

Q3 2024 Earnings Call  
Presentation

November 12, 2024



## Disclaimer

All statements in this presentation, other than those relating to historical facts, are "forward-looking statements." Forward-looking statements contained in this presentation include, but are not limited to, statements regarding Gauzy' Ltd.'s (the "Company") strategic and business plans, technology, relationships, objectives and expectations for its business, growth, the impact of trends on and interest in its business, intellectual property, products and its future results, operations and financial performance and condition and may be identified by the use of words such as "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions or variations of such words are intended to identify forward-looking statements. For example, the Company is using forward-looking statements when it discusses financial plans, its project pipeline, its expected revenue models, the potential of its technology, its strategy, market potential for its technology and its future growth. Forward-looking statements are not historical facts, and are based upon management's current expectations, beliefs and projections, many of which, by their nature, are inherently uncertain. Such expectations, beliefs and projections are expressed in good faith. However, there can be no assurance that management's expectations, beliefs and projections will be achieved, and actual results may differ materially from what is expressed or indicated by the forward-looking statements. In particular, forward looking statements in this presentation include the Company's expected revenue growth for cockpit shading through the end of 2024 as well as expected aggregated revenue over ten years.

Forward-looking statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the forward-looking statements. For a more detailed description of the risks and uncertainties affecting the Company, reference is made to the Company's reports filed from time to time with the Securities and Exchange Commission ("SEC"), including, but not limited to, the risks detailed in the Company's prospectus (Registration No. 333-278675), dated June 5, 2024, and filed with the SEC and in subsequent filings with the SEC. Forward-looking statements speak only as of the date the statements are made. The Company assumes no obligation to update forward-looking statements to reflect actual results, subsequent events or circumstances, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements.

This presentation does not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any of our securities nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any offering of securities can only be made in compliance with applicable securities laws.

Trade names, trademarks and service marks of third parties in this presentation are the property of their respective holders.

This presentation contains certain supplemental financial measures that are not calculated pursuant to generally accepted accounting principles in the United States ("GAAP"). The Company believes that these non-GAAP financial measures, when presented in conjunction with comparable GAAP measures, provide useful information about its operating results and enhance the overall ability to assess the Company's financial performance. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their most directly comparable GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

# Welcome to Gauzy's Q3 2024 Earnings Call

## Nasdaq: GAUZ

### Continued Strong Performance YTD 2024:

Revenue Growth of 24.6% in Q3 and 29.2% YTD

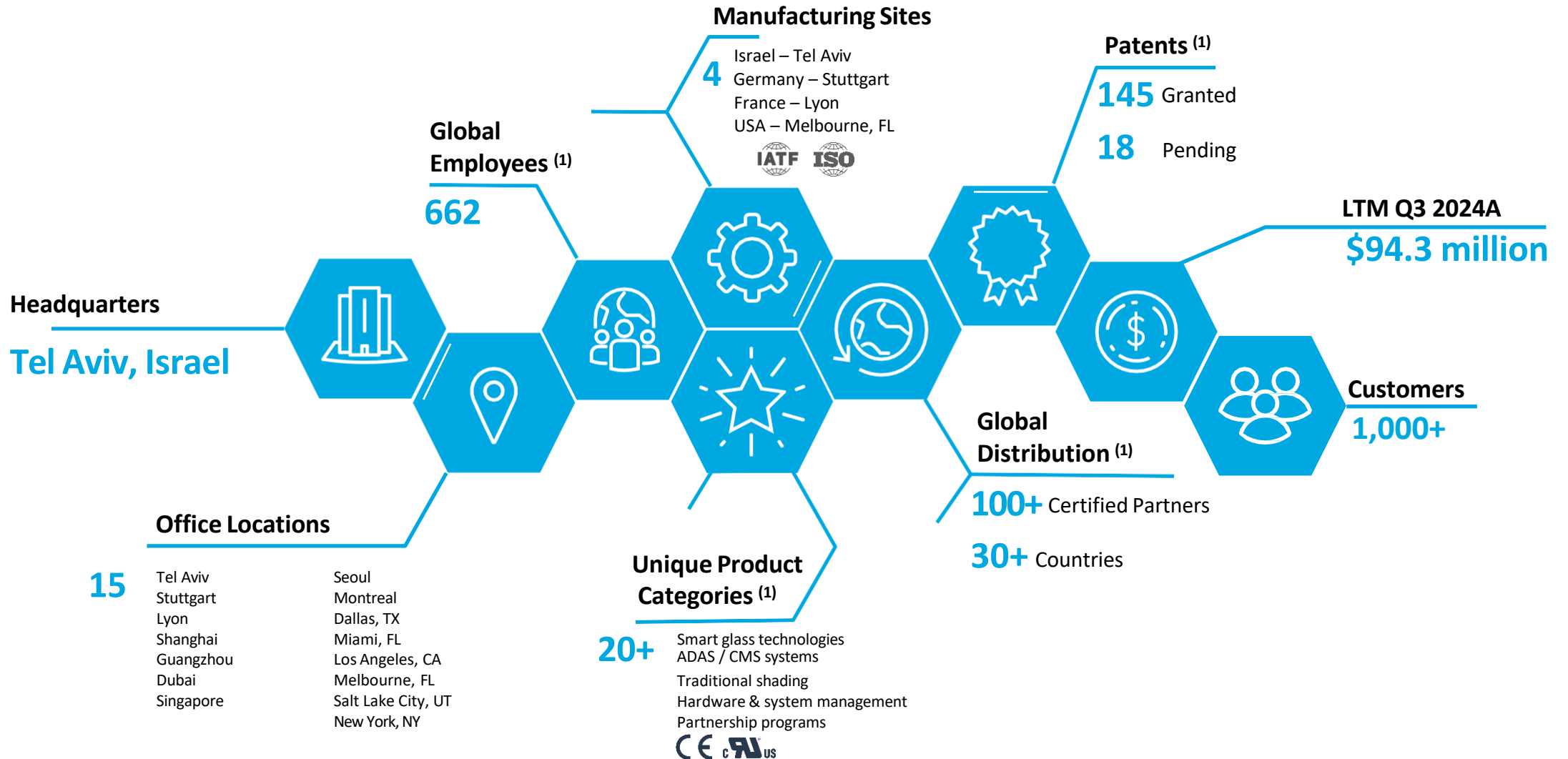
Gross Margin of 23.9% in Q3 and 25.4% YTD

Solid Customer Backlog with Multi-Year Committed Contracts Reinforces Growth Outlook

Adds Additional Shifts in European Production Facility to Meet Accelerating Demand While Maintaining Short-term Profitability Goals



# A Global Leader in Vision & Light Control



# Four Business Divisions Defined by Distinct End Markets

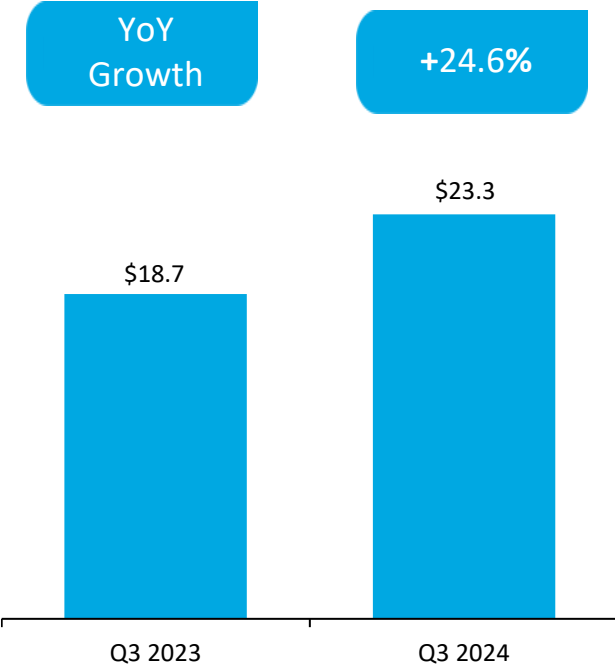


Combined TAM of \$44 billion in 2023 growing at a CAGR of 23% through 2028

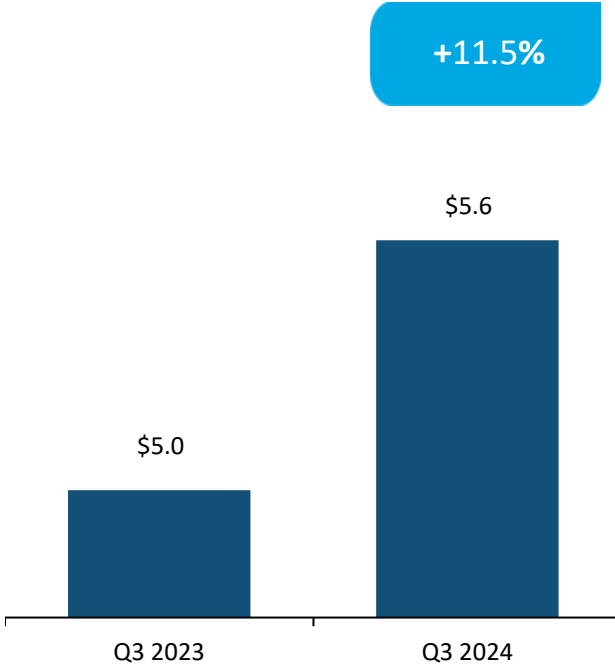
# Financial Highlights Q3 2024

\$ in millions

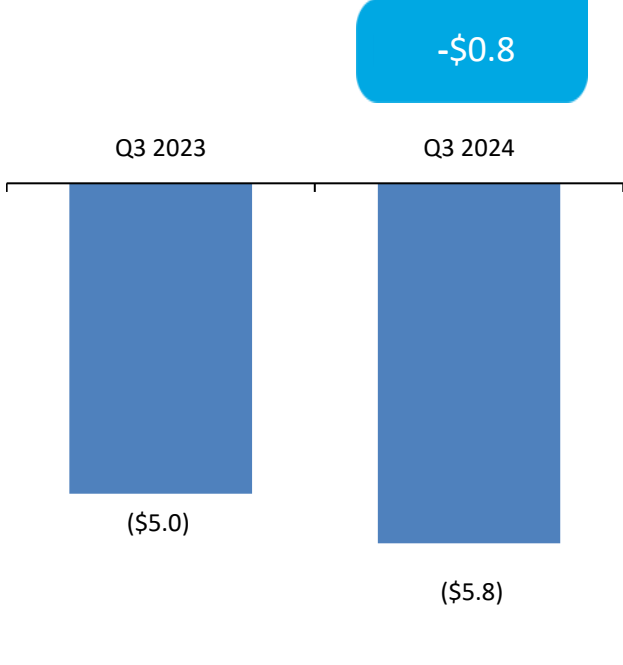
## Revenue



## Gross Profit



## Adjusted EBITDA



Margin

26.8%

23.9%

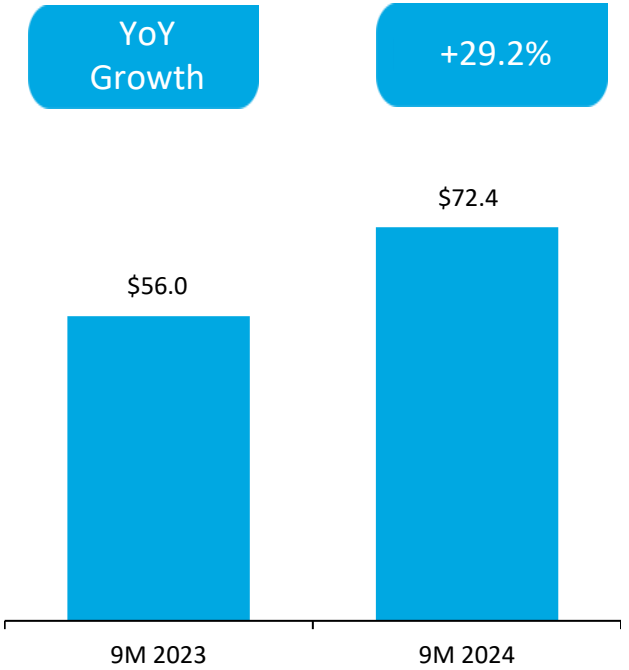
(26.8%)

(24.9%)

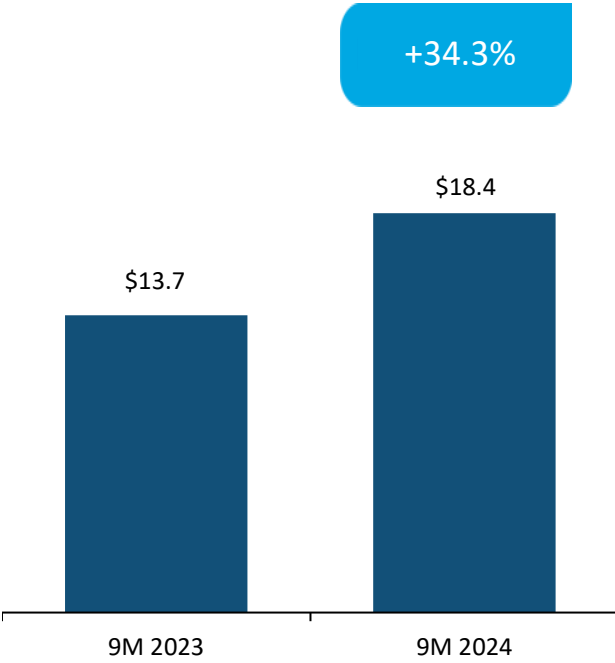
# Financial Highlights First Nine Months 2024

\$ in millions

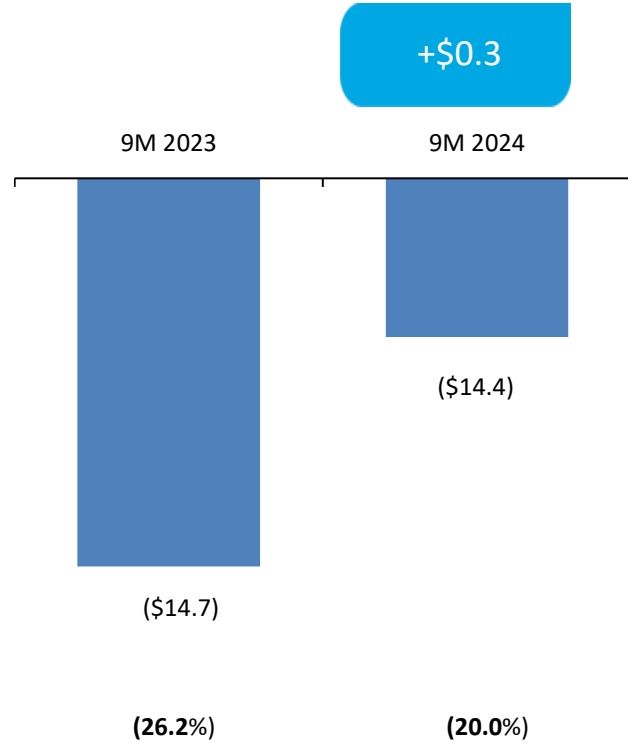
## Revenue



## Gross Profit



## Adjusted EBITDA



Margin

24.4%

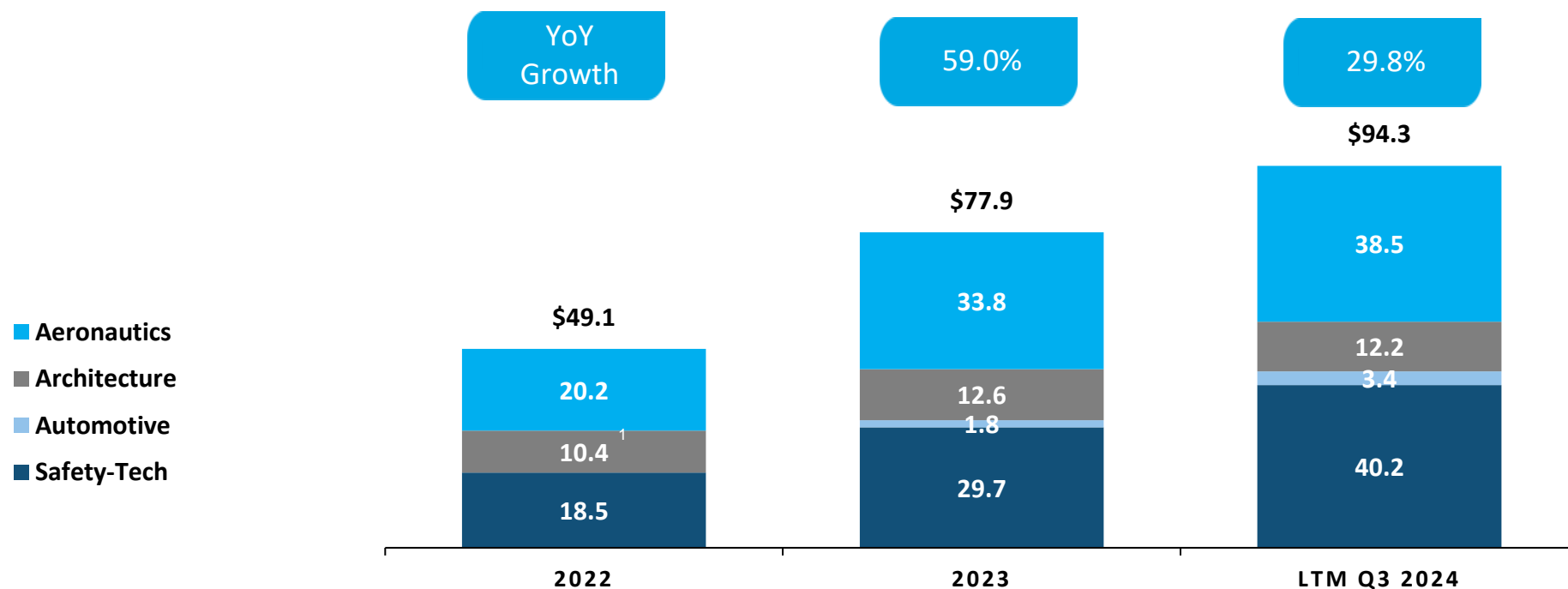
25.4%

(26.2%)

(20.0%)

# Strong Adoption Trends Driving Outsized Growth Across Segments

\$ in millions



Note: 2022A figures include Vision Lite results following the consummation of its acquisition by Gauzy on January 22, 2022. Quarterly results are unaudited.

1) Automotive results included in Architecture for 2022.

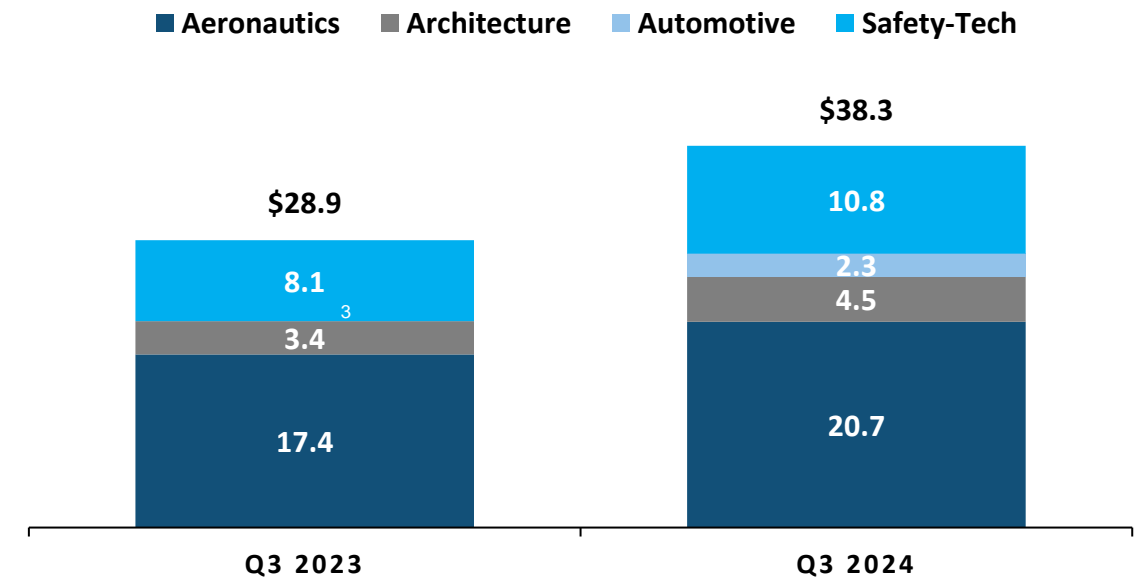


# Strong Backlog and Long-Term Supply Agreements Provide Visibility and Consistency of Results

\$ in millions

- ✓ Multi-year supply agreements with aerospace, automotive and ADAS / CMS customers
- ✓ New supply agreements provide compounding effect on reoccurring revenues
- ✓ Diverse customer base with over 1,000 customers in more than 30 countries across multiple end markets
- ✓ \$4 million of late shipments in Q3 that shifted into Q4 and early 2025
- ✓ Second shift added at Gauzy's European manufacturing facility
- ✓ Reiterates Q4 2024 revenue range of \$28 million to \$34 million

## Backlog Momentum<sup>(2)</sup>



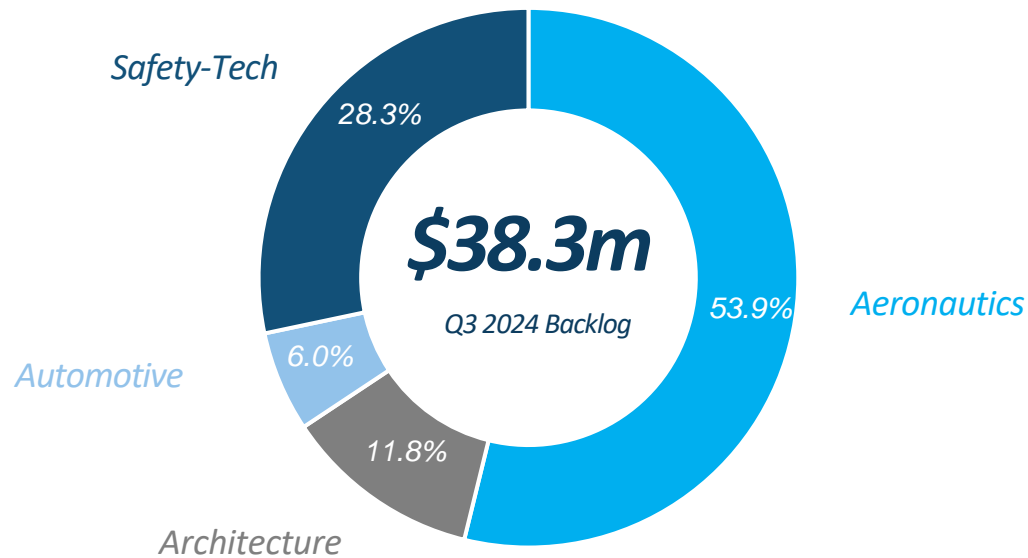
(1) Defined as revenue from customers who were also customers in 2022 and earlier.

(2) Revenue backlog is a key business metric that we define as booked orders based on purchase orders or hard commitments that have not been shipped yet or have been shipped but not yet recognized as revenue.

(3) Automotive backlog included in Architecture for Q3 2023.

# Innovations and Market Adoption Driving Strong Backlog

## Q3 2024 Backlog <sup>(1)</sup>



## Key Market Adoption Updates

**50k Cars/Yr  
For 9 Yr**

*Contract with major Auto OEM for an average of 50k EV cars per year for 9 years*  
Largest Automotive segment contract to date

**250% YoY  
Growth**

*Yutong, world's largest bus manufacturer, increases orders for ADAS in Q3*  
Reflected in 68% revenue growth in Safety Tech Division YoY

**\$240MM**

*Expected revenues over 10 years <sup>(2)</sup> in Aeronautics segment*  
~95% global market share of cockpit shading for all commercial aircraft and business jets

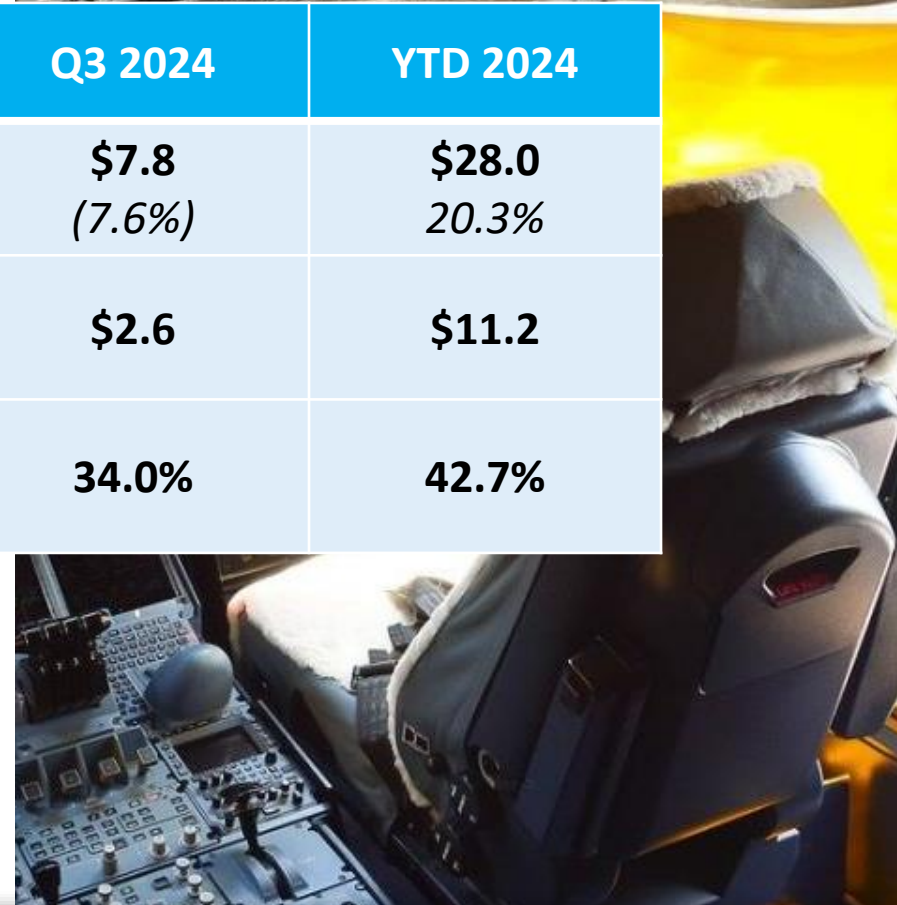
# Aeronautics



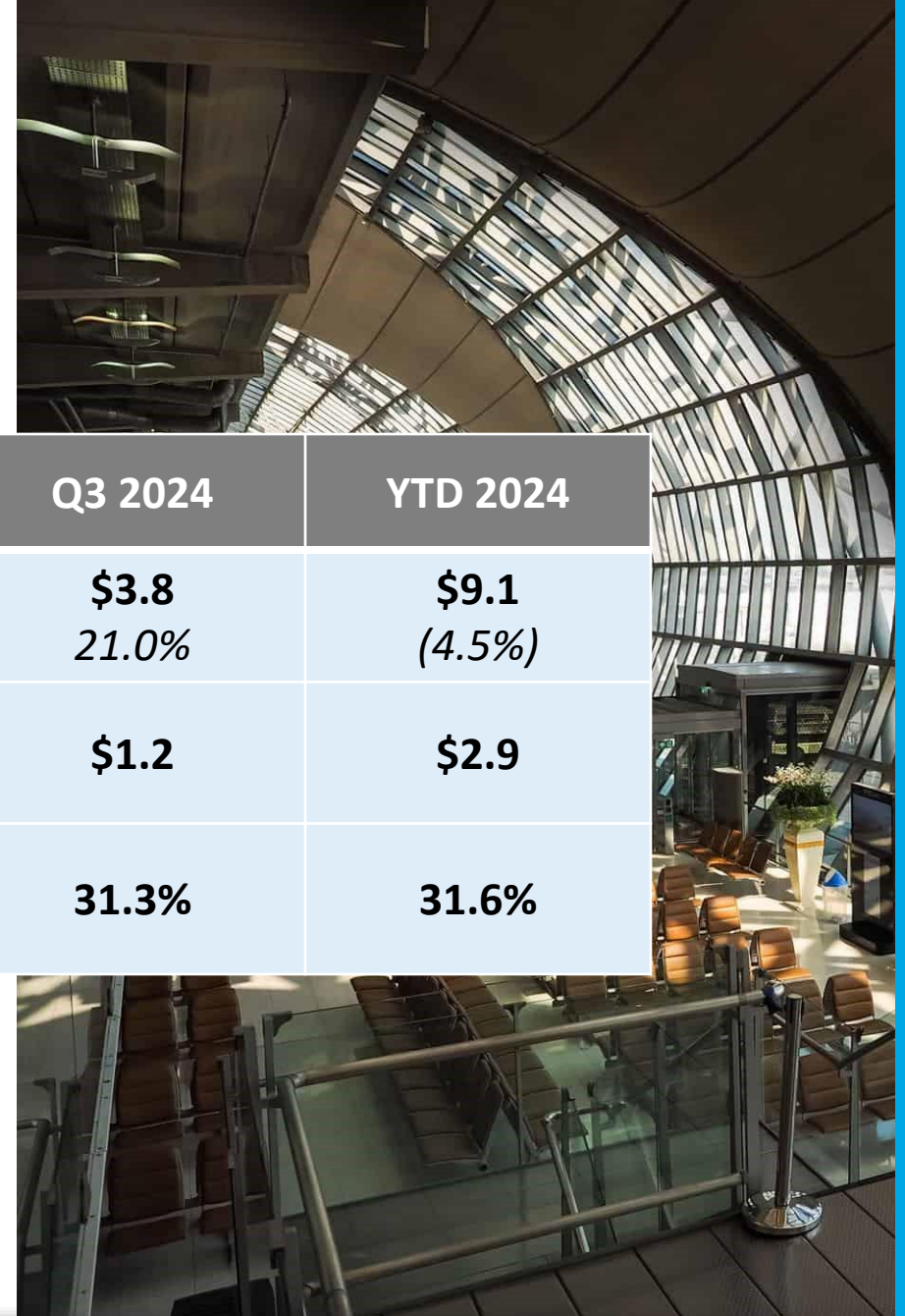
## Q3 Highlights

- Total division sales decreased 7.6% to \$7.8 million, reflecting delays in shipments from the third quarter to coming quarters
- Gross profit of \$2.6 million, down 15.2% YoY and gross margin of 34.0%, down 290bps primarily due to lower revenue across a fixed cost base

(\$ in Millions)	Q3 2024	YTD 2024
<b>Revenue</b> <i>YoY Change</i>	<b>\$7.8</b> (7.6%)	<b>\$28.0</b> 20.3%
<b>Gross Profit</b>	<b>\$2.6</b>	<b>\$11.2</b>
<b>Gross Margin</b>	<b>34.0%</b>	<b>42.7%</b>



# Architecture



## Q3 Highlights

- Total division sales increased 21.0% to a record \$3.8 million, reflecting strong and growing demand in this division worldwide
- Gross margin of 31.3% up 370bps
- Gross margin increase driven by higher revenues, favorable product mix, and operating efficiencies

(\$ in Millions)	Q3 2024	YTD 2024
<b>Revenue</b> <i>YoY Change</i>	<b>\$3.8</b> 21.0%	<b>\$9.1</b> (4.5%)
<b>Gross Profit</b>	<b>\$1.2</b>	<b>\$2.9</b>
<b>Gross Margin</b>	<b>31.3%</b>	<b>31.6%</b>

# Automotive

## Q3 Highlights

- Total division sales increased 12.5% to \$0.5 million, does not yet reflect rapidly expanding committed backlog from our customers
- Gross profit of \$(0.1) million similar to \$(0.1) in Q3 2023

(\$ in Millions)	Q3 2024	YTD 2024
<b>Revenue</b> <i>YoY Change</i>	<b>\$0.5</b> 12.5%	<b>\$2.7</b> 151.1%
<b>Gross Profit</b>	<b>\$(0.1)</b>	<b>\$(0.6)</b>
<b>Gross Margin</b>	<b>(15.9%)</b>	<b>(22.6)%</b>

# Safety Tech

## Q3 Highlights

- Total division sales increased 68.1% to \$11.2 million, reflecting strong demand for ADAS Smart Vision 2
- Gross profit of \$2.1 million, up 39.1%
- Gross profit margin of 19.0% down 400bps, driven by product mix

(\$ in Millions)	Q3 2024	YTD 2024
<b>Revenue</b> <i>YoY Change</i>	<b>\$11.2</b> 68.1%	<b>\$32.6</b> 47.1%
<b>Gross Profit</b>	<b>\$2.1</b>	<b>\$5.9</b>
<b>Gross Margin</b>	<b>19.0%</b>	<b>18.0%</b>

# Strong Liquidity Profile Supporting Business Plan Execution

(\$ in Millions)

	December 31, 2023	September 30, 2024
Cash and Cash Equivalents	\$4.6	\$9.4
Undrawn Credit Line	40.3	35.0
<b>Total Available Liquidity (including undrawn credit line)</b>	<b>44.9</b>	<b>44.4</b>
Short Term Debt Facilities <sup>(1)</sup>	28.5	13.6
Long Term Debt Facilities <sup>(2)</sup>	38.7	23.3
Convertible Loans from Existing Shareholders <sup>(3)</sup>	55.9	0
<b>Total Debt Facilities</b>	<b>123.1</b>	<b>36.9</b>

# Investment Highlights



1. Rapidly growing light and vision control company, 59% year over year growth<sup>(1)</sup>
2. Addressing multiple TAMs in excess of \$44B
3. Top tier customers with established relationships
4. Global, asset light operations approach poised for significant growth
5. Strong and differentiated technology supported by strong patent portfolio
6. Robust financial model with significant operating leverage driving margin expansion
7. Vertically integrated capabilities



# Appendix



Term	Definition
Active Smart Glass	Product that changes appearance and function in response to on/off electrical charges to conductive films or coatings
Controller	A device that can deliver constant electricity to smart glass to switch appearance from transparent to tinted or opaque, with dimming capabilities
Electrochromic Glass	An active smart glass technology primarily used for facade windows made of formulations coated directly onto glass
LCG®	Light Control Glass®, a registered Gauzy trademark, contains molecules and particles that position to control the passage of various types of light
Outdoor Grade PDLC Film	Electrically conductive polymer dispersed liquid crystal film for exterior windows that controls heat but not light, only available by certain manufacturers
Passive Smart Glass	Photochromic and thermochromic glass treated with coatings that respond to solar rays
PDLC Film	An electrically conductive film comprised of polymer dispersed liquid crystals that controls light
Laminated PDLC Film	PDLC film produced by a manufacturer, that is laminated between sheets of glass with adhesive interlayers by a glass fabricator
Retrofit PDLC Film	PDLC film with an adhesive coating that is applied directly to existing glass
Simple PDLC	Switchable PDLC film that manipulates light but not heat
Smart Glass	Glass that changes its visual properties in response to stimulants such as electricity
SPD Film	Suspended particle device film for smart glass that cools and shades interiors when conductive, nano-sized, solid particles floating in liquid respond to an electrical charge
Thermochromic Glass	Passive dynamic glass used in windows to control solar heat
Tintable Glass	Smart glass (also called switchable or privacy glass) that changes appearance and function in response to electricity
Transformer	A control mechanism that can't dim smart glass but changes it from clear to opaque by turning current on and off. Requires smart glass to remain off for up to a certain amount of hours per day
ADAS/APAS	Advanced Driver Assistance Systems / Advanced Passenger Assistance Systems
CMS	Camera Monitoring Systems
BSIS	Blind Spot Information Systems
MOIS	Moving Off Information Signal

# Reconciliations



**GAUZY LTD.**  
RECONCILIATION OF U.S. GAAP NET LOSS TO NON-GAAP ADJUSTED EBITDA  
(unaudited)

<i>(in thousands of USD)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
<b>Net loss</b>	\$ (5,497)	(21,269)	\$ (41,831)	(58,590)
<b>Income tax expenses (income)</b>	\$ (52)	(20)	\$ 32	35
<b>Financial (income) expenses, net</b>	\$ (3,184)	12,410	\$ 15,644	35,296
<b>Depreciation and amortization</b>	\$ 1,664	1,690	\$ 4,707	4,454
<b>EBITDA</b>	\$ (7,069)	(7,189)	\$ (21,448)	(18,805)
<b>Acquisition related costs and debt raising costs</b>	\$ 190	395	\$ 2,372	460
<b>Non-cash fair value adjustments<sup>(1)</sup></b>	\$ 15	547	\$ (23)	1,500
<b>One-time expenses and project costs</b>	\$ 39	-	\$ (91)	116
<b>Equity-based compensation expense</b>	\$ 1,022	1,149	\$ 4,346	1,973
<b>Doubtful debt expenses<sup>(2)</sup></b>	\$ 9	102	\$ 398	99
<b>Adjusted EBITDA</b>	\$ (5,794)	(4,996)	\$ (14,446)	(14,657)
<b>Net Loss Margin</b>	-24%	-114%	-58%	-105%
<b>Adjusted EBITDA Margin</b>	-25%	-27%	-20%	-26%

(1) One-time expenses related to the Earn Out Agreement with the Sellers.

(2) Doubtful debt expenses related to accounts receivable that we do not expect to collect; such amounts are not included in our net trade receivables.