



# Arteris

## 3Q 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.

## 3Q Business Highlights (1 of 2)

- Achieved record annual ACV+Royalties of \$74.9M, representing 24% Y/Y growth driven by adoption in enterprise computing and automotive applications—particularly from proliferation of AI computing
- In addition to AMD in the 2<sup>nd</sup> quarter and Altera announced today, we added 4 FlexGen customers in the 3<sup>rd</sup> quarter
- 2 of the top 5 global automotive electric vehicle OEMs expanded their use of Arteris technologies
- Arteris was recognized for its continuous innovation, winning “Most Innovative Tech Company of the Year” in the 22<sup>nd</sup> Annual International Business Awards

## 3Q Business Highlights (2 of 2)



Altera expanded its broad use of existing Arteris IP products with Ncore, FlexGen, and licensed Magillem integration automation software to advance intelligent computing across AI cloud to edge applications



AMD expanded their Arteris footprint, beyond the Q2 FlexGen order announcement, with additional incremental licenses of Arteris NoC IP and Software products in the third quarter, to be used for a broad range of applications



Alibaba DAMO Academy expanded collaboration enabling their RISC-V CPU cores to better integrate Arteris IPs to help enable mutual customers for edge AI, server, communications, and automotive applications



NanoXplore, a provider of silicon technology serving the aerospace, defense, avionics, and industrial markets licensed FlexGen smart NoC IP to be used in space



2V Systems licensed Ncore and FlexNoC interconnect for development of an IO Hub chiplet to meet the bandwidth, latency, and efficiency demands of data center computing and cloud infrastructure



Arteris joined the Ultra Accelerator Link Consortium (UALink) with the goal to establish an optimized scale-up ecosystem across multiple AI accelerators, with Arteris' NoC IPs serving a key role in AI chiplets & SoCs

# 3Q 2025 Results

Revenue, ACV + Royalties, RPO, NG Gross Profit

	3Q 2024	2Q 2025	3Q 2025 Guidance	3Q 2025
Revenue	\$14.7M	\$16.5M	\$16.8M - \$17.2M	<b>\$17.4M</b> (+18% Y/Y)
ACV + Royalties	\$60.5M	\$69.1M	\$69.5M - \$72.5M	<b>\$74.9M</b> (+24% Y/Y)
RPO	\$78.4M	\$99.3M	N/A	<b>\$104.7M</b> (+34% Y/Y)
Non-GAAP Gross Profit*	\$13.5M (92%)	\$15.0M (91%)	N/A	<b>\$15.9M</b> (91%)

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

# 3Q 2025 Results

## Operating Expenses, Operating Income (Loss)

	3Q 2024	2Q 2025	3Q 2025 Guidance	3Q 2025
Operating Expenses	Non-GAAP*: \$16.8M GAAP: \$21.2M	Non-GAAP*: \$18.6M GAAP: \$23.0M	N/A	Non-GAAP*: \$19.5M (+16% Y/Y) GAAP: \$24.4M
Operating Income (Loss)	Non-GAAP*: (\$3.3M) GAAP: (\$7.9M)	Non-GAAP*: (\$3.5M) GAAP: (\$8.2M)	Non-GAAP*: (\$4M) – (\$3M)	Non-GAAP*: (\$3.5M) (-6 Y/Y%) GAAP: (\$8.7M)

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

# 3Q 2025 Results

Free Cash Flow, Cash

	3Q 2024	2Q 2025	3Q 2025 Guidance	3Q 2025
Free Cash Flow*	\$1.1M	(\$2.8M)	\$0.5M – \$3.5M	\$2.5M
Cash, Cash Equivalents & Investments	\$54.5M	\$53.9M	N/A	\$56.2M

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

# Guidance

## 4Q 2025 Guidance

### ACV + Royalties<sup>1</sup>

\$74M - \$78M

### Revenue<sup>2</sup>

\$18.4M - \$18.8M

### Non-GAAP Op. Income

(\$3.3M) – (\$2.3M)

### Free Cash Flow

\$0.2M – \$3.2M

## FY 2025 Guidance

### ACV + Royalties<sup>3</sup>

\$74M - \$78M

### Revenue<sup>4</sup>

\$68.8M - \$69.2M

### Non-GAAP Op. Income

(\$13.5M) – (\$12.5M)

### Free Cash Flow

\$2.5M – \$5.5M

<sup>1</sup> 76M at the midpoint, +\$10.9M Y/Y (+17%) <sup>3</sup> 76M at the midpoint, +\$10.9M Y/Y (+17%)  
<sup>2</sup> 18.6M at the midpoint, +\$3.1M Y/Y (+20%) <sup>4</sup> 69M at the midpoint, +\$11.3M Y/Y (+20%)

Arteris has not provided a quantitative reconciliation of its 3Q 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:		
	Sept 30, 2024	June 30, 2025	Sept 30, 2025
Revenue	14,713	16,502	17,408
Gross profit	13,252	14,760	15,642
Add:			
Stock-based compensation expense included in cost of revenue	221	232	228
Amortization of acquired intangible assets	50	50	50
Non-GAAP gross profit	13,523	15,042	15,920
Non-GAAP gross margin	92%	91%	91%

# Appendix - GAAP To Non-GAAP Reconciliation

## Operating expenses

In \$ thousands	Three Months Ending:		
	Sept 30, 2024	June 30, 2025	Sept 30, 2025
Operating expenses	21,171	23,008	24,356
Less:			
Stock-based compensation expense	4,169	4,265	4,728
Amortization of acquired intangible assets	167	167	167
Non-GAAP operating expenses	16,835	18,576	19,461

# Appendix - GAAP To Non-GAAP Reconciliation

## Operating income (loss)

In \$ thousands	Three Months Ending:		
	Sept 30, 2024	June 30, 2025	Sept 30, 2025
Operating Income (Loss)	(7,919)	(8,248)	(8,714)
Add:			
Stock-based compensation expense	4,390	4,497	4,956
Amortization of acquired intangible assets	217	217	217
Non-GAAP Operating Income (Loss)	(3,312)	(3,534)	(3,541)

# Appendix –Free Cash Flow

In \$ thousands	Three Months Ending:		
	Sept 30, 2024	June 30, 2025	Sept 30, 2025
Net cash provided by (used in) operating activities	1,124	(2,485)	3,187
Less:			
Purchase of property and equipment	(31)	(355)	(716)
Free cash flow	1,093	(2,840)	2,471