

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

\_\_\_\_\_, Individually and on Behalf of All  
Others Similarly Situated,

Plaintiff,

v.

GAUZY LTD., EYAL PESO, and MEIR  
PELEG,

Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

**DEMAND FOR JURY TRIAL**

LAW OFFICES OF HOWARD G. SMITH

Plaintiff \_\_\_\_\_ (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Gauzy Ltd. (“Gauzy” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Gauzy; and (c) review of other publicly available information concerning Gauzy.

### **NATURE OF THE ACTION AND OVERVIEW**

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Gauzy securities between March 11, 2025 and November 13, 2025 inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Gauzy develops, manufactures, and supplies vision and light control technologies. The Company operates internationally, with its French operations generating substantial portions of its revenue. In fiscal year 2024, Gauzy generated approximately 25.6% of its revenue in France, 28.3% in the United States, 29.0% in Europe (excluding France), 11.8% in Asia, 1.3% in Israel, and the remaining 4.0% in other countries across the world. As of fiscal year 2024, Gauzy had five wholly owned subsidiaries, one of which, Vision Lite SAS, is incorporated in France. Vision Lite SAS in turn wholly owns Vision Systems Corporate SAS, which is also incorporated in France and has five wholly owned subsidiaries of its own, two of which are incorporated in France: Vision Systems SAS and Safety Tech SAS.

3. On November 14, 2025, before the market opened, Gauzy announced “the Commercial Court of Lyon, France, ordered the commencement of French law insolvency

proceedings (“Redressement Judiciaire”) relating to three subsidiaries of Gauzy located in France.” “Redressement Judiciaire are French insolvency proceedings aimed at preserving a company’s business and operations, maintaining employment and repaying creditors while allowing for a plan to enable its recovery.” The Company further revealed the “commencement of these insolvency proceedings in France constitutes a default under the Company’s existing senior secured debt facilities, which if not remedied could lead to an event of default.” Finally, the Company disclosed that it will not be releasing its financial results for the third quarter of 2025 on November 14 as previously planned due to the proceedings.

4. On this news, Gauzy’s share price fell \$2.00 per share, or 49.8%, over two consecutive trading days, to close at \$2.02 per share on November 17, 2025, on unusually heavy trading volume.

5. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) the three of the Company’s French subsidiaries lacked the financial means to meet their debts as they became due based on the group’s existing financing capabilities; (2) as a result, it was substantially likely insolvency proceedings would be commenced; (3) as a result, it was substantially likely a potential default under the Company’s existing senior secured debt facilities would be triggered; and (4) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

6. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

## JURISDICTION AND VENUE

7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District.

10. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

## PARTIES

11. Plaintiff \_\_\_\_\_, as set forth in the accompanying certification, incorporated by reference herein, purchased Gauzy securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

12. Defendant Gauzy is incorporated under the laws of State of Israel with its principal executive offices located in Tel Aviv, Israel. Gauzy's ordinary shares trade on the NASDAQ exchange under the symbol "GAUZ."

13. Defendant Eyal Peso (“Peso”) was the Company’s Chief Executive Officer (“CEO”) at all relevant times.

14. Defendant Meir Peleg (“Peleg”) was the Company’s Chief Financial Officer (“CFO”) at all relevant times.

15. Defendants Peso and Peleg (together, the “Individual Defendants”), because of their positions with the Company, possessed the power and authority to control the contents of the Company’s reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

## **SUBSTANTIVE ALLEGATIONS**

### **Background**

16. Gauzy develops, manufactures, and supplies vision and light control technologies. The Company operates internationally, with its French operations generating substantial portions of its revenue. In fiscal year 2024, Gauzy generated approximately 25.6% of its revenue in France, 28.3% in the United States, 29.0% in Europe (excluding France), 11.8% in Asia, 1.3% in Israel, and the remaining 4.0% in other countries across the world. As of fiscal year 2024, Gauzy had five wholly owned subsidiaries, one of which, Vision Lite SAS, is incorporated in France. Vision Lite SAS in turn wholly owns Vision Systems Corporate SAS, which is also incorporated in France and

has five wholly owned subsidiaries of its own, two of which are incorporated in France: Vision Systems SAS and Safety Tech SAS.

### **Materially False and Misleading**

#### **Statements Issued During the Class Period**

17. The class period begins on March 11, 2025. On that day, Gauzy submitted its annual report for the fiscal year ended December 31, 2024 on a Form 20-F filed with the SEC (the “FY24 20-F”). The FY24 20-F reported the Company’s purported financial results, including the Company’s purported revenue and assets in France, as follows in relevant part:

<i>(in thousands of USD, except share and per share data)</i>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenues</b>	\$ 103,527	\$ 77,980
Cost of revenues (exclusive of depreciation and amortization)	71,718	55,992
Depreciation and amortization	2,068	2,047
<b>Total cost of revenues</b>	<b>73,786</b>	<b>58,039</b>
<b>Gross profit</b>	<b>29,741</b>	<b>19,941</b>
<b>Gross profit margin</b>	<b>29%</b>	<b>26%</b>
<b>Operating expenses:</b>		
Research and development expenses (exclusive of depreciation and amortization reflected below)	\$ 17,590	\$ 16,035
General and administrative expenses (exclusive of depreciation and amortization reflected below)	22,194	16,187
Sales and marketing expenses (exclusive of depreciation and amortization reflected below)	16,134	15,302
Depreciation and amortization	4,608	3,664
Other expenses (income)	(23)	747
<b>Operating loss</b>	<b>30,762</b>	<b>31,994</b>
Financial expenses, net	22,314	47,122
Other expenses (income)	44	(32)
<b>Loss before income tax</b>	<b>53,120</b>	<b>79,084</b>
Income tax	62	183
<b>Net Loss</b>	<b>\$ 53,182</b>	<b>\$ 79,267</b>

#### *Revenues*

Revenues increased by approximately \$25.5 million, or 32.8%, to \$103.5 million for the year ended December 31, 2024, compared to \$78.0 million for the year ended December 31, 2023. The significant increase resulted mainly from an increase of \$7.6 million in the aeronautics segment, \$15.9 million in the safety-tech segment and \$1.5 million in the automotive segment. The increase is due to an increase in volume of sales from existing and new customer accounts.

#### *Revenues by Operating Segment*

##### *Aeronautics*

Revenues in our aeronautics segment increased by approximately \$7.6 million, or 22.3%, to \$41.4 million for the year ended December 31, 2024, compared to \$33.8 million for the year ended December 31, 2023. The increase resulted mainly from the strong demand in several family products, which led to increased sales.

*Architecture*

Revenues in our architecture segment increased by approximately \$0.6 million, or 4.4%, to \$13.2 million for the year ended December 31, 2024, compared to \$12.6 million for the year ended December 31, 2023. The increase resulted mainly from the timing of deliveries.

*Automotive*

Revenues in our automotive segment increased by approximately \$1.5 million, or 81.6%, to \$3.3 million for the year ended December 31, 2024, compared to \$1.8 million for the year ended December 31, 2023. The increase resulted mainly from full year serial production compared to six months of serial production in 2023.

*Safety-Tech*

Revenues in our safety-tech segment increased by approximately \$15.9 million, or 53.7%, to \$45.6 million for the year ended December 31, 2024, compared to \$29.7 million for the year ended December 31, 2023. The increase resulted mainly from strong demand across the segment's product lines, which led to increased sales.

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The following table summarizes revenue by region based on the shipping address of customers:

	Year ended December 31	
	2024	2023
Israel	\$ 1,327	\$ 1,096
United States	29,305	17,543
France	26,480	35,753
Rest of Europe	30,023	16,936
Asia	12,190	3,572
Rest of world	4,202	3,080
	<u>\$103,527</u>	<u>\$ 77,980</u>

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The following table presents the Company's long-lived assets, net of depreciation and amortization, by geographic region:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Israel	\$ 4,850	\$ 4,846
United States	285	321
France	27,935	23,392
Rest of Europe	4,838	4,321
Rest of the world	68	27
Total long-lived assets, net	<u>\$ 37,976</u>	<u>\$ 32,907</u>

18. The FY24 20-F purported to assure investors of the Company’s liquidity and capital resources and that the forgoing “*will be sufficient to meet our anticipated cash requirements over at least the next 12 month*” as follows in relevant part:

### **B. Liquidity and Capital Resources**

#### **Overview**

Our capital requirements will depend on many factors, including sales volume, the timing and extent of spending to expand our production capabilities, support research and development efforts, investments in information technology systems, the expansion of sales and marketing activities, increased costs as we continue to hire additional personnel, and market adoption of new and enhanced products and features. For the years ended December 31, 2023 and 2024, we had a net loss of \$79.3 million and \$53.2 million, respectively.

To date, our principal sources of liquidity have been proceeds from our private offerings of our convertible securities, proceeds from the issuance of SAFEs, proceeds from loans and credit facilities and proceeds from our initial public offering in June 2024.

*Based on our current business plan, we believe our current cash and cash equivalents, anticipated cash flow from operations and credit facilities, will be sufficient to meet our anticipated cash requirements over at least the next 12 months.* We may need to raise additional capital before we can expect to become profitable from sales of our light and vision control products and may raise additional capital to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons.

19. Finally, the FY24 20-F purported to warn of risks which “could” or “may” negatively impact the Company’s financial results, including that if the Company cannot make scheduled payments on its debt, it will be in default. Specifically, the FY24 20-F stated as follows, in relevant part:

***We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.***

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory and other factors, some of which are beyond our control. We cannot be sure that our business will generate sufficient cash flows from operating activities, or that future borrowings will be available, to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. Agreements that govern our credit facilities and other debt instruments restrict our ability to dispose of assets and use the proceeds from those dispositions to be used to repay other indebtedness when it becomes due and also restrict our ability to raise debt. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would have a material adverse effect on our financial condition and results of operations. ***If we cannot make scheduled payments on our debt, we will be in default, and the lenders under our credit facilities could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation.*** Any of these events could result in you losing all or a portion of your investment in our ordinary shares.

20. On March 11, 2025 On that day, Gauzy issued a press release announcing the Company's fourth quarter and full year 2024 results. The press release affirmed the previously reported financial results and further touted the Company's financial results, liquidity and cash flows, as follows in relevant part:

Fourth Quarter 2024 Highlights (Compared to Fourth Quarter 2023)

- Record revenues of \$31.1 million increased 41.8% compared to \$22.0 million
- Record gross margin of 36.5% improved 800 basis points compared to 28.5%
- Net loss of \$11.4 million compared to a net loss of \$20.7 million
- Non-GAAP Adjusted net loss of \$3.7 million compared to an adjusted net loss of \$11.2 million
- Positive Adjusted EBITDA of \$0.2 million compared to (\$6.0) million
- Total available liquidity of \$40.6 million, including cash of \$5.6 million and \$35.0 million undrawn credit facility at quarter end

#### Full Year 2024 Highlights (Compared to Full Year 2023)

- Record revenues of \$103.5 million increased 32.8% compared to \$78.0 million
- Record gross margin of 28.7% increased 310 basis points compared to 25.6%
- Net loss of \$53.2 million compared to a net loss of \$79.3 million
- Non-GAAP Adjusted net loss of \$29.3 million compared to an adjusted net loss of \$36.8 million
- Adjusted EBITDA of (\$14.2) million compared to (\$20.7) million

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#### Balance Sheet, Liquidity and Cash Flow

As of December 31, 2024, the Company had total liquidity of \$40.6 million, including \$5.6 million of cash and cash equivalents and \$35.0 million of available capacity under its undrawn credit line. At year-end total debt was \$38.4 million, including \$13.2 million of short-term receivable financings.

21. On May 13, 2025, Gauzy issued a press release announcing financial results for the first quarter of 2025, filed with the SEC on a Form 6-K. Attached as Exhibit 99.2, the Company filed its condensed consolidated financial statements as March 31, 2025, and, attached as Exhibit 99.3, the Company filed its Operating and Financial Review and Prospects for the same period. The quarterly 6-K submission touted the Company’s healthy performance, strong financial results, and purported to assure investors the Company’s “*current cash and cash equivalents, anticipated cash flow from operations and credit facilities, will be sufficient to meet [] anticipated cash*”

*requirements over at least the next 12 months.*” Specifically, the quarterly 6-K submission stated as follows, in relevant part:

**First Quarter 2025 Highlights (Compared to First Quarter 2024)**

- Revenues of \$22.4 million, compared to \$24.7 million
- Gross margin of 25.6%, compared to 25.1%
- Net loss of \$10.8 million compared to a net loss of \$13.2 million
- Non-GAAP Adjusted net loss of \$9.1 million compared to an adjusted net loss of \$10.0 million
- Adjusted EBITDA of (\$5.5) million compared to (\$4.8) million
- Purchase order backlog of \$35.7 million at quarter end
- Total available liquidity of \$36.2 million, including cash of \$1.2 million and \$35.0 million undrawn credit facility at quarter end

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	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Israel	\$ 484	\$ 261
United States	5,295	7,268
France	5,385	5,095
Rest of Europe	7,846	7,925
Asia	2,424	2,968
Rest of world	933	1,212
	<u>\$ 22,367</u>	<u>\$ 24,729</u>

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	<b>Three Months Ended March 31, (unaudited)</b>	
	<b>2025</b>	<b>2024</b>
<i>(in thousands of USD, except share and per share data)</i>		
Revenues	\$ 22,367	\$ 24,729
Cost of revenues (exclusive of depreciation and amortization)	16,137	18,007
Depreciation and amortization	498	507
<b>Total cost of revenues</b>	<u>16,635</u>	<u>18,514</u>
<b>Gross profit</b>	<u>5,732</u>	<u>6,215</u>
<b>Gross profit margin</b>	<u>26%</u>	<u>25%</u>
<b>Operating expenses:</b>		
Research and development expenses (exclusive of depreciation and amortization reflected below)	\$ 3,457	\$ 4,381
General and administrative expenses (exclusive of depreciation and amortization reflected below)	5,697	6,129
Sales and marketing expenses (exclusive of depreciation and amortization reflected below)	3,669	4,290
Depreciation and amortization	1,602	1,021
Other expenses (income)	-	25
<b>Operating loss</b>	<u>8,693</u>	<u>9,631</u>
Financial expenses, net	2,030	3,554
Other expenses (income)	-	-
<b>Loss before income tax</b>	<u>10,723</u>	<u>13,185</u>
Income tax	55	62
<b>Net Loss</b>	<u>\$ 10,778</u>	<u>\$ 13,247</u>

\* \* \*

<i>(in thousands of USD)</i>	Three Months Ended	
	March 31,	
	2025	2024
Net Loss	\$ (10,778)	(13,247)
Income tax expense (income)	\$ 55	62
Financial (income) expenses, net	\$ 2,030	3,554
Depreciation and amortization	\$ 2,100	1,528
EBITDA	\$ (6,593)	(8,103)
Acquisition related costs and debt raising costs	\$ 84	1,331
Non-cash fair value adjustments <sup>(1)</sup>	\$ -	25
Equity-based compensation expense	\$ 898	2,160
One-time expense (income)	\$ 121	-
Doubtful debt expenses <sup>(2)</sup>	\$ 37	(164)
Adjusted EBITDA	\$ (5,453)	(4,751)
Net Loss Margin	(48)%	(54)%
Adjusted EBITDA Margin	(24.4)%	(19.2)%
Net cash used in operating activities	\$ (563)	(6,938)
Capital expenditures <sup>(3)</sup>	\$ (1,719)	(1,420)
Free Cash Flow	\$ (2,282)	(8,358)

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***Based on our current business plan, we believe our current cash and cash equivalents, anticipated cash flow from operations and credit facilities, will be sufficient to meet our anticipated cash requirements over at least the next 12 months.*** We may need to raise additional capital before we can expect to become profitable from sales of our light and vision control products and may raise additional capital to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons.

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### ***Liquidity risks***

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability, but it can also increase the risk of loss. ***We have procedures to minimize such loss by maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.*** As of March 31, 2025 and 2024, we had accumulated losses of approximately \$235.8 million and \$185.1 million, respectively.

22. On August 13, 2025, Gauzy issued a press release announcing financial results for the second quarter of 2025, filed with the SEC on a Form 6-K. Attached as Exhibit 99.2, the Company filed its condensed consolidated financial statements as June 30, 2025, and, attached as Exhibit 99.3, the Company filed its Operating and Financial Review and Prospects for the same period. The quarterly 6-K submission touted the Company's healthy performance, strong financial results, and purported to assure investors the Company's ***“current cash and cash equivalents, anticipated cash flow from operations and credit facilities, will be sufficient to meet []***

*anticipated cash requirements over at least the next 12 months.”* Specifically, the quarterly 6-K submission stated as follows, in relevant part:

Second Quarter 2025 Highlights (Compared to Second Quarter 2024)

- Revenues of \$20.1 million, compared to \$24.4 million
- Gross margin of 21.4%, compared to 27.0%
- Net loss of \$10.7 million compared to a net loss of \$23.1 million
- Adjusted EBITDA1 of (\$8.7) million compared to (\$3.9) million
- Purchase order backlog of \$42.9 million compared \$36.2
- Total available liquidity of \$36.2 million, including cash of \$1.2 million and \$35.0 million undrawn credit facility at quarter end

Six Months 2025 Highlights (Compared to Six Months 2024)

- Revenues of \$42.4 million, compared to \$49.1 million
- Gross margin of 23.6%, compared to 26.1%
- Net loss of \$21.5 million compared to a net loss of \$36.3 million
- Adjusted EBITDA1 of (\$14.1) million compared to (\$8.7) million

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	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
United States	\$ 3,901	\$ 6,686	\$ 9,196	\$ 13,954
Israel	472	171	956	432
France	6,618	7,280	12,003	12,375
United Kingdom	1,870	2,025	5,152	3,760
Rest of Europe	4,551	3,576	9,115	9,766
Asia	2,030	3,779	4,454	6,747
Rest of world	612	892	1,545	2,104
	<u>\$ 20,054</u>	<u>\$ 24,409</u>	<u>\$ 42,421</u>	<u>\$ 49,138</u>

\* \* \*

	Three Months Ended June 30, (unaudited)	
	2025	2024
<i>(in thousands of USD, except share and per share data)</i>		
<b>Revenues</b>	\$ 20,054	\$ 24,409
Cost of revenues (exclusive of depreciation and amortization)	15,249	17,323
Depreciation and amortization	519	494
<b>Total cost of revenues</b>	<u>15,768</u>	<u>17,817</u>
<b>Gross profit</b>	<u>4,286</u>	<u>6,592</u>
<b>Gross profit margin</b>	<u>21.4%</u>	<u>27.0%</u>
<b>Operating expenses:</b>		
Research and development expenses (exclusive of depreciation and amortization reflected below)	\$ 4,868	\$ 4,131
General and administrative expenses (exclusive of depreciation and amortization reflected below)	6,076	5,271
Sales and marketing expenses (exclusive of depreciation and amortization reflected below)	4,142	4,153
Depreciation and amortization	1,710	1,021
Other expenses	-	(63)
<b>Operating loss</b>	<u>12,510</u>	<u>7,921</u>
Financial (income) expenses, net	(1,790)	15,274
Other income	-	(130)
<b>Loss before income tax</b>	<u>10,720</u>	<u>23,065</u>
Income tax	16	22
<b>Net Loss</b>	<u>\$ 10,736</u>	<u>\$ 23,087</u>

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<i>(in thousands of USD)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net Loss	\$ (10,736)	(23,087)	\$ (21,514)	(36,334)
Income tax expense (income)	\$ 16	22	\$ 71	84
Financial (income) expenses, net	\$ (1,790)	15,274	\$ 240	18,828
Depreciation and amortization	\$ 2,229	1,515	\$ 4,329	3,043
EBITDA	\$ (10,281)	(6,276)	\$ (16,874)	(14,379)
Acquisition related costs and debt raising costs	\$ 159	852	\$ 243	2,182
Non-cash fair value adjustments <sup>(1)</sup>	\$ -	(193)	\$ -	(168)
Equity-based compensation expense	\$ 1,072	1,164	\$ 1,970	3,324
One-time expense (income)	\$ 88	-	\$ 209	-
Doubtful debt expenses <sup>(2)</sup>	\$ 267	553	\$ 304	389
Adjusted EBITDA	\$ (8,695)	(3,900)	\$ (14,148)	(8,652)
Net Loss Margin	(53.5)%	(94.6)%	(50.7)%	(73.9)%
Adjusted EBITDA Margin	(43.4)%	(16.0)%	(33.4)%	(17.6)%
Net cash used in operating activities	(3,307)	(8,725)	(3,870)	(15,663)
Capital expenditures <sup>(3)</sup>	(1,929)	(2,922)	(3,648)	(4,342)
Free Cash Flow	(5,236)	(11,523)	(7,518)	(19,881)

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***Based on our current business plan, we believe our current cash and cash equivalents, anticipated cash flow from operations and credit facilities, will be sufficient to meet our anticipated cash requirements over at least the next 12 months.*** We may need to raise additional capital before we can expect to become profitable from sales of our light and vision control products and may raise additional capital to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons.

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### ***Liquidity risks***

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability, but it can also increase the risk of loss. ***We have procedures to minimize such loss by maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.*** As of June 30, 2025 and 2024, we had accumulated losses of approximately \$246.5 million and \$208.2 million, respectively.

23. The above statements identified in ¶¶17-22 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) the three of the Company's French subsidiaries lacked the financial means to meet their debts as they became due based on the group's existing financing capabilities; (2) as a result, it was substantially likely

insolvency proceedings would be commenced; (3) as a result, it was substantially likely a potential default under the Company's existing senior secured debt facilities would be triggered; and (4) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

#### **Disclosures at the End of the Class Period**

24. On November 14, 2025, before the market opened, Gauzy announced "the Commercial Court of Lyon, France, ordered the commencement of French law insolvency proceedings ("Redressement Judiciaire") relating to three subsidiaries of Gauzy located in France." "Redressement Judiciaire are French insolvency proceedings aimed at preserving a company's business and operations, maintaining employment and repaying creditors while allowing for a plan to enable its recovery." The Company further revealed the "commencement of these insolvency proceedings in France constitutes a default under the Company's existing senior secured debt facilities, which if not remedied could lead to an event of default." Finally, the Company disclosed that it would reschedule its third quarter earnings release due to the proceedings. Specifically, on that date, the Company issued a press release which stated as follows, in relevant part:

#### ***French Insolvency Proceedings***

***On November 13, 2025, the Commercial Court of Lyon, France, ordered the commencement of French law insolvency proceedings ("Redressement Judiciaire") relating to three subsidiaries of Gauzy located in France.*** As is customary in such proceedings, the court ordered the appointment of two administrators and a creditor representative, responsible for advising the Company's three subsidiaries in these proceedings. The Company strongly disagrees with the French court's ruling and plans to have its subsidiaries appeal the decision of the court as soon as possible, while working collaboratively with the French administrators to quickly resolve the matter. The Company and its subsidiaries plan to continue normal operations as it seeks to meet growing customer demand.

***Redressement Judiciaire are French insolvency proceedings aimed at preserving a company's business and operations, maintaining employment and repaying creditors while allowing for a plan to enable its recovery.*** Gauzy plans to have its subsidiaries appeal the decision to the Court of Appeal of Lyon as soon as possible based on the Company's assessment that these subsidiaries, with the financial support of Gauzy, have the financial means to meet their debts as they became due based on the group's existing financing capabilities. However, pending this appeal, the insolvency proceedings will continue.

The Company is working to ensure its subsidiaries have the financial means to meet their debts as they become due. Gauzy remains committed to complete transparency, and as such will provide updated information on these proceedings as soon as more information is available.

***The commencement of these insolvency proceedings in France constitutes a default under the Company's existing senior secured debt facilities, which if not remedied could lead to an event of default.*** The Company is in contact with its senior secured lenders to develop an appropriate plan to remedy or waive the default and work towards restoring the Company and its subsidiaries' strong financial health and operational performance. However, there can be no guarantee that any such efforts will be successful and that such lenders will not seek available remedies to enforce their respective rights under their debt facilities.

On November 14, 2025, the Company issued a press release discussing the French proceedings entitled "Gauzy Ltd. to Reschedule Third Quarter 2025 Earnings Release." A copy of the press release is attached as Exhibit 99.1 to this Report on Form 6-K and is incorporated by reference herein.

25. On this news, Gauzy's share price fell \$2.00 per share, or 49.8%, over two consecutive trading days, to close at \$2.02 per share on November 17, 2025, on unusually heavy trading volume.

### **CLASS ACTION ALLEGATIONS**

26. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Gauzy securities between March 11, 2025 and November 13, 2025, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families

and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

27. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Gauzy's shares actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Gauzy shares were traded publicly during the Class Period on the NASDAQ. Record owners and other members of the Class may be identified from records maintained by Gauzy or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

28. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

29. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

30. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Gauzy; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

31. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

#### **UNDISCLOSED ADVERSE FACTS**

32. The market for Gauzy's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Gauzy's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Gauzy's securities relying upon the integrity of the market price of the Company's securities and market information relating to Gauzy, and have been damaged thereby.

33. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Gauzy's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Gauzy's business, operations, and prospects as alleged herein.

34. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Gauzy's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

#### **LOSS CAUSATION**

35. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

36. During the Class Period, Plaintiff and the Class purchased Gauzy's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

#### **SCIENTER ALLEGATIONS**

37. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced

in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Gauzy, their control over, and/or receipt and/or modification of Gauzy's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Gauzy, participated in the fraudulent scheme alleged herein.

### **APPLICABILITY OF PRESUMPTION OF RELIANCE**

#### **(FRAUD-ON-THE-MARKET DOCTRINE)**

38. The market for Gauzy's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Gauzy's securities traded at artificially inflated prices during the Class Period. On March 11, 2025 the Company's share price closed at a Class Period high of \$10.64 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Gauzy's securities and market information relating to Gauzy, and have been damaged thereby.

39. During the Class Period, the artificial inflation of Gauzy's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Gauzy's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Gauzy and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted

in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

40. At all relevant times, the market for Gauzy's securities was an efficient market for the following reasons, among others:

(a) Gauzy shares met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Gauzy filed periodic public reports with the SEC and/or the NASDAQ;

(c) Gauzy regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Gauzy was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

41. As a result of the foregoing, the market for Gauzy's securities promptly digested current information regarding Gauzy from all publicly available sources and reflected such information in Gauzy's share price. Under these circumstances, all purchasers of Gauzy's securities during the Class Period suffered similar injury through their purchase of Gauzy's securities at artificially inflated prices and a presumption of reliance applies.

42. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),

because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

#### **NO SAFE HARBOR**

43. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Gauzy who knew that the statement was false when made.

**FIRST CLAIM**

**Violation of Section 10(b) of The Exchange Act and**

**Rule 10b-5 Promulgated Thereunder**

**Against All Defendants**

44. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

45. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Gauzy's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

46. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Gauzy's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

47. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Gauzy's financial well-being and prospects, as specified herein.

48. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Gauzy's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Gauzy and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

49. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

50. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to

ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Gauzy's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

51. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Gauzy's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Gauzy's securities during the Class Period at artificially high prices and were damaged thereby.

52. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Gauzy was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Gauzy securities, or,

if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

53. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

54. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

### **SECOND CLAIM**

#### **Violation of Section 20(a) of The Exchange Act**

##### **Against the Individual Defendants**

55. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

56. Individual Defendants acted as controlling persons of Gauzy within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

57. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

58. As set forth above, Gauzy and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

Dated: \_\_\_\_\_, 2025

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**GLANCY PRONGAY & MURRAY LLP**

Rebecca Dawson  
230 Park Ave, Suite 358  
New York, New York 10169  
Telephone: (213) 521-8007  
Facsimile: (212) 884-0988  
Email: rdawson@glancylaw.com

Robert V. Prongay  
Charles H. Linehan  
1925 Century Park East, Suite 2100  
Los Angeles, CA 90067  
Telephone: (310) 201-9150  
Facsimile: (310) 201-9160

**LAW OFFICES OF HOWARD G. SMITH**

Howard G. Smith  
3070 Bristol Pike, Suite 112  
Bensalem PA 19020  
Telephone: (215) 638-4847  
Facsimile: (215) 638-4867

*Counsel for Plaintiff* \_\_\_\_\_

LAW OFFICES OF HOWARD G. SMITH