

Mobileye N.V.

Form 424B4

August 01, 2014

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PROSPECTUS

Filed Pursuant to Rule 424(b)(4)

Registration No. 333-196898

35,589,000 Ordinary Shares

This is an initial public offering of ordinary shares by Mobileye N.V. and no public market currently exists for our shares. We are selling 8,325,000 of our ordinary shares and the selling shareholders identified in this prospectus are selling 27,264,000 of our ordinary shares. We will not receive any proceeds from the sale of shares by the selling shareholders.

Our ordinary shares have been authorized for listing on the New York Stock Exchange under the symbol “MBLY,” subject to official notice of issuance.

We are an “emerging growth company” as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements for future filings.

See “Risk Factors” on page 16 to read about factors you should consider before buying ordinary shares.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	<b>Per Share</b>	<b>Total</b>
Initial public offering price	\$ 25.00	\$ 889,725,000
Underwriting discount (1)	\$ 1.25	\$ 44,486,250
Proceeds, before expenses, to Mobileye	\$ 23.75	\$ 197,718,750
Proceeds, before expenses, to the selling shareholders	\$ 23.75	\$ 647,520,000

(1)

- See “Underwriting (Conflicts of Interest)” for a description of the compensation payable to the underwriters.

To the extent that the underwriters sell more than 35,589,000 ordinary shares, the underwriters have the option to purchase up to an additional 5,338,350 shares from the selling shareholders at the initial price to public less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on August 6, 2014.

Lead book-running managers

Goldman, Sachs & Co.

Morgan Stanley

Deutsche Bank Securities

Barclays

Citigroup

Wells Fargo Securities

Baird William Blair

Raymond James

Prospectus dated July 31, 2014

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Through and including August 25, 2014 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer’s obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.



We, the selling shareholders and the underwriters have not authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by us or on our behalf or to which we may have referred you. We, the selling shareholders and the underwriters do not take any responsibility for, and cannot provide any assurance as to the reliability of, any other information that others may give you. We, the selling shareholders and the underwriters have not authorized any other person to provide you with different or additional information, and none of us are making an offer to sell the ordinary shares in any jurisdiction where the offer or sale thereof is not permitted. This offering is being made in the United States and elsewhere solely on the basis of the information contained in this prospectus. You should assume that the information appearing in this prospectus is accurate

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only as of the date on the front cover of this prospectus, regardless of the time of delivery of the prospectus or of any sale of the ordinary shares. Our business, financial condition, results of operations and prospects may have changed since the date on the front cover of this prospectus.

For investors outside of the United States, we have not, nor have the selling shareholders or any underwriter, done anything that would permit the offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus outside of the United States.

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### Prospectus Summary

The following summary highlights certain information contained elsewhere in this prospectus and is qualified in its entirety by the more detailed information and consolidated financial statements included elsewhere in this prospectus. Because this is a summary, it may not contain all of the information that is important to you in making a decision to invest in our ordinary shares. Before making an investment decision, you should carefully read the entire prospectus, including “Risk Factors,” “Cautionary Statement Regarding Forward-Looking Statements,” the consolidated financial statements and the notes thereto. Unless otherwise indicated or the context requires, all references in this prospectus to “Mobileye N.V.,” “Mobileye,” the “Company,” “we,” “our,” “ours,” “us” or similar terms refer to Mobileye N.V. together with its subsidiaries. We also include a glossary of some of the terms used in this prospectus as Appendix A.

Except as otherwise indicated, all share amounts, per share amounts and related information in this prospectus have been adjusted retroactively for a five-for-one stock split, which we refer to as the “Stock Split,” that occurred pursuant to a deed of amendment of our articles of association on July 10, 2014.

### Company Overview

Mobileye is the global leader in the design and development of software and related technologies for camera-based Advanced Driver Assistance Systems (“ADAS”). Our technology keeps passengers safer on the roads, reduces the risks of traffic accidents, saves lives and has the potential to revolutionize the driving experience by enabling autonomous driving. Our proprietary software algorithms and EyeQ<sup>®</sup> chips perform detailed interpretations of the visual field in order to anticipate possible collisions with other vehicles, pedestrians, cyclists, animals, debris and other obstacles. Our products are also able to detect roadway markings such as lanes, road boundaries, barriers and similar items, as well as to identify and read traffic signs and traffic lights. Our products combine high performance, low energy consumption and low cost, with automotive-grade standards. Our technology was first included in serial models in 2007. We estimate that our products were installed in approximately 3.3 million vehicles worldwide through March 31, 2014. By the end of 2014, our technology will be available in 160 car models from 18 original equipment manufacturers (“OEMs”) worldwide. Further, our products have been selected for implementation in serial production of 237 car models from 20 OEMs by 2016. Mobileye’s more than 15 years of research and development and data collected from millions of miles of driving experience give us a significant technological lead. For the past six years, we have won more than 80% of the serial productions for which we have been requested to provide a quotation. We believe that we are well-positioned to take advantage of two key industry trends:

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- The first trend is the evolution in the demand for ADAS, one of the fastest growing segments within the automotive electronics industry. The rapid increase in the demand for ADAS is driven by growing public acceptance and awareness of driver safety technologies and by the rising influence of regulators and national and international safety organizations that issue safety ratings to encourage manufacturers to include safety features in their new or revamped car models. As regulators and safety organizations continue to increase the types and functions of ADAS applications required to maintain high ratings, ADAS will become standard on more vehicle models and the market for our products will continue to expand significantly. Our experience to date validates the exponential increase in demand for ADAS technology. It took approximately five years from 2007 to ship the first 1.0 million EyeQ<sup>®</sup> chips. In 2013 alone, we shipped approximately 1.3 million chips. Moreover, in early 2010 our technology was sourced by seven OEMs for inclusion in 36 car models. By the end of 2014, our technology will be adopted by 18 OEMs for inclusion in 160 car models worldwide.
- 
- The second trend is the race to develop autonomous driving. Autonomous driving will require ADAS technological innovations of increasing complexity. Completely autonomous driving, where the driver is not actively engaged in driving the vehicle for extended periods of time, cannot be achieved in one step. In the near future, we believe that there will be at



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least three technological innovations that are likely to revolutionize the driving experience. The first innovation involves hands-free-capable driving at highway speeds and in congested traffic situations. We have design wins from two OEMs to launch these features in 2016, and are in development programs with an additional six OEMs for potential launch in 2018. The next two innovations, which we believe could launch as early as 2018, are the inclusion of country road capabilities and city traffic capabilities. These innovations should require only minor additional sensing hardware, but significant algorithmic advances, which we are currently developing. We believe the cost of our enabling technology, including hardware, software, packaging and related elements, will be well within acceptable automotive industry levels, which will provide us with a competitive advantage and accelerate the migration of the technology from premium to mass market car models.

We offer the only camera-based ADAS technology that covers all major safety and convenience-related functions available in the market today:

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- Safety Functions
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- Lane functions — Lane Departure Warning (LDW) and Lane Keeping and Support (LKS);
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- Vehicle detection functions — Forward Collision Warning (FCW), Headway Monitoring and Warning (HMW), Adaptive Cruise Control (ACC), Traffic Jam Assist and Automatic Emergency Braking (AEB);
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- Pedestrian detection functions — Pedestrian Collision Warning (PDW) and Pedestrian Automatic Emergency Braking;
- 
- Convenience and Driving Enhancement Functions — Intelligent High Beam Control (IHC), Traffic Sign Recognition (TSR) and Speed Limit Indicator (SLI); and
- 
- Autonomous Driving Technologies — Drivable path delimiter capabilities, including detection of curbs, barriers, construction zone obstructions, general obstacles, road bumps, potholes and debris.

We have strong direct relationships with OEMs. Mobileye's products are or will be available in production vehicles from most of the global OEMs, including:

Adam Opel AG

Audi AG

Bayerische Motoren Werke (BMW) AG — BMW, Mini and Rolls Royce

Chrysler Group LLC — Chrysler, Dodge and Jeep

Fiat S.p.A.

Ford Motor Company — Ford and Lincoln

General Motors Company — Buick, Cadillac, Chevrolet and GMC

Honda Motor Company, Ltd

HKMC — Hyundai and Kia

Jaguar Land Rover Automotive PLC — Jaguar and Land Rover

MAN SE

Mitsubishi Group

Nissan Motor Co., Ltd. — Nissan and Infiniti

PSA Peugeot Citroën — Peugeot and Citroën

Renault S.A.

Scania Aktiebolag (publ)

Tesla Motors, Inc.

Volvo Car Corporation

Yulon Motor Co., Ltd.

IVECO

We supply our technology to OEMs through automotive system integrators, known as Tier 1 companies, which are direct suppliers to vehicle manufacturers. Sales to our OEM segment represented approximately 89% and 78% of our total revenues in the three months ended March 31, 2014 and the year ended December 31, 2013, respectively. Our Tier 1 customers include Magna Electronics Inc., TRW Automotive Holdings Corp., Autoliv, Inc., Delphi Automotive Plc, Gentex Corporation, Kansei Corporation, Leopold Kostal GmbH and Mando Corporation as well as Bendix Corporation and Mobis Transportation Alternatives, Inc. working jointly with TRW.

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We also offer our technology as an aftermarket product in vehicles that do not come pre-equipped with such technology. Our aftermarket customers include commercial and governmental fleets, telematics providers and insurance companies. To date, our aftermarket products have been installed in more than 120,000 vehicles. Aftermarket sales represented approximately 11% and 22% of our total revenues in the three months ended March 31, 2014 and the year ended December 31, 2013, respectively.

We have experienced significant growth in revenues in the last three years. For the years ended December 31, 2013, 2012 and 2011, our total revenues were \$81.2 million, \$40.3 million and \$19.2 million, respectively, representing year-over-year growth in total revenues of 102% and 110% for our two most recent fiscal years. Over the same periods, we improved from net losses of \$13.4 million in 2011 and \$53,000 in 2012, to net income of \$19.9 million in 2013. Our total revenues in the three months ended March 31, 2014 and 2013 were \$35.6 million and \$11.7 million, respectively, and our net loss was \$19.6 million and \$2.6 million, respectively. Our net income (loss) excluding the effects of share-based compensation, a non-GAAP measure, was \$12.6 million and \$1.9 million in the three months ended March 31, 2014 and 2013, respectively, and \$33.1 million, \$1.8 million and \$(12.3) million in 2013, 2012 and 2011, respectively. See note (3) to “Summary Financial Information” for a reconciliation of Net Income (Loss) Before Share-Based Compensation to Net Income (Loss).

#### Market Opportunity

Road traffic accidents and injuries remain a major unresolved problem worldwide. The World Health Organization (the “WHO”) estimates that there were 1.24 million deaths on the world’s roads in 2010. The WHO also estimates that road traffic accidents can adversely affect 1-3% of a country’s gross domestic product. In 2011, AAA estimated that auto accidents cost the United States \$300 billion annually. As a result, reducing traffic injuries has been a critical priority for governments, safety organizations and the automotive industry. Making vehicles safer has been critical to reducing road traffic injuries. The U.S. Insurance Institute for Highway Safety (the “IIHS”) cites studies finding that more than 90% of vehicular accidents are due to human factors. IIHS has estimated that if all vehicles were equipped with forward collision warning, lane departure warning, side-view assist, and adaptive headlights, as many as 1.9 million crashes involving passenger vehicles could be prevented or mitigated each year, including about one of every three fatal crashes and one of every five serious or moderate injury crashes. The ADAS market is a new and growing market. We believe that major regulatory changes, together with increased customer awareness of the benefits of active safety technology, will drive ADAS adoption to the point where the vast majority of new cars produced will be equipped with one or more ADAS capabilities.

Automobile safety is driven both by regulation and the availability to consumers of independent assessments of the safety performance of different car models, which have encouraged OEMs to produce cars that are safer than those required by law. In many countries, new car assessment programs (“NCAPs”), particularly the European NCAP, and the U.S. NCAP administered by the U.S. National Highway Traffic Safety Administration (the “NHTSA”), have created a “market for safety.” Car manufacturers seek to demonstrate that their new and revamped car models satisfy the NCAP’s highest rating, typically five stars, or can “tick the box” on the new car sticker. National NCAPs will continue to add specific ADAS applications to their evaluation items over the next several years, led by the European NCAP. We believe that this global rollout will lead to harmonized requirements across key geographic areas. For example, in 2014, the European NCAP increased its active safety weighting to 20% from 10%, meaning that a 5-star rating will require one or more active safety systems on each vehicle model; by 2017 active safety functions will be required to achieve a 4-star rating. Similarly, the U.S. NCAP continues to add ADAS features to its evaluation items, including forward collision warning and lane departure warnings, begun in 2011, and rearview video systems beginning in 2014. In addition, the IIHS has added collision avoidance technology such as FCW to its criteria for awarding a “Top Safety Pick+” rating.

In recent years, there has been increasing emphasis on “autonomous”, “automated” or “self-driving” vehicles. Self-driving vehicles are those in which operation of the vehicle occurs without direct driver input to control the steering, acceleration and braking, and are designed so that the driver

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is not expected to monitor the roadway constantly while operating in self-driving mode. Self-driving vehicles range from single applications with the driver required to continuously monitor traffic to semi-autonomous or fully autonomous driving where the driver increasingly relinquishes control. Semi-autonomous driving, under certain conditions, such as highway driving, means the driver does not have to monitor traffic continuously but must be ready to control the vehicle. Fully autonomous driving under all situations will not require any driver input. The move to the autonomous vehicle is expected to introduce significant potential economic savings as well as further reduce traffic accidents. While fully autonomous driving is not expected in the near future, we believe that there will be ongoing introductions of semi-autonomous driving capabilities. We believe these capabilities will start with hands-free highway driving that will gradually extend to other types of roadways, such as country and city driving. ADAS applications that warn, but do not perform a control function, are not, for this purpose, considered automated driving, but they are necessary for effective performance of the control functions. The key factors in the growth of autonomous driving will be increased safety, consumer demand and economic and social benefits, which we expect will subsequently be reflected in automobile regulations and rating systems. Controlling the costs of the systems is also critical as many studies have shown that consumers are interested in safety but are also very sensitive to costs.

### Our Solution

Our sophisticated software algorithms and proprietary EyeQ<sup>®</sup> system on a chip (“SoC”) combine high performance, low energy consumption and low cost, with automotive-grade standards to provide drivers with interpretations of a scene in real-time and an immediate evaluation based on the analysis. Our products use monocular camera processing that works accurately alone, or together with radar for redundancy. We expect to launch products that work with multi-focal cameras for automated driving applications with the same high performance, low energy consumption and low cost starting in 2016.

Led by Professor Amnon Shashua, our co-Founder, Chief Technology Officer and Chairman, our more than 320 engineers and other research and development personnel have a history of innovation. We believe our position as the camera-based ADAS market leader is based on the following competitive strengths:

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- All applications in one camera, resulting in cost savings and greater convenience — We have always understood that it was essential to develop the entire spectrum of camera functionalities in order to position the camera as the primary sensor due to its cost and packaging convenience. We provide all applications in a single system and camera. We believe this makes our solution compelling to OEMs. Further, many of our planned additional applications require a simple update to the software rather than costly and time-consuming changes to the hardware itself. We believe that as internet access becomes more available in cars, software updates may even be made wirelessly.
- 
- Large validation datasets train and optimize our complex proprietary algorithms — Mobileye’s more than 15 years of ADAS research and development, largest number of serial production models in the industry and experience with most global OEMs have yielded millions of miles of road experience data covering more than 40 countries at all times of day and in multiple scenarios — highway, country, city — across hundreds of vehicle models. Our large datasets, unbiased as to any OEM, give us the unequalled ability to train and optimize our proprietary algorithms. We can also fully validate safety functions, which is crucial in order to avoid false-positive actuations, such as an inappropriate AEB actuation. We believe that no other company in the world has road experience datasets as deep and as wide as ours.
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- We seek to work with all OEMs and Tier 1 companies — We seek to work with all OEMs and with Tier 1 companies. We believe our hybrid approach of working directly with OEMs to customize and validate our



products and making our products available to multiple Tier 1 companies that may respond to a request for quotation (“RFQ”) for the same serial production contract offers us the opportunity for the greatest market share.

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- Long-standing relationships with OEMs and Tier 1 companies provide for a leading and defensible market position — Our market leadership results from many years of review and validation from 20 of the global OEMs and our relationship with most of the leading Tier 1 companies. In early 2010 our proprietary technology was in 36 car models from seven OEMs. We currently have sourcing agreements for our technology to be in 237 car models from 20 OEMs by 2016. We expect that as regulations and ratings require more active safety features, more cars and more car models will have a camera. As the leading provider of camera-based ADAS, we are well-positioned to benefit from this trend. We believe there are significant barriers to entry to the ADAS market, particularly the camera-based market, primarily based on our innovative proven technology and our continued development of more advanced and innovative technology. In addition, our leading market position, combined with the very high investment of time and resources required, makes penetrating this market challenging. We believe that it can take up to seven years from the time a company has effective technology before it could be implemented in a vehicle.
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- Self-designed, cost effective EyeQ ® microchip — We have designed our own microprocessor chip that has the computing power to run LDW, FCW, AEB (for vehicles and pedestrians), TSR, AHC, ACC, Free-Space Analysis, debris detection, and more — at a frame rate of above 20 fps. We believe this kind of computational load is unusually high on a portable device. Our EyeQ ® SoC is capable of achieving a very high throughput at a very low power consumption and very low cost. Each new generation of the EyeQ ® SoC is many times faster than its predecessor, allowing for more and better image analysis. EyeQ2 ® was approximately six times faster than the original EyeQ ®; EyeQ3 ®, launched in vehicles in 2015, is approximately eight times faster than EyeQ2 ®; and we are currently designing EyeQ4 ®, which we expect to launch in 2018. We believe our system is the only one that offers the full suite of ADAS applications currently available, and many of our additional applications will only require software updates, rather than additional hardware.
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- Highly scalable business model — Our business model results in strong operating margins, and in 2013, we generated operating income and net income for the first time. We believe that our business can grow significantly without corresponding increases in fixed and capital expenditures because we have strong existing relationships with nearly all OEMs and Tier 1 companies, and are not reliant on traditional sales and marketing processes to develop the OEMs business.

Our Growth Strategies

We intend to expand our operations and continue to lead the ADAS market by:

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- Capitalizing on regulatory and safety rating changes promoting standard feature ADAS — By 2015, we believe that in order to attain a four-star or five-star safety rating, a vehicle will need to be equipped with camera-based ADAS. As a result, OEMs have been moving to adopt ADAS technology as standard equipment on the majority of new launches of existing models as well as of most new models. We believe we are strongly positioned to benefit from the increased demand for ADAS and we have already been sourced for standard feature programs by 20 of the global OEMs. Further, we work with the European NCAP, the NHTSA and other NCAPs to demonstrate the capabilities and reliability of our technology and to help ensure that they develop regulations and ratings that address the full range of benefits that we believe ADAS can offer.

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- Exploiting the advantages of camera-only ADAS — We believe the camera sensor is key for mass adoption of active safety features because only a camera can perform the full suite of ADAS functions at a reliability level that can ensure both real world performance in complex cluttered environments and offer acceptable false-positive levels. Unlike other sensor modalities, such as radar and lidar, which do not incorporate the full panoply of ADAS functions, camera-only ADAS reduces cost and package constraints.

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- - Leading the development of ADAS specifically for automated driving — We believe that we will be the first to supply the underlying technology to launch commercially viable semi-autonomous driving at highway speed. The move towards hands-free driving necessitates additional capabilities, such as traffic-light detection, detection of obstacles outside the driving path and significant growth of scene understanding in order to support automatic lateral control of the vehicle. We believe the camera is the sensor best suited to address the functionalities necessary for automated driving. Effective automated driving will require the coordination of multiple cameras around the vehicle to provide both a wide field of vision and protective redundancy. We have been designing new multiple cameras configurations to support the higher safety standards required for hands-free driving and have been further developing our existing AEB functions to meet even higher reliability standards. As we continue to gain experience in this area, we expect to be a leader in additional ADAS for automated driving.
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- - Creating additional and enhanced applications — We expect to launch full-braking, camera-only AEB with multiple OEMs in early 2015. We expect to launch additional and enhanced applications in 2014 and 2015, including “no entry” sign detection, new traffic signs, animal detection, general object detection, free space or construction zone assist, traffic light detection, pothole detection and debris detection. As we continue to expand the suite of ADAS we offer, we believe our technological advantages over our competitors will continue to grow.
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- - Developing surround-view capabilities — We are working on rear-view camera ADAS and surround-view ADAS, both of which are also critical to effective automated driving and the emerging market for automated parking functionality. The rear-view camera will also be critical to winning new serial production because in March 2014, the NHTSA issued a final rule requiring rear visibility technology in all new vehicles under 10,000 pounds by May 2018 to prevent backover accidents. Currently, OEMs offer surround-view cameras that display a bird’s-eye-view of the area around the car to assist the driver in manually parking. We are working with one OEM to launch the next generation of surround-view functionality, not merely for display but also for processing visual information to aid the function of automated parking.
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- - Winning additional serial productions with existing and new OEMs — We intend to leverage our strong relationships with existing OEM customers to win additional serial production contracts in order to make ourselves a fundamental component of our OEMs’ global platforms. We also believe our superior product and demonstrated ability to work with OEMs and Tier 1 companies will enable us to win serial production contracts from additional global and smaller OEMs for automobiles, as well as buses, trucks and other vehicles, which may require specialized customization.
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- - Expanding our aftermarket product sales — Our aftermarket products can be fitted for both automotive and truck uses. We believe there is significant opportunity for growth in our sales to fleet owners, fleet telematics providers, insurance companies, vehicle importers, public transportation providers, taxi operators and OEMs that may seek to offer our aftermarket product for vehicles that do not contain ADAS technology as a standard

feature. We believe that we can leverage the growing public acceptance and awareness of driver safety technologies and the rising influence of “five-star” quality ratings in new car models to market our ADAS aftermarket products as well. We also seek to promote regulation that will mandate or encourage aftermarket installation of ADAS technology for certain usages, such as fleets, or certain drivers, such as young drivers.

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## Recent Developments

Our condensed consolidated financial statements for the quarter ended June 30, 2014 are not yet available.

Accordingly, the financial results that we present below constitute preliminary expectations with respect to results for such quarter based on currently available information and remain subject to the completion of our financial closing procedures for the quarter ended June 30, 2014, which are not yet complete due to the finalization of, among other things, our quarterly tax provision and certain share-based compensation calculations. As a result, these preliminary results may differ from the actual results that will be reflected in our consolidated financial statements for the quarter when they are completed and publicly disclosed. These preliminary results may change and those changes may be material. These estimates should not be viewed as a substitute for our interim financial statements that will be prepared in accordance with GAAP and filed with the SEC.

Our expectations with respect to our unaudited results for the period discussed below are based upon management estimates and are the responsibility of management. The preliminary financial data included in this prospectus has been prepared by, and is the responsibility of management. Kesselman and Kesselman, a member firm of PricewaterhouseCoopers International Limited, has not audited, reviewed, compiled or performed any procedures with respect to the preliminary financial data. Accordingly, it does not express an opinion or any other form of assurance with respect thereto. Our actual results for the quarter ended June 30, 2014 will not be available until after this offering is completed. There can be no assurance that these estimates will be realized, and estimates are subject to risks and uncertainties, many of which are not within our control. For additional information regarding various risks and uncertainties, see “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” elsewhere in this prospectus.

## Preliminary Estimates of Key Financial Metrics for the Quarter Ended June 30, 2014

- - Our total revenues for the quarter ended June 30, 2014 are expected to be between \$32.9 million to \$33.5 million, representing an increase of 86% to 89%, respectively, compared to total revenues of \$17.7 million for the quarter ended June 30, 2013, and a decrease of 7.6% to 5.9%, respectively, compared to total revenues of \$35.6 million for the quarter ended March 31, 2014.
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- OEM Segment. Revenues for our OEM segment for the quarter ended June 30, 2014 are expected to be between \$28.2 million and \$28.7 million, representing an increase of 110.4% to 114.2%, respectively, compared to OEM segment revenues of \$13.4 million for the quarter ended June 30, 2013, and a decrease of 11.6% to 10.0%, respectively, compared to OEM segment revenues of \$31.9 million for the quarter ended March 31, 2014. The increase compared to the quarter ended June 30, 2013 was the result of new program launches over the period since June 30, 2013. The decrease in revenue compared to the quarter ended March 31, 2014 was the result of regular changes in our OEM customers’ production schedules; variations in orders for products from smaller OEM customers; and launches of new programs at the end of 2013 and during the quarter ended March 31, 2014 because OEMs disproportionately increase their production in the first months of a launch because of the demand for new models. Our quarter-over-quarter results fluctuate, among other reasons, because of the timing of orders for our products and the timing of the introduction of new vehicle models containing our products.
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- AM Segment. Revenues for our aftermarket segment are expected to be between \$4.7 million and \$4.8 million, representing an increase of 9.3% to 11.6%, respectively, compared to aftermarket segment revenues of \$4.3 million for the quarter ended June 30, 2013, and an increase of 23.7% to 26.3%, respectively, compared to aftermarket segment revenues of \$3.8 million for the quarter ended March 31, 2014. The increase

was the result of continued growth in market awareness of ADAS and the addition of new distributors to our distribution chain.

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- Our U.S. GAAP Net Income (Loss) is estimated to be between \$(0.1) million and \$0.6 million, compared to net income of \$4.0 million for the quarter ended June 30, 2013 and net loss of \$19.6 million for the quarter ended March 31, 2014. The decrease in net income from the June 2013 quarter was largely attributable to an increase in share-based compensation expense for the quarter ended June 30, 2014, which we estimate will range from \$10.8 million to \$11.1 million, compared to \$2.4 million for the quarter ended June 30, 2013, and an increase in expenses of approximately \$7.0 million as a result of the overall increase in the scale of our operations. These increased expenses during the period were offset by the increase in gross profit during the period of approximately \$11.0 million resulting from the increase in revenue. The increase for the quarter ended March 31, 2014 reflected a \$21.4 million to \$21.1 million decrease in share-based compensation expense, which was offset by the decrease in our revenue and gross profit of approximately \$2.8 million to \$0.6 million. We expect our general and administrative costs to increase in absolute dollars as we continue to expand our operations, hire additional personnel to support our transition from a private company to a public company.

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- Our non-GAAP Net Income (Loss) Before Share-Based Compensation for the quarter ended June 30, 2014 is expected to be between \$10.9 million and \$11.3 million, representing an increase of 70.3% to 76.6%, respectively, compared to \$6.4 million for the quarter ended June 30, 2013, and a decrease of 13.5% to 10.3%, respectively, compared to \$12.6 million for the quarter ended March 31, 2014. Net Income (Loss) Before Share-Based Compensation was computed as Net Income (Loss) of \$(0.1) million to \$0.6 million plus Share-Based Compensation of \$11.1 million to \$10.8 million, respectively. These changes are principally the result of either the increase or decrease in revenue, as applicable. See Note (3) to “Summary Financial Information” for a discussion of the reasons management believes this non-GAAP financial measure provides useful information to investors.

Summary Risk Factors

Our business is subject to risks, as discussed more fully in the section entitled “Risk Factors” beginning on page 16. You should consider carefully all of the risks discussed in the “Risk Factors” section before investing in our ordinary shares. In particular, the following factors may have an adverse effect on our business, cause a decrease in the price of our ordinary shares and result in a loss of all or a portion of your investment:

- 
- There is no assurance that monocular camera processing will be the dominant sensor modality in the ADAS industry.

- 
- If we are unable to develop and introduce new ADAS functions and improve existing functions in a cost-effective and timely manner, our business, results of operations and financial condition would be adversely affected.

- 
- We depend on STMicroelectronics N.V. to manufacture our EyeQ ® chips.



- We may incur material costs as a result of actual or alleged product defects, product liability suits, and warranty and recall claims.
- 
- We invest effort and money seeking OEM validation of our products, and there can be no assurance that we will win production models, which could adversely affect our future business, results of operations and financial condition.
- 
- The period of time from a design win to implementation is long and we are subject to the risks of cancellation or postponement of the contract or unsuccessful implementation.
- 
- We are dependent on our Founders.
- 
- We may be unable to attract and retain key personnel, which could seriously harm our business.

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- 
- Our aftermarket segment is subject to a number of risks, including our ability to forecast demand for our aftermarket products, our ability to market our aftermarket products effectively and risks related to the manufacture of our aftermarket products in China.
- 
- Our business would be adversely affected if certain OEMs were to change their ADAS technology and not include our products in future models.
- 
- If we do not maintain sufficient inventory, we could lose sales.
- 
- We may not be able to adequately protect or enforce our intellectual property rights, and our efforts to do so may be costly.
- 
- We may become subject to litigation brought by third parties claiming infringement by us of their intellectual property rights.
- 
- We may be required to pay monetary remuneration to employees who develop inventions, even if the rights to such inventions have been assigned to us and the employees have waived their rights to royalties or other compensation.
- 
- In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how.
- 
- Disruptions to our IT system may disrupt our operations and materially adversely affect our business and results of operations.
- 
- We have a history of losses. Although we had net income in accordance with U.S. GAAP in the year ended December 31, 2013, we had a net loss in accordance with U.S. GAAP in the three months ended March 31, 2014, and there is no assurance that we will become and remain profitable.
-

- We have a material weakness in our internal control over financial reporting, which resulted in the restatement of our 2013 earnings per share.

•

- Professor Amnon Shashua and Mr. Ziv Aviram will each beneficially own 8.0% of our ordinary shares, certain affiliates of Goldman, Sachs & Co. will beneficially own 13.9% of our ordinary shares in the aggregate and certain other shareholders will also retain significant ownership of our ordinary shares following this offering; these holders will retain a significant level of control over most matters requiring shareholder approval following this offering.

#### Implications of Being an Emerging Growth Company

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”). For as long as we are an “emerging growth company,” we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act (“SOX”) and reduced disclosure obligations regarding executive compensation in our periodic reports.

Under the JOBS Act, we will remain an “emerging growth company” until the earliest of:

•

- the last day of the fiscal year during which we have total annual gross revenues of \$1 billion or more;

•

- the last day of the fiscal year following the fifth anniversary of completion of this offering;

•

- the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt; and

•

- the date on which we are deemed to be a “large accelerated filer” under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We will qualify as a “large

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accelerated filer” as of the first day of the first fiscal year after we have (i) more than \$700 million in outstanding common equity held by our non-affiliates and (ii) been public for at least 12 months; the value of our outstanding common equity will be measured each year on the last day of our second fiscal quarter.

The JOBS Act also provides that an “emerging growth company” can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the “Securities Act”), for complying with new or revised accounting standards. However, we are choosing to “opt out” of such extended transition period, and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for companies that are not “emerging growth companies.” Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Corporate Information and Share Recapitalization

We were founded in Israel in 1999 by Professor Amnon Shashua, our Chief Technology Officer and Chairman, and Mr. Ziv Aviram, our President, Chief Executive Officer and a director, whom we refer to together as our Founders. In 2001, we incorporated Mobileye B.V. as the holding company in The Netherlands for all of our worldwide activities. In July 2003, Mobileye B.V. was converted into Mobileye N.V., a Dutch limited liability company. Our management is located in Israel. On July 10, 2014, all outstanding ordinary shares, Class A, Class B, Class C, Class D, Class E and Class F shares, € 0.01 nominal value per share, were split five-for-one into shares of the same class (the “Stock Split”), and immediately prior to this offering, all shares of all classes other than ordinary shares will convert into ordinary shares, € 0.01 nominal value per share, on a one-to-one basis (collectively, the “Share Recapitalization”). See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Corporate Information and Reorganization” and “Description of Share Capital.”

Our executive offices and primary operations are located at Har Hotzvim, 13 Hartom Street, Jerusalem 97775, Israel and our telephone number at this location is +972-2-541-7333. Our website address is [http:// www.mobileye.com](http://www.mobileye.com). The reference to our website is an inactive textual reference only, the information that can be accessed through our website is not part of this prospectus, and investors should not rely on any such information in deciding whether to purchase our ordinary shares.

Trademarks

We have proprietary rights to trademarks used in this prospectus, including EyeQ ®, that are important to our business, many of which are registered under intellectual property laws in the United States, the European Union and/or China. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the “ ®” or “™” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this prospectus is the property of its respective holder.

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The Offering

Ordinary shares offered by us

8,325,000 ordinary shares, €0.01 nominal value per share

Ordinary shares offered by the selling shareholders

27,264,000 ordinary shares, €0.01 nominal value per share (32,602,350 ordinary shares if the underwriters exercise their over-allotment option in full)

Over-allotment option

The selling shareholders have granted the underwriters the right to purchase up to an additional 5,338,350 ordinary shares within 30 days of July 31, 2014, the date of this prospectus, to cover over-allotments, if any, in connection with the offering.

Ordinary shares to be outstanding after this offering

212,301,196 ordinary shares, €0.01 nominal value per share

Use of Proceeds

We estimate that the net proceeds to us from this offering, after deducting the underwriting discount and estimated offering expenses, will be approximately \$193.7 million.

We intend to use the net proceeds of this offering as follows: (i) \$30 million to purchase EyeQ ® chips and Mobileye 5-Series aftermarket inventory and (ii) the balance for general corporate purposes, which may include working capital, capital expenditures and the acquisition of assets, technologies or companies complementary to our business. We will not receive any of the proceeds from the sale of ordinary shares by the selling shareholders.

Dividend policy

We do not intend to pay dividends on our ordinary shares for the foreseeable future following this offering.

Risk Factors

Investing in our ordinary shares involves a high degree of risk. Before buying any ordinary shares, you should read the discussion of material risks of investing in our ordinary shares in “Risk Factors” beginning on [page 16](#).

Conflicts of Interest

Certain affiliates of Goldman, Sachs & Co., an underwriter in this offering, beneficially own 17.4% of our outstanding ordinary shares prior to this offering, will sell 5,927,435 ordinary shares in this offering and will own 13.9% of our ordinary shares after giving effect to this offering. See “Principal and Selling Shareholders.” Accordingly, this offering will be made in compliance with the applicable provisions of Rule 5121 of the Financial Industry Regulatory Authority, Inc. (“FINRA”). Rule 5121 requires that a “qualified independent underwriter” meeting certain standards participate in the preparation of the registration statement and prospectus and exercise the usual standards of due diligence with respect thereto. Morgan Stanley & Co. LLC will act as a “qualified independent underwriter” within the meaning of Rule 5121 in connection with this offering. Goldman, Sachs & Co. will not confirm sales of the shares to any account over which it exercises discretionary authority without the prior written approval of the customer. See “Underwriting (Conflicts of Interest) — Relationships with the Underwriters.”

NYSE symbol

MBLY

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The number of our ordinary shares to be outstanding after this offering (i) assumes completion of the Share Recapitalization immediately prior to such date, (ii) includes 1,463,051 shares sold by selling shareholders upon exercise of vested options and (iii) excludes 28,580,054 ordinary shares issuable upon the exercise of outstanding options. The exercise of the underwriters' option to purchase up to an additional 5,338,350 ordinary shares from the selling shareholders to cover over-allotments will not affect the number of ordinary shares outstanding after this offering.

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## Summary Financial Information

The following table summarizes our financial data. We have derived the summary consolidated statement of operations data for the three years ended December 31, 2013, 2012 and 2011 and the consolidated balance sheet data as of December 31, 2013 and 2012 from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the summary consolidated statement of operations data for the three months ended March 31, 2014 and 2013 and the consolidated balance sheet data as of March 31, 2014 from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the summary financial information as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to state fairly the results for such interim period. We prepare our financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Our historical results are not necessarily indicative of the results that should be expected in the future. The summary of our consolidated financial data set forth below should be read together with our consolidated financial statements and the related notes, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in this prospectus.

	Year ended December 31,			Three months ended March 31,	
	2013 (Restated)	2012	2011	2014	2013
<b>(in thousands, except per share data)</b>					
Statement of Operations					
Data					
Revenues	\$ 81,245	\$ 40,285	\$ 19,168	\$ 35,649	\$ 11,738
Cost of Revenues	21,130	12,219	6,863	8,810	3,213
Gross Profit	60,115	28,066	12,305	26,839	8,525
Operating Costs and Expenses					
Research and Development, net	22,309	15,866	15,377	8,621	4,606
Sales and Marketing	12,331	6,434	6,134	2,842	4,890
General and Administrative	10,277	7,418	2,567	30,851	2,291
Operating Profit (Loss)	15,198	(1,652 )	(11,773)	(15,475 )	(3,262 )
Interest Income	1,059	1,531	1,543	385	351
Financial Income (Expenses), net	1,389	402	(2,709 )	(286 )	536
Profit (Loss) Before Taxes on Income	17,646	281	(12,939)	(15,376 )	(2,375 )
Benefit (Taxes) on Income	2,274	(334 )	(447 )	(4,183 )	(192 )
Net Income (Loss)	\$ 19,920	\$ (53 )	\$ (13,386)	\$ (19,559 )	\$ (2,567 )
Basic and Diluted Loss per Share (1)					
Amount Allocated to Participating Shareholders	\$ (16,105 )	\$ —	\$ —	\$ —	\$ —
Adjustment as a Result of Benefit to Participating Shareholders	(229,832)	—	—	—	—
Net Loss Applicable to Class A Ordinary Shares	\$ (226,017)	\$ (53 )	\$ (13,386)	\$ (19,559 )	\$ (2,567 )

	Year ended December 31,			Three months ended March 31,	
Basic and Diluted Weighted Average Number of Shares Used In Computation of Loss per Class A Ordinary Share	\$ (6.03 )	\$ —	\$ (0.33 )	\$ (0.61 )	\$ (0.06 )
Basic and Diluted Pro Forma Earnings per Share (Unaudited) (2)	37,477	40,191	40,191	32,071	40,191
Net Income	\$ 19,920			\$ (19,559 )	
Basic	\$ 0.10			\$ (0.10 )	
Diluted	\$ 0.10			\$ (0.10 )	
Weighted Average Number of Shares Used in Computation of Pro Forma Earnings per Share					
Basic	195,676			202,513	
Diluted	204,932			202,513	



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	<b>December 31,</b>		<b>March 31,</b>
	<b>2013</b>	<b>2012</b>	<b>2014</b>
	<b>(in thousands)</b>		
Balance Sheet Data			
Cash, Cash Equivalents, Short Term			
Deposits and	\$ 124,284	\$ 60,940	\$ 129,451
Marketable Securities			
Inventories	11,354	9,275	11,881
Long-Term Assets	12,997	9,681	16,557
Total Assets	168,228	89,994	185,042
Long-Term Liabilities	9,715	7,118	11,981
Accumulated Deficit	(100,887)	(120,807)	(120,446)
Total Shareholders' Equity	142,638	71,568	156,092

	<b>Year ended December 31,</b>			<b>Three months</b>	
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>ended March 31,</b>	<b>2013</b>
	<b>(in thousands)</b>				
Other Financial Data					
Net Income (Loss) Before Share-Based Compensation (3)	\$ 33,051	\$ 1,802	\$ (12,268)	\$ 12,614	\$ 1,929

(1)

- Prior to this offering and the Share Recapitalization, our issued share capital has been composed of Class A ordinary shares (with no liquidation preference), ordinary shares (with liquidation preference), Class B, C, D, E, F1 and F2 Shares, all at EUR 0.01 par value. The only class of outstanding shares without a liquidation preference is the Class A ordinary shares. Therefore, under U.S. GAAP, earnings per share must be computed based on the outstanding Class A ordinary shares. Basic and diluted loss per share has been restated as described in Note 2(x) to our audited consolidated financial statements included elsewhere in this prospectus. For additional information, see Notes 8 and 9 to our audited consolidated financial statements included elsewhere in this prospectus and see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Comparison of Results of Operations for 2013, 2012 and 2011 — Earnings Per Share.”

(2)

- The pro forma earnings per share calculation for the year ended December 31, 2013 and the three months ended March 31, 2014 assumes the conversion of all outstanding shares (including Class A ordinary shares) to ordinary shares with no liquidation preferences on a one-to-one basis as set forth in our articles of association. See Note 9 to our audited consolidated financial statements and Note 6 to our unaudited condensed consolidated interim financial statements included elsewhere in this prospectus.

(3)

- We prepare this non-GAAP measure to eliminate the impact of items that we do not consider indicative of our overall operating performance. To arrive at our non-GAAP net income (loss), we exclude share-based

compensation expense from our GAAP net income (loss). We believe that this non-GAAP measure is useful to investors in evaluating our operating performance for the following reasons:

- 
- We believe that elimination of share-based compensation expense is appropriate because treatment of this item may vary for reasons unrelated to our overall operating performance;
- 
- We use this non-GAAP measure in conjunction with our GAAP financial measure for planning purposes, including the preparation of our annual operating budget, as a measure of operating performance and the effectiveness of our business strategies and in communications with our board of directors concerning our financial performance;

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- We believe that this non-GAAP measure provides better comparability with our past financial performance, facilitates better period-to-period comparisons of operational results and may facilitate comparisons with similar companies, many of which may also use similar non-GAAP financial measures to supplement their GAAP reporting; and
- 
- We anticipate that, after consummating this offering, our investor presentations and those of securities analysts will include non-GAAP measures to evaluate our overall operating performance.

Non-GAAP measures should not be considered as an alternative to gross profit, income (loss) from operations, net income (loss) or any other measure of financial performance calculated and presented in accordance with GAAP. Our non-GAAP measure may not be comparable to similarly titled measures of other organizations because other organizations may not calculate non-GAAP measures in the same manner. You are encouraged to evaluate these adjustments and the reason we consider them appropriate.

Set forth below is the reconciliation of Net Income (Loss) Before Share-Based Compensation to Net Income (Loss):

	Year ended December 31,			Three months ended March 31,	
	2013	2012	2011	2014	2013
			(in thousands)		
Net Income (Loss)	\$ 19,920	\$ (53 )	\$ (13,386)	\$ (19,559)	\$ (2,567)
Share-Based Compensation	13,131	1,855	1,118	32,173	4,496
Net Income (Loss) Before Share-Based Compensation	\$ 33,051	\$ 1,802	\$ (12,268)	\$ 12,614	\$ 1,929

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### Risk Factors

An investment in our ordinary shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below and the other information in this prospectus before making an investment in our ordinary shares. Our business, financial condition or results of operations could be materially and adversely affected if any of these risks occurs and, as a result, the market price of our ordinary shares could decline and you could lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. See “Cautionary Statement Regarding Forward-Looking Statements.” Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors.

### Risks Related to Our Business

There is no assurance that monocular camera processing will be the dominant sensor modality in the ADAS industry. Although we believe that monocular camera processing, the technology behind our ADAS, is, and will continue to be, the industry standard for ADAS, it is possible that other sensor modalities, such as radar or lidar — or a new, disruptive modality based on new or existing technology — will achieve acceptance or dominance in the market. If ADAS based on other sensory modalities gain acceptance by the market, regulators and safety organizations in place of or as a substitute to monocular camera processing, and we do not win additional production models to the same extent as we have to date, our business, results of operations and financial condition would be adversely affected.

If we are unable to develop and introduce new ADAS functions and improve existing functions in a cost-effective and timely manner, our business, results of operations and financial condition would be adversely affected.

Our business and future operating results will depend on our ability to complete development of existing ADAS programs and to develop and introduce new and enhanced ADAS functions that incorporate the latest technological advancements in outdoor image processing hardware, software and camera technologies and to satisfy evolving customer, regulatory and safety rating requirements. This will require us to invest resources in research and development and also require that we:

- 
- design innovative and safety- and comfort-enhancing features that differentiate our products from those of our competitors;
- 
- cooperate effectively on new designs with our OEM and Tier 1 customers;
- 
- respond effectively to technological changes or product announcements by our competitors; and
- 
- adjust to changing market conditions and regulatory and rating standards quickly and cost-effectively.

If there are delays in or we fail to complete our existing and new development programs, we may not be able to win additional production models or satisfy our OEM customers’ requirements, and our business, results of operations and financial condition would be adversely affected. In addition, we cannot assure you that our investment in research and development will lead to any corresponding increase in revenue, in which case our business, results of operations and financial condition would also be adversely affected.

We depend on STMicroelectronics N.V. to manufacture our EyeQ ® chips.

We purchase all of our EyeQ ® chips from STMicroelectronics N.V. All of our EyeQ ® chips are produced at a single facility in France. Since our EyeQ ® chip is incorporated in all of our products, any problems that occur and persist in connection with the manufacture, delivery, quality or cost of the assembly and testing of our EyeQ ® chips could have a material adverse effect on our business, results of operations and financial condition that might not be fully offset by

any inventory of EyeQ ® chips that we maintain. Because of the complex proprietary nature of our EyeQ ® chips, any transition from

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STMicroelectronics N.V. to a new supplier or, if there were a disaster at the facility, bringing a new facility online, would take a significant period of time to complete and could potentially result in our having insufficient inventory, which could adversely affect our business, results of operations and financial condition. In addition, our contractual relationship with STMicroelectronics N.V. does not lock in rates for the long term, and both we and STMicroelectronics N.V. are free to terminate the arrangement at any time. Further, we are vulnerable to the risk that STMicroelectronics N.V. may become bankrupt.

We may incur material costs as a result of actual or alleged product defects, product liability suits, and warranty and recall claims.

Our software and EyeQ ® chips are complex and could have, or could be alleged to have, defects in design or manufacturing or other errors or failures. STMicroelectronics N.V. is responsible for quality control and procedures for testing and manufacturing of our EyeQ ® chips to our specifications, but we retain liability for failure in production caused by defective EyeQ ® chip design or error, or if the software design does not function as represented. Material defects in any of our products could thus result in decreasing revenues due to adverse publicity, increased operating costs due to legal expenses and the possibility of consumer products liability. Although we have product liability insurance of up to an aggregate of \$30 million, there is no assurance that such insurance will be adequate to cover all of our potential losses. Accordingly, we could experience significant costs, including defense costs, if we were required to recall our products or if we experience material warranty or product liability losses in the future. Product liability claims present the risk of protracted litigation, financial damages, legal fees and diversion of management's attention from the operation of our business. We use disclaimers, limitations of liability and similar provisions in our agreements, but we have no assurance that any or all of these provisions will prove to be effective barriers to product liability claims.

Furthermore, the automotive industry in general is subject to litigation claims due to the nature of personal injuries that result from traffic accidents. As a provider of products related to, among other things, preventing traffic accidents, we could be subject to litigation for traffic-related accidents, even if our products or services or the failure thereof did not cause any particular accident. The emerging technologies of ADAS and autonomous driving have not yet been litigated or legislated to a point whereby their legal implications are well documented. As a provider of such products, we may become liable for losses that exceed the current industry and regulatory norms. If such a punitive liability landscape develops, we may also incur demand-related losses due to a reduction in the number of OEMs offering such technology.

In the event that we are required to pay significant damages as a result of one or more lawsuits that are not covered by insurance or that exceed our coverage limits, it could materially harm our business, results of operations and financial condition. The defense against such claims — even if they are ultimately unsuccessful — could cause us to incur significant expenses and result in a diversion of management's attention.

In addition, if any of our products are, or are alleged to be, defective, we may be required to participate in a recall of such products if the defect or the alleged defect relates to motor vehicle safety. OEMs are increasingly looking to their suppliers for contribution when faced with product liability, warranty and recall claims. Depending on the terms under which we supply our products, an OEM may hold us (through our Tier 1 customer that sold our products to the OEM) responsible for some or all of the entire repair or replacement costs of these products under the OEM's new vehicle warranties. Our costs associated with recalls or providing product warranties could be material. Product liability, warranty and recall costs could have an adverse effect on our business, results of operations and financial condition.

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We invest effort and money seeking OEM validation of our products, and there can be no assurance that we will win production models, which could adversely affect our future business, results of operations and financial condition.

We invest effort and money from the time of our initial contact with an OEM to the date on which the OEM chooses our technology for ADAS applications to be incorporated into one or more specific vehicle models to be produced by the OEM. The OEM acquires our products through a Tier 1 supplier, which integrates our proprietary software and EyeQ ® chip into a complete ADAS product that it manufactures. This selection process is known as a “design win.” We could expend our resources without success. After a design win, it is typically quite difficult for a product or technology that did not receive the design win to displace the winner until the OEM issues a new RFQ because it is very unlikely that an OEM will change complex technology until a vehicle model is revamped. In addition, the firm with the winning design may have an advantage with the OEM going forward because of the established relationship between the winning firm and such OEM, which could make it more difficult for such firm’s competitors to win the designs for other production models. If we fail to win a significant number of OEM design competitions in the future, our business, results of operations and financial condition would be adversely affected.

The period of time from a design win to implementation is long and we are subject to the risks of cancellation or postponement of the contract or unsuccessful implementation.

Our products are technologically complex, incorporate many technological innovations and are typically intended for use in safety applications. Prospective OEM customers generally must make significant commitments of resources to test and validate our products before including them in any particular model vehicle. The development cycles of our products with new OEM customers are approximately one to three years after a design win, depending on the OEM and the complexity of the product. These development cycles result in our investing our resources prior to realizing any revenues from the production models. Further, we are subject to the risk that an OEM cancels or postpones implementation of our technology, as well as that we will not be able to implement our technology successfully.

Further, our sales could be less than forecast if the vehicle model is unsuccessful, including reasons unrelated to our technology. Long development cycles and product cancellations or postponements may adversely affect our business, results of operations and financial condition.

We are dependent on our Founders.

We are dependent on Professor Amnon Shashua, our co-Founder, Chief Technology Officer and Chairman, and Mr. Ziv Aviram, our co-Founder, President, Chief Executive Officer and a director. Mobileye Vision Technologies Ltd., our Israeli subsidiary (“MVT”), has entered into employment agreements with Professor Shashua and Mr. Aviram and both have substantial equity holdings in us. Under these agreements, Professor Shashua and Mr. Aviram will also not be permitted to compete with us or to hire our employees during the term of their employment and for 18 months thereafter if they were to leave our company for any reason. Furthermore, each of Professor Amnon Shashua and Ziv Aviram agreed in a Founders Agreement filed as an exhibit to the registration statement of which this prospectus is a part not to terminate his employment until the earlier of the third anniversary of the closing of this offering or an Acquisition (as defined), and agreed not to compete with us or to solicit any of our employees, subject to customary exceptions. See “Certain Relationships and Related Party Transactions — Company Founders Agreement.” The enforceability of non-competition covenants in Israel is subject to limitations. In addition, we do not have key-man life insurance for either of our Founders. The loss of either of them or other key members of management could adversely affect our business, financial condition or results of operations.

Pursuant to his employment agreement, Professor Shashua will be permitted to spend up to 50 hours per month on teaching and graduate student supervision at the Hebrew University and on business activities unrelated to us, so long as such activities do not involve companies in businesses substantially similar to our business. Pursuant to his agreement, Mr. Aviram will also be permitted to spend up to 20 hours per month on business activities unrelated to us so long as such activities do not involve companies in businesses substantially similar to our business. Professor Shashua is a

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co-founder and the Chief Technology Officer and Chairman of OrCam, which recently launched an assistive product for the visually impaired based on advanced computerized visual interpretation capabilities. Mr. Aviram is also a co-founder and is the President and Chief Executive Officer of OrCam. Each of them is expected to spend a part of his permitted time unrelated to us on OrCam. For additional information about our relationship with OrCam, see “Certain Relationships and Related Party Transactions — Relationship with OrCam Technologies Ltd.” The loss of either Professor Shashua or Mr. Aviram or other key members of management, or a significant diminution in their contribution to us, could adversely affect our business, financial condition or results of operations.

We may be unable to attract and retain key personnel, which could seriously harm our business.

We compete in a market that involves rapidly changing technological and other developments, which requires us to employ a workforce with a broad set of expertise and intellectual capital. In order for us to successfully compete and grow, we must attract, recruit, retain and develop the necessary software, engineering, technical and other personnel who can provide the needed expertise across the entire spectrum of our intellectual capital needs. The market for qualified personnel is competitive and we may not succeed in recruiting additional personnel, retaining current personnel or effectively replacing current personnel who may depart. We cannot assure you that qualified employees will continue to be employed by us or that we will be able to attract and retain additional qualified personnel in the future. Failure to retain or attract key personnel could have an adverse effect on our business, results of operations and financial condition.

We depend on licenses for certain technologies from third parties for which we pay royalties.

We integrate certain technologies developed and owned by third parties into our products, including the central processing unit core of our EyeQ ® chips, through license and technology transfer agreements. Under these agreements, we are obligated to pay royalties for each unit of our products that we sell that incorporates such third party technology. In addition, some of our agreements with third parties entitle the licensor to purchase our products at a specified purchase price. If we are unable to maintain our contractual relationships with the third party licensors on which we depend, we may not be able to find replacement technology to integrate into our products on a timely basis or for a similar royalty fee, in which case our business, results of operations and financial condition would also be adversely affected.

Our aftermarket segment is subject to a number of risks, including our ability to forecast demand for our aftermarket products, our ability to market our aftermarket products effectively and risks related to the manufacture of our aftermarket products in China.

We sell our aftermarket products in part through independent dealers and distributors worldwide. If we and our dealers and distributors do not forecast demand accurately, we may not be able to supply them with sufficient products in a timely manner, which could cause our results of operations to suffer and adversely affect our relationships with our dealers and distributors. In the future, we may not be able to retain or attract a sufficient number of qualified dealers and distributors. Failure to maintain relationships with dealers and distributors, or to expand our aftermarket products distribution channels, could have an adverse effect on our business, results of operations and financial condition.

ADAS aftermarket products are also relatively new. We seek to sell our aftermarket products in bulk to fleets, telematics providers, insurance companies and other potential bulk purchasers as a way for them to, depending on their particular needs, monitor and analyze driver behavior, set premiums, reduce costs and otherwise prevent accidents. If we are not able to market our aftermarket products effectively, our business, results of operations and financial condition could be adversely affected.

Furthermore, our aftermarket products are manufactured by a contract manufacturer in China that provides surface-mount technology services as well as assembly, testing, packaging and logistics services. The Chinese contract manufacturer is subject to laws, regulations, duties and tariffs of the Chinese government. In the future China may eliminate, adjust or impose new quotas, duties, tariffs, safeguard measures, cargo restrictions to prevent terrorism, restrictions on the transfer of currency,



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product safety regulations or other charges or restrictions, any of which could affect our ability to procure our aftermarket products or sell our aftermarket products at affordable prices, which, in turn, could adversely affect our business, results of operations and financial condition. If we had to replace this contract manufacturer for any reason, we believe it could take between four to nine months to have a new manufacturer at full capacity. There is no assurance that the costs of such a new arrangement might not exceed our current costs, and during the transition period, it is possible that we might not have sufficient inventory and our aftermarket sales and results of operations could be adversely affected.

In addition, we use a broad range of manufactured components and raw materials in our aftermarket products, including electronic and electro-mechanical components, finished sub-components, molded plastic and rubber parts. Some of the parts for our aftermarket products, including the camera and certain mechanical parts, are provided by sole suppliers. Replacing those parts would take time and could also involve engineering efforts. Although we maintain inventory of product parts, it is possible that the amount of products needed at any given time will exceed our inventory levels, which would hinder our ability to sell aftermarket products. Moreover, if the costs for products components increase, and we cannot pass the increased costs onto to our customers in whole or in part, the profitability of our aftermarket segment would decrease.

Our business would be adversely affected if certain OEMs were to change their ADAS technology and not include our products in future models.

In 2013, sales through our Tier 1 suppliers to each of three OEMs accounted for more than 10% of our total revenues. These revenues were comprised of sales for more than 100 car models of which three production programs each accounted for more than 10% of our total revenues. We currently are in production phase with 20 OEMs for 237 car models by 2016 through arrangements with Tier 1 companies. We also have a number of advanced development and production programs with other OEMs. We have separate production programs for each vehicle model included in an RFQ that incorporates our products. However, if any OEM were to determine not to incorporate our technology in their future models generally, or if we fail to win a significant number of additional future models from one or more OEMs, our business, results of operations and financial condition would be adversely affected.

If we do not maintain sufficient inventory, we could lose sales.

Changing consumer demands and uncertainty surrounding new vehicle model launches could expose us to inventory risk. Demand for ADAS technology, particularly vehicle models containing our products, could change unexpectedly, and it is possible that we will not be able to time our purchases of inventory to coincide with OEM requirements. We cannot assure you that we can accurately predict OEM demand and avoid under-stocking our EyeQ ® chips, which could cause us to lose sales.

We may not be able to adequately protect or enforce our intellectual property rights, and our efforts to do so may be costly.

If we are not able to adequately protect or enforce the proprietary aspects of our technology, competitors could be able to access our proprietary technology and our business, results of operations and financial condition could be adversely affected. We currently attempt to protect our technology through a combination of patent, copyright, trademark and trade secret laws, employee and third party nondisclosure agreements and similar means. Despite our efforts, other parties may attempt to disclose, obtain or use our technologies or systems. Our competitors may also be able to independently develop similar products or design around our patents. In addition, the laws of some foreign countries do not protect our proprietary rights as fully as do the laws of the United States. As a result, we may not be able to protect our proprietary rights adequately in the United States or abroad.

In addition, any litigation initiated by us concerning the violation by third parties of our intellectual property rights is likely to be expensive and time-consuming and could lead to the invalidation of, or render unenforceable, our intellectual property, or could otherwise have negative consequences for us. We have been, and in the future may be, a party to claims and litigation as a result of alleged

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infringement by third parties of our intellectual property. Even when we sue other parties for such infringement, that suit may have adverse consequences for our business. Any such suit may be time-consuming and expensive to resolve and may divert our management's time and attention from our business. Furthermore, it could result in a court or governmental agency invalidating or rendering unenforceable our patents or other intellectual property rights upon which the suit is based, which would seriously harm our business.

We may become subject to litigation brought by third parties claiming infringement by us of their intellectual property rights.

The industry in which our business operates is characterized by a large number of patents, some of which may be of questionable scope, validity or enforceability, and some of which may appear to overlap with other issued patents. As a result, there is a significant amount of uncertainty in the industry regarding patent protection and infringement. In recent years, there has been significant litigation globally involving patents and other intellectual property rights. We could become subject to claims and litigation alleging infringement by us of third-party patents and other intellectual property generally, including by academic institutions. These claims and any resulting lawsuits, if resolved adversely to us, could subject us to significant liability for damages, impose temporary or permanent injunctions against our products or business operations, or invalidate or render unenforceable our intellectual property. In addition, because patent applications can take many years until the patents issue, there may be applications now pending of which we are unaware, which may later result in issued patents that our products may infringe. If any of our products infringes a valid and enforceable patent, or if we wish to avoid potential intellectual property litigation on any alleged infringement of such products, we could be prevented from selling, or elect not to sell, such products unless we obtain a license, which may be unavailable. Alternatively, we could be forced to pay substantial royalties or to redesign one or more of our products to avoid any infringement or allegations thereof. Additionally, we may face liability to our customers, business partners or third parties for indemnification or other remedies in the event that they are sued for infringement in connection with their use of our products.

We also may not be successful in any attempt to redesign our products to avoid any alleged infringement. A successful claim of infringement against us, or our failure or inability to develop and implement non-infringing technology, or license the infringed technology, on acceptable terms and on a timely basis, could materially adversely affect our business and results of operations. Furthermore, such lawsuits, regardless of their success, would likely be time-consuming and expensive to resolve and would divert management's time and attention from our business, which could seriously harm our business. Also, such lawsuits, regardless of their success, could seriously harm our reputation with our OEMs and Tier 1 customers and in the industry at large.

We may be required to pay monetary remuneration to employees who develop inventions, even if the rights to such inventions have been assigned to us and the employees have waived their rights to royalties or other compensation. Under Israeli Patents Law, 5727-1967 (the "Patents Law"), if there is no agreement that prescribes whether, to what extent and on what conditions an employee is entitled to remuneration for an invention developed by or with the contribution of such employee during and in connection with such employee's employment, which is, in turn, owned by the employer, then such matter is decided by a government-appointed compensation and royalties committee special tribunal established under the Patents Law. In a decision issued in February 2010, the committee determined that a waiver by the employee of the right to receive remuneration must be explicit and specific. The decision also raised (but did not answer) the question of whether the waiver by an employee of the right to receive remuneration from the commercialization of such invention is enforceable under Israeli law. The committee stated that such waiver is not necessarily enforceable, since the entitlement to royalties from future commercialization of such invention may be deemed a basic labor law protective right that may not be waived. A subsequent decision of the Israeli Supreme Court from August 2012 left this question unresolved. If such waiver is not enforceable, then an employee may be entitled to seek a determination by the committee that royalties from the commercialization of such invention are payable to the employee by the employer despite the waiver. A decision issued by the Israeli Compensation

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and Royalties Committee on May 4, 2014 provides that, depending on the factual circumstances surrounding the employee's waiver, a more generally phrased waiver of claims may suffice as a waiver of the right to receive remuneration under the Patents Law. Under the Patents Law the Committee's decisions are final and non-appealable; however, the plaintiff attempted to force a second review of the Committee's May 4, 2014 decision, by filing a motion to the Israeli Supreme Court of Justice, on or around June 23, 2014, on administrative grounds challenging the decision as outside the scope of the Committee's administrative authority. The motion is pending response of the Committee and of the Defendants (Respondents). While the Committee's May 4, 2014 decision is valid at this time, and while the scope of judicial review of the Committee's decisions seems limited, the enforceability of employees' waivers, nevertheless, may still be subject to review by the Committee. A significant portion of our intellectual property (including our patents) has been developed by our employees in the course of their employment with us. All of our employees execute invention assignment agreements upon commencement of employment, in which they assign their rights to potential inventions and acknowledge that they will not be entitled to additional compensation or royalties from commercialization of inventions. However, given the foregoing uncertainty with respect to the enforceability of a waiver of the rights to future royalties, we may be required to pay royalties to our employees who have invented intellectual property that we have commercialized, which, in turn, may adversely affect our business, results of operations and financial condition.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how.

We rely on proprietary information (such as trade secrets, know-how and confidential information) to protect intellectual property that may not be patentable, or that we believe is best protected by means that do not require public disclosure. We generally seek to protect this proprietary information by entering into confidentiality agreements, or consulting, services or employment agreements that contain non-disclosure and non-use provisions with our employees, consultants, contractors, scientific advisors and third parties. However, we may fail to enter into the necessary agreements, and even if entered into, these agreements may be breached or may otherwise fail to prevent disclosure, third-party infringement or misappropriation of our proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. We have limited control over the protection of trade secrets used by our third-party manufacturers and suppliers and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants, contractors, scientific advisors and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position. Furthermore, laws regarding trade secret rights in certain markets where we operate may afford little or no protection to our trade secrets.

We also rely on physical and electronic security measures to protect our proprietary information, but we cannot provide assurance that these security measures will not be breached or provide adequate protection for our property. There is a risk that third parties may obtain and improperly utilize our proprietary information to our competitive disadvantage. We may not be able to detect or prevent the unauthorized use of such information or take appropriate and timely steps to enforce our intellectual property rights.

Disruptions to our IT system may disrupt our operations and materially adversely affect our business and results of operations.

Our servers and equipment may be subject to computer viruses, break-ins and similar disruptions from unauthorized tampering with computer systems. We can provide no assurance that our current information technology ("IT") system is fully protected against third-party intrusions, viruses, hacker attacks, information or data theft or other similar threats. A cyber-attack that bypasses our IT security

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systems causing an IT security breach may lead to a material disruption of our IT business systems and/or the loss of business information. Any such event could have a material adverse effect on our business until we recover using our back-up information. To the extent that such disruptions or uncertainties result in delays or cancellations of customer programs or misappropriation or release of our confidential data or our intellectual property, our business and results of operations could be materially and adversely affected.

We have a history of losses. Although we had net income in accordance with U.S. GAAP in the year ended December 31, 2013, we had a net loss in accordance with U.S. GAAP in the three months ended March 31, 2014, and there is no assurance that we will become and remain profitable.

Mobileye has a history of losses and became profitable on both an operating profit and net income basis as determined in accordance with U.S. GAAP only in 2013. However, we had a net loss in accordance with U.S. GAAP in the three months ended March 31, 2014. We had an accumulated deficit of \$120.4 million as of March 31, 2014. If our revenue does not grow sufficiently, or if increases in our research and development costs and other operating expenses are not followed by commensurate increases in revenue, our business, results of operations and financial condition will be adversely affected. Additionally, we might not be able to decrease our research and development costs or our operating expenses, many of which are fixed, if our revenue does not grow at a sufficient rate. Therefore, we cannot assure you that we will maintain or increase our profitability in the future.

We may need to raise additional capital in the future, which may not be available on terms acceptable to us, or at all. Since inception through March 31, 2014, our accumulated deficit was \$120.4 million and we generated net income only in 2013. A majority of our operating expenses are for research and development activities. Our capital requirements will depend on many factors, including, but not limited to:

- - technological advancements;
- - market acceptance of our products and product enhancements, and the overall level of sales of our products;
- - research and development expenses;
- - our relationships with OEMs, Tier 1 customers and suppliers;
- - our ability to control costs;
- - sales and marketing expenses;
- - enhancements to our infrastructure and systems and any capital improvements to our facilities;
-

- potential acquisitions of businesses and product lines; and
- 
- general economic conditions, including the effects of international conflicts and their impact on the automotive industry in particular.

If our capital requirements are materially different from those currently planned, we may need additional capital sooner than anticipated. If additional funds are raised through the issuance of equity or convertible debt securities, the percentage ownership of our shareholders at that point in time will be reduced. Additional financing may not be available on favorable terms, on a timely basis, or at all. If adequate funds are not available or are not available on acceptable terms, we may be unable to continue our operations as planned, develop or enhance our products, expand our sales and marketing programs, take advantage of future opportunities or respond to competitive pressures.

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If we acquire companies, products or technologies, we may face integration risks and costs associated with those acquisitions that could adversely affect our business, results of operations and financial condition.

If we are presented with appropriate opportunities, we may acquire or make investments in complementary companies, products or technologies. If we acquire companies or technologies, we will face risks, uncertainties and disruptions associated with the integration process, including difficulties in the integration of the operations of an acquired company, integration of acquired technology with our products, diversion of our management's attention from other business concerns, the potential loss of key employees or customers of the acquired business and impairment charges if future acquisitions are not as successful as we originally anticipate. In addition, our operating results may suffer because of acquisition-related costs or amortization expenses or charges relating to acquired intangible assets. Any failure to successfully integrate other companies, products or technologies that we may acquire may have a material adverse effect on our business and results of operations. Furthermore, we may have to incur debt or issue equity securities to pay for any additional future acquisitions or investments, the issuance of which could be dilutive to our existing shareholders.

We are exposed to currency fluctuations.

Although our financial results are reported in U.S. dollars, a significant portion of our operating expenses are accrued in New Israeli Shekels (primarily related to payroll) and, to a lesser extent, the Euro and other currencies. Our profitability is affected by movements of the U.S. dollar against the New Israeli Shekel, and, to a lesser extent, the Euro and other currencies in which we generate revenues, incur expenses and maintain cash balances. Foreign currency fluctuations may also affect the prices of our products. Our prices in all countries are denominated primarily in U.S. dollars. If there is a significant devaluation of a particular currency, the prices of our products will increase relative to the local currency and may be less competitive. Despite our efforts to minimize foreign currency risks, primarily by maintaining significant cash balances in New Israel Shekels, significant long-term fluctuations in relative currency values, in particular a significant change in the relative values of New Israeli Shekel and, to a much lesser extent, the Euro and other currencies against the U.S. dollar could have an adverse effect on our profitability and financial condition. For example, an increase of 1% in the value of the New Israeli Shekel or the Euro against the U.S. dollar would have increased our expenses by \$250,000 for the year ended December 31, 2013, the impact of which we seek to offset by maintaining significant cash balances in New Israeli Shekels.

We are subject to risks associated with doing business globally.

Our operations are subject to risks inherent in conducting business globally and under the laws, regulations and customs of various jurisdictions and geographies. In addition to risks related to currency exchange rates, these risks include changes in exchange controls, changes in taxation, importation limitations, export control restrictions, changes in or violations of applicable laws, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010, economic and political instability, disputes between countries, diminished or insufficient protection of intellectual property, and disruption or destruction of operations in a significant geographic region regardless of cause, including war, terrorism, riot, civil insurrection or social unrest. Failure to comply with, or material changes to, the laws and regulations that affect our global operations could have an adverse effect on our business, results of operations and financial condition.

### Risks Related to Our Industry

Adverse conditions in the automotive industry or the global economy more generally could have adverse effects on our results of operations.

Our business depends on, and is directly affected by, the global automobile industry. Automotive production and sales are highly cyclical and depend on general economic conditions and other factors, including consumer spending and preferences, changes in interest rate levels and credit availability, consumer confidence, fuel costs, fuel availability, environmental impact, governmental incentives and regulatory requirements, and political volatility, especially in energy-producing countries and growth

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markets. In addition, automotive production and sales can be affected by our OEM customers' ability to continue operating in response to challenging economic conditions, such as the financial crisis that began in 2007, and in response to labor relations issues, regulatory requirements, trade agreements and other factors. Globally, OEMs and their suppliers continue to experience significant difficulties from weakened economies and tightened credit markets, and many are still recovering from the financial crisis. The volume of automotive production in North America, Europe and the rest of the world has fluctuated, sometimes significantly, from year to year, and such fluctuations give rise to fluctuations in the demand for our products. Any significant adverse change in any of these factors, including, but not limited to, general economic conditions and the resulting bankruptcy of an OEM customer or the closure of an OEM manufacturing facility, may result in a reduction in automotive sales and production by our OEM customers, and could have a material adverse effect on our business, results of operations and financial condition.

If there is a slowing of the increasing requirements for active safety technology, our business, results of operations and financial condition would be adversely affected.

We have seen an increased demand for our technology and the growth of our business that correlates with driver awareness and acceptance of the safety features our ADAS provides. This acceptance and awareness is primarily due to the influence of regulators and safety organizations that provide both mandates and incentives, such as star ratings, to OEMs to include active safety technology in their vehicle models. We believe that this trend in regulation and ratings will continue and even accelerate over the next decade, thus increasing awareness and acceptance of, and consequently demand for, active safety technology. However, should there be a slowing of the increasing requirements for active safety technology, our growth might be limited and our business, results of operations and financial condition would be adversely affected.

If our OEM customers are unable to maintain and increase consumer acceptance of ADAS technology, our business, results of operations and financial condition would be adversely affected.

Our future operating results will depend on the ability of OEMs to maintain and increase consumer acceptance of ADAS generally and of our camera-based technology and autonomous driving specifically. There is no assurance that OEMs can achieve these objectives. Market acceptance of ADAS, our camera-based technology and autonomous driving depends upon many factors, including regulatory requirements, evolving safety standards, cost and driver preferences. Market acceptance of our products also depends on the ability of market participants, including Mobileye, to resolve technical challenges for increasingly complex ADAS in a timely and cost-effective manner. Consumers will also need to be made aware of the advantages of our camera-based ADAS compared to competing technologies, specifically those with different sensor modalities such as radar or lidar. If consumer acceptance of ADAS technology in the OEM market does not increase, sales of our aftermarket products could also be adversely affected.

Autonomous driving is a complex set of technology and there is no assurance that additional autonomous driving applications will develop in the near future or that a market for fully autonomous driving will develop.

Autonomous driving is a complex set of technologies, which requires the continuing development of both sensing technology and control technology. Functions and capabilities are in different stages of development and their reliability must continue to improve in order to meet the higher standards required for autonomous driving. Sensing technology provides information to the car and includes new sensors, communication and guidance technology, and software. Although we already have design wins with two OEMs and development programs with six additional OEMs for hands-free highway driving, there can be no assurance that we can finalize the development and validate that our technology has the necessary reliability for fully autonomous driving. Similarly, we are still in early development of our next generation self-driving features (namely, our country road capabilities and city traffic capabilities), which will require significant algorithmic innovation by us. There can be no assurance that we can complete such development in a timely manner. If we cannot achieve design wins for these additional capabilities or if, following any such design win, our product is not fully

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validated and does not go into serial production, our future business prospects and results of operations could be materially adversely affected.

Further, we do not develop control technology for serial production, such as brakes and steering. Although control functions already are in production for such applications as Automatic Emergency Braking (“AEB”), Lane Keeping and Assist and Adaptive Cruise Control, there can be no assurance that those applications can be developed and validated at the high reliability standard required in a cost-effective and timely manner. If the control technology is not ready to be deployed in vehicle models when our sensing technology is ready, launch of serial production could be delayed, perhaps for a significant time period, which could also materially adversely affect our business, results of operations and financial condition. There are also a number of additional challenges to autonomous driving, all of which are not within our control, including market acceptance of autonomous driving, particularly fully autonomous driving, state licensing requirements, concerns regarding electronic security and privacy, actual and threatened litigation (whether or not a judgment is rendered against us) and the general perception that the vehicle is not safe because there is no human driver. There can be no assurance that the market will accept any vehicle model including our technology, in which case our future business, results of operations and financial condition could be adversely affected.

We operate in a highly competitive market.

The ADAS industry is highly competitive. Competition is based primarily on technology, innovation, quality, delivery and price. Our future success will depend on our ability to develop superior advanced technology and to maintain our leading competitive position with respect to our technological advances over our existing and any new competitors. Although we believe that we are the only provider of ADAS with the amount and type of validation data necessary to compete effectively in the ADAS industry, and that there are significant other barriers to developing a feasible competing sensory modality, we face potential competition from Tier 1 companies and other technology companies, some of which have significantly greater resources than we do. Google Inc.’s autonomous car program has received significant public attention. It is not known how close Google Inc. is to commercializing its product or whether any OEM has agreed to manufacture an automobile with Google Inc.’s technology. It is possible that a competitor or potential competitor, including Google Inc., could create a competitive ADAS that gains significant market share, although we believe that they would experience the same five-to-seven year development timeline with an OEM as we do. If we were to lose a significant number of design wins to a new entrant, our future business, results of operations and financial condition would be adversely affected.

### Risks Related to Operations in Israel

Conditions in Israel affect our operations and may limit our ability to produce and sell our products.

Although we are incorporated under the laws of The Netherlands, our headquarters and research and development center are located in the State of Israel. Political, economic and military conditions in Israel directly affect our operations. Since the State of Israel was established in 1948, a number of armed conflicts have occurred between Israel and its Arab neighbors. Although Israel has entered into various agreements with Egypt, Jordan and the Palestinian Authority, there continues to be unrest and terrorist activity in Israel, which has continued with varying levels of severity through the current period of time and has led to ongoing hostilities between Israel and the Palestinian Authority and other groups in the West Bank and Gaza Strip. In December 2008, for approximately three weeks, and in November 2012, for approximately one week, Israel engaged in an armed conflict with Hamas in the Gaza Strip. Since early July 2014, there has been a significant increase in hostilities between Hamas and Israel, including missiles launched by Hamas from the Gaza Strip into Israel and airstrikes by Israel into the Gaza Strip. The effects of these hostilities and violence on the Israeli economy and our operations is unclear, and we cannot predict the effect on us of a further increase in these hostilities or any future armed conflict, political instability or violence in the region. We could be harmed by any major hostilities involving Israel, the interruption or curtailment of trade between Israel and its trading partners or a significant downturn in the economic or financial condition of Israel. In the event of war, we and our



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Israeli aftermarket products subcontractors and suppliers may cease operations, which may cause delays in the distribution and sale of our aftermarket products. In the event that our principal executive office is damaged as a result of hostile action, or hostilities otherwise disrupt the ongoing operation of our offices, our ability to operate could be materially adversely affected. Furthermore, ongoing violence between Israel and the Palestinians, as well as tension between Israel and neighboring Syria and Lebanon and the continuing civil war in Syria, may have a material adverse effect on our business, financial condition and results of operations.

In December 2010, demonstrations and civil protests took place throughout the Arab states of the Middle East and North Africa, which has so far resulted in regime change in several states, including Egypt, with whom Israel signed a peace treaty in 1979. Since 2011, there has been civil war in Syria and most recently, civil war or an insurgency has begun in Iraq. The impact of these changes on Israel's relations with its Arab neighbors, in general, or on our operations in the region, in particular, remains uncertain. Were these changes to result in the establishment of new fundamentalist Islamic regimes or governments more hostile to Israel, or, for example, were the Egyptian regime to abrogate its peace treaty with Israel, this could have serious consequences for the peace and stability in the region, place additional political, economic and military confines upon Israel, materially adversely affect our operations and limit our ability to sell our products to countries in the region.

Additionally, several countries, principally in the Middle East, still restrict doing business with Israel and Israeli companies, and additional countries and groups have imposed or may impose restrictions on doing business with Israel and Israeli companies if hostilities in Israel or political instability in the region continues or increases. These restrictions may limit materially our ability to obtain manufactured components and raw materials from these countries or sell our products to companies in these countries. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners, or significant downturn in the economic or financial condition of Israel, could adversely affect our business, results of operations and financial condition.

Our operations may be disrupted by the obligations of personnel to perform military service.

Some of our employees in Israel are obligated to perform annual reserve duty in the Israeli military and are subject to being called for additional active duty under emergency circumstances. In response to increased tension and hostilities, there have been occasional call-ups of military reservists, including the current call-up for the conflict with Hamas, and it is possible that there will be additional call-ups in the future. We cannot predict the full impact of these conditions on us in the future, particularly if emergency circumstances or an escalation in the political situation occurs. If many of our employees are called for active duty, our operations in Israel and our business may not be able to function at full capacity, and our business, results of operations and financial condition could be adversely affected. The tax benefits that are available to us under Israeli law require us to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes.

Until July 2014, our Israeli subsidiary was eligible for certain tax benefits provided to "Benefited Enterprises" under the Israeli Law for the Encouragement of Capital Investments, 1959, referred to as the Investment Law. In July 2014, our Israeli subsidiary received a ruling from the Israeli tax authorities pursuant to which it will be treated as a "Preferred Company" under the Investment Law, effective from January 1, 2014, which will provide us with additional benefits, subject to the fulfillment of the terms and conditions of such ruling. If these tax benefits are reduced, cancelled or discontinued, our Israeli taxable income would be subject to regular Israeli corporate tax rates. The standard corporate tax rate for Israeli companies was increased to 25% in 2012 and 2013 and further increased to 26.5% for 2014 and thereafter. If these tax benefits are reduced, cancelled or discontinued, and we are subject to the standard corporate tax rate, we may be required to refund any tax benefits that we have already received, plus indexation, interest and penalties thereon. Additionally, if we increase our activities outside of Israel through acquisitions, for example, our expanded activities might not be eligible for inclusion in future Israeli tax benefit programs. See "Material Israeli Tax Considerations and Government Programs — Israeli Taxation and Government Programs — Law for Encouragement of

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Capital Investments, 1959.” The Israeli government may furthermore independently determine to reduce, phase out or eliminate entirely the benefit programs under the Investment Law, regardless of whether we then qualify for benefits under those programs at the time, which would also adversely affect our global tax rate and our results of operations. See Note 10 to our consolidated financial statements included elsewhere in this prospectus for a discussion of our current tax obligations. See also “Management’s Discussion and Analysis of Financial Position and Results of Operations — Corporate Information and Reorganization.”

Our income tax rate is complex and subject to uncertainty.

Computations of our taxes on income and withholding obligations are complex because they are based on the laws of numerous taxing jurisdictions. These computations require significant judgment on the application of complicated rules governing accounting for tax provisions under GAAP. The international nature of our structure and operations creates uncertainties as to the allocation of our global results among the various jurisdictions in which we operate as a result of different rules regarding taxable presence and changes thereto, allocations and transfer pricing. Taxes on income for interim quarters is based on a forecast of our global tax rate for the year, which includes forward looking financial projections. Such financial projections are based on numerous assumptions, including the expectations of profit and loss by jurisdiction. We may not accurately forecast the various items that comprise the projections. In addition, in connection with our reorganization into Israel (see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting Our Operating Results — Reorganization”), although we have received opinions from Cyprus counsel and Dutch counsel that the reorganization should not result in any tax liabilities under the laws of Cyprus or The Netherlands, there can be no assurance that the relevant tax authorities might not determine that such taxes are owed.

### Risks Related to the Offering and Our Ordinary Shares

There has been no public market for our ordinary shares prior to this offering, and an active market in the shares may not develop in which investors can resell our ordinary shares.

Prior to this offering there has been no public market for our ordinary shares. We cannot predict the extent to which an active market for our ordinary shares will develop or be sustained after this offering, or how the development of such a market might affect the market price for our ordinary shares. The initial public offering price of our ordinary shares in this offering will be agreed between us and the underwriters based on a number of factors, including market conditions in effect at the time of the offering, which may not be indicative of the price at which our shares will trade following completion of the offering. Investors may not be able to sell their shares at or above the initial public offering price.

The market price of our ordinary shares may fluctuate, and you could lose all or part of your investment.

The public offering price for our ordinary shares will be determined by negotiations between us and representatives of the underwriters, and may not be indicative of prices that will prevail on the New York Stock Exchange (“NYSE”) or elsewhere following this offering. The price of our ordinary shares may decline following this offering. The stock market in general has been, and the market price of our ordinary shares in particular will likely be, subject to fluctuation, whether due to, or irrespective of, our operating results and financial condition. The market price of our ordinary shares on the NYSE may fluctuate as a result of a number of factors, some of which are beyond our control, including, but not limited to:

- 
- announcements by regulators, NCAPs and other safety organizations regarding ADAS and related technology;
- 
- market acceptance of our products;
- 
- announcements of the results of research and development projects by us or our competitors;



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- 
- development of new competitive systems and products by others;
- 
- changes in earnings estimates or recommendations by securities analysts;
- 
- developments concerning our intellectual property rights;
- 
- loss of key personnel, particularly our Founders;
- 
- changes in the cost of satisfying our warranty obligations;
- 
- loss of key customers;
- 
- delays between our expenditures to develop and market new or enhanced products and the generation of sales from those products;
- 
- changes in the amount that we spend to develop, acquire or license new products, technologies or businesses;
- 
- changes in our research and development and operating expenditures;
- 
- variations in our and our competitors' results of operations and financial condition;
- 
- our sale or proposed sale or the sale by our significant shareholders of our ordinary shares or other securities in the future; and
- 
- general market conditions and other factors, including factors unrelated to our operating performance.

These factors and any corresponding price fluctuations may materially and adversely affect the market price of our ordinary shares and result in substantial losses being incurred by our investors. Market prices for securities of technology companies historically have been very volatile. The market for these securities has from time to time experienced significant price and volume fluctuations for reasons unrelated to the operating performance of any one company. In the past, following periods of market volatility, public company shareholders have often instituted securities class action litigation in the United States. If we were involved in securities litigation, it could impose a substantial cost upon us and divert the resources and attention of our management from our business.

Goldman, Sachs & Co., the lead underwriter, has an interest in this offering beyond customary underwriting discounts and commissions due to its affiliates' ownership interests in our Company.

Entities affiliated with Goldman, Sachs & Co., the lead underwriter in this offering, own in excess of 10% of our issued and outstanding ordinary shares on an aggregate basis. Goldman, Sachs & Co. is therefore deemed to be one of our "affiliates" and has a "conflict of interest" within the meaning of FINRA Rule 5121, which could expose us to certain risks in connection with this offering.

FINRA Rule 5121 requires that no sale be made by any FINRA member to discretionary accounts by affiliates of underwriters having a conflict of interest without the prior written approval of the account holder, and that a "qualified independent underwriter," as defined in the rule, participate in the preparation of the registration statement for the offering and exercise the usual standard of due diligence with respect thereto, in addition to pricing this offering.

Morgan Stanley & Co. LLC is serving as the qualified independent underwriter in this offering.

Although Morgan Stanley & Co. LLC has, in its capacity as qualified independent underwriter, performed due diligence investigations and reviewed and participated in the preparation of the registration statement of which this prospectus forms a part, and, although Goldman, Sachs & Co. will not confirm sales of the shares to any account over which it exercises discretionary authority without the prior written approval of the account holder, we cannot assure you that these prophylactic measures will adequately address any potential conflicts of interest with respect to the ownership interest in us held by affiliates of Goldman, Sachs & Co.

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Our financial results may vary significantly from quarter-to-quarter due to a number of factors.

Our quarterly revenue and results of operations may vary significantly from quarter-to-quarter. These fluctuations are due to numerous factors, including:

- 
- fluctuations in demand for our products;
- 
- our ability to correlate our inventory purchases with OEM orders;
- 
- seasonal cycles in consumer spending on vehicles;
- 
- our ability to design, manufacture and deliver products in a timely and cost-effective manner;
- 
- the timing of the introduction of new vehicle models containing our products;
- 
- our ability to timely obtain adequate quantities of the components used in our products;
- 
- unanticipated increases in costs or expenses; and
- 
- fluctuations in foreign currency exchange rates.

For example, we typically experience our lowest sales in the first calendar quarter, but this apparent seasonality has been partially masked because of our overall growth in revenues in recent years. The foregoing factors are difficult to forecast, and these, as well as other factors, could materially and adversely affect our quarterly and annual results of operations. In addition, a significant amount of our operating expenses are relatively fixed due to our research and development, manufacturing, sales and marketing and general administrative efforts. Any failure to adjust spending quickly enough to compensate for a revenue shortfall could magnify the adverse impact of such revenue shortfall on our results of operations.

Your rights and responsibilities as our shareholder will be governed by Dutch law, which may differ in some respects from the rights and responsibilities of shareholders of U.S. corporations.

We are incorporated under Dutch law and the rights and responsibilities of our shareholders are governed by our articles of association and Dutch law. The rights of shareholders and the responsibilities of members of our board of directors may be different from the rights of shareholders and responsibilities of directors in companies governed by the laws of U.S. jurisdictions. In the performance of its duties, our board of directors will be required by Dutch law to consider the interests of our company, its shareholders, its employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests

that are different from, or in addition to, your interests as a shareholder. See “Management — Corporate Governance Practices,” “Management — Board of Directors” and “Description of Share Capital — Differences in Corporate Law.” Our Founders and certain shareholders will retain a significant level of control over most matters requiring shareholder approval following this offering.

If they were to act in concert, following this offering our Founders and certain of our existing shareholders will be able to exercise a significant level of control over most matters requiring shareholder approval, including the election of directors, amendment of our articles of association and approval of significant corporate transactions. Following this offering, Professor Amnon Shashua and Mr. Ziv Aviram will each beneficially own 8.0% of our ordinary shares (assuming the underwriters do not exercise their over-allotment to purchase additional ordinary shares). Affiliates of Goldman, Sachs and Co. will beneficially own 13.9% of our ordinary shares following this offering. Following this offering, Dr. Shmuel Harlap, Fidelity, Enterprise Holdings, Inc. and BlackRock, Inc. will beneficially own 9.1%, 7.4%, 6.7% and 5.4%, respectively, of our ordinary shares, and all executive officers and directors as a group will beneficially own 16.4% of our ordinary shares in the aggregate (assuming no exercise of the underwriters’ over-allotment option). This concentrated ownership could have the effect of delaying or preventing a change of control of our company or changes in management and will make the approval of certain transactions difficult or impossible without the support of such shareholders,

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including transactions in which you might otherwise receive a premium for your shares over the then-current market price. Further, neither our Founders nor any existing shareholders are prohibited from selling their respective interests in us to a third party and may do so without your approval and without providing for a purchase of your ordinary shares. For additional information on these shareholdings, see “Principal and Selling Shareholders.”

Our articles of association contain or may contain provisions that may discourage a takeover attempt.

Upon completion of this offering, provisions of our articles of association will impose various procedural and other requirements that may make it more difficult for shareholders to effect certain corporate actions and may make it more difficult for a third party to acquire us, even if doing so might be beneficial to our shareholders.

For example, our articles of association will provide that our shareholders may only suspend or remove the members of our board of directors when two-thirds of the votes are cast in favor of the resolution for suspension or removal, provided that the votes cast in favor of the resolution represent more than 50% of all of our issued and outstanding shares. In addition, under our articles of association the following actions can only be taken by us when two-thirds of the votes are cast in favor of the resolution for taking the relevant action, provided that the votes cast in favor of the resolution represent more than 50% of all issued and outstanding shares:

- 
- amendment of our articles of association;
- 
- sale of all or substantially all of our business;
- 
- major acquisitions, joint ventures and divestitures that require shareholder approval under Dutch law;
- 
- statutory merger or statutory demerger of the Company; and
- 
- liquidation or dissolution of the Company.

In addition, none of these actions can be taken except pursuant to a proposal by our board of directors.

See “Description of Share Capital — General Meeting of Shareholders” for more detailed information.

Moreover, our general meeting of shareholders has adopted a resolution delegating to our board of directors the power to issue shares and to grant options, warrants or other rights to acquire shares, and to exclude pre-emptive rights with respect to all issuances of shares and grants of the right to acquire shares. This resolution will continue in force until July 10, 2019. We also expect to propose a similar resolution for approval in future years at each shareholders meeting to be held after completion of this offering. Based on this delegation of authority, our board of directors will have the authority to issue shares at such prices (but generally not less than nominal value), and upon such terms and conditions, as our board of directors deems appropriate, based on its determination of what is in our best interests at the time shares are issued or the right to acquire shares is granted. Our board of directors will also have the authority to exclude pre-emptive rights with respect to any issuance of shares or grant of the right to acquire shares, if, in its discretion, it believes that any such exclusion is in our best interests. Issuance of shares by our board of directors could, depending on the circumstances, have the effect of making it more difficult for a hostile acquirer to take control of the Company.

In evaluating a response to a takeover offer, whether hostile or friendly, our board of directors is required under Dutch law to take into account not only the interests of shareholders, but also the interests of all other stakeholders in the



Company, including employees, creditors, customers and other contract parties. Under this legal standard, our board of directors would be authorized to reject a takeover offer that it views as less beneficial to the interests of our employees and other stakeholders

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than a competing offer, even if the rejected offer were for a higher price than the offer that is accepted. This rule would also apply in an “auction” situation where the Company is actively encouraging competing offers to acquire the Company or its business.

Only approximately one-third of our board of directors will be elected each year. The fact that not all of our directors will be elected each year could have the effect of delaying the date at which a hostile acquirer who acquires a controlling interest in our shares would be able to actually take control of the Company.

If you purchase ordinary shares in this offering, you will suffer immediate dilution of your investment.

The initial public offering price of our ordinary shares is substantially higher than our net tangible book value per ordinary share (assuming the conversion of all class shares into ordinary shares) as of March 31, 2014. Therefore, if you purchase ordinary shares in this offering, you will pay a price per share that substantially exceeds our net tangible book value per ordinary share after this offering. To the extent outstanding options are exercised, you will incur further dilution. Based on the initial public offering price of \$25.00 per share, you will experience immediate dilution of \$23.35 per share, representing the difference between our net tangible book value per share after giving effect to this offering (including the \$1,470,169 exercise price expected to be received for the 1,463,051 shares issued upon exercise of options that are being sold by the selling shareholders) and the initial public offering price. In addition, purchasers of ordinary shares in this offering will have contributed approximately 49.0% of the aggregate price paid by all purchasers of our ordinary shares but will own only approximately 3.9% of our ordinary shares outstanding after this offering. See “Dilution.”

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds to us from shares sold in this offering, and could spend such proceeds in ways that do not improve our business or enhance the value of our ordinary shares. The failure by our management to apply these funds effectively could result in financial losses that could have an adverse effect on our business, cause the price of our ordinary shares to decline and delay the development of our products. Pending their ultimate application, we may invest the net proceeds from shares sold in this offering by us in a manner that does not produce income or that loses value.

We are a holding company with no operations of our own.

We are a holding company with no operations of our own. Accordingly, our ability to conduct our operations, service any debt that we may incur in the future and pay dividends, if any, is dependent upon the earnings from the business conducted by our subsidiaries, particularly MVT, our Israeli subsidiary. The distribution of those earnings or advances or other distributions of funds by our subsidiaries to us, as well as our receipt of such funds, are contingent upon the earnings of our subsidiaries and are subject to various business considerations and applicable law, including the laws of The Netherlands and Israel. If our subsidiaries are unable to make sufficient distributions or advances to us, or if there are limitations on our ability to receive such distributions or advances, we may not have the cash resources necessary to conduct our corporate operations, which could have a material adverse effect on our business, results of operations and financial condition.

We do not expect to pay dividends in the foreseeable future.

We have not paid any dividends since our incorporation. Even if future operations were to lead to significant levels of profits that would allow us to pay dividends, we currently intend to retain all available funds for reinvestment in our business. Any decision to declare and pay dividends in the future will be made at the discretion of our general meeting of shareholders, acting pursuant to a proposal by our board of directors, and will depend on, among other things, our results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and

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other factors our board of directors or general meeting of shareholders may deem relevant. Accordingly, investors cannot rely on dividend income from our ordinary shares and any returns on an investment in our ordinary shares will likely depend entirely upon any future appreciation in the price of our ordinary shares.

We will be a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

Upon completion of this offering, we will report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act and although we are subject to Dutch laws and regulations with regard to such matters and intend to furnish quarterly financial information to the Securities and Exchange Commission (the “SEC”), we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information (although we intend to provide comparable quarterly information on Form 6-K), or current reports on Form 8-K, upon the occurrence of specified significant events. We will follow Dutch laws and regulations that are applicable to publicly traded Dutch companies listed outside the European Union (the “EU”). However, Dutch laws and regulations applicable to Dutch companies whose shares are not listed on an EU securities exchange do not contain any provisions comparable to the U.S. proxy rules, the U.S. rules relating to the filing of reports on Form 10-Q or Form 8-K or the U.S. rules relating to liability for insiders who profit from trades made in a short period of time, as referred to above. In addition, foreign private issuers are not required to file their annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation FD, which is intended to prevent issuers from making selective disclosures of material information, although we will be subject to Dutch laws and regulations having substantially the same effect as Regulation FD. As a result of all of the above, you may not have the same protections afforded to shareholders of a company that is not a foreign private issuer.

As we are a “foreign private issuer” and intend to follow certain home country corporate governance practices, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all NYSE corporate governance requirements.

As a foreign private issuer, we have the option to follow certain Dutch corporate governance practices rather than those of the NYSE, provided that we disclose the requirements we are not following and describe the home country practices we are following. We intend to rely on this “foreign private issuer exemption” with respect to the NYSE requirements to have the Audit Committee appoint our external auditors, NYSE rules for shareholder meeting quorums and record dates and NYSE rules requiring shareholders to approve equity compensation plans and material revisions thereto. See “Management — Corporate Governance Practices — The NYSE Corporate Governance Rules.” We intend to elect to follow home country practices in The Netherlands with regard to other matters. As a result, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all NYSE corporate governance requirements. For an overview of our corporate governance practices, see “Management — Corporate Governance Practices,” including the section entitled “The NYSE Corporate Governance Rules.” We will not comply with certain requirements of the Dutch Corporate Governance Code.

Dutch public companies are encouraged to comply with the provisions of the Dutch Corporate Governance Code adopted by the Dutch Corporate Governance Committee on December 9, 2003, as amended and restated in December 2008 (the “Dutch Code”). However, companies may elect not to

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comply with some or all of the provisions of the Dutch Code, provided that such non-compliance and the reasons for the non-compliance are disclosed. Most of the provisions of the Dutch Code are identical to, or substantially the same as, provisions applicable to publicly traded U.S. companies, and we intend to comply with those provisions of the Dutch Code. Other provisions of the Dutch Code, however, are contrary to customary market practice in the United States for publicly traded companies or are otherwise in our judgment inappropriate. See “Management — Corporate Governance Practices — Dutch Corporate Governance Code.”

We are an “emerging growth company,” and we cannot be certain if the reduced reporting requirements applicable to “emerging growth companies” will make our ordinary shares less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act. For as long as we continue to be an “emerging growth company,” we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including not being required to comply with the auditor attestation requirements of Section 404 of SOX. As an “emerging growth company” we are required to report fewer years of selected historical financial data than that reported by other public companies. We may take advantage of these exemptions until we are no longer an “emerging growth company.” We could be an “emerging growth company” for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our ordinary shares held by non-affiliates exceeds \$700 million as of any June 30 (the end of our second fiscal quarter), in which case we would no longer be an “emerging growth company” as of the following December 31 (our fiscal year end). We cannot predict if investors will find our ordinary shares less attractive because we may rely on these exemptions. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares and the price of our ordinary shares may be more volatile.

The requirements of being a public company in the United States may strain our resources and distract our management, which could make it difficult to manage our business, particularly after we are no longer an “emerging growth company.”

Following completion of this offering, we will be required to comply with various regulatory and reporting requirements, including those required by the SEC. Complying with these reporting and regulatory requirements will be time consuming, result in increased costs to us and could have a negative effect on our business, results of operations and financial condition.

As a public company in the United States, we will be subject to the reporting requirements of the Exchange Act and the requirements of SOX. These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual and current reports with respect to our business and financial condition. SOX requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we may need to commit significant resources, hire additional staff and provide additional management oversight. We will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies in the United States. These activities may divert management’s attention from other business concerns, which could have a material adverse effect on our business, financial condition and results of operations.

As an “emerging growth company,” as defined in the JOBS Act, we may take advantage of certain temporary exemptions from various reporting requirements, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of SOX (and the rules and regulations of the SEC thereunder). When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

We have a material weakness in our internal control over financial reporting, which resulted in the restatement of our 2013 earnings per share.

We identified a material weakness in our internal control over financial reporting as of December 31, 2013. As defined in the standards established by the U.S. Public Company Accounting

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Oversight Board, a “material weakness” is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company’s annual or interim financial statements will not be prevented, or detected on a timely basis.

The material weakness identified related to the calculation of basic and diluted earnings per Class A share for the year ended December 31, 2013, as further described in Notes 2(x) and 8(c) to our audited consolidated financial statements included elsewhere in this prospectus, and required us to restate our earnings per share for 2013. While we believe that there is little to no potential for this particular error to recur because we will no longer have multiple classes of shares upon completion of this offering, we have taken initiatives to improve our internal control over financial reporting and disclosure. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Internal Control Over Financial Reporting.” However, the implementation of these initiatives may not fully address any material weakness and deficiencies in our internal control over financial reporting we may have. If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our ordinary shares.

Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of SOX, or any subsequent testing by our independent registered public accounting firm, may, in the future, reveal further deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement.

We will be required to disclose changes made in our internal controls and procedures on an annual basis and our management will be required to assess the effectiveness of these controls annually. However, for as long as we are an “emerging growth company” under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404. We could be an “emerging growth company” for up to five years. An independent assessment of the effectiveness of our internal controls could detect problems that our management’s assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our ordinary shares and our trading volume could decline.

The trading market for our ordinary shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no or too few securities or industry analysts commence coverage of our company, the trading price for our ordinary shares would likely be negatively affected. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade our ordinary shares or publish inaccurate or unfavorable research about our business, the price of our ordinary shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our ordinary shares could decrease, which might cause the price of our ordinary shares and trading volume to decline.

We may be classified as a passive foreign investment company and, as a result, our U.S. shareholders may suffer adverse tax consequences.

Generally, if (taking into account certain look-through rules with respect to the income and assets of our subsidiaries) for any taxable year 75% or more of our gross income is passive income, or at least 50% of our assets are held for the production of, or produce, passive income, we would be

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characterized as a “passive foreign investment company” (“PFIC”) for U.S. federal income tax purposes. Such a characterization could result in adverse U.S. federal income tax consequences to our U.S. shareholders, including having gains realized on the sale of our ordinary shares be treated as ordinary income, as opposed to capital gain, and having interest charges apply to such sale proceeds. Because the value of our gross assets is likely to be determined in large part by reference to our market capitalization, a decline in the value of our ordinary shares may result in our becoming a PFIC. U.S. shareholders should consult with their own U.S. tax advisors with respect to the U.S. tax consequences of investing in our ordinary shares. Based upon our calculations, we believe that we were not a PFIC in 2013. However, PFIC status is determined as of the end of the taxable year and depends on a number of factors, including the value of a corporation’s assets and the amount and type of its gross income. Therefore, we cannot assure you that we will not be a PFIC for 2014 or in any future year.

It may be difficult to enforce a U.S. judgment against us, our officers and directors and the Dutch experts named in this prospectus in The Netherlands or the United States, or to assert U.S. securities laws claims in The Netherlands or serve process on our officers and directors and these experts.

We are incorporated in The Netherlands. None of our executive officers and a limited number of our directors are residents of the United States, and the Dutch experts named in this prospectus are located in The Netherlands. The majority of our assets and the assets of these persons are located outside the United States. Therefore, it may be difficult for an investor, or any other person or entity, to enforce a U.S. court judgment based upon the civil liability provisions of the U.S. federal securities laws against us or any of these persons in a U.S. or Dutch court, or to effect service of process upon these persons in the United States. There is no treaty between the United States and The Netherlands for the mutual recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would not be enforceable in The Netherlands unless the underlying claim is relitigated before a Dutch court of competent jurisdiction. Under current practice, however, a Dutch court will generally, subject to compliance with certain procedural requirements, grant the same judgment without a review of the merits of the underlying claim if (i) the relevant judgment is a final and conclusive money judgment in personam (other than for multiple or punitive damages, or for a fine or a tax or a penalty); (ii) that judgment resulted from legal proceedings compatible with Dutch notions of due process; (iii) that judgment does not contravene public policy of The Netherlands; (iv) the jurisdiction of the U.S. federal or state court rendering the judgment was compatible with internationally accepted principles in respect of jurisdictional matters; (v) the judgment was not obtained by fraud; and (vi) no new admissible relevant evidence is admitted in the Dutch courts. Based on the foregoing, there can be no assurance that U.S. investors will be able to enforce any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws, against us or members of our board of directors, officers or certain experts named herein who are residents of The Netherlands or countries other than the United States. In addition, there is doubt as to whether a Dutch court would impose civil liability on us, the members of our board of directors, our officers or certain experts named herein in an original action predicated solely upon the U.S. federal securities laws brought in a court of competent jurisdiction in The Netherlands against us or such members, officers or experts, respectively. See “Enforcement of Judgments.”

Our principal offices and operations are located in the State of Israel. Our officers and some of our directors reside in the State of Israel and all or a significant portion of the assets of such officers and directors and substantially all of our assets are located in the State of Israel. As a result, it may not be possible for you to effect service of process within the United States upon such persons or to enforce against them or against us in U.S. courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in the State of Israel, either in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated on the U.S. federal securities laws.

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Cautionary Statement Regarding Forward-Looking Statements

This prospectus contains forward-looking statements about us and our industry. These statements involve known and unknown substantial risks, uncertainties and other factors, as described in detail under “Risk Factors” in this prospectus, that may cause our actual results, levels of activity, performance or achievement to be materially different from those expressed or implied by the forward-looking statements. All statements, other than statements of historical fact, included in this prospectus regarding our strategy, future operations, future financial position, future net sales, projected expenses, prospects and plans and objectives of management are forward-looking statements. In some cases, you can also identify forward-looking statements by terms such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “project,” “will,” “would,” “should,” “could,” “can,” “predict,” “potential,” “continue,” “objective,” or the negative versions of these terms, and similar expressions intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words. All forward-looking statements reflect our current views about future events and are based on assumptions and subject to risks and uncertainties.

Forward-looking statements in this prospectus include, but are not limited to, statements about:

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- our growth strategies;
- 
- competition from existing or new entrants in the market and changes to the competitive landscape;
- 
- the primacy of monocular camera processing as the dominant sensor modality in the ADAS industry;
- 
- our belief that our relationship with STMicroelectronics N.V., the sole supplier for our EyeQ ® chips, will continue without disruption;
- 
- the expected timeline of development of our autonomous driving ADAS systems, including statements about launch dates and potential size of the market therefor;
- 
- the expected timeline for development of additional functions and of our EyeQ4 ® chip;
- 
- our ability to retain our largest customers and to implement our technology in their car models;
- 
- the growing public awareness and acceptance of ADAS;
-

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- the growth of regulatory requirements and safety rating incentives to OEMs for OEMs to include ADAS in their vehicle models;
- 
- our future prospects, business development, results of operations and financial condition;
- 
- our ability to retain our Founders;
- 
- our ability to retain key personnel and attract new talent;
- 
- our ability to adequately protect our intellectual property;
- 
- our forecast of the strength of the aftermarket for ADAS;
- 
- our use of forecasts in establishing our global tax rates;
- 
- the effects of our internal reorganization;
- 
- the risks that litigation and recalls of our products pose to our business;
- 
- our ability to predict and maintain appropriate inventory;
- 
- our ability to raise additional capital in the future;
- 
- the strength of the automotive industry; and
- 
- worldwide economic conditions.





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You should not rely upon forward-looking statements as predictors of future events. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results. See “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus for a more complete discussion of these risks, assumptions and uncertainties and for other risks and uncertainties. These risks, assumptions and uncertainties are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. All of the forward-looking statements we have included in this prospectus are based on information available to us on the date of this prospectus. We undertake no obligation, and specifically decline any obligation, to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

This prospectus also includes estimates of market share and industry data and forecasts that we have obtained from industry publications, surveys and forecasts, which generally state that the information contained therein has been obtained from sources believed to be reliable. In addition, this prospectus includes market share and industry data that we have prepared primarily based on our knowledge of the industry in which we operate. Unless otherwise noted, internal analysis and estimates have not been verified by independent sources. Our estimates, in particular as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed in “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements.” In addition, while all information regarding our market and industry is based on the latest data currently available to us, in some cases, some of the information may be several years old. Further, some of the data and forecasts that we have obtained from industry publications and surveys and/or internal company sources are provided in foreign currencies.

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Use of Proceeds

We expect to receive total estimated net proceeds, after deducting estimated underwriting discounts and commissions and expenses, of approximately \$193.7 million from the offering.

One of the principal reasons for this offering is to provide our existing shareholders with liquidity through participation in this offering and by listing our ordinary shares for trading on the NYSE. In addition, the availability of a significant portion of the net proceeds to be used for general corporate purposes will allow us to respond to unexpected changes in our business more effectively.

We intend to use \$30 million of the net proceeds to us of this offering to purchase EyeQ ® chips and Mobileye 5-Series aftermarket inventory and the balance for general corporate purposes, which may include working capital and capital expenditures. We may also use a portion of the net proceeds to acquire assets, technologies or companies complementary to our business strategy and to capitalize on business opportunities. At this time, we have not identified any such specific assets, technologies or companies. Prior to their application, we intend to invest the net proceeds to us in cash-equivalents and highly liquid short-term investment-grade securities or deposits. Our management will have broad discretion over the uses of the net proceeds to us in this offering.

We will not receive any of the net proceeds from the sale of ordinary shares by the selling shareholders in this offering. For information on the selling shareholders, see “Principal and Selling Shareholders.” In the aggregate, the selling shareholders will receive approximately \$681.6 million of the gross proceeds of this offering (\$815.1 million if the underwriters’ overallotment option to purchase additional shares is exercised in full), prior to deducting estimated underwriting discounts and commissions and offering expenses payable by the selling shareholders.

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Dividend Policy

We have never paid or declared any dividends on our ordinary shares. Moreover, even if future operations were to lead to significant levels of profits that would allow us to pay dividends, we currently intend to retain all available funds for reinvestment in our business. Any decision to declare and pay dividends in the future will be made at the discretion of our general meeting of shareholders, acting pursuant to a proposal by our board of directors, and will depend on, among other things, our results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors our board of directors and general meeting of shareholders may deem relevant.

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## Capitalization

The following table presents our capitalization as of March 31, 2014:

- 
- On an actual basis (which reflects the five-for-one Stock Split effected on July 10, 2014);
- 
- On a pro forma basis to give effect to the Share Recapitalization such that each outstanding class share, irrespective of class, prior to the date hereof, is converted into ordinary shares on a one-to-one basis; and
- 
- On a pro forma, as adjusted, basis, giving effect to (i) the Share Recapitalization; (ii) the exercise of options to acquire 1,463,051 ordinary shares by certain selling shareholders for an aggregate exercise price of \$1,470,169; and (iii) the issuance of 8,325,000 ordinary shares in this offering by us at the initial public offering price of \$25.00 per share, after deducting underwriting discounts and commissions and the estimated offering expenses of \$3.99 million payable by us.

This table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus.

	<b>March 31, 2014</b>		
	<b>Actual</b>	<b>Pro forma</b>	<b>Pro forma as adjusted</b>
	<b>(U.S. dollars in thousands)</b>		
	<b>(Unaudited)</b>		
Cash and cash equivalents	\$ 64,274	\$ 64,274	\$ 259,468
Liability in respect of employee rights upon retirement	\$ 8,681	\$ 8,681	\$ 8,681
Long-term liabilities	3,300	3,300	3,300
Total liabilities	28,950	28,950	28,950
Class B Ordinary shares, €0.01 par value, 25,000,000 shares authorized; 6,703,520 issued and outstanding; no shares issued and outstanding pro forma and pro forma as adjusted	75	—	—
Class C Ordinary shares, €0.01 par value: 25,000,000 shares authorized; 3,390,490 issued and outstanding; no shares issued and outstanding pro forma and pro forma as adjusted	35	—	—
Class D Ordinary shares, €0.01 par value, 50,000,000 shares authorized; 32,164,955 issued and outstanding; no shares issued and outstanding pro forma and pro forma as adjusted	415	—	—
Class E Ordinary shares, €0.01 par value: 20,000,000 shares authorized; 11,749,700 issued and outstanding; no shares issued and outstanding pro forma and pro forma as adjusted	155	—	—
Class F1 Ordinary shares, €0.01 par value, 15,000,000 shares authorized; 14,326,650 issued and outstanding; no shares issued and outstanding pro forma and pro forma as adjusted	165	—	—
Class F2 Ordinary shares, €0.01 par value, 65,000,000 shares authorized; 41,547,280 issued and outstanding; no shares issued and outstanding pro forma and pro forma as adjusted	480	—	—

**March 31, 2014**

Ordinary shares (with liquidation preference), €0.01 par value, 200,000,000 authorized; 60,559,715 issued and outstanding; no shares issued and outstanding pro forma and pro forma as adjusted	680	—	—
Class A Ordinary shares, €0.01 par value, 100,000,000 shares authorized; 32,070,835 issued and outstanding; no shares issued and outstanding pro forma and pro forma as adjusted	345	—	—
Ordinary shares, €0.01 par value, no shares authorized, issued or outstanding actual; 1,012,565,725 shares authorized and 202,513,145 issued and outstanding pro forma;		2,350	2,483
1,012,565,725 shares authorized and 212,301,196 issued and outstanding pro forma as adjusted			
Additional paid-in capital	273,349	273,349	468,410
Accumulated other comprehensive income	839	839	839
Accumulated deficit	(120,446)	(120,446)	(120,446)
Total shareholders' equity	156,092	156,092	351,286
Total capitalization	\$ 185,042	\$ 185,042	\$ 380,236

The above table gives effect to the exercise of options to acquire 1,463,051 ordinary shares by certain selling shareholders, which shares are being sold in this offering. The table excludes, as of the date hereof, outstanding options to purchase 28,580,054 ordinary shares at a weighted average exercise price of \$4.85 per share.

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## Dilution

If you purchase ordinary shares from us, your interest will be diluted to the extent of the difference between the public offering price per share you pay and the net tangible book value per share of our ordinary shares after giving effect to this offering. Our net tangible book value as of March 31, 2014 was \$156 million, or \$0.77 per ordinary share (assuming the conversion of all class shares into ordinary shares). Net tangible book value per ordinary share is calculated by subtracting our total liabilities from our total tangible assets, and dividing this amount by the 202,513,145 issued and outstanding ordinary shares after giving effect to the Share Recapitalization as of March 31, 2014 (which excludes 1,463,051 shares issued upon exercise of options and being sold in this offering by selling shareholders). The exercise of the underwriters' option to purchase up to an additional 5,338,350 ordinary shares from the selling shareholders to cover over-allotments will not have any effect on the number of ordinary shares outstanding after this offering.

After giving effect to (i) our sale of 8,325,000 ordinary shares at the initial offering price of \$25.00 per share, after deducting the estimated commissions and offering expenses of \$3.99 million payable by us in the offering, and (ii) receipt of the \$1,470,169 exercise price for 1,463,051 shares issuable upon exercise of options and being sold in this offering by selling shareholders, our pro forma net tangible book value as of March 31, 2014 would have been approximately \$351.3 million, or \$1.65 per ordinary share. Purchasers of our ordinary shares in this offering will experience substantial and immediate dilution in net tangible book value per share for financial accounting purposes, as illustrated in the following table:

Initial offering price per ordinary share	\$ 25.00
Pro forma net tangible book value per ordinary share as of March 31, 2014 (1)	\$ 0.77
Increase in pro forma net tangible book value per ordinary share attributable to the offering (2)	\$ 0.88
Pro forma net tangible book value per ordinary share as of March 31, 2014 after giving effect to the offering	\$ 1.65
Dilution per ordinary share to new investors	\$ 23.35

(1)

- After giving effect to the Share Recapitalization. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Corporate Information and Reorganization” and “Description of Share Capital.”

(2)

- Includes the exercise price of the 1,463,051 shares issued upon exercise of options and being sold in this offering by selling shareholders.

The following table summarizes the differences between the number of ordinary shares acquired from us, the total paid and the average price per share paid by existing shareholders and by purchasers in this offering, at the initial public offering price of \$25.00 per ordinary share, after deducting the estimated commissions and offering expenses of \$3.99 million payable by us in the offering.

	Ordinary Shares			Total Consideration		Average Price Per Share
	Number	Percent		Amount	Percent	
Existing shareholders (1) (2)	203,976,196	96.1%	\$	201,260,737	51.0%	\$ 0.99
Purchasers in this offering	8,325,000	3.9%	\$	193,724,084	49.0%	\$ 25.00

<b>Ordinary Shares</b>	<b>Total Consideration</b>	<b>Average Price Per Share</b>
------------------------	----------------------------	------------------------------------

(1)

- Consideration includes certain amounts paid through 2001 for shares in the Israeli-incorporated predecessor entity of the Company. No cash consideration was paid in the Share Recapitalization. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Corporate Information and Reorganization” and “Description of Share Capital.”

(2)

- Includes 1,463,051 shares issued upon exercise of options and being sold in this offering by selling shareholders for an aggregate exercise price of \$1,470,169.

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The following table summarizes our financial data. We have derived the summary consolidated statement of operations data for the three years ended December 31, 2013, 2012 and 2011 and the consolidated balance sheet data as of December 31, 2013 and 2012 from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the selected consolidated statement of operations data for the three months ended March 31, 2014 and the consolidated balance sheet data as of March 31, 2014 from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the selected financial data as of March 31, 2014 and for the three months ended March 31, 2014 and 2013 reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to state fairly the results for such interim period. We prepare our financial statements in accordance with U.S. GAAP. Our historical results are not necessarily indicative of the results that should be expected in the future. The summary of our consolidated financial data set forth below should be read together with our consolidated financial statements and the related notes, as well as “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” included elsewhere in this prospectus.

	Year ended December 31,			Three months ended March 31,	
	2013 (Restated)	2012	2011	2014	2013
<b>(in thousands, except per share data)</b>					
Statement of Operations Data					
Revenues	\$ 81,245	\$ 40,285	\$ 19,168	\$ 35,649	\$ 11,738
Cost of Revenues	21,130	12,219	6,863	8,810	3,213
Gross Profit	60,115	28,066	12,305	26,839	8,525
Operating Costs and Expenses					
Research and Development, net	22,309	15,866	15,377	8,621	4,606
Sales and Marketing	12,331	6,434	6,134	2,842	4,890
General and Administrative	10,277	7,418	2,567	30,851	2,291
Operating Profit (Loss)	15,198	(1,652 )	(11,773)	(15,475 )	(3,262 )
Interest Income	1,059	1,531	1,543	385	351
Financial Income (Expenses), net	1,389	402	(2,709 )	(286 )	536
Profit (Loss) Before Taxes on Income	17,646	281	(12,939)	(15,376 )	(2,375 )
Benefit (Taxes) on Income	2,274	(334 )	(447 )	(4,183 )	(192 )
Net Income (Loss)	\$ 19,920	\$ (53 )	\$ (13,386)	\$ (19,559 )	\$ (2,567 )
Basic and Diluted Loss per Share (1)					
Amount Allocated to Participating Shareholders	\$ (16,105 )	\$ —	\$ —	\$ —	\$ —
Adjustment as a Result of Benefit to Participating Shareholders	(229,832)	—	—	—	—
Net Loss Applicable to Class A Ordinary Shares	\$ (226,017)	\$ (53 )	\$ (13,386)	\$ (19,559 )	\$ (2,567 )

	Year ended December 31,			Three months ended March 31,	
Basic and Diluted Weighted Average Number of Shares Used In Computation of Loss per Class A Ordinary Share	\$ (6.03 )	\$ —	\$ (0.33 )	\$ (0.61 )	\$ (0.06 )
Basic and Diluted Pro Forma Earnings per Share (Unaudited) (2)					
Net Income	37,477	40,191	40,191	32,071	40,191
Basic	\$ 19,920			\$ (19,559 )	
Diluted	\$ 0.10			\$ (0.10 )	
Weighted Average Number of Shares Used in Computation of Pro Forma Earnings per Share	\$ 0.10			\$ (0.10 )	
Basic					
Diluted	195,676			202,513	
	204,932			202,513	

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	<b>December 31,</b>		<b>March 31,</b>		
	<b>2013</b>	<b>2012</b>	<b>2014</b>		
	<b>(in thousands)</b>				
<b>Balance Sheet Data</b>					
Cash, Cash Equivalents, Short Term Deposits and Marketable Securities	\$ 124,284	\$ 60,940	\$ 129,451		
Inventories	11,354	9,275	11,881		
Long-Term Assets	12,997	9,681	16,557		
Total Assets	168,228	89,994	185,042		
Long-Term Liabilities	9,715	7,118	11,981		
Accumulated Deficit	(100,887)	(120,807)	(120,446)		
Total Shareholders' Equity	142,638	71,568	156,092		
	<b>Year ended December 31,</b>			<b>Three months</b>	
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>ended March 31,</b>	<b>2013</b>
	<b>(in thousands)</b>				
<b>Other Financial Data</b>					
Net Income (Loss) Before Share-Based Compensation (3)	\$ 33,051	\$ 1,802	\$ (12,268)	\$ 12,614	\$ 1,929

(1)

- Our issued share capital is composed of Class A ordinary shares (with no liquidation preference), ordinary shares (with liquidation preference), Class B, C, D, E, F1 and F2 Shares, all at EUR 0.01 par value. The only class of outstanding shares without a liquidation preference is the Class A ordinary shares. Therefore, under U.S. GAAP, earnings per share must be computed based on the outstanding Class A ordinary shares. Basic and diluted loss per share has been restated as described in Note 2(x) to our audited consolidated financial statements included elsewhere in this prospectus. For additional information, see Notes 8 and 9 to our audited consolidated financial statements included elsewhere in this prospectus and see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Comparison of Results of Operations for 2013, 2012 and 2011 — Earnings Per Share.”

(2)

- The pro forma earnings per share calculation for the year ended December 31, 2013 and the three months ended March 31, 2014 assumes the conversion of all outstanding shares (including Class A ordinary shares) to ordinary shares with no liquidation preferences on a one-to-one basis as set forth in our articles of association. See Note 9 to our audited consolidated financial statements and Note 6 to our unaudited condensed consolidated interim financial statements included elsewhere in this prospectus.

(3)

- See Note (3) to “Summary Financial Information” for a reconciliation of Net Income (Loss) Before Share-Based Compensation to Net Income (Loss).



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### Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information should be read together with our selected financial data and the consolidated financial statements and notes included elsewhere in this prospectus. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this prospectus, particularly in "Risk Factors" and "Cautionary Statement Regarding Forward-looking Statements." We prepare our financial statements in accordance with U.S. GAAP.

#### Overview

Mobileye is the global leader in the design and development of software and related technologies for camera-based Advanced Driver Assistance Systems ("ADAS"). Our technology keeps passengers safer on the roads, reduces the risks of traffic accidents, saves lives and has the potential to revolutionize the driving experience by enabling autonomous driving. Our proprietary software algorithms and EyeQ<sup>®</sup> chips perform detailed interpretations of the visual field in order to anticipate possible collisions with other vehicles, pedestrians, cyclists, animals, debris and other obstacles. Our products are also able to detect roadway markings such as lanes, road boundaries, barriers and similar items, as well as to identify and read traffic signs and traffic lights. Our products combine high performance, low energy consumption and low cost, with automotive-grade standards. Our technology was first included in serial models in 2007. We estimate that our products were installed in approximately 3.3 million vehicles worldwide through March 31, 2014. By the end of 2014, our technology will be available in 160 car models from 18 OEMs worldwide. Further, our products have been selected for implementation in serial production of 237 car models from 20 OEMs by 2016. Mobileye's more than 15 years of research and development and data collected from millions of miles of driving experience give us a significant technological lead. For the past six years, we have won more than 80% of the serial productions for which we have been requested to provide a quotation.

#### Corporate Information and Reorganization

Our business was originally incorporated in Israel in 1999. In 2001, we incorporated Mobileye B.V. as the holding company in The Netherlands for all of our worldwide activities. In July 2003, Mobileye B.V. was converted into Mobileye N.V., a Dutch limited liability company. Our management is located in Israel and Mobileye N.V. is a resident of Israel (and not The Netherlands) for tax purposes. On July 10, 2014, the five-for-one Stock Split was effected, and all information in this prospectus reflects the Stock Split. Immediately prior to the date hereof, we completed the Share Recapitalization. We are also reorganizing the relationships of certain of our subsidiaries. See "— Factors Affecting Our Operating Results — Taxes on Income — Reorganization" and "Description of Share Capital."

#### Key Performance Indicators

Our two key performance indicators are revenue growth and profitability, and in recent years, the levels of our free cash flow.

#### Revenue Growth

Our business model requires us to invest significant time and other resources early in our relationship with an OEM before we can begin to recognize significant revenues. During the first few years, we educate the OEM about our technology, including our sophisticated algorithms and the EyeQ<sup>®</sup> SoC platform and its capabilities, and the OEM evaluates and validates our technology in its facilities. After the OEM has evaluated our technology, if it intends to include our product in one or more of its new or redesigned automobile models, it will issue an RFQ for one or more applications. RFQs are usually issued for models that will be in production two to three years after the design win is awarded. An OEM's model can remain in production for three or more years before the OEM decides either to discontinue the model or to engage in partial or substantial redesign. The revenues that we may receive in any given year are attributable to design wins in previous years. Therefore,

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management can typically determine the number of models that will include our products for at least two to three years in advance, subject to possible cancellation, postponement or termination of a program, which has happened only once since 2007.

We experienced overall revenue growth of more than 100% in each of 2013 and 2012 and 203.7% in the three months ended March 31, 2014 compared to the same period in 2013. We derive our revenues from two segments: sales to OEMs (the “OEM Segment”), substantially all of which are through Tier 1 companies, and sales of aftermarket products (the “AM Segment”).

Our OEM segment revenues grew by more than 120% in each of 2013 and 2012 and 243.9% in the three months ended March 31, 2014 compared to the same period in 2013. This growth was attributable to design wins in prior years with a number of OEMs including Chrysler, Ford, General Motors, Hyundai, Honda and Nissan.

Winning additional production programs is important to our future revenue growth. We invest significant effort in understanding the OEM market and identifying areas of growth, including with new OEMs and through the continuation of existing production programs. A key factor that affects our ability to win additional production programs is maintaining our technological leadership through investment in research and development. The other key factor is the continuing impact of regulation and the ratings systems deployed by the various NCAPs, particularly the European NCAP and the U.S. NCAP, administered by the NHTSA. As these NCAPs demand more ADAS applications, particularly AEB, in order to achieve or maintain the highest safety ratings, more automakers will include ADAS as standard fit in their models. In the past year, we have been sourced for standard fit programs for certain models in the regions where these ratings provisions have been instituted, such as Europe in 2014.

Additional factors that may affect our ability to increase our revenue is if the market were to turn to a competing camera-based offering or a reliance on a different sensory modality for ADAS, such as radar without including camera capability, any decrease in the quality of the manufacturing of our product and the timing of the launch of a particular model production. We seek to mitigate these risks by maintaining strong relationship with our OEMs and Tier 1 companies, gaining knowledge of relevant safety ratings and regulatory trends and maintaining adequate internal resources to support our existing production programs. We are also initiating an inventory purchase plan to mitigate unexpected difficulties in our primary subcontractor’s supply chain (like natural disasters) and manufacturing.

Management believes that our long term revenue growth opportunity will come from the increasing emphasis on autonomous driving, which will require ADAS technological innovations of increasing complexity. We have design wins from two OEMs to launch features involving hands-free-capable driving at highway speeds and in congested traffic situations in 2016. We are also in development programs with six additional OEMs for potential launches in 2018. We believe the next autonomous driving innovation will be the inclusion of country road capabilities and city traffic capabilities. These capabilities require significant algorithmic advances, which we are currently developing. If we cannot complete such development in a timely manner or achieve design wins for these additional capabilities or if, following any such design win, our product is not fully validated and does not go into serial production, our long-term revenue growth will suffer. Further, although there is continuing regulatory concern about autonomous driving, we believe that the driver should remain responsible for driving the car and that such a position would significantly reduce regulators’ cause for concern. This view is evidenced in the recent acceptance of autonomous driving by the states of California and Nevada in the United States and recent statements by the European NCAP. Our AM Segment revenue grew by 44% and 88% in 2013 and 2012, respectively, and 53% in the three months ended March 31, 2014 compared to the same period in 2013. The growth of our AM Segment revenue will be influenced by several trends:

- 
- Increasing market awareness attributable to the regulatory and safety ratings trend as well as OEMs creating awareness for their new car models through commercials;
- 
- Regulation and other actions that seek to incentivize the purchase of safety systems, including tax benefits and insurance premium discounts for installing ADAS; and



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- Sales to small OEMs that prefer an aftermarket solution rather than a built-in solution.

Unlike in the OEM segment where the universe of potential end customers is defined, AM Segment revenue growth requires significant sales and marketing efforts and a distribution network to reach the large but fragmented pool of potential customers worldwide, including fleets, insurance companies, government agencies and private end customers. There are also risks associated with manufacturing our aftermarket products and their delivery and installation, as well as our more direct involvement in the education of drivers regarding the products.

We generally work directly with large customers and our distributors distribute our products locally to smaller customers. This helps to keep our efforts concentrated into support to distributors and creating market awareness rather than building a large direct distribution chain, which would be more expensive and challenging to manage.

#### Profitability

We achieved marginal profitability on an adjusted basis in 2012, which increased in 2013 and in the three months ended March 31, 2014. The key indicator for our profitability is our adjusted net income, which is a non-GAAP measure reflecting U.S. GAAP net income after eliminating the impact of items that we do not consider indicative of our overall operating performance. To arrive at our non-GAAP net income (loss), we exclude share-based compensation expense from our U.S. GAAP net income (loss). We believe that this non-GAAP measure is useful to investors in evaluating our operating performance (see “— Reconciliation of Non-GAAP Measures”).

Our adjusted net income is influenced by our Gross Profit and our Operating Expenses as well as Financial Income (Loss), Interest Income (Loss) and Tax Expenses (Benefit).

Our Gross Profit is primarily affected by our Average Selling Price (ASP) in the OEM segment. ASP in our OEM segment varies based on the ADAS applications and their complexity. Our ASP has grown over the past few years as we began deliveries in launched production programs with more advanced ADAS features such as FCW, AEB and Pedestrian AEB. Accordingly, our gross margin in the OEM segment (excluding share-based compensation) increased to 75.6% for the three months ended March 31, 2014 and 74.9% for the year ended December 31, 2013 compared to 70.8% and 66.7% for the years ended December 31, 2012 and 2011, respectively.

We are considered a Tier 2 supplier because we sell our product to Tier 1 companies which then integrate our product into the overall system supplied to the OEMs. Our business model of being a Tier 2 supplier that subcontracts its manufacturing, together with our market leadership, results in an advantageous cost structure that requires minimal sales and marketing expenses for our OEM segment. Our OEM segment represents 89% and 78% of our revenues in the three months ended March 31, 2014 and the year ended December 31, 2013, respectively, and we expect that percentage to increase moderately over time as a result of the faster growth in the OEM segment. Therefore, an increase in revenues will not cause a material increase to our operating expenses (excluding share-based compensation), which increases our profitability. Our revenue increase of 100% in 2013 led to an increase of only 14% in our operating expenses (excluding share-based compensation) for the same year. Similarly, our revenues increased by 203.7% in the three months ended March 31, 2014 compared to the same quarter in 2013 but our operating expenses (excluding share-based compensation) increased by only 189%. We expect a similar trend for the foreseeable future. While our operating expenses will increase as our revenues grow, the percentage they will represent of revenues is expected to decrease compared to 2013, resulting in both an increase in absolute amount of operating profit as well as the percentage operating profit bears to revenues.

We also expect to benefit from a favorable tax rate of approximately 9% in Israel, where we derive most of our income, and we do not have any indebtedness or related interest expense. The favorable tax rate is subject to the fulfillment of terms and conditions under a ruling we received from the Israel Tax Authority (“ITA”) in July 2014. See also “— Factors Affecting Our Operating Results — Taxes on Income — Reorganization.”



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### Free Cash Flow

We also monitor carefully our free cash flow, particularly as our operations have become profitable. Free cash flow is a non-GAAP measure, which we define as cash flow from operating activities minus capital expenditures. Free cash flow is important to reflect the cash that can allow us to pursue business opportunities and fulfill our goals.

We generated \$25.6 million of free cash flow for the year ended December 31, 2013 while we had negative free cash flow of \$3.2 million and \$11 million for the years ended December 31, 2012 and 2011, respectively. This free cash flow compares to net cash provided by (used in) operating activities of \$28.1 million, \$(1.7) million and \$(9.3) million for the years ended December 31, 2013, 2012 and 2011, respectively. Our free cash flow for the three months ended March 31, 2014 was \$5 million compared to negative free cash flow of \$0.5 million for the same period in 2013. Our net cash provided by operating activities for the three months ended March 31, 2014 was \$5 million compared to zero (break-even) net cash used in operating activities for the same period in 2013.

### Reconciliation of Non-GAAP Measures

We prepare these non-GAAP measures to eliminate the impact of items that we do not consider indicative of our overall operating performance. To arrive at our non-GAAP net income (loss), we exclude share-based compensation expense from our GAAP net income (loss). To arrive at our non-GAAP free cash flow, we exclude capital expenditures from cash flow from operations. We believe that these non-GAAP measures are useful to investors in evaluating our operating performance for the following reasons:

- 
- We believe that elimination of share-based compensation expense for the calculation of adjusted net income is appropriate because treatment of this item may vary for reasons unrelated to our overall operating performance;
- 
- We believe that excluding capital expenditures for the calculation of free cash flow is appropriate because capital expenditures are part of the company's investment in its operations;
- 
- We use these non-GAAP measures in conjunction with our related GAAP financial measures for planning purposes, including the preparation of our annual operating budget, as a measure of operating performance and the effectiveness of our business strategies and in communications with our board of directors concerning our financial performance;
- 
- We believe that these non-GAAP measures provide better comparability with our past financial performance, facilitate better period-to-period comparisons of operational results and may facilitate comparisons with similar companies, many of which may also use similar non-GAAP financial measures to supplement their GAAP reporting; and
- 
- We anticipate that, after consummating this offering, our investor presentations and those of securities analysts will include non-GAAP measures to evaluate our overall operating performance.

Non-GAAP measures should not be considered as an alternative to gross profit, income (loss) from operations, net income (loss), cash flow from operating activities or any other measure of financial performance calculated and presented in accordance with GAAP. Our non-GAAP measures may not be comparable to similarly titled measures of

other organizations because other organizations may not calculate non-GAAP measures in the same manner. You are encouraged to evaluate these adjustments and the reason we consider them appropriate.

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## Adjusted Net Income

Set forth below is the reconciliation of Net Income (Loss) Before Share-Based Compensation to Net Income (Loss):

	Year ended December 31,			Three months ended March 31,	
	2013	2012	2011	2014	2013
	(in thousands)				
Net Income (Loss)	\$ 19,920	\$ (53 )	\$ (13,386)	\$ (19,559)	\$ (2,567)
Share-Based Compensation	13,131	1,855	1,118	32,173	4,496
Net Income (Loss) Before Share-Based Compensation	\$ 33,051	\$ 1,802	\$ (12,268)	\$ 12,614	\$ 1,929

## Free Cash Flow

Set forth below is the reconciliation of Free Cash Flow to Cash Flow from Operating Activities

	Year ended December 31,			Three months ended March 31,	
	2013	2012	2011	2014	2013
	(in thousands)				
Net cash provided by (used in) operating activities	\$ 28,188	\$ (1,665)	\$ (9,332 )	\$ 5,035	\$ (5 )
Capital Expenditures	(2,592 )	(1,526)	(1,652 )	(82 )	(442)
Free Cash Flow	\$ 25,596	\$ (3,191)	\$ (10,984)	\$ 4,953	\$ (447)

## Factors Affecting Our Operating Results

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

## Revenues

We evaluate segment performance based on our two segments' operating income.

**Sales to OEMs.** We supply our technology to OEMs through our arrangements with automotive system integrators, known as Tier 1 companies, which are direct suppliers to OEMs. Our products are ultimately integrated into a new vehicle by the OEM to perform ADAS functions. We have strong direct relationships with OEMs. Mobileye's OEM products have been available in production vehicles since 2007. Sales to OEMs represented approximately 89.4%, 77.9%, 69.0% and 65.3% of our total revenues for the three months ended March 31, 2014 and for each of the years ended December 31, 2013, 2012 and 2011, respectively.

**Aftermarket Product Sales.** We also offer our ADAS technology as an aftermarket product directly and through distributors to end customers, including commercial and governmental fleet owners, fleet management system providers, insurance companies, new vehicle dealers and importers. Mobileye's aftermarket products have been sold since 2007. To date, more than 120,000 vehicles have installed our aftermarket products. Our aftermarket sales represented approximately 10.6%, 22.1%, 31.0%, and 34.7% of our total revenues for the three months ended March 31, 2014 and for each of the years ended December 31, 2013, 2012 and 2011, respectively.

We believe there are two important factors that affect both our OEM revenues and, to a lesser extent, our aftermarket product revenues:

- **Regulation and NCAP ratings** — The continual emphasis on safety is driven both by regulation and the availability to consumers of independent assessments of the safety performance of different car models, which have encouraged OEMs to produce cars that are safer than those required by law. In many countries, new car assessment programs ("NCAPs") have created a "market for safety." OEMs seek to demonstrate that their new and

revamped car models satisfy the NCAP's highest rating, typically five stars, or can "tick the

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box” on the new car sticker. National NCAPs will continue to add specific ADAS applications to their evaluation items over the next several years. We believe that this global rollout will also lead to harmonized requirements across key geographic areas. We further believe that these increasing requirements will help us increase our revenues.

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- Consumer awareness and acceptance of ADAS — Our sales are also driven by public awareness and demand for driver safety technology. In recent years, as regulatory requirements and NCAP ratings have increased, OEMs have also begun to highlight their safety features as a competitive advantage. For example, an OEM emphasized its safety features based on Mobileye technology in an advertisement during the 2014 Super Bowl.

We believe these factors will have a greater impact on our OEM segment, which, based in part on the expected additional serial production already sourced from us through 2016, is expected to grow more rapidly than our aftermarket segment.

The average sale price (“ASP”) for our OEM products is primarily based on the bundle of applications that are included in the specific product. Each OEM determines the application bundle set that it wants for the particular model.

Our ASP for the aftermarket is primarily based on the sales channel, the end customer sub-segment and volume.

Generally, when we sell directly to the end customer, our ASP is higher than when we sell through distributors. To date most of our aftermarket sales have been to the commercial fleet sub-segment. We believe there is significant potential for growth in other sub-segments such as insurance companies and governmental incentive programs, which are focused on saving lives and reducing the number of road accidents.

Although parts of the automotive industry are subject to seasonality, depending on the location of the OEM and other factors, it is not yet clear whether seasonality will affect our results of operations because our continuing growth in revenues has masked any seasonality impact.

### Cost of Revenues and Gross Profit

Cost of revenues of our OEM segment includes the manufacturing cost of our EyeQ ® chips as well as royalty fees for the intellectual property that is included in the EyeQ SoC, logistics costs, depreciation, product liability insurance reserves for estimated warranty expenses and, to the extent relevant, charges to write down the carrying value of our inventory when it exceeds its estimated net realizable value and to provide for obsolete and on-hand inventory in excess of forecasted demand.

Cost of revenues of our aftermarket product includes, in addition to the cost of the EyeQ ® chips (including royalties), direct material, labor costs, depreciation, manufacturing and supply chain overhead, quality control, shipping and logistic costs and reserves for estimated warranty expenses. Cost of revenues also includes charges to write down the carrying value of our inventory when it exceeds its estimated net realizable value and to provide for obsolete and on-hand inventory in excess of forecasted demand. We purchase the majority of the components directly and our products are manufactured primarily by one contract manufacturer in China.

Our gross profit equals total revenues less our total cost of revenues, and our gross margin is our gross profit expressed as a percentage of total revenues.

Our cost of revenue is expected to increase as our sales continue to grow.

### Research and Development Expenses

Research and development activities are conducted at our machine vision center in Jerusalem, Israel. Our activities are divided among:

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- Core technology, which are (i) algorithms, including visual processing, camera control, vehicle control, camera/radar fusion and related engineering tasks and (ii) application software;

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- New products and enhancements to existing products in response to OEM requirements; and
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- Hardware, which includes (i) silicon design for the EyeQ ® chip including the EyeQ4 ®; (ii) hardware electronics design for testing and other equipment and (iii) new aftermarket hardware; for example, we are currently developing the next generation of our aftermarket products incorporating the EyeQ3 ® chip.

Research and development expenses primarily consist of expenses related to personnel, including share-based compensation, material, parts and other prototype development, consulting and other professional services, amortized equipment expense, patent-related expenses, including legal fees in connection with new patent prosecution and maintenance fees, and quality assurance within the development programs.

Our research and development expenses are partially offset by non-refundable Non-Recurring Engineering reimbursement that we receive from OEMs attributable to specific development programs with the OEMs. Any such reimbursement is not contingent upon success of the program. We retain all the rights to our work on these programs. We intend to continue our significant investment in research and development activities as we believe that being the technology leader and the most innovative ADAS company is our key strength. Accordingly, we expect the absolute amount of our research and development expenses to increase but to decrease as a percentage of revenue as our business grows.

Sales and Marketing

Selling and marketing expenses consist of personnel and personnel-related expenses, including share-based compensation, of our sales force as well as advertising and marketing expenses. We expect to increase our sales and marketing activities, mainly in order to increase our aftermarket sales. We expect to increase our sales and marketing expenses as we continue our efforts to increase market awareness of the benefits of ADAS and to increase our aftermarket segment revenues, but sales and marketing expenses should decrease as a percentage of revenue as our business grows.

General and Administrative Expenses

General and administrative expenses consist of personnel and personnel-related expenses, including share-based compensation, of our executive, finance, legal and information systems departments as well as legal and accounting fees, litigation expenses, and fees for professional and contract services. We expect the amount of our general and administrative expenses to increase but to decrease as a percentage of revenue as our business grows. The primary reasons for the growth in general and administrative expenses will be the costs related to being a public company, including the need to hire more personnel to support compliance with the applicable provisions of SOX and other SEC rules and NYSE regulations as well as increased premiums for director and officers insurance and the increased use of share-based compensation for general and administrative personnel.

Interest Income

Interest income consists of interest earned on cash balances and short-term investments, such as debentures and money market funds. We have historically invested our available cash balances primarily in short-term deposits and debentures. The primary objective of our investments in debt instruments is to preserve principal while maximizing yields, which generally track the U.S. dollar three-month LIBOR.

Financial Income (Expenses), net

Our functional currency is the U.S. Dollar. Financial income (expense), net consist primarily of 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 Japanese Yen and other currencies. In addition, Financial income (expense), net, includes realized gains and losses on sales of financial investments and any decline in the value that is considered not temporary.

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Taxes on Income

Until July 2014, Mobileye N.V. and our Cypriot subsidiary were taxed under the laws of their respective countries of incorporation. Following our reorganization (see “— Reorganization” below), we have our headquarters in Israel, and Mobileye N.V. and our Cypriot subsidiary are residents of Israel for tax purposes. The enacted statutory tax rates applicable to us and our significant subsidiaries are as follows:

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- Our Cypriot subsidiary has been taxed at the Cypriot corporate tax rate, which was 10% prior to 2013 and became 12.5% from 2013 and thereafter. Our Cypriot subsidiary could offset profits arising in future years with taxable losses (carryforward losses) for the five years prior to the fiscal year in which the losses were incurred. Interest income was taxed at the Defence tax rate, which was 30% in 2013 and thereafter (effective from May 1, 2013), 15% in 2012 and 15% to 17% in 2011. Most of our benefit (tax) on income is incurred from Cyprus, which, until our internal reorganization was completed, was the location of our intellectual property. See “— Reorganization” below.
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- As of the transfer of the management and control of our Cypriot subsidiary to Israel, our Cypriot subsidiary is treated as an Israeli resident for tax purposes and will be taxed under the Israeli regular tax rate of 26.5%; however, we believe that the Cypriot subsidiary will not have meaningful taxable income. See also “— Reorganization” below.
- 
- MVT, our Israeli subsidiary, is taxed under Israeli law. Income not eligible for benefits under the Investment Law (described below) is taxed at the corporate tax rate. Corporate tax rates in Israel were 25% in both 2013 and 2012, and 24% in 2011. A recent amendment of the Israeli Income Tax Ordinance increased the corporate tax rate to 26.5% commencing on January 1, 2014. However, the effective tax rate payable by a company that derives income from a Benefited Enterprise or a Preferred Enterprise under the Investment Law may be considerably less. Capital gains derived by an Israeli company are subject to tax at the prevailing corporate rate.
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- Upon receipt of the tax ruling from the ITA in July 2014, MVT has become eligible for certain tax benefits under the 2011 Amendment (as defined below) of the Israeli Investment Law — “Preferred Enterprise Benefits” as of the beginning of 2014. According to the 2011 Amendment and subject to the Preferred Enterprise Ruling (as described below), our “Preferred Income” will be subject to a reduced tax rate. See “— Tax Regime Under the 2011 Amendment (“Preferred Enterprise”)” below.

Israeli Tax Benefits Under the Law for the Encouragement of Capital Investments, 1959

MVT adopted the “Benefited Enterprise” status under the Israeli Law for the Encouragement of Capital Investments, 1959 (the “Investment Law”). The Investment Law was significantly amended effective April 1, 2005 (the “2005 Amendment”), and further amended as of January 1, 2011 (the “2011 Amendment”). Pursuant to the 2005 Amendment, tax benefits granted in accordance with the provisions of the Investment Law prior to its revision by the 2005 Amendment remain in force but any benefits granted subsequently are subject to the provisions of the 2005 Amendment. Similarly, the 2011 Amendment introduced new benefits to replace those granted in accordance with the provisions of the Investment Law in effect prior to the 2011 Amendment. However, companies entitled to benefits under the Investment Law as in effect prior to January 1, 2011 were entitled to choose to continue to enjoy such benefits, provided that certain conditions are met, or to elect irrevocably to forego such benefits and have the benefits

of the 2011 Amendment apply.

Tax Regime Under the 2005 Amendment (“Benefited Enterprise”)

The extent of the tax benefits available under the 2005 Amendment to qualifying income of a Benefited Enterprise depends on, among other things, the geographic location in Israel of the Benefited Enterprise. The location will also determine the period for which tax benefits are available. Such tax benefits include an exemption from corporate tax on undistributed income for a period of between two to ten years, depending on the geographic location of the Benefited Enterprise in Israel, and a reduced

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corporate tax rate of between 10% to 25% for the remainder of the “Benefits Period,” depending on the level of “Foreign Investment,” as defined under the Investment Law, in the company in each year. A company qualifying for tax benefits under the 2005 Amendment that pays a dividend or engages in certain actions that are treated as deemed dividends by the ITA out of income derived by its Benefited Enterprise during the tax exemption period will be subject to corporate tax in respect of the amount of the dividend (grossed-up to reflect the pre-tax income that it would have had to earn in order to distribute the dividend) at the otherwise applicable rate of 25%, or lower rates in the case of a qualified Foreign Investors Company (“FIC”), according to the rate(s) of Foreign Investment in the company for the applicable tax year(s). Dividends paid out of income attributed to a Benefited Enterprise are generally subject to withholding tax at source at the rate of 15%, or such lower rate as may be stipulated in an applicable tax treaty provided that a certificate from the ITA allowing for the reduced withholding tax rate is obtained in advance. The benefits available to a Benefited Enterprise are subject to the fulfillment of conditions stipulated in the Investment Law, its regulations and any ruling received from the ITA. In the event of failure to comply with these conditions in a given tax year during the “Benefits Period”, the entitlement to the benefits for such tax year would be cancelled; however, the Company’s eligibility for benefits in prior and future years should not be affected.

#### Tax Regime Under the 2011 Amendment (“Preferred Enterprise”)

The 2011 Amendment canceled the availability of the benefits granted to companies under the Investment Law prior to 2011 and, instead, introduced new benefits for income generated by a “Preferred Company” through its “Preferred Enterprise” (as such terms are defined in the Investment Law) as of January 1, 2011. The definition of a Preferred Company includes, inter alia, a company incorporated in Israel that is (i) not wholly owned by a governmental entity; (ii) owns a Preferred Enterprise, as defined under law, (iii) is controlled and managed from Israel, and fulfills certain conditions described in the Investment Law. From 2014 and thereafter a Preferred Company is entitled to a reduced corporate tax rate of 16% with respect to its income derived by its Preferred Enterprise, unless the Preferred Enterprise is located in development zone A, in which case the rate will be 9%. MVT’s activities are located in development Zone A.

Dividends paid out of income attributed to a Preferred Enterprise are generally subject to withholding tax at the source at the rate of 20% with respect to dividends to be distributed after January 1, 2014, subject to certain conditions, or such lower rate as may be provided in an applicable tax treaty provided that a certificate from the ITA allowing for the reduced withholding tax rate is obtained in advance. However, if such dividends are paid to an Israeli company, no tax is required to be withheld (although, if the funds are subsequently distributed to individuals or to a non-Israeli company, the withholding tax would apply to such subsequent distribution).

We have had Benefited Enterprise programs under the Investment Law since 2005, which, we believe, have entitled us to certain tax benefits. Additionally, in connection with the original grant of “Benefited Enterprise” status, in 2006, MVT was recognized by the Israeli Chief Scientist Office as a “Research and Development Company.”

According to the ruling that we received from the ITA in July 2014 (the “Preferred Enterprise Ruling”) following the reorganization described below, MVT will become a “Preferred Company” under the Investment Law and will be able to benefit from a reduced tax rate of approximately 9% as of the beginning of 2014, subject to the fulfillment of the terms and conditions of such ruling. The following are the main terms and conditions of the Preferred Enterprise

#### Ruling:

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- MVT is required to add 50 new manufacturing and research and development employees in each of the tax years of 2014, 2015 and 2016 and it is further required to continue employing such additional employees for the tax years until 2018. Failure to meet this term will affect the effective tax rate in a ratio related to the number of non-recruited and non-retained employees.
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- MVT is required to acquire 90% of its expenses from Israeli subcontractors within preferred regions compared to its total cost of goods sold and research and development to maintain the highest benefits. If the ratio is less than 90%, the tax rate will be affected in a ratio related to the portion of expenses paid to such

subcontractors, all as described in the ruling.

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- An MVT dividend shall be deemed first to be paid out of the undistributed income that was exempt from Israeli corporate tax generated by the Benefited Enterprise, which shall be subject to additional tax at the MVT level and to the dividend distribution provisions of income derived by a Benefited Enterprise.
- 
- ITA approval is required for MVT to transfer its intellectual property to a third party.
- 
- The Preferred Enterprise Ruling will become void in the event that MVT changes its field of activities or business model, or significantly reduces the volume of its development activity, all unless otherwise determined by the ITA.

From time to time, the Israeli Government has discussed reducing the benefits available to companies under the Investment Law. The termination or substantial reduction of any of the benefits available under the Investment Law could materially increase our tax liabilities.

Reorganization

Prior to this offering, we reorganized our internal corporate structure and all of our intellectual property, formerly owned by our Cypriot subsidiary, was transferred to MVT. In connection with such reorganization, we received a tax ruling from the ITA in July 2014 (“Reorganization Ruling”) providing that, among other matters, the reorganization will not trigger any tax in Israel and will not violate any of the Israeli tax covenants to which MVT and its shareholder are bound pursuant to a previous tax ruling. Furthermore, according to the Reorganization Ruling, the transfer of the intellectual property to MVT does not trigger tax effects in Israel in accordance with section 104B(f) of the Israeli Tax Ordinance (New version), 1961 (the “Ordinance”) subject to compliance with the terms of such section and the regulations promulgated thereunder. Under the Reorganization Ruling, transfer of the intellectual property to any third party will be subject to ITA approval. We have also received opinions from Cyprus counsel and Dutch counsel that the reorganization should not result in tax liabilities under the laws of Cyprus or The Netherlands although there can be no assurance that the relevant tax authorities might determine that such taxes are not owed. In addition, prior to this offering, we took the necessary steps, including shareholder approval, to transfer all tangible assets and all liabilities of our Cypriot subsidiary to MVT, as well as to transfer the effective management of Mobileye N.V. and the management and control of our Cypriot subsidiary to Israel in order for them to become Israeli tax residents. The Reorganization Ruling contains additional conditions, including relating to cancellation of losses and cost basis, limitations on use of losses, credits, deductions and exemptions. See “— Taxes on Income — Tax Regime Under the 2011 Amendment (“Preferred Enterprise”).”

Segment Information

We manage the Company and its subsidiaries on the basis of two reportable segments. The OEM segment supplies the proprietary software algorithms and EyeQ ® chip that are the core technology of the complete ADAS to the Tier 1 companies that are the system integrators for the automotive industry. Except for limited direct sales of testing equipment to OEMs, our direct customer is the Tier 1 company with which we have a contractual relationship and which is responsible for paying us for our products. Because of the complex nature of our product and the need to customize and validate the product and to integrate it into the OEM’s overall ADAS system, we also have strong direct relationships with the OEMs. In the AM segment, the Company sells a complete system, which includes our proprietary software algorithms and EyeQ ® chip as well as the camera and other necessary components. The complete system offers a variety of ADAS functions to end customers including commercial fleet owners, fleet management system providers, new vehicle dealers and importers. We generate sales in the AM segment either directly or through distributors. For a discussion of our major customers, see Note 13 to our audited consolidated financial statements and Note 10 to our unaudited condensed consolidated interim financial statements included

elsewhere in this prospectus.

Our revenues in the OEM segment increased by 127.5% in the year ended December 31, 2013 from the year ended December 31, 2012, and increased by 122.1% in the year ended December 31, 2012 from the year ended December 31, 2011. Our OEM revenues increased 243.9% in the three months ended March 31, 2014 compared to the same period in 2013. Our revenues in the AM segment

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increased by 44% in the year ended December 31, 2013 from the year ended December 31, 2012 and increased by 87.7% in the year ended December 31, 2012 from the year ended December 31, 2011. Our AM revenues increased 53.2% in the three months ended March 31, 2014 compared to the same period in 2013.

The most material operating expenses in the OEM segment are research and development expenses, while the most material operating expenses in the AM segment are sales and marketing expenses.

Set forth below is selected information for each of our business segments:

**Revenues by Segment**

	<b>Year ended December 31,</b>			<b>Three months ended March 31,</b>	
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2014</b>	<b>2013</b>
	<b>(in thousands)</b>				
OEM	\$ 63,290	\$ 27,818	\$ 12,526	\$ 31,856	\$ 9,262
AM	17,955	12,467	6,642	3,793	2,476
Total	\$ 81,245	\$ 40,285	\$ 19,168	\$ 35,649	\$ 11,738

**Segment Performance\***

	<b>Year ended December 31,</b>			<b>Three months ended March 31,</b>	
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2014</b>	<b>2013</b>
	<b>(in thousands)</b>				
OEM	\$ 23,917	\$ (605)	\$ (6,369 )	\$ 16,177	\$ 1,352
AM	4,412	808	(4,286 )	521	(118 )
Total	\$ 28,329	\$ 203	\$ (10,655)	\$ 16,698	\$ 1,234

\*

- Excludes share-based compensation

**Segment Revenue as Percentage of Total Revenues**

	<b>Year ended December 31,</b>			<b>Three months ended March 31,</b>
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2014</b>