



Arteris

2Q 2025 Earnings Presentation

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ARTERIS 

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In addition to the financials presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation includes the following non-GAAP metrics: non-GAAP operating expenses, non-GAAP operating income (loss) and free cash flow. 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 Arteris' 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.

Arteris is unable to provide a reconciliation of certain non-GAAP guidance metrics in this presentation because the corresponding GAAP measures are not accessible on a forward-looking basis. Due to the potential variability and limited visibility of the excluded items, providing such reconciliation would necessitate unreasonable effort.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

2Q Business Highlights (1 of 2)

- Achieved \$69.1 million ACV plus Royalties and \$99.3 million RPO, increases of 15% and 28% Y/Y respectively; both record highs for Arteris
- Recognized in the 8th annual AI Breakthrough Awards, with FlexGen winning the “AI Engineering Innovation Award”
- Announced the expansion of our multi-die solution, broadening support for UCle, extended support for Arm AMBA protocols, collaborating with Synopsys and Cadence for their chiplet interface, and supporting multiple RISC-V ecosystem partners
- Announced the release of Magillem Packaging, a new software product designed to automate IP packaging to simplify and speed up the process of assembling silicon chiplets and chips

2Q Business Highlights (2 of 2)



AMD licensed Arteris FlexGen smart network-on-chip IP for its chiplets powering AI, across the company's broad portfolio which spans from data centers to edge and end devices



Renesas is leveraging Arteris multi-die technology in its R-Car Gen 5 SoC platform for advanced driver-assistance systems (ADAS) that integrate CPUs, AI-enabled NPU, IVI-enabled GPUs, and further boost AI throughput via chiplets



Whalechip, a provider of high-performance computing ASICs for high-bandwidth applications, licensed FlexNoC for cloud servers, ADAS, and more

2Q 2025 Results

Revenue, ACV + Royalties, RPO, Gross Profit

| | 2Q 2024 | 1Q 2025 | 2Q 2025 Guidance | 2Q 2025 |
|-------------------------------|------------------|------------------|-------------------|------------------------------|
| Revenue | \$14.6M | \$16.5M | \$16.1M - \$16.5M | \$16.5M (+13% Y/Y) |
| ACV + Royalties | \$60.1M | \$66.8M | \$66M - \$70M | \$69.1M (+15% Y/Y) |
| RPO | \$77.5M | \$88.9M | N/A | \$99.3M (+28% Y/Y) |
| Non-GAAP Gross Profit* | \$13.4M (92%) | \$15.3M (92%) | N/A | \$15.0M (91%) |

*Non-GAAP measure: See appendix for reconciliation to closest GAAP measure

2Q 2025 Results

Operating Expenses, Operating Income (Loss)

| | 2Q 2024 | 1Q 2025 | 2Q 2025 Guidance | 2Q 2025 |
|-------------------------|---------------------------------------|---------------------------------------|-------------------------------|---|
| Operating Expenses | Non-GAAP*: \$16.8M GAAP: \$20.6M | Non-GAAP*: \$18.4M GAAP: \$22.7M | N/A | Non-GAAP*: \$18.6M (+10% Y/Y) GAAP: \$23.0M |
| Operating Income (Loss) | Non-GAAP*: (\$3.5M) GAAP: (\$7.4M) | Non-GAAP*: (\$3.2M) GAAP: (\$7.7M) | Non-GAAP*: (\$4M) – (\$3M) | Non-GAAP*: (\$3.5M) (flat Y/Y) GAAP: (\$8.2M) |

*Non-GAAP measure: See appendix for reconciliation to closest GAAP measure.

2Q 2025 Results

Free Cash Flow, Cash

| | 2Q 2024 | 1Q 2025 | 2Q 2025 Guidance | 2Q 2025 |
|--------------------------------------|---------|---------|------------------|----------|
| Free Cash Flow* | \$0.3M | \$2.7M | (\$5M) – \$0M | (\$2.8M) |
| Cash, Cash Equivalents & Investments | \$53.9M | \$55.1M | N/A | \$53.9M |

**Non-GAAP measure: See appendix for reconciliation to closest GAAP measure*

Guidance

3Q 2025 Guidance

FY 2025 Guidance

ACV + Royalties¹

\$69.5M - \$72.5M

Revenue²

\$16.8M - \$17.2M

ACV + Royalties³

\$72M - \$78M

Revenue⁴

\$66M - \$70M

**Non-GAAP Op.
Income**

(\$4M) – (\$3M)

Free Cash Flow

\$0.5M – \$3.5M

**Non-GAAP Op.
Income**

(\$15.5M) – (\$10.5M)

Free Cash Flow

\$1M – \$7M

¹ 71M at the midpoint, +\$10.5M Y/Y (+17%) ³ 75M at the midpoint, +\$9.9M Y/Y (+15%)
² 17M at the midpoint, +\$2.3M Y/Y (+16%) ⁴ 68M at the midpoint, +\$10.3M Y/Y (+18%)

Arteris has not provided a quantitative reconciliation of its Q3 2025 or FY 2025 guidance for non-GAAP operating income or free cash flow, in either case, to the closest GAAP measure, within this press release because the Company is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence. These items include, but are not limited to, inventory valuation adjustment and equity securities fair value adjustment. These items, which could materially affect the computation of forward-looking GAAP measures, are inherently uncertain and depend on various factors, some of which are outside of the Company's control.

Appendix - Non-GAAP Financial Measures

To supplement our financial results, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core performance. These non-GAAP measures, which may be different than similarly-titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered in isolation, as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We define "Non-GAAP gross profit" as GAAP gross profit, adjusted for stock-based compensation expense and amortization of acquired intangible assets included in cost of revenue. We define "Non-GAAP operating expenses" as GAAP operating expenses, adjusted for stock-based compensation and amortization of acquired intangible assets. We define "Non-GAAP operating income (loss)" as GAAP operating income (loss) adjusted to exclude stock-based compensation and amortization of acquired intangible assets.

The above items are excluded from our Non-GAAP gross profit, Non-GAAP operating expenses and Non-GAAP operating income (loss) because these items are non-cash in nature, or are not indicative of our core operating performance, and render comparisons with prior periods and competitors less meaningful. We believe Non-GAAP gross profit, Non-GAAP operating expenses and Non-GAAP operating income (loss) provide useful supplemental information to investors and others in understanding and evaluating our results of operations, as well as provide a useful measure for period-to-period comparisons of our business performance.

We define free cash flow as net cash provided by (used in) operating activities less cash used for purchases of property and equipment. We believe that free cash flow is a useful indicator of liquidity that provides information to management and investors, even if negative, about the amount of cash used in our operations other than that used for investments in property and equipment.

Appendix - GAAP To Non-GAAP Reconciliation

Gross profit

| In \$ thousands | Three Months Ending: | | |
|--|----------------------|-------------------|------------------|
| | June 30, 2024 | March 31, 2025 | June 30, 2025 |
| Revenue | 14,575 | 16,532 | 16,502 |
| Gross profit | 13,117 | 15,006 | 14,760 |
| Add: | | | |
| Stock-based compensation expense included in cost of revenue | 186 | 205 | 232 |
| Amortization of acquired intangible assets | 50 | 50 | 50 |
| Non-GAAP gross profit | 13,353 | 15,261 | 15,042 |
| Non-GAAP gross margin | 92% | 92% | 91% |

Appendix - GAAP To Non-GAAP Reconciliation

Operating expenses

| In \$ thousands | Three Months Ending: | | |
|--|----------------------|-------------------|------------------|
| | June 30, 2024 | March 31, 2025 | June 30, 2025 |
| Operating expenses | 20,558 | 22,714 | 23,008 |
| Less: | | | |
| Stock-based compensation expense | 3,574 | 4,108 | 4,265 |
| Amortization of acquired intangible assets | 142 | 167 | 167 |
| Non-GAAP operating expenses | 16,842 | 18,439 | 18,576 |

Appendix - GAAP To Non-GAAP Reconciliation

Operating income (loss)

| In \$ thousands | Three Months Ending: | | |
|--|----------------------|-------------------|------------------|
| | June 30, 2024 | March 31, 2025 | June 30, 2025 |
| Operating Income (Loss) | (7,441) | (7,708) | (8,248) |
| Add: | | | |
| Stock-based compensation expense | 3,760 | 4,313 | 4,497 |
| Amortization of acquired intangible assets | 192 | 217 | 217 |
| Non-GAAP Operating Income (Loss) | (3,489) | (3,178) | (3,534) |

Appendix –Free Cash Flow

| In \$ thousands | Three Months Ending: | | |
|---|----------------------|-------------------|------------------|
| | June 30, 2024 | March 31, 2025 | June 30, 2025 |
| Net cash provided by (used in) operating activities | 311 | 2,860 | (2,485) |
| Less: | | | |
| Purchase of property and equipment | 47 | 183 | 355 |
| Free cash flow | 264 | 2,677 | (2,840) |