

SILVACO

Innovative Semiconductor Design and
Manufacturing Through AI, Digital Twin
Modeling, Simulation Software and Automation

From Atoms to Systems

Investor Presentation May 2025

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Silvaco is unable to provide a reconciliation of certain non-GAAP guidance measures to the corresponding GAAP measures on a forward-looking basis because doing so would not be possible without unreasonable effort due to, among other things, the potential variability and limited visibility of the excluded items. For the same reasons, Silvaco is unable to address the probable significance of the unavailable information. Investors are encouraged to review Silvaco's Current Report on Form 8-K filed on May 7, 2025, for additional information about the measures Silvaco uses to evaluate its core business operations.

In addition to the financials presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation includes non-GAAP gross profit, non-GAAP gross profit margin, non-GAAP operating income (loss), non-GAAP operating income (loss) margin, non-GAAP net income (loss) per share, and Annual Contract Value ("ACV"). Non-GAAP metrics have limitations as analytical tools and you should not consider them in isolation or as a substitute for or superior to the most directly comparable financial measures prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of non-GAAP metrics versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP metrics differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP metrics as tools for comparison. We urge you to review the reconciliation of Silvaco's non-GAAP metrics to the most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business. See the Appendix for reconciliation between each non-GAAP metric and the most comparable GAAP measure. ACV is a key performance metric for Silvaco and is useful to investors in assessing the strength and trajectory of the business. ACV is a supplemental metric to help evaluate the annual performance of the business. Over the life of the contract, ACV equals the total value realized from a customer. ACV is not impacted by the timing of license revenue recognition. ACV is used by management in financial and operational decision-making. ACV is not a replacement for, and should be viewed independently of, GAAP revenue and deferred revenue as ACV is a performance metric and is not intended to be combined with any of these items. There is no GAAP measure comparable to ACV. ACV is composed of the following: (i) the annualized value of term based software licenses with start dates or anniversary dates during the period, plus; (ii) the value of perpetual license contracts with start dates during the period, plus; (iii) the annualized value of maintenance & support as well as any fixed-term services contracts with start dates or anniversary dates during the period, plus; (iv) the value of fixed-deliverable services contracts. Silvaco and the Silvaco logo are registered trademarks of Silvaco Group, Inc. All other trademarks and service marks are the property of their respective owners.

Silvaco At A Glance – Post IPO

AI-Enabled Simulation Software Platforms and Digital Twin Modeling for Semiconductors and Photonics

→ FY 2024: Became a public Company in May of 2024

- Bookings \$65.8M (+13%); Revenue \$59.7M (+10%)
- Participated in \$3.8B² SAM including FTCO

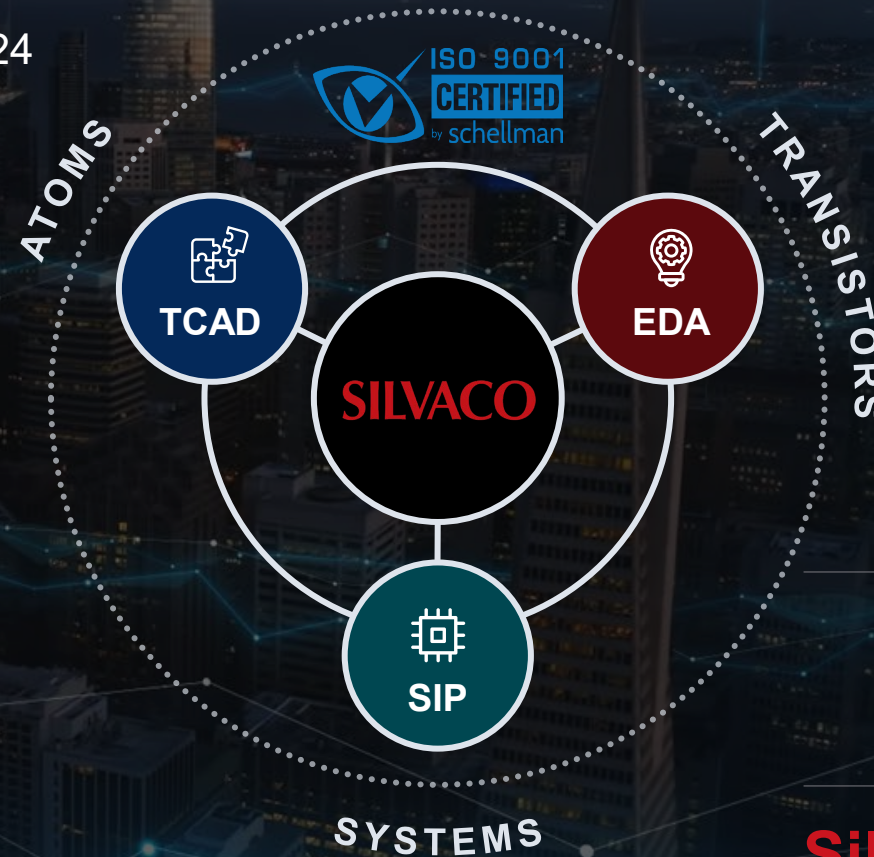
→ FY 2025 : Adding inorganic growth

- AI (Data Centers/HPC), Photonics, and IoT
- Added \$600M SAM by acquisition of PPC and Tech-X

→ Short-term head winds due to macro uncertainty

- Some orders shifting quarter boundaries
- Confident in updated Q2 and Full Year 2025 guidance

→ Reporting ACV going forward will provide more visibility for revenue



800+⁽¹⁾
Customers

#2⁽²⁾
Global TCAD revenue

1984
Founded in 1984
300+Employees⁽¹⁾

2019
Relaunched with
new management team

Silicon Valley, USA

Global presence with HQ and R&D
in Silicon Valley, USA

1) Data as of December 31, 2024

2) 2024 Annual Electronic Design Market Data, Electronic System Design Alliance

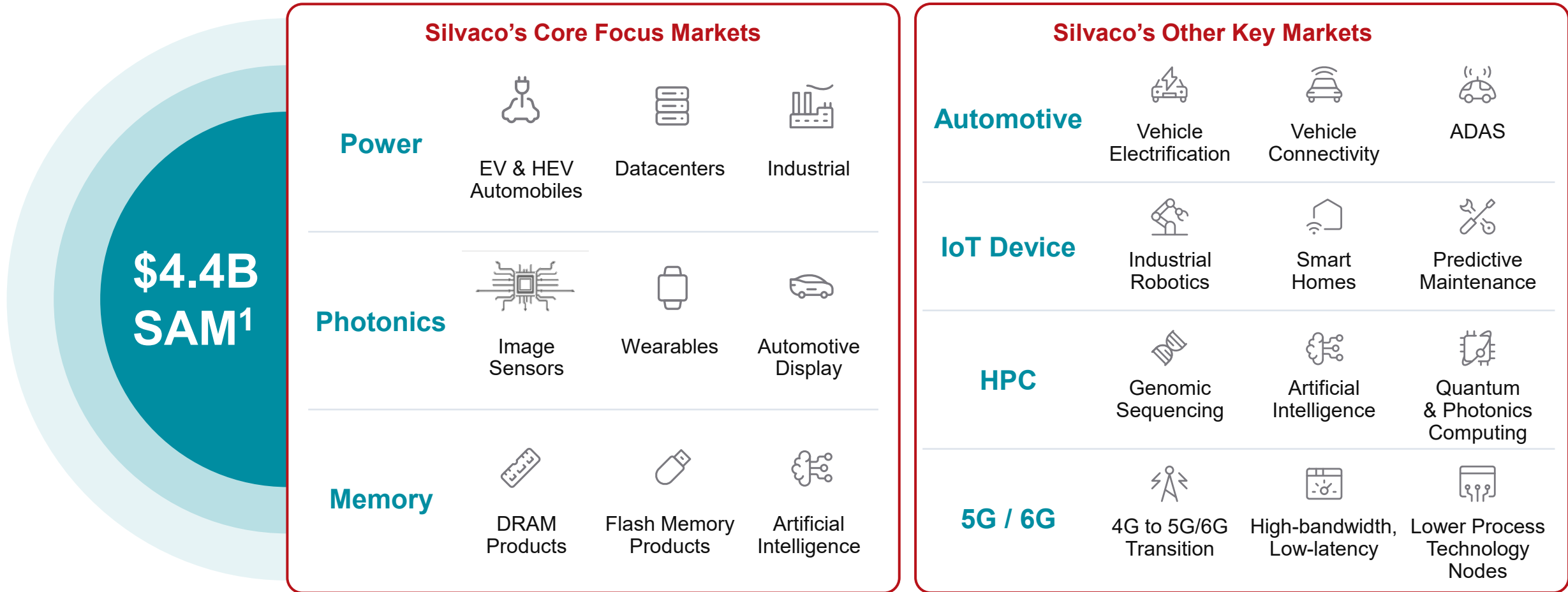
Recent Highlights of Silvaco Milestone Achievements

Growth Expansion, Compliance and Operational Excellence

- Acquired Tech-X Corporation, announced on Tuesday 4/29
- Gained traction from Power and Advanced CMOS customers for AI-based FTCO platform expansion
 - Excelliance MOS Adopts Silvaco DTCO Flow for Next Generation Silicon Carbide Devices
 - Partnership with Korean Kyung Hee University's Professor Jin Jang on FTCO for Next Generation Display Technologies
- Landed 9 new customers for AI, Photonics in Q1 which was 23% of bookings
- Expanded in Existing customers which accounted for 38% of the Q1 Bookings
- Faraday Technology Selected Silvaco FlexCAN IP for Advanced Automotive ASIC Design

Large and Growing Market Opportunity Serving Numerous Applications

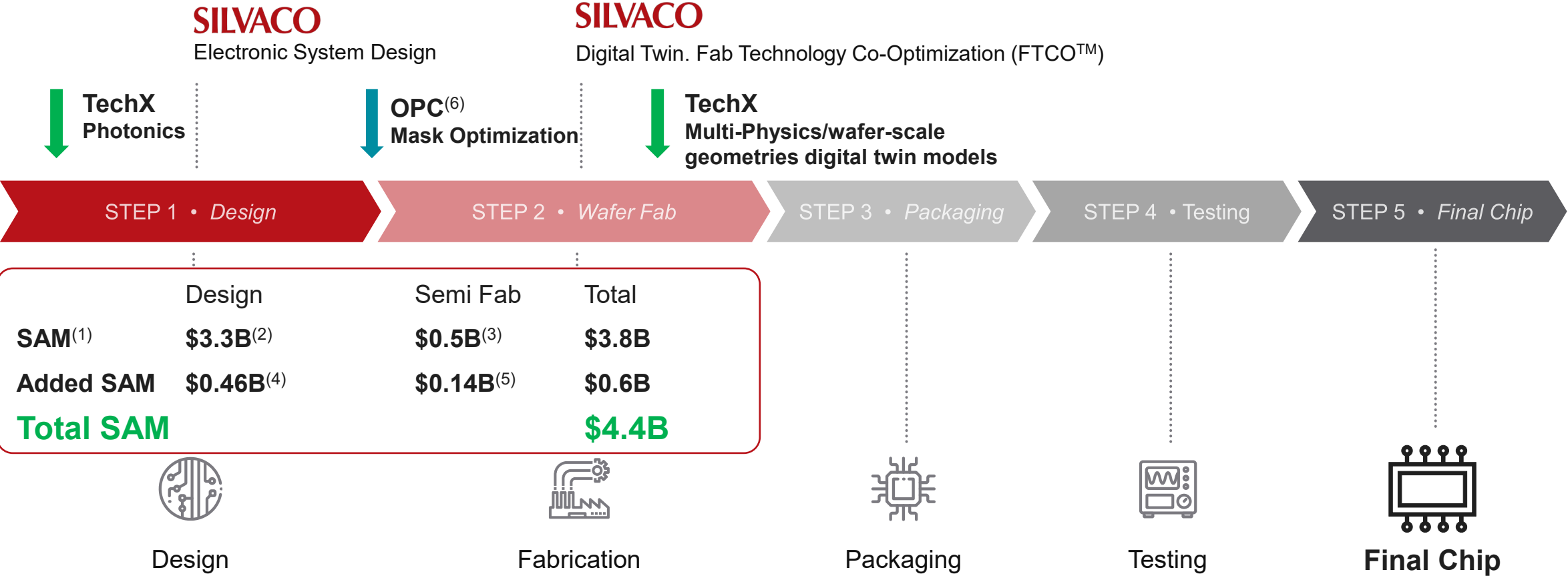
Addressing Design and Manufacturing Challenges Through Adoption of AI Automation and GPUs



1) Based on ESDA's breakdown of the EDA software market, which includes SIP, Silvaco estimates its solutions compete in portions of the EDA software market representing \$3.1 billion of the global aggregate EDA software market, Silvaco estimate of SAM for its FTCO solution \$0.5 billion, and based on 2023 ESDA RET (Resolution Enhancement Techniques) breakdown of revenue for mask optimization of \$0.4 billion.

Expanding Market Opportunity Using AI-Based Digital Twin Modeling

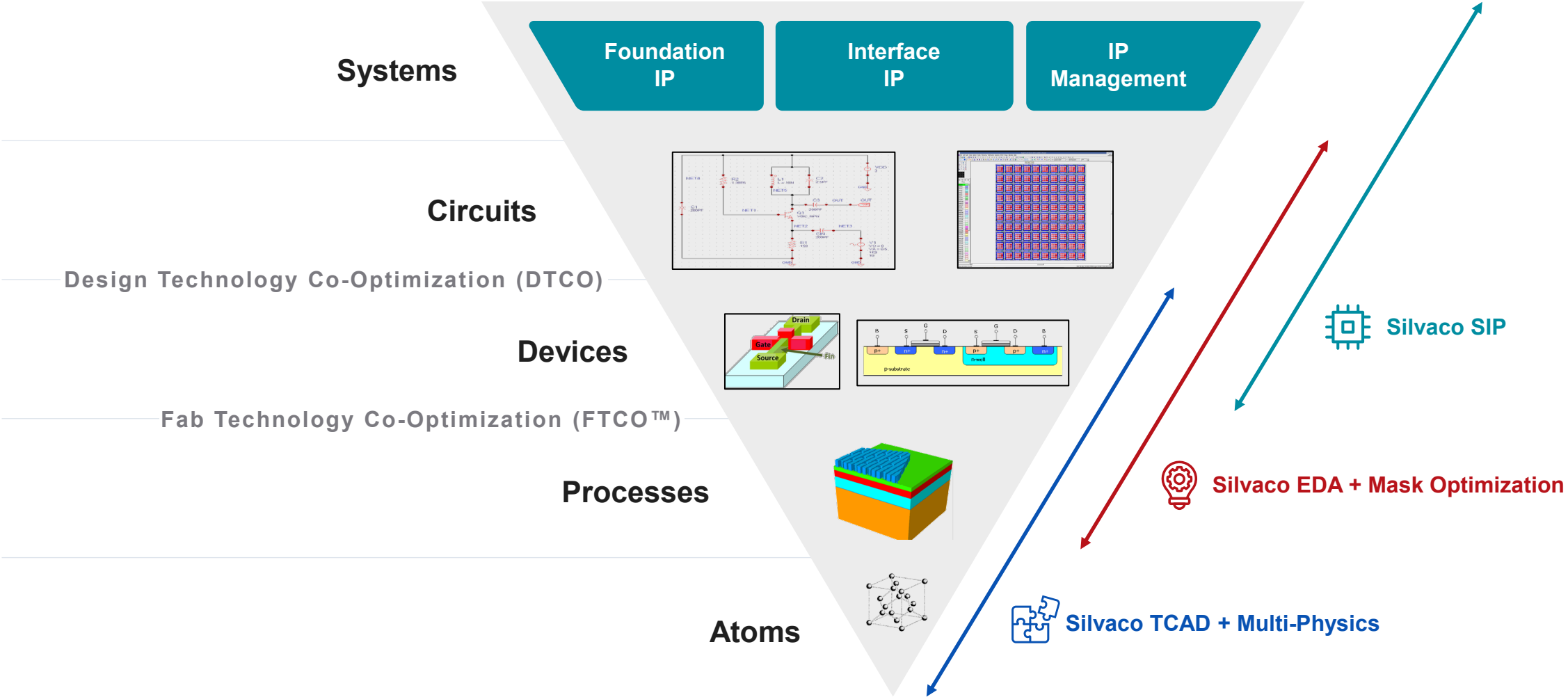
Fab Technology Co-Optimization™ Brings New Era of AI-Assisted Process Optimization



1) Serviceable Addressable Market ("SAM"). 2) Based on 2024 ESDA's breakdown of the EDA software market, which includes SIP, Silvaco estimates its solutions compete in portions of the EDA software market representing \$3.3 billion of the global aggregate EDA software market. 3) Silvaco estimate of SAM for its FTCO solution. 4) Combined SAM for OPC and Photonics based on 2024 ESDA RET (Resolution Enhancement Techniques) revenue and Silvaco estimate of SAM for Tech-X multi-physics technology in Photonics. 5) Silvaco estimate of SAM for Tech-X technology in wafer-scale geometry multi-physics simulation software in semiconductor manufacturing 6) Acquired from Cadence Design Systems

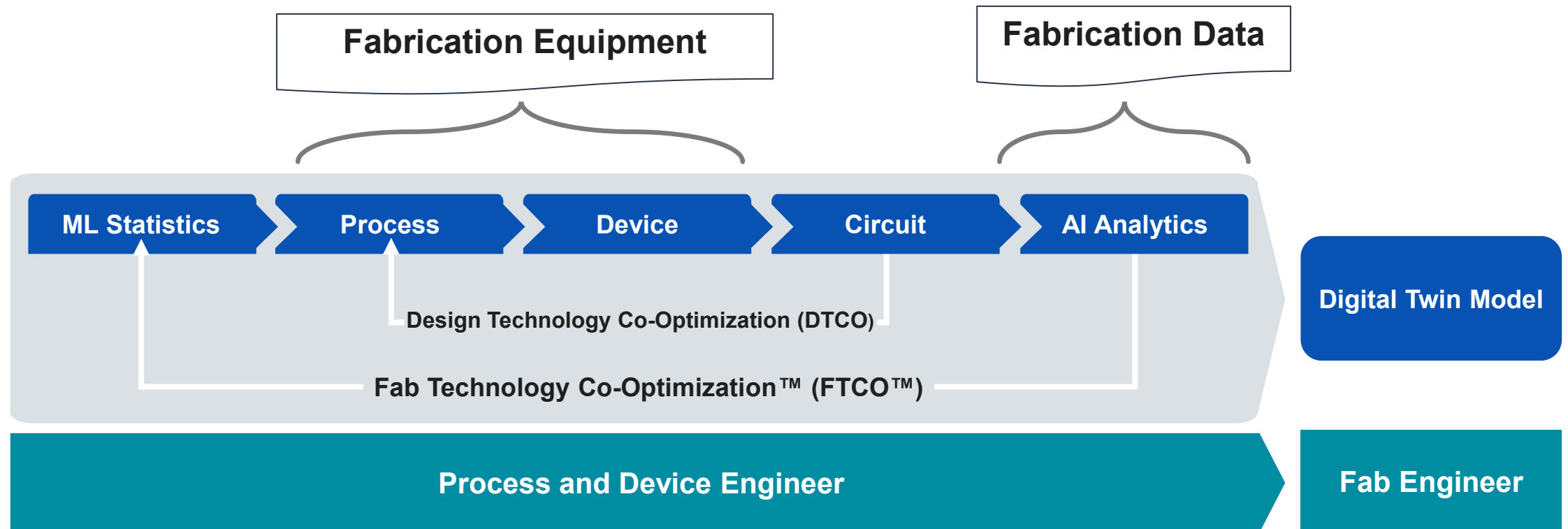
Silvaco Solutions for Design Step

From Atoms to Systems – SoC Design and Analysis



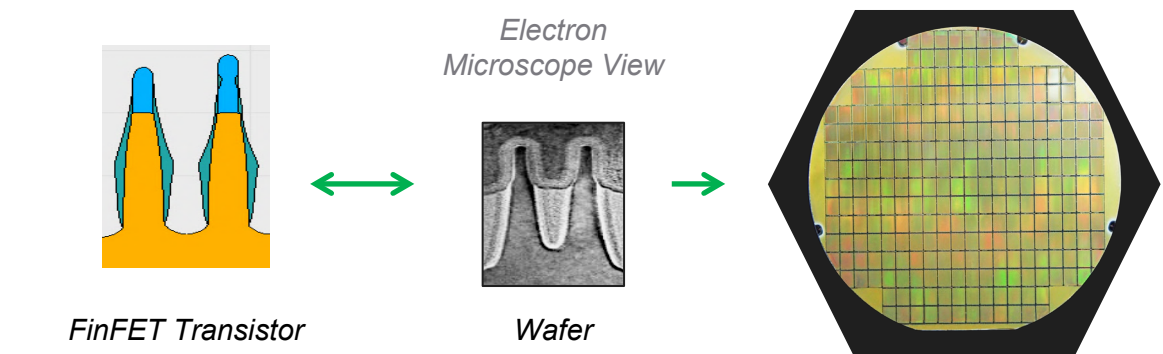
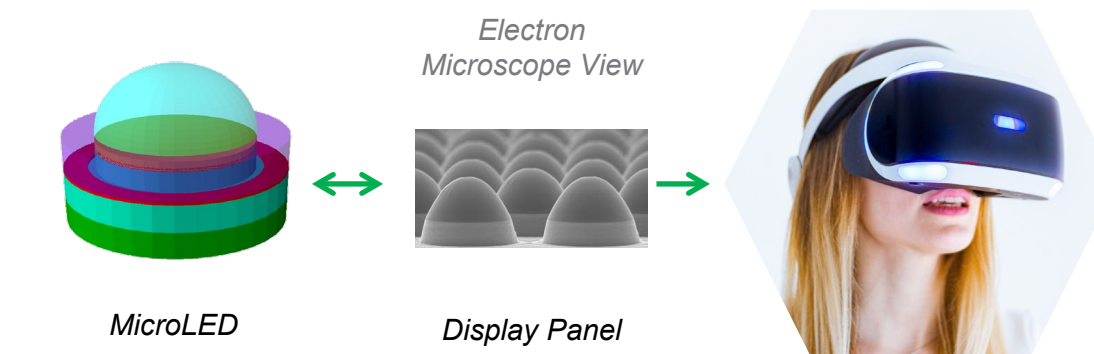
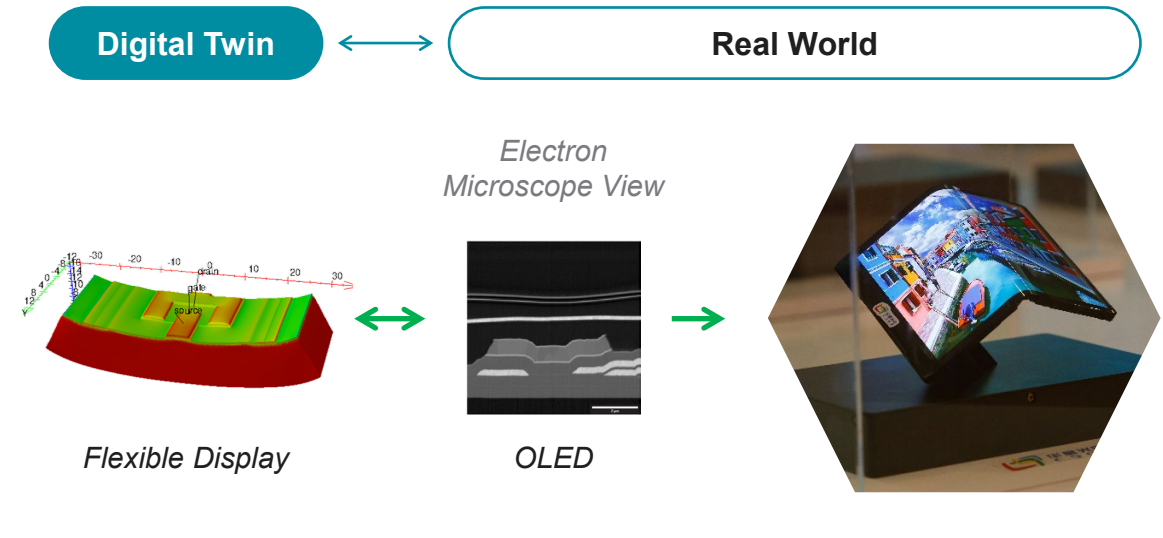
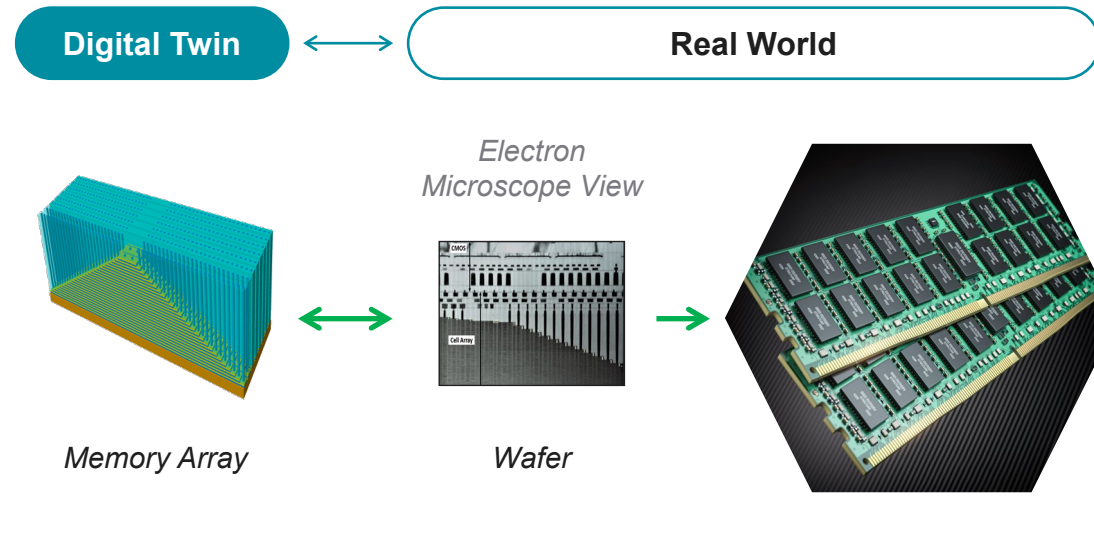
AI-Assisted Optimization for Wafer Fabrication Step

From Atoms to Systems – Seamless TCAD and Multi-Physics Analytics and Simulations









Digital Twin Model(s)

A Simulatable Physics-Based Digital Counterpart that Mirrors the Form, Fit and Function of the Physical world



Silvaco Acquisition of Cadence PPC Product Line Overview

Driving Innovation, Customer Value, and Market Expansion Through Strategic Acquisitions

-  • **Strategic Fit:** Expected to bolster Silvaco's position in the growing optical proximity correction (OPC) markets, aligning with our roadmap for advanced memory manufacturing and foundry expansion
-  • **Customer Synergy:** Expands on existing relationships with key memory manufacturers while addressing advanced node requirements (e.g., EUV and AI-driven lithography).
-  • **Innovation Investment:** Positions Silvaco to integrate AI and machine learning advancements into OPC tools, enhancing efficiency and scalability for next-generation semiconductor manufacturing.
-  • **SAM Growth:** Expands Silvaco's SAM by entering high-value OPC segments (\$357m), delivering critical solutions to a broader customer base.
-  • **Expert Team Integration:** Retains a highly skilled and innovative team, ensuring seamless integration while driving future product development and operational excellence.
-  • **Financial Outlook:** Initial revenue impact in 2025 will be modest due to ASC606 timing, with contributions expected to reach mid-single digit revenue in 2026.

Silvaco Acquisition of Tech-X Strategic Rationale

Driving Innovation, Customer Value, and Market Expansion Through Strategic Acquisitions

→ Provides multi-physics simulation software:

- Enhancing simulation runtime by utilizing GPU and AI algorithms
- Wafer-level digital twin modeling for advanced CMOS and Photonics
- Fundamental technical and competitive advantages vs. alternatives
- Photonics simulation and digital twins including packaging and interconnects

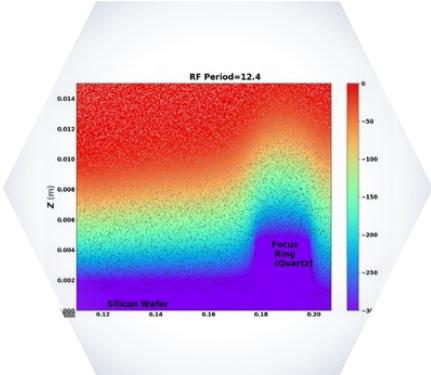
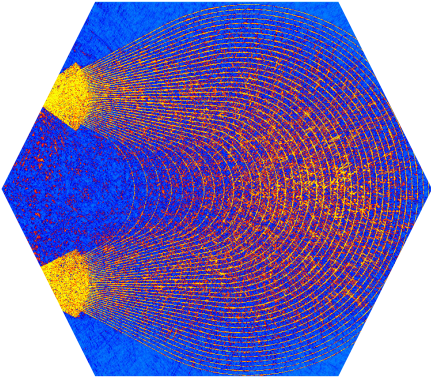
→ Adding new customers from Tech-X for further land and expand synergies

→ Utilizing Silvaco's channel synergy to expand in existing customers

Examples of Tech-X Simulation Applications

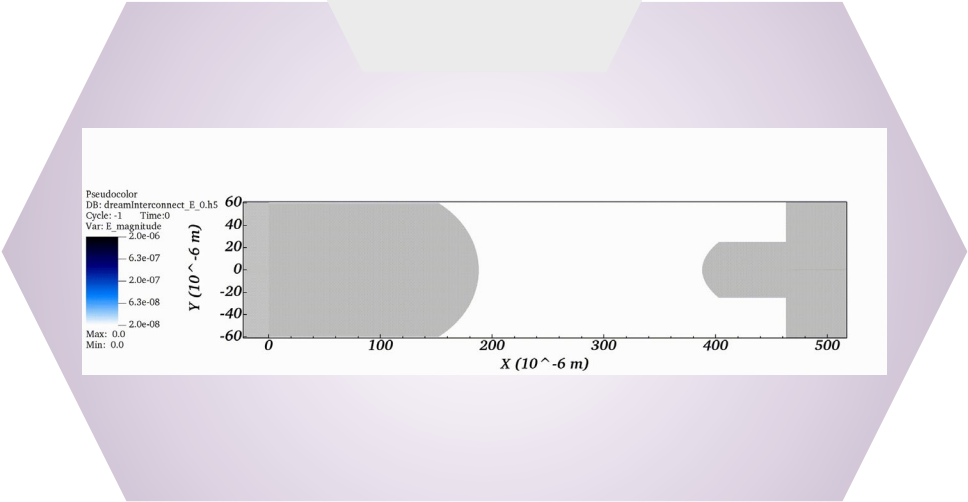
Expanding Our Presence in Multi-Physics and Beyond Wafer-Scale Digital Twins

Light Propagation Simulation in an Arrayed Waveguide Grating



Modeling Plasma Wafer Etching

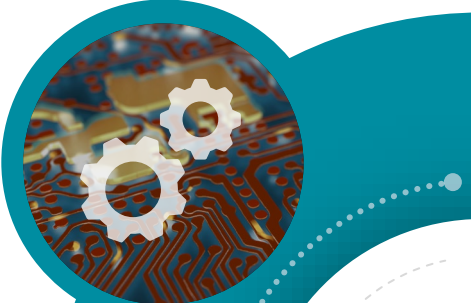
Optical interconnect & Packaging



Four Uses of Artificial Intelligence in EDA Industry

Silvaco is Leveraging AI to Close the Gap Between Design and Fabrication to Improve Yield

Design Tools Optimization

A red circular icon containing a bar chart with an upward-pointing arrow, representing the Fab Assistant tool.

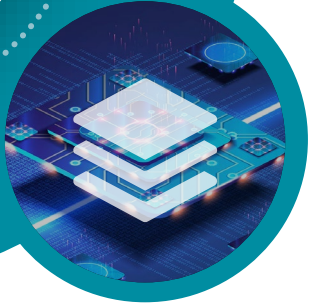
Fab Assistant⁽²⁾
Build Digital Twin of Fab Process



Design Assistant

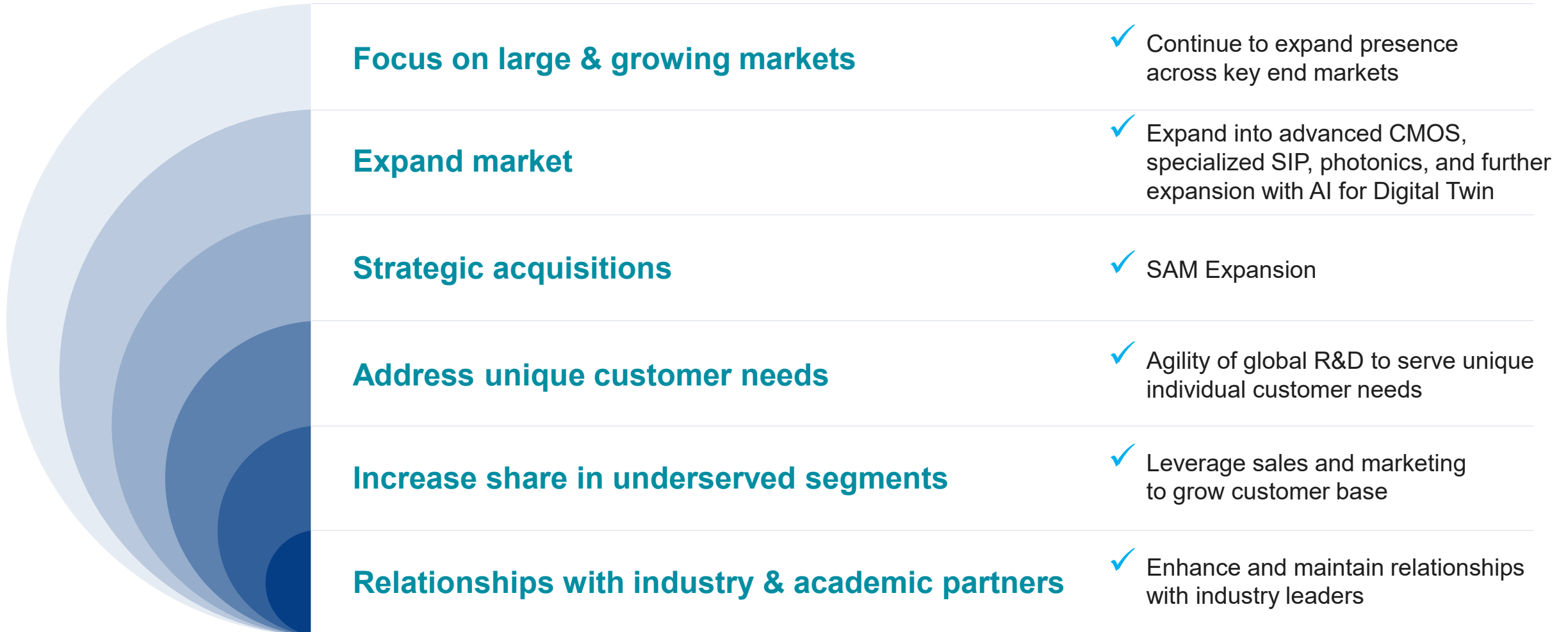


Generative Design



Growth Strategy Summary

Growing TAM and SAM in Semiconductors and Photonics



Highly Recurring Model with Multiple Growth Vectors

Electronic System Design Software is a Crucial Part of the Semiconductor Value Chain



Global Presence

A comprehensive and expanding international strategy that effectively meets diverse customer needs.



FTCO™ Digital-Twin Modeling

Promoting the adoption of our digital-twin modeling product for fab process optimization in memory and other emerging technologies.



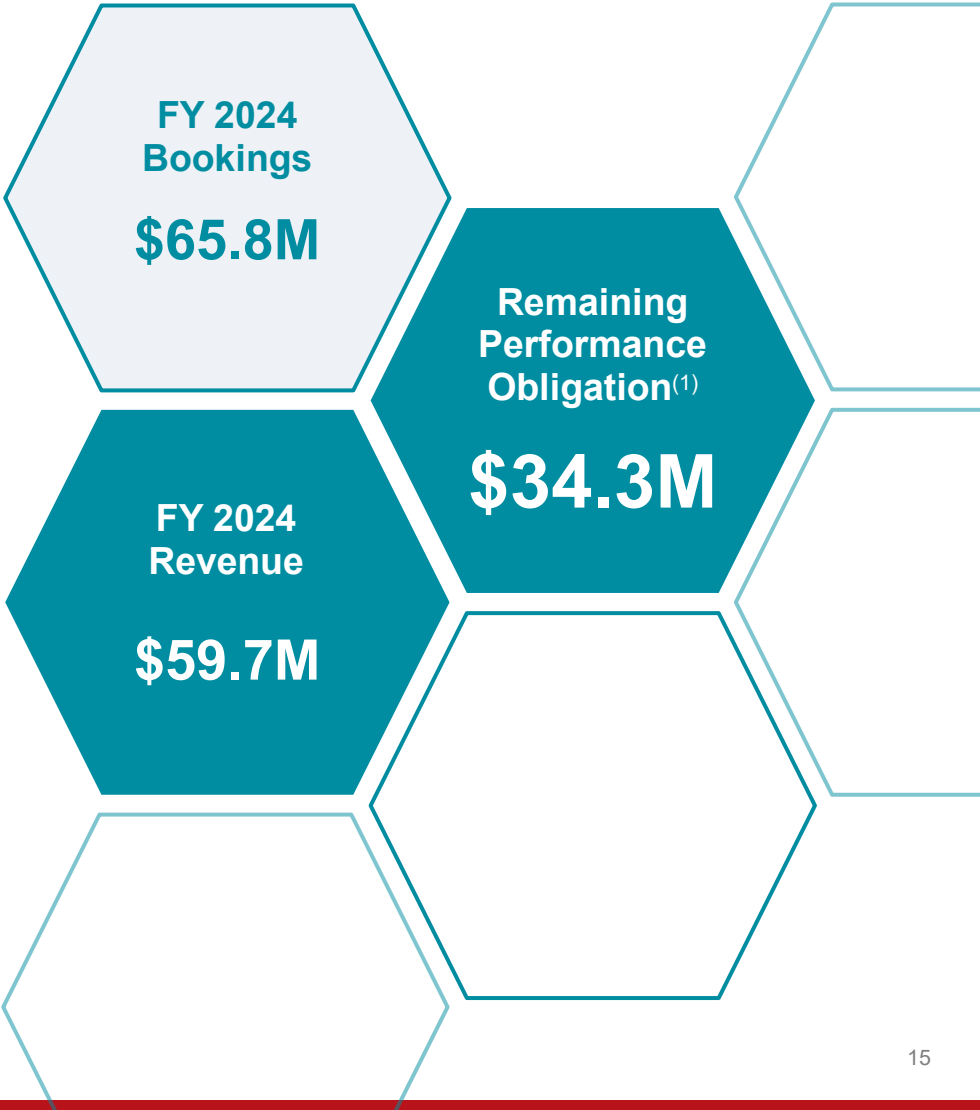
Technology and Product Development

Our R&D is focused on advancing our technology and products in collaboration with strategic customers and partners to drive next-generation technology.



Strategic Acquisitions

Our experienced team has the experience and resources to enable us to identify and execute upon actionable growth opportunities.



1) Remaining Performance Obligation represents contracted revenue that has not yet been recognized, which includes both deferred revenue and backlog, net of cancellations and adjustments, was \$34.3 million as of December 31, 2024.

Q1'25 Non-GAAP Financials

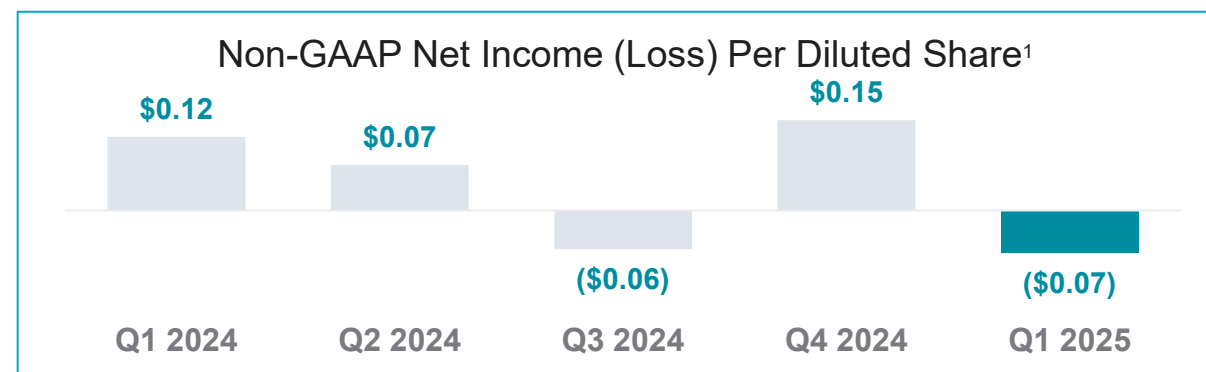
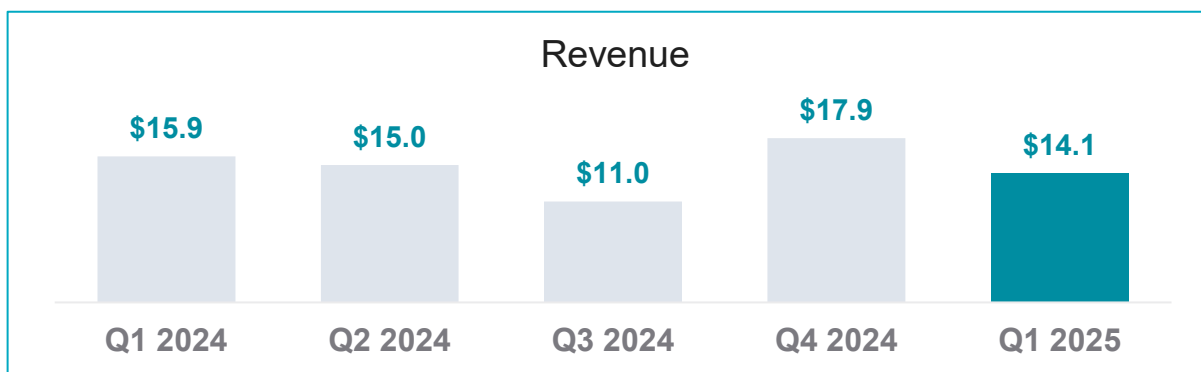
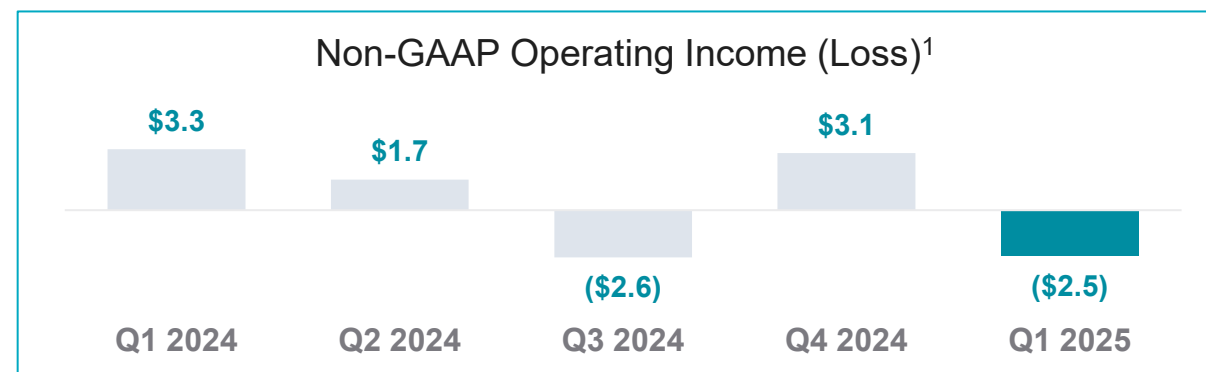
(\$ in millions, except per share amounts)

New Bookings
\$13.7 million
 down 15% y/y

Revenue
\$14.1 million
 down 11% y/y

**Non-GAAP
 Operating Income (Loss)¹**
(\$2.5) million

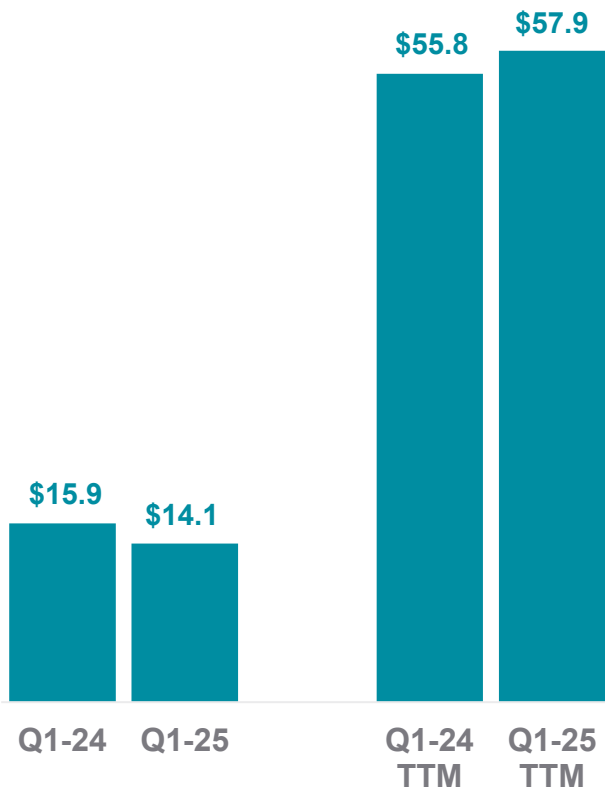
**Non-GAAP Net Income
 (Loss) Per Diluted Share¹**
(\$0.07)



Q1'25 Revenue Performance

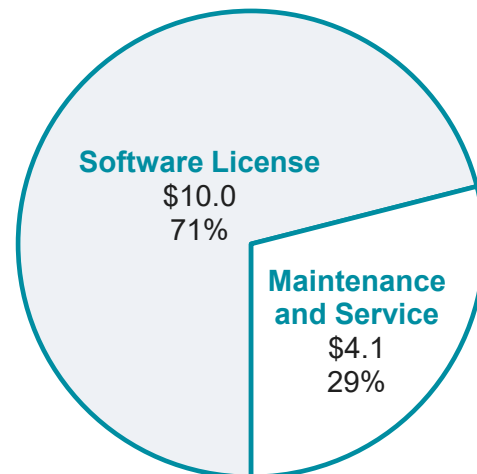
(\$ in millions)

Revenue



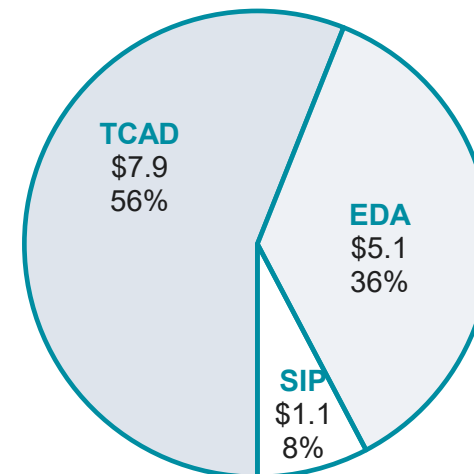
Q1 Sales by Category

- **Software License:** Term-based licenses (averaging 3 years) and semiconductor IP products
- **Maintenance & Service:** Provides additional consistent recurring revenue



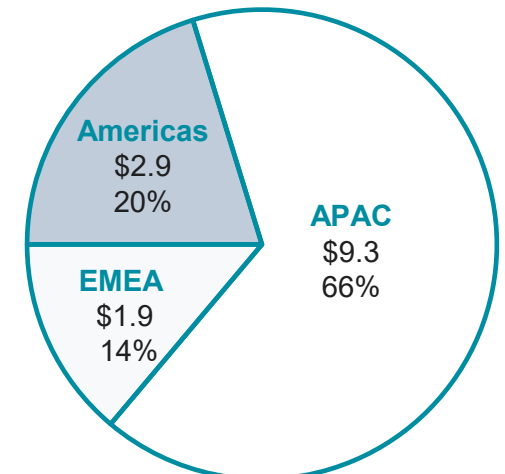
Q1 Sales by Product

- **TCAD:** Down \$2.7 million and 26% from previous year due to timing of renewals
- **EDA:** Up \$0.4 million and 8% from previous year from key PPC renewal
- **SIP:** Up \$0.5 million and 89% from previous year. Key agreement had expired in Q4-23.



Q1 Sales by Region

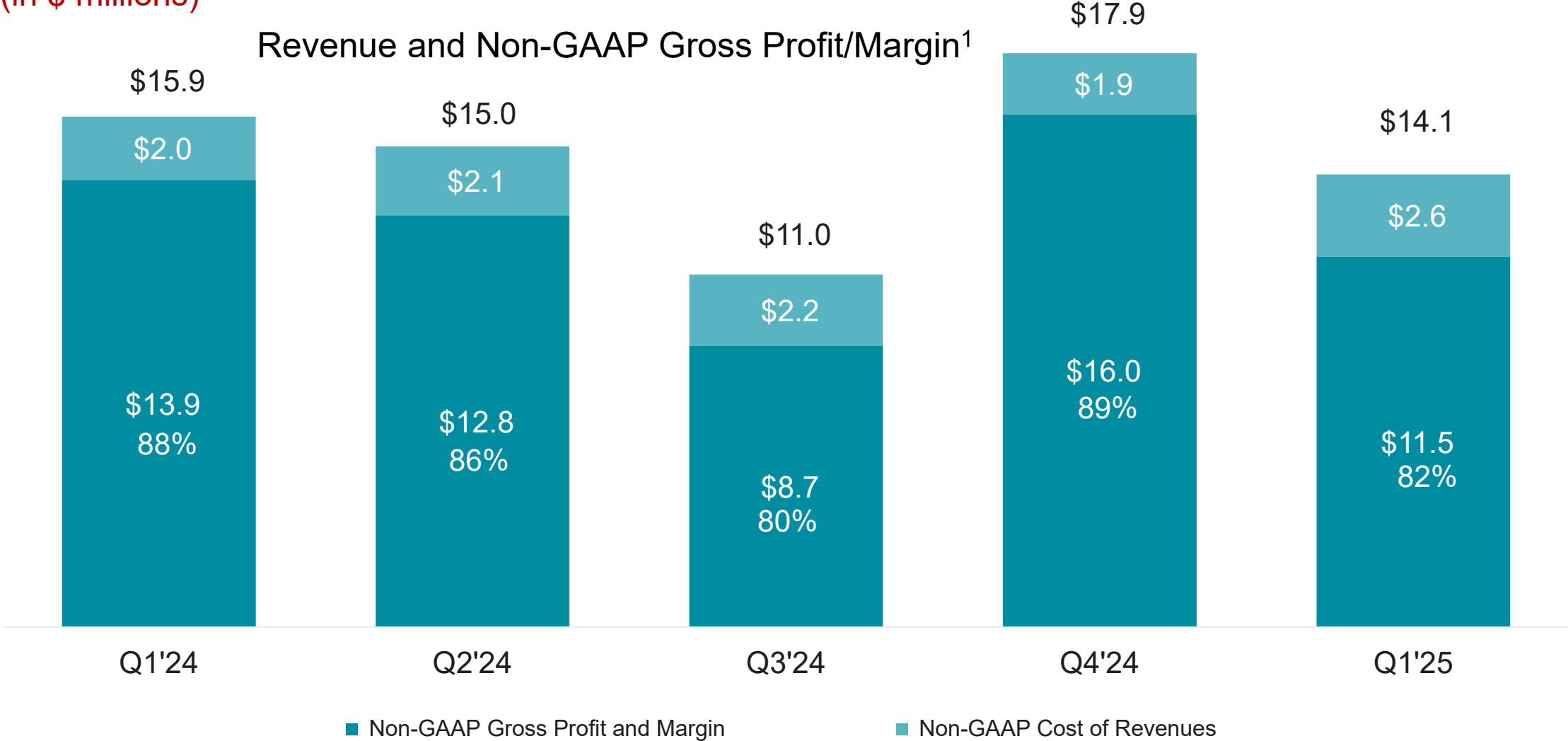
- **Americas:** Down \$1.5 million and 34% from previous year driven by lower TCAD sales.
- **APAC:** Down \$0.5 million and 5% from previous year on lower TCAD sales.
- **EMEA:** Up \$0.1M and 8% from prior year on higher TCAD sales



Growth Unlocks High Margins

Gross Margins Scale Directly with Revenue

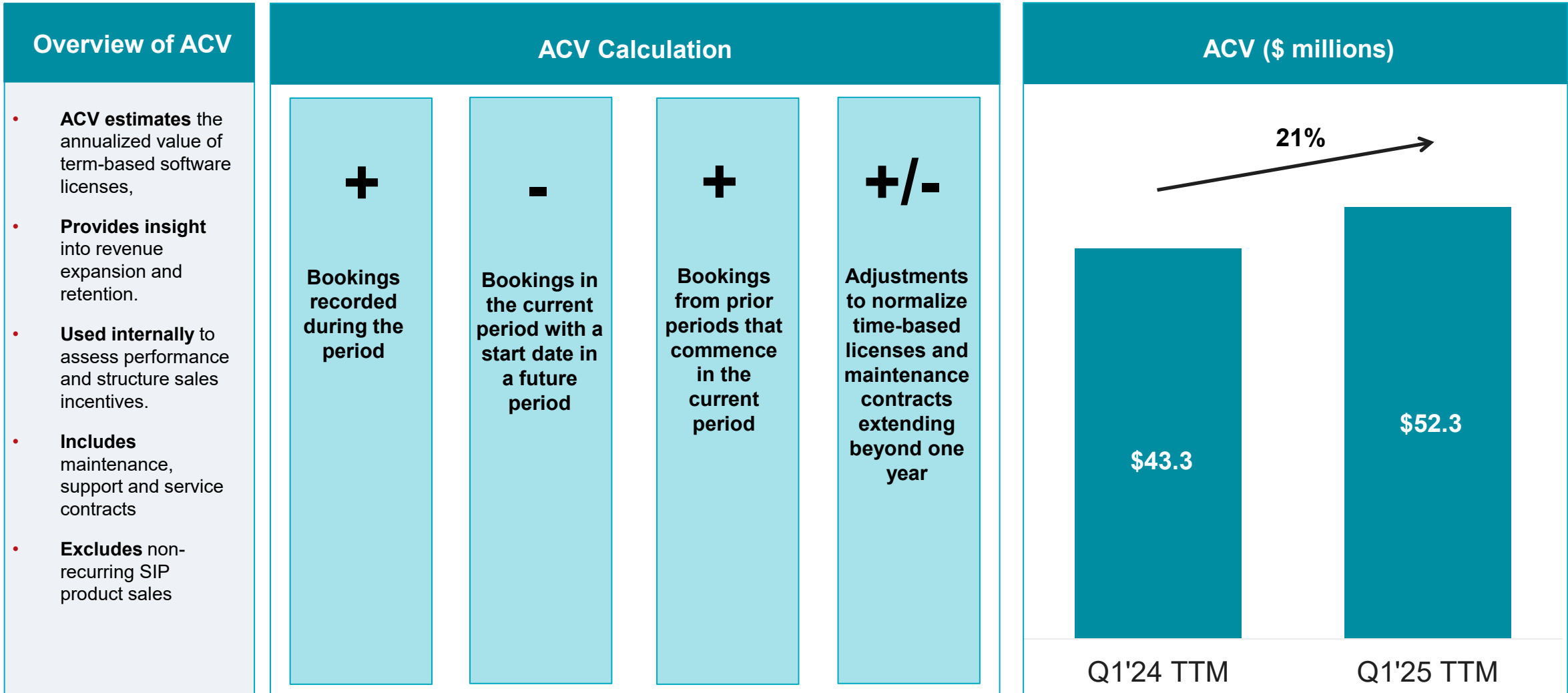
(in \$ millions)



1) See the Appendix for definitions and reconciliations of non-GAAP gross profit and non-GAAP gross margin to their nearest comparable GAAP metrics.

Annual Contract Value (ACV)¹

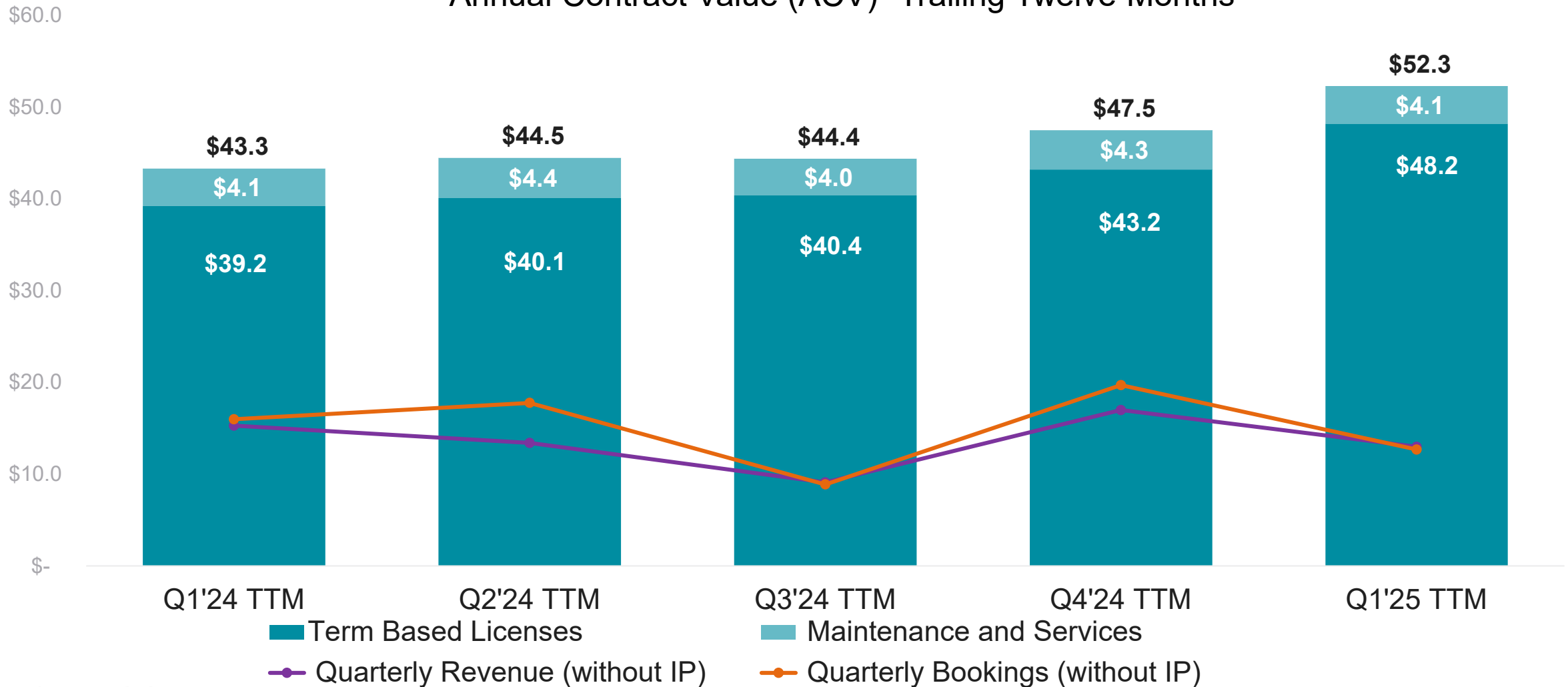
A Key Metric for Predictable, Recurring Revenue Growth



Tracking ACV Growth: Strengthening Recurring Revenue Momentum

(in \$ millions)

Annual Contract Value (ACV)¹ Trailing Twelve Months



Q2FY25 Guidance and FY25 Outlook

Second Quarter 2025 Guidance

- **Gross bookings** in the range of \$14.0 - \$18.0 million, reflecting an 8% to 28% decrease from the second quarter of 2024.
- **Revenue** in the range of \$12.0 - \$16.0 million, representing a 20% decrease to 7% increase from the second quarter of 2024.
- **Non-GAAP gross margin** in the range of 80% - 83% , which compares to 86% in second quarter of 2024.
- **Non-GAAP operating loss** in the range of (\$4.0) to (\$2.0) million, compared to income of \$1.7 million in the second quarter of 2024.
- **Non-GAAP net income (loss) per diluted share** in the range of (\$0.10) – (\$0.03), compared to \$0.07 in the second quarter of 2024.

Full Year 2025 Guidance

- **Gross bookings** in the range of \$67 million to \$74 million, reflecting a 2% to 13% increase from 2024.
- **Revenue** in the range of \$64 million to \$70 million, representing a 7% to 17% increase from 2024.
- **Non-GAAP gross margin** in the range of 83 % to 86%, which would compare to 86% in 2024.
- **Non-GAAP operating income (loss)** in the range of (\$2.0) loss to \$1.0 million income, compared to \$5.5 million income in 2024.
- **Non-GAAP net income (loss) per diluted share** in the range of (\$0.07) loss to \$0.03 income, compared to \$0.25 income in 2025.

Strategic Path to Long-term Growth and Profitability

	2022	2023	2024	2025 Guidance	Long-Term Target	Drivers of Long-term Financial Success
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Revenue Growth YoY	11%	17%	10%	7% - 17%		Expand Core Business with Strategic Growth Initiatives: <ul style="list-style-type: none"> Expand global sales presence and enhance customer engagement. Drive widespread adoption of FTCO™ Digital-Twin solutions. Strengthen strategic alliances for innovation and product development.
Non-GAAP Gross Margin¹	81%	83%	86%	83% - 86%	90%+	Optimize Margins by Leveraging Scale: <ul style="list-style-type: none"> Unlock value through tailored upselling to existing customers. Leverage existing infrastructure to efficiently scale new customer growth.
Non-GAAP Operating Margin¹	5%	8%	9%	(3%) - 1%	25%+	Drive Long-term Profitability through Operational Excellence: <ul style="list-style-type: none"> Gain operating leverage from existing G&A infrastructure. FY25 includes full costs assumed for recent acquisitions


1) See definition and GAAP to Non-GAAP reconciliation for Gross Profit, Gross Margin, Operating Income (Loss) and Operating Margins in the appendices.


Silvaco Investment Highlights


Enabling Customers' Next-Generation Products

 **High Barrier to Entry** Trusted and differentiated platform backed by decades of investment and expertise

 **Large and Growing Market Opportunity** Current \$4.0B+ opportunity⁽¹⁾ including expansion with AI for Digital Twin

 **Differentiated Capabilities Provide Competitive Advantages** TCAD, EDA, and Semiconductor IP, plus Digital Twin technology for fab process

 **Proven with Top Tier Customers** Growing customer base with top-tier customers in established and new markets

 **Team with Deep Industry Expertise** Experienced management team with proven track-record of executing growth and profitable strategies, aiming to transform Silvaco into a market leader

1) Based on ESDA's breakdown of the EDA software market, which includes SIP, Silvaco estimates its solutions compete in portions of the EDA software market representing \$3.1 billion of the global aggregate EDA software market, Silvaco estimate of SAM for its FTCO solution \$0.5 billion, and based on 2023 ESDA RET (Resolution Enhancement Techniques) breakdown of revenue for mask optimization of \$0.4 billion.

Thank you. | **SILVACO**



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Reconciliation—Non-GAAP Cost of Revenues

Appendix

(\$ in thousands)	Three Months Ended	
	Mar. 31, 2025	Mar. 31, 2024
Cost of Revenues	\$3,016	\$1,973
Less:		
Amortization of acquired intangible assets ⁽¹⁾	(199)	—
Stock-based compensation expense	(249)	—
Acquisition-related professional fees and retention bonus ⁽²⁾	(8)	—
Non-GAAP Cost of Revenues	(\$2,560)	\$1,973

Note: We define non-GAAP cost of revenues as our GAAP cost of revenues adjusted to exclude amortization of acquired intangible assets, stock-based compensation expense, and acquisition-related professional fees and retention bonus.

1) Reflects the amortization of intangible assets attributable to our acquisitions and the license developed in partnership with NXP Semiconductors Netherlands B.V. (the "NXP IP").

2) Reflects acquisition-related professional fees and retention bonuses related to acquisitions of OPC/PPC and other potential acquisitions.

Reconciliation—Non-GAAP Gross Profit and Gross Margin

Appendix

(\$ in thousands)	Gross Profit		Gross Margin	
	Three Months Ended		Three Months Ended	
	Mar. 31, 2025	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2024
Gross Profit and Gross Margin	\$11,076	\$13,916	79%	88%
Add:				
Amortization of acquired intangible assets ⁽¹⁾	199	—	1%	—
Stock-based compensation expense	249	—	2%	—
Acquisition-related professional fees and retention bonus ⁽²⁾	8	—	—	—
Non-GAAP Gross Profit and Gross Margin	\$11,532	\$13,916	82%	88%

Note: We define non-GAAP gross profit and gross margin as our GAAP gross profit and gross margin adjusted to exclude amortization of acquired intangible assets, stock-based compensation expense, and acquisition-related professional fees and retention bonus.

1) Reflects the amortization of intangible assets attributable to our acquisitions and the NXP IP.

2) Reflects acquisition-related professional fees and retention bonuses related to acquisitions of OPC/PPC and other potential acquisitions.

Reconciliation—Non-GAAP Operating Income (Loss) and Operating Margin

Appendix

	Operating Loss (Income)		Operating Margin	
	Three Months Ended		Three Months Ended	
	Mar. 31, 2025	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2024
(\$ in thousands)				
Operating Loss (Income) and Operating Margin	(\$19,632)	\$2,388	(139%)	15%
Add:				
Acquisition-related estimated litigation claim and legal costs ⁽¹⁾	13,795	594	98%	4%
Acquisition-related professional fees and retention bonus ⁽²⁾	703	—	5%	—
Amortization of acquired intangible assets ⁽³⁾	362	70	3%	0%
IPO preparation costs ⁽⁴⁾	—	266	—	2%
Stock-based compensation expense	2,277	—	16%	—
Non-GAAP Operating (Loss) Income and Operating Margin	(\$2,495)	\$3,318	(18%)	21%

Note: We define non-GAAP operating income (loss) and operating margin as our GAAP operating income (loss) and operating margin adjusted to exclude certain costs, IPO preparation costs, acquisition-related estimated litigation claim and legal costs, acquisition-related professional fees and retention bonus, stock-based compensation expense, and amortization of acquired intangible assets.

- 1) Reflects litigation-related expenses incurred in connection with our acquisitions and the Nangate estimated litigation claim accrual.
- 2) Reflects acquisition-related professional fees and retention bonuses related to acquisitions of OPC/PPC and other potential acquisitions.
- 3) Reflects the amortization of intangible assets attributable to our acquisitions and the NXP IP.
- 4) Reflects one-time costs including third-party professional services fees and costs incurred in connection with, and in preparation for our IPO.

Reconciliation—Non-GAAP Diluted Net Income (Loss) Per Share

Appendix

	Three Months Ended	
	Mar. 31, 2025	Mar. 31, 2024
Diluted Net (Loss) Income Per Share	(\$0.67)	\$0.07
Add (Less):		
Acquisition-related estimated litigation claim and legal costs ⁽¹⁾	0.48	0.03
Acquisition-related professional fees and retention bonus ⁽²⁾	0.02	—
Amortization of acquired intangible assets ⁽³⁾	0.01	0.00
IPO preparation costs ⁽⁴⁾	—	0.01
Stock-based compensation expense	0.08	—
Change in fair value of contingent consideration ⁽⁵⁾	0.00	(0.00)
Foreign exchange loss	0.01	0.01
Income tax effect of non-GAAP adjustment ⁽⁶⁾	(0.00)	(0.00)
Non-GAAP Diluted Net Income (Loss) Per Share	(\$0.07)	\$0.12

Note: We define diluted non-GAAP net (loss) income per share as our GAAP diluted net (loss) income per share adjusted to exclude certain costs, including IPO preparation costs, acquisition-related estimated litigation claim and legal costs, acquisition-related professional fees and retention bonus, stock-based compensation expense, amortization of acquired intangible assets, change in fair value of contingent consideration, foreign exchange (gain) loss, and the income tax effect on non-GAAP items.

- 1) Reflects litigation-related expenses incurred in connection with our acquisitions and the Nangate estimated litigation claim accrual
- 2) Reflects acquisition-related professional fees and retention bonuses related to acquisitions of OPC/PPC and other potential acquisitions.
- 3) Reflects the amortization of intangible assets attributable to our acquisitions and the NXP IP.
- 4) Reflects one-time costs including third-party professional services fees and costs incurred in connection with, and in preparation for our IPO.
- 5) Includes the change in fair value of contingent consideration recorded in connection with our acquisitions.
- 6) Reflects the increase in income tax expenses due to Non-GAAP adjustments.