



Pushing the boundaries of connectivity. Everywhere.

May 2021



Disclaimer

Forward-Looking Statements

Certain statements in this Presentation, including the projections, are forward-looking statements. Forward-looking statements generally relate to future events or PTK Acquisition Corp. (“PTK”) and Valens Semiconductor Ltd.’s (the “Company”) future financial or operating performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expect”, “intend”, “will”, “estimate”, “anticipate”, “believe”, “predict”, “potential” or “continue”, or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements.

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Financial Information

The financial information contained in this Presentation has been taken from or prepared based on the historical financial statements of the Company for the periods presented. The Company’s historical financial information is prepared in accordance with generally accepted accounting principles (“GAAP”). Such information has been audited in accordance with Public Company Oversight Board (“PCAOB”) standards. We cannot assure you that, had the financial statements been compliant with Regulation S-X under the Securities Act of 1933, as amended, and the regulations of the SEC promulgated thereunder or audited in accordance with PCAOB standards, there would not be differences and such differences could be material. An audit of the Company’s financial statements in accordance with PCAOB standards is in process and will be included in the proxy statement relating to the proposed Business Combination. Accordingly there may be material differences between the presentation of the financial information included in the Presentation and in the proxy statement.

Disclaimer (cont'd)

Non-GAAP Financial Measures

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This Presentation also includes certain projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included and no reconciliation of the forward-looking non-GAAP financial measures is included.

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This Presentation contains financial forecasts with respect to the Company's projected financial results for the Company's fiscal years 2021 through 2026. These projections should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information, including those described above under "Forward-Looking Statements." Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Company or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this Presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

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PRESENTERS



Gideon Ben-Zvi, CEO

- 30+ years of experience (16 as CEO, 14 as active chairman)
- Co-founded 4 companies – 3 exits
- Venture Partner, Aviv Venture Capital
- Co-Founder, Active Chairman, BriefCam (acquired by Canon Japan)
- Co-Founder and Chairman, Wizcom
- Co-Founder and CEO, HumanEyes Technologies
- Co-Founder and CEO, Ligature (acquired)



Dror Heldenberg, CFO

- 25+ years of experience
- CFO, BroadLight (acquired by Broadcom)
- CFO, Pelican Security (acquired by Microsoft)
- Finance manager, Amdocs
- Accountant, Deloitte Touche



Peter Kuo, CEO

- 20+ years of experience
- Co-Founding Partner, Canyon Bridge
- Managing Director, Lazard
- Managing Director, Cowen
- Managing Director, Susquehanna



VALENS AT A GLANCE

LEADER IN ULTRA HIGH-SPEED CONNECTIVITY SOLUTIONS AT CHIP, CIRCUIT, SYSTEM AND SOFTWARE LEVELS

CRITICAL TECHNOLOGY FOR ADAS⁽¹⁾ AND AUTONOMOUS CARS

- Superior in-vehicle connectivity widely deployed in Daimler cars
- Validated as baseline for the MIPI A-PHY standard due to superior performance

MARKET LEADER

- Founder of HDBaseT⁽²⁾ Alliance
- Over 200 Alliance members
- Growing and profitable business

SUPERIOR CONNECTIVITY TECHNOLOGY

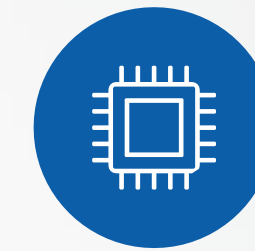
- With new markets to conquer, with ubiquitous connectivity technology



~270
EMPLOYEES, WITH
HQ IN ISRAEL



\$465M
CUMULATIVE
REVENUE TO DATE



>25M
CHIPS SOLD
TO DATE



~\$67M / ~70%
2021E REVENUE AND
GROSS MARGIN



\$9B
2026E SAM⁽³⁾



116 (95)
PATENT
APPLICATIONS
(GRANTED)⁽⁴⁾

KEY INVESTORS

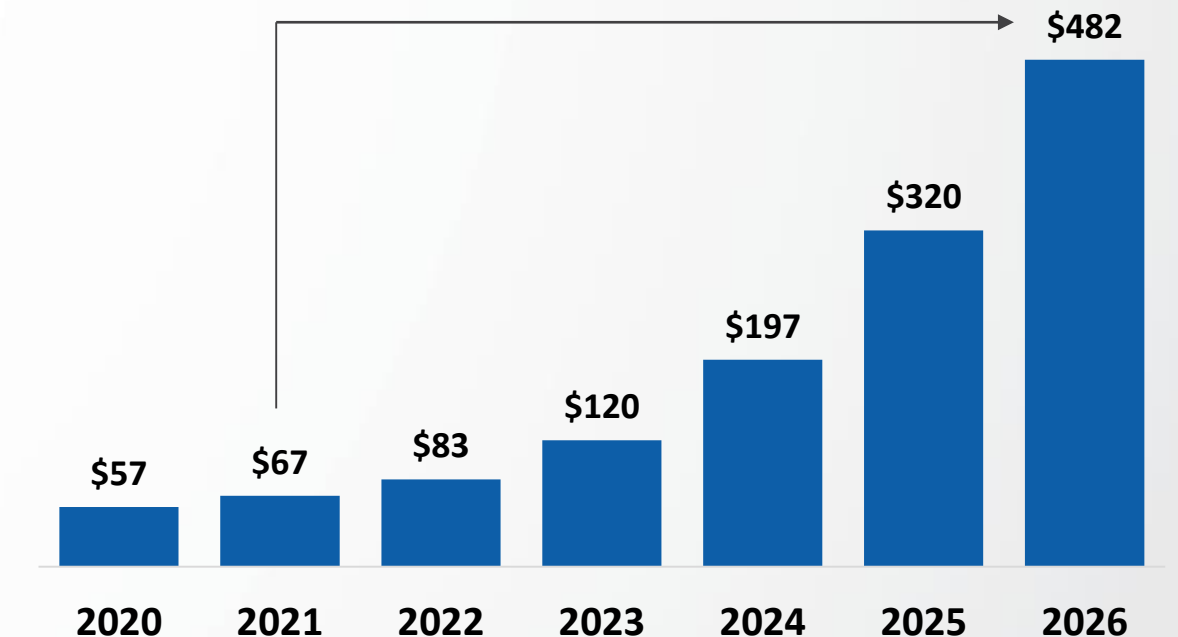
\$150M Capital Raised



REVENUE FORECAST

(\$ in M)

48% CAGR 2021-26



Source: IHS, Strategy Analytics, Yole, Management Estimates.

Note: (1) Advanced Driver Assistance Systems. (2) Global standard for the transmission of ultra-high-definition video & audio, Ethernet, controls, USB and up to 100W of power over a single, long-distance, cable.

(3) Combined SAM for Automotive and Audio-Video. (4) 21 patent applications pending.

VALENS EXECUTIVE LEADERSHIP



Dr. Peter Mertens
Chairman of the Board

Over 35 years of experience in the automotive industry, including companies such as Volvo Cars (CTO), General Motors Global, Mercedes Benz, and member of the Board of Management of Audi AG.



Gideon Ben-Zvi
CEO

Over 30 years of experience as a serial entrepreneur. In his role as CEO and Chairman, he has successfully led companies to IPO, M&A and exits.



Dror Heldenberg
CFO

Over 25 years of leadership in corporate financing, M&A, and business management in global companies.



Eyran Lida
Co-founder and CTO

Inventor of HDBaseT technology and co-founder of Valens, with more than 75 patents under his name.



Gideon Kedem
SVP Automotive Business

Over 30 years experience in management roles in leading semiconductor and EDA global companies.



Gabi Shriki
SVP Audio-Video Business

Over 20 years of experience in global business management roles in leading semiconductor global companies.



ESTABLISHED FOUNDATION FOR RAPID GROWTH



2010

2012

2016

2019

2020

2021

2026

2030

1st Audio-Video product launch

Valens chipsets integrated into a wide range of products on the market

1st Mercedes design win

Selected as the basis of the MIPI A-PHY standard

On the road in Mercedes cars, in a project with estimated revenues at hundreds of millions of dollars

Release of industry-first MIPI A-PHY chipset

>50% revenue from Automotive

Surpasses \$1B revenue

Co-founds the HDBaseT Alliance with Samsung, LG, Sony Pictures

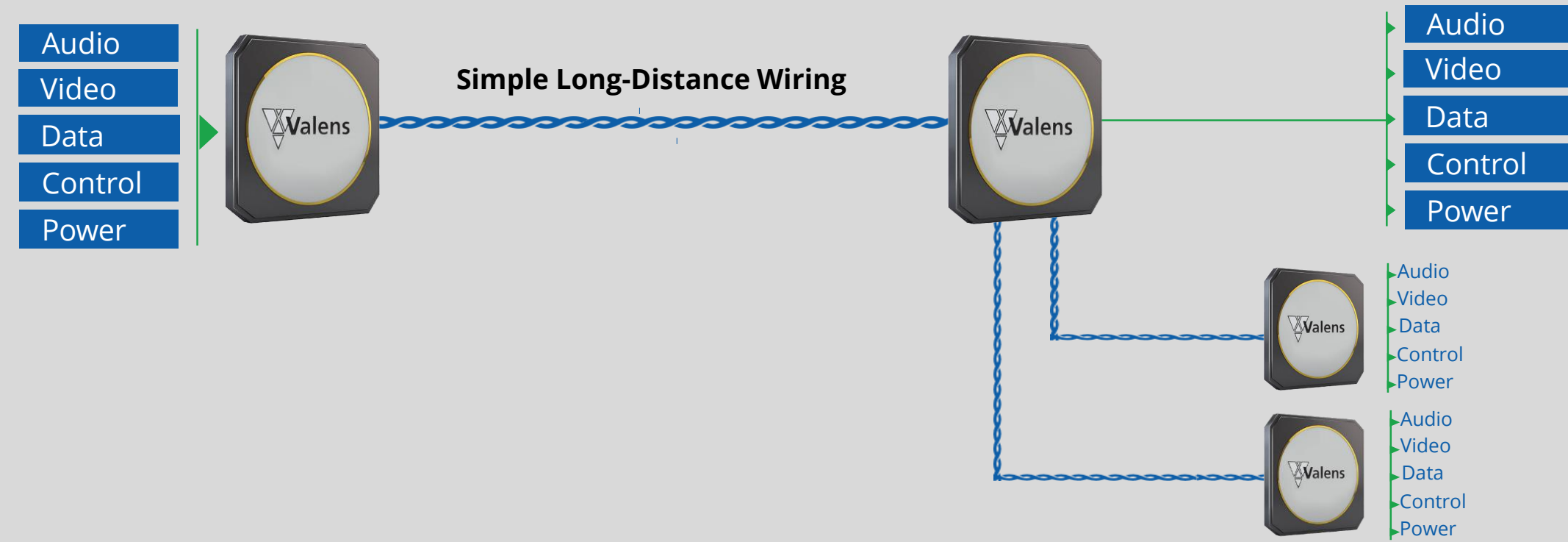
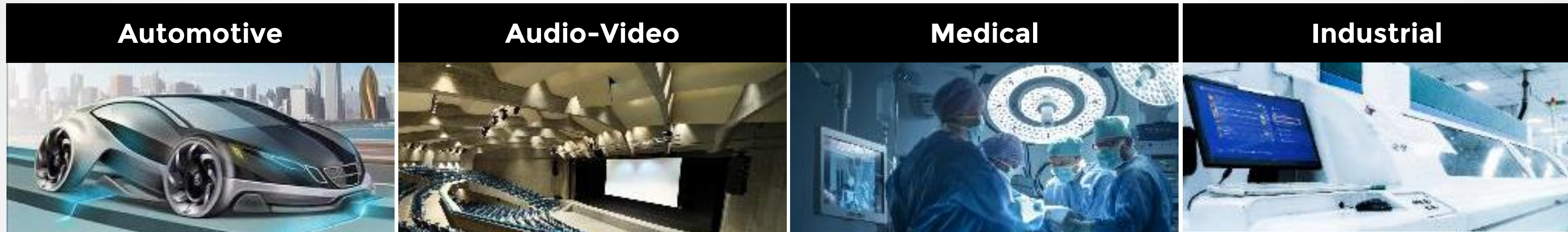
Audio-Video business becomes profitable

MIPI A-PHY standard released to market & adopted by IEEE

Collaborating with leading OEMs and Tier 1s on next-gen projects

Widespread adoption of MIPI A-PHY, leading to massive revenue boost for Valens

THE NEXT GENERATION OF HIGH-SPEED CONNECTIVITY



Note: (1) few micro-seconds of latency are commonly perceived in industry as "zero latency".

INVESTMENT THESIS

1

Redefining high-speed, zero latency connectivity in Automotive

- Enabling fewer cables, lower weight and lower cost
- Rising number of sensors for ADAS requires high-speed connections to enable safety in ADAS & autonomous driving
- Valens' technology selected as basis for industry-wide end-to-end in-vehicle connectivity

2

Driver of the new MIPI A-PHY industry standard, positioned to become connectivity platform of choice

- Leapfrogging other technologies
- Far ahead of the curve with fastest time to market

3

Strong take-ups by leading OEMs and robust customer pipeline

- Deployed widely in Mercedes models and selling to auto Tier-1s. Awarded 2023 start of production (SOP) projects
- Active collaboration with leading players to integrate A-PHY-compliant chipsets into next-gen ADAS platforms

4

Massive structural growth in the automotive market

- Global automotive semiconductor TAM is expected to reach \$68B by 2026
- Valens automotive SAM (infotainment, sensors, displays) is expected to reach \$8B by 2026

5

Leveraging leadership position in Audio-Video connectivity

- Serving top Audio-Video players
- Market acceleration driven by Audio-Video demand with work-from-home and hybrid education
- Well-defined roadmap to expand Audio-Video offering, strengthening market leadership position

6

Projected \$67M revenue in 2021 at 70% gross margin, growing to ~\$480M in 2026 and \$1B+ in 2030

- Transaction accelerates business development and drives high growth and profitability

7

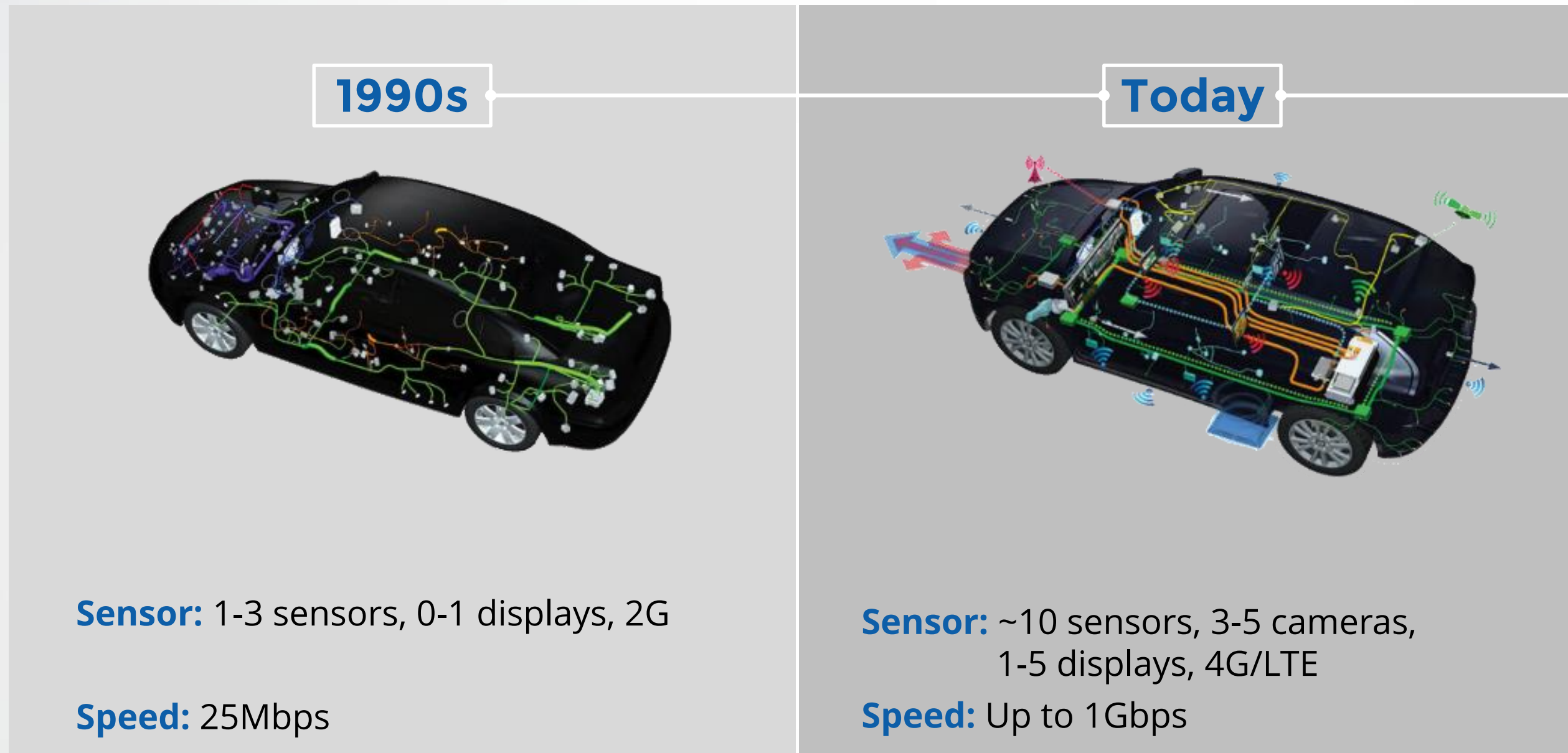
Experienced team with a proven track record of value creation and execution





AUTOMOTIVE BUSINESS

THE CAR ARCHITECTURE EVOLUTION: A NEW APPROACH IS NEEDED

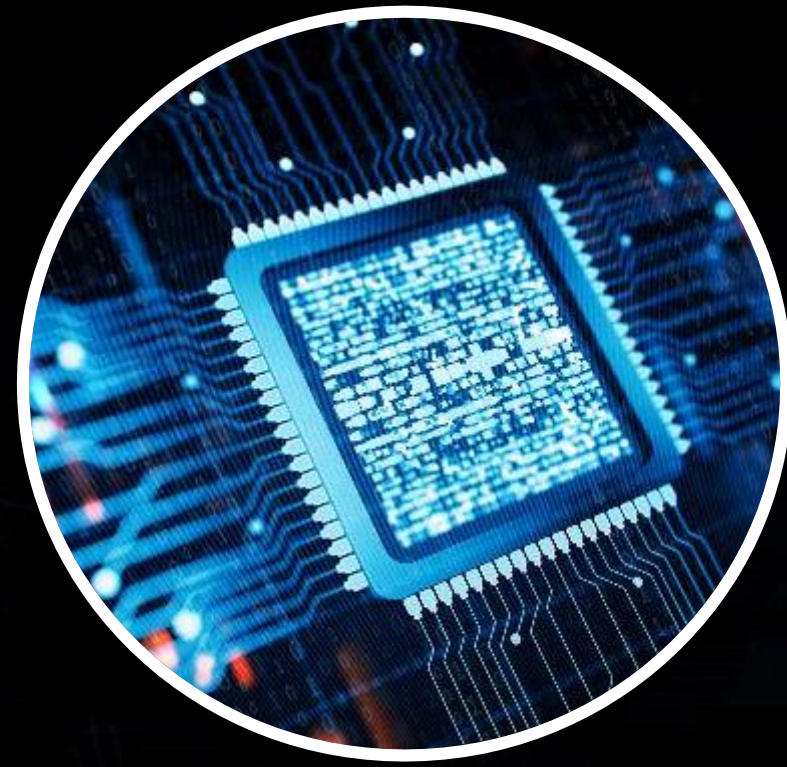


Sensor: >20 – cameras, radars, lidars, >8 displays, 5G/connected cars
Speed: Up to 16Gbps



Valens is a key enabler for the automotive evolution
Next-generation applications require next-generation connectivity solutions

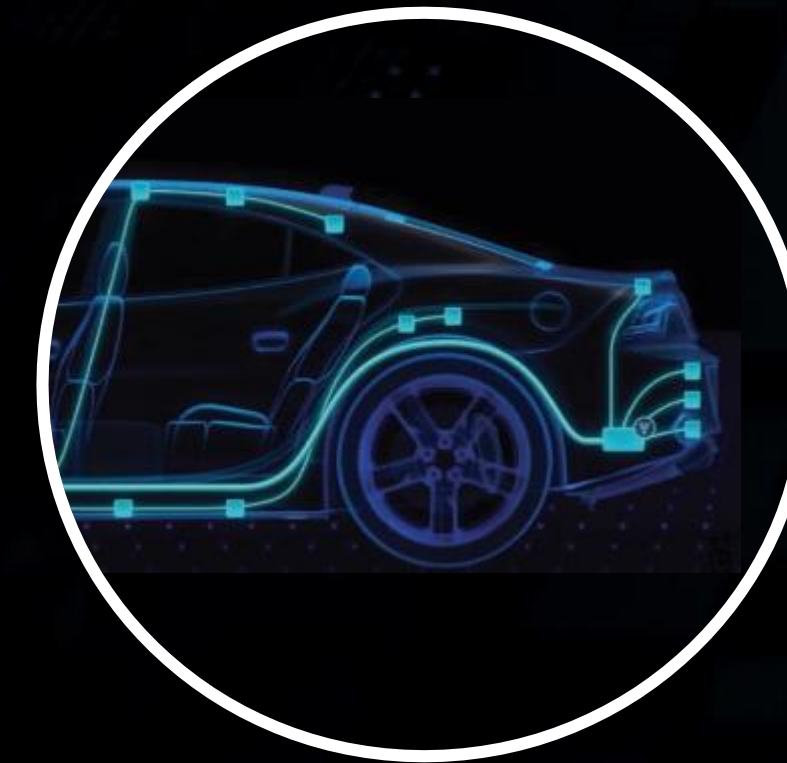
KEY MARKET DRIVERS



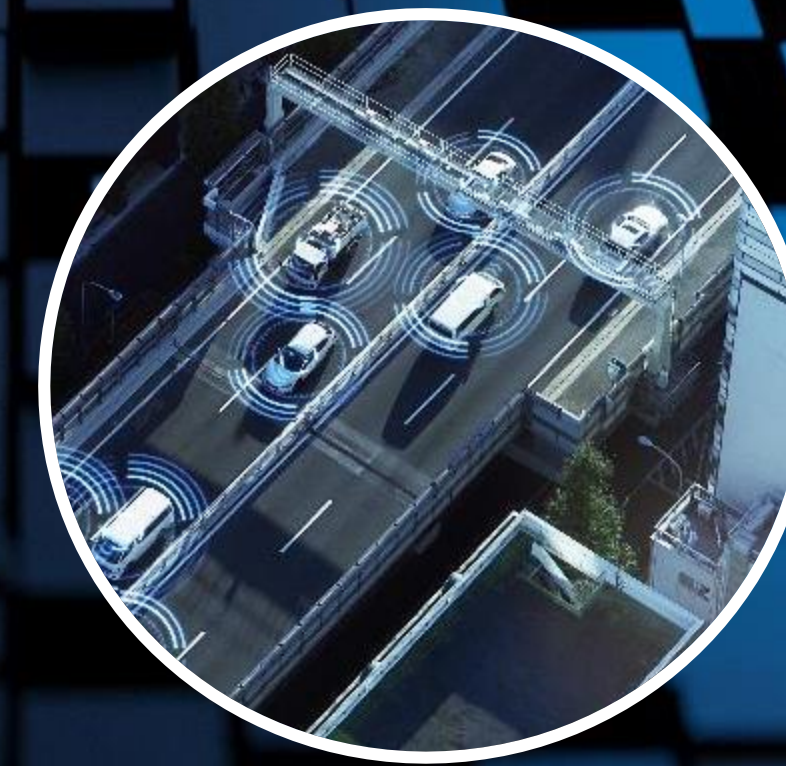
1
**High-speed
data processing**



3
**ADAS & autonomous
driving**



2
**Simplified car
architecture**

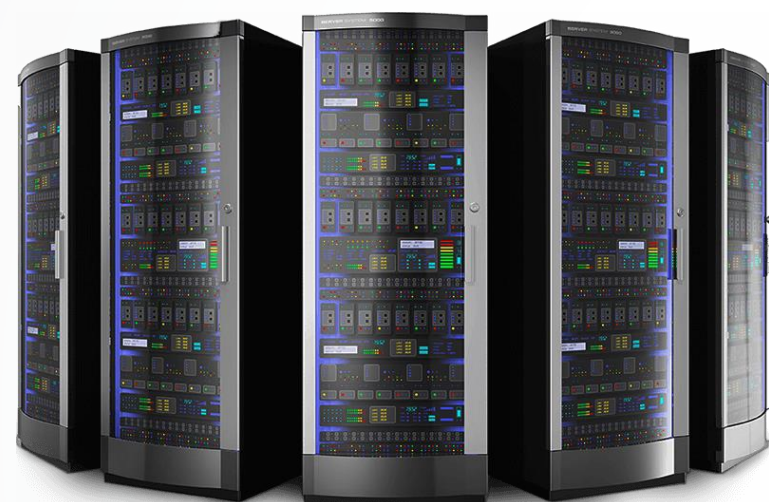
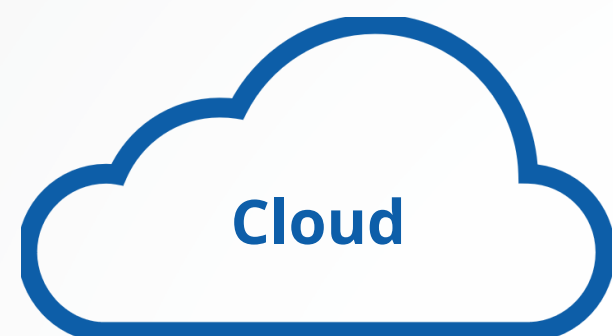


4
**Enhanced
passenger safety**

1

High-speed data processing

VALENS OFFERS THE HIGHEST BANDWIDTH CAPABILITIES IN THE MARKET, ENABLING THE DATA CENTER ON WHEELS



CPU: intel. AMD

Accelerator: NVIDIA. XILINX.

Memory: Micron WD

Networking: NVIDIA. Mellanox TECHNOLOGIES



CPU: intel. mobileye. NVIDIA.

Image Accelerator: NVIDIA. Ambarella. LiDAR: Velodyne LiDAR

Memory: Micron WD

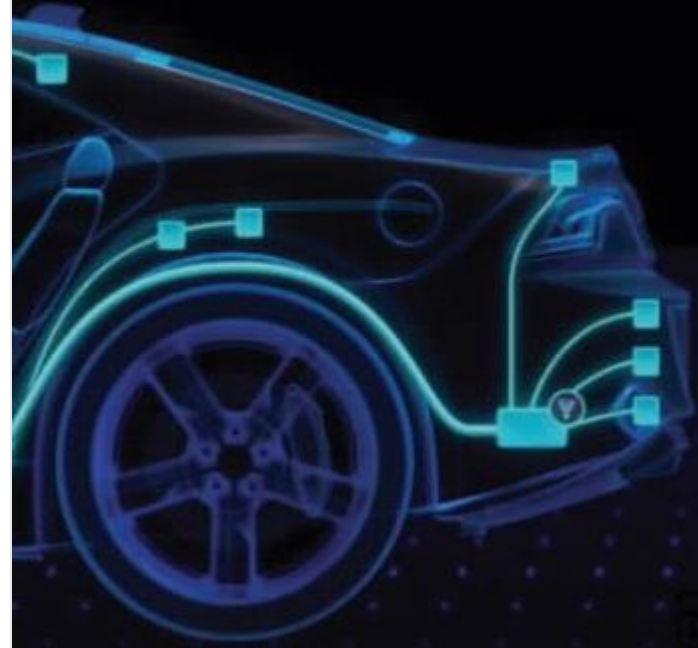
Networking: Valens

Valens is doing for automotive what Nvidia/Mellanox did for data centers



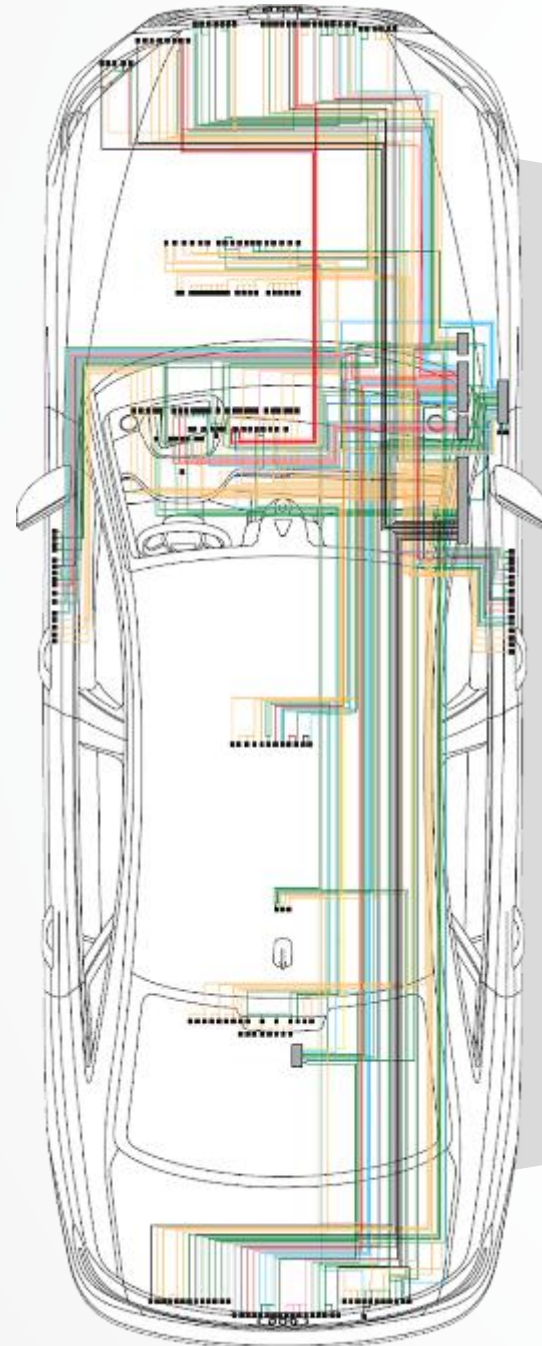
2

Simplified car architecture



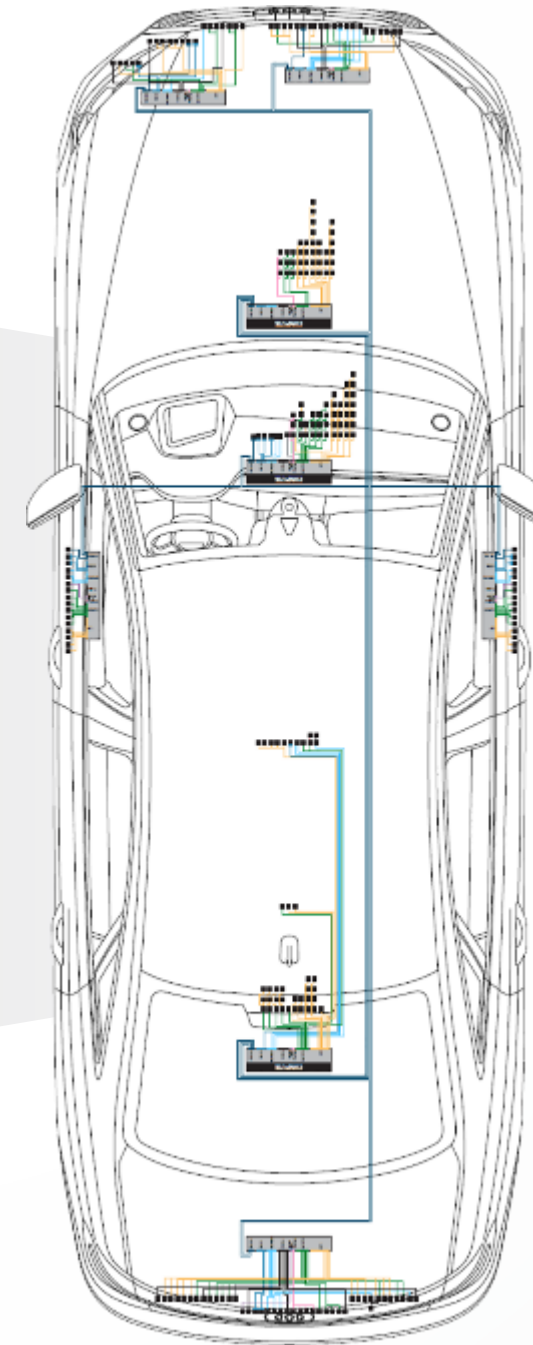
VALENS SIMPLIFIES IN-VEHICLE ARCHITECTURE

THE PROBLEM



Car architecture has been pushed to its limits

THE VALENS SOLUTION



-  **>2x Bandwidth**
-  **Fewer Cables/
Lower Weight**
-  **Lower Cost**
-  **Less Complexity**
-  **Less Power Consumption**
-  **Increased Resilience**
-  **Embedded Link Diagnostic and Analytics**
-  **Reduced Risk of Recall**

3

ADAS & autonomous driving

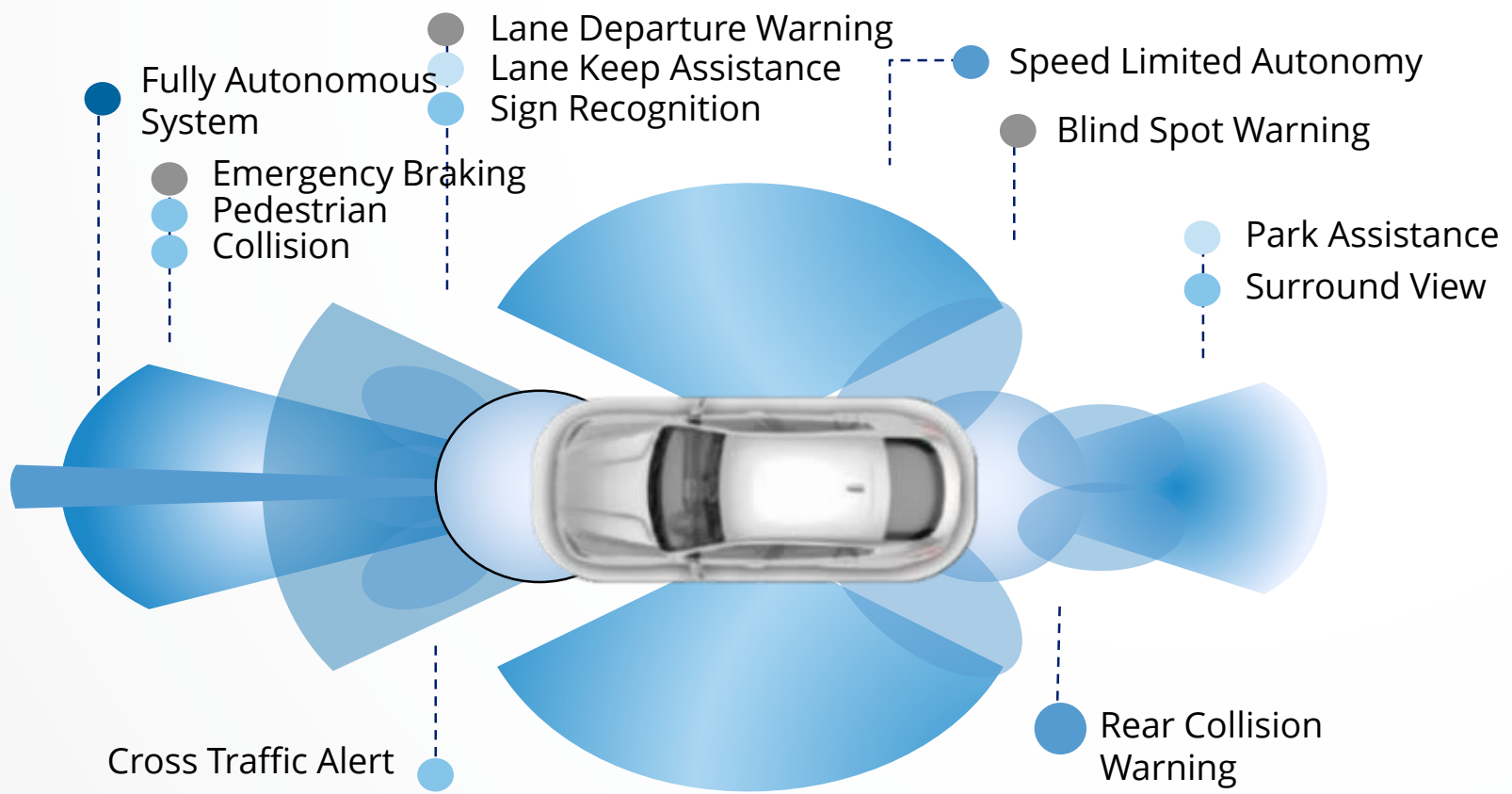
100m



VALENS IS A KEY ENABLER FOR ADAS & AUTONOMOUS DRIVING

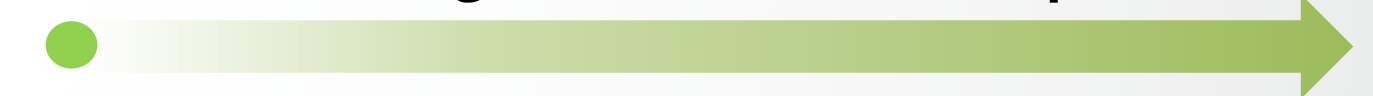


- Sensor fusion (radar, lidar, camera) requires long-reach, high-speed connectivity
- ADAS/AD require zero latency to detect and act on safety events within milliseconds



Adoption of Valens Solutions

High resolution sensors and autonomous driving features are **integrated at level 2 and up**



| | Level 2 | Level 3 | Level 4 | Level 5 |
|-----------------------------------|-------------|--------------|--------------|---------------|
| | Feet Off | Hands Off | Eyes Off | Mind Off |
| Camera | 2-7 | 5-8 | 5-12 | 5-12 |
| Radar | 1-3 | 3-5 | 4-10 | 4-10 |
| Lidar | 0 | 1-2 | 2-5 | 2-6 |
| Display | 1-4 | 2-8 | 2-8 | 8+ |
| Total (Sensors per Car) | 4-14 | 11-23 | 13-35 | 19-36+ |

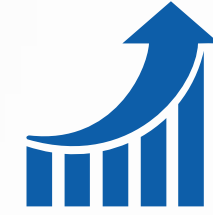
4

Enhanced passenger safety

VALENS' SUPERIOR PERFORMANCE PROTECTS LIVES

New requirements demand new solutions

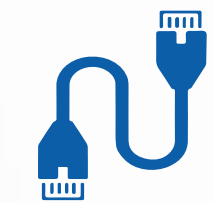
Data rate rising exponentially



Legacy automotive technologies inadequate



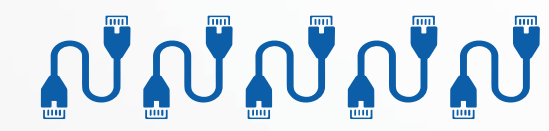
Cable length increasing



Link quality decreasing



Number of cables and electronics growing, with higher current flows



EMI (electromagnetic interferences) being magnified



Valens technology:

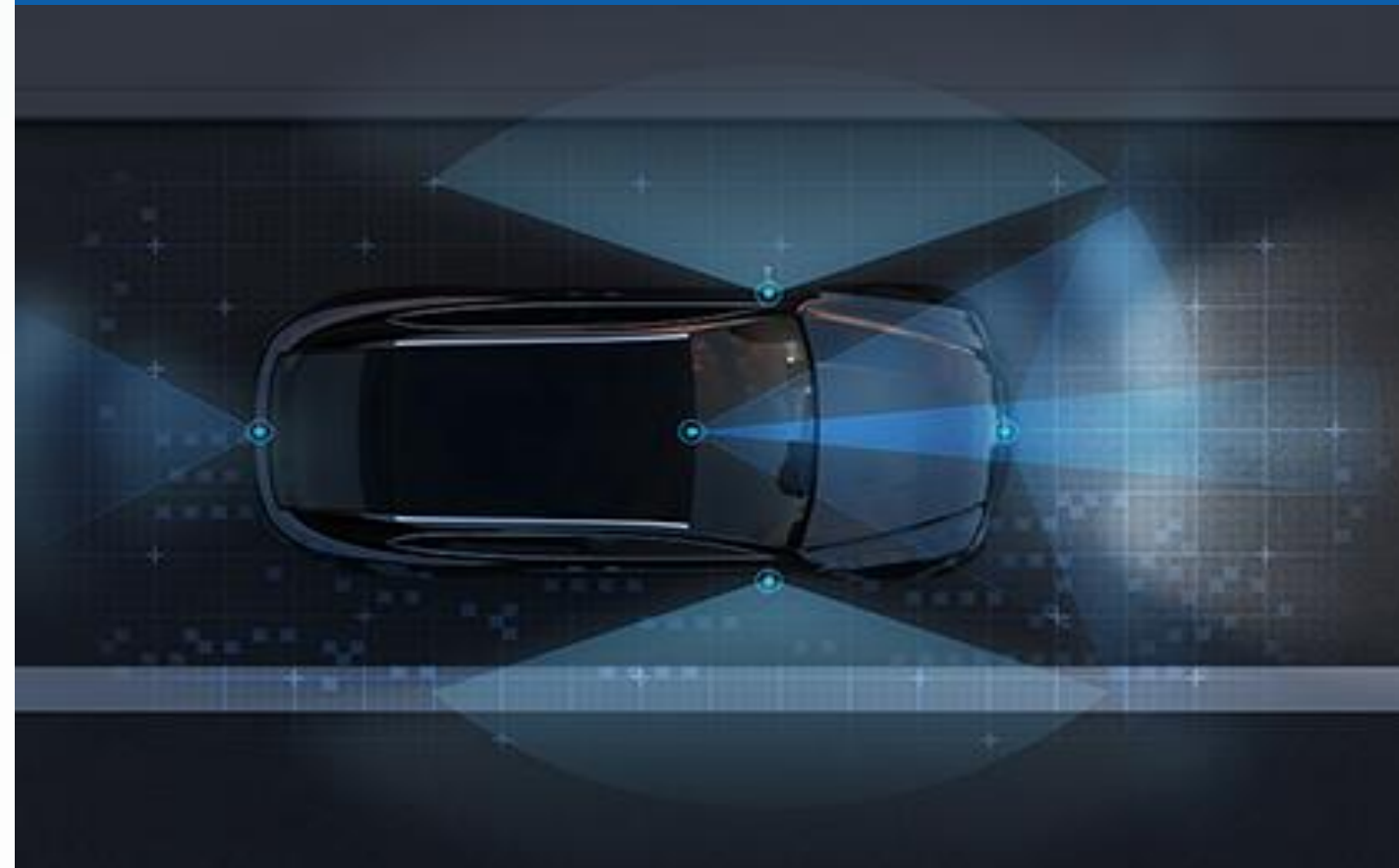
A market leading solution with **error-free links** that limits accidents and enhances **passenger safety**



VALENS PROVIDES SUPERIOR CONNECTIVITY ACROSS AUTOMOTIVE APPLICATIONS

ADAS AND AUTONOMOUS DRIVING

- Sensor fusion and connectivity
- Display connectivity



INFOTAINMENT/ TELEMATICS

- Display and multimedia box
- Smart antenna/TCU connectivity



BODY CHASSIS CONNECTIVITY

- Door connectivity
- Truck and trailer connectivity



HIGH PERFORMANCE COMPUTING AND SHARED RESOURCES

- Zonal & centralized architectures
- Virtualization



LANDMARK AUTOMOTIVE ACHIEVEMENTS:

Mercedes-Benz



“One of Daimler’s strategic focuses is to be a technological leader in ‘green’ technologies, safety, autonomous driving and connectivity. Valens Automotive is a perfect fit as its architectural benefits, reliability and robustness lead to a superior driving experience for our customers.”

- Daimler

‘Valens and Daimler Partner to Optimize In-Car Connectivity’

ENABLING SUPERIOR CONNECTIVITY IN MERCEDES VEHICLES

- **On the road and fully operational**
- **Collaborating on multiple next-gen platforms across many models**
- **Estimated contracted value of several hundred million dollars**
- **Selling through leading automotive Tier-1s**

LANDMARK AUTOMOTIVE ACHIEVEMENTS:

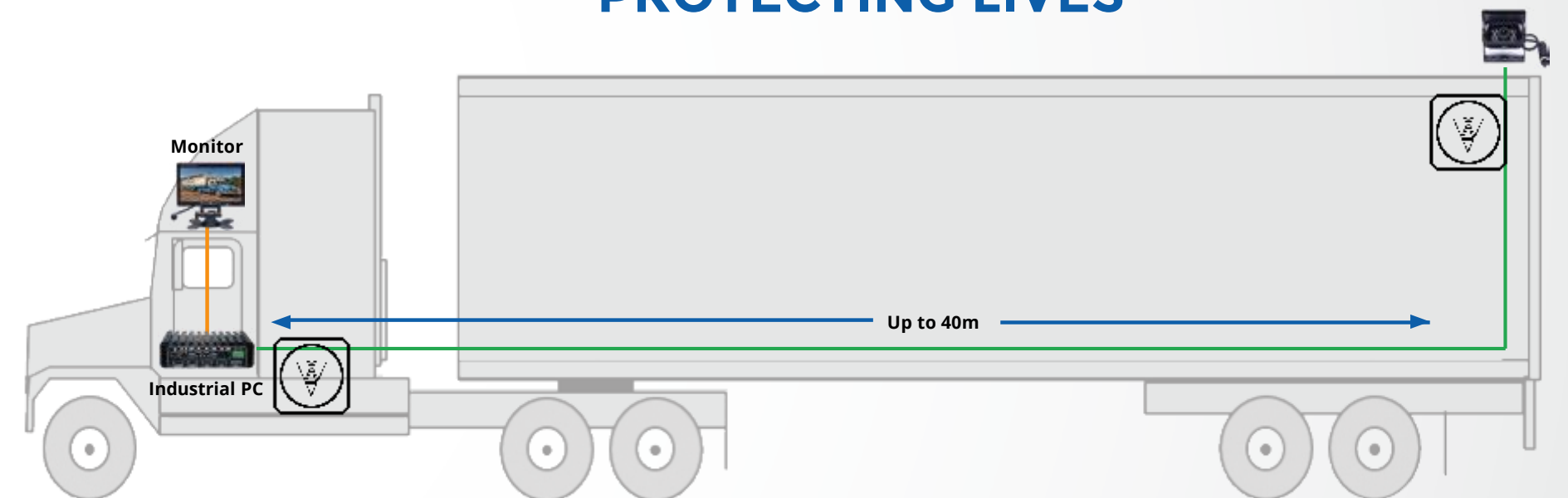
VALENS PARTNERED WITH LEADING TRUCK TECHNOLOGY MANUFACTURER TO SOLVE TRUCK AND TRAILER CONNECTIVITY CHALLENGE



PROJECT SCOPE

- Connectivity of the trailer rear camera to the vehicle cabin display
- Valens supports high-speed data links of up to 40m in a very rough and noisy environment

SOLVING A CRITICAL SAFETY HAZARD AND PROTECTING LIVES



BUSINESS OPPORTUNITY

- Foothold in **profitable, high-margin** truck market
- Automotive aftermarket potential

VALENS SETS THE INDUSTRY STANDARD FOR HIGH-SPEED AUTOMOTIVE CONNECTIVITY



**Valens technology was selected as the baseline
for the MIPI A-PHY standard thanks to its
superior performance**

**This puts Valens far ahead of the curve with the
first MIPI A-PHY compliant chipsets on the market**

INCREDIBLE MOMENTUM IS BUILDING IN THE INDUSTRY AS LEADING PLAYERS ADOPT THE A-PHY SOLUTION

COMPANIES CONTRIBUTING TO MIPI A-PHY DEVELOPMENT⁽¹⁾



"We at Mobileye are working closely with Valens to make sure our next-generation platforms will comply with the MIPI A-PHY architecture."

-Amnon Shashua, Founder & CEO, Mobileye

- EyeQ5 platform will support the MIPI A-PHY standard
- Working in partnership with Valens to implement A-PHY architecture

SONY

- Sony Semiconductor Solutions will integrate the A-PHY standard into its sensors
- Working in partnership with Valens to implement A-PHY architecture



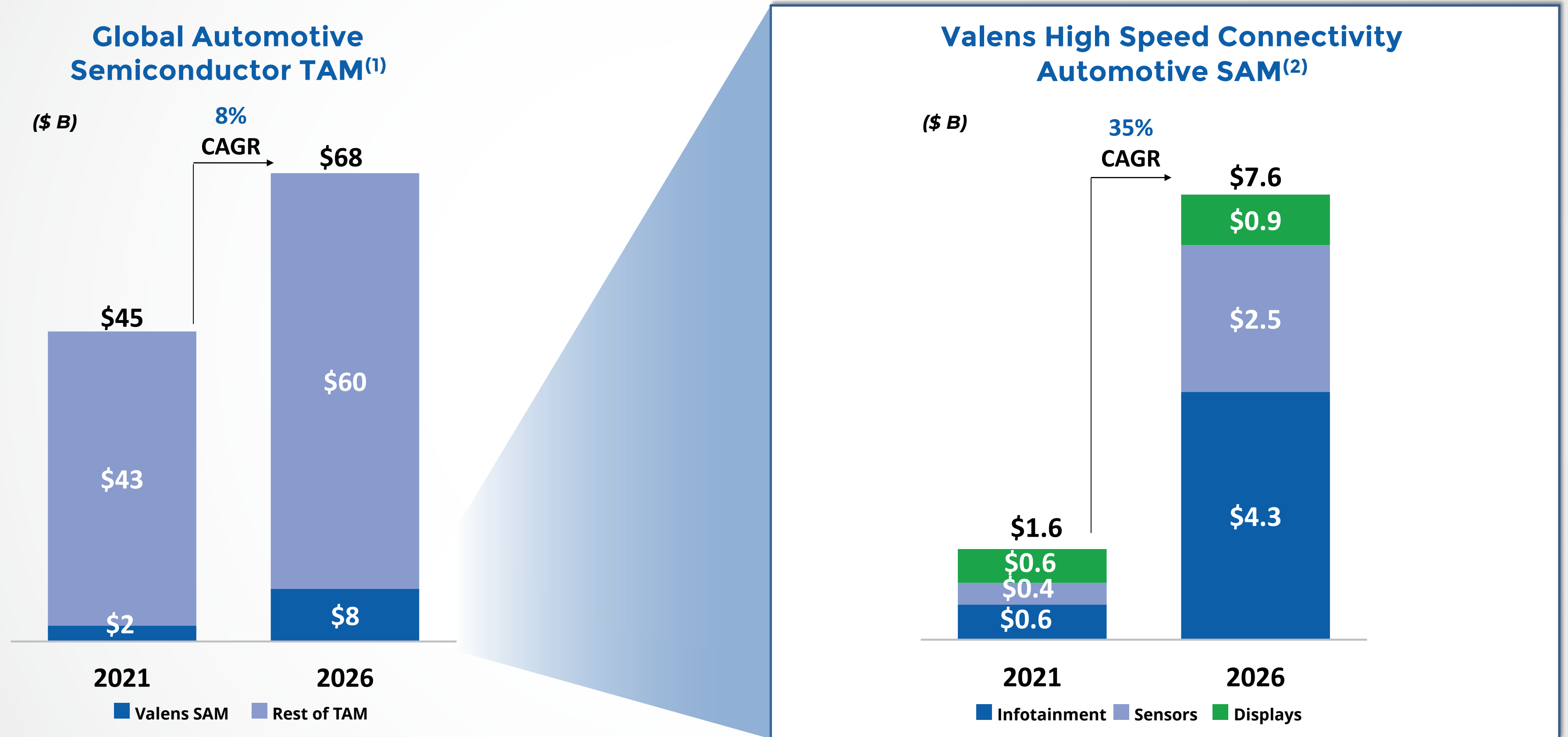
- Adopted by the IEEE Standards Association to expand market reach⁽²⁾



(1) Source: <https://www.mipi.org/MIPI-Alliance-Releases-A-PHY-SerDes-Interface-for-Automotive>

(2) Source: <https://resources.mipi.org/blog/mipi-a-phy-moves-ahead-in-ieee-adoption-process>

AUTOMOTIVE SEMICONDUCTOR MARKET AT AN INFLECTION POINT, PARTICULARLY IN AUTO CONNECTIVITY



(1) IHS Global Automotive Semiconductor Revenue in 2020, November 2020.

(2) Strategy Analytics Automotive Ethernet Market Projections, December 2019, Yole Automotive Interior Market and Technology Report 2020 and Strategy Analytics ADAS Demand Forecast, May 2020, and uses Management estimates.

THE VALENS EDGE AND COMPETITIVE ADVANTAGE

| Criteria | Valens | Competitor #1 | Competitor #2 | Competitors #3 |
|-------------------------------|--|-----------------|-----------------|----------------|
| Speed | ● 8Gbps with roadmap for 16Gbps & 32Gbps | ● 3Gbps - 5Gbps | ● 3Gbps - 6Gbps | ● 1Gbps |
| Supported Format | ● Video & data links | ● Video only | ● Video only | ● Data only |
| DSP Technology | ● YES | ● NO | ● NO | ● YES |
| Performance & Noise Immunity | ● Best in industry (10e-19 PER) | ● Minimal | ● Minimal | ● Minimal |
| Standard | ● YES | ● NO | ● NO | ● YES |
| Support for Unshielded Cables | ● YES | ● NO | ● NO | ● NO |
| Distance | ● 15 meters | ● 7 meters | ● 7 meters | ● 15 meters |
| Link Diagnostics | ● YES | ● Limited | ● Limited | ● YES |
| Total System Cost | ● \$ | ● \$\$ | ● \$\$ | ● \$\$\$ |

As the only solution meeting the evolving market needs, the Valens standard is positioned to capture all high-speed connectivity applications within the car





AUDIO-VIDEO BUSINESS

VALENS' HDBaseT TECHNOLOGY IS THE STANDARD FOR AUDIO-VIDEO CONNECTIVITY



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

AUDIO-VIDEO DISTRIBUTION



Extenders and switches matrices

DIGITAL SIGNAGE AND PROJECTORS



High resolution and indoor/outdoor displays

MEDICAL



High resolution medical imaging

EDUCATION



High resolution displays, projectors and cameras

ENTERPRISE



Collaboration hub and telepresence

INDUSTRIAL



PC KVM extension and visual inspection

RESIDENTIAL



Matrix, projectors and AVR

TRANSPORTATION



Infotainment displays

VALENS CHIPSETS EMPOWER MILLIONS OF PRODUCTS FOR AUDIO-VIDEO MARKET LEADERS

RECENTLY LAUNCHED PRODUCTS



Samsung QLED experience



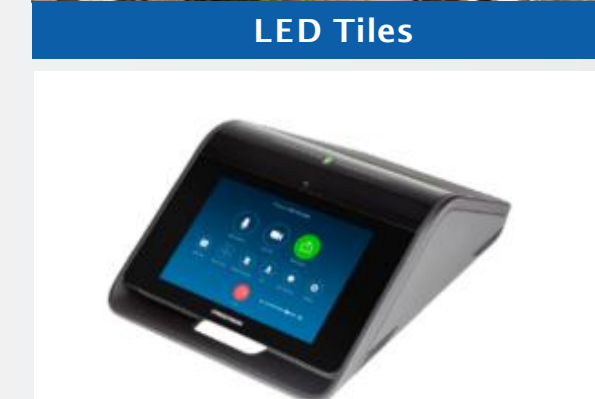
Logitech Rally PLUS Ultra-HD System



LED Tiles



Dräger Evita V800 Ventilator



Crestron Mercury X Tabletop



Mobile C-arms



BrightLink Interactive Ultra Short-Throw



EPSON

LG Electronics

Panasonic

SAMSUNG

HARMAN

Extron

CRESTRON

SONY

logitech

SIEMENS

NEC



COVID-19: NEW NORMAL = NEW OPPORTUNITIES

Video conferencing is becoming part of everything we do.

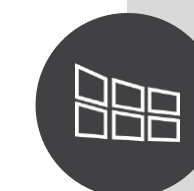
Any business meeting. Any classroom. Any entertainment event. Any medical checkup.



Accelerated demand for audio-video equipment



High-resolution cameras



Multiple displays



Huddle room Audio-Video accessories

logitech

Valens' ability to extend high quality audio, video and USB with zero latency makes the company a key enabler of the new hybrid normal, which heavily relies on a seamless audio-video experience.

LEVERAGING VALENS TECHNOLOGY TO CONQUER NEW MARKETS

Valens is quickly becoming a key supplier for major manufacturers in previously untapped markets



INDUSTRIAL

- Key supplier for 5 of the leading manufacturers

Industry Trend: Significant growth as Industry 4.0 increasingly relies on camera sensors and computer vision systems

BECKHOFF **SIEMENS** **ADVANTECH**

ABB **kontron**



MEDICAL IMAGING

- Key supplier for 3 of the leading manufacturers
- Integrated in diagnostic equipment, assisted surgical equipment, and operating room video distribution

Industry Trend: Increasing reliance on multiple, high quality, low latency, high resolution camera sensors

SIEMENS Healthineers **Medtronic** **EIZO**



TRANSPORTATION

- Key supplier for 2 of the leading manufacturers

Industry Trend: Significant boost in US cities to allow commercial advertising on public buses; COVID-19 has forced governments to implement new ways to convey public safety information to the public (signage)

Lufthansa Technik

Clever Devices

A silver car is shown in motion, blurred background, with a blue graphic overlay in the top left corner containing a green triangle and a red triangle. The word "FINANCIALS" is written in white capital letters on the left side of the car.

FINANCIALS

FINANCIAL HIGHLIGHTS

1 Overall revenue growing at 48% CAGR in 2021-2026 to about \$480M
— 64% gross margin and 42% EBITDA margin in 2026

2 Already sustainable business, with \$67M revenue and 70% gross margin in 2021
— Break-even in 2024

3 Automotive: Explosive growth at 107% CAGR in 2021-2026 to about \$280M revenue
— 61% gross margin in 2026

4 Audio-Video: Stable and established business
— 77% gross margin in 2021
— Growing to \$198M revenue in 2026

BUSINESS PLAN

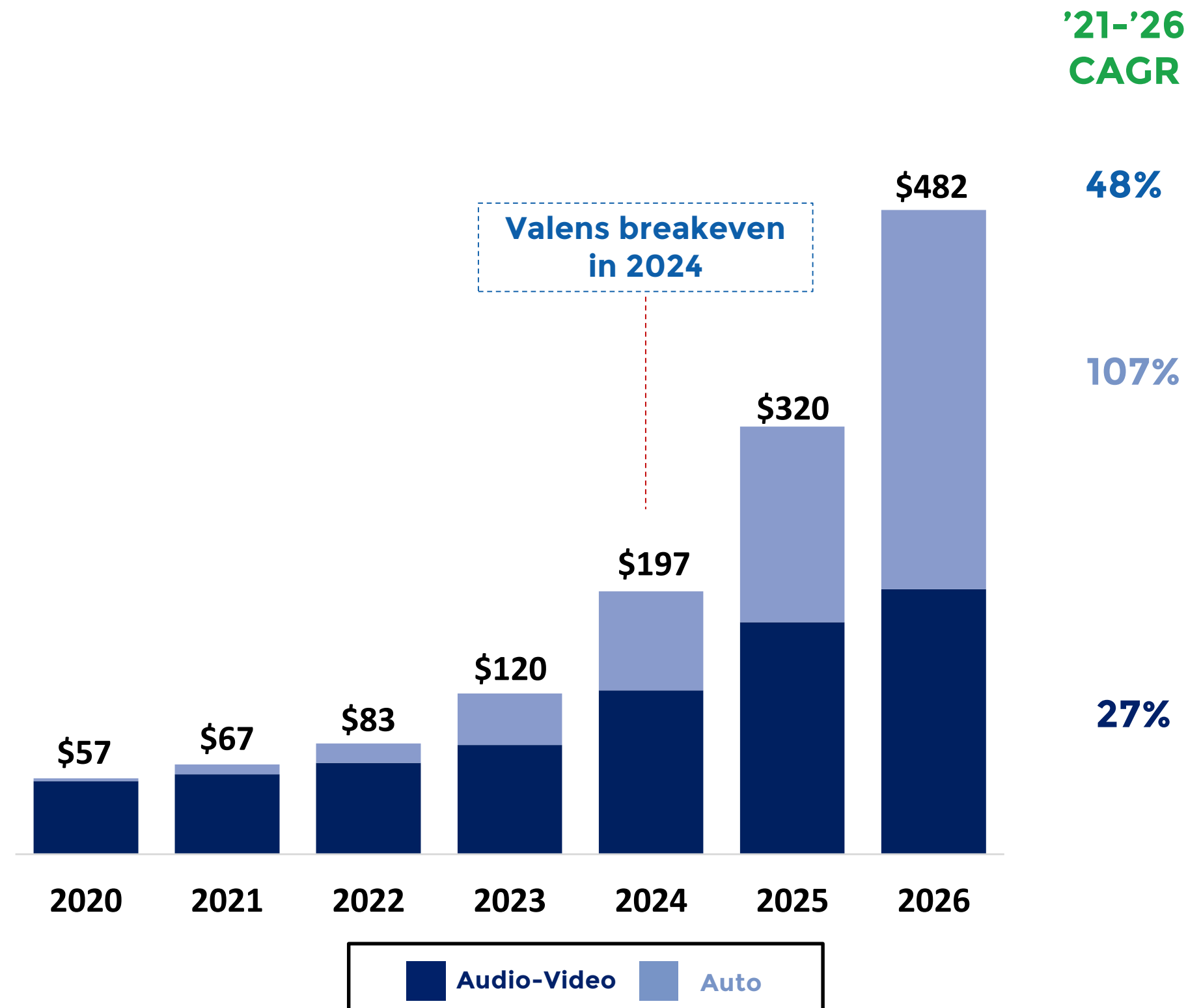
- 2021-2023 revenues are all based on existing product portfolio & customers
- Already selling to various leading automotive tier-1s, including:



- A strong pipeline of more than 10 automotive partners evaluating and integrating Valens A-PHY solutions
- Widespread adoption of MIPI A-PHY is expected by 2025 leading to >50% revenues from Automotive business in 2026

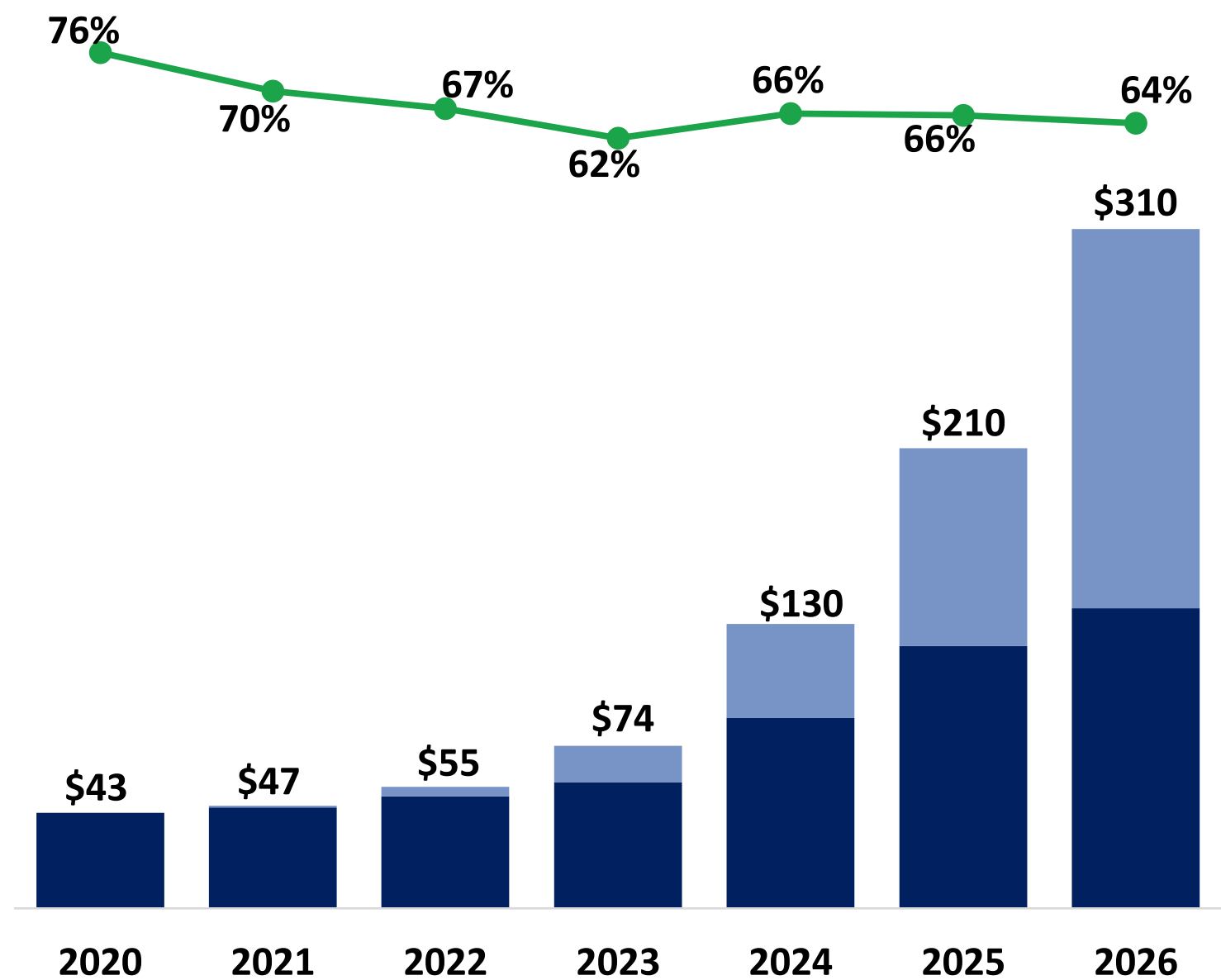


Revenue (\$M)

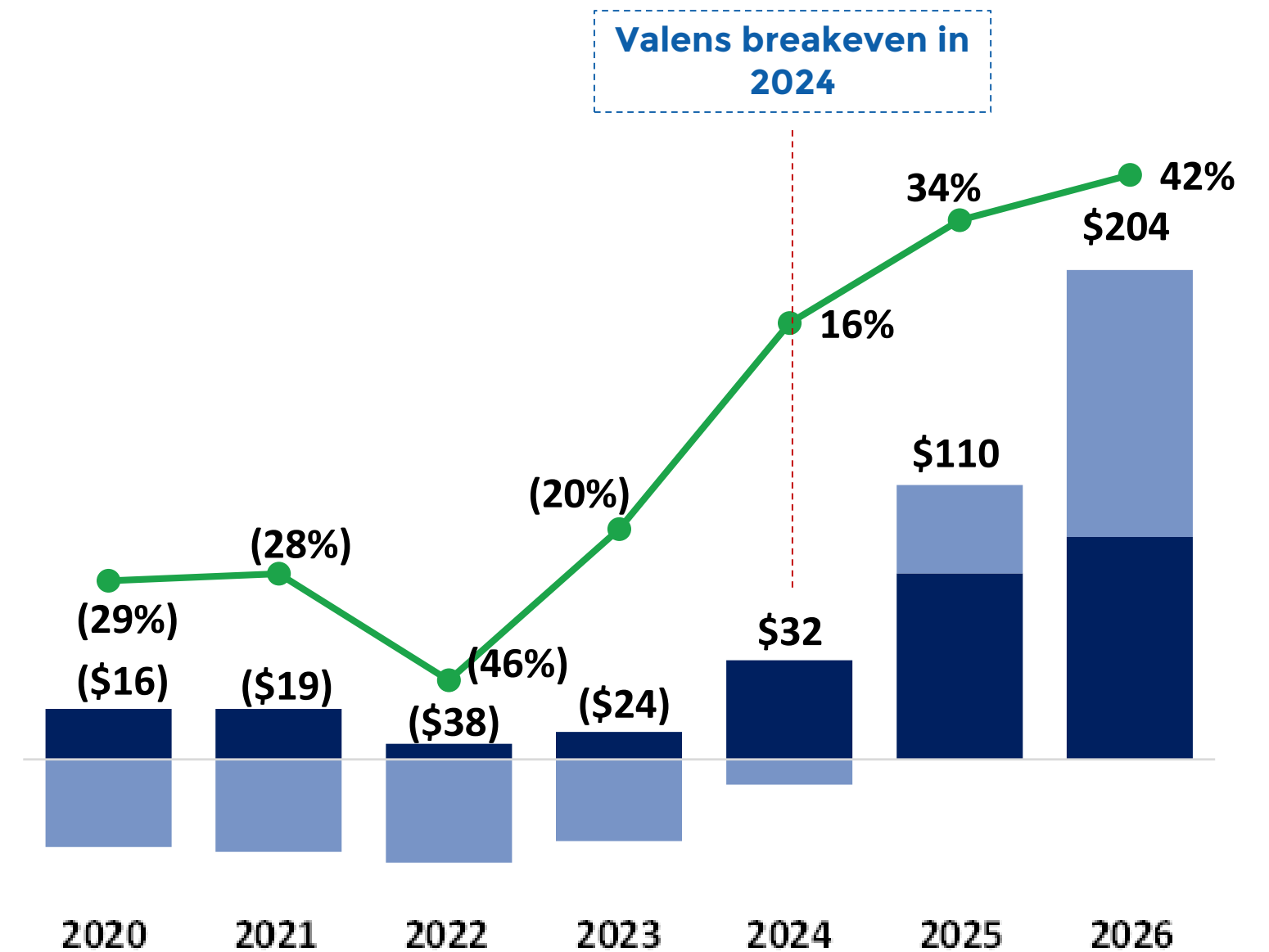


BUSINESS PLAN (CONT'D)

Gross Profit (\$M) and Margin



Adj. EBITDA (\$M) and Margin



Note: "Adj EBITDA" means EBITDA before depreciation, amortization and expenses related to equity grants.

LONG-TERM OPERATING MODEL

| (\$M) | 2020A | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2021E-2026E CAGR |
|---------------------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|---------------------|
| Revenue | \$57 | \$67 | \$83 | \$120 | \$197 | \$320 | \$482 | 48% |
| Gross Profit | \$43 | \$47 | \$55 | \$74 | \$130 | \$210 | \$310 | 46% |
| <i>% margin</i> | 76% | 70% | 67% | 62% | 66% | 66% | 64% | |
| R&D | \$45 | \$48 | \$76 | \$79 | \$76 | \$76 | \$79 | |
| <i>% of revenue</i> | 79% | 72% | 91% | 66% | 39% | 24% | 16% | |
| SG&A | \$22 | \$22 | \$23 | \$23 | \$26 | \$28 | \$31 | |
| <i>% of revenue</i> | 38% | 33% | 28% | 19% | 13% | 9% | 6% | |
| Operating Expenses | \$66 | \$70 | \$99 | \$103 | \$102 | \$105 | \$111 | |
| <i>% of revenue</i> | 116% | 105% | 119% | 85% | 52% | 33% | 23% | |
| Adj. EBITDA | (\$16) | (\$19) | (\$38) | (\$24) | \$32 | \$110 | \$204 | |
| <i>% margin</i> | (29%) | (28%) | (46%) | (20%) | 16% | 34% | 42% | |



TRANSACTION OVERVIEW

Transaction Structure

- Valens Semiconductor to **become publicly listed** through business combination with PTK (NYSE:PTK)
 - PTK is a publicly listed special purpose acquisition company with **\$115M cash held in trust**, inclusive of PrimeRose Forward Purchase Agreement
- Following the closing of the transaction (targeted in the fall of 2021), the combined company is expected to be listed on NYSE
- Valens' existing shareholders to retain 100% of their equity (**no secondary**)
- Valens' existing shareholders and management would own **~78% of the combined entity** post closing, assuming no redemptions by PTK public shareholders

Valuation & Financing

- Pro forma **enterprise value of \$894mm, implying 7.4x EV / 2023E revenue and 1.9x EV / 2026E revenue multiple**, an attractive valuation versus peer averages
- Transaction is expected to provide up to **\$240M in gross proceeds** comprised of:
 - PTK's \$115M of cash held in trust, assuming no redemption by PTK public shareholders and including Forward Purchase Agreement with PrimeRose
 - \$125M fully committed ordinary share PIPE at \$10.00 per share
 - Pro forma for the transaction, Valens is expected to have ~\$263M cash on balance sheet assuming no redemption
- **No additional capital is expected to be required between now and achieving positive cash flow**

PRO FORMA EQUITY OWNERSHIP

Source (\$M)

| | |
|--|----------------|
| Equity of Existing Valens Shareholders | \$898 |
| SPAC Cash in Trust ⁽¹⁾ | 105 |
| PrimeRose (FPA) ⁽²⁾ | 10 |
| PIPE | 125 |
| Founder Shares ⁽⁴⁾ | 19 |
| Total Sources | \$1,157 |

Uses (\$M)

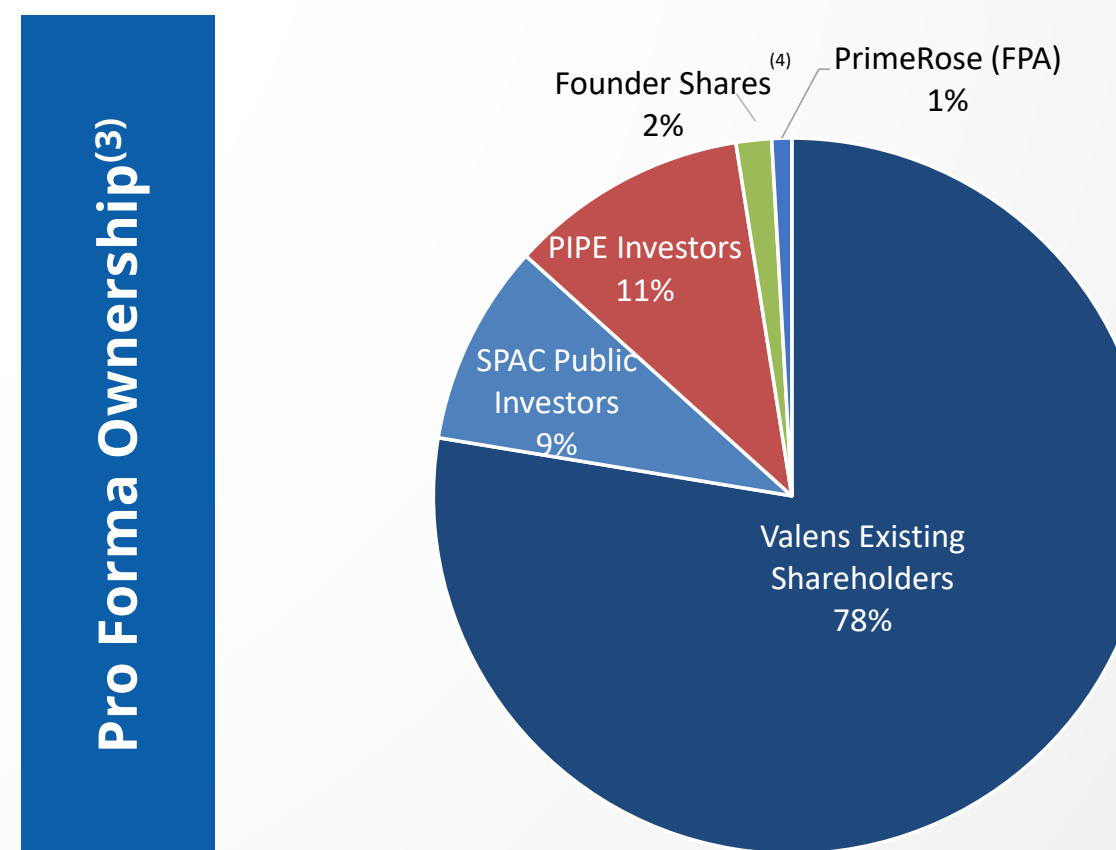
| | |
|--|----------------|
| Equity of Existing Valens Shareholders | \$898 |
| Cash to Balance Sheet | 215 |
| Estimated Fees and Expenses | 25 |
| Founder Shares ⁽⁴⁾ | 19 |
| Total Uses | \$1,157 |

Pro Forma Valuation⁽³⁾

| | | |
|------------------------------------|----------------------|---------------------|
| Share Price | \$10.00 | |
| x Pro Forma Shares Outstanding (M) | 115.679 | |
| Market Cap (\$M) | \$1,157 | |
| Less: Net Cash (\$M) | (\$263) | |
| Enterprise Value (\$M) | \$894 | |
| | TEV / Revenue | TEV / EBITDA |
| 2026E | 1.9x | 4.4x |
| 2023E | 7.4x | NM |

Commentary

- All Valens' existing shareholders retain stake their respective stake in the company
- 6-month lock-up for shares held by Valens existing shareholders
- 35% of founder shares will be unvested at the time of the merger. 10% will vest if share price is greater than or equal to \$12.00 over any 20 trading days within any 30 day period in the first 36 months following the combination, 12.5% will vest if the share price is greater than or equal to \$12.50 over any 20 trading days within any 30 day period in the first 36 months following the combination, and 12.5% will vest if the share price is greater than or equal to \$15.00 over any 20 trading days within any 30 day period in the 48 months following the combination
- Transaction proceeds will be used for development of Valens next generation products and continued commercialization efforts
- The transaction, which has been unanimously approved by the boards of directors of both Valens and PTK, is targeted to close in the fall of 2021



(1) Assumes no redemptions from SPAC's existing public shareholders.

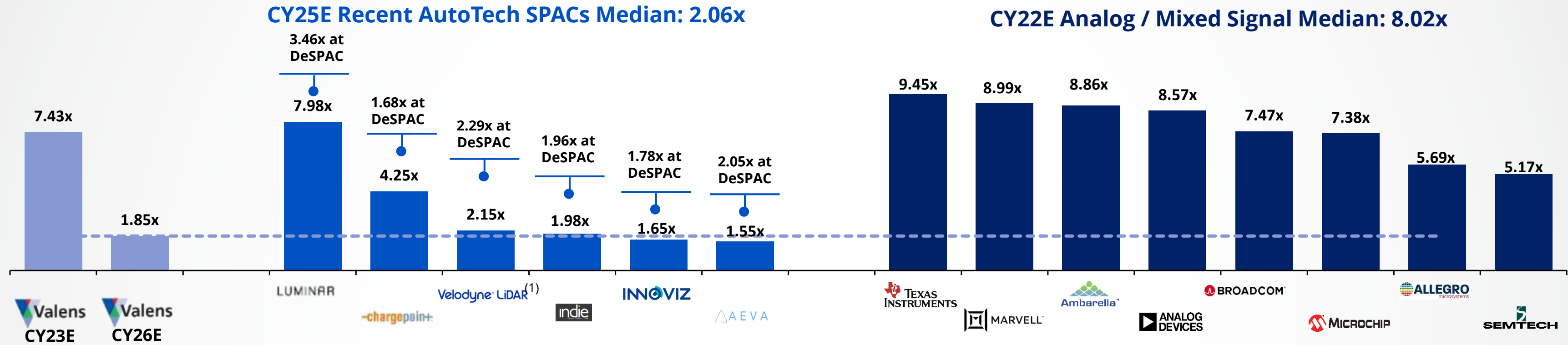
(2) PrimeRose Forward Purchase Agreement.

(3) Assumed trading at \$10.00 per share.

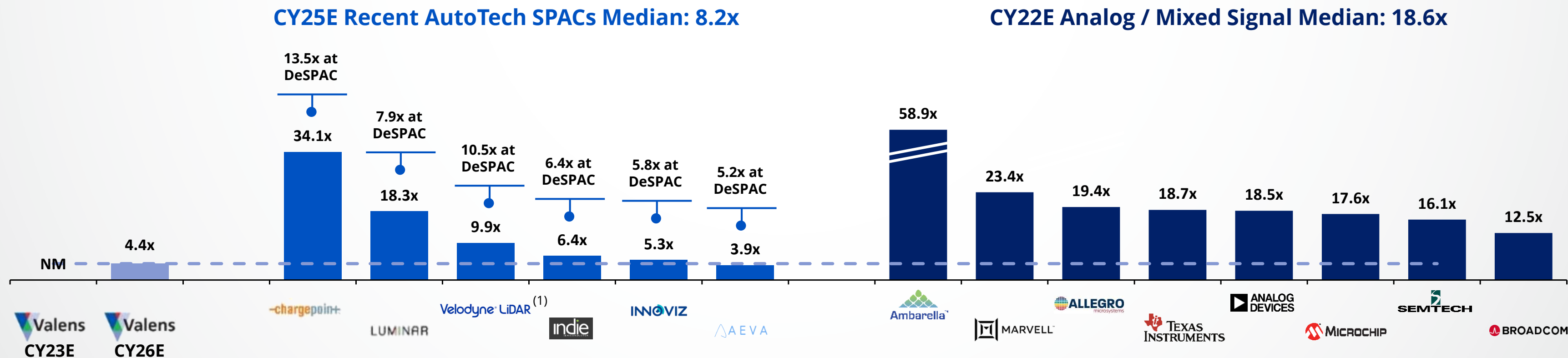
(4) Excludes investment by PTK sponsor in the PIPE transaction.

VALUATION BENCHMARKING

EV / Revenue



EV / EBITDA



Source: Company projections and FactSet as of 5/14/2021.

Note: Recent AutoTech SPAC estimates and balance sheet (diluted shares outstanding and net cash) as of DeSPAC. Share price as of 5/14/2021.

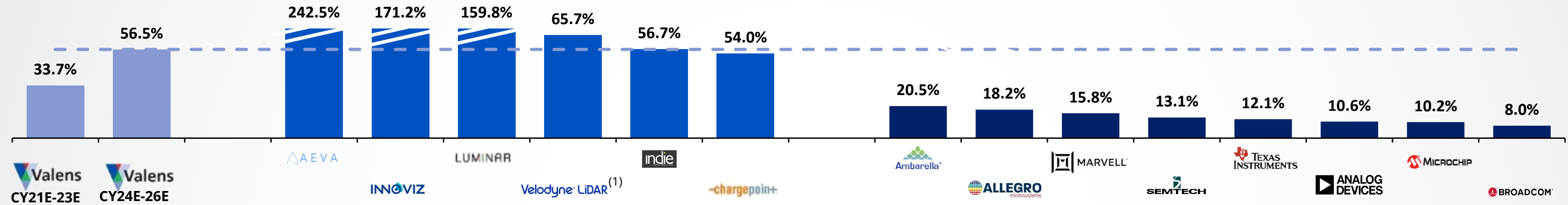
(1) 2024E figures for Velodyne as 2025E figures are not available. Multiples at DeSPAC use \$10.25 share price per investor presentation.

OPERATIONAL BENCHMARKING

Revenue CAGR

CY23E-CY25E Recent AutoTech SPACs Median: 112.7%

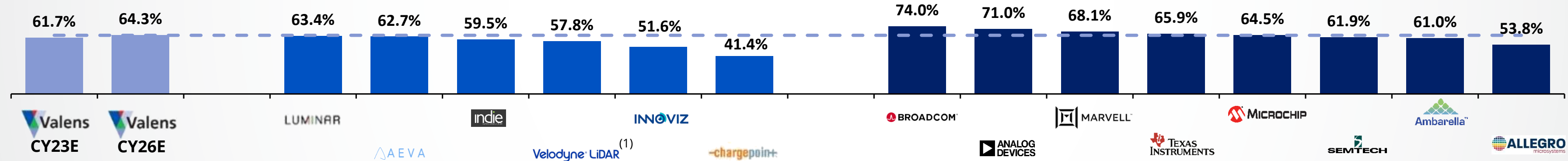
CY20-CY22E Analog / Mixed Signal Median: 12.6%



Gross Margin

CY25E Recent AutoTech SPACs Median: 58.6%

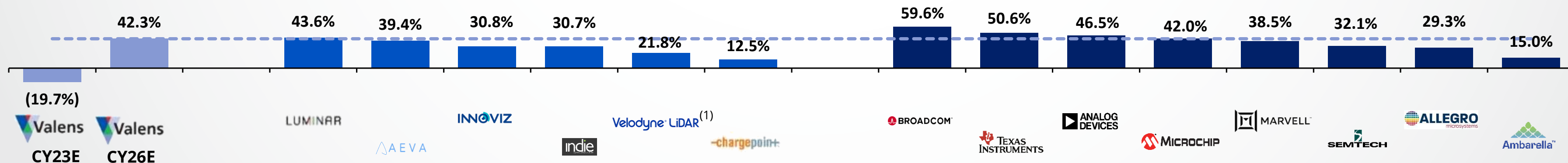
CY22E Analog / Mixed Signal Median: 65.2%



EBITDA Margin

CY25E Recent AutoTech SPACs Median: 30.8%

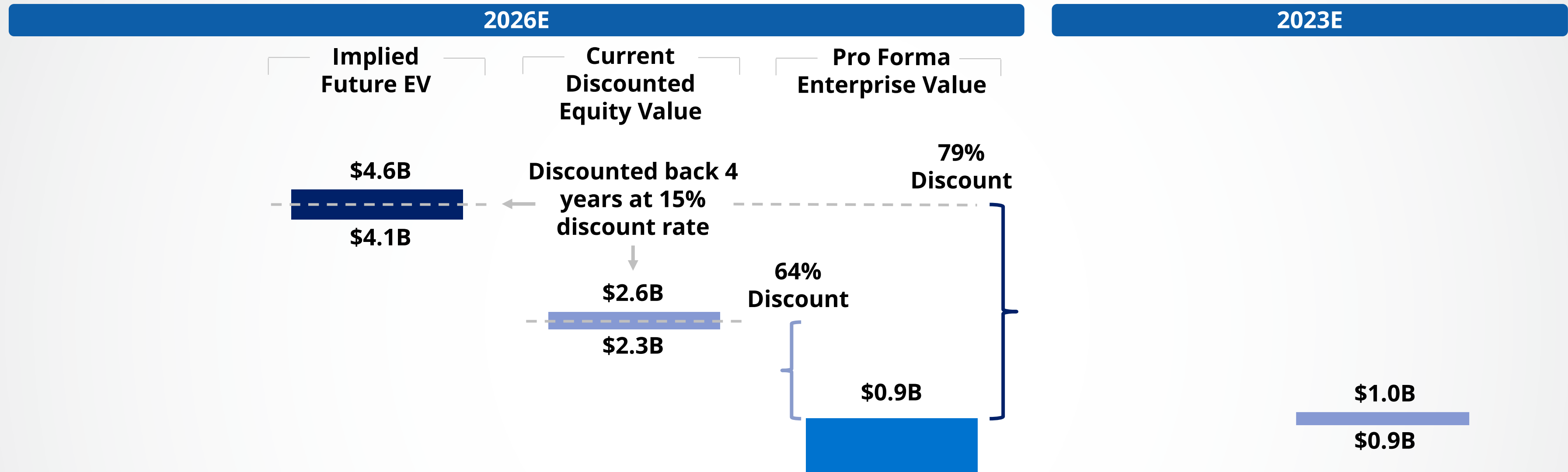
CY22E Analog / Mixed Signal Median: 40.3%



Source: Company projections and FactSet as of 5/14/2021.
 Note: Recent AutoTech SPAC estimates as of DeSPAC.
 (1) 2024E figures for Velodyne as 2025E figures are not available.

VALUATION FRAMEWORK

FUNDAMENTAL VALUATION ANCHORED ON 2026 NUMBERS. SOLID EXISTING BOOK OF BUSINESS DE-RISKS INVESTORS WHEN CROSS-CHECKED ON 2023 NUMBERS



| | | | | | |
|--------------------------------|-------------|-------------|------|--------------------------------|-----------|
| \$482M 2026E revenue | 8.5x-9.5x | 4.9x-5.4x | 1.9x | \$120M 2023E revenue | 7.4x-8.3x |
| \$204M 2026E EBITDA | 20.1x-22.4x | 11.5x-12.8x | 4.4x | (\$24M) 2023 EBITDA | NM |

Valuation approach Implied future enterprise value derived by applying a CY2022 (FY+1.75) multiple to CY2026E revenue.

Current discounted equity value derived by discounting back 4 years at a discount rate of 15%.

Pro forma enterprise value of \$894mm implies a 1.9x multiple on Valens' CY2026E revenue.

Valuation approach (\$120M 2023E revenue) x (8.5x-9.5x) x (1 year at 15% discount) = ~\$1.0B

Source: Company projections.



Thank You

