong and collaborative relationships with OEMs and Tier 1s to expand our presence in key markets and capture the long-term growth opportunities in those markets.

Design wins with new and existing customers. Global OEMs are continuously looking for innovative ways to improve the customer appeal and safety of their vehicles. Additional program design wins for production programs are important to our future revenue growth. However, the revenue generated by each design win and the time necessary to achieve a design win can vary significantly. To achieve program design wins, we must maintain our technological leadership and continue to deliver differentiated solutions versus our competition through investment in research and development. Together with Tier 1 automotive suppliers, we work closely with OEMs to understand their solution requirements and have built close long-term relationships with them extending across multiple generations of EyeQ^{TM} products, though there is no guarantee that our customers will purchase our solutions in any certain quantity or at any certain price even after we achieve design wins.

Investment in technology leadership and product development. We believe our ability to continue to develop and design highly advanced and cost-efficient ADAS and AV solutions will position us to extend our technology leadership and encourage greater adoption of our solutions by enabling greater levels of autonomy. We also believe that our roadmap for future generations of EyeQ^{TM} SoCs and advanced systems will ultimately power autonomous driving solutions. The EyeQ^{TM} family design further enables scalable ECU architectures, from supporting a variety of ADAS solution architectures to hosting the full workload of autonomous driving, while meeting stringent cost and power efficiency requirements. We expect that our development of software-defined imaging radar will provide a significant cost advantage by eliminating the need for multiple high-cost lidars around the vehicle and require only a single front-facing lidar, significantly lowering the overall cost of the required sensors compared to solutions that use lidar centric or lidar-only systems.

Regulation for ADAS and autonomous driving solutions. Demand for our solutions is influenced by the impact of regulation and the ratings systems deployed by the various NCAPs, particularly the Euro NCAP and the U.S. NCAP, administered by the National Highway Traffic Safety Administration. As these NCAPs demand more ADAS applications such as automatic emergency braking, OEMs will increasingly include ADAS as a standard feature in their models to maintain or to achieve the highest safety ratings. In many countries, these safety assessments have created a “market for safety” as car manufacturers seek to demonstrate that their models satisfy the NCAPs’ highest ratings. We expect national NCAPs to continue to add specific ADAS applications to their evaluation items over the next several years, led by the Euro NCAP. In recent years, as regulatory requirements and NCAP ratings have increased, OEMs have also begun to highlight their safety features as a competitive advantage. As additional regulations are implemented around the world, we expect this to lead to increased global adoption of ADAS, and we believe that we are well positioned to benefit from such increasing safety regulations globally, particularly due to the verifiable nature of our current and future solutions.

Fully autonomous vehicles are still nascent, and regulation of autonomous driving is evolving globally on both a local and national level. We believe that regulatory bodies will demand that AV undergo certain validation and audit requirements before autonomous driving is permitted. The potential impact of regulatory requirements and initiatives on the timing for widespread adoption of fully autonomous driving and on the cost of developing and introducing autonomous driving solutions is uncertain. RSS is our framework that informs our driving policy and formalizes a driving safety concept. Our RSS framework and decision-making engine have inspired a global standardization effort of AV safety including IEEE 2846, which is an industry working group that we lead. We are actively engaged in AV regulations globally as they have implications for the pace at which autonomous driving technologies may be deployed as well as which AV technology validation and audit requirements must be met. Importantly, we believe RSS, which is a pragmatic method that is architected to deliver a provably acceptable level of risk defined by governments, will facilitate standardization efforts worldwide as AV deployments accelerate. In addition to impacting the pace at which autonomous driving technologies are deployed, we expect regulations to impact our financial performance on an ongoing basis over time once autonomous driving gains market adoption. We cannot provide any assurance how any such regulations will impact us and the extent of such impact, particularly if autonomous driving is prohibited in certain areas.

Consumer adoption of our ADAS and autonomous driving solutions. Our financial performance is in part driven by public awareness and demand for ADAS solutions. Over time we expect autonomous driving solutions to contribute meaningfully to our revenue growth. As a result, consumers’ demand for, and willingness to adopt, ADAS and autonomous driving technologies will significantly impact our financial performance. We believe that our leadership position in ADAS positions us to continue to set the standard for advanced autonomous solutions and will help us benefit from increasing consumer confidence in and demand for autonomous technology over time.

Solution mix, pricing, and product costs. Solution mix is among the most important factors affecting our revenue and gross margin, as our prices vary significantly across our solutions. The price of our solutions depends on the bundle of applications that are included in the specific product. Our solutions have different margin profiles. As we develop, bundle, and sell full systems that include third-party hardware beyond EyeQ^{TM} SoCs, we expect that our gross margin will decrease on a percentage basis because of the greater third-party hardware content. However, as a result of a higher expected selling price for such systems, we expect our gross profit per unit will increase on a dollar basis.

Average selling price ("ASP") varies based on a solution's applications and complexity. As a particular solution matures and unit volumes increase, we expect its ASP to decline. In addition, there are generally step-downs in pricing over periods of production as volumes ramp up. While individual solution ASPs may decline, we seek to continually offer new features and functionality and increase the value that our solutions offer to OEM customers as we target new design win opportunities manage the life cycles of existing solutions and create new ADAS categories with advanced features. We also are currently delivering full system solutions consisting of higher-function products such as SuperVision™ which carry significantly higher prices as compared to our single EyeQ™ SoC and cloud-enhanced ADAS products. We believe our differentiated and scalable solutions consistently enhanced by additional features can enable us to maintain or increase overall ASPs over time, as SuperVision™ and other advanced solutions become a larger portion of our product mix.

The cost of input materials and manufacturing costs are significant factors affecting our gross margin. Material costs are affected by a variety of factors, including the availability of sufficient supply to meet market demand. For example, in late 2021, semiconductor fabrication costs increased as a result of a global supply shortage that began in 2020. We experienced increases in input costs in 2022 and 2023 as a result of supply chain shortages, including the global semiconductor shortage, and inflationary pressures. While we were largely successful in increasing our ASPs to reflect these cost increases, we experienced a reduction in percentage gross margin, as a result of these cost increases. Our gross margin has been and may continue to be affected by our ability to offset these and any future cost increases through realizing pricing increases on our solutions and achieving decreases in other production costs. We work closely with STMicroelectronics, Quanta Computer and other suppliers on a continuous basis to manage material costs, increase yields and improve manufacturing, assembly, and test costs.

Supply and manufacturing capacity. Our solutions are dependent on the global semiconductor supply chain. The continued and timely supply of input materials, the availability of manufacturing capacity, and packaging and testing services at reasonable prices impact our ability to meet customer demand. Supply chain disruptions, shortages of raw material, such as wafers and substrates, and manufacturing limitations could limit our ability to meet customer demand and result in delayed, reduced, or canceled orders. During 2021 and 2022, the semiconductor industry experienced widespread shortages of substrates and other components and available foundry manufacturing capacity. We entered 2022 with significantly lower inventories of our EyeQ™ SoCs on our balance sheet as a result of the limited supply during 2021. Further, STMicroelectronics, our sole supplier of EyeQ™ SoCs, was not able to meet our demand for EyeQ™ SoCs during 2022, causing further a significant reduction in our company-owned inventory level. Starting in late 2022 and early 2023, such supply chain disruptions, raw material shortages, and manufacturing limitations abated and during 2023, we successfully increased levels of EyeQ™ SoC inventory on hand, mitigating the potential for future supply constraints to cause a shortfall of chips. However, in the event of a reoccurrence of supply chain constraints, and subject to the duration and severity thereof, we may be required to operate with minimal or no inventory of EyeQ™ SoCs or SuperVision™ ECUs on hand. As a result, we are substantially reliant on timely shipments of EyeQ™ SoCs from STMicroelectronics and ECUs from Quanta Computer (or other suppliers) to fulfill customer orders and if such a shortfall of chips of ECUs were to occur, we may be unable to offset future supply constraints through the use of inventory on hand. Our results of operations in the three and six months ended June 29, 2024 have not been impacted by any shortfall of chips. Our reliance on single or limited suppliers and vendors for certain components, equipment, and services and the aforementioned shortages of substrates and other components have led to increased supply chain risks and continue to stress our ability to meet the supply demands of our customers. To mitigate these supply chain constraints, management continues to monitor inventory levels on an ongoing basis. Although we cannot fully predict the length and the severity of the impact these pressures will have on a long-term basis, we do not anticipate that our current supply chain constraints would materially adversely affect our results of operations, capital resources, sales, profits, and liquidity on a long-term basis.

Public company expenses. As a recently public company, we have implemented and will continue to implement additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. In particular, we expect our accounting, legal and personnel-related expenses to increase as we continue to establish more comprehensive compliance and governance functions and hire additional personnel to support such functions, maintain and review internal controls over financial reporting in accordance with the Sarbanes-Oxley Act, and prepare and distribute periodic reports in accordance with SEC rules. Our financial statements will reflect the impact of these expenses. We also expect the costs of our insurance, including directors' and officers' insurance and insurance coverage for AV activity, to increase as a result of higher premiums.

In addition, in connection with the Mobileye IPO, we established an equity incentive plan for purposes of granting share-based compensation awards to certain members of our senior management, to our non-employee directors and to employees, to incentivize their performance and align their interests with ours. Historically, grants of share-based compensation to our employees were made pursuant to Intel's employee equity incentive plans, and such historical grants will continue based on their original vesting schedules. Equity compensation has been, and will continue to be, an important part of our future compensation strategy and a significant component of our future expenses, which we expect to increase over time.

Intel Segment Reporting

Certain of our financial results are presented as an operating segment within Intel's publicly reported financial results. The financial results for us reported by Intel in its segment reporting may differ from our standalone financial results primarily due to Intel's reporting of expenses related to certain corporate overhead functions and differences in the materiality thresholds applied to prepare consolidated financial results for Intel and for Mobileye on a standalone basis.

Components of Results of Operations

Revenue

We currently derive substantially all of our revenue from our commercially deployed ADAS solutions including our Premium ADAS solutions. We generate the majority of our revenue from the sale of our EyeQ™ SoCs to OEMs through sales to Tier 1 automotive suppliers that implement our product into vehicles, in which case our direct customer is the Tier 1 automotive supplier that is responsible for paying us for our products. Because of the complex nature of our products and the need to customize and validate a product and to integrate it into the OEM's overall ADAS system, we also have strong direct relationships with the OEMs.

EyeQ™ SoC sales represented approximately 86% and 92% of our revenue for the three months ended June 29, 2024 and July 1, 2023, respectively, and 81% and 90% of our revenue in the six months ended June 29, 2024 and July 1, 2023, respectively. Sales of our SuperVision™ product represented the majority of the remainder of our revenue for the three and six months ended June 29, 2024 and also for the three and six months ended July 1, 2023. Revenue from the sale of our EyeQ™ products and SuperVision™ products is recognized at the time of product shipment from our facilities, as determined by the agreed-upon shipping terms. Our sales to any single Tier 1 automotive supplier typically cover more than one OEM and more than one production program from any OEM.

Cost of Revenue

Cost of revenue consists primarily of expenses associated with the manufacturing cost of our EyeQ™ SoCs and our SuperVision™ product, and amortization of acquired intangible assets, identified as developed technology. Additional costs are royalty fees for the intellectual property that is included in the EyeQ™ SoC, personnel-related expenses, logistics and insurance costs and allocated overhead costs. As we develop and sell full systems that include hardware beyond EyeQ™ SoCs, we expect that our gross margin will decrease because of the greater hardware content included in our solutions. However, as a result of a higher expected selling price for such systems, we expect our gross profit per unit will increase on a dollar basis in future periods.

Research and Development Expenses, net

Research and development expenses primarily consist of expenses related to personnel related expenses, including share-based compensation, facilities, equipment and supplies for research and development activities, materials, parts and other prototype development, cloud computing services, consulting, and other professional services, including data labeling, quality assurance within the development programs, and allocated overhead costs.

We enter into best-efforts nonrefundable non-recurring engineering ("NRE") arrangements pursuant to which we are reimbursed for a portion of the research and development expenses attributable to specific development programs. We do not receive any additional compensation or royalties upon completion of such projects and the potential customer does not commit to purchase the resulting product in the future. The participation reimbursement that we receive does not depend on whether there are future benefits from the project. All intellectual property generated from these arrangements are exclusively owned by us.

We intend to continue our significant investment in research and development activities to attain our strategic objectives. Accordingly, we expect research and development expenses to increase in absolute dollars, but to gradually decrease as a percentage of total revenue, over time. In the near term, we expect that our research and development expenses will increase compared to 2023, also as a percentage of total revenue, mainly due to additional research and development headcount and higher direct expenses that we expect to incur in connection with the development of our new EyeQ™ SoC generations, Premium Driver-Assist offerings and the productization of our AV solutions and active sensor suite.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of expenses associated with the amortization of acquired intangible assets, comprised of customer relationships and brands, personnel-related expenses, including share-based compensation, of our sales force, as well as marketing expenses and allocated overhead costs.

We expect to increase our sales and marketing expenses as we continue our efforts to increase market awareness of the benefits of our solutions, but we expect sales and marketing expenses to decrease as a percentage of total revenue as our business grows.

General and Administrative Expenses

General and administrative expenses consist of personnel-related expenses, including share-based compensation of our executive, insurance costs, as well as legal and accounting fees, litigation expenses, and fees for professional and contract services.

We expect our general and administrative expenses to increase moderately in absolute dollars but to decrease as a percentage of total revenue as our business grows. The expected increase is mainly associated with the costs related to being a public company, including the need to hire more personnel to support compliance with SEC rules and regulations as well as increased premiums for directors' and officers' insurance and the increased use of share-based compensation for general and administrative personnel.

Other Financial Income (Expense), net

Other financial income (expense), net, consists primarily of income related to investments in money market funds, as well as income from short term deposits and fluctuations in value due to foreign exchange differences between our monetary assets and liabilities denominated in New Israeli Shekels and to a much lesser extent, the Euro, the Chinese Yuan, the Japanese Yen, and other currencies.

Benefit (provision) for Income Taxes

Benefit (provision) for income taxes consists primarily of income taxes related to the United States, Israel, and other foreign jurisdictions in which we conduct business. We also have incurred deferred tax liabilities with respect to tax amortization of certain acquired intangible assets. We are eligible for certain tax benefits in Israel under the Investment Law, at a reduced tax rate, subject to specified terms. In addition, the OECD announced an Inclusive Framework on Base Erosion and Profit Shifting including Pillar Two Model Rules defining the global minimum tax in 2021, which calls for the taxation of large multinational corporations at a minimum rate of 15%. Subsequently, multiple sets of administrative guidance have been issued. Many non-US tax jurisdictions have either recently enacted legislation to adopt certain components of the Pillar Two Model Rules beginning in 2024 (including the European Union Member States), with the adoption of additional components in later years, or announced their plans to enact legislation in future years. We are continuing to evaluate the impacts of enacted legislation and pending legislation to enact Pillar Two Model Rules in the non-US tax jurisdictions we operate in.

During the periods presented in our condensed consolidated financial statements, certain components of our business operations were included in the consolidated U.S. tax return filed by Intel. We also file certain foreign income tax returns on a separate basis, distinct from Intel. The income tax provision included in our condensed consolidated financial statements has been calculated using the separate return method as if we had filed our own tax returns. We present tax loss and tax credit carry-forward amounts that have not been utilized by Intel only to the extent such tax attributes can be claimed as a benefit consistent with our separate income tax return method approach. The use of the separate return method may result in differences between our income tax provision compared to Intel's consolidated income tax provision.

In 2021, Mobileye's Israeli operations became taxable in the United States as a branch entity. In 2022, Moovit's Israeli operations became taxable in the United States as a branch entity. As a result, these operations are taxed both in the United States and Israel. For U.S. tax purposes, there are favorable future tax deductions from which we have not benefited due to a valuation allowance position. If warranted, based on the assessment of verifiable evidence in support of the realization of the deferred tax assets, the valuation allowances may be released, resulting in a tax benefit.

Realization of deferred tax assets is based on our judgment and various factors including reversal of deferred tax liabilities, the ability to generate future taxable income in jurisdictions where such assets have arisen, and potential tax planning strategies. The valuation allowance for the periods presented in our condensed consolidated financial statements primarily relate to U.S. branch deferred tax assets not currently expected to be realized given that we have sustained recent losses based on the separate return method.

Certain net operating losses and tax credit carry-forward tax attributes generated by the Company that have been utilized as part of Intel's consolidated income tax return filings, but have not been utilized by the Company under the separate return method approach, have been reflected in these condensed consolidated financial statements because the Company will recognize a benefit based on the separate return method when determined to be realizable.

Results of Operations

The following table sets forth our results of operations in dollars and as a percentage of revenue for the periods indicated:

	Three months Ended				Six months Ended			
	June 29, 2024		July 1, 2023		June 29, 2024		July 1, 2023	
U.S. dollars in millions	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Revenue	$ 439	100 %	$ 454	100 %	$ 678	100 %	$ 912	100 %
Cost of revenue	230	52 %	230	51 %	415	61 %	481	53 %
Gross profit	**209**	**48 %**	**224**	**49 %**	**263**	**39 %**	**431**	**47 %**
Operating expenses:								
Research and development, net	256	58 %	211	46 %	499	74 %	446	49 %
Sales and marketing	28	6 %	29	6 %	62	9 %	62	7 %
General and administrative	19	4 %	17	4 %	34	5 %	37	4 %
Total operating expenses	**303**	**69 %**	**257**	**57 %**	**595**	**88 %**	**545**	**60 %**
Operating income (loss)	**$ (94)**	**(21)%**	**$ (33)**	**(7)%**	**$ (332)**	**(49)%**	**$ (114)**	**(13)%**
Other financial income (expense), net	13	3 %	15	3 %	30	4 %	23	3 %
Income (loss) before income taxes	**(81)**	**(18)%**	**(18)**	**(4)%**	**(302)**	**(45)%**	**(91)**	**(10)%**
Benefit (provision) for income taxes	(5)	(1)%	(10)	(2)%	(2)	— %	(16)	(2)%
Net income (loss)	**$ (86)**	**(20)%**	**$ (28)**	**(6)%**	**$ (304)**	**(45)%**	**$ (107)**	**(12)%**

(1) Includes amortization of acquired intangible assets, as follows:

	Three months Ended		Six months Ended	
U.S. dollars in millions	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Cost of revenue	$ 94	$ 101	$ 188	$ 217
Sales and marketing	17	17	34	34
Total amortization of acquired intangible assets	**$ 111**	**$ 118**	**$ 222**	**$ 251**

(2) Includes share-based compensation expense, as follows:

	Three months ended		Six months ended	
U.S. dollars in millions	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Cost of revenue	$ 1	$ 1	$ 1	$ 2
Research and development, net	55	45	108	105
Sales and marketing	—	2	2	4
General and administrative	6	7	13	16
Total share-based compensation	**$ 62**	**$ 55**	**$ 124**	**$ 127**

Comparison of the three and six months ended June 29, 2024 and July 1, 2023

Revenue

In the three months ended June 29, 2024, revenue decreased by $15 million, or 3%, compared to the three months ended July 1, 2023. This decrease in revenue was primarily due to a decrease of $40 million or 10% in EyeQ™ SoC revenue mostly attributable to a 9% reduction in volume resulting from the usage of the remaining excess inventory at our previously accumulated Tier 1 customers to satisfy demand. This was mostly offset by an increase of $25 million in SuperVision™ related revenue. Average System Price, calculated as the sum of revenue related to EyeQ™ and SuperVision™ systems divided by the number of systems delivered, increased by 5%, due to the higher percentage of SuperVision™ related revenue as compared to the second quarter of 2023.

In the six months ended June 29, 2024, revenue decreased by $234 million, or 26%, compared to the six months ended July 1, 2023. This decrease was primarily due to a decrease of $274 million, or 33%, in EyeQ™ SoC revenue attributable to a 32% decrease in volume resulting from the usage of meaningful excess inventory previously accumulated at our Tier 1 customers to satisfy demand. This was partially offset by an increase of $39 million in SuperVision™ related revenue. Average System Price, calculated as the sum of revenue related to EyeQ™ and SuperVision™ systems divided by the number of systems delivered, increased by 7%, due to the higher percentage of SuperVision™ related revenue as compared to the first half of 2023.

Cost of Revenue

In the three months ended June 29, 2024, our cost of revenue remained flat compared to the three months ended July 1, 2023. This is due to an increase of $11 million in manufacturing costs, mainly resulting from an increase in sales of SuperVision™ systems, mostly offset by a reduction of $7 million in amortization of intangible assets.

In the six months ended June 29, 2024, our cost of revenue decreased by $66 million, or 14%, compared to the six months ended July 1, 2023. This decrease was primarily due to a net decrease of $33 million in manufacturing costs mainly resulting from the reduction in sales of EyeQ™ SoC offset by the increase in sales of SuperVision™ systems, as well as a decrease of $29 million in amortization of intangible assets.

Gross Profit and Margin

In the three months ended June 29 2024, our gross profit decreased by $15 million, or 7% compared to the three months ended July 1, 2023.

In the six months ended June 29 2024, our gross profit decreased by $168 million, or 39%, compared to the six months ended July 1, 2023.

The gross profit decrease in both periods was mainly driven by the decrease in sales of EyeQ™ systems, attributable to the usage of meaningful inventory at our Tier 1 customers to satisfy demand.

In the three months ended June 29 2024, our gross margin has decreased to 48% compared to 49% in the three months ended July 1, 2023. This decrease was primarily due to the increase in the percentage of revenue attributable to SuperVision™. In addition, there was an increase in the average cost of our EyeQ™ SoC compared to the second quarter of 2023 since we entered 2023 with an opening balance of EyeQ™ SoC inventory that we previously acquired at lower-than-current prices. These were offset by the impact of the lower cost attributable to amortization of intangible assets as a percentage of revenue.

In the six months ended June 29, 2024, our gross margin has decreased by 8% to 39% compared to 47% in the six months ended July 1, 2023. This was mainly due to the increase in the percentage of revenue attributable to SuperVision™, as well as a higher impact of amortization of intangible assets as a percentage of revenue. In addition, there was an increase in the average cost of our EyeQ™ SoC compared to the first half of 2023 since we entered 2023 with an opening balance of EyeQ™ SoC inventory that we previously acquired at lower-than-current prices.

Research and Development Expenses, net

Research and development expenses, net, in the three months ended June 29, 2024, increased by $45 million, or 21%, compared to the three months ended July 1, 2023. This increase was primarily due to an increase in payroll and related expenses, resulting from an increase in average research and development headcount of 367 employees, including an increase in share-based compensation, which was partially offset by the depreciation of the New Israeli Shekel against the USD and military duty reserve refunds from the state of Israel. In addition, there was an increase related to investments attributable to new product development and cloud computing services and also an increase in depreciation costs associated with the new campus and additional sites.

Research and development expenses, net, in the six months ended June 29, 2024 increased by $53 million, or 12%, compared to the six months ended July 1, 2023. This increase was due to an increase in payroll and related expenses, resulting from an increase in average research and development headcount of 362 employees, including an increase in share-based compensation, which was partially offset by the depreciation of the New Israeli Shekel against the USD and military duty reserve refunds from the state of Israel. In addition, there was an increase related to investments attributable to new product development and cloud computing services that was partially offset by higher NRE reimbursements.

Sales and Marketing Expenses

Sales and marketing expenses in the three months ended June 29, 2024 decreased by $1 million, or 5%, compared to the three months ended July 1, 2023.

Sales and marketing expenses in the six months ended June 29, 2024 remained flat compared to the six months ended July 1, 2023.

General and Administrative Expenses

General and administrative expenses in the three months ended June 29, 2024 increased by $2 million, or 12%, compared to the three months ended July 1, 2023. This increase was mainly due to an increase in corporate expenses.

General and administrative expenses in the six months ended June 29, 2024 decreased by $3, or 8%, compared to the six months ended July 1, 2023. This decrease was mainly due to a decrease in share-based compensation expenses.

Other Financial Income (expense), net

Other financial income, net, in the three months ended June 29, 2024 decreased by $2 million, or 13%, compared to the three months ended July 1, 2023. This decrease was mainly due to exchange rate differences and fair value revaluation related to equity investments.

Other financial income, net, in the six months ended June 29, 2024 increased by $7 million, or 30%, compared to the six months ended July 1, 2023. This increase was mainly due to interest earned on investment in money market funds, as well as short term bank deposits.

Benefit (Provision) for Income Tax

In the three months ended June 29, 2024 provision for income tax decreased by $5 million, compared to the three months ended July 1, 2023. This decrease was mainly driven by a higher loss before income taxes in the three months ended June 29, 2024 compared to prior year period.

In the six months ended June 29, 2024, provision for income tax decreased by $14 million, compared to the six months ended July 1, 2023. This decrease was mainly due to a higher loss before income taxes in the six months ended June 29, 2024 compared to prior year period.

Liquidity and Capital Resources

We believe we have sufficient sources of funding to meet our business requirements and plans for the next 12 months and in the longer term. Cash generated by operations is our primary source of liquidity for funding our strategic business requirements.

Our primary uses of funds have been for funding increases in headcount in our research and development departments, investments attributable to new product development, as well as for funding our capital expenditures. Our capital expenditures have related mainly to the construction of our new sites and campus, data storage and other research and development projects related equipment and were $46 million and $58 million for the six months ended June 29, 2024 and July 1, 2023, respectively.

To fund our cash requirements in the ordinary course of business, we anticipate that we will continue to primarily rely on operating cash flows, supplemented by our total cash and cash equivalents. We expect our total capital expenditures for 2024 to be slightly above our total capital expenditures in 2023, mainly due to investments in equipment related to the development of our next generation products. Our future capital requirements will depend on many factors, including our growth rate and the timing and extent of operating expenses.

We have lease obligations and other contractual obligations and commitments as part of our ordinary course of business. We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements involving commitments or obligations, including contingent obligations, arising from arrangements with unconsolidated entities or persons that have or are reasonably likely to have a material current or future effect on our financial condition, results of operations, liquidity, cash requirements or capital resources.

Cash Flows

The following table sets forth certain consolidated statements of cash flow data:

	Six months ended	
U.S. dollars in millions	**June 29, 2024**	**July 1, 2023**
Net cash provided by operating activities	$ 70	$ 197
Net cash provided by (used in) investing activities	(64)	(58)
Net cash provided by (used in) financing activities	(11)	(12)
Effect of foreign exchange rate changes on cash and cash equivalents	(5)	(5)
Increase in cash, cash equivalents and restricted cash	**$ (10)**	**$ 122**

Operating activities

For the six months ended June 29, 2024 compared to the six months ended July 1, 2023, the $127 million decrease in cash provided by operating activities was mainly due to an increase of $197 million in net loss, partially offset by the decrease in trade accounts receivable due to reduction in revenue.

Investing activities

Net cash used in investing activities in the six months ended June 29, 2024 was $64 million, consisting of capital expenditures and purchases of debt and equity investments.

Net cash used in investing activities in the six months ended July 1, 2023 was $58 million consisting of capital expenditures.

Financing activities

Net cash used in financing activities in the six months ended June 29, 2024 and the six months ended July 1, 2023 was $11 million and $12 million, respectively, consisting of share-based compensation recharge payments made to Intel.

Liability in respect of employee rights upon retirement

Israeli labor laws and agreements require severance payments upon dismissal of an employee or upon termination of employment in other circumstances. The severance pay liability with respect to Israeli employees is calculated pursuant to Israeli Severance Pay Law based on the most recent salary of the employees multiplied by the number of years of employment as of the balance sheet date.

Our liability for all of our Israeli employees is covered by monthly deposits with severance pay funds. The value of the deposited funds is based on the cash surrender value of these policies and includes profits (or loss) accumulated through the balance sheet date. The deposited funds may be withdrawn only upon the fulfillment of the obligations pursuant to Israeli Severance Pay Law or labor agreements.

The majority of our liability for severance pay is covered by the provisions of Section 14 of the Israeli Severance Pay Law ("Section 14"). Under Section 14 employees are entitled to monthly deposits, at a rate of 8.33% of their monthly salary, contributed by us on their behalf to their insurance funds. Payments in accordance with Section 14 release us from any future severance payments in respect of those employees. As a result, we do not recognize any liability for severance pay due to these employees and the deposits under Section 14 are not recorded as assets on the consolidated balance sheets.

Severance pay liability decreased from $56 million as of December 30, 2023, to $55 million as of June 29, 2024, reflecting mainly the impact of fluctuations in value due to foreign exchange differences between New Israeli Shekel and USD.

Lease liabilities

We have lease agreements for vehicles and offices. We lease office space in various locations in Israel and around the world including USA, Germany and China. All leases are operating leases with fixed payment terms where some of the leases include annual increases to lease payments based on an index or a rate. Lease liabilities, representing the present value of future lease payments, have increased from $51 million as of December 30, 2023 to $52 million as of June 29, 2024, reflecting mainly new lease contracts and amendments to existing agreements, partially offset by the progress in lease payments for existing arrangements.

Indebtedness

We have several bank guarantees aggregating approximately $12 million as of June 29, 2024 (denominated in New Israeli Shekels) mainly in connection with lease agreements and import of vehicles.

Non-GAAP Financial Measures

Our management uses Adjusted Gross Profit and Margin, Adjusted Operating Income and Margin and Adjusted Net Income, collectively, as key measures in operating our business. We use such non-GAAP financial measures to make strategic decisions, establish business plans and forecasts, identify trends affecting our business, and evaluate performance. For example, we use these non-GAAP financial measures to assess our pricing and sourcing strategy, in the preparation of our annual operating budget, and as a measure of our operating performance. We believe that these non-GAAP financial measures, when taken collectively, may be helpful to investors because they allow for greater transparency into what measures our management uses in operating our business and measuring our performance, and enable comparison of financial trends and results between periods where items may vary independent of business performance. The non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly titled non-GAAP measures used by other companies. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure presented in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, as well as our condensed consolidated financial statements and related notes included elsewhere in this report.

We believe excluding items that neither relate to the ordinary course of business nor reflect our underlying business performance, such as the amortization of intangible assets, enables management and our investors to compare our underlying business performance from period-to-period. Accordingly, we believe these adjustments facilitate a useful evaluation of our current operating performance and comparison to our past operating performance and provide investors with additional means to evaluate cost and expense trends. In addition, we also believe these adjustments enhance comparability of our financial performance against those of other technology companies.

Our non-GAAP financial measures reflect adjustments for amortization charges for our acquisition-related intangible assets, share-based compensation expense as well as the related income tax effects where applicable. We exclude amortization charges for our acquisition-related intangible assets for purposes of calculating certain non-GAAP measures, although revenue is generated, in part, by these intangible assets, to eliminate the impact of these non-cash charges that are inconsistent in size and are significantly impacted by the timing and valuation of our acquisitions. These amortization charges relate to intangible assets consisting of developed technology, customer relationships, and brands as a result of Intel's acquisition of Mobileye in 2017 and the acquisition of Moovit in 2020. We believe that the exclusion of share-based compensation expense is appropriate because it eliminates the impact of non-cash expenses for equity-based compensation costs that are based upon valuation methodologies and assumptions that vary over time, and the amount of the expense can vary significantly between companies due to factors that are unrelated to their core operating performance and that can be outside of their control. Although we exclude share-based compensation expenses from our non-GAAP measures, equity compensation has been, and will continue to be, an important part of our future compensation strategy and a significant component of our future expenses, and may increase in future periods.

Adjusted Gross Profit and Margin

We define Adjusted Gross Profit as gross profit presented in accordance with GAAP, excluding amortization of acquisition related intangibles and share-based compensation expense. Adjusted Gross Margin is calculated as Adjusted Gross Profit divided by total revenue.

Set forth below is the reconciliation of gross profit to Adjusted Gross Profit and the calculations of gross margin and Adjusted Gross Margin:

	Three months Ended				Six months Ended			
	June 29, 2024		July 1, 2023		June 29, 2024		July 1, 2023	
U.S. dollars in millions	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Gross profit and margin	$ 209	48 %	$ 224	49 %	$ 263	39 %	$ 431	47 %
Add: Amortization of acquired intangible assets	94	21 %	101	22 %	188	28 %	217	24 %
Add: Share-based compensation expense	1	— %	1	— %	1	— %	2	— %
Adjusted gross profit and margin	**$ 304**	**69 %**	**$ 326**	**72 %**	**$ 452**	**67 %**	**$ 650**	**71 %**

Our Gross Margin (gross profit as a percentage of revenue) and Adjusted Gross Margin (adjusted gross profit as a percentage of revenue) reflect the high value-added nature of our solutions. As we develop and sell full systems that include hardware beyond EyeQ™ SoCs, we expect that our Gross Margin and Adjusted Gross Margin will decrease because of the greater hardware content included in our solutions. However, as a result of a higher expected selling price for such systems, we expect our gross profit per unit will increase on a dollar basis.

Our Adjusted Gross Margin decreased from 72% for the three months ended July 1, 2023 to 69% for the three months ended June 29, 2024 and from 71% for the six months ended July 1, 2023 to 67% for the six months ended June 29, 2024. The decrease in both periods was primarily due to the increase in the percentage of revenue attributable to SuperVision™. In addition there was an increase in the cost of our EyeQ™ SoCs compared to the second quarter of 2023 since we entered 2023 with an opening balance of EyeQ™ SoC inventory that we previously acquired at lower-than-current prices.

Adjusted Operating Income (Loss) and Margin

We define Adjusted Operating Income (loss) as operating income (loss) presented in accordance with GAAP, adjusted to exclude amortization of acquisition related intangibles, and share-based compensation expenses. Operating margin is calculated as operating income (loss) divided by total revenue, and Adjusted Operating Margin is calculated as Adjusted Operating Income (Loss) divided by total revenue.

Set forth below is the reconciliation of operating income (loss) to Adjusted Operating Income (Loss) and the calculations of Operating Margin and Adjusted Operating Margin:

	Three months Ended				Six months Ended			
	June 29, 2024		July 1, 2023		June 29, 2024		July 1, 2023	
U.S. dollars in millions	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Operating income (loss) and operating margin	$ (94)	(21)%	$ (33)	(7)%	$ (332)	(49)%	$ (114)	(13)%
Add: Amortization of acquired intangible assets	111	25 %	118	26 %	222	33 %	251	28 %
Add: Share-based compensation expense	62	14 %	55	12 %	124	18 %	127	14 %
Adjusted operating income and margin	**$ 79**	**18 %**	**$ 140**	**31 %**	**$ 14**	**2 %**	**$ 264**	**29 %**

The three months ended June 29, 2024 ended with an operating loss of $(94) million compared to a $(33) million operating loss in the three months ended July 1, 2023. The increase in operating loss was mainly due to an increase in operating expenses including share based compensation expenses and a slight decrease in revenue, partially offset by lower amortization expenses. The six months ended June 29, 2024 ended with an operating loss higher by $218 million compared to the six months ended July 1, 2023, mainly due to lower revenue and higher operating expenses partially offset by lower amortization.

Our Adjusted Operating Income decreased by $61 million in the three months ended June 29, 2024 compared to the three months ended July 1, 2023, mainly due to an increase in operating expenses and a slight reduction in revenue. Our Adjusted Operating Income decreased by $250 million in the six months ended June 29, 2024 compared to the six months ended July 1, 2023. The decrease was primarily due to higher operating expenses on an unusually low revenue base.

Our Adjusted Operating Margin decreased from 31% for the three months ended July 1, 2023 to 18% for the three months ended June 29, 2024 mainly due to higher operating expenses on a similar revenue base, in addition to the lower Adjusted Gross Margin. Our Adjusted Operating Margin decreased from 29% for the six months ended July 1, 2023 to 2% for the six months ended June 29, 2024. The decrease is mainly due to higher operating expenses on an unusually low revenue base, in addition to the lower Adjusted Gross Margin.

Adjusted Net Income (Loss)

We define Adjusted Net Income (Loss) as net income (loss) presented in accordance with GAAP, adjusted to exclude amortization of acquisition related intangibles and share-based compensation expense, as well as the related income tax effects. Income tax effects have been calculated using the applicable statutory tax rate for each adjustment taking into consideration the associated valuation allowance impacts. The adjustment for income tax effects consists primarily of the deferred tax impact of the amortization of acquired intangible assets.

Set forth below is the reconciliation of net income (loss) to Adjusted Net Income (Loss):

	Three months Ended				Six months Ended			
	June 29, 2024		July 1, 2023		June 29, 2024		July 1, 2023	
U.S. dollars in millions	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Net income (loss)	$ (86)	(20)%	$ (28)	(6)%	$ (304)	(45)%	$ (107)	(12)%
Add: Amortization of acquired intangible assets	111	25 %	118	26 %	222	33 %	251	28 %
Add: Share-based compensation expense	62	14 %	55	12 %	124	18 %	127	14 %
Less: Income tax effects	(11)	(2)%	(10)	(2)%	(21)	(3)%	(21)	(2)%
Adjusted net income	**$ 76**	**17 %**	**$ 135**	**30 %**	**$ 21**	**3 %**	**$ 250**	**27 %**

Our net loss increased by $58 million in the three months ended June 29, 2024, compared to the three months ended July 1, 2023, primarily due to lower revenue and higher operating expenses, including share based compensation, offset by lower amortization expenses. Our net loss increased by $197 million in the six months ended June 29, 2024, compared to the six months ended July 1, 2023 primarily due to lower revenue and higher operating expenses partially offset by lower amortization and an increase in other financial income, net.

Our Adjusted Net Income decreased by $59 million in the three months ended June 29, 2024, compared to the three months ended July 1, 2023 mainly due to higher operating expense and lower revenue. Our adjusted net loss decreased by $229 million in the six months ended June 29, 2024, compared to the six months ended July 1, 2023. The decrease is primarily due to an unusually low revenue base and higher operating expenses, partially offset by an increase in other financial income.

Critical Accounting Policies and Estimates

Our unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions and estimates that affect the amounts reported. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time the estimate was made.

Note 2, "Significant Accounting Policies" of the Notes to the condensed consolidated Financial Statements in Part I, Item 1 of this Form 10-Q and in the Notes to the Consolidated Financial Statements in Part II, Item 8 of the 2023 Annual Report on Form 10-K, as filed with the SEC on February 23, 2024 (the "2023 Form 10-K") describe the significant accounting policies and methods used in the preparation of the Company's condensed consolidated financial statements. There have been no material changes to the Company's critical accounting estimates since the 2023 Form 10-K. As noted in the 2023 Form 10-K critical accounting policies, we regularly test our goodwill and intangible assets to make a judgment on whether facts and circumstances indicate that the carrying amount may not be recoverable and an impairment may be required. These reviews can be affected by various factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy and our forecasts for specific product lines. As disclosed elsewhere in this report, recent industry and economic trends have adversely impacted our business and forecasts, and this could impact the results of our testing in the future if these trends continue.

Cautionary Note Regarding Forward-Looking Statements

This report includes forward-looking statements within the meaning of the federal securities laws. Mobileye and its representatives may also, from time to time, make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in filings with the SEC, press releases, and our reports to stockholders. Forward-looking statements may be identified by the use of words such as "plan," "expect," "believe," "intend," "will," "may," "anticipate," "estimate" and other words of similar meaning in conjunction with, among other things, discussions of future operations and financial performance (including volume growth, pricing, sales and earnings per share growth, and cash flows) and statements regarding our strategy for growth, future product development, regulatory approvals, competitive position and expenditures. All statements that address our future operating performance or events or developments that we expect or anticipate will occur in the future are forward-looking statements.

Forward-looking statements are, and will be, based on management's then-current views and assumptions regarding future events, developments and operating performance, and speak only as of their dates. Investors should realize that if underlying assumptions prove inaccurate, or risks or uncertainties materialize, actual results could vary materially from our expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. Furthermore, we undertake no obligation to update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events and developments or otherwise, except as required by applicable law or regulations.

Forward-looking statements contained in this report may include, but are not limited to, statements about:

- future business, social and environmental performance, goals and measures;
- our anticipated growth prospects and trends in markets and industries relevant to our business;
- business and investment plans;
- expectations about our ability to maintain or enhance our leadership position in the markets in which we participate;
- future consumer demand and behavior, including expectations about excess inventory utilization by customers;

- our ability to effectively compete in the markets in which we operate;
- future products and technology, and the expected availability and benefits of such products and technology;
- development of regulatory frameworks for current and future technology;
- changes in regulation and trade policy, including increased tariffs, in regions in which we operate, including the U.S., Europe and China;
- projected cost and pricing trends;
- future production capacity and product supply;
- potential future benefits and competitive advantages associated with our technologies and architecture and the data we have accumulated;
- the future purchase, use and availability of products, components and services supplied by third parties, including third-party IP and manufacturing services;
- uncertain events or assumptions, including statements relating to our estimated vehicle production and market opportunity, potential production volumes associated with design wins and other characterizations of future events or circumstances;
- effects of the COVID-19 pandemic and responses to future pandemics;
- availability, uses, sufficiency and cost of capital and capital resources, including expected returns to stockholders such as dividends, and the expected timing of future dividends;
- tax- and accounting-related expectations;
- adverse conditions in Israel, including in connection with the Israeli military operations in response to the October 7, 2023 terrorist attacks, which may affect our operations and may limit our ability to produce and sell our solutions;
- any disruption in our operations by the obligations of our personnel to perform military service as a result of current or future military actions involving Israel; and
- other statements described in this report and under the sections entitled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” in our 2023 Form 10-K.

The risk factors discussed under the section entitled “Risk Factors” included in our 2023 Form 10-K could cause our results to differ materially from those expressed in the forward-looking statements made in this Quarterly Report on Form 10-Q. There also may be other risks that are currently unknown to us or that we are unable to predict at this time.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of foreign currency exchange rates and interest rates. There were no material changes to the information on market risk disclosure from our 2023 Form 10 - K.

Interest Rate Risk

Our investments in money market funds, U.S. government bonds and short term deposits are subject to market risk due to changes in interest rates, which may affect our interest income and fair market value of our investments. To minimize this risk, we invest in highly liquid short term U.S. government bonds and in institutional investors money market funds, which consist of high-grade securities. Our short term deposits are redeemable upon demand and held in banks domiciled in the U.S. and Europe, as well as in Israel. As of June 29, 2024 and December 30, 2023, our investment in money market funds was $927 million and $932 million, respectively; our U.S. government bonds were $10 million and $0 million, respectively; and our short term deposits were $224 million and $222 million, respectively.

The primary objectives of our investments in money market funds, U.S. government bonds and short term deposits is to fund our cash requirements in the ordinary course of business and preserve principal. We do not enter into investments for trading or speculative purposes.

Foreign Currency Exchange Risk

The U.S. dollar is our functional currency. Substantially all our revenue was denominated in U.S. dollars for all periods presented; however certain expenses comprising our cost of revenue and operating expenses were denominated in New Israeli Shekels, mainly payroll. As a result, our condensed consolidated financial statements are subject to fluctuations due to changes in exchange rates as our operating expenses, denominated in New Israeli Shekels, are remeasured from New Israeli Shekels into U.S. dollars. We also have expenses in other currencies, in particular the Euro, the Chinese Yuan, and the Japanese Yen, although to a much lesser extent.

We have attempted to minimize foreign currency risk, primarily by entering into a hedging services agreement with Intel during 2021. Intel centrally hedges its forecast cash flow exposure to the U.S. dollar / New Israeli Shekel exchange rates, and according to the agreement, we have been entitled to a certain allocation of the gains and losses arising from the execution of the hedging contracts. During the fourth quarter of 2022, we de-designated the remaining cash flow hedges for forecasted operating expenses denominated in ILS and will no longer be participating in Intel's corporate hedging program. We plan to reassess what, if any, hedging arrangements we will have in subsequent fiscal years.

If the New Israeli Shekel had strengthened by 10% against the U.S. dollar, it would have decreased our cash flows by approximately $32 million in the six months ended June 29, 2024. If the New Israeli Shekel had strengthened by 10% against the U.S. dollar, it would have decreased our cash flows by approximately $14 million in the six months ended July 1, 2023. This exposure to U.S. dollar / New Israeli Shekel exchange rates in comparative period results from the three months ended July 1, 2023, since in the first quarter of 2023 we were still affected by the hedging program with Intel and therefore the effect of the exchange rates would not have had a material impact on our cash flows.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this report, management conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company’s internal control over financial reporting that occurred during the three months ended June 29, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The effectiveness of any system of controls and procedures is subject to certain limitations, and, as a result, there can be no assurance that our controls and procedures will detect all errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be attained.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of conducting our business, we have in the past and may in the future become involved in various legal actions and other claims. We may also become involved in other judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of our businesses. Some of these matters may involve claims of substantial amounts. In addition, from time to time, third parties may assert intellectual property infringement claims against us in the form of letters and other forms of communication. These legal proceedings may be subject to many uncertainties and there can be no assurance of the outcome of any individual proceedings. An adverse outcome in certain of these proceedings could have a material adverse effect on our business, financial condition and results of operations, and could cause the market value of our common stock to decline.

Legal Actions

U.S. Class Action

Securities Litigation. On January 16, 2024, a putative class action captioned McAuliffe v. Mobileye Global Inc., et al., 1:24-CV-00310 (S.D.N.Y.), was filed in the United States District Court for the Southern District of New York against Mobileye and certain of its current and former officers, asserting violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 in connection with defendants' alleged misstatements and omissions concerning the build-up of excess inventory by certain Tier 1 Mobileye customers. The complaint seeks unspecified damages and other relief on behalf of all persons and entities who purchased or otherwise acquired Mobileye securities between January 26, 2023 and January 3, 2024.

On July 12, 2024, the court consolidated the McAuliffe case with a substantively identical case, Le v. Mobileye Global Inc., et al., 1:24-CV-01390 (S.D.N.Y.), appointed a lead plaintiff, and set an initial schedule for the consolidated case. We intend to defend the matter vigorously. No provision was recorded in the financial statements as of June 29, 2024.

U.S. Derivative Action

On April 12, 2024, a derivative lawsuit was filed against the members of the Mobileye Board of Directors and Intel Corporation, in its capacity as Mobileye's controlling shareholder. Mobileye was also named as a nominal defendant. The complaint principally asserts claims for breach of fiduciary duty and unjust enrichment based on alleged failures to take steps to prevent the Company from making allegedly false and misleading statements concerning the build-up of excess inventory by certain Tier 1 Mobileye customers. The complaint also asserts a claim for violation of Section 14(a) of the Securities Exchange Act of 1934 based on alleged misstatements and omissions in Mobileye's 2023 proxy statement. The complaint seeks unspecified damages and other relief. Since May 24, 2024, the derivative action has been stayed by the court pending resolution of the anticipated motion to dismiss in the consolidated securities action.

On June 27, 2024, an additional derivative lawsuit was filed in the United States District Court for the Southern District of New York against certain members of the Mobileye Board of Directors, certain of Mobileye's current and former officers, and Intel Corporation, in its capacity as Mobileye's controlling shareholder. Mobileye was also named as a nominal defendant. On July 9th, this derivative action was consolidated with the derivative action originally filed on April 12, 2024 and the consolidated derivative action was stayed by the court pending resolution of the anticipated motion to dismiss in the consolidated securities action. We intend to defend the derivative claims vigorously. No provision for the consolidated derivative action was recorded in the financial statements as of June 29, 2024.

U.S. Patent Litigation

On January 26, 2024, Facet Technology Corp. ("Facet") sued Mobileye in the U.S. District Court for the Eastern District of Texas for allegedly infringing two patents. Captioned Facet Technology Corp. v. Mobileye Global, Inc., the complaint alleges that certain Mobileye products directly and indirectly infringe both patents. The complaint seeks unspecified damages, a permanent injunction, and attorneys' fees and costs. We have moved to dismiss the complaint for improper venue and await a ruling. In the meantime, we intend to defend the matter vigorously. No provision was recorded in the financial statements.

Item 1A. Risk Factors

There have been no material changes to the risk factors as disclosed in our 2023 Form 10-K. The risks described in the section entitled "Item 1A. Risk Factors" in our 2023 Form 10-K could materially and adversely affect our business, financial condition, and results of operations, and the trading price of our Class A common stock could decline. These risk factors do not identify all risks that we face. Our operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial to our operations. Due to risks and uncertainties, known and unknown, our past financial results may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. Refer also to the other information set forth elsewhere herein, including the sections entitled "Forward-Looking Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our Consolidated Condensed Financial Statements and related Notes thereto.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sale of Unregistered Securities

There were no sales of unregistered equity securities during the three months ended June 29, 2024.

Use of Proceeds

Not applicable.

Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

31.1*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certificate of the Chief Executive Officer of Mobileye Global Inc. pursuant to 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certificate of the Chief Financial Officer of Mobileye Global Inc. pursuant to 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following financial statements from Mobileye Global Inc.'s Quarterly Report on Form 10-Q for the three months ended June 29, 2024, filed with the Securities and Exchange Commission on August 7, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) the Consolidated Statements of Changes in Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

SIGNATURES

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

Date: August 7, 2024	Mobileye Global Inc.
	By: /s/ Professor Amnon Shashua
	Professor Amnon Shashua Chief Executive Officer, President and Director (Principal Executive Officer)
	By: /s/ Moran Shemesh Rojansky
	Moran Shemesh Rojansky Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

I, Professor Amnon Shashua, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mobileye Global Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

[*Signature Page Follows*]

Date: August 7, 2024

By: /s/ Professor Amnon Shashua
Professor Amnon Shashua
Chief Executive Officer, President, and Director
(Principal Executive Officer)

Exhibit 31.2

Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

I, Moran Shemesh Rojansky, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mobileye Global Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

[*Signature Page Follows*]

Date: August 7, 2024

By: /s/ Moran Shemesh Rojansky
Moran Shemesh Rojansky
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certificate of the Chief Executive Officer of Mobileye Global Inc. pursuant to 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In connection with the Quarterly Report on Form 10-Q of Mobileye Global Inc. for the period ending June 29, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Professor Amnon Shashua, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Mobileye Global Inc.

Date: August 7, 2024

By: /s/ Professor Amnon Shashua
Professor Amnon Shashua
Chief Executive Officer, President, and Director
(Principal Executive Officer)

Exhibit 32.2

Certificate of the Chief Financial Officer of Mobileye Global Inc. pursuant to 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In connection with the Quarterly Report on Form 10-Q of Mobileye Global Inc. for the period ending June 29, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Moran Shemesh Rojansky, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Mobileye Global Inc.

Date: August 7, 2024

By: /s/ Moran Shemesh Rojansky
Moran Shemesh Rojansky
Chief Financial Officer
(Principal Financial and Accounting Officer)