

Silicom Connectivity Solutions

De-risked Exponential Growth

Powering the Core. Accelerating AI Inference.

Investor Presentation - July 29, 2026

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The Investment Thesis: Foundation and Asymmetric Upside

The Unshakeable Foundation (The Core Business):

A proven execution platform with four decades of IP development and engineering. Supported by a loyal Tier-1 customer base enabling scalable growth trajectory.



The Asymmetric Upside (The Targeted Portfolio):

We have leveraged our foundational IP to secure entry into high-growth, transformative markets.

▪ **Strategic Upside: AI Infrastructure Support (\$80-100B Market)** - A dominant upside opportunity leveraging our core strengths.

▪ **Emerging Upside: Post-Quantum Cryptography (\$3-4B Market)** - An emerging, high-potential upside driven by mandatory global upgrades.

▪ **White-Label Switching (\$2-3B Market)** - A natural, low-lift utilization of our existing core expertise.

Core Engine Telemetry: Accelerating Momentum & Visibility

Fortress Balance Sheet

\$55M

Total Liquidity

\$107M

Working Capital & Marketable
Securities (~\$19 per share)

Zero

Debt

\$115M

Shareholders Equity

Explosive Revenue Growth

46%

YoY Growth (H1 2026)

59%

YoY Growth (Q2 2026)

66%

Projected YoY Growth (Q3 2026)

Forward Visibility (Design Wins)

Resilient core business demand is driven by
an exceptional Design Win momentum,
securing continuous double-digit growth

8

Major Design Wins in 2025

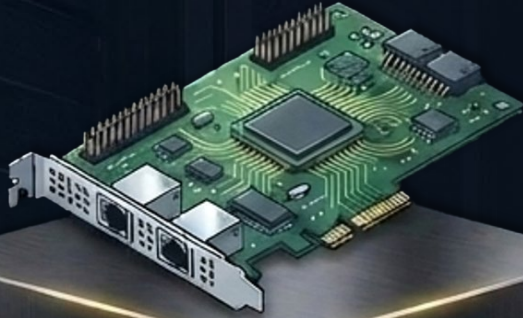
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Major Design Wins already
achieved in the first half of 2026

7 to 9

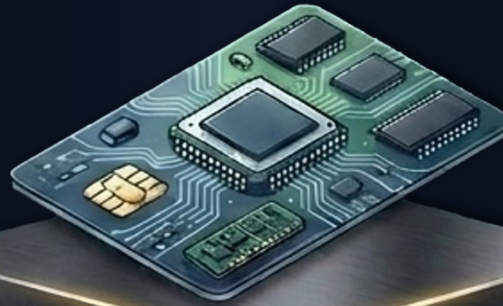
Annual targeted Design Wins
(valid for 2026 and beyond)

Powering the Network Edge and Data Center



Server Adapters

- Rapid development based on leading Intel and Broadcom Ethernet controllers.
- Fast customization process tailored to highly specific customer needs.
- Integrated critical bypass functionality ensures traffic continuity during server failures.



Smart Cards & FPGAs

- Intelligent, programmable processing.
- Offloads intensive tasks like data encryption and packet capture from the core server CPU.
- Essential for High-Frequency Trading (HFT) and Cybersecurity via superior low-latency performance.



Smart Platforms (Edge/uCPE)

- A range of selection: from entry-level to robust rack-mounted units.
- Deployed for SD-WAN, SASE, and NFV via industry-wide hardware/software decoupling.
- Deep Intel relationship yields tens of reference designs for unmatched time-to-market.

Winning Against Competition: Agility, Customization, & Strategic Partnerships

Server Adapters & Smart Cards

The competitors

Focused predominantly on **major accounts**, forcing customers into a **limited selection of rigid, standard off-the-shelf cards**.



Why Silicom Wins

Targets accounts of all sizes with a massive product portfolio, flexibility and attention.

Executes a fast, efficient path to customized hardware solutions, giving customers exactly what they need - rather than forcing a one-size-fits-all approach.



Smart Platforms (Edge Solutions)

The competitors

Mass-market vendors often mandate inflexible delivery terms and inconsistent BOM selection, **struggling to guarantee strictly locked hardware lifecycles or support flexible VMI models**.



Why Silicom Wins

Leverages deep technical, business, and market relationships directly with primary CPU giants (e.g., Intel, Broadcom, Marvell).

This advantage ensures optimized platform architecture & significantly faster time-to-market.

Executes a fast, efficient path to customized hardware solutions.



The Flywheel of Lock-In: Building Embedded Long-Term Revenue

Phase 1: The Qualification Process (Technical Precision)



Silicom secures the business through rigorous technical evaluation and testing. We must conclusively prove hardware superiority and total reliability before commercial deployment.

Phase 2: The Design Win (The Multi-Year Lock-In)

Once qualified, our products become deeply embedded into the customer's core infrastructure or appliance/server-based systems.

The Financial Impact: This initiates a 3-5 year lifespan where the OEM triggers continuous purchases for the entire deployment period, creating a highly sticky, recurring revenue stream.

Phase 3: Synergistic Scaling (Accelerating Velocity)



Our technology is sold outward using our partners' massive market presence, generating exponentially higher sales velocity than direct-to-market strategies.

The Multiplier: AI Inference at Scale

The Inevitable Shift:

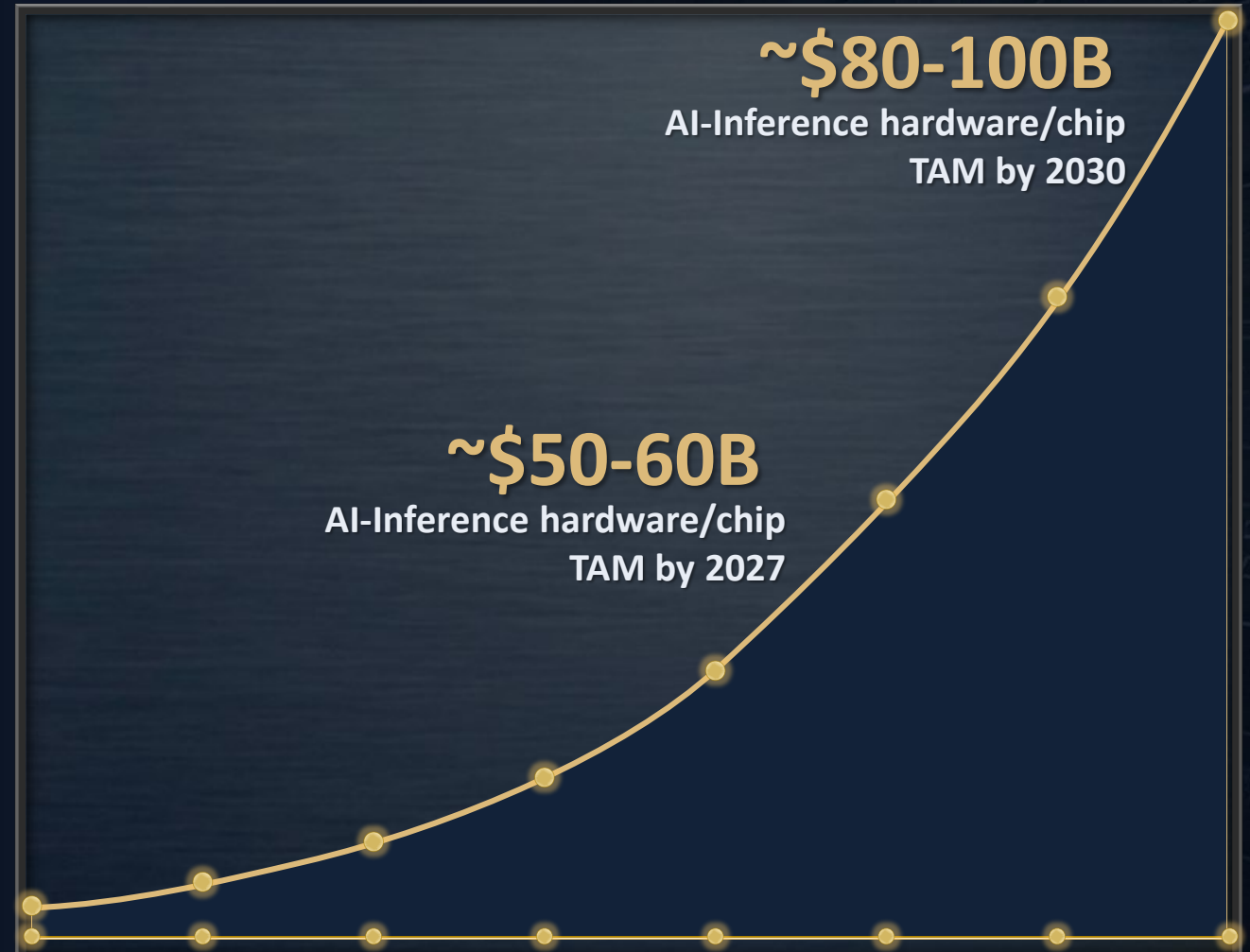
AI economics are permanently shifting from centralized, multi-billion-dollar training environments to massive, fragmented inference-driven deployments.

The Financial Reality:

Inference infrastructure is definitively expected to represent the majority of long-term AI compute spend worldwide.

The TAM Expansion:

Expanding well beyond traditional hyperscalers to specialized platforms.

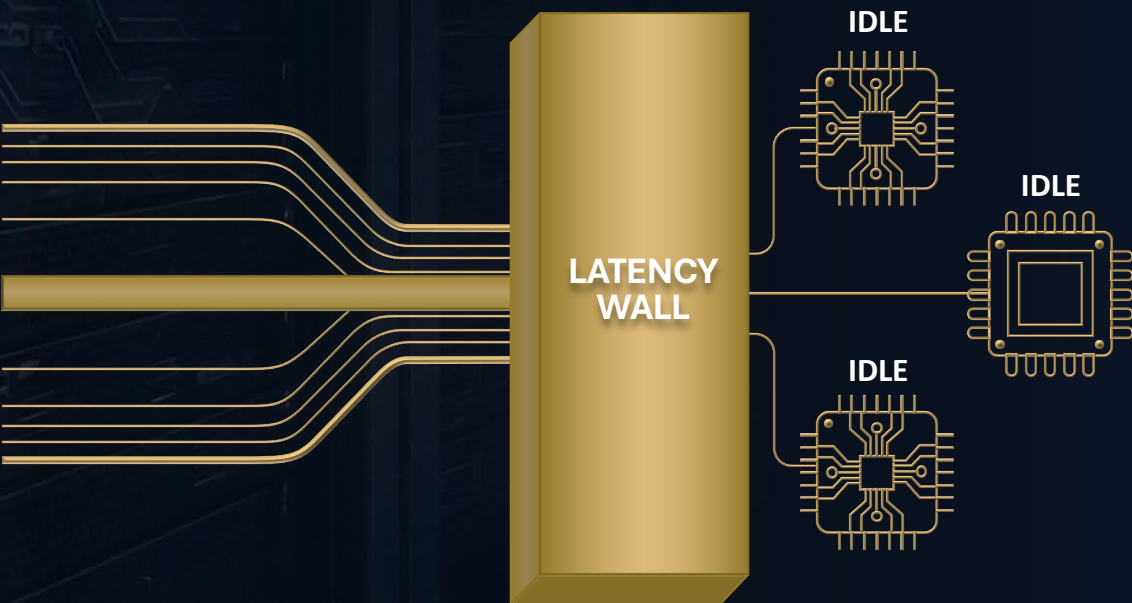


The Two Main Bottlenecks Starving AI Inference

THE PHYSICAL LIMIT

The Latency Wall

Standard networking infrastructure simply cannot support AI inference at scale. This restricts data flow across chips, cards, and servers, leaving incredibly expensive compute hardware sitting idle.

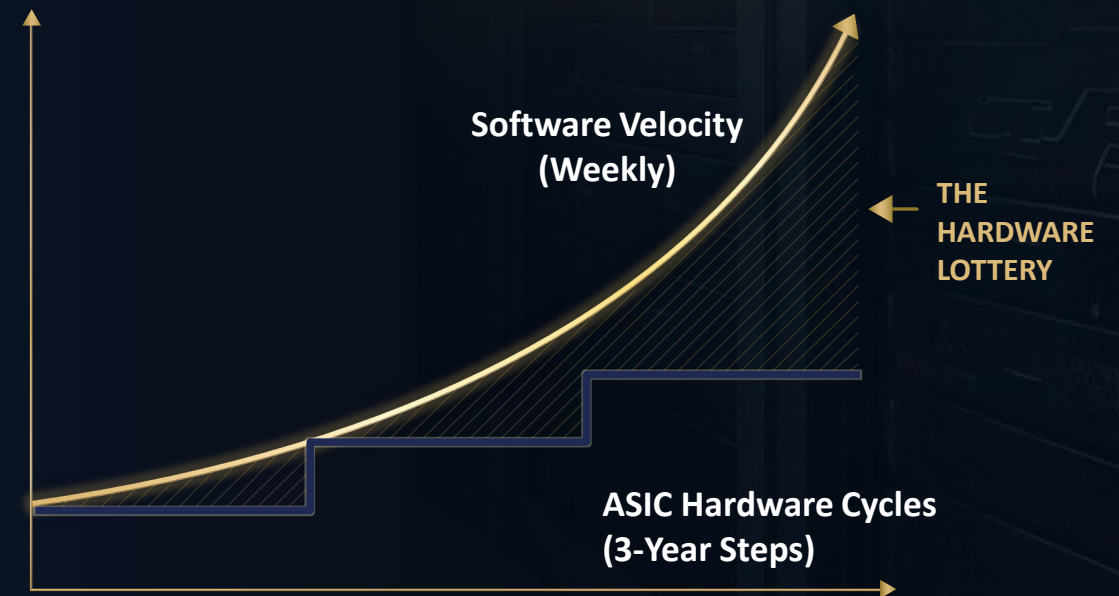


THE TIME LIMIT



The Hardware Lottery

LLMs advance via weekly algorithmic breakthroughs, while ASICs are locked into 3+ year hardware cycles. Brilliant ML optimizations are delayed because today's custom chips aren't wired to run them efficiently.



The Solution: Silicom's Adaptive Hardware Architecture

By simultaneously eliminating the physical networking bottleneck and defeating the hardware lottery, Silicom delivers an unmatched, future-proof AI infrastructure ecosystem.



Ultra-Low Latency Networking (Shattering the Wall)

High-performance Inference-Specific NIC (AI-NIC) solutions based on FPGAs or leading high-performance COTS chips. Designed specifically to bypass standard routing delays.

Real-Time Co-Design (Beating the Lottery)

FPGAs act as a reconfigurable extension of software rather than fixed hardware constraints. Empowers customers to co-design software stacks, novel ML optimizations, and compute hardware in near real-time.

AI Inference: Execution, Traction, and Realities

Decades of expertise in high-performance FPGA design and Tier-1 networking provides Silicom with the definitive right to win in this new architecture.

Execution Node

Mass Deployment Ready

- **First production orders received for delivery in 2026.**
- Driving Proof of Concept (PoC) efforts targeting primarily Tier-1 hyperscalers.

Execution Node

Next-Gen Solution Development

- Order secured for the development and initial deliveries of a completely new, bespoke inference-specific solution.

Execution Node

Customized AI-NIC

- Orders received for customization and initial deliveries of our Customized AI-NIC solution.

Emerging Upside: Post-Quantum Cryptography (PQC)

Emerging high potential upside driven by security risks and regulatory mandates.

The Threat Vector:

The "Harvest now, decrypt later" reality is forcing immediate adoption across global government and finance sectors.

The Market Reality:

A \$3-4B TAM by 2030 fueled by growing security risks and regulatory pressure, not technology cycles.

The Silicom Advantage:

- One of the only mature, end-to-end hardware-based PQC accelerator solutions currently available.
- Our FPGA-based architecture allows for flexible remote updates as complex quantum standards continuously evolve.

Traction:

Already selected by three leading customers for early deployments, feeding a robust pipeline.



White-Label Switching (WLS)

A natural, low-lift utilization of our deep core expertise to capture share from entrenched proprietary incumbents.

The Market Disruption (\$2-3B TAM):

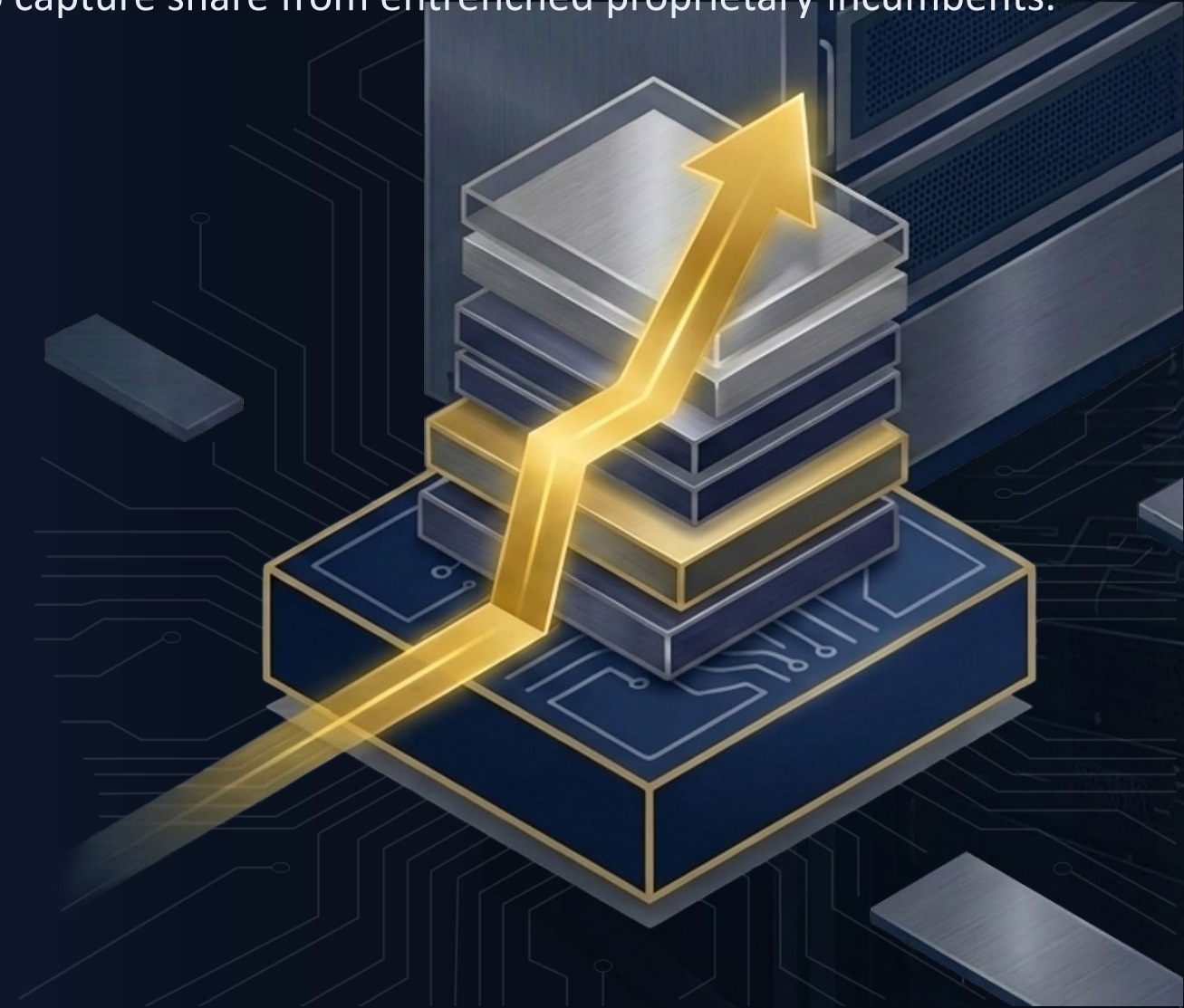
Intense cost pressures and a demand for flexibility are driving network operators away from proprietary hardware toward disaggregated, white-label solutions - mirroring previous structural shifts in servers and storage.

Leveraging Core DNA:

- IP, operational know-how, and Tier-1 customer relationships are directly transferable to switching.
- Silicom is already an established, trusted supplier of white-label networking platforms.

Traction:

- First design win for a family of switches secured with a leading cybersecurity leader.
- First production orders to be fulfilled during 2026.



The Synthesis: A Unique Investment Profile

The Foundation: An established core hardware business with decades of expertise, building strong customer relationships and securing long-term commitments.

The Upside: The core business fully funds and derisks our targeted expansion into tectonic industry shifts. We are positioned perfectly at the physical bottleneck of the AI data center, unlocking an unmatched, venture-style exponential upside within a mature, public market execution platform.

**Primary Exponential Upside:
AI Inference**

**Emerging
Upside: PQC**

White-Label
Switching

**The Core Engine: Four Decades of Tier-1 Trust,
Fortress Balance Sheet, 50+% Annual Growth.**