

Silicom Connectivity Solutions

AI Inference | Post-Quantum Security | White-Label Switching



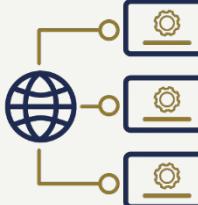
venture upside.
Public Access.

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Venture Upside. Public Access.

Silicom: An Established Public Company with Startup-Like Upside

-  Positioned to deliver **venture-style upside** across AI inference, post-quantum cybersecurity, and white-label switching markets
-  Built on **20+ years** of IP, engineering excellence, and execution at scale
-  Trusted by **industry leaders** for complex, high-performance hardware solutions



The Investment Thesis



The Opportunity

Venture-style upside in public markets with exposure to three high-growth markets: AI inference, Post-Quantum Cryptography, and White-Label Switching



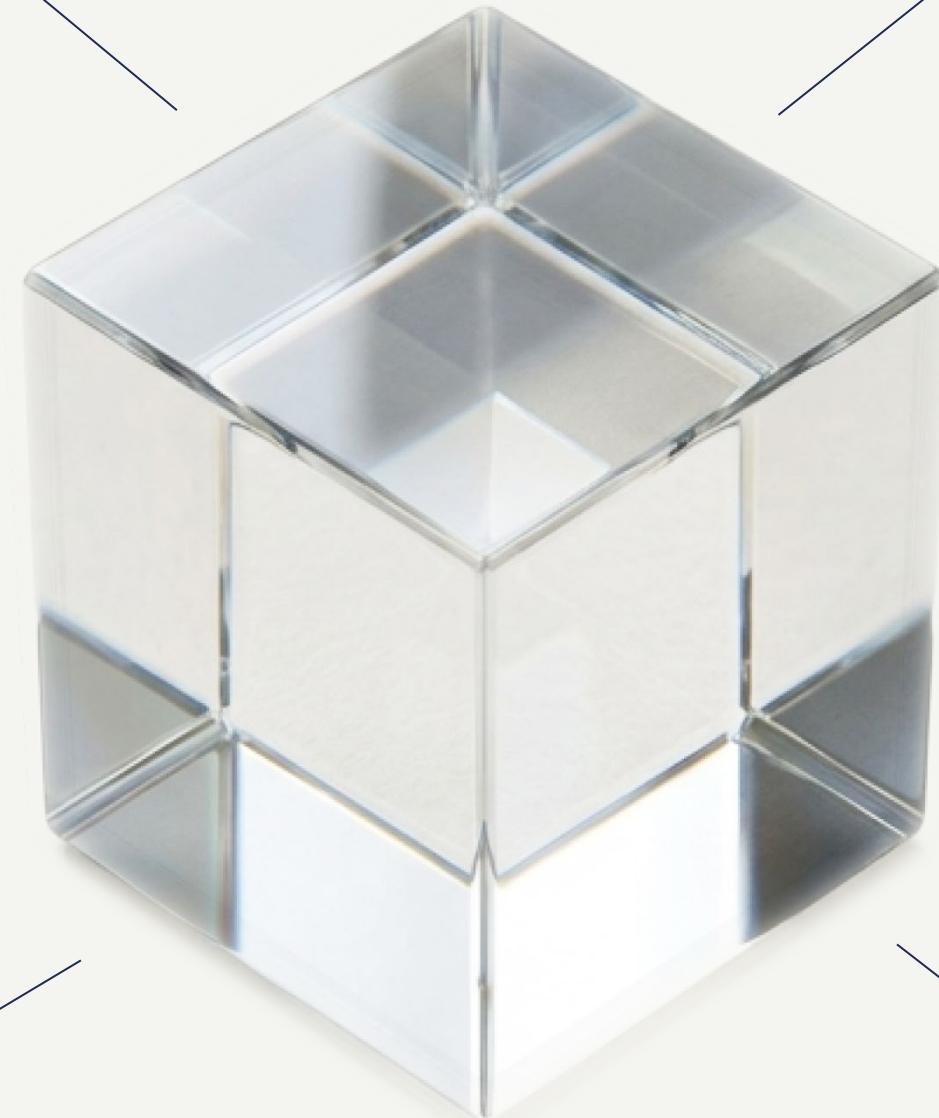
Market Scale

Large and expanding market opportunities: AI inference (\$80-100B), PQC (\$3-4B), and WLS (\$6-7B) by 2030



Early Proof

Demonstrable execution traction across all three opportunities, including design wins, initial orders, and advanced customer engagements



The Foundation

Proven execution platform with 20+ years of IP development, engineering, and delivery of high-performance networking and hardware acceleration solutions



Financial Strength

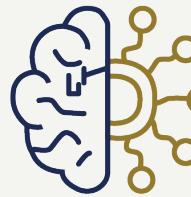
\$74M cash, \$111M working capital and marketable securities (~\$20 per share), no debt, and \$117M in shareholders equity



Customer Leverage

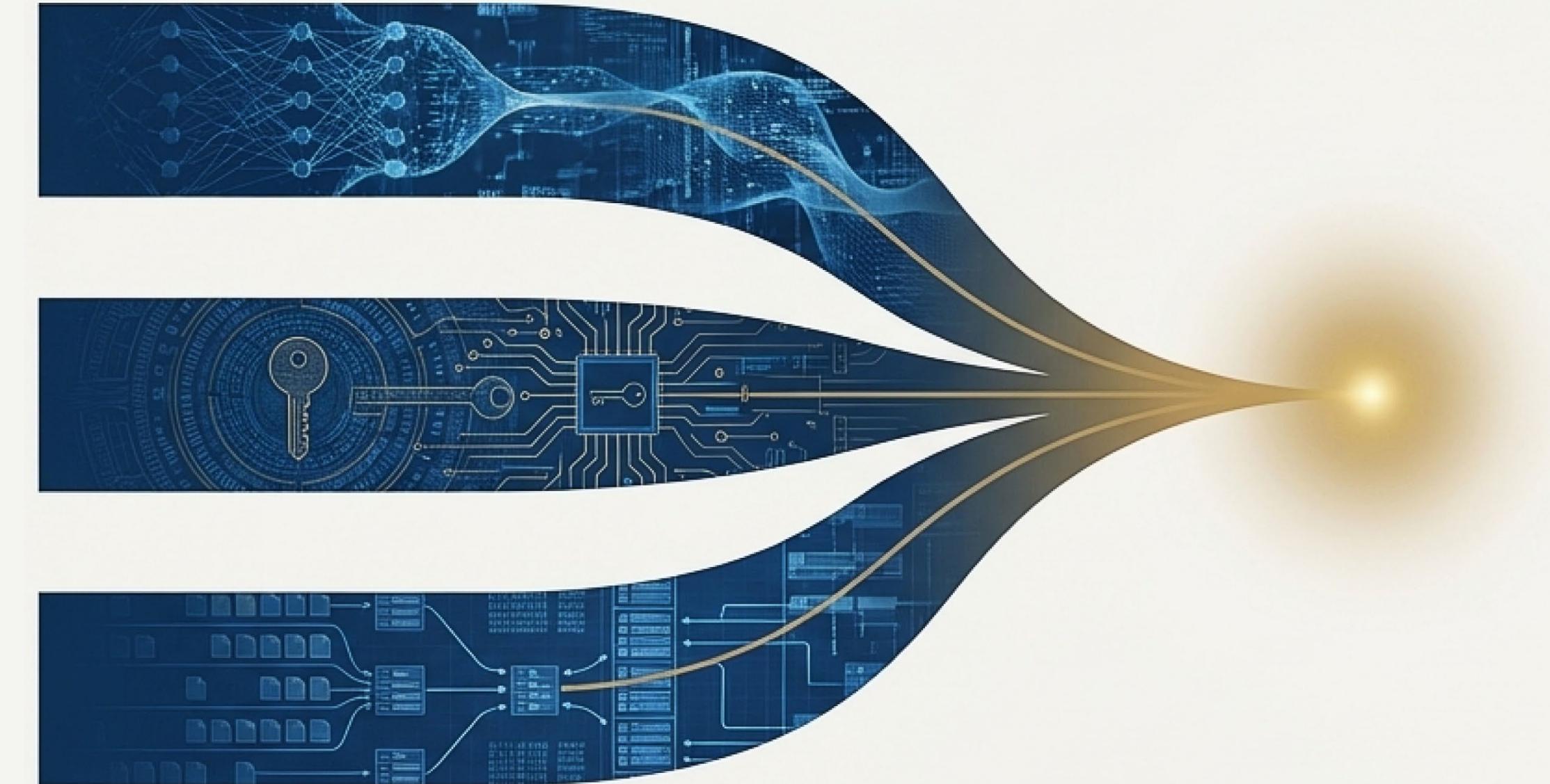
A large, global, loyal Tier-1 customer base enabling scalable adoption and long-term growth

Three Tectonic Shifts in Technology Infrastructure



AI INFERENCE

Rapidly growing demand for efficient, scalable inference infrastructure as AI focus and investments shift from training to inference at scale



POST-QUANTUM CYBERSECURITY

An inevitable, mandatory transition as quantum threats force a global replacement of legacy cryptography



WHITE-LABEL SWITCHING

Network Disaggregation expanding well beyond hyperscalers, enabling new challengers to proprietary incumbents

These are large TAMs undergoing **structural-not cyclical-change**, where early positioning is critical

Core Business Ahead of Plan - Upsides Build on Strength, Not Repair a Weakness



Core Business Momentum

- 2025 exceeded expectations; resilient demand
- **Double-digit growth** planned for 2026 is on track
- Design-win momentum consistent with 6-year strategic plan



The Strategic Context

- The three upside opportunities (AI, PQC, WLS) are **incremental growth** engines
- **Not** a response to underperformance
- Designed to **enhance momentum**, not distract from execution

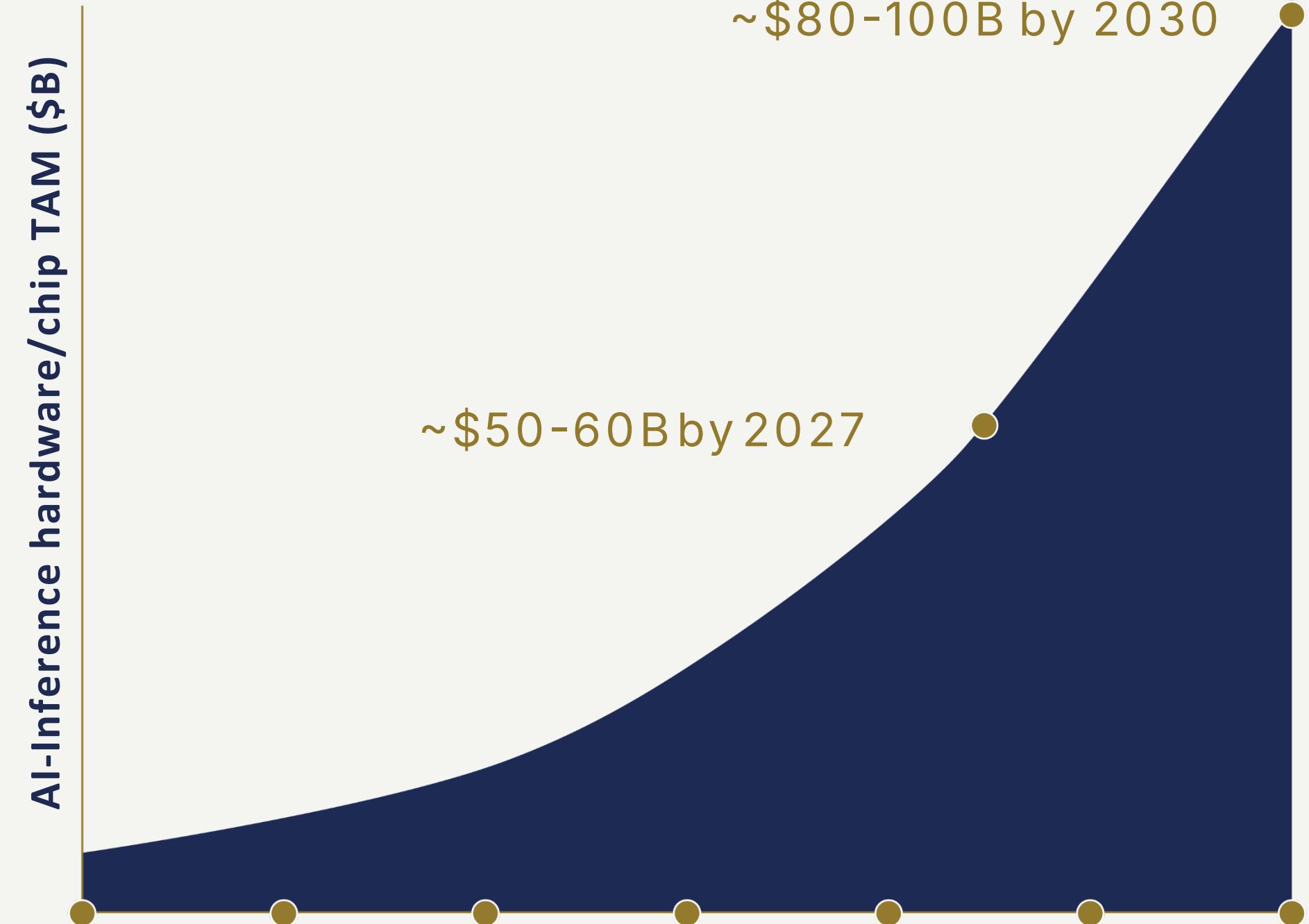
AI Inference: The Next Phase of AI Monetization

The Shift

- AI economics are rapidly shifting from training-centric to **inference-driven**
- Recent multi-billion-dollar investments & acquisitions highlight the strategic value of inference infrastructure
- **Fragmented inference deployments** (versus centralized training) create demand for specialized networking solutions

The Opportunity

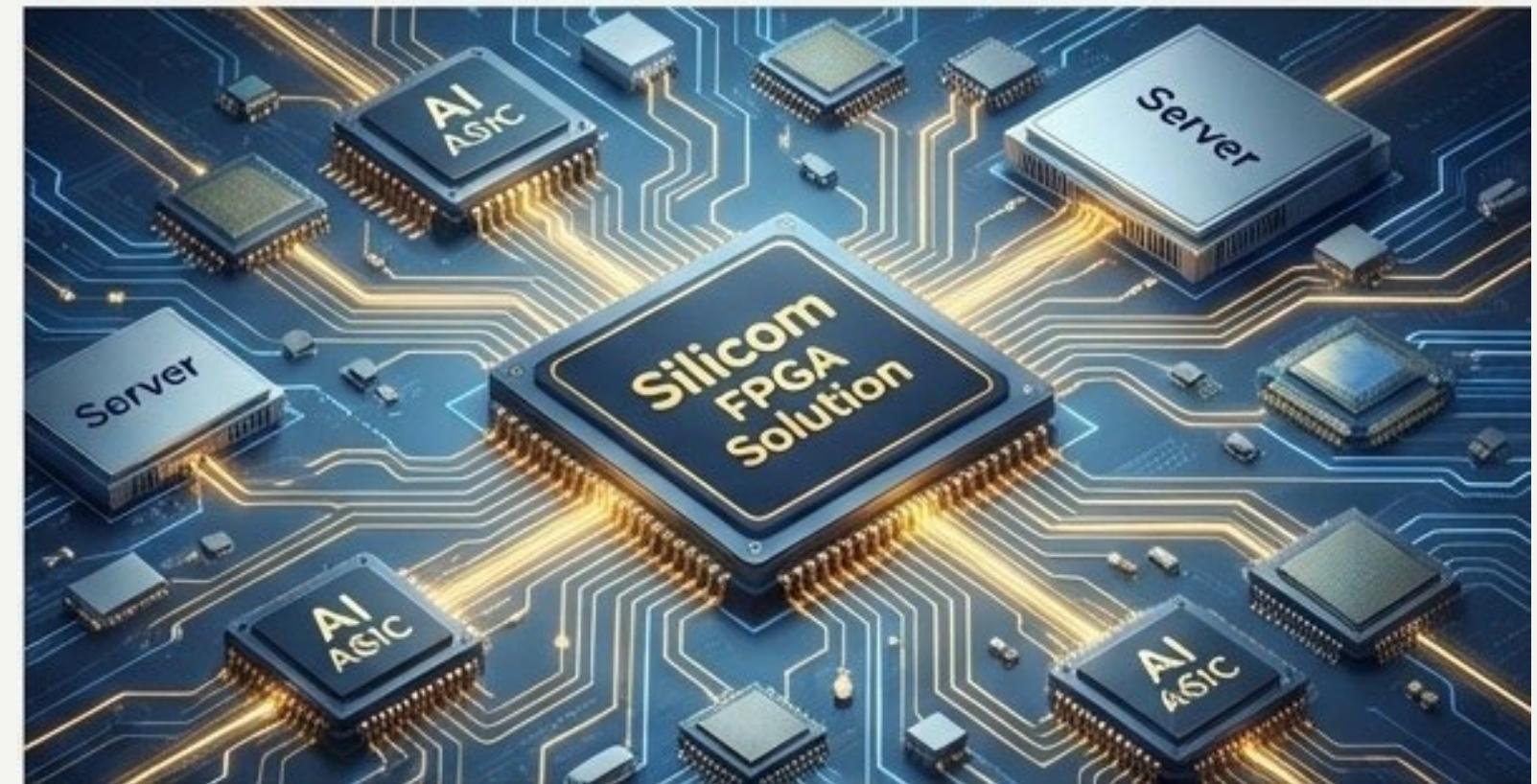
- Inference infrastructure is expected to represent the **majority of long-term AI compute spend**
- Expands the opportunity **well beyond hyperscalers** to new specialized platforms and architectures



Solving the Critical AI Inference Networking Bottleneck

Our Solutions (Existing Market Proof)

- **Inference-Optimized FPGA-based Solution:** Already deployed at customer PoC level
- **Inference-Specific NIC (AI-NIC) Solution:** In design, based on a leading high-performance networking chip



Our Right to Win (Proven Expertise & Credibility)

- **We solve the core problem:** Ultra-low-latency networking between chipsets, cards, and servers
- Deep IP, know-how, and experience delivering high-speed, low-latency solutions for Tier-1 customers

Execution Traction (Proof Points)

- **Customer 1:** First orders placed for utilizing our Inference-Optimized FPGA-based solution at a PoC with a **hyperscaler end user**
- **Customer 2:** Finalizing commercial terms for a commitment to our custom AI-NIC solution
- **Pipeline:** Advanced discussions with several additional AI chip companies

Post-Quantum Cryptography (PQC): A Forced Global Upgrade

The Shift



Quantum computing threatens all existing public-key cryptography



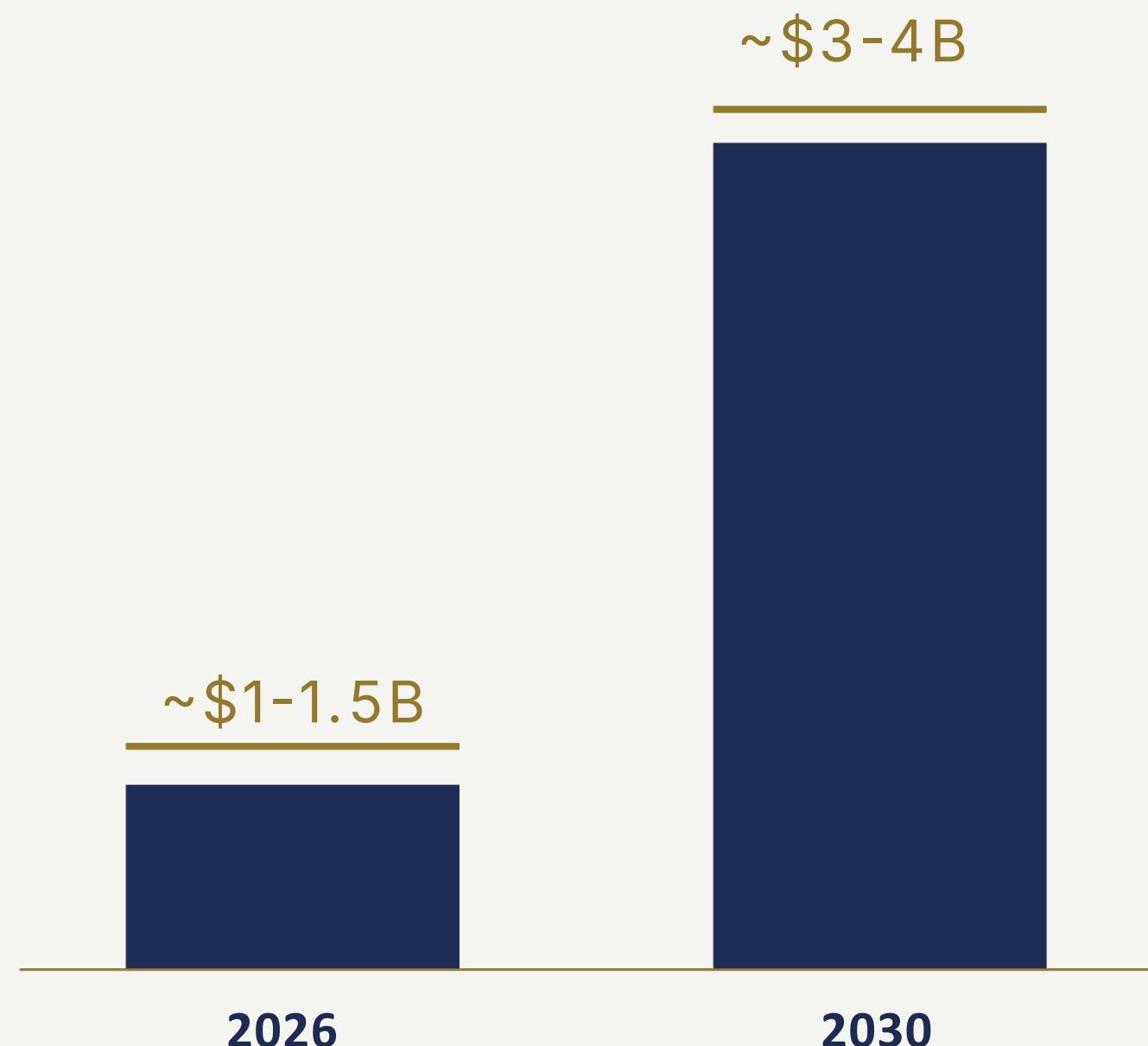
Governments and enterprises **must transition** to quantum-resistant standards



This migration is mandatory, not discretionary

The Opportunity

- Driven by **security risk and regulatory pressure**, not technology cycles
- Long replacement cycles across government and finance create multi-year embedded revenue opportunities



A Production-Ready Solution for an Inevitable Transition

Our Solution (Differentiated & Ready)



One of the only **mature, end-to-end hardware-based PQC accelerator solutions** currently available



Delivers clear **economic advantages** versus alternative approaches



Our Right to Win (Strong Legacy in Crypto Acceleration)



We are an established supplier of hardware accelerators for current public-key cryptography



Backward compatibility and migration complexity favor our proven, experienced platform

Execution & Timing Advantage

- The **"Harvest now, decrypt later"** threat is driving immediate adoption
- Our FPGA-based solution allows flexible remote updates as standards evolve
- **Traction:** Selected by **two leading customers** for early deployments; robust and growing pipeline

White-Label Switching (WLS): Infrastructure Disruption

The Shift



Network operators are transitioning from proprietary hardware to **disaggregated, white-label solutions**



This trend **mirrors prior industry transitions** in servers and storage



Adoption is expanding **well beyond hyperscalers** into enterprises and service providers

The Opportunity

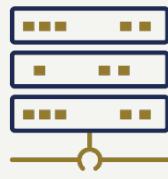
- Ongoing **cost pressure** and growing demand for flexibility are fueling the transition
- Creates a clear opportunity to **capture share from entrenched proprietary incumbents**

White-Label Switching vs. Proprietary Incumbents Market Share Transition

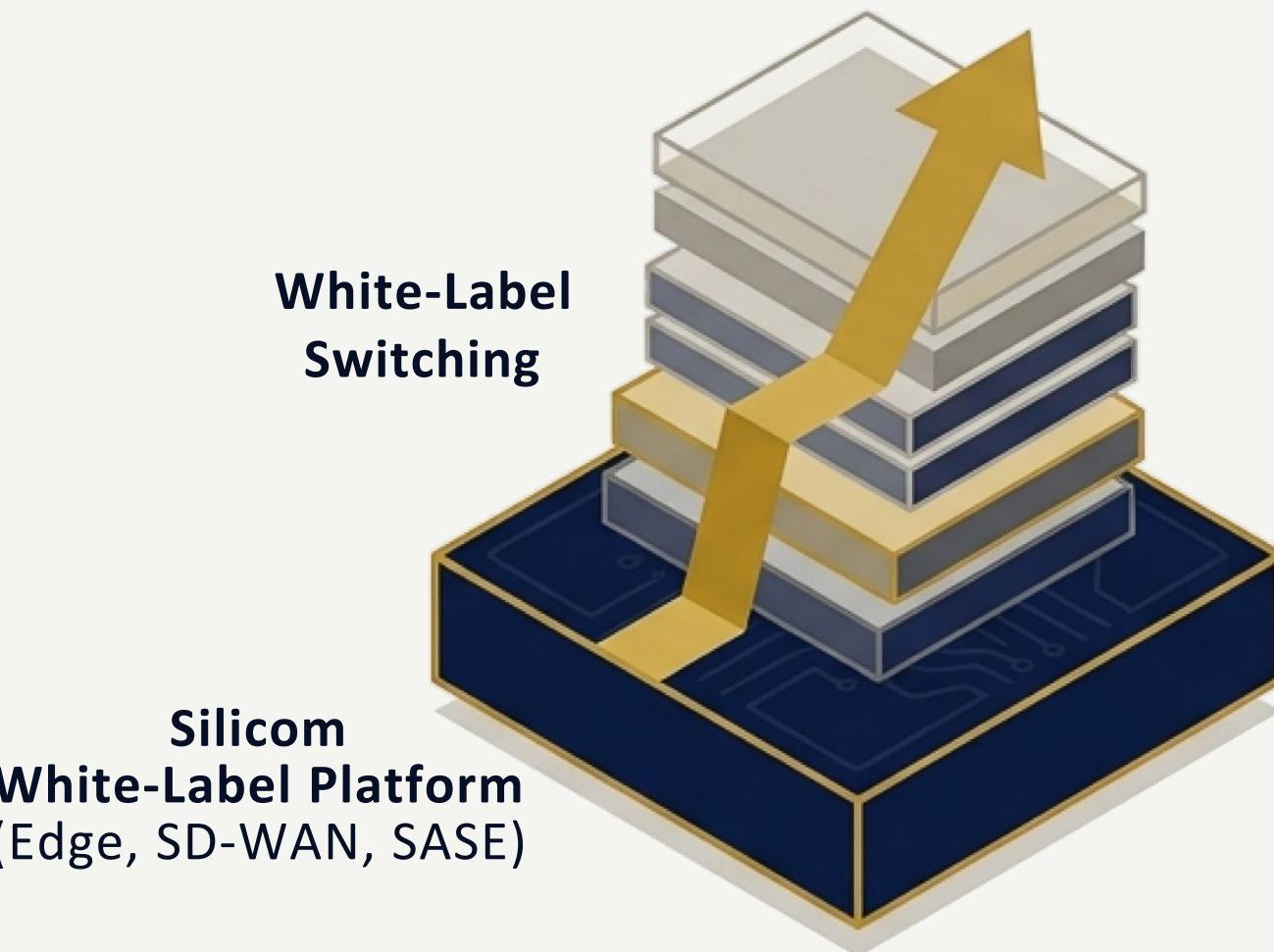


A Natural Extension of Our Core Expertise

Our Solution (Leveraging Core Expertise)

 We are already a leading supplier of white-label networking solutions, including **Edge servers**, **SD-WAN**, and **SASE platforms**

 **IP, know-how, and customer relationships** are directly transferable to switching



Our Right to Win (Market Credibility and Timing)

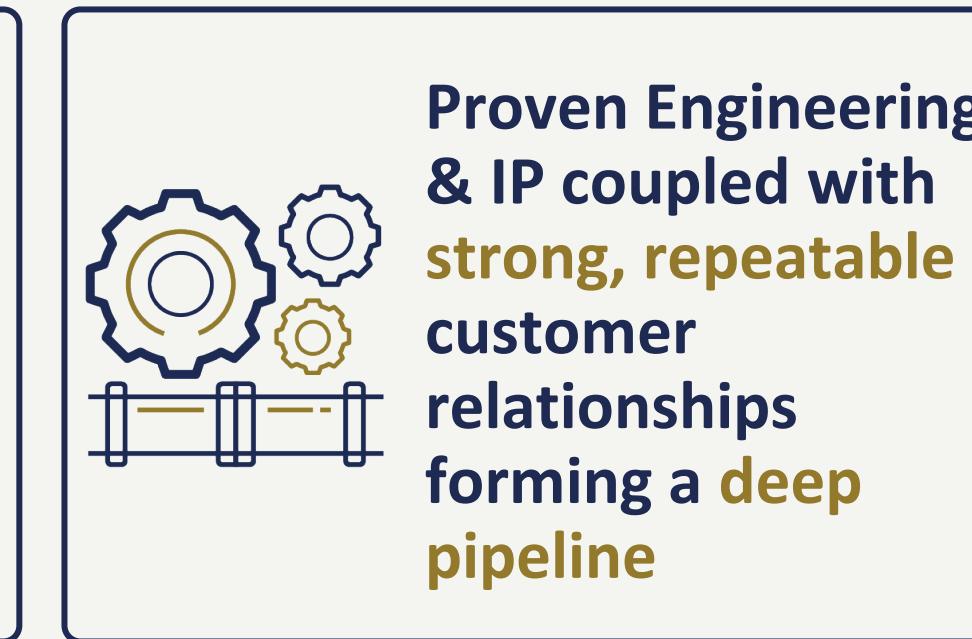
 Leverages our established reputation as a trusted white-label networking provider

 **Switching costs** support **durable customer relationships** once we are embedded

Execution Traction

- Designed and **shipped initial quantities of three WLS platform types** to a leading security customer
- **Pipeline:** Active discussions with additional customers on follow-on opportunities

A Foundation Built on 20+ Years of High-Performance Execution



A Fortress Balance Sheet to Fund Growth and De-Risk Investment



Cash & Cash Equivalents	\$74M
Working Capital + Marketable Securities	\$111M (~\$20/share)
Total Debt	\$0
Shareholders Equity	\$117M

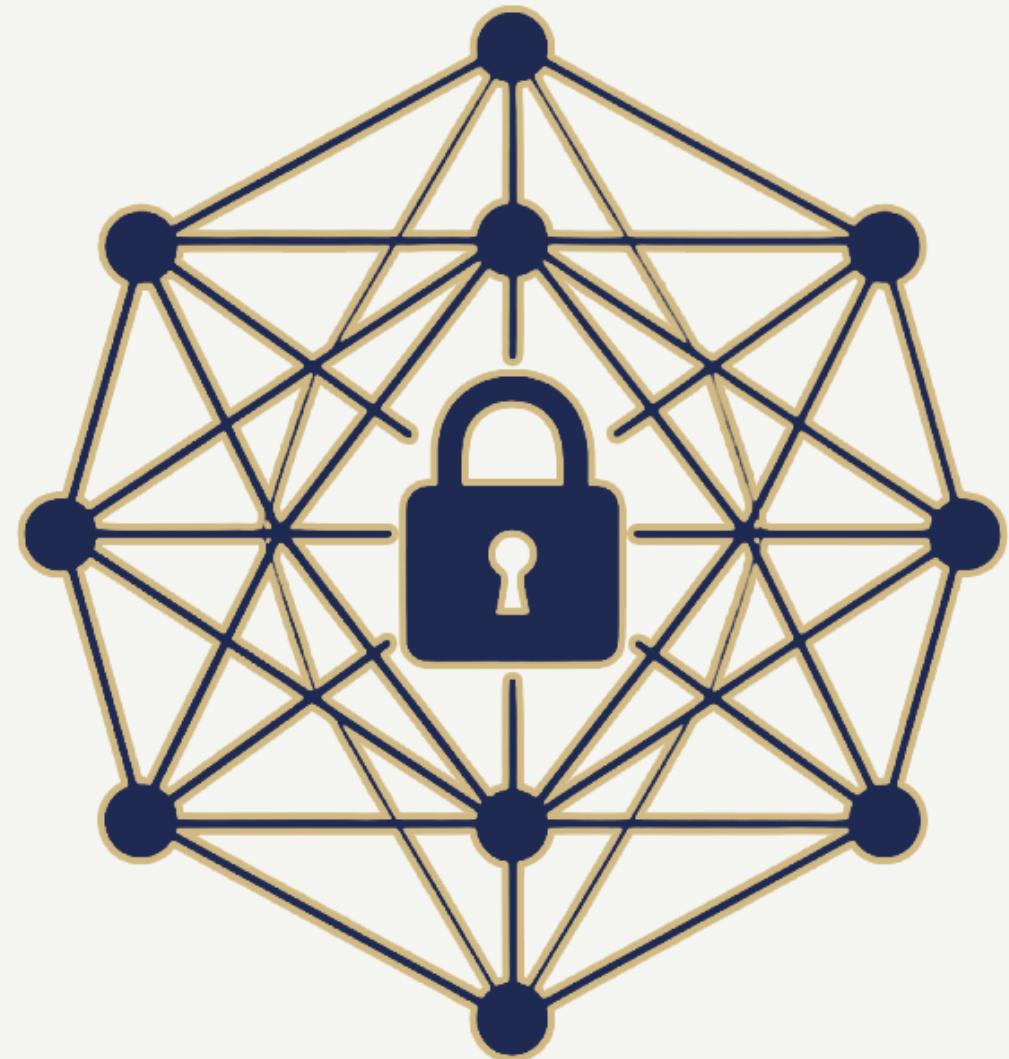
Provides **flexibility to invest in growth** while maintaining a conservative financial profile

The Convergence: A Unique Investment Profile



- **Three Structural Growth Markets**
Uniquely positioned at the intersection of AI Inference, PQC, and White-Label Switching
- **Venture-Style Upside**
Early execution and design wins demonstrate a clear path to capturing a share of massive TAMs
- **Public Market Access**
Built on the de-risked foundation of a growing core business with a fortress balance sheet and 20+ years of Tier-1 customer trust

A Stable, Growing Core Business Powering New Opportunities



Venture Upside.
Public Access.

Silicom Ltd.
Connectivity Solutions
