



The leading licensor of silicon and software IP for the Smart Edge

Corporate Overview

August 2024



Forward Looking Statements & Legal Notice

This presentation contains forward-looking statements that involve risks and uncertainties, as well as assumptions that if they materialize or prove incorrect, could cause the results of Ceva to differ materially from those expressed or implied by such forward-looking statements and assumptions. Forward-looking statements include statements regarding our market positioning, strategy and growth opportunities, market trends and dynamics, expectations regarding demand for and benefits of our technologies, our expectations and financial goals and guidance regarding future performance, and our plans and expectations regarding our recently filed registration statement on Form S-3 and any potential future offering or capital raises and the use of proceeds therefrom. Ceva assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

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This presentation shall not constitute an offer of any securities for sale.

Notice Regarding Information Presented

On September 14, 2023, Ceva and its wholly owned subsidiary, Intrinsic Corp. (“Intrinsic”), a provider of design engineering solutions focused on the U.S. Aerospace & Defense industry, entered into a definitive agreement with respect to the sale of Intrinsic to a third party (the “Transaction”). The Transaction closed on October 2, 2023. In accordance with applicable accounting guidance, the results of Intrinsic have been presented in Ceva’s most recent Quarterly Report on Form 10-Q (the “Form 10-Q”) as a discontinued operation in the Interim Condensed Consolidated Financial Statements and have been excluded from continuing operation for all periods presented in such financial statements, and its Interim Consolidated Statements of Cash Flows in the Form 10-Q have been presented on a consolidated basis for both continuing operations and the discontinued operation. Except as otherwise noted, historical financial information in this presentation excludes Intrinsic’s results from operations consistent with the presentation in the Form 10-Q.

In addition, in this presentation, we will be discussing certain non-GAAP financial measures, which are not a measurement of the company’s financial performance under GAAP and should not be considered as an alternative or superior to GAAP financial metrics. The non-GAAP information excludes share-based compensation, acquisition related costs, and certain other non-cash or recurring and non-recurring items. In addition, non-GAAP financial measures are not standardized and may not be comparable to non-GAAP financial measures of other companies. The company presents non-GAAP metrics as an important supplemental measure of its performance since it facilitates operating performance comparisons from period to period. Non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for our GAAP financial measures. The principal limitations of these measures are that they do not reflect the company’s actual expenses and costs and may thus have the effect of inflating or underestimating the non-GAAP financial measure when compared to the company’s operating results reported under GAAP. Please see the tables attached in the appendix of this presentation for a complete reconciliation of GAAP to non-GAAP financial measures used in this presentation.

This presentation contains market data prepared by third party research firms. Actual market results may differ from their projections.

Company Overview



Trusted partner for over 2 decades
>**18bn** Ceva-powered devices shipped



>1.6bn Ceva-powered devices shipped annually



>\$100m annual revenue
\$158m cash, no debt



~50 licensing deals annually
>70 royalty paying customers
>100 active customers



>200 registered patents



~450 employees (~75% R&D)
HQ in Maryland, main R&D Centres:
U.S, France, Israel

AI is a Key Growth Driver for Ceva



There is no Edge AI without three key abilities:

1. The ability to connect in order to run hybrid AI models and to transfer data on and off the device
2. The ability to sense its surroundings, through sound, vision, motion, biometrics
3. The ability to run AI algorithms on device or hybrid between device and cloud to interpret the data from the sensors and act upon it



Ceva's IP portfolio enables these three key abilities which are driving customer demand



OUR MISSION

The **partner** of choice
for **transformative IP**
solutions for the **Smart Edge**

Our Focus – The Smart Edge

DATA CENTER / CLOUD

SMART EDGE



Data Transfer



Data Transfer



Edge Platforms / Gateways

End Devices

8%

Semi Rev CAGR
(2020-30)

>\$10bn

Overall IP
TAM

>30bn

New Devices
Annually

\$600bn

Smart Edge
Semi Market

Second Quarter 2024 Earnings Recap

TOTAL REVENUE

\$28.4M

versus \$22.9 million in Q2'23

EARNINGS PER SHARE

(1¢)

GAAP
versus (21¢) in Q2'23

17¢

NON-GAAP
versus (2¢) in Q2'23

QUARTERLY REVENUES



QUARTERLY PERFORMANCE OVERVIEW



Financial results for the second quarter and all periods presented in this Infographic reflect Ceva's continuing operation, and the Intrinx business as a discontinued operation, unless otherwise noted.

Second Quarter 2024 Earnings Recap

SHIPMENT DATA



TARGET MARKETS FOR LICENSEES INCLUDE



AI for Consumer & Industrial



Wearables & Hearables



5G Cellular IoT



Next-Gen Base Station RAN



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Financial results for the second quarter and all periods presented in this Infographic reflect Ceva's continuing operation, and the Intrinsic business as a discontinued operation, unless otherwise noted.

FAST FACTS

90% | 91%



GAAP and Non-GAAP gross margins, respectively in Q2

11

Deals signed in the quarter, including 5 OEM customers

15%

Non-GAAP operating margin, highest since Q4'22

\$158M

Cash and cash equivalent balances, marketable securities and bank deposits at the end of Q2, debt free

\$2M

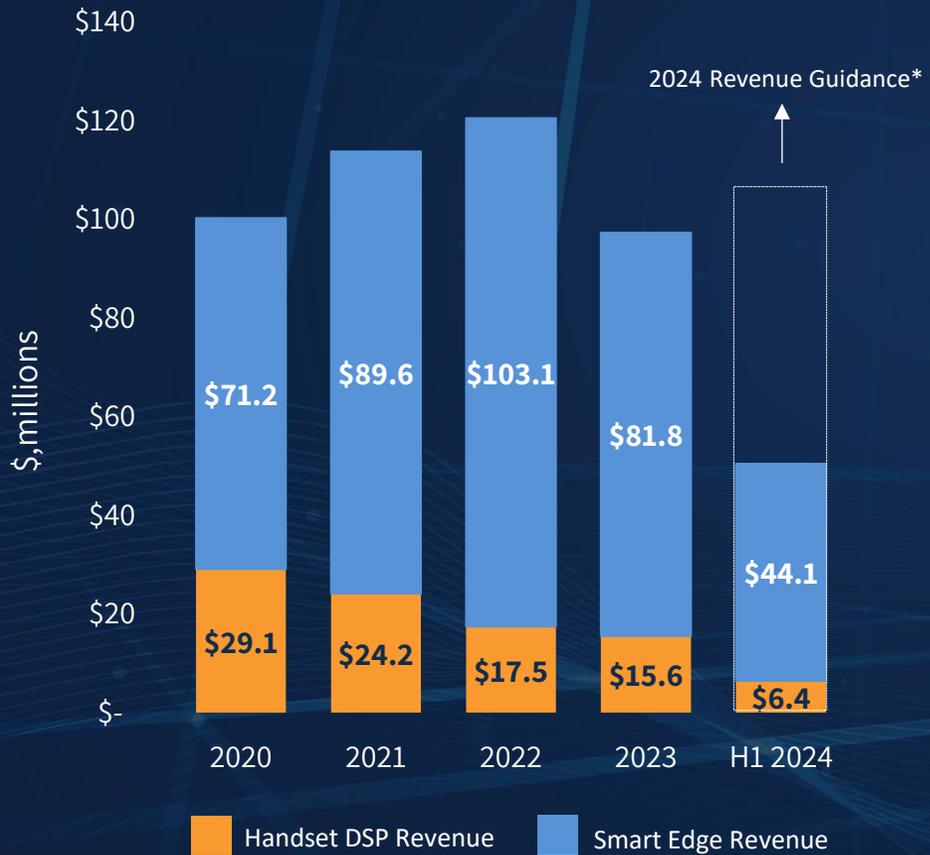
Returned to shareholders in Q2 via stock repurchase of approx. 100,000 shares

543,000

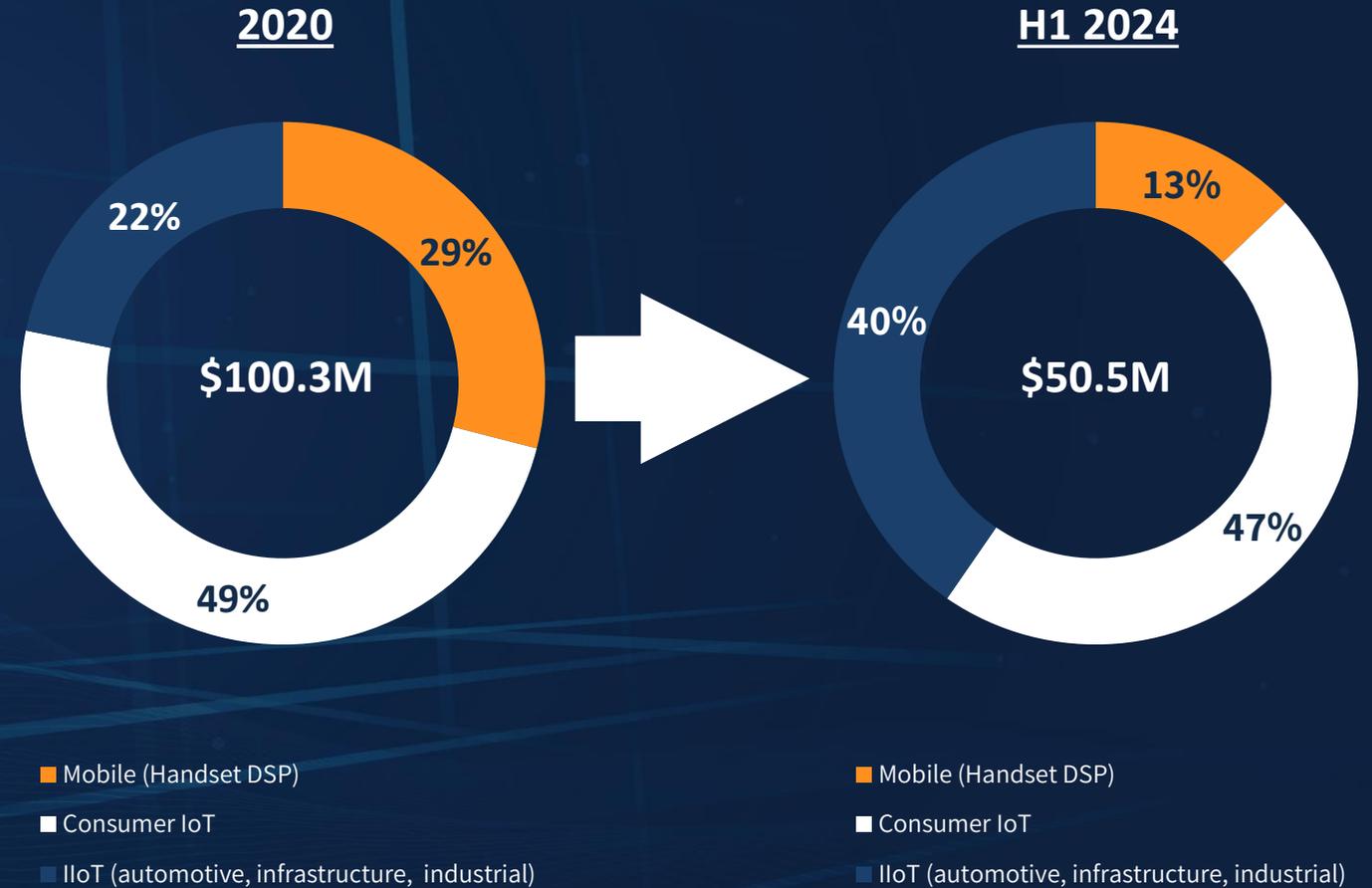
Shares remain in existing share repurchase program

Smart Edge Markets Fuel Revenue Growth and Customer Diversification

5 Year Revenue Chart

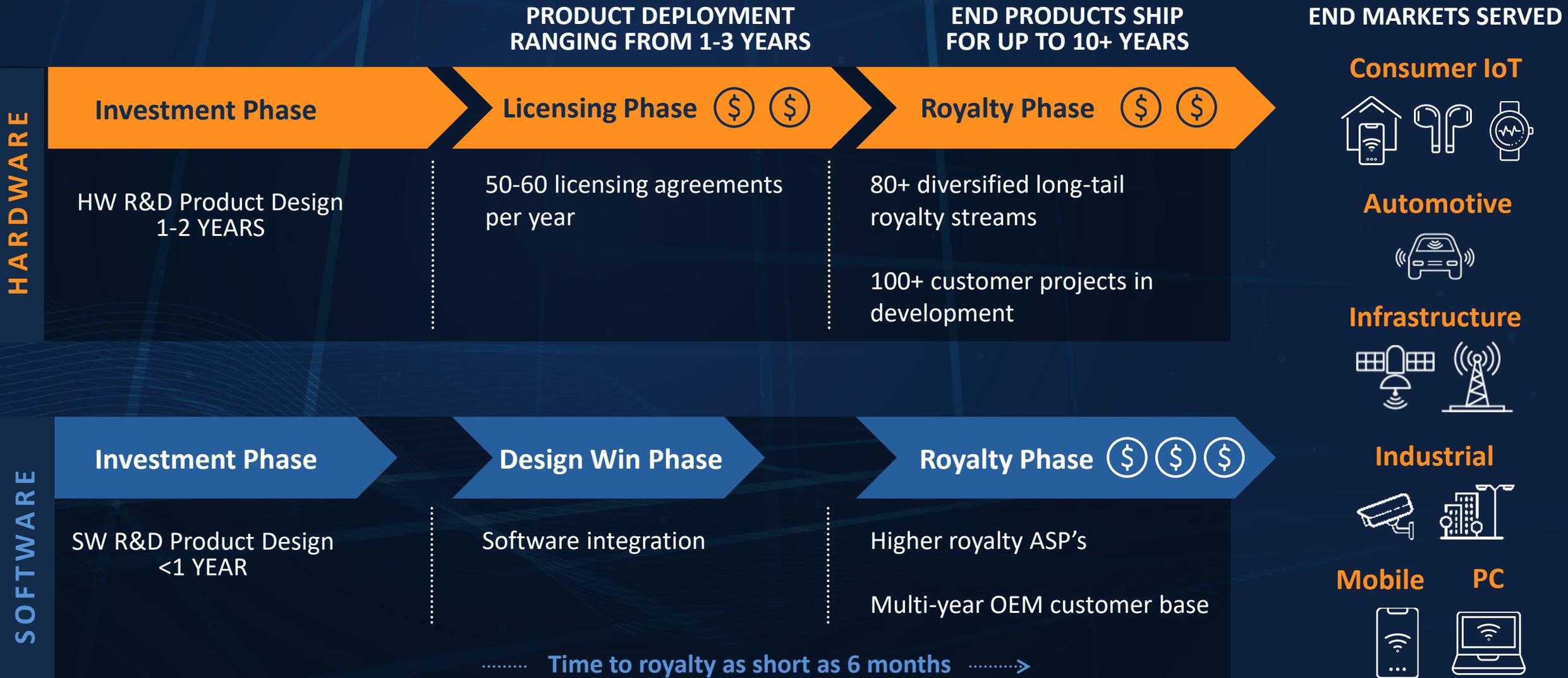


Total Revenue by End Markets

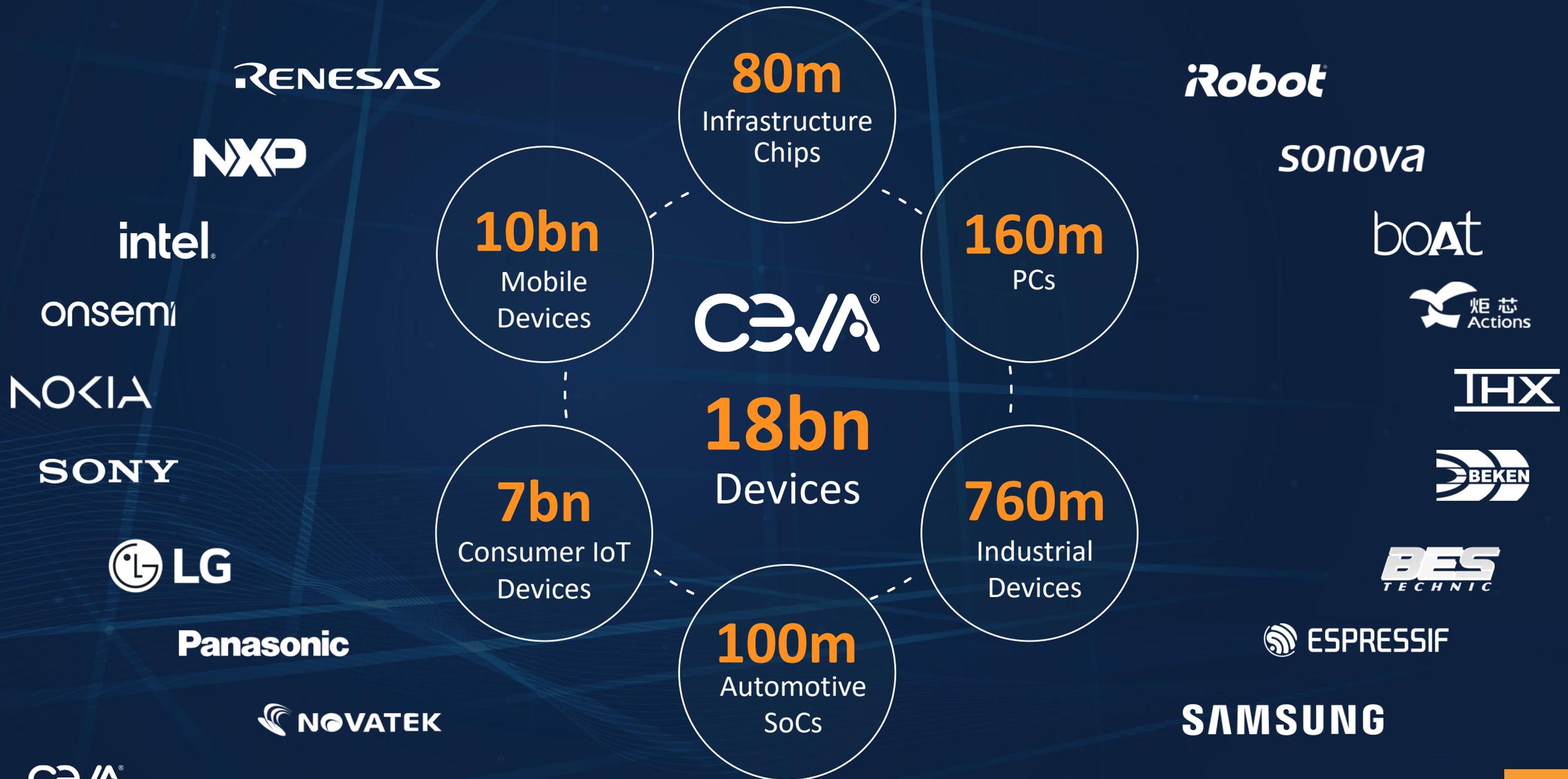


Business Model and End Markets

IP Licensing and Royalties – Targeting 6 End Markets



Ceva Technology is All Around Us



Ceva Powers >1.6Bn Devices Annually



boAt

amazfit

SAMSUNG



Skyhawk

LG

NOKIA



OMNI REMOTES
FOUNDED BY PHILIPS

CREATIVE

MEIZU

HMD

VIVO

Tenda

NIGHT OWL

There's No AI Without Connectivity and Sensing – Ceva offers Full Portfolio



IP Market Leadership

Diversified Portfolio

From Mb to Multi-Gb



Enabling Immersive Realism

Integrated Solutions

From Sensor Fusion to Spatial Audio



Innovative NPU Technology

Scalability up to >1000 TOPs

From TinyML to Generative AI

Leading the World of Wireless Connectivity



←..... Unique capability to offer wireless combo solutions→

#1

>5.5Bn

>100

>500

IP Licensor
Worldwide

Devices
Powered

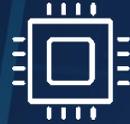
Licenses

Man Years Invested

Trusted Partner for 5G & 6G – Cellular IoT, NTN & Infrastructure



5G



6G

←..... Scalable Platforms Address All 5G & 6G Use Cases→

450M

>10Bn

>70M

>1000

Cellular IoT Chips
Shipped

Handsets
Powered

Infrastructure Chips
Shipped

Man Years Invested

Sense - HW & Application SW for the Smart Edge



HW IP for Smart Edge Sensing



- Audio/Voice DSPs
 - For hearables, wearables and wireless audio ICs for smart home & automotive
- Sensor Fusion DSPs
 - Combining data from multiple sensors in automotive, robotics, for context awareness
- Computer Vision / Radar DSPs
 - Specialized processing for vision-based systems in surveillance, automotive, consumer

Application Software for OEMs

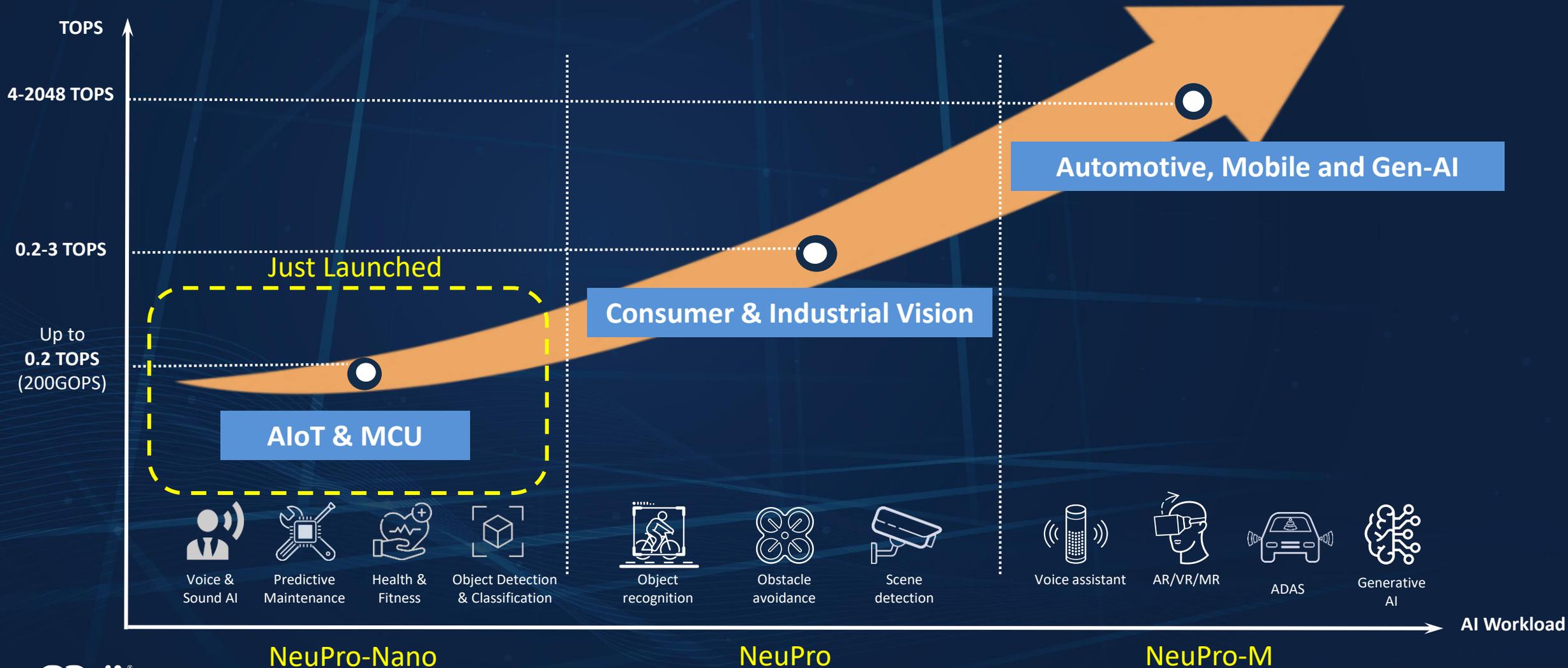
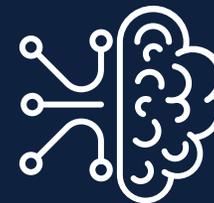


- Spatial Audio with Headtracking
 - For immersive entertainment experiences
- Motion Tracking
 - For robots, TVs, PCs and other consumer devices
- AI Voice Assistant
 - Dramatically improves voice clarity

High Royalty Per Unit
Sticky Business, Long-lasting Valuable Relationship

Infer - NPUs from Embedded AI to Generative AI

Billions of Addressable devices Annually, Green Field Opportunity, Ideal for IP Licensing



Ceva-NeuPro-Nano - Highly Efficient, Self-Sufficient Edge NPU for TinyML

- TinyML is a fast-growing segment of machine learning (ML) where models are small enough to run on resource constrained chips – consumer, industrial IoT
- Huge market opportunity - **4 Billion inference chips** for TinyML devices to ship annually by 2028 with CAGR of 32% (ABI Research)
- NeuPro-Nano delivers the **optimal balance** of **ultra-low power** and **best performance** in **small area** to efficiently meet challenging industry cost and power targets
- Ceva's large install base of connectivity customers will **need to integrate Edge AI** – NeuPro-Nano is ideal for these customers



Connect, Sense and Infer in Action



- Customer Success - boAt
 - #2 Wearable OEM Globally
 - #1 TWS OEM in India
 - #1 Wearable OEM in India
- Nirvana Eutopia Headphones
 - First Spatial Audio Headphones with Headtracking in India
- Connect
 - Ceva-Waves Bluetooth IP
- Sense
 - Ceva-RealSpace Spatial Audio SW
- Infer
 - Ceva Audio/Voice AI DSP
- **SOLD OUT FIRST PRODUCTION RUN!**



Ceva AI Powered Cars Coming by End of 2024

- 2 of top 3 automotive semiconductors adopted Ceva DSPs & AI accelerators for ADAS and drivetrain
 - Targeting highest volume zones of automated driving: Level 2+ and Level 3
 - First Ceva-powered cars to be on the road by end of 2024

4 Years in the making...

Renesas and CEVA to Develop a SoC for ADAS

11 November, 2020

Challenging Mobileye and NVIDIA. The system was ordered by very large automotive manufacturer in Japan, for an ADAS solution for new L2+/L3 cars, which are projected to start production by 2025



Renesas R-Car V4H SoC for Automated Driving Development of Level 2+ / Level 3



Broad, Proven Portfolio of Innovative Solutions for the Smart Edge

IP Portfolio

2023 / 2024 Product Introductions

CONNECT



Bluetooth 5.3	PentaG- RAN	
UWB 1.0	PentaG2	NB-IoT
Wi-Fi 6 ST	Wi-Fi 6/6E AP	

UWB CCC	UWB Radar	UWB 2.0
Bluetooth 5.4	Ceva XC22	Waves-Links
Wi-Fi 6/6E STA+ AP (combined)	Wi-Fi 7 AP	

NEW

SENSE



ClearVox- AFE
WhisPro- Voice UI
MotionEngine- 5 SW packages

ClearVox- ENC	MotionEngine
SensPro for Radar	RealSpace

INFER



NeuPro-M	
CEVA BX2	CEVA BX1
SensPro	SensPro 2

NeuPro-Nano for TinyML
NeuPro-M for Gen-AI
NeuPro-M multi-engine

NEW

Continuous innovation for the **Smart Edge**

Strategy & Long Term Financials



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Our Strategy



Maintain and operate a “pure IP” business model



Extract more value from leadership position in wireless communications IP



Leverage AI investment to address Smart Edge opportunity



Use strong balance sheet to expand Smart Edge IP offerings

Long-Term Financial Model

Non-GAAP	2023	2024	Long Term Target (2025-2027)
Revenues	\$97.4m	4%-8% Growth	8% - 12% CAGR
Gross Margin %	89%	>90%	>90%
Overall Expenses (COGS & OPEX)	\$93.8m	\$93m - \$96m	4% - 8% CAGR
Operating Margins	\$3.6m 4%	↑	~20%
EPS	18c	↑	>\$1 EPS



Pure IP business model



Addressing high growth Smart Edge opportunity



Highly diversified customer base and end markets



Innovating mindset and winning portfolio



Financial discipline to deliver operating leverage



Investigating M&A to create IP scale

Thank You



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Appendix



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Recent Strategy Progress

Connect



- First to Market – Licensing Wi-Fi 7 and Bluetooth 6 early adopters
- New UWB IP for consumer devices
- Introduced new Combo IP to simplify multi-standard product designs
- Partnership with Arm for 5G NTN and Infrastructure

Sense



- New radar platform in discussion with customers
- First Spatial Audio OEM (boAt) now in production
- Recent customer milestones with Actions and Sunplus for wireless Audio DSPs

Infer



- **NEW** NeuPro-Nano Edge AI NPU for consumer and industrial IoT customers to add AI to ultra-low power, cost sensitive devices
- 2 of 3 largest automotive semis going into production with Ceva AI for ADAS and Drive train
- Expanded AI ecosystem with new partners

Strong and Diversified Customer Base

Small Fabless

Innovative & dynamic



Large Fabless

ROI & Augmentation



OEM

Vertical Integration



Invest, License, Royalties, Repeat

5 Year Bluetooth Revenue

\$113M

2019 - 2023



Bluetooth Product Line

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Design Wins	12	16	18	13	20	18	14	26	17	18
Units Shipped	40m	121m	139m	201m	303m	361m	521m	833m	1bn	957m
Market Share	3%	8% WATCH	7% AIR PODS	9%	13%	13%	18%	25%	28%	~30%*

INVESTMENT YEARS

PRODUCT MATURITY AND MARKET DEMAND

Bluetooth 4

Bluetooth 5

Wi-Fi Product Cycle in Early Innings

Royalty engine just beginning

5 Year Wi-Fi Revenue

\$78M

2019 - 2023



Wi-Fi Product Line

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Design Wins	4	6	12	15	17	13				
Units Shipped	5m	10m	67m	178m	139m	105m				
IoT Market Share	-	1%	4%	8%	6%	~5%				

Wi-Fi 6 Targeting ~25% IoT Market Share



GAAP to Non-GAAP Reconciliation



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5 Year P&L (Non-GAAP)

Ceva Standalone

	6 months 2024 Actual	12 months 2023 Actual	12 months 2022 Actual	12 months 2021 Actual	12 months 2020 Actual	12 months 2019 Actual
Revenues:						
Licensing and related revenues	\$28,692	\$57,555	\$75,194	\$63,953	\$52,513	\$47,890
Royalties	21,817	39,864	45,389	49,879	47,813	39,262
Total Revenues	50,509	97,419	120,583	113,832	100,326	87,152
Cost of Revenues:						
	4,785	10,385	11,862	9,126	9,370	9,038
	9%	11%	10%	8%	9%	10%
Gross profit	45,724	87,034	108,721	104,706	90,956	78,114
Gross Margin	91%	89%	90%	92%	91%	90%
Operating Expenses:						
Research and development, net	31,803	63,553	61,740	61,902	55,136	46,986
Sales and marketing	5,095	9,266	9,202	10,625	9,869	10,868
General and administrative	5,262	10,570	10,794	9,499	10,031	8,263
Total Operating Expenses	42,160	83,389	81,736	82,026	75,036	66,117
Operating income (loss)	3,564	3,645	26,985	22,680	15,920	11,997
As a % of revenues	7%	4%	22%	20%	16%	14%
Financial income, net	2,663	5,264	2,812	197	3,284	3,291
Income before taxes on income	6,227	8,909	29,797	22,877	19,204	15,288
As a % of revenues	12%	9%	25%	20%	19%	18%
Taxes on income	3,289	4,470	6,236	7,510	5,457	1,913
Net income (loss) from continuing operations	2,938	4,439	23,561	15,367	13,747	13,375

5 Year P&L (GAAP)

Ceva Standalone

	6 months 2024 Actual	12 months 2023 Actual	12 months 2022 Actual	12 months 2021 Actual	12 months 2020 Actual	12 months 2019 Actual
Revenues:						
Licensing and related revenues	\$28,692	\$57,555	\$75,194	\$63,953	\$52,513	\$47,890
Royalties	21,817	39,864	45,389	49,879	47,813	39,262
Total Revenues	50,509	97,419	120,583	113,832	100,326	87,152
Cost of Revenues:						
	5,436	11,648	15,131	10,378	10,749	10,106
	11%	12%	13%	9%	11%	12%
Gross profit	45,073	85,771	105,452	103,454	89,577	77,046
Gross Margin	89%	88%	87%	91%	89%	88%
Operating Expenses:						
Research and development, net	36,749	72,689	70,317	69,089	62,010	52,843
Sales and marketing	5,911	11,042	11,475	12,233	11,907	12,363
General and administrative	7,109	14,913	14,183	12,790	14,116	11,841
Amortization of intangible assets	299	594	2,025	2,302	2,307	1,923
Impairment of assets			3,556			
Total Operating Expenses	50,068	99,238	101,556	96,414	90,340	78,970
Operating income (loss)	(4,995)	(13,467)	3,896	7,040	(763)	(1,924)
As a % of revenues	-10%	-14%	3%	6%	-1%	-2%
Financial income, net	2,663	5,264	2,812	197	3,284	3,291
Reevaluation of marketable equity securities	(118)	(2)	(2,511)	1,983		
Income (loss) before taxes on income	(2,450)	(8,205)	4,197	9,220	2,521	1,367
As a % of revenues	-5%	-8%	3%	8%	3%	2%
Taxes on income	3,289	10,232	18,075	6,823	4,900	1,339
Net income (loss) from continuing operations	(5,739)	(18,437)	(13,878)	2,397	(2,379)	28



GAAP to Non-GAAP Reconciliations

Unaudited Reconciliation of GAAP to Non-GAAP Financial Measures						
U.S. Dollars in thousands						
	Six months ended	Year ended				
	June 30,	December 31,				
	2024	2023	2022	2021	2020	2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
GAAP Total Expenses	\$55,504	\$110,886	\$116,687	\$106,792	\$101,089	\$89,076
Equity-based compensation expense	(7,471)	(15,530)	(13,337)	(12,599)	(13,636)	(10,718)
Amortization, Impairment and Write-off of intangible assets, net of taxes, and deal costs	(1,088)	(1,582)	(8,163)	(3,041)	(3,047)	(3,203)
Impairment cost associated with close of an office	—	—	(318)	—	—	—
Retirement expenses of executives	—	—	(1,271)	—	—	—
Total non-GAAP Total Expenses	\$46,945	\$93,774	\$93,598	\$91,152	\$84,406	\$75,155
GAAP Operating Income (loss)	\$(4,995)	\$(13,467)	\$3,896	\$7,040	\$(763)	\$(1,924)
Equity-based compensation expense	7,471	15,530	13,337	12,599	13,636	10,718
Amortization, Impairment and Write-off of intangible assets, net of taxes, and deal costs	1,088	1,582	8,163	3,041	3,047	3,203
Impairment cost associated with close of an office	—	—	318	—	—	—
Retirement expenses of executives	—	—	1,271	—	—	—
Total non-GAAP Operating Income (loss)	\$3,564	\$3,645	\$26,985	\$22,680	\$15,920	\$11,997
GAAP Operating Margin (%)	-10%	-14%	3%	6%	-1%	-2%
Equity-based compensation expense	15%	16%	11%	11%	14%	12%
Amortization, Impairment and Write-off of intangible assets, net of taxes, and deal costs	2%	2%	7%	3%	3%	4%
Impairment cost associated with close of an office	—	—	0%	—	—	—
Retirement expenses of executives	—	—	1%	—	—	—
Total non-GAAP Operating Margin (%)	7%	4%	22%	20%	16%	14%

GAAP to Non-GAAP Reconciliations

Unaudited Reconciliation of GAAP to Non-GAAP Financial Measures						
U.S. Dollars in thousands						
	Six months ended	Year ended				
	June 30,	December 31,				
	2024	2023	2022	2021	2020	2019
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
GAAP net income (loss)	\$(5,739)	\$(18,437)	\$(13,878)	\$2,397	\$(2,379)	\$28
Equity-based compensation expense included in cost of revenues	394	826	687	513	639	630
Equity-based compensation expense included in research and development expenses	4,445	9,133	8,259	7,187	6,874	5,857
Equity-based compensation expense included in sales and marketing expenses	816	1,776	1,503	1,608	2,038	1,495
Equity-based compensation expense included in general and administrative expenses	1,816	3,795	2,888	3,291	4,085	2,736
Income tax benefit related to equity-based compensation expenses	—	—	—	(842)	(256)	(574)
Amortization, Impairment and Write-off of intangible assets, net of taxes, and costs associated with business and asset acquisition	1,088	1,582	8,163	2,740	2,746	3,203
Impairment cost associated with close of an office	—	—	318	—	—	—
Income (loss) associated with the remeasurement of marketable equity securities, net of taxes.	118	2	1,989	(1,527)	—	—
Income tax expense as a result of a write off of a deferred tax asset and withholding tax that can't be utilized	—	1,302	15,845	—	—	—
Retirement expenses of executives	—	—	1,271	—	—	—
Adjustment related to implementing of US tax reform rule 174	—	4,460	(3,484)	—	—	—
Non-GAAP net income (loss)	\$2,938	\$4,439	\$23,561	\$15,367	\$13,747	\$13,375

GAAP to Non-GAAP Reconciliations

Unaudited Reconciliation of GAAP to Non-GAAP Financial Measures						
U.S. Dollars in thousands						
	Six months ended June 30,		Year ended December 31,			
	2024 Unaudited	2023 Unaudited	2022 Unaudited	2021 Unaudited	2020 Unaudited	2019 Unaudited
GAAP weighted-average number of Common Stock used in computation of diluted net loss and earning per share (in thousands)	23,568	23,484	23,172	23,251	22,107	22,323
Weighted-average number of shares related to outstanding stock-based awards (in thousands)	1,421	1,197	839	314	979	475
Weighted-average number of Common Stock used in computation of diluted earnings per share, excluding the above (in thousands)	24,989	24,681	24,011	23,565	23,086	22,798
GAAP diluted income (loss) per share	-\$0.24	-\$0.79	-\$0.60	\$0.10	-\$0.11	\$0.00
Equity-based compensation expense, net of taxes	\$0.32	\$0.66	\$0.58	\$0.50	\$0.59	\$0.45
Amortization, Impairment and Write-off of intangible assets, net of taxes, and costs associated with business and asset acquisition	\$0.04	\$0.06	\$0.35	\$0.12	\$0.12	\$0.14
Impairment cost associated with close of an office	—	—	\$0.01	—	—	—
Income (loss) associated with the remeasurement of marketable equity securities, net of taxes.	—	—	\$0.08	-\$0.07	—	—
Income tax expense as a result of a write off of a deferred tax asset and withholding tax that can't be utilized	—	—	\$0.66	—	—	—
Retirement expenses of executives	—	—	\$0.05	—	—	—
Adjustment related to implementing of US tax reform rule 174	—	\$0.25	-\$0.15	—	—	—
Non-GAAP diluted earnings (loss) per share	\$0.12	\$0.18	\$0.98	\$0.65	\$0.60	\$0.59
Non-GAAP Net Income (loss)	\$2,938	\$4,439	\$23,561	\$15,367	\$13,747	\$13,375
Taxes on income	3,289	4,470	6,236	7,510	5,457	1,913
Financial income, net	(2,663)	(5,264)	(2,812)	(197)	(3,284)	(3,291)
Depreciation and amortization	1,444	2,771	3,050	3,147	3,233	3,104
EBITDA	\$5,008	\$6,416	\$30,035	\$25,827	\$19,153	\$15,101